



Press Release

First quarter of 2012

The foundations have been put in place on schedule

**Revenues of 379.9 million euros
An increase of 44% excluding currency effects**

Paris, 25 April 2012. - In the first quarter of 2012, Ipsos generated revenues of 379.9 million euros, an increase of 46% on the first quarter of 2011, reflecting primarily the positive effects of the consolidation of Synovate. Excluding currency effects, revenues were 44% higher.

Consolidated revenues (million of euros)	2012	2011	2010
1st quarter	379.9	260.1	236.9
2nd quarter	-	298.1	291.9
3rd quarter	-	287.6	283.6
4th quarter	-	517.0	328.4
Full year	-	1,362.9	1,140.8

Given that inclusion of Synovate within Ipsos' financial systems only began on 1 October 2011, it is impossible to calculate the organic component of this quarterly revenue growth, particularly as the combination process resulted in certain existing or new services being housed in different legal entities than in the past, depending on the type of the research project involved.

It is worth noting that the best indicator of activity levels is the volume of sales which, for the combined whole and excluding exchange rate effects, was down slightly, by 3.5%, compared to the same period in 2011.

Given the strong level of revenues recorded in the same period last year, both at Ipsos and at Synovate, and the need for several teams to devote a significant amount of time to the *The Better Ipsos* project throughout the first quarter of 2012, Ipsos' commercial performance in the first quarter was entirely satisfactory.

Trends in business volumes by geographic area and business line

Revenue figures by geographic area and by business line reflect the contributions of Synovate to the new scope of Ipsos. We were particularly satisfied with the substantial strengthening of Ipsos' position in the Asia-Pacific region, particularly in India, Southeast Asia, Hong Kong and Singapore.

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Consolidated revenues by geographic area (million of euros)	Q1 2012	Q1 2011	% change	% Constant rate
EMEA	176.2	116.9	51%	50.5%
Americas	140.0	115.1	22%	19%
Asia-Pacific	63.7	28.1	126%	118%
Quarterly revenues	379.9	260.1	46%	44%

Consolidated revenues by business line (million of euros)	Q1 2012	Q1 2011	% change	% Constant rate
Advertising Research	61.0	57.5	6%	4%
Marketing Research	196.9	119.4	65%	63%
Media Research	37.3	29.5	26.5%	23.5%
Opinion and Social Research	37.8	29.1	30%	27.5%
Customer and Employee Relationship Management	46.8	24.7	90%	88%
Quarterly revenues	379.9	260.1	46%	44%

Other information about business activity over the first quarter of 2012

Operating margin was in line with the targets set for the whole of 2012. Net gearing stood at 69% at 31 March 2012, from 65% at 31 December 2011.

Outlook for 2012

The revenue trends at Ipsos in the first quarter of 2012 paint an incomplete picture of the likely performance of our company over the year as a whole. Not for the first time, comparisons can deceive. As in the final quarter of 2011, the efforts made to integrate the businesses, staff, methodologies and business cultures of Ipsos and Synovate temporarily slowed commercial expansion at Ipsos.

The main phases of the integration of the two companies are as follows:

- On 12 October 2011, Ipsos took effective control of Synovate and launched its integration programme, under the name *Open World*, with the aim of establishing a bigger company with better geographical coverage and of pooling the expertise and talents of the two companies.
- On 2 January 2012, the activities of Ipsos and Synovate effectively merged under the Ipsos name in the 84 countries where the company is now active. Directors and executives, having been selected in the autumn, took up their posts. Priorities were set and communicated in February. The relocation of staff has begun and indeed was 70% complete by 31 March.
- Teams from Ipsos' various business lines worked during the first quarter to develop shared methods and services and establish the corresponding pricing structures.
- Since 1 April, or even slightly before in some cases, *The Better Ipsos* teams have undertaken an intensive training programme in order to help master the new ways of working, methods and approaches that today make Ipsos the unchallenged leader in its areas of specialisation. The bulk of this specific effort will be completed by 30 June.



- At the same time Ipsos' commercial structure has been created, taking as its linchpin two major programmes: *Global PartneRing*, which covers the company's 16 largest clients, and *PartneRing Relationships Programme* which covers a further 35 regional or global clients. It is with these clients in particular that Ipsos plans to develop its new *Consumer Insight Services*.
- In 7 countries – USA, Canada, UK, France, Germany, the Netherlands and China – dedicated teams have been created under the *Ipsos Open Thinking Exchange* banner and have begun to deploy a new specialised offering that brings together services relating to social networks and a number of programmes drawing on the growing success of tablet computers and smartphones. Facebook will soon notch up its one billionth account, whilst in major developed nations soon 50% of consumers will own a smartphone or a tablet. This will enable new "social" approaches for research programmes, making them more accessible and more engaging for the people whose cooperation we seek.
- Lastly, having been carefully calibrated, programmes have been launched to develop synergy and reduce costs.

We are highly confident in the successful execution of the *Open World* project, renamed *The Better Ipsos* in February. Members of staff from both Synovate and Ipsos are highly motivated and the vast majority of clients continue to generate significant business volumes, reflecting their support.

The acquisition of Synovate represents a crucial success for Ipsos, which has become a leading player in the research industry as a result, and a pioneer in the definition and monetisation of *Consumer Insight Services*.

Our only note of caution relates to the assessment of the crisis in Europe and its possible effects on the rest of the world. In this area events have been worrying, as the policies implemented under the guidance of the Franco-German axis appear unilateral and their effects questionable. Unfortunately, but as has long been known, the world cannot be run without reference to political considerations. Without organising a massive devaluation of the euro, it is still not clear how and by whom the essential upturn in demand will be created that will prevent Europe's major economies, up to and including Germany itself, from falling into the trap of recession and deflation. A re-run of the Japanese situation? Perhaps, although the risks in this case are greater because the euro zone is bigger, more varied and thus more vulnerable – specifically on the political front – than Japan. One only needs to pay a brief visit to The Hague or the suburbs of French cities to see this.

So far in Europe, with the exception of Spain, Ipsos has not been affected by this worsening of the situation and business levels remain strong. This is likely to remain the case throughout 2012, but prospects further ahead remain to be determined.

Against this background, Ipsos still expects to see moderate organic growth, of around 2%, in 2012, with an operating margin before non-recurrent items of 10%. The outlook for 2013, with above-market growth and an operating margin of 11%, remains unchanged.

Upcoming release: 25 July 2012, 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.

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Ipsos is part of the SBF 120 and the Mid-100 Index and is eligible for the Deferred Settlement System.

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