



Press Release

Third quarter of 2016 Positive confirmation

**For the third quarter alone:
Revenue: €431.7 million (+0.9%)
Organic growth: +3.2%**

Paris, 26 October 2016 – For the third quarter of 2016, Ipsos' revenue amounted to €431.7 million, up 0.9% compared with the same period last year.

Exchange rates effects, which were positive in 2015, are now negative. They had a downward effect of 2.4% in the third quarter alone. Fortunately, they were offset by organic growth of 3.2%, a satisfactory rate falling between the first quarter performance of 3.7% and the second quarter's 3%.

From January to September 2016, Ipsos' revenue was €1,265.3 million. This was a slight increase of 0.3% year-on-year. Here again, exchange rates held back revenue growth expressed in euros. They were negative for 3.8%, while consolidation scope, on the other hand, had a positive effect of 0.8%. It was therefore the resumption of organic growth that accounted for Ipsos' revenue growth. Over nine months, at constant scope and exchange rates, Ipsos grew by 3.3%. This was the best performance Ipsos has reported since 2011.

It can be attributed to a return to more balanced growth than in 2015 – certainly between the developed markets (+2.9%) and the emerging markets (+4.1%) – and by the boom in New Services provided by Ipsos since the launch of the New Way programme in 2014. The growth in New Services revenue continued at a brisk pace: +24% over nine months, in line with the growth rate in the first half year. This accounts for three-quarters of Ipsos' total growth, showing how rapidly the market is changing and the capacity of those services to answer the new needs of many clients.

Consolidated revenues <i>(in millions of euros)</i>	2016	2015	2014	Total growth for the period 2016/2015
First quarter	386.9	379.6	343.3	1.9%
Second quarter	446.7	453.3	412.7	-1.5%
Third quarter	431.7	428.0	412.8	0.9%
Total for the period from 1 January to 30 September	1,265.3	1,260.9	1,168.8	0.3%
Fourth quarter	-	524.4	500.7	-
Full-year	-	1,785.3	1,669.5	-



Press release - cont. - 26 October 2016

Consolidated revenues by geographical area

By major region, the trends at the start of the year are confirmed by the third quarter alone. On a comparable basis, all regions showed growth. From July to September, the gap between Europe/Middle East/Africa (EMEA), Ipsos' slowest-growing region, and Asia-Pacific (APAC), the best-performing, shrank somewhat, while the third region, the Americas, maintained its same growth trajectory.

<i>In millions of euros</i>	2016 (9 months)	2015 (9 months)	2014 (9 months)	Change 2016/2015	Organic growth (9 months)
Europe, Middle East and Africa	543.1	555.9	539.1	-2.3%	2.5%
Americas	501.6	492.7	438.3	1.8%	3%
Asia-Pacific	220.6	212.3	191.3	3.9%	6%
Total for the period from 1 January to 30 September	1,265.3	1,260.9	1,168.7	0.3%	3.3%

Consolidated revenues by business line

By business line, Ipsos is particularly pleased to see the renewed stability of Ipsos Connect. Since 2015, this team has managed research on advertising content and on digital and traditional media. Its first full financial year, 2015, was delicate, with revenue loss greater than 5%. We stated at the time – and it indeed turned out to be the case – that 2016 would be a year of stabilisation, before returning to growth in 2017. Keeping to this roadmap has proven the value of the strategy of combining media research with content research in highly fragmented markets.

The other business lines continue to expand though, in any single quarter, one of them may turn in a higher or lower performance than the long-term trend.

Ipsos Marketing had an excellent quarter. For Ipsos Loyalty, our business line that studies product and service quality and customer satisfaction, the quarter was not as good. These two “variances” do not call into question our conviction that the year-long performance will be satisfactory for both business lines.

<i>In millions of euros</i>	2016 (9 months)	2015 (9 months)	2014 (9 months)	Change 2016/2015	Organic growth (9 months)
Media and Advertising Research	277.2	289.9	294.1	-4.4%	0%
Marketing Research	677.7	667.9	601.8	1.5%	5%
Opinion & Social Research	127.8	128.6	114.1	-0.6%	4%
Client and employee relationship management	182.5	174.5	158.8	4.6%	3%
Total for the period from 1 January to 30 September	1,265.3	1,260.9	1,168.7	0.3%	3.3%



Press release - cont. - 26 October 2016

Other information about operating conditions in the first nine months

Profitability at the end of the first nine months of 2016 is in line with the objectives announced for the full year, namely stabilisation compared to the 2015 operating margin, in particular due to the increase in gross profit by around 60 basis points, offset by the additional investment announced in the New Way programme and higher provisions for bonus payments.

Net gearing at 30 September 2016, at 55.6%, is down compared to the same date last year (67.9%), despite the rise of the dollar, in which around 60% of debt is denominated. This reduction is attributable in particular to the good generation of surplus free cash flow, which remains at a similar high level to that achieved in the same period last year.

2016 Outlook

There have been few major events in the middle of 2016. This does not mean that nothing is happening. Quite the contrary, a few rather deafening signals have shown that we are far from having a harmonious or happy or well-balanced society, as we prefer.

Vulgarity, resentment and exclusion are on the rise in many countries and not just in the West. At the same time, the macro-economic data are not bad although we have as of yet no idea if we have escaped deflation thanks to the ultra-accommodative policies of the central banks or if we are headed for the formation and later bursting of significant bubbles as the appreciation seen in certain asset classes might suggest.

For the moment, at least, despite heightened competition, persistent threats in the socio-political environment and financial uncertainties, the market for marketing expertise is making steady growth. Within it, the research industry has made a solid recovery, due to its strengths. Ipsos and its competitors can proclaim, quite rightly, the skills of their staffs, the sophistication of their approaches, the reliability and usefulness of their work and their insights. The individuals directing public policy or developing and executing marketing policies and choosing when and how to introduce the next "big idea", know how much they rely on the information, ideas and contextualising that they derive from using the services of a research company. Ipsos would like to take this opportunity to restate the confidence in its industry – in its ability to evolve, branch out and diversify also to meet the ever more pressing need for information, data and ideas on a daily basis.

And we would add, once again, that Ipsos has great confidence, and takes great pride in the three characteristics that give Ipsos its competitive advantage. Very few of Ipsos' competitors can claim to be simultaneously global (not just in the number of markets or countries where they operate but in developing a global culture and a diverse and multicultural staff), specialised (not just in a particular approach but in a set of protocols that, taken together, represent most of what is required to fuel the information systems decision-makers need) and independent (not just in words but, more importantly, in maintaining ownership structures that enable the professionals who have chosen to work for Ipsos to have their say in the choices that explain the company's present and design its future).

Ipsos' independence guarantees its neutrality, a cardinal virtue, while the uncertainties ruling the digital markets, too many players find themselves at once measuring and being measured.

Assuming the present environment persists, Ipsos — on the strength of its market share gains, competitive position and the rise of its New Services — should experience 2016 fourth quarter growth close to that shown since the beginning of the financial year and thus set up the right conditions for launching 2017. Moreover, in line with what has been projected and reported, operating margin for 2016 will be equivalent to that of 2015.



Press release - cont. - 26 October 2016

Next publication of full-year 2016 results: 22 February 2017.

GAME CHANGERS

« Game Changers » is the Ipsos signature.

At Ipsos we are passionately curious about people, markets, brands and society.
We make our changing world easier and faster to navigate and inspire clients to make smarter decisions.
We deliver with security, speed, simplicity and substance. We are Game Changers.

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).

ISIN code FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP
www.ipsos.com