



Press release

January-September

Revenues: 1,222.3 million euros

**Faster organic growth
Strong negative currency effects**

Paris, 23 October 2013. In the third quarter of 2013, Ipsos generated organic growth of 1.8%, which represents the company's best performance on this measure since the fourth quarter of 2011. Third-quarter revenues totalled 418.6 million euros, down 5% year-on-year. This decline resulted from a 6.8% negative currency and scope effect, partly offset by organic growth.

In the first nine months of 2013, Ipsos' revenues totalled 1,222.3 million euros, down 4.3% compared with the equivalent period of 2012. The fall was mainly due to a 3.8% negative currency effect, caused by a rise in the euro's value relative to most of the currencies in which Ipsos bills its services. It was also due to a negative scope effect of 0.5% arising from partial withdrawals from peripheral countries (such as Portugal and Greece) and the sale of a loss-making LA-based film script evaluation business to its management.

At constant scope and exchange rates, Ipsos' business levels were stable during the period. This represents a substantial improvement relative to performance in the first quarter (revenue down 2.7% in organic terms) and the first half of 2013 (revenue down around 1% organically).

Consolidated revenues (in millions of euros)	2013	2012	2011	Periodic Total growth 2013/2012	Periodic Organic growth 2013/2012 (*)
First quarter	359.6	379.9	260.1	-5.3%	-2.7%
Second quarter	444.1	457.1	298.1	-2.8%	+0.4%
Third quarter	418.6	440.5	287.6	-5%	+1.8%
Total for the period from 1 January to 30 September	1,222.3	1,277.5	845.8	-4.3%	0.0%
Fourth quarter	-	512.0	517.0		
Full year	-	1,789.5	1,362.9		

(*) At constant scope and exchange rates

Consolidated revenues by geographical area

The regional analysis of Ipsos' revenues shows a reduction in the differences seen in the first half of 2013.

The EMEA region, where revenues fell 1% in the first half, returned to organic growth, supported by major developing countries like Turkey and Russia, strong momentum in Africa and also improved performance in the UK.

Third-quarter revenues in the Americas region were affected by economic uncertainty in Latin American countries, while Ipsos' performance in North America was relatively stable.

As we announced in July, Asia-Pacific has started to recover. In the third quarter, revenues in this region rose 4.3%. As a result, the 5% decline in the first half has become a 2% decline in the first nine months, thus validating one of the main reasons for Ipsos' acquisition of Synovate in autumn 2011.

<i>In millions of euros</i>	2013 (9 months)	2012 (9 months)	2011 (9 months)	Change 2013/2012	Organic growth (9 months) (*)
EMEA	541.1	554.0	370.7	-2.3%	+1%
Americas	482.8	507.3	370.4	-4.8%	0%
Asia-Pacific	198.4	216.2	104.7	-8.2%	-2%
Total for the period from 1 January to 30 September	1,222.3	1,277.5	845.8	-4.3%	0.0%

(*) At constant scope and exchange rates

Consolidated revenues by business line

There was also greater consistency in the performance of individual business lines, between those that were already performing fairly well - particularly MediaCT, which specialises in measuring and analysing convergence between channels and content - and those that were struggling or significantly underperforming, such as Ipsos Public Affairs, which represents the group's activities in Opinion & Social Research. This business line returned to growth in the third quarter, and so the rate of decline in its revenues almost halved to -4% in the first nine months from -7.5% in the first half.

<i>In millions of euros</i>	2013 (9 months)	2012 (9 months)	2011 (9 months)	Change 2013/2012	Organic growth (9 months) (*)
Advertising Research	199.0	210.1	182.1	-5.3%	-1%
Marketing Research	628.7	640.7	381.1	-1.9%	+1%
Media, Content & Technology Research	121.2	137.1	100.0	-11.6%	+2.5%
Opinion & Social Research	112.2	121.3	89.6	-7.5%	-4%
Customer & Employee Relationship Management Research	161.2	168.3	93.0	-4.2%	-1%
Total for the period from 1 January to 30 September	1,222.3	1,277.5	845.8	-4.3%	0.0%

(*) At constant scope and exchange rates



Other information about operating conditions in the third quarter of 2013

Operating margin was in line with the targets announced for the whole of 2013. Net gearing fell to 74.8% at 30 September 2013 versus 78.8% at 30 June 2013.

At 30 June 2013, Ipsos' debt consisted mainly of medium- and long-term financing, including a 5-year 140-million-euro syndicated bullet loan arranged in 2009 and due to mature in April 2014.

On 2 August 2013, this facility was refinanced early through a 5-year, 150-million-euro multi-currency credit facility, featuring improved terms.

Ipsos would like to thank its long-standing banking partners who helped make this refinancing operation a success: Barclays Bank, BNP Paribas, Commerzbank, the Crédit Agricole group (Caisse Régionale de Crédit Agricole Mutuel d'île de France, CACIB, Crédit Lyonnais), the CM-CIC group, HSBC, Natixis and Société Générale.

2013 outlook

The last three months have not been particularly turbulent, despite stockmarket movements suggesting otherwise.

Although there is only one cloud on the horizon, it is a significant one. Eurozone companies have watched, probably with some concern, as the Eurozone authorities have allowed all currencies except the Chinese renminbi to depreciate against the Euro. Japan started the currency war, which is common when a government wants to stimulate economic growth during a recession. All other countries followed Japan's lead, except for countries associated with - or some would say stuck in - the Eurozone.

This is serious news for Ipsos, and our figures show the damage caused by the re-valuation of the Euro, though the impact is manageable since both our revenues and costs are denominated largely in the currencies of the countries in which we operate.

The situation is obviously much more worrying for Eurozone manufacturers, which will see exchange rates as an additional reason for not investing in this zone.

Otherwise, nothing has really changed. China is continuing to build metro lines, and this should support activity for a few more years. US banks are continuing to set aside huge sums for the fines that they will eventually have to pay. Greece is preparing for fresh talks with the Troika and the French government is busy taking back with one hand (through new taxes) the support that it says it is giving to business through the "competitiveness pact".

In summary, the global economy is continuing to struggle along, as if in some kind of twilight zone where daylight has faded, but not completely, and where drivers need to be careful and slow down in order to avoid accidents.

As a result, it is not surprising that numerous business and economic agents - except for the Chinese with their metro lines and the Americans with their big data - are being unadventurous.

Investment in capacity is sluggish, which is natural given the amount of unused production capacity in many sectors, and investment in innovation is very unevenly distributed.

Speculative bubbles are appearing in some areas - even the German real-estate market! - and fading in others.

Experience and recent crises have shown economic players how little they know and that, in any case, they do not know enough to avoid the pitfalls. They are therefore moving forward slowly, probably much too slowly, to fully embrace the opportunities of an exceptional era, which should be prompting greater dynamism.

The balance of economies is shifting, and globalisation is on the increase. Economic players have access to incredible technologies, and are in touch with a larger number of people (consumers, clients, citizens) who are better educated and richer, or at least more comfortably off. However, companies' innovation and development plans have rarely been so scrutinised, evaluated and subjected to financial constraints. The result is that, except in some sectors which have their own constraints such as the banking industry, corporate decisions can often be summarised as a curious dilemma about whether to organise a spin-off or increase share buybacks,

As we have already said, the research industry is currently facing a paradox: there is a growing need for information but, at the same time, demand for the industry's services is stagnant. It grew by around 2.5% in 2012, and will fare barely any better in 2013. The industry is partly ill-suited to today's market, because it has aligned itself too much with certain familiar techniques, and not enough with its clients' current needs.

Ipsos has decided to move ahead and re-establish its priorities.

- In terms of geographical zones, we are focusing on major developed and on major emerging markets, where our clients have established their own priorities.
- In terms of clients, the focus is on global accounts, major local and regional companies that show particular momentum, and international institutions.
- In terms of services, we are prioritising everything that enables Ipsos' clients to obtain - at the required geographical level, by adjusting existing services and developing new ones - accurate, real-time information that is easy to access and integrate into their existing databases and information/knowledge systems, or into systems that they would like to develop.
- In terms of our staff, our focus is on everything that will make them better able to help Ipsos' clients take the right decisions, based on sound information.
- In terms of technology, Ipsos has also made choices and is making progress with several key projects, including efforts to harmonise production platforms, enhance capacity and skills in terms of mobile devices (as both research subjects and research tools) and harness neuroscience.

In the fourth quarter of 2013, Ipsos will see further growth, at a faster pace than in the third quarter.

Our forecast is based on sales growth, at constant scope and exchange rates, of almost 5% in the third quarter and over 3% since 1st January.

Given these conditions, we expect to achieve an underlying operating margin of around 11%, markedly higher than the 2012 figure of 10%.

Next publication due on 27 February 2014: Full-year 2013 results



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-100 index and is eligible for the Deferred Settlement Service (SRD).

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