Press release

2008 results

Objectives achieved

Organic growth of 7.8%
Operating margin of 10%

Paris, 18 March 2009. The global economy is in recession. This was not the case during the first half of 2008, except in the US. The economic situation deteriorated gradually, before taking a severe turn for the worse after the collapse of the banking system in the days that followed the fall of Lehman Brothers on 15 September 2008.

Only time will tell whether historians will regard this date as being the end of an era for the liberal world or the end of the liberal world as such, just as 9 November 1989 marked the end of the Soviet regime.

In today's world, all economic agents and all institutions are affected by the disruption to the financial systems and practices that had fuelled growth for the previous 20 years. The facts are clear: the 2008 crisis has been unprecedented in its scale since the modern economy took shape. It is brutal and has struck right at the heart of the system, cutting off financing. It is global. It is also citizen-oriented. It has prompted public opinion right around the world to take a fresh look at the mechanisms in place for sharing the wealth produced, which have seen some people get richer and many others fall into debt.

This said, it would be impossible to understand this crisis if we reduced it to a specific transmission mechanism from the strictly financial arena to the arena of the economy. Recent times have also brought other changes. Institutions' loss of authority, doubts about the ability of brands to command premium pricing policies, the fragmentation of media audiences and the development of digital networks enabling people to communicate between themselves around the world are phenomena that have been developing for several years and throw into question the marketing strategies of the 1980s.

Lastly, that other challenges were calling into question pre-15 September 2008 practices is also blatantly clear. Climate change –whether or not directly of man's making– is influencing how people behave to some extent now and will do so much more in the future. The spectacular rise in obesity, notably among the younger generation in the US, Europe and China…, has prompted consumers and thus food companies to change their habits to some extent now and much more so in the future. The ageing of the population is making all the existing ways of financing healthcare and pension systems look very shaky.

35 rue du Val de Marne
75628 Paris Cedex 13
France
Tel: +33 (0)1 41 98 90 00
Fax: +33 (0)1 41 98 90 50

Contact:
Laurence Stoclet, Chief Financial Officer
Email: laurence.stoclet@ipsos.com
Tel.: +33 (0)1 41 98 90 20

We have thus entered a period of tremendous change. It is obvious that Ipsos and all research industry participants are set to be major players in this transformation. Ipsos regards this as a tremendous opportunity. Our job is to provide businesses and institutions with people's perspective, to inform them about what people are doing, what they are thinking and what they intend to do. Our positioning is to be our clients' preferred partner in our areas of specialisation.

A new type of marketing thus needs to be invented. Ipsos provides its clients around the world with services based on People Insights. These services will be even more vital in the future than they are today.

Strong earnings increase

In millions of euros	**2008**	**2007**	**Growth**
Revenue	**979.3**	**927.2**	**+5.6%**
Gross profit	**602.5**	**561.5**	**+7.3%**
Gross margin	61.5%	60.6%	
Operating margin	**98.1**	**90.6**	**+8.2%**
Operating margin/revenue	10.0%	9.8%	
Operating margin/gross profit	16.3%	16.1%	
Net profit (attributable to the Group)	**51.5**	**46.5**	**+10.8%**
Adjusted net profit (attributable to the Group)	**61.0**	**56.9**	**+7.4%**

*Adjusted net profit is calculated before non-cash items linked to IFRS 2 (share-based payments), the amortisation of acquisition-related intangible assets (client relationships), deferred tax related to goodwill on which amortisation is tax-deductible in certain countries, and other non-recurring income and expenses.

Profitability. ***Gross profit***, which is calculated by deducting external direct variable costs attributable to the performance of contracts from revenue, continued to improve, moving up to 61.5% of revenue from 60.6% in the previous year. This reflects teams' ability to maintain healthy pricing levels, as well as the positive effects of the continued switchover to online research, notably in Europe, where internet-based data gathering increased by 20%.

The ***operating margin*** grew at a more rapid rate than revenue and gross profit thanks to tight control of general operating expenses. It stood at 10.0% of consolidated revenue, i.e. 20 basis points higher than in 2007.

Amortisation of acquisition-related intangible assets. A portion of the goodwill relating principally to MORI was allocated to client relationships during the 12-month period following the acquisition, and amortisation charges will be recognised in the income statement over several years, in accordance with IFRSs. This charge came to €1 million in 2008.

35 rue du Val de Marne
75628 Paris Cedex 13
France
Tel: + 33 (0)1 41 98 90 00
Fax: +33 (0)1 41 98 90 50

Contact:
Laurence Stoclet, Chief Financial Officer
Email: laurence.stoclet@ipsos.com
Tel.: +33 (0)1 41 98 90 20

Other non-recurring income and expenses. The balance of this item, which comprises unusual and specifically designated costs, was a net expense of €1.2 million compared to €2.6 million in 2007. During 2007, the main component of this item was a non-recurring charge of €1.9 million recorded in Brazil related to the finalisation of a sales tax matter.
During 2008, Ipsos posted a non-recurring gain of £1 million following the WPP group's decision not to exercise its put option on TNS' TV audience metrics assets. Conversely, various non-recurring expenses were also recognised, including €1.4 million in legal fees linked to the conclusion of a dispute between Ipsos and Arbitron.

Finance costs. Finance costs rose 8% to €12.3 million from €11.3 million in 2007 owing to the increase in average debt. Other financial income and expense reflected €1.9 million in net foreign exchange losses, an increase on the €0.4 million recorded in 2007.

Tax. The effective tax rate on the IFRS income statement was 29.5%, down from 31% in 2007, in line with the global average of statutory tax rates, which are tending to decline. As in the past, the effective tax rate included a deferred tax liability cancelling the tax saving achieved through the tax-deductibility of goodwill amortisation in certain countries, even though this deferred tax charge would fall due only if the activities concerned were sold. The tax rate actually paid by Ipsos was 24% in 2006, 18% in 2007 and 26% in 2008. It is expected to remain below 30% over the next few years.

Net profit attributable to the Group posted a significant improvement of 10.8% to €51.5 million, with adjusted net profit reaching €61.0 million. Adjusted earnings per share came to €1.90.

Dividends. To enable shareholders to share in the Group's success to an even greater extent, the Board of Directors is set to propose payment of a dividend of €0.50 per share at the Annual General Meeting, up 25% on the previous year and due to be paid out on 2 July 2009. This represents a payout of 26% of adjusted net profit and a return for shareholders in line with practice at top-performing companies.

Financial structure – ***Shareholders' equity*** stood at €450 million, while its **net debt** came to €212 million at 31 December 2008, making for a debt/equity ratio of 47%, well below the upper limit of 100% Ipsos has set itself.

Cash flow increased by 6.8% in line with the improvement in the Group's profitability, but was offset by the increase in tax expense actually paid, albeit from the unusually low level recorded in 2007.

Healthy cash generation over the 12-month period helped to finance €70 million in **selective acquisitions**, including two US companies Forward Research (marketing research) and Monroe Mendelsohn (media research), as well as Livra (online research) and Alfacom (loyalty research) in Latin America, B-Thinking in China and Strategic Puls, the leader in the Balkans.

In addition, Ipsos continued to pursue its **share buyback programme** in order to curb the dilutive impact of its bonus share allotment plans giving employees to access to the share capital. In all, 457,017 shares were purchased in the market at a cost of €8.8 million during the first quarter of 2008, before being cancelled. Accordingly, the number of shares outstanding at 31 December 2008 was 32,166,188, after deducting treasury shares.

35 rue du Val de Marne
75628 Paris Cedex 13
France
Tel: + 33 (0)1 41 98 90 00
Fax: +33 (0)1 41 98 90 50

Contact:
Laurence Stoclet, Chief Financial Officer
Email: laurence.stoclet@ipsos.com
Tel.: +33 (0)1 41 98 90 20

Cash amounted to €92 million at 31 December 2008, giving Ipsos a high level of financial flexibility, notably to pursue its policy of acquisitions (see the press release issued today on the acquisition of Punto de Vista in Chile).

Outlook

The first few months of the year have been turbulent. Numerous sectors have embarked on a strategy of major restructuring and, to an even greater extent, most businesses have had to make changes to their plans.

A number of research programmes have been pruned back, postponed or even cancelled, especially those with long-term objectives.

On the other hand, other programmes helping to guide and control operations on a day-to-day basis have been or are currently being scaled up. The return of more strategic research, or in any event research intended to draw up new action plans, will come at a later stage, probably during the second half of 2009.

In any case, decisions are being made more slowly than previously and the pricing pressures are significant. Ipsos is well-protected against these negative trends owing to:

- its global presence, which puts it in a position to compete for a growing number of global mandates, themselves the result of clients' desire to work with a limited number of suppliers capable of delivering consistent services around the world;

- the quality of the commitment and expertise of its teams, the product of its organisation into specialised business lines, and its status as an independent business controlled and run by professionals;

- its relationships with its clients, and first and foremost with the large accounts run via its various centrally defined programmes, including Global PartneRing covering 17 clients, together accounting for over 25% of the company's revenues;

- its reputation, which has grown stronger over the years and has made Ipsos a business for which many industry professionals would like to work;

- its policy of developing new products and services, which will make another key contribution to its business activities during 2009;

- the power and quality of its resources, which enable it to survey every year more than 10 million people in over 100 countries and to execute over 70,000 contracts.

For 2009, Ipsos forecasts organic growth below its historic average but nonetheless in positive territory and above the market average.

The operating margin is expected to hold up at the record level achieved in 2008 thanks to tight cost control, which will protect Ipsos' ability to develop its range of products and services and to manage its relationship with its clients.

35 rue du Val de Marne
75628 Paris Cedex 13
France
Tel: + 33 (0)1 41 98 90 00
Fax: +33 (0)1 41 98 90 50

Contact:
Laurence Stoclet, Chief Financial Officer
Email: laurence.stoclet@ipsos.com
Tel.: +33 (0)1 41 98 90 20

New companies will join Ipsos and provide it with the benefit of their specific expertise and resources. The acquisition of Punto de Vista in Chile represents the first step this year.

Looking beyond 2009, Ipsos is very confident about trends in the sector for services based on People Insights. As in the past, it possesses all the key strengths it needs to be an innovative major player drawing on firmly entrenched ethical and professional values.

Appendices:

Consolidated income statement

Consolidated balance sheet

Consolidated cash flow statements

Consolidated statement of changes in shareholders' equity

A presentation of 2008 revenues and earnings will be available on the www.ipsos.com web site on 19 March 2009.

35 rue du Val de Marne
75628 Paris Cedex 13
France
Tel: + 33 (0)1 41 98 90 00
Fax: +33 (0)1 41 98 90 50

Contact:
Laurence Stoclet, Chief Financial Officer
Email: laurence.stoclet@ipsos.com
Tel.: +33 (0)1 41 98 90 20

Consolidated income statement
For the year ended 31 December

In thousands of euros	2008	2007
Revenue	**979 293**	**927 218**
Direct costs	(376 824)	(365 696)
Gross profit	**602 469**	**561 522**
Gross profit/revenue	***61.5%***	***60.6%***
Payroll - excluding share based payments	(362 825)	(333 941)
Payroll - share based payments	(4 790)	(3 728)
general operating expenses	(136 813)	(132 224)
Other operating income and expense	5	(1 022)
Operating margin	**98 046**	**90 607**
Operating margin/revenue	***10.0%***	***9.8%***
Amortisation of additional intangibles identified on acquisitions	(975)	(770)
Other non operating income and expense	(1 155)	(2 604)
Income from associates	64	93
Operating profit	95 980	87 326
Finance costs	(12 258)	(11 344)
Other financial income and expense	(1 989)	(440)
Profit before tax	81 733	75 542
Income tax - excluding deferred tax on goodwill	(21 466)	(20 115)
Income tax - deferred tax on goodwill	(2 635)	(3 275)
Income tax	(24 101)	(23 390)
Profit before tax/income tax	*-29.5%*	*-31.0%*
Net profit	57 632	52 152
Attribuable to the Group	51 483	46 476
Attribuable to Minority interests	6 149	5 676
Earnings per share (in euros) - Basic	1.60	1.45
Earnings per share (in euros) - Diluted	1.59	1.42
Adjusted net profit	67 187	62 529
Attribuable to the Group	**61 038**	**56 853**
Attribuable to Minority interests	6 149	5 676
Adjusted earnings per share (in euros) - Basic	1.90	1.77
Adjusted earnings per share (in euros) - Diluted	1.88	1.74

35 rue du Val de Marne
75628 Paris Cedex 13
France
Tel: + 33 (0)1 41 98 90 00
Fax: +33 (0)1 41 98 90 50

Contact:
Laurence Stoclet, Chief Financial Officer
Email: laurence.stoclet@ipsos.com
Tel.: +33 (0)1 41 98 90 20

Consolidated balance sheet
For the year ended 31 December

In thousands of euros	2008	2007
ASSETS		
Goodwill	592 244	564 847
Intangible assets	33 215	28 741
Property, plant and equipment	27 813	25 289
Interests in associates	453	262
Other non-current financial assets	2 968	2 862
Deferred tax assets	9 628	8 427
Total non-current assets	**666 321**	**630 428**
Trade receivables	300 176	289 409
Current tax	9 753	4 252
Other current assets	35 326	39 156
Derivative financial instruments	920	900
Cash and cash equivalents	92 404	83 170
Total current assets	**438 579**	**416 887**
TOTAL ASSETS	**1 104 900**	**1 047 315**

In thousands of euros	2008	2007
LIABILITIES		
Share capital	8 443	8 545
Share premium	333 449	341 353
Own shares	(25 560)	(31 224)
Other reserves	144 194	108 228
Foreign currency translation reserve	(68 963)	(10 613)
Net profit	51 483	46 476
Shareholders' equity - attribuable to the Group	**443 046**	**462 765**
Minority interests	6 826	4 921
Total shareholders' equity	**449 872**	**467 686**
Long term financial debt (more than 1 year)	136 887	199 732
Retirement benefit obligations	8 269	9 308
Non-current provisions	382	426
Deferred tax liabilities	35 261	30 387
Other non-current liabilities	48 563	43 766
Total non-current liabilities	**229 362**	**283 619**
Trade payables	128 590	122 143
Long term financial debt (less than 1 year)	168 725	43 996
Current tax liabilities	7 301	9 285
Current provisions	2 037	1 858
Other current liabilities	119 013	118 728
Total current liabilities	**425 666**	**296 010**
TOTAL LIABILITIES	**1 104 900**	**1 047 315**

35 rue du Val de Marne
75628 Paris Cedex 13
France
Tel: + 33 (0)1 41 98 90 00
Fax: +33 (0)1 41 98 90 50

Contact:
Laurence Stoclet, Chief Financial Officer
Email: laurence.stoclet@ipsos.com
Tel.: +33 (0)1 41 98 90 20

Cash flow statements
For the year ended 31 December

In thousands of euros	2008	2007
OPERATING ACTIVITIES		
NET PROFIT	**57 632**	**52 152**
Adjustemnts to reconcile net profit to cash flow		
Amortisation and depreciation of fixed assets	14 429	13 216
Net profit of equity associated companies - net of dividends received	(7)	(35)
Losses/(gains) on asset disposals	104	(1 448)
Movement in provisions	1 486	(86)
Share-based payment expense	4 790	3 728
Other non cash income/(expenses)	(677)	4 562
Finance costs	12 258	11 344
Income tax expense	24 101	23 390
OPERATING CASH FLOW BEFORE WORKING CAPITAL, FINANCING AND TAX PAID	**114 117**	**106 823**
Change in working capital requirement	**(10 540)**	**(9 572)**
Interest paid	**(13 130)**	**(12 215)**
Income tax paid	**(21 249)**	**(13 530)**
CASH FLOW FROM OPERATING ACTIVITIES	**69 198**	**71 506**
INVESTMENT ACTIVITIES		
Acquisitions of property, plant, equipment and intangible assets	(19 204)	(15 900)
Proceeds from disposals of property, plant, equipment and intangible assets	147	213
Acquisition of financial assets	222	(293)
Acquisition of consolidated companies and business goodwill	(68 766)	(27 401)
CASH FLOW FROM INVESTMENT ACTIVITIES	**(87 601)**	**(43 381)**
FINANCING ACTIVITIES		
Increase/(decrease) in capital	(8 005)	2 466
Increase/(decrease) in long-term borrowings	59 351	(8 681)
Increase/(decrease) in bank overdrafts and short-term debt	(5 845)	4 244
(Purchase)/proceeds of own shares	2 927	7 348
Dividends paid to parent-company shareholders	(12 894)	(9 040)
Dividends paid to minority shareholders of consolidated companies	(2 674)	(1 644)
CASH FLOW FROM FINANCING ACTIVITIES	**32 860**	**(5 307)**
NET CASH FLOW	**14 456**	**22 818**
Impact of foreign exchange rate movements	(5 222)	(3 244)
CASH AT BEGINNING OF PERIOD	**83 170**	**63 596**
CASH AT END OF PERIOD	**92 404**	**83 170**

Consolidated statement of changes in shareholder's equity
For the year ended 31 December

In thousands of euros	Share capital	Share premiums	Own shares	Other reserves	Net profit for the period	Translation on adjustments	Shareholders' equity - attributable to the Group	Minority interests	Total shareholders' equity
January 1st, 2007	**8 504**	**338 927**	**(38 589)**	**74 519**	**38 949**	**6 927**	**429 237**	**5 165**	**434 402**
- Change in capital	41	2 426					2 467	93	**2 560**
- Consolidated net profit for the year					46 476		46 476	5 676	**52 152**
- Appropriation of prior-year earnings				38 949	(38 949)		-		**-**
- Dividends paid				(9 040)			(9 040)	(1 412)	**(10 452)**
- Change in translation adjustments						(17 540)	(17 540)	(1 041)	**(18 581)**
- Change in scope of consolidation							-	1 208	**1 208**
- Impact of share buy-out commitments							-	(4 642)	**(4 642)**
- Own shares			7 365	208			7 573		**7 573**
- Share-based payments taken directly to equity				3 728			3 728		**3 728**
- Other movements				(136)			(136)	(126)	**(262)**
December 31st, 2007	**8 545**	**341 353**	**(31 224)**	**108 228**	**46 476**	**(10 613)**	**462 765**	**4 921**	**467 686**
- Change in capital	(102)	(7 904)					(8 006)	41	**(7 965)**
- Consolidated net profit for the year					51 483		51 483	6 149	**57 632**
- Appropriation of prior-year earnings				46 476	(46 476)		-		**-**
- Dividends paid				(12 895)			(12 895)	(2 764)	**(15 659)**
- Change in translation adjustments						(58 350)	(58 350)	446	**(57 904)**
- Change in scope of consolidation							-	(302)	**(302)**
- Impact of share buy-out commitments							-	(1 852)	**(1 852)**
- Delivery of free shares related to 2006 plan			2 315	(2 315)			-		**-**
- Own shares			3 349	65			3 414		**3 414**
- Share-based payments taken directly to equity				4 790			4 790		**4 790**
- Other movements				(155)			(155)	187	**32**
December 31st, 2008	**8 443**	**333 449**	**(25 560)**	**144 194**	**51 483**	**(68 963)**	**443 046**	**6 826**	**449 872**

35 rue du Val de Marne
75628 Paris Cedex 13
France
Tel: + 33 (0)1 41 98 90 00
Fax: +33 (0)1 41 98 90 50

Contact:
Laurence Stoclet, Chief Financial Officer
Email: laurence.stoclet@ipsos.com
Tel.: +33 (0)1 41 98 90 20

Nobody's Unpredictable

'Nobody's Unpredictable' is the Ipsos signature.

Our clients' clients are increasingly demanding. They change direction, change their views and preferences often and easily. We at Ipsos anticipate and meet those changes. We help our clients to understand their clients, to bring focus and clarity to even the most difficult situations. We understand the dynamics of their markets and we deliver the insight needed to give them the leading edge.

Listed on Eurolist by NYSE - Euronext Paris,
Ipsos is part of the SBF 120 and the Mid-100 Index and is eligible to the Deffered Settlement System.

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

35 rue du Val de Marne
75628 Paris Cedex 13
France
Tel: + 33 (0)1 41 98 90 00
Fax: +33 (0)1 41 98 90 50

Contact:
Laurence Stoclet, Chief Financial Officer
Email: laurence.stoclet@ipsos.com
Tel.: +33 (0)1 41 98 90 20