Press Release

2009 first half results

In an exceptional climate
Ipsos outperforms the market
and its main competitors

Revenues: 447.8 million euros
Organic growth: -4.8%
Adjusted net profit attributable to the Group: 24.5 million euros

Paris, 26 August 2009. Ipsos' revenues for the first half of 2009 came to 447.8 million euros, down 3.2% compared with the same period in 2008.

- This was subject to a negative currency effect of 0.8%.
- Changes in the scope of consolidation had a positive effect of 2.4%.
- Revenues excluding the effects of changes in the scope of consolidation and currency effects fell by 4.8%.

Ipsos sustained a fall in revenues for the first time since 1977. Despite a slight slowdown in the decline in revenues on a like-for-like basis in the second quarter to -4.6% compared with -5.1% in the first quarter, cumulative first-half revenues reflect the scale of the crisis and the resulting changes in client behaviour.

Clients have adopted major procedures to optimise the value of the services they buy. In the research market, this has resulted in:

- Consolidation of research programmes among a small number of suppliers and, if applicable, on a broad geographical basis;
- The desire to maximise use of available data, whether from survey-based research or other sources;
- The choice of recognised service providers with specific expertise in the subjects concerned;
- A focus on growth markets, in particular emerging countries for companies that are already present in these markets or which have the means to establish their presence in these markets;
- Looking for the least expensive solutions possible;
- Interest in new solutions with a high level of technological content allowing for the identification of new behaviour patterns among clients/consumers/citizens, with an increasing number benefiting from access to fixed-line or mobile digital networks;

Once again, Ipsos is in a strong position to meet these new demands, to strengthen its relationship with its clients and to be regarded by them as their preferred partner in its chosen areas of specialisation.
This is why, in a market declining by 8-10% a year - as indicated by its competitors' results - Ipsos has managed to outperform the market.

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In million euros	H1 2009	% of the revenues	H1 2008	% of the revenues	Change 2009/2008	Full-year 2008	% of the revenues
Revenue	447,8		462.8		- 3.2 %	979.3	
Gross profit	**279,7**	*62.5 %*	**285.0**	*61.6 %*	**- 1.9 %**	**602.5**	61.5%
Operating margin before non-recurring elements	**36,3**	*8.1 %*	**42.4**	*9.2 %*	**-14.6%**	**99.7**	10.2%
Non-recurring operating costs	**(7,8)**		**(0.9)**		**-**	**(1.6)**	
Operating margin after non-recurring elements	**28,4**	*6,4 %*	**41.5**	*9.0 %*	**- 31.5 %**	**98.1**	10.0%
Net profit (attributable to the Group)	**14,3**		**21.7**		**- 34.2 %**	**51.5**	
Adjusted net profit (attributable to the Group)	**24,5**		**26.8**		**- 8.6 %**	**62.2**	

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

Trends in business volumes by geographic area

Growth remained positive in emerging markets, which now account for 27% of the Group's revenues - compared with 25% in 2008 - with average organic growth of 3.5%.

In North America, significant improvement was seen in the second quarter as expected. In the second quarter alone, business volumes fell by 3.2% following a 15.5% fall in the first quarter. Meanwhile, the situation in Western Europe deteriorated in the second quarter.

Consolidated revenues by geographic area *(In million euros)*	H1 2009	H1 2008	Change 2009/2008	Organic growth
Europe	212.3	236.0	- 10.0 %	- 5%
North America	132.8	132.1	+ 0.5 %	- 9%
Latin America	50.6	49.2	+ 2.8 %	- 0.5%
Asia-Pacific/Middle East	52.1	45.5	+ 14.7 %	+ 2%
First-half revenues	**447.8**	**462.8**	**- 3.2%**	**- 4.8%**

Trends in business volumes by business line

Only the Opinion and Social Research business saw positive growth thanks to public spending holding up.

Advertising research suffered a decline in business volumes essentially because of a rapid shift towards online data collection systems.

Marketing research was negatively impacted by a number of clients having to review their marketing plans and either cut back their research programmes or delay decision-making.

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Consolidated revenues by business line (In million euros)	H1 2009	H1 2008	Change 2009/2008	Organic growth
Advertising Research	99.4	102.4	- 2,9 %	- 4%
Marketing Research	208.7	214.8	- 2,8 %	- 11%
Media Research	34.4	37.7	- 8,7 %	- 5%
Opinion & Social Research	59.8	63,3	- 5,5 %	+ 5%
Customer Relationship Management Research	45.5	44,6	+ 2,0 %	- 9%
First-half revenues	**447.8**	**462.8**	**- 3,2 %**	**- 4.8%**

Profitability. ***Gross margin,*** which is calculated by deducting external direct variable costs attributable to the performance of contracts from revenues, declined at a slower rate than revenues (down 1.9%), reaching 62.5% compared with 61.6% in the year-earlier period. This improvement in gross margin relates mainly to the continuing shift towards online research, particularly in Europe, where online data collection grew by 16% over the first half of the year, and in North America, where it grew by a further 4%.

Operating margin before non-recurring items was 8.1%, down 110 basis points compared with the first half of 2008, due to operating expenses remaining stable at 243.4 million euros (up 0.4% compared with the first half of 2008).

Other operating income and expenses came to -7.1 million euros compared with -0.4 million euros in the year-earlier period. This includes non-recurring items of 7.8 million euros (0.9 million euros in the first half of 2008), comprising staff costs relating to departures following the implementation of "Plan B". The aim of this plan is to adjust wage costs to the level of revenues on a country-by-country basis, resulting in the departure of over 400 staff across the world. Ipsos had 8,964 permanent employees at 30 June 2009 compared with 9,278 at 31 December 2008.

Operating profit after non-recurring items came to 28.4 million euros, down 31.5% compared with the first half of 2008.

Amortisation of acquisition-related intangible assets. A portion of the goodwill is being allocated to client relationships during the 12-month period following the acquisition, and amortisation charges are recognised in the income statement over several years, in accordance with IFRS. This charge came to 0.6 million euros in the first half of 2009.

Other non operating income and expenses. The balance of this item was a net expense of 0.1 million euros compared with 0.2 million euros in the first half of 2008, reflecting unusual items not relating to operations and that are designated specifically.

Finance costs. Finance costs came to 4.4 million euros, down 17.5% compared with 5.3 million euros in the first half of 2008, due to lower interest rates. Other financial income and expense reflected 0.3 million euros in net foreign exchange gains, following losses of 1.1 million euros in the first half of 2008.

Tax. The effective tax rate on the IFRS income statement was 29.7%, compared with 29.1% in the first half of 2008. As in the past, the effective tax rate included a deferred tax liability cancelling out 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.

Adjusted net profit attributable to the Group came to 24.5 million euros, down 8.6% compared with the first half of 2008, with Net profit attributable to the Group of 14.3 million euros.

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Financial structure - *Shareholders' equity* stood at 471 million euros, while ***net debt*** came to 232 million euros at 30 June 2009, giving gearing of 49%, well below the upper limit of 100% Ipsos has set itself.

Free cash flow came to 4.2 million euros, stable relative to 4.1 million euros in the first half of 2008. The reduction in gross operating cash flow was offset partly by lower financing costs and also by the 40% reduction in investment in property, plant and equipment and intangible assets to 5.5 million euros, down from 9.2 million euros in the first half of 2008.

Investment relating to the Group's acquisition policy came to 25 million euros, corresponding to payments made at the time of the acquisition of Strategic Puls (Balkans) and Punto de Vista (Chile), as well as the acquisition of minority stakes in a number of emerging markets (Hungary, Puerto Rico).

2009 outlook

It would be premature - and probably unrealistic - to hope for the second half of 2009 to be much better than the first half.

- There are differing opinions about when the crisis will come to an end and what shape it will take and how strong recovery will be. The V, U, L and W-shaped recoveries reported widely in the media are creating more uncertainty than confidence.
- During the summer, new orders to be executed by the end of the year were down slightly compared with last year.
- The process of consolidating client orders between a small number of suppliers takes time and is unlikely to result in anything significant until the start of next year.
- More and more clients around the world are opting for economically-efficient technical solutions - such as online data collection - resulting in a deflationary effect that is barely offset by the growing need for information.
- The implementation of « Plan B » will be continued in the second half and its total annual cost is estimated at 10 millions euros.

The positive effects of “Plan B”, coupled to the sustaining of activity at a level that is at least equal to that of the first six months of the year, should enable Ipsos to post for the whole of the year a stable operating margin, excluding non-recurring elements, when compared to the record level achieved in 2008.

Presentation of the first-half 2009 business report and results as well as a complete brochure covering the consolidated financial statements will be available on August 27th on the Group's website: www.ipsos.com.

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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Consolidated income statement
First half to 30 June 2009

In thousand euros	30 June 2009	30 June 2008	31 December 2008
Revenue	**447,796**	**462,819**	**979,293**
Direct costs	(168,137)	(177,856)	(376,824)
Gross profit	**279,659**	**284,963**	**602,469**
% of revenue	*62.5%*	*61.6%*	*61.5%*
Payroll (excluding share-based payments)	(176,670)	(176,855)	(362,825)
Payroll (share-based payments) *	(2,612)	(2,235)	(4,790)
General operating expenses	(64,829)	(63,935)	(136,813)
Other operating income and expenses *	(7,108)	(417)	5
Operating margin	**28,440**	**41,521**	**98,046**
% of revenue	*6.4%*	*9.0%*	*10.0%*
Amortisation of intangibles identified on acquisitions *	(619)	(415)	(975)
Other non operating income and expense *	(100)	(231)	(1,155)
Income from associates	41	32	64
Operating profit	27,762	40,907	95,980
Finance costs	(4,362)	(5,287)	(12,258)
Other financial income and expenses	304	(1,091)	(1,989)
Profit before tax	23,704	34,529	81,733
Income tax – excluding deferred tax on goodwill amortisation	(5,554)	(8,572)	(21,466)
Income tax – deferred tax on goodwill amortisation *	(1,489)	(1,479)	(2,635)
Income tax	(7,043)	(10,051)	(24,101)
Profit before tax/income tax	*29.7%*	*29.1%*	*29.5%*
Net profit	16,661	24,478	57,632
Attributable to the Group	14,297	21,741	51,483
Attributable to Minority interests	2,364	2,737	6,149
Earnings per share (in euros) – Basic	0.44	0.68	1.60
Earnings per share (in euros) – Diluted	0.44	0.67	1.59

Adjusted net profit*	26,998	29,526	68,326
Attributable to the Group	**24,497**	**26,803**	**62,174**
Attributable to Minority interests	2,501	2,723	6,152
Adjusted earnings per share (in euros) – Basic	0.76	0.84	1.93
Adjusted earnings per share (in euros) – Diluted	0.75	0.83	1.92

Consolidated balance sheet
As at 30 June 2009

In thousand euros	30 June 2009	30 June 2008	31 December 2008
ASSETS			
Goodwill	619,412	567,725	592,244
Other intangible assets	34,949	30,267	33,215
Property, plant and equipment	26,621	25,611	27,813
Investments in associates	439	243	453
Other non-current financial assets	3,468	9,183	2,968
Deferred tax assets	9,612	8,068	9,628
Total non-current assets	**694,500**	**641,097**	**666,321**
Trade receivables	291,876	294,405	300,176
Current income tax assets	7,473	3,294	9,753
Other current assets	44,939	45,975	35,326
Derivatives financial assets	441	1,453	920
Cash and cash equivalents	52,896	83,704	92,404
Total current assets	**397,625**	**428,831**	**438,579**
TOTAL ASSETS	**1,092,125**	**1,069,928**	**1,104,900**

In thousand euros	30 June 2009	30 June 2008	31 December 2008
LIABILITIES			
Share capital	8,446	8,440	8,443
Share premium	333,577	333,271	333,449
Own shares	(22,665)	(26,471)	(25,560)
Other reserves	178,441	140,872	144,194
Currency translation differences	(49,340)	(35,623)	(68,963)
Net profit attributable to the Group	14,297	21,741	51,483
Total parent shareholders' equity	**462,756**	**442,230**	**443,046**
Minority interests	7,755	5,370	6,826
Total equity	**470,511**	**447,600**	**449,872**
Borrowings and other long-term financial liabilities	250,307	240,068	136,887
Non-current provisions	8,688	7,890	8,651
Deferred tax liabilities	36,718	29,207	35,261
Other non-current liabilities	39,010	32,935	48,563
Total non-current liabilities	**334,723**	**310,100**	**229,362**
Trade payables	133,651	128,097	128,590
Short-term portion of borrowings and other financial liabilities	35,005	38,405	168,725
Current income tax liabilities	2,874	6,818	7,301
Current provisions	1,796	2,025	2,037
Other current liabilities	113,565	136,883	119,013
Total current liabilities	**286,891**	**312,228**	**425,666**
TOTAL EQUITY AND LIABILITIES	**1,092,125**	**1,069,928**	**1,104,900**

Consolidated cash flow statement
First half to 30 June 2009

In thousand euros	30 June 2009	30 June 2008	31 December 2008
OPERATING ACTIVITIES			
Net profit	**16,661**	**24,478**	**57,632**
Adjustments to reconcile net profit to cash flow			
Depreciation of property, plant and equipment and amortisation of intangible assets	7,547	6,482	14,429
Income from associates, net of dividends received	16	(32)	(7)
Losses/(gains) on asset disposals	26	74	104
Net change in provisions	204	552	1 486
Share-based payments	2,612	2,235	4,790
Other non-cash income and expenses	178	125	(677)
Finance costs	4,362	5,287	12,258
Income tax expense	7,043	10,050	24,101
OPERATING CASH FLOW BEFORE WORKING CAPITAL, FINANCING EXPENSES AND TAX PAID	**38,649**	**49,252**	**114,117**
Change in working capital requirement	(16,672)	(21,933)	(10,540)
Interest paid	(2,884)	(5,819)	(13,130)
Income tax paid	(9,402)	(8,249)	(21,249)
CASH FLOW PROVIDED BY OPERATING ACTIVITIES	**9,691**	**13,251**	**69,198**
INVESTMENT ACTIVITIES			
Acquisitions of property, plant and equipment and intangible assets	(5,530)	(9,203)	(19,204)
Proceeds from disposals of property, plant and equipment and intangible assets	82	2	147
Acquisitions of financial assets	(98)	54	222
Acquisitions of consolidated companies and businesses	(25,154)	(34,932)	(68,766)
CASH FLOW USED IN INVESTING ACTIVITIES	**(30,700)**	**(44,079)**	**(87,601)**
FINANCING ACTIVITIES			
Capital increase / (decrease)	131	(8 186)	(8,005)
Increase / (decrease) in long-term borrowings	(22,068)	46,992	59,351
Increase/(decrease) in bank overdrafts	1,273	(5,020)	(5,845)
Net (acquisitions) / disposals of own shares	-	2,198	2,927
Dividends paid to parent-company shareholders	-	-	(12,894)
Dividends paid to minority interests	(273)	(841)	(2,674)
CASH PROVIDED BY FINANCING ACTIVITIES	**(20,937)**	**35,143**	**32,860**
NET CHANGE IN CASH POSITION	**(41,946)**	**4,315**	**14,456**
Impact of foreign exchange rate movements	2,438	(3,781)	(5,222)
CASH AT THE BEGINNING OF THE PERIOD	**92,404**	**83,170**	**83,170**
CASH AT THE END OF THE PERIOD	**52,896**	**83,704**	**92,404**

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Statement of changes in consolidated shareholder's equity
First half to 30 June 2009

In thousand euros	Share capital	Share premiums	Own shares	Other reserves	Net profit for the period	Currency translation differences	Shareholders' equity – attributable to the Group	Minority interests	Total share-holders' equity
At 1 January 2008	**8,545**	**341,353**	**(31,224)**	**108,228**	**46,476**	**(10,613)**	**462,765**	**4,921**	**467,686**
- Change in capital	(105)	(8,082)					**(8,187)**		**(8,187)**
- Total income					21,741	(25,010)	**(3,269)**	2,009	**(1,260)**
- Appropriation of prior-year result				46,476	(46,476)		-		-
- Dividends paid				(13,670)			**(13,670)**	(1,177)	**(14,847)**
- Change in scope of consolidation							-	(416)	**(416)**
- Impact of share buy-out commitments							-	60	**60**
- free shares given to employees according to the 2006 free share plan			2,324	(2,324)			-		-
- Own shares			2,429	40			**2,469**		**2,469**
- Share-based payments recognised directly in equity				2,235			**2,235**		**2,235**
- Other movements				(113)			**(113)**	(27)	**(140)**
At 30 June 2008	**8,440**	**333,271**	**(26,471)**	**140,872**	**21,741**	**(35,623)**	**442,230**	**5,370**	**447,600**
At 1 January 2009	**8,443**	**333,449**	**(25,560)**	**144,194**	**51,483**	**(68,963)**	**443,046**	**6,826**	**449,872**
- Change in capital	3	128					**131**		**131**
- Total income					14,297	19,623	**33,920**	2,112	**36,032**
- Appropriation of prior-year result				51,483	(51,483)		-		-
- Dividends paid				(16,886)			**(16,886)**	(452)	**(17,338)**
- Change in scope of consolidation							-	(2,591)	**(2,591)**
- Impact of share buy-out commitments							-	1,883	**1,883**
- free shares given to employees according to the 2007 free share plan			2,931	(2,931)			-		-
- Own shares			(36)	17			**(19)**		**(19)**
- Share-based payments recognised directly in equity				2,612			**2,612**		**2,612**
- Other movements				(48)			**(48)**	(23)	**(71)**
At 30 June 2009	**8,446**	**333,577**	**(22,665)**	**178,441**	**14,297**	**(49,340)**	**462,756**	**7,755**	**470,511**

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