



Press Release

First quarter 2009 Ipsos resilient in a declining market

Revenues: 207.3 million euros
Total growth: - 4.6%
Organic growth: - 5.1%

Paris, 13 May 2009. Ipsos first-quarter 2009 revenues came to 207.3 million euros, down 4.6% compared with the same period of 2008.

The three components of this development were:

- Negative organic growth of 5.1%.
- Negative currency effects of 2.3% as the rise in the dollar, yen and yuan against the euro did not totally offset the fall in the pound sterling (-16%) and the equivalent fall of the currencies of the major emerging markets such as Russia, Turkey, Brazil and Mexico.
- Positive consolidation effects of 2.8% due to the consolidation since 1 January 2009 of Punto de Vista, leader in customer relationship management in Chile, as well as acquisitions made during 2008.

Consolidated revenues (millions of Euros)	2009	2008	2007
1st quarter	207.3	217.3	204.7
2nd quarter	-	245.5	238.4
3rd quarter	-	234.2	221.1
4th quarter	-	282.3	263.0
Full year	-	979.3	927.2

In the first quarter of 2009, Ipsos held up well in an exceptionally difficult environment.

From November 2008 to March 2009, most companies and institutions were faced with an environment of unprecedented and unforeseen difficulty, which led to the emergence of catastrophe scenarios forecasting the bankruptcy of a number of countries and other economic agents. Oil prices briefly dipped below 40 dollars a barrel while the central banks vied to bring their key interest rates down to around zero. Forecasting centres have downgraded their estimates every month until eventually forecasting negative economic growth for 2009. This fuelled fears of another great depression with massive unemployment and widespread deflation.



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Decisive action by governments and central banks prevented these catastrophe scenarios from materialising. However, it did not wipe out all the negative repercussions and, more particularly, the rapid spread of cautious behaviour, which has led companies to cut costs, put pricing pressure on suppliers, and clamp down on spending commitments.

Consumer and customer behaviour has also changed, leading to a new form of consumerism. People are now comparing prices and questioning brand value, which allows companies to charge more for certain products and services. Social networking enables people to share their views and sometimes take concerted action, as Marks & Spencer recently found to its cost. Glitter will only sell if it's cheap – really cheap. Even the wealthy are buying fewer luxury cars!

However the need for information on citizen-consumer behaviour, needs, attitudes and opinions is greater than ever.

The survey-based research market, in which Ipsos has become a major global player, suffered a decline in the first few months of 2009 due to the speed and extent of the crisis, the immediate economic measures it triggered and the fears it raised just when world economic growth seemed set to continue for ever.

In fact, the recession has simply accelerated trends that had already been at work for several years, trends on which Ipsos has built its business plan.

Our clients' key needs are:

- Access to more systematic, more global, consistently reliable information.
- Paying for services with high use value, data and recommendations that are useful in helping them decide how best to use the considerable sums of money – more than a trillion dollars – they devote to developing and marketing their products and services.
- Working with specialists capable of mastering the most complex methods and, at the same time, communicating simply and clearly.
- Focusing on certain markets, especially in the developing countries where the growth outlook is best. Asia, driven by China, should be a good illustration of this in 2009.
- Understanding how new communications technology means reinventing marketing, which is becoming less unilateral and more interactive, and ultimately more respectful of individual needs and sensitivities.

Ipsos is well placed to succeed in this environment:

- The Group is one of the few companies in its sector capable of working worldwide.
- Its specialisation strategy, implemented over the past few years, has enabled it to develop innovative proprietary methods capable of providing the information and models essential for its clients to manage their marketing issues.
- It is very well placed in the developing countries where growth will take off the fastest and strongest.
- Its choice ten years ago of investing in specific resources for some major accounts has given Ipsos a solid customer base, especially in the consumer goods and pharmacy sectors which, although not totally immune to the current difficulties, are not very cyclical.
- Its decision to continue strengthening its resources – including human resources – gives Ipsos the ability to work effectively with its clients and seize the many new opportunities offered by a market where, more than ever before, they are seeking the best solutions and partners.

Trends in business volumes by geographic area

Trends in business volumes by geographic area reflect a slowdown worldwide, although growth remained positive in the emerging countries, which account for 25% of total Group revenues and posted average organic growth of more than 5%.

In North America, the first quarter was significantly down but business activity will improve gradually as the months go by.

Consolidated revenues by geographic area (millions of Euros)	Q1 2009	Q1 2008	% change	Organic growth
Europe	103.0	111.9	-8%	-0.5%
North America	60.8	64.9	-6%	-15.5%
Latin America	21.9	20.7	+6%	+1.5%
Asia-Pacific / Middle-East	21.6	19.8	+8.5%	-2%
Quarterly revenues	201.3	217.3	-4.6%	-5.1%

Trends in business volumes by business line

Business volumes varied significantly from one business line to another. Advertising research suffered a decline partly because fewer campaigns were tested in the first few months of 2009 and partly because of a rapid switch to online data collection systems.

Many clients have been forced to review their marketing plans, leading them to delay decisions on their research programmes.

Consolidated revenues by business line (millions of Euros)	Q1 2009	Q1 2008	% change	Organic growth
Advertising Research	44.8	48.5	-8%	-8%
Marketing Research	90.8	98.9	-8%	-8%
Media Research	18.5	16.1	+15.5%	+4%
Opinion and Social Research	31.6	34.6	-9%	+1%
Customer Relationship Management	21.6	19.2	+12.5%	-0.5%
Quarterly revenues	207.3	217.3	-4.6%	-5.1%

Overview of business conditions in first-quarter 2009

Operating margin was down on the same period of 2008, which was admittedly exceptionally high. That said, cash flow from operations was in line with the first quarter of 2008 and was more than sufficient to finance some ten million euros in acquisition investments.

The net debt to equity ratio remains stable at 47.5% at 31 March 2009 versus 47.2% at 31 December 2008.



Events after 31 March 2009

Ipsos' debt comprises mainly medium and long-term financing, including a five-year 140 million euro revolving loan taken out in 2004 and maturing in November 2009. This facility was refinanced early on 9 April 2009, for an identical amount and a term of four years and nine months. A new five-year 75 million euro loan with an amortizing basis has also been taken out specifically to finance new acquisitions.

Ipsos would like to thank its long-standing banking partners who have successfully supported it in this refinancing transaction: Banque Palatine, Barclays Bank, BNP Paribas, the Crédit Agricole group (Caisse Régionale de Crédit Agricole Mutuel et d'Île de France, Calyon and Crédit Lyonnais), CM-CIC, HSBC, Natixis and Société Générale.

2009 outlook

Full year forecasts cannot be based on first quarter performance, as has often been the case in the past.

In 2009, business should recover gradually each quarter, driven by a less unfavourable environment, further market share gains and renewed business momentum in the emerging countries and North America. The improvement will therefore be gradual but real. At end April, the order book showed 4% negative organic growth, which is less mediocre than the first quarter figures.

Ipsos has never been involved in so many or such high value RFP's as today. This signals renewed vitality in the market and new opportunities for Ipsos.

Ipsos is convinced that it can do better than the market in 2009. Its ability to generate positive organic growth over the full year depends on trends in the economy in the second half and consequently on its clients' expectations for their own business in late 2009 and 2010. Ipsos maintains its forecast of a stable operating margin in 2009 compared with 2008, thanks to a plan of prudent management of its cost structure, and in particular its payroll, which will be adjusted in line with the volume of business, country by country.

Upcoming release: 26 August 2009, first-half results

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 Differed Settlement System.

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