



Press Release

Third quarter of 2014 Slight improvement

Revenue:
1,168.7 million euros over the last nine months
412.7 million euros from July to September

Positive business evolution
Negative currency effects eased

Paris, 22 October 2014 – During the third quarter of 2014, Ipsos recorded 412.7 million euros in revenue, down 1.4% compared with the same period last year. Currency effects were (only) negative by 1%, much less than during the first half of the year at 5.1%. Changes in the scope of consolidation amounted to -0.8%. Ipsos recorded a resumption of slight organic growth during the third quarter of 0.2%, as opposed to the 1.1% contraction published for the second quarter of 2014.

In the third quarter, business moved in the same direction as over the first nine months of the year, but to different extents. Revenue for Ipsos fell 4.4% to 1,168.7 million euros, under the effects of unfavourable currency movements, which negatively impacted revenue by 3.6%, and changes in the scope of consolidation by 0.9%. Over this same period, growth at constant scope and exchange rates was 0.1%.

All of these factors confirm the information communicated in July. In 2014, Ipsos will record stable or slightly increased performance at constant scope and exchange rates, and its operating margin will be equivalent to that of 2013.

Consolidated revenues (in millions of euros)	2014	2013	2012	Total growth for the period 2014/2013	Organic growth for the period 2014/2013
First quarter	343.3	359.6	379.9	-4.5%	1.5%
Second quarter	412.7	444.1	457.1	-7.1%	-1.1%
Third quarter	412.7	418.6	440.5	-1.4%	0.2%
Total for the period from 1 January to 30 September	1,168.7	1,222.3	1,277.5	-4.4%	0.1%
Fourth quarter	-	490.1	512.0	-	-
Full year	-	1,712.4	1,789.5	-	-

Consolidated revenues by geographical area

Regional changes in business activities were more consistent than at the beginning of the year, thanks to the onset of recovery in the "Americas" region, virtually stable over the last quarter, while they fell 2.5% (organically) over the first six months of the year. North America contributed to this improvement.

In Asia, China continued to improve, while developed countries in the region (Japan/South Korea/Australia) were less robust, due in particular to an unfavourable macroeconomic environment.

In Europe, the North - including the United Kingdom - held up better than the South, and the East declined slightly due, once again, to a gloomy economic environment.

The Middle East - despite war! - and Africa - despite Ebola! - have continued to move in a positive direction.

In total, Ipsos carried out 35% of its business in emerging countries, where it saw its business increase by 5.2%, almost exactly offsetting the 2.6% decline in business seen in developed countries at constant scope and exchange rates.

Quarter-on-quarter changes by business line were not material. It is likely that their performances will move closer by the end of the year, and that, in particular, the business lines which remained in negative territory after nine months, notably MediaCT, the "practice" dedicated to measuring and analysing media behaviour, will make up at least some ground.

<i>In millions of euros</i>	2014 (9 months)	2013 (9 months)	2012 (9 months)	Change 2014/2013	Organic growth (9 months)
EMEA	539.1	541.1	554.0	-0.4%	1%
Americas	438.3	482.8	507.3	-9.2%	-1.5%
Asia-Pacific	191.3	198.4	216.2	-3.6%	2%
Total for the period from 1 January to 30 September	1,168.7	1,222.3	1,277.5	-4.4%	0.1%

Consolidated revenues by business line

<i>In millions of euros</i>	2014 (9 months)	2013 (9 months)	2012 (9 months)	Change 2014/2013	Organic growth (9 months)
Advertising Research	183.5	199.0	210.1	-7.8%	0
Marketing Research	601.8	628.7	640.7	-4.3%	-0.5%
Media, Content & Technology Research	110.6	121.2	137.1	-8.8%	-4.5%
Opinion & Social Research	114.1	112.2	121.3	1.6%	4%
Customer & Employee Relationship Management Research	158.8	161.2	168.3	-1.5%	3.5%
Total for the period from 1 January to 30 September	1,168.7	1,222.3	1,277.5	-4.4%	0.1%

Other information about operating conditions in the first nine months

Gross profit and operating margin are in line with the objectives announced in late July for the full year 2014. Gearing was 69%, which is less than that at 30 September 2013 (75%).



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2014 Outlook

The world is experiencing a turbulent, and in certain aspects dramatic period that is stressful. News is disseminated by 24/7 news stations and social networks. The least we can say is that the immediacy (of stories), the repetition (of conflicts) and the spotlight put on catastrophes are clearly not helping growth recover smoothly.

The economic and societal environment is generating a volatility that puts pressure on business plans. Many Ipsos clients want to grow their business in Africa, but how do you do that with civil wars wreaking havoc in the North and East of the continent and a pandemic ravaging the West? These same clients are considering Russia as a key market for the coming years. There again, how do you invest in a country severely hampered by sanctions, where the currency is weakened and where financial balance is structurally dependent upon oil and gas prices?

To a lesser extent, Europe is a recurring subject of concern for these same clients, who are mindful of the fact that the European constitutional framework, with its rules on unanimity and its sluggish procedures, is completely unsuited to crisis management. How do you invest in Europe, start conquering its markets and innovating in new products and services when the European Union is associated with divisions, deflationary - and therefore not cyclical - recession, demographic decline, etc., and when economists' discussions result in reducing the zone's long-term growth forecast from 2% to 1% (excluding price effects)?

Some companies, like Ipsos, don't get discouraged. However, other much larger players in the economy continue to discuss and sometimes suffer price wars rather than capturing markets. There is a long list of political obstacles that make companies uncertain, suspicious and that naturally make it more complicated for Ipsos to draw up development plans and more difficult to implement them. Of course, many companies and institutions do act, but they do so selectively.

At the same time, nothing will divert us from our goal: to be a major player in the production and deployment of information on society, markets and people - citizens/consumers/clients - which our clients obviously need in order to assess situations, define their risks and opportunities, control their business activities and, ultimately, to succeed.

It is clear that information sources are abundant and diverse, and sometimes inexpensive; however they can only be put to good use if they are validated, organised, analysed and communicated.

It is clear that information is often ephemeral, since market conditions change quickly; however, technology enables us to produce and disseminate information infinitely faster and sometimes more cheaply than ever before.

It is clear that people cannot always be reduced simply to the responses that they want to give to questions posed to them; however the ability to observe them, understand their behaviour, comprehend and measure their functioning, has made enormous progress, once again thanks to information technology and the entrance of neuroscience to the marketing field. So much is in the combination and weighting of sources.

It is clear that some of our clients may prove to be a little cautious and put in place one cost-reduction plan after another, including for services that they purchase from their service providers; but whether they are thinking about growth or simply efficiency, they will not be satisfied if they blindly make decisions based on their past experience - because markets are changing too much and too rapidly - nor based on their intuition, because markets are too complex. They always need reliable, relevant, easy-to-understand information that is also easy to communicate in very short timeframes, where possible.



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Ipsos therefore remains fundamentally optimistic about the information industry of which we are a part and also about our ability to maintain our position.

Ipsos is currently working on creating an overview of the performance criteria that our clients can expect from our services.

Ipsos is also working on the final development of new and existing services, which we are counting on to regain growth momentum.

And, Ipsos is working on changes in the organisation, structures, resource management and roll-out of technologies and techniques, which currently make our services competitive, different and relevant, and which will make them more reliable, simpler, faster and with more substance tomorrow.

2014 is a transition year, in which there has been no shortage of unpleasant surprises. It is also a year of intense efforts to adjust Ipsos, to transform the company and make it more capable of working and succeeding in a market where the need for services which clients are willing to pay for is significant.

In 2014, Ipsos' business levels will be stable or will grow slightly at constant scope and exchange rates, and will generate operating margin comparable to 2013.

In 2015, which is the 40th anniversary of the company's creation, thanks to the transformation work carried out in 2014, Ipsos looks forward to resuming its growth.

Next publication of full-year 2014 results: 24 February 2015.

Nobody's Unpredictable

« Nobody's Unpredictable » is the Ipsos signature.

Our clients' clients are increasingly changing their habits –
hopping from one trend to the next, changing their behaviour, views and preferences.
We help our clients to capture these trends, which characterise the society in which we live.
We help them to understand their clients – and the world - as they are.

Ipsos is listed on Eurolist - NYSE-Euronext.
The company is part of the SBF 120 and the Mid-60 index
and is eligible for the Deferred Settlement Service (SRD).

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