



Press Release

Outperforming the market in the third quarter of 2009

Nine-month revenues: €669.6 million
Organic growth: -5.0%

Paris, 10 November 2009. Ipsos' revenues for the first three quarters of the year totalled €669.6 million, down 3.9% compared with the same period in 2008.

- Revenues fell by 5.0% like-for-like and at constant exchange rates;
- Changes in the scope of consolidation had a positive impact of 2.3%;
- Currency effects had a negative impact of 1.2%.

Ipsos generated revenues of €221.8 million in the third quarter of 2009, down 5.3% compared with the year-earlier period. Like-for-like and at constant exchange rates, revenues fell by 5.2%, with the negative currency effects cancelling out nearly all the positive effects of changes in the scope of consolidation.

Consolidated revenues (millions of euros)	2009	2008	2007
1 st quarter	207.3	217.3	204.7
2 nd quarter	240.5	245.5	238.4
3 rd quarter	221.8	234.2	221.1
9-month total (at 30 September)	669.6	697.0	664.2
4 th quarter		282.3	263.0
Full-year total		979.3	927.2

In a market that declined by around 10%, Ipsos again outperformed. Its third quarter performance does not present anything new. Commercial activity remained very robust but has not yet resulted in an upturn in client spending. Clients are still concerned about controlling their operating expenses, even if this means sacrificing growth opportunities for margins and cash generation. In many markets, price cuts appear to be a winning strategy. The main emphasis is still on very short-term targets, as demonstrated by analysis of a number of advertising and promotional campaigns focusing on the price component.



By region, emerging markets delivered further positive growth with organic growth of 2% over the first nine months of the year.

Consolidated revenues by geographic area (millions of euros)	2009 (9 months)	2008 (9 months)	Change 2009/2008	Organic growth
Europe	311.4	344.6	- 9.5%	- 5%
North America	196.6	199.9	- 2%	- 9%
Latin America	80.7	81.1	- 0.5%	- 2%
Asia-Pacific / Middle East	80.9	71.4	13%	2.5%
9-month total (at 30 September)	669.6	697.0	- 3.9%	- 5.0%

By business line, Opinion & Social Research studies, largely financed by public institutions, and studies relating to the effects of advertising – due to the importance attached to sound management of the money spent by companies – outperformed Ipsos' other specialisations.

Consolidated revenues by business line (millions of euros)	2009 (9 months)	2008 (9 months)	Change 2009/2008	Organic growth
Advertising Research	144.9	150.7	- 4%	- 4%
Marketing Research	315.5	327.9	- 4%	- 6%
Media Research	52.0	56.8	- 8.5%	- 5%
Opinion & Social Research	87.6	92.4	- 5%	2%
Customer Relationship Management Research	69.6	69.1	1%	- 9.5%
9-month total (at 30 September)	669.6	697.0	- 3.9%	- 5.0%

Other information about business activity over the first nine months of the year

Operating margin before non-recurring items relating to the implementation of plan B was similar to that achieved over the first nine months of 2008. After non-recurring items, operating margin was 150 basis points lower than last year. Nevertheless, cash flow from operations was slightly higher than during the same period last year. The net debt ratio therefore improved to 45% at 30 September 2009 compared with 47% at 30 June 2009.

On 29 July, Ipsos announced the signature of an agreement to acquire Market Research Bureau of Ireland Limited (MRBI), Ireland's leading research and polling company. The acquisition was subject to the approval of the European Commission's Directorate General for Competition, which gave the go-ahead on 21 September. The company will be integrated as of 1 October 2009. Remember that MRBI was part of the TNS group and the European Commission required WPP to put it up for sale for competition reasons.



Outlook for 2009 and 2010

2009 will end as it began. There is nothing to suggest that the market will make a significant recovery. In addition there is nothing to call into question Ipsos' ability to outperform its market and its main international competitors.

The main factors behind Ipsos' outperformance are still its strong presence in emerging markets, its areas of specialisation, its client base and the quality and motivation of its staff.

Thanks to improvement in gross margin and the effects of the plan to adjust the headcount to the level of business activity, Ipsos' 2009 operating margin before non-recurring items will remain in line with the record level achieved in 2008.

The main challenge at present is to prepare well for 2010. Economic conditions are likely to be more favourable than this year, even though the risks of deflation and upheaval in the forex markets should not be ruled out.

On the basis of current economic scenarios made public by international institutions, the research market could stabilise at the level seen in 2009. Everything will depend on companies' behaviour and their marketing choices. Either they will continue to adjust their prices - in which case the research market could decline further, albeit at a less abrupt rate than in 2009. Or they will look for growth drivers by means of greater and more numerous innovations, and via more active brand management, which will lead to a market upturn over time.

Whatever the scenario, Ipsos is well prepared for 2010. Its cost base has been adjusted to the current level of business activity. A number of services have been developed and new clients have assigned international research projects to Ipsos. New companies have been and will be integrated, thereby strengthening the network, mainly in emerging markets, and/or providing new areas of expertise, particularly in growth sectors such as digital marketing.

2010 is likely to be a year of revenue growth, with recurring operating margin maintained at around 10%. It is also likely to be a year when Ipsos will again outperform its market. These estimates will be validated and clarified in February 2010 at the time of the 2009 results release.

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.

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