Press Release

First half 2010

Ipsos regains its crescendo

Revenues: 528.8 million euros
Total growth: 18.1%
Organic growth: 7.7%

Paris, 28 July 2010. The figures speak for themselves. Ipsos achieved growth of 14.3% in the first quarter of 2010, and 21.4% in the second, making 18.1% for the first half as a whole.

Performance was good between January and March, and excellent between April and June.

- Organic growth was 6% in the first quarter. It accelerated to 9.1% in the second, giving growth of 7.7% for the first half.
- Exchange-rate effects had a positive 1.9% impact in the first quarter, and this increased to 4.7% over the first half as a whole.
- Companies acquired since July 2009 – including OTX, which became part of Ipsos' scope of consolidation on 1 January 2010 – contributed 5.7% to Ipsos' first-half revenues.

In million euros	**H1 2010**	**H1 2009**	**Change**	**Full-year 2009**
Revenue	**528.8**	447.8	18.1%	943.7
Gross profit	**333.0**	279.7	+19.1%	589.4
Gross margin	*63.0%*	*62.5 %*		*62.5 %*
Operating margin	**43.0**	28.4	+51.3%	88.7
Operating margin / revenue	*8.2%*	*6.3 %*		*9.4 %*
Operating profit / gross profit	*12.9%*	*10.1%*		*15.0%*
Net profit (attributable to the Group)	23.4	14.3	+63.7%	52.7
Adjusted net profit* (attributable to the Group)	**32.0**	23.9	+33.7%	72.5

*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 operating income and expenses and other non-operating income and expenses.

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Ipsos is obviously pleased with these results, which compensate for the dip seen in 2009. Even by comparison with the first half of 2008, business levels were 13% higher at current scope and exchange rates. This is the same increase as that seen between 2006 and 2008.

Ipsos' growth is being driven by strong market conditions, but also by specific factors that once again are enabling the company to outperform the market and its main rivals.

There was an excellent performance in emerging markets, where Ipsos generates 29% of its revenues, with organic growth of 16%. The Global PartneRing programme for major clients also accounted for 28% of revenues, and achieved organic growth of 14%.

All regions and business lines contributed to Ipsos' success in the first half. The Opinion & Social Research business saw the weakest growth, due to the slowdown in the UK, which started before the general election. In North America, organic growth slowed to 5% in the second quarter from 8% in the first. This was the result of a higher base for comparison, since the business performed very poorly in the first quarter of 2009 (-15%), after which it recovered in the second quarter of 2009 (-3% in organic terms).

Trends in business volumes by geographic area and business line

Consolidated revenues by geographic area *(In million euros)*	**H1 2010**	**H1 2009**	**Change 2010/2009**	**Organic growth**
Europe	229.2	212.3	7.9%	3.5%
North America	167.9	132.8	26.5%	6.5%
Latin America	64.2	50.6	26.9%	16%
Asia-Pacific/Middle East	67.5	52.1	29.5%	21%
First-half revenues	**528.8**	**447.8**	**18.1%**	**7.7%**

Consolidated revenues by business line *(In million euros)*	**H1 2010**	**H1 2009**	**Change 2010/2009**	**Organic growth**
Advertising Research	118.1	99.4	18.8%	9%
Marketing Research	242.2	208.7	16.1%	10%
Media Research	50.6	34.4	47.2%	4.5%
Opinion & Social Research	66.5	59.8	11.2%	0%
Customer Relationship Management Research	51.4	45.5	13.1%	7%
First-half revenues	**528.8**	**447.8**	**18.1%**	**7.7%**

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Ipsos has regained its momentum without sacrificing margins

Ipsos is committed to maintaining profitable growth. Gross margin, operating profit and net profit all increased substantially in the first half. This excellent performance shows the strength of Ipsos' development strategy, which is based on increasing strength in its specialist areas and on its ability to win and fulfil larger, longer contracts covering wider geographical areas.

The combination of a distinctive offering and resources that enable it to manage complex programmes, means that Ipsos can maintain prices compatible both with its short-term financial targets and with its long-term plans.

The recent creation of *Ipsos Open Thinking Exchange* is the result of Ipsos' desire to make its offering more distinctive, particularly in areas that have been opened up by the rapid adoption of digital technologies around the world. Starting soon, Ipsos will be able to implement new protocols that will give clients better understanding and knowledge of today's hyper-connected consumers, who are more mobile and more numerous (which is a good thing) and more exposed to messages and to the media, but who are also more critical. This creates new challenges for institutions, brands and ideas.

Profitability. ***Gross profit*** is calculated by deducting external direct variable costs attributable to the performance of contracts from revenues. It grew more quickly than revenues (+19.1%), giving gross margin of 63.0% versus 62.5% in the previous six-month period. The rise in gross margin was driven by the ongoing shift to online surveys and the integration of OTX.

Other operating income and expenses totalled -3.9 million euros, versus -7.1 million in the 2009 six-month period. This figure mainly consists of non-recurrent items related to staff departures as part of "Plan B", which was implemented in 2009 and early 2010.

Operating profit came in at 43.0 million euros (8.2% of revenues), an increase of 51.3% relative to the first half of 2009.

Amortisation of acquisition-related intangible assets. A portion of goodwill is allocated to client relationships during the 12-month period following an acquisition, and amortisation charges are recognised in the income statement over several years, in accordance with IFRS. This charge came to 0.9 million euros in the first half of 2010.

Other non-operating income and expenses. The balance of this item was a net expense of 0.7 million euros compared with 0.1 million euros in the first half of 2009. It includes unusual items not relating to operations and acquisition costs since the change in IFRSs applicable from 1 January 2010 (Revised IFRS3).

Finance costs. Finance costs came to 5.8 million euros, up 33.2% relative to the year-earlier period, because of the increase in net debt arising from the OTX acquisition. Other financial income and expenses included exchange-rate gains totalling 0.1 million euros as opposed to 0.3 million in the first half of 2009.

Tax. The effective tax rate on the IFRS income statement was 27.5%, compared with 29.7% in the first half of 2009. As in the past, the effective tax rate included a deferred tax liability (1.6 million euros), 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.

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Adjusted net profit attributable to the Group came to 32.0 million euros, up 33.7% compared with the first half of 2009. Net profit attributable to the Group came in up 63.7% at 23.4 million euros.

Financial structure - *Shareholders' equity* stood at 609 million euros, while ***net debt*** came to 238 million euros at 30 June 2010. This resulted in gearing of 39%, lower than the 30 June 2009 figure of 49% but slightly higher than the level seen on 31 December 2009 (36%), due to the OTX acquisition. The total price paid for this acquisition was 71 million dollars, of which 60 million was paid in the first half of 2010, with 11 million due in the first half of 2012.

Cash flow amounted to 10.8 million euros, up 11.5% relative to the first half of 2009. The 38.2% increase in gross operating cash flow was partly offset by an increase in the working capital requirement, which is traditionally higher at the end of the first half because a large number of surveys are underway at that time of year. The volume of surveys increased sharply because of the upturn in business levels since the start of the year.

Outlook 2010-2011

Ipsos' market is busier than it was this time last year. However, caution is still required. The global economy is unlikely to see a return to pre-2008 growth rates for some time to come. The debt-reduction process under way throughout the developed world, including Japan, is necessary and will take time. These are the facts, and it does not take an official oracle to work out that demand for companies will grow more slowly than it did between 2002 and 2007, especially if the public sector can no longer act as a substitute for consumers and companies.

We remain positive however. Growth is weak, but genuine in developed countries. Emerging markets are also seeing real growth in activity, and this should remain the case. New technologies are supporting, and will continue to support, major productivity gains, and will result in new offerings that are likely to appeal to consumers. Countries have not turned protectionist, companies have remained active, and people of all income levels are still working, hoping and consuming. Confidence remains uneven because the gap between the political, economic and moral elites on the one hand and citizens on the other has increased, or is perceived as increasing. This gap needs to be closed, and it remains to be seen what type of social organisation will emerge to close it.

In the meantime, the role played by research companies is becoming increasingly valuable. At a time when institutions and companies resemble people driving down icy roads in a hurry, Ipsos and its peers are well positioned. They are helping to recognise the trends that will define tomorrow's markets, to measure and analyse what people are doing and thinking, to develop new approaches that make customers more involved in defining products and services, to develop tools to control communication efforts, to find ways of enabling citizens, customers and consumers to express themselves in a creative and honest way, and to understand what products and services to sell, to whom and in what ways.

Ipsos is confident about the short-term outlook and is working hard to be one of the leading players in its market.

In 2010, Ipsos' organic growth will be much higher than initially forecast, and should be between 6 and 8%. This will result in business volumes, at constant scope and exchange rates that exceed 2008 levels.

Operating margin after non-recurrent items will be over 10% as previously predicted, as opposed to 9.4% in 2009.

The outlook for 2011 remains unchanged for the moment. Organic growth is likely to be over 5%, and operating margin should rise above 11% for the first time.

A presentation on Ipsos' activities and results for the first half of 2010 and a complete set of consolidated financial statements will be available on the www.ipsos.com website on 29 July.

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,
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Consolidated income statement
First half to 30 June 2010

In thousands euros	30 June 2010	30 June 2009	31 December 2009
Revenue	**528 849**	**447 796**	**943 679**
Direct costs	(195 818)	(168 137)	(354 302)
Gross profit	**333 031**	**279 659**	**589 377**
Payroll - excluding share based payments	(209 998)	(176 670)	(357 131)
Payroll - share based payments *	(2 858)	(2 612)	(5 051)
General operating expenses	(73 291)	(64 829)	(125 626)
Other operating income and expenses *	(3 866)	(7 108)	(12 861)
Operating margin	**43 017**	**28 440**	**88 708**
Amortisation of additional intangibles identified on acquisitions *	(853)	(619)	(1 243)
Other non operating income and expenses *	(744)	(100)	(719)
Income from associates	53	41	59
Operating profit	**41 472**	**27 762**	**86 805**
Finance costs	(5 811)	(4 362)	(9 669)
Other financial income and expenses	96	304	(308)
Profit before tax	**35 757**	**23 704**	**76 829**
Income tax - excluding deferred tax on goodwill amortisation	(8 205)	(5 554)	(15 082)
Income tax - deferred tax on goodwill amortisation*	(1 628)	(1 489)	(3 316)
Income tax	(9 833)	(7 043)	(18 398)
Net profit	**25 925**	**16 661**	**58 431**
Attributable to the Group	23 412	14 297	52 712
Attributable to Minority interests	2 513	2 364	5 719
Earnings per share (in euros) - Basic	0.70	0.44	1.62
Earnings per share (in euros) - Diluted	0.69	0.44	1.60

Adjusted net profit *	**34 607**	**26 449**	**78 376**
Attributable to the Group	**32 009**	**23 948**	**72 522**
Attributable to Minority interests	**2 598**	**2 501**	**5 854**
Adjusted earnings per share (in euros) - Basic	0.96	0.74	2.23
Adjusted earnings per share (in euros) - Diluted	0.95	0.73	2.20

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Consolidated balance sheet
First half to 30 June 2010

In thousands euros	30 June 2010	31 December 2009
ASSETS		
Goodwill	749 579	623 712
Other Intangible assets	43 199	33 450
Property, plant and equipment	27 449	24 381
Interests in associates	903	456
Other non-current financial assets	5 503	4 597
Deferred tax assets	17 696	13 256
Total non-current assets	**844 328**	**699 852**
Trade receivables	378 134	315 707
Current income tax	2 449	3 320
Other current assets	73 190	44 519
Derivative financial assets	1 018	1 129
Cash and cash equivalents	47 769	68 157
Total current assets	**502 561**	**432 832**
TOTAL ASSETS	**1 346 889**	**1 132 684**

In thousands euros	30 June 2010	31 December 2009
LIABILITIES		
Share capital	8 497	8 466
Share premium	337 111	334 896
Own shares	(1 090)	(20 421)
Other reserves	204 753	179 517
Currency translation differences	26 098	(40 853)
Net profit Attributable to the Group	23 412	52 712
Shareholders' equity - Attributable to the Group	**598 780**	**514 317**
Minority interests	10 581	8 733
Total shareholders' equity	**609 361**	**523 050**
Borrowings and other long-term financial liabilities	256 877	221 671
Non-current provisions and retirement benefit obligations	9 847	8 818
Deferred tax liabilities	50 985	40 331
Other non-current liabilities	41 822	45 186
Total non-current liabilities	**359 531**	**316 006**
Trade payables	177 487	124 975
Short-term portion of borrowings and other financial liabilities	29 879	37 826
Current income tax liabilities	5 298	9 283
Current provisions	1 778	2 033
Other current liabilities	163 553	119 511
Total current liabilities	**377 996**	**293 628**
TOTAL LIABILITIES	**1 346 889**	**1 132 684**

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Consolidated cash flow statement
First half to 30 June 2010

In thousands euros	30 June 2010	30 June 2009	31 December 2009
OPERATING ACTIVITIES			
NET PROFIT	**25 925**	**16 661**	**58 431**
Adjustments to reconcile net profit to cash flow			
Amortisation and depreciation of fixed assets	9 045	7 547	15 349
Net profit of equity associated companies - net of dividends received	(53)	16	(2)
Losses/(gains) on asset disposals	(282)	26	66
Movement in provisions	34	204	116
Share-based payment expense	2 858	2 612	5 051
Other non cash income/(expenses)	(411)	178	211
Acquisition-related costs	644	-	-
Finance costs	5 811	4 362	9 669
Income tax expense	9 833	7 043	18 398
OPERATING CASH FLOW BEFORE WORKING CAPITAL, FINANCING AND TAX PAID	**53 403**	**38 649**	**107 290**
Change in working capital requirement	**(27 192)**	**(16 672)**	**(17 294)**
Interest paid	**(3 974)**	**(2 884)**	**(7 586)**
Income tax paid	**(11 428)**	**(9 402)**	**(10 143)**
CASH FLOW FROM OPERATING ACTIVITIES	**10 810**	**9 691**	**72 265**
INVESTMENT ACTIVITIES			
Acquisitions of property, plant, equipment and intangible assets	(6 055)	(5 530)	(9 202)
Proceeds from disposals of property, plant, equipment and intangible assets	9	82	5
Acquisition of financial assets	(335)	(98)	(658)
Acquisition of consolidated companies and business goodwill	(48 332)	(25 154)	(29 087)
CASH FLOW FROM INVESTMENT ACTIVITIES	**(54 713)**	**(30 700)**	**(38 942)**
FINANCING ACTIVITIES			
Increase/(decrease) in capital	2 246	131	1 469
Increase/(decrease) in long-term borrowings	1 625	(22 068)	(46 790)
Increase/(decrease) in bank overdrafts	(1 352)	1 273	1 783
(Purchase)/proceeds of own shares	15 010	-	1 580
Dividends paid to parent-company shareholders	-	-	(16 234)
Dividends paid to minority shareholders of consolidated companies	(566)	(273)	(1 038)
CASH FLOW FROM FINANCING ACTIVITIES	**16 962**	**(20 937)**	**(59 230)**
NET CHANGE IN CASH POSITION	**(26 941)**	**(41 946)**	**(25 906)**
Impact of foreign exchange rate fluctuations	6 553	2 438	2 059
CASH AT BEGINNING OF PERIOD	**68 157**	**92 404**	**92 005**
CASH AT END OF PERIOD	**47 769**	**52 896**	**68 157**

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Consolidated statement of changes in shareholder's equity
First half to 30 June 2010

In thousand euros	Share Capital	Share premium	Own shares	Other reserves	Net Profit for the period	Currency Translation differences	Shareholders' equity - Attributable to the Group	Minority interests	Total shareholder's equity
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**
- Comprehensive 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 buyout commitments							-	1 883	**1 883**
- Delivery of free shares related to 2007 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)**
30 June 2009	**8 446**	**333 577**	**(22 665)**	**178 441**	**14 297**	**(49 340)**	**462 756**	**7 755**	**470 511**
1 January 2010	**8 466**	**334 896**	**(20 421)**	**179 517**	**52 712**	**(40 853)**	**514 317**	**8 733**	**523 050**
- Change in capital	31	2 215	-	-	-		**2 246**		**2 246**
- Comprehensive income	-	-	-	-	23 412	66 951	**90 362**	5 301	**95 664**
- Appropriation of prior-year result	-	-	-	52 712	(52 712)	-	-	-	-
- Dividends paid	-	-	-	(17 270)	-	-	**(17 270)**	(1 526)	**(18 796)**
- Change in scope of consolidation	-	-	-	-	-	-	-	(487)	**(487)**
- Impact of share buyout commitments	-	-	-	-	-	-	-	(1 388)	**(1 388)**
- Delivery of free shares related to 2008 plan	-	-	4 755	(4 755)	-	-	-	-	-
- Own shares	-	-	14 576	296	-	-	**14 872**	-	**14 872**
- Share-based payments recognised directly in equity	-	-	-	2 858	-	-	**2 858**	-	**2 858**
- Other movements	-	-	-	(8 605)	-	-	**(8 605)**	(53)	**(8 659)**
30 June 2010	**8 497**	**337 111**	**(1 090)**	**204 753**	**23 412**	**26 098**	**598 780**	**10 581**	**609 361**

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