ANNUAL REPORT 2002

Ipsos

NOBODY'S UNPREDICTABLE

REFERENCE DOCUMENT

Nobody's unpredictable

"Nobody's unpredictable" is the new 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.

www.ipsos.com

2 June 2003

FILING WITH THE COMMISSION DES OPERATIONS DE BOURSE

This is a free translation of the Ipsos reference document filed with the Commission des Opérations de Bourse (COB) on 2 June 2003, pursuant to COB Regulation No. 98-01.

1

PERSONS RESPONSIBLE FOR THE REFERENCE DOCUMENT AND FOR THE AUDIT OF THE ACCOUNTS

1.1 PERSONS RESPONSIBLE FOR THE REFERENCE DOCUMENT

Mr Didier Truchot and Mr Jean-Marc Lech, Co-Chairmen of Ipsos.

1.2 DECLARATION BY PERSONS RESPONSIBLE FOR THE REFERENCE DOCUMENT

"To the best of our knowledge, the present reference document is accurate and includes all the information required by investors to form an opinion on the assets and liabilities, activities, financial position, results and prospects of the issuer, and on the rights attached to the financial instruments offered. It does not contain any omission likely to affect the import of the document."

The Co-Chairmen

Mr Didier Truchot and Mr Jean-Marc Lech

1.3 PERSONS RESPONSIBLE FOR THE AUDIT OF THE ACCOUNTS

Statutory auditors:

• Ernst & Young Audit
represented by Mr Jacques Rigo,
Tour Manhattan, La Défense 2 – 92095 Paris La Défense Cedex.
First appointed: 17 December 1998.
Term of office expires: at the Ordinary General Meeting called to approve the accounts for the year ended 31 December 2003.

• Cogerco Flipo
Member of Deloitte Touche Tohmatsu
represented by Mr Francis Pons,
185 avenue Charles De Gaulle - 92524 Neuilly-sur-Seine.
First appointed: 23 February 1988; reappointed 29 June 1993 and 31 May 1999.
Term of office expires: at the Ordinary General Meeting called to approve the accounts for the year ended 31 December 2004.

• Cabinet JPA
represented by Mr Jacques Potdevin and Mrs Danielle Bardreau-Gilbert,
7 rue Galilée – 75116 Paris.
First appointed: 23 March 1991; reappointed 27 June 1997.
Term of office expires: at the Ordinary General Meeting called to approve the accounts for the year ended 31 December 2002*.

Substitute auditors:

• M. Bruno Perrin,
100, rue Raymond Losserand – 75014 Paris.
First appointed: 17 December 1998.
Term of office expires: at the Ordinary General Meeting called to approve the accounts for the year ended 31 December 2003.

• M. Hervé Pouliquen,
72, rue de Bellechasse – 75007 Paris.
First appointed: 23 February 1988; reappointed 29 June 1993 and 31 May 1999.
Term of office expires: at the Ordinary General Meeting called to approve the accounts for the year ended 31 December 2004.

• M. Philippe Cagnat,
22, rue de Madrid – 75008 Paris.
First appointed: 30 June 1994; reappointed 27 June 1997.
Term of office expires: at the Ordinary General Meeting called to approve the accounts for the year ended 31 December 2002*.

* *As agreed with this firm, the Audit Committee and Board of Directors of Ipsos have decided not to renew the appointment of Jacques Potdevin & Associés as Statutory Auditor, which expires at the General Meeting of 11 June 2003, and not to renew the appointment of Mr Philippe Cagnat as Substitute Auditor.*

1.4 DECLARATION BY THE AUDITORS

To the shareholders,

In our capacity as Statutory Auditors of the Ipsos Group, and pursuant to COB regulation 98-01, we have verified the historical financial and accounting information provided in this reference document, in accordance with French auditing standards.

The Company's Co-Chairmen, Mr Didier Truchot and Mr Jean-Marc Lech, are responsible for the preparation of this reference document. Our responsibility is to express an opinion on the fairness of the financial and accounting data contained herein.

In accordance with French auditing standards, our checks consisted of assessing the fairness and accuracy of information relating to the company's financial position and accounts, and verifying that such information is consistent with the accounts for which a report was prepared. They also consisted of reviewing the other information contained in this reference document so as to identify any significant inconsistencies with the information relating to the Company's financial position and accounts, and to point out any clearly erroneous information that we may have identified based on our general knowledge of the Company acquired under the terms of our assignment. The projected data in this document are management targets, as opposed to isolated forecasts resulting from a structured forecasting process.

We audited the parent company and consolidated financial statements for the years ended 31 December 2000, 2001 and 2002, as prepared by the Board of Directors in accordance with French accounting standards. Based on our audit, which was conducted pursuant to French auditing standards, we issued unqualified opinions on the parent company financial statements for 2000, 2001 and 2002, and on the consolidated financial statements for 2002. Our report on the consolidated financial statements for 2000 includes an observation regarding the changes in accounting methods and changes in the presentation of the consolidated profit and loss statements following the application of CRC regulation 99-02. Our report on the consolidated financial statements for 2001 includes an observation relating to note III-B of the 'Notes to the Consolidated Financial Statements', which describes the reasons for which the Ipsos Group has chosen to present its profit and loss statement by destination and provide a profit and loss breakdown by expense category in the 'Notes to the Profit and Loss Account'. As a result of these checks, we have no comments to make on the fairness and accuracy of information relating to the Company's financial position and accounts provided in this reference document.

2 June 2003

Cogerco - Flipo
Member of Deloitte Touche Tohmatsu

Francis Pons

JPA

Danielle Bardreau-Gilbert

Ernst & Young Audit

Jacques Rigo

Jacques Potdevin

1.5 PERSON RESPONSIBLE FOR INFORMATION

Mrs Laurence Stoclet, Chief Financial Officer (Tel: +33 1 5368 1945),

99, rue de l'Abbé Groult - 75015 Paris.

2

GENERAL INFORMATION ABOUT IPSOS AND ITS CAPITAL

2.1 INFORMATION ABOUT THE COMPANY

2.1.1 Company name

Ipsos.

2.1.2 Registered office

99/101, rue de l'Abbé Groult – 75015 Paris.

2.1.3 Date of incorporation and duration of the company

The Company was incorporated on 17 November 1975, for a period of 99 years from the date of its first registration in the Register of Commerce and Companies, barring early dissolution or extension.

2.1.4 Legal Form

Société Anonyme (French limited liability company) with a Board of Directors, governed by Book II of the French Code of Commerce.

The bylaws, as amended by the Extraordinary General Meeting held on 12 December 2001, delegate to the Board of Directors the choice of combining or separating the positions of Chairman and Chief Executive Office (CEO).

At its meeting of 12 December 2001, the Board of Directors decided that the Chairman of the Board of Directors, Mr Didier Truchot, would assume the responsibility of CEO of the Company.

2.1.5 Register of Commerce and companies

304 555 634 R.C.S. Paris.

2.1.6 business activity code and business sector

741 E - Market research, surveys and polls.

2.1.7 Place where company documents and information may be consulted

The bylaws, accounts, reports, and minutes of General Meetings may be consulted at the registered office.

2.1.8 Corporate objects (Article 2 of the bylaws)

The Company's objects are:

- To conduct market research using surveys, opinion polls, statistical research or any other process with a view to facilitating and organising the establishment of sales operations, promotions, and the distribution of products and services of all kinds; and to provide studies, surveys, opinion polls, analyses and consultancy services in the political, economic and social fields;
- To develop, prepare, organise and implement, either on its own account or for third parties as agent or otherwise, all forms of advertising for all commercial products, including all space buying and selling operations;
- To carry out all types of consultancy activities liable to constitute decision-support aids for enterprises, services or any other organisations;
- To identify, obtain, acquire and use all patents, licences, processes and goodwill relating to the above activities;
- To acquire interests and equity stakes of whatever form in all similar enterprises, including by exchange of shares for assets, by the subscription or purchase of shares, bonds or other securities, by becoming an active partner in limited partnerships, by forming new companies or mergers, or by any other means;

- To execute all financial transactions associated with a stock market listing;
- And, generally, to carry out all civil, commercial, financial and industrial transactions, and all transactions in movable or real property, relating directly or indirectly to the objects of the Company or to all other similar or associated objects.

2.1.9 Financial year (article 27 of the bylaws)

The Company's financial year runs from 1 January to 31 December of each year.

2.1.10 General meeetings (articles 20 to 23 of the bylaws)

The conditions for convening and deliberating at general meetings are those stipulated by the law and regulations. General meetings are held at the Company's registered office, or at any other place specified in the notice of the meeting.

Any shareholder has the right, on presentation of proof of identity, to participate in General Meetings by personal attendance, by returning a postal voting slip or by appointing a proxy, subject to the following conditions:

- for holders of registered shares: registration of the shareholder's name in the Company's books, at least five days before the date of the General Meeting;
- for holders of bearer shares: submission, on the conditions stipulated in article 136 of Decree No. 67-236 of 23 March 1967, of a certificate from the depository of the shares at least five days before the date of the General Meeting.

Shareholders coming under the provisions of paragraph 3 of article L.228-1 of the Code of commerce, i.e. those not resident in France, may be represented by a registered intermediary under the conditions allowed for in that article.

2.1.11 Appropriation and distribution of profits

At least five per cent (5%) of the net profit for the year, less any brought-forward losses, must be appropriated to the Legal Reserve, until such reserve reaches one-tenth of the share capital.

The balance, net of any other sums to be transferred to reserves in application of the law or the Company's bylaws, plus any brought-forward profits, constitutes the distributable profit.

The General Meeting may also decide to distribute amounts from reserves available for distribution, indicating from precisely which reserve accounts such distributions are made.

The General Meeting may appropriate any sum it sees fit from the distributable profit, to be carried forward as retained earnings or transferred to one or more reserve accounts.

2.1.12 Specific clauses in the bylaws

- **Thresholds for disclosure of interests in the share capital (article 8 of the bylaws)**

  Any natural or legal persons acting alone or in concert are legally obliged to inform the Company and the *Conseil des Marchés Financiers* if they hold certain percentages of share capital and associated voting rights.

  Furthermore, any persons, whether natural or legal, acting alone or in concert, that directly or indirectly come to hold, over and above an initial threshold of 5% of the voting rights, a share equal to or greater than 2.5% of the voting rights in the Company, or a multiple thereof, must inform the Company within a period of fifteen (15) days from the date of exceeding each of the thresholds, by registered letter with request for acknowledgement of receipt sent to the registered office.

  For companies managing investment trusts or pension funds, this obligation to inform applies to all the voting rights attached to the shares in the Company held by the funds that they manage.

  The penalty for non-compliance with these obligations is the removal of voting rights at all shareholders' meetings up to the end of the two-year period following the date of proper disclosure.

  Lastly, an intermediary registered as holding shares on behalf of a shareholder not resident in France must make such declarations for all the shares in the Company for which the intermediary is registered in the books.

- **Identification of holders of identifiable bearer shares ('TPIs') (article 7 of the bylaws)**

  As permitted by article L. 228-2 of the Code of Commerce, the Company may at any time request Euroclear France (Sicovam) to disclose the identity of holders of bearer shares.

- **Double voting rights (article 10 of the bylaws)**

  The Extraordinary General Meeting of 12 December 2001 reduced to two years the minimum period for which shares have to be registered under the shareholder's name in order to qualify for double voting rights.

  In the following cases, double voting rights are attached to shares, relative to the percentage of the total share capital they represent:

  - To all fully paid-up shares registered in the name of the same shareholder for at least two years,
  - To registered shares allocated to a shareholder as bonus shares in respect of old shares with double voting rights, in the event of an increase in the share capital by capitalisation of reserves, profits or share premiums.

  A share loses its double voting rights if it is converted to a bearer share and if its ownership is transferred.

  However, the acquired right is not lost if the share is transferred when a deceased shareholder's estate is wound up, if a joint estate of husband and wife is wound up, or if a gift is made to a spouse or heir.

  The double voting right attached to registered shares may be exercised by a registered intermediary if the information provided by the intermediary can be verified to ensure compliance with the conditions required for the right to be exercised.

  Each shareholder may waive these double voting rights at any type of meeting (ordinary, extraordinary, combined or special), and for one single meeting at a time. The option to waive double voting rights must be renewed at each meeting where the shareholder wishes to make use of this facility. Waiver may be total or partial, for all or for part of the resolutions put to the vote at the meeting.

  In addition, there are no statutory limitations governing the exercise of voting rights, other than the penalty for non-disclosure of any ownership thresholds exceeded.

  At 1 April 2003, 2,743,339 shares benefited from double voting rights.

2.1.13 Share buybacks

Current share buyback programme

The share buyback programme approved by the shareholders on 18 December 2002 remains in effect until June 2004 and does not need to be renewed by the General Meeting of shareholders to be held on 11 June 2003.

The Board of Directors was authorised by the General Meeting of shareholders held on 18 December 2002 (sixth ordinary resolution and first extraordinary resolution) to purchase the Company's shares and to sell or to cancel some or all of the shares that it already owns or may purchase in the future, up to a maximum limit of 10% of the Company's share capital.

The objectives of the share buyback programme are as follows, in descending order of priority:

- to buy and sell shares according to market conditions;
- to optimise the financial management of the Company by cancelling all or part of the shares purchased if necessary;
- to use shares as payment or to exchange them, particularly in connection with acquisitions;
- to grant share purchase options to some or all of the employees and/or officers of the Company and/or its Group, or to offer them the opportunity to acquire shares on the terms set out in articles 443-1 et seq. of the Labour Code;
- to allot shares in connection with statutory profit-sharing or employee savings schemes at Company or Group level, or voluntary joint employee saving schemes.

On 18 December 2002, the Board of Directors agreed to implement this share buyback programme for an amount equivalent to 3% of the Company's share capital. This transaction was covered by an information memorandum approved by the *Commission des Opérations de Bourse* (COB) on 6 February 2003 under Registration No. 03-048 and published in the newspaper *Les Echos* on 10 February 2002.

Use of previous and current share buyback programmes

(a) Under the share buyback programme approved by the General Meeting of 29 May 2002 and covered by the information memorandum approved by the COB on 13 May 2002 under Registration No. 02-540, the Company used the authority granted to the Board of Directors to purchase shares in the Company in order to:

- regulate the share price by buying 2,121 shares at a total cost of €112,557 (i.e. an average price of €53.07 per share) and reselling 3,684 shares for a total price of €202,937.70 (i.e. an average price of €55.09 per share);
- meet its commitments in terms of stock purchase options granted to employees and/or officers of the Group by purchasing 577,320 shares from Société Générale on 9 July 2002, on a deferred basis, at a price of €69 per share, i.e. a total cost of €39,835,080. These shares must be delivered by Société Générale between the third anniversary and fifth anniversary of the transaction date of 9 July 2002, based on a timetable corresponding to the exercise dates of the stock options granted.

(b) Under the share buyback programme covered by the information memorandum approved by the COB on 6 February 2003 under Registration No. 03-048 (see above), the Company used the authority granted to the Board of Directors in order to buy 123,566 of its own shares at a total cost of €4,998,470, i.e. an average price of €40.45 per share. The Company purchased 103,571 shares directly from the market at an average price of €40.45 per share with the aim of using these shares to finance acquisitions. The Company also purchased 19,995 of its own shares at an average price of €39.95 under a liquidity agreement with Société Générale.

As a result of implementing these share buyback programmes, the Company owned 105,031 of its own shares as at 1 April 2003, equating to 1.50% of its share capital. The Company has not cancelled any shares during the past 24 months.

2.1.14 Disposal of shares

There is no clause in the bylaws restricting the transfer of shares.

2.1.15 Pledging of assets

None of the Company's assets have been pledged.

2.2 INFORMATION ON THE SHARE CAPITAL

2.2.1 Share capital

At the start of the year

At 1 January 2002, after taking into account the exercise of share subscription options during 2001, the share capital amounted to €6,414,677, divided into 6,414,677 fully paid-up shares with a par value of one (1) euro each, and all of the same class.

Increase in the share capital reserved for Ipsos Partnership Fund SAS

In its meeting of 9 July 2002, the Board of Directors used the authority granted by the fourth resolution of the Combined General Meeting of 6 March 2002 and confirmed by the fifth resolution of the Extraordinary General Meeting of 29 May 2002. Under this authority, it decided to increase the share capital by €577,320 to €6,991,997 through a cash issue of 577,320 new shares, without preferential subscription rights, reserved for the company Ipsos Partnership Fund SAS. The shares have a par value of one (1) euro and were priced at €69 each. This share issue was fully subscribed for and paid up by Ipsos Partnership Fund SAS on 9 July 2002.

Exercise of share subscription options

During 2002, 12,600 new shares were issued as a result of the exercise of 12,600 share subscription options that had been granted by the Board of Directors at its meetings on 28 July 1998 and 10 May 1999, and which are described in section 2.2.6 below.

The Board of Directors formally noted this increase in share capital at its meeting of 21 February 2003.

At the year end

At 31 December 2002, the share capital amounted to €7,004,597, divided into 7,004,597 fully paid-up shares with a par value of one (1) euro each, and all of the same class.

2.2.2 Movements in share capital over the past five years

Date	Transaction	Par value	Gross share premium	Cumul. par value	Cumul. number of shares
Balance as at 31 Dec 97				FRF15,743,000	31,486
AGM of 23 Jan 98	Issue of 8,124 shares	FRF500	FRF75,926,904	FRF19,805,000	39,610
AGM of 28 Jul 98	50-for-1 stock split	FRF10		FRF19,805,000	1,980,500
31 May 99	Issue of 193,400 shares in exchange for convertible bonds(1)	FRF10	FRF18,063,560	FRF21,739,000	2,173,900
31 May 99	Issue of 49,900 shares in exchange for convertible bonds(1)	FRF10	FRF9,327,308	FRF22,238,000	2,223,800
AGM of 31 May 99	2-for-1 stock split	FRF5		FRF22,238,000	4,447,600
30 Jun 99	Cash share issue reserved for employees (first tranche)	FRF5	FRF8,384,152	FRF22,468,400	4,493,680
IPO on 1 Jul 99	Cash share issue	FRF5	FRF159,126,486	FRF26,173,400	5,234,680
Issue of shares with warrants 6 Jun 00	Cash share issue	FRF5	FRF716,851,129	FRF30,874,250	6,174,850
Board Meeting of 9 Jun 00	Cash share issue reserved for employees (second tranche)	FRF5	FRF5,737,135	FRF30,920,655	6,184,131
Board Meeting of 9 Jun 00	Cash share issue reserved for employees (third tranche)	FRF5	FRF658,768	FRF30,925,715	6,185,143
31 Dec 00	Exercise of 140 share warrants during 2000, resulting in the issue of 70 new shares	FRF5	FRF63,933	FRF30,926,065	6,185,213
28 Mar 01	Conversion of share capital into euros and increase in capital by partial capitalisation of share premium account	€1	FRF9,646,272	€6,185,213 (FRF40,572,337)	6,185,213
EGM of 12 Dec 01	Increase in share capital by issuing 227,520 new shares as payment for shares acquired in Novaction	€1	€20,249,480	€6,412,733	6,412,733
31 Dec 01	Increase in share capital by issuing 1,944 new shares following the exercise of 1,944 share options.	€1	€38,063.52	€6,414,677	6,414,677
Board Meeting of 9 Jul 02	Issue of 577,320 new shares reserved for Ipsos Partnership Fund	€1	€39,257,760	€6,991,997	6,991,997
31 Dec 02	Increase in share capital by issuing 12,600 new shares following the exercise of 12,600 share options	€1	€259,926	€7,004,597	7,004,597

(1) On 24 July 1992, the Company issued 3,868 bonds convertible into shares at the rate of one share per bond, maturing 27 July 1999. Following the 50-for-1 stock split in 1998, the bondholders were entitled to subscribe for 193,400 shares. As part of the share issue carried out on 23 January 1998, a tranche of 49,900 shares was reserved for the bondholders. Conversion and subscription to the reserved share issue took place on 31 May 1999. Since 31 May 1999, there have been no bonds convertible into shares.

2.2.3 Ownership of share capital and voting rights

To the Company's knowledge, at 1 April 2003, Ipsos' share capital was divided into 7,004,597 shares with a par value of one (1) euro each. As at this date, ownership of the capital and voting rights was as follows:

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
LT Participations [(1)]	2,594,086	37.03	5,188,172	53.80
Ipsos Partnership Fund SAS[(2)]	577,320	8.24	577,320	5.99
Employees[(3)]	69,212	0.99	115,638	1.20
SG Capital Développement	97,400	1.39	194,800	2.02
The Company (treasury shares)	105,031	1.50	–	–
Public	3,561,548	50.85	3,566,975	36.99
TOTAL [(4)]	**7,004,597**	**100.00**	**9,642,905**	**100.00**

(1) Holding company majority owned by Mr Didier Truchot and Mr Jean-Marc Lech, Co-Chairmen of Ipsos (66.87% of the capital). Other shareholders are executive managers of the Ipsos Group (4.59% of the capital), the Eurazéo Group (19.02% of the capital), Capital Développement (6.84% of the capital) and the FCPR Sogecap Développement fund (2.42% of the capital). 0.25% of the capital is held by the Company.

(2) Ipsos Partnership Fund SAS is a fund owned by around 80 of Ipsos Group's managers and key executives.

(3) As part of the share capital increases reserved for employees and the Group employee savings plan, three tranches were offered to employees in 1999 and 2000. In addition, some managers of the Latin American and North American subsidiaries, and the executive manager of the German subsidiary, purchased Ipsos shares directly at the IPO price (non-registered shareholders). Employees of Novaction (now Ipsos-Novaction) and its subsidiaries, and certain former employees, had previously received 227,520 Ipsos shares in exchange for tendering their Novaction shares to Ipsos. These employees sold most of their Ipsos shares during the first quarter of 2003, on the basis of the Company's undertaking to guarantee the value of these shares at the time of the transaction.

(4) This total does not take into account the 3,056 new shares issued during the first quarter of 2003 following the exercise of 3,056 share options.

The Company has not been informed of any shareholders' agreements.

To the Company's knowledge, its share ownership thresholds have been exceeded on two occasions:

- After subscribing to 577,320 shares as part of the reserved share issue described in section 2.2.1 above, the company Ipsos Partnership Fund SAS exceeded the ownership thresholds of 5% and 7.5% of the Company's share capital on 9 July 2002. On 12 July 2002, the *Conseil des Marchés Financiers* published a notice announcing that these thresholds had been exceeded, together with a public disclosure of the terms of the agreement signed between Ipsos Partnership Fund SAS and Société Générale, in accordance with to article L.233-11 of the Code of Commerce.

- In a letter dated 5 March 2003, two companies in the Fidelity Investments group simultaneously informed the Company and the *Conseil des Marchés Financiers* that they had exceeded the ownership threshold of 5% of the Company's share capital. These companies are FMR Corp., a US-based company (registered office: c/o Fidelity Investments, 82 Devonshire Street, Boston, Massachusetts 02109, USA) and Fidelity International Limited (FIL), a limited company based in Bermuda (registered office: P.O. Box HM 670, Hamilton HMCX, Bermuda). The 5% ownership threshold was exceeded on 3 March 2003 as a result of purchasing shares on the stock market. Consequently, as at 5 March 2003, FMR Corp held 154,216 shares (2.21% of the Company's share capital), while FIL owned 251,714 shares (3.60% of the Company's capital), giving a combined total of 405,930 shares (5.81% of the Company's capital).

Around 5,000 people own shares in the Company.

None of the Company's shares are held by companies that it controls directly or indirectly. At 1 April 2003, the Company held 105,031 of its own shares.

As mentioned in section 2.1.12 above, shares registered under the shareholders' name for at least two years qualify for double voting rights. As at 1 April 2003, 2,743,339 shares qualified for double voting rights.

Ownership of share capital and voting rights as at 1 April 2002 and 1 April 2001

To the Company's knowledge, ownership of the share capital and voting rights broke down as follows as at 1 April 2002:

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
LT Participations	2,594,086	40.44	4,806,912	54.78
Employees (1)	272,934	4.26	320,473	3.65
SG Capital Développement	97,400	1.51	194,800	2.22
The Company (treasury shares)	1,460	0.02	–	–
Public	3,448,797	53.76	3,451,703	39.34
TOTAL (2)	**6,414,677**	**100.00**	**8,773,562**	**100.00**

(1) As part of the share capital increases reserved for employees and the Group employee savings plan, three tranches were offered to employees in 1999 and 2000. In addition, some managers of the Latin American and North American subsidiaries, and the executive manager of the German subsidiary, purchased Ipsos shares directly at the IPO price (non-registered shareholders). Following the acquisition by Ipsos of Novaction Group, which was paid for in Ipsos shares, Novaction employees received 227,520 Ipsos shares. As at 1 April 2002, 6.9% of Ipsos Group employees were registered shareholders.

(2) This total does not take into account the new shares issued during 2002 following the exercise of share subscription options.

To the Company's knowledge, ownership of the share capital and voting rights broke down as follows as at 1 April 2001:

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
LT Participations	2,594,086	41.94	4,697,586	56.40
Employees (1)	52,932	0.86	53,332	0.64
SG Capital Développement	97,400	1.57	139,500	1.67
The Company (treasury shares)	2,815	0.05	–	–
Public	3,437,980	55.58	3,438,280	41.28
TOTAL	**6,185,213**	**100.00**	**8,773,562**	**100.00**

(1) When the Group increased its share capital as part of its employee savings plan, three tranches were reserved for employees. As at 1 April 2001, 16% of employees were shareholders.

2.2.4 CAPITAL AUTHORISED BUT NOT ISSUED

General authorisations to increase the capital

The Extraordinary General Meeting of 29 May 2002 authorised the Board of Directors to increase the share capital, on one or more occasions during a period of no more than twenty-six months, by a maximum par value of €2,000,000, by issuing all types of transferable securities, with or without preferential subscription rights, including share warrants giving immediate or future access to an interest in the share capital. Furthermore, the Extraordinary General Meeting of 29 May 2002 authorised the Board of Directors to increase the share capital by capitalisation of reserves, profits, share premiums or any other item that may be capitalised, up to a maximum of €2,000,000.

Lastly, the Extraordinary General Meeting of 29 May 2002 authorised the Board of Directors to issue transferable debt securities giving access to the share capital for an amount not to exceed €250,000,000.

These authorisations may be used, subject to the conditions stipulated by law, in the event of a public offer to purchase or exchange transferable securities issued by the Company.

To date, these authorisations have not been used.

The renewal of these authorisations will be proposed for approval by the Extraordinary General Meeting on 11 June 2003, for a maximum amount of €3,000,000. This renewal will terminate the authorisations described above.

Share issue reserved for Ipsos Partnership Fund SAS

The Combined General Meeting of 6 March 2002 authorised the Board of Directors to increase the share capital, on one or more occasions during a period of two years, by up to a maximum of 9% of the share capital as at the date of the General Meeting (i.e. €577,320), by issuing new shares, without preferential subscription rights, reserved for the Ipsos Partnership Fund, a French simplified joint stock company, whose share capital on the day of the share issue was to be almost exclusively held by executives of Ipsos or its related companies or groups as defined in article L. 233-3 of the Code of Commerce. The issue price of these new shares could not be less that the average closing price of the Ipsos share during the twenty trading days preceding the issue of the shares by the Board of Directors.

The Board of Directors made full use of this authorisation on 9 July 2002 by issuing 577,320 new shares which were subscribed for and fully paid-up by Ipsos Partnership Fund at a price of €69 per share.

Capital authorised but not issued:

	Authorisation date	Expiry date	Characteristics	Amount of authorisation used	Remaining amount of authorisation
General authorisation	11 June 2003 (to renew the unused authorisation given on 29 May 2002)	11 August 2005	All types of transferable securities up to a maximum nominal amount of €3,000,000	None	€3,000,000

2.2.5 Share issue reserved for members of the Ipsos Group employee savings plan

The Extraordinary General Meeting of 31 May 1999 authorised the Board of Directors to increase the share capital, on one or more occasions during a period of five years, by up to a maximum of 5% of the Company's capital as of the date of the decision by the Board of Directors, by issuing shares, without preferential subscription rights, reserved for employees of the Company or of related companies as defined in article L. 225-80 of the Code of Commerce. These employees must be members of the Ipsos Group Employee Savings Plan, either through investment funds or, if they are employees of foreign subsidiaries, directly as shareholders, in accordance with article L. 225-138 of the Code of Commerce and article L. 443-5 of the Labour Code.

First tranche issued in 1999

At its meeting of 21 June 1999, the Board of Directors agreed to issue an initial tranche of new shares reserved for employees. As a result, 46,080 new shares were issued at a subscription price of €28.50 per share.

Second and third tranches issued in 2000

At its Meeting of 9 June 2000, the Board of Directors issued two further tranches of new shares reserved for employees (each of these two tranches had a different subscription price to eliminate the tax disadvantage for American employees):

- the second tranche, subscribed to by non-American employees of the Group as at 1 January 2000, resulted in the issue of 9,281 new shares at the subscription price of €95 per share;
- the third tranche, subscribed to by American nationals employed by the Group as at 1 January 2000, resulted in the issue of 1,012 new shares at the subscription price of €100 per share.

During 2001 and 2002, the Company did not issue any new shares reserved for employees.

The fifth resolution of the Extraordinary General Meeting to be held on 11 June 2003 (see chapter 6) will ask shareholders to authorise the Board of Directors to issue 350,230 new shares reserved for employees within a maximum period of 26 months (with a 20% maximum discount for the employee savings plan and 30% discount for the voluntary joint employee savings plan).

2.2.6 Potential capital

Initial share option plan

The Extraordinary General Meeting held on 28 July 1998 authorised the Board of Directors, under articles L. 227-177 and seq. of the Code of Commerce, to grant options to subscribe for new shares in the Company to be issued in the form of a capital increase to some or all of the Group's employees and to the corporate officers.

This initial plan to grant options to Group employees has been implemented as follows.

- an initial tranche of 97,662 options (after the 50-for-1 stock split approved by the Extraordinary General Meeting of 28 July 1998 and the 2-for-1 stock split approved by the Extraordinary General Meeting of 31 May 1999) was granted by a decision of the Board of Directors on 28 July 1998;
- a second tranche of 98,240 options (after the 2-for-1 stock split approved by the Extraordinary General Meeting of 31 May 1999), corresponding to acquired rights as at 28 July 1998 and conditional upon the achievement of profitability targets, was granted by a decision taken by the Board of Directors on 10 May 1999.

Date of Board Meeting	Initial exercise date for options	Number of options granted (*)	Exercice price 1 option per share	Options exercised as at 1 Apr 03	Number outstanding as at 1 Apr 03(**)	Final exercice date
28 Jul 98	28 Jul 03	97,662	FRF135	5,380	58,354	28 Jul 08
10 May 99	10 May 04	98,240	FRF150	1,156	59,454	28 Jul 08
TOTAL		**195,898**		**6,536**	**117,808**	

(*) After 50-for-1 stock split (EGM of 28 July 1998) and 2-for-1 stock split (EGM of 31 May 1999).
(**) Including options held by the seven members of the Management Board as at 1 April 2003: 20,996 (1998: 10,794; 1999: 10,202).

Second share option plan

The Extraordinary General Meeting held on 24 May 2000 authorised the Board of Directors, with the option to sub-delegate powers to the Chairman, in accordance with articles L.225-177 et seq. of the Code of Commerce, to grant to some or all of the corporate officers and employees of the Company and of related companies as defined in article L.225-180 of the Code of Commerce, options to subscribe for new ordinary shares in the Company to be issued in the form of a capital increase, as well as options giving the right to purchase Ipsos shares bought by the Company itself under the terms laid down by law.

The Board of Directors may use this authorisation, in full or in part and on one or more occasions, up to 24 May 2005.

The total number of share options that may be granted cannot exceed 6% of Company's share capital as at the date of the Meeting, i.e. 314,080 shares.

The General Meeting delegated all necessary powers to the Board of Directors to implement this stock option plan, with the option to sub-delegate such powers to the Chairman under the terms laid down by law.

The plan adopted by the General Meeting of 24 May 2000 replaced the authority given by the Extraordinary General Meeting of 28 July 1998.

This second plan to grant options to Group employees has been implemented as follows:

• An initial tranche of 75,000 options, divided into three sub-tranches with different option exercise periods in order to take account the specific features of various tax regulations, was granted following a decision by the Board of Directors on 9 June 2000.

• A second tranche of 119,800 options, split into two sub-tranches, was granted following a decision by the Board of Directors on 8 August 2001.

• A third tranche of 94,000 options, split into two sub-tranches, was granted following a decision by the Board of Directors on 18 December 2002.

Date of Board Meeting	Initial exercise date for options	Number of options granted	Exercice price: 1 option per share	Options exercised as at 1 Apr 03	Number outstanding as at 1 Apr 03(*)	Final exercice date
9 Jun 00	9 Jun 04	27,609	€120	0	22,345	9 Jun 08
9 Jun 00	9 Jun 03	11,594	€120	0	8,243	9 Jun 07
9 Jun 00	9 Jun 03	35,797	€120	0	24,471	9 Jun 08
8 Aug 01	8 Aug 05	27,148	€67	0	23,223	8 Aug 09
8 Aug 01	8 Aug 04	92,652	€67	0	75,304	8 Aug 09
18 Dec 02	18 Dec 05	84,670	€58	0	84,670	18 Dec 10
18 Dec 02	18 Dec 06	9,330	€58	0	9,330	18 Dec 10
TOTAL		**288,800**		**0**	**247,586**	

(*) Including options held by the seven members of the Management Board as at 1 April 2003: 11,864 (2000: 6,616; 2001: 5,248; 2002: 0).

As at 1 April 2003, there were 25,280 outstanding options to be granted under this second stock option plan.

The new plan to grant share subscription or share purchase options will be submitted for approval by the General Meeting of Ipsos shareholders to be held on 11 June 2003 and would authorise the Board of Directors to grant options to subscribe to or purchase 350,230 shares within a period of thirty-eight months. The approval of this third stock option plan will cancel the second stock option plan, to the extent that it was not used.

Maximum potential dilution

At 1 April 2003, the share capital amounted to €7,004,597. If all the warrants and options under the plans described above were to be exercised, the maximum potential dilution would be 11.93% (835,409 potential new shares), i.e. 6.71% (470,015 potential new shares) from the exercise of share subscription warrants and 5.22% (365,394 potential new shares) from the exercise of share subscription options.

Share subscription options

Type of transaction	❶	❶		❶		❶		❶	
Date of General Meeting authorising the transaction	28 Jul 98	28 Jul 98		24 May 00		24 May 00		24 May 00	
Date of Board Meeting approving or initiating the transaction	28 Jul 98	10 May 99		09 Jun 00		08 Aug 01		18 Dec 02	
Initial number of shares eligible for subscription	97,662	98,240		75,000		119,800		94,000	
			27,609	11,594	35,797	27,148	92,652	9,330	84,670
Number of grantees	57	83		1,396		2,165		195	
			489	263	644	454	1,711	25	170
Number of company officers involved (members of Management Board as at 1 April 2003)	3	4		4		5		0	
Number of shares eligible for subscription by company officers (members of Management Board as at 1 April 2003)	10,794	10,202		6,616		5,248		0	
Initial exercise date for options or warrants	28 Jul 03 ❷	10 May 04 ❷	09 Jun 04	09 Jun 03	09 Jun 03	08 Aug 05	08 Aug 04	18 Dec 06	18 Dec 05
Expiry date	28 Jul 08	28 Jul 08	09 Jun 08	09 Jun 07	09 Jun 08	08 Aug 09		18 Dec 10	
Subscription price (€)	20.58	22.87		120		67		58	
Exercise limits	Whole tranche	Whole tranche	Whole tranche	One third as from each anniversary date		Whole tranche	One third as from each anniversary date	Whole tranche	One third as from each anniversary date
Number of shares subscribed to as at 1 April 2003	5,380	1,156	0	0	0	0	0	0	
Total number of shares eligible for subscription as at 1 April 2003	58,354	59,454		55,059		98,527		94,000	
			22,345	8,243	24,471	23,223	75,304	9,330	84,670

❶ *Share subscription options granted to Group employees and corporate officers.*

❷ *Employees leaving the Group after the third anniversary of the options allocation date may, in some cases, exercise these options.*

Share warrants

These share warrants were issued as part of the public issue of shares with warrants (ABSAs) in June 2000 and are listed under Sicovam code 24817.

- General Meeting that approved the transaction: 24 May 2000.
- Number of share warrants (BSAs) issued: 940,170.
- Exercise ratio of the share warrants: two share warrants entitle the holder to subscribe to one new Ipsos share.
- Exercise price: €140.
- Exercise period of the share warrants: from 21 June 2000 to 21 June 2003.
- Total number of shares that may be subscribed to at 1 April 2003: 470,015.

Maximum potential dilution

	Issue/allotment date	Exercise price (€)	Exercise period	Potential dilution (as at 1 Apr 03)
Share options	28 Jul 98	20.58	28 Jul 03 to 28 Jul 08	58,354
Share options	10 May 99	22.87	10 May 04 to 28 Jul 08	59,454
Share options	09 Jun 00	120.00	09 Jun 03 to 09 Jun 08	55,059
Share warrants	20 Jun 00	140.00	21 Jun 00 to 21 Jun 03	470,015
Share options	08 Aug 01	67.00	08 Aug 04 to 08 Aug 09	98,527
Share options	18 Dec 02	58.00	18 Dec 05 to 18 Dec 10	94,000
TOTAL				**835,409**

2.2.7 Other securities giving access to the capital

There are no other securities that give access to the Company's capital.

2.2.8 Securities not representing the company's capital

There are no securities that do not represent the Company's capital.

2.2.9 Share purchase options

In its meeting of 9 July 2002, the Board of Directors used the authority given to it by the Combined General Meeting of 6 March 2002 to grant corporate officers and employees of the Company and of related companies or groups who are also shareholders of Ipsos Partnership Fund SAS, 19,244 options to purchase shares in the Company. Each option entitles the holder to purchase up to 30 shares at a price of €69 per share. These options may be exercised between 9 July 2005 and 9 July 2008. The number of shares that may be acquired by exercising each option increases up to a maximum of 30 as from 9 July 2007. To exercise these options, the holder must continue to be an employee of the Ipsos Group and a shareholder of Ipsos Partnership Fund SAS. The Board of Directors made full use of the authority granted on 6 March 2002. These share purchase options do not represent potential capital and are not dilutive.

2.2.10 Shareholders' agreements

There are no shareholders' agreements.

When the company Ipsos Partnership Fund SAS issued a notification that it had exceeded various ownership thresholds, as published by the *Conseil des Marchés Financiers* on 12 July 2002 (see 2.2.3 above), it also publically disclosed some of the terms of the agreement between Partnership Fund SAS and Société Générale, in accordance with article L.233-11 of the Code of Commerce.

2.2.11 Undertaking to retain shares

Since 1 July 2001 there has been no undertaking to retain shares.

2.2.12 Dividends and distribution policy

The Company aims to maintain a consistent dividend policy that is favourable for shareholders, paying out approximately 26% of consolidated net profit, provided that this is compatible with the Company's interests.

The above rate excludes payment of the tax credit. Consolidated net profit is understood as being the total net result attributable to Group shareholders after amortisation of goodwill.

Year	Net dividend per share (€)	Tax credit per share (€)	Gross dividend per share (€)
2002(**)	0.30	0.15	0.45
2001	0.26	0.13	0.39
2000	0.25	0.13	0.38
1999	0.23	0.11	0.34
1998	None		
1997	None		
1996 (*)	0.20	0.10	0.30

(*) The amount for 1996 is after the 50-for-1 stock split (EGM of 28 July 1998) and the 2-for-1 stock split (EGM of 31 May 1999).
(**) Dividend to be proposed at the General Meeting of 11 June 2003. Proposed payment date: 9 July 2003.

In accordance with the law, annual and interim dividends that remain unclaimed after a period of five years revert to the French government.

2.2.13 Key stock market data

After being admitted for listing on the *Nouveau Marché* of Euronext Paris on 1 July 1999, the Company's shares have been quoted on the *Premier Marché* of Euronext Paris since 16 April 2003 under Euroclear France (Sicovam) code 7329 and ISIN code FR0000073298. Ipsos is eligible for the SRD deferred settlement system and is part of the Next Prime segment and SBF 120 index.

Share price and share volume movements from the initial listing date on 1 July 1999

	High (€)	Low (€)	Average volume-weighted price (€)	Volume (number of shares)	Volume (€ millions)
July 1999	38.7	36.0	37.8	1,342,689	50.7
August 1999	44.1	36.7	41.9	370,650	15.5
September 1999	50.4	43.5	47.6	199,879	9.5
October 1999	52.1	47.0	48.4	212,358	10.3
November 1999	60.0	48.0	52.4	252,422	13.2
December 1999	82.1	54.5	69.5	148,579	10.3
January 2000	100.1	71.0	87.7	312,150	27.4
February 2000	163.5	97.0	127.9	321,525	41.1
March 2000	203.0	146.0	159.8	564,365	90.2
April 2000	154.0	100.0	122.8	230,247	28.3
May 2000	128.0	109.5	120.5	76,994	9.3
June 2000	131.0	110.0	116.8	141,100	16.5
July 2000	149.9	103.1	129.1	214,100	27.6
August 2000	154.1	133.0	141.9	149,600	21.2
September 2000	150.0	127.4	137.1	174,700	24.0
October 2000	124.0	110.0	115.0	348,900	40.1
November 2000	124.0	93.7	108.8	176,400	19.2
December 2000	125.0	100.1	111.9	165,600	18.5
January 2001	114.0	86.5	100.1	317,100	31.7
February 2001	107.0	90.2	96.0	102,600	9.9
March 2001	98.0	81.5	88.9	288,208	25.6
April 2001	86.9	74	79.6	250,055	19.9
May 2001	92.9	87.8	90.6	123,667	11.2
June 2001	86.95	70.2	76.0	164,289	12.5

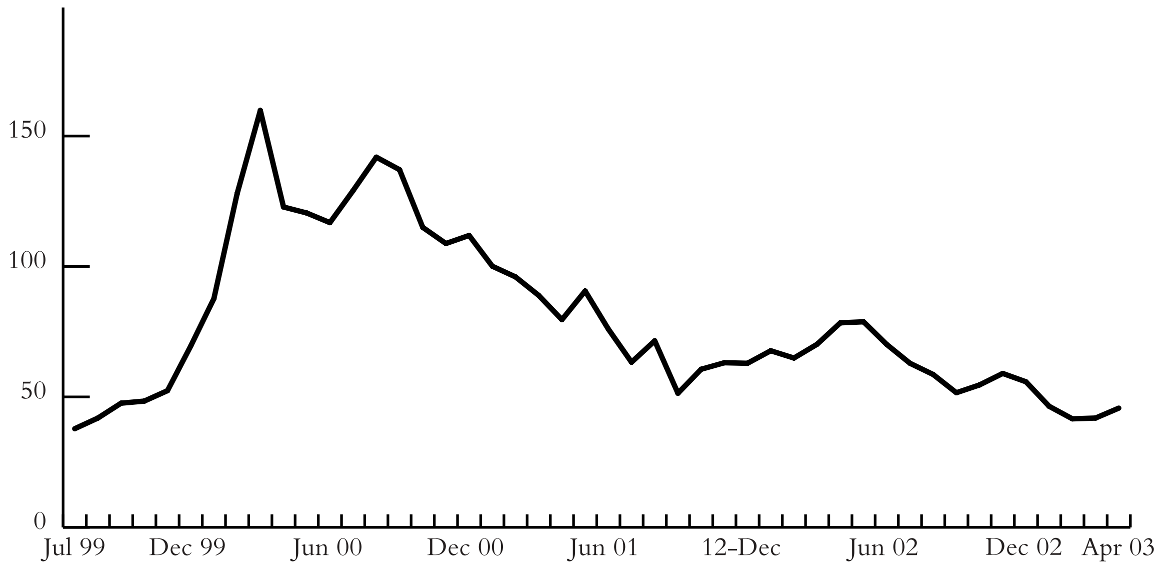
Share price and share volume movements from the initial listing date on 1 July 1999 (continued)

	High (€)	Low (€)	Average volume-weighted price (€)	Volume (number of shares)	Volume (€ millions)
July 2001	70.3	56.0	63.3	236,737	15.0
August 2001	77	66	71.5	161,499	11.5
September 2001	71.9	41.85	51.4	304,188	15.6
October 2001	67.7	54.2	60.6	305,303	18.5
November 2001	66.3	59.35	63.1	288,882	18.2
December 2001	64.45	60	62.9	121,274	7.6
January 2002	70.5	63	67.7	205,752	13.9
February 2002	68.75	59.9	64.9	160,267	10.4
March 2002	77.6	64.8	70.2	290,377	20.4
April 2002	83.9	74.55	78.4	253,985	19.9
May 2002	82.65	75.75	78.8	238,748	18.81
June 2002	76.35	62	70.1	185,387	13
July 2002	69.9	54.8	62.9	247,271	15.55
August 2002	61.9	54	58.6	262,153	15.37
September 2002	59.5	40.77	51.6	271,404	14
October 2002	58	49.5	54.6	225,519	12.32
November 2002	61.25	57.4	59	230,025	13.58
December 2002	60.5	52	55.8	152,106	8.48
January 2003	54.85	40.5	46.4	276,497	12.86
February 2003	44.1	39.9	41.6	405,533	16.86
March 2003	45.5	39	41.9	296,453	12.41
April 2003	49	43	45.7	258,569	11.81

Source : Société Générale.

Ipsos share price

In euros



Source : Jacques Chahine Finance.

3

IPSOS' ACTIVITY

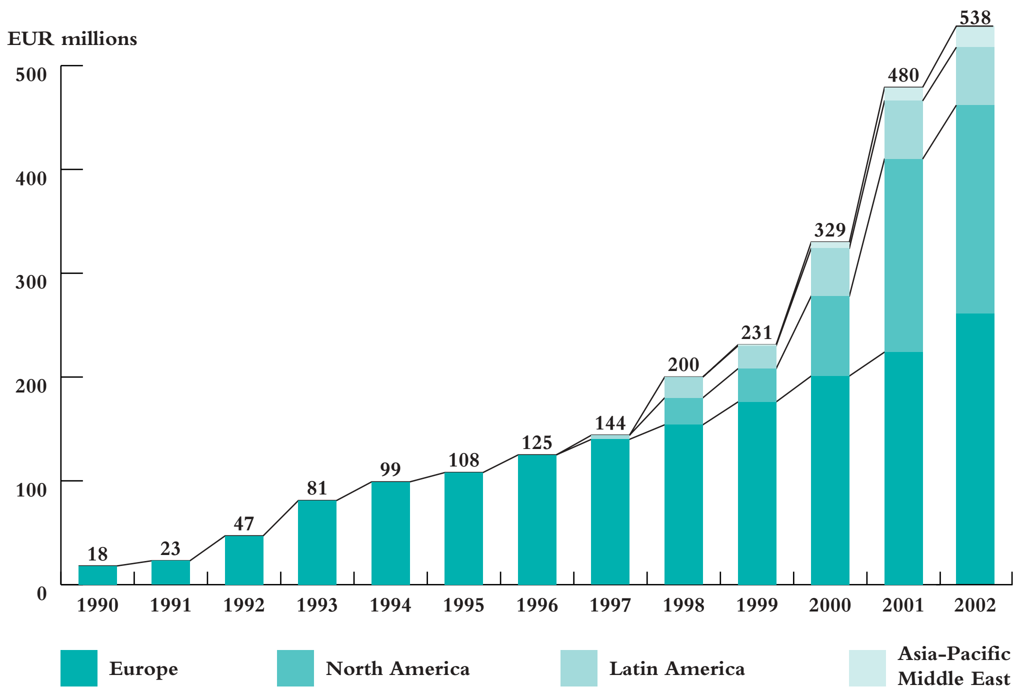
3.1 GENERAL PRESENTATION OF IPSOS

Ipsos is the world's second largest market research group and focuses on a single activity, namely the production, interpretation and distribution of information gathered from individuals about their opinions, desires, attitudes and behaviour. To meet its clients' expectations as closely as possible, Ipsos has organised its business into five specialist areas: advertising research, marketing research, media research, opinion polls & social research, and quality & customer satisfaction research.

Since 1975, Ipsos experts have been analysing the subtle differences between individuals to produce accurate images of their expectations, motivations and intentions as citizen-consumers. This unique approach, which Ipsos calls "Nobody's Unpredictable", enables its clients to understand their markets, their customers and the world they live in.

In 2002, Ipsos' business was balanced between its home continent of Europe, where it achieved 49% of its revenues, and North America, which now accounts for 39% of the Group's activity. Latin America accounted for 9% of Group revenues, while the Asia-Pacific region and the Middle East together accounted for 3%.

With an effective presence in 35 countries on 1 January 2003, Ipsos carries out research for its major clients in more than 100 countries. The Group's revenues have increased thirty-fold since 1990, when it launched its international expansion, giving average annual growth of 35.3%.



Since the beginning of the 1990s, the Group's robust organic growth has regularly exceeded 10%, outperforming the worldwide research market as a whole (see section 3.3.1, "The global research market").

	Total revenue growth	Organic growth (*)
1991 - 1992	+ 104.0%	+ 30.0%
1992 - 1993	+ 73.8%	+ 29.7%
1993 - 1994	+ 22.8%	+ 10.3%
1994 - 1995	+ 8.3%	+ 10.6%
1995 - 1996	+ 15.8%	+ 10.0%
1996 - 1997	+ 15.5%	+ 7.1%
1997 - 1998	+ 38.2%	+ 10.9%
1998 - 1999	+ 15.8%	+ 12.7%
1999 - 2000	+ 42.8%	+ 13.0%
2000 - 2001	+ 46.0%	+ 8.0%
2001 - 2002	**+ 12.1%**	**+ 8.0%**

(*) Revenue growth based on a constant scope of consolidation and exchange rates.

3.1.1 History

1975 - 1981: Ipsos has always been different

Ipsos was founded in Paris in 1975 by Didier Truchot who brought a new approach to the research industry. His objective was to offer clients quality information with high added value, i.e. information that was both thorough and reliable, along with explanations and advice so it could be used immediately.

In a French market dominated by Sofres and Ifop, Ipsos made its presence felt with three innovations:

- standardised evaluation instruments for advertising research, for each medium,
- a targeted approach to the measurement of mass media audiences, starting with the business press which was soon followed up with similar research on other groups, namely high income households, financial decision-makers, and IT decision-makers, etc.
- a method of syndicated financing for major studies of this type: France des Cadres Actifs was financed by almost the whole of the French press.

As a result Ipsos became one of the most influential companies, achieving turnover of FRF5 million in 1981.

1982 - 1989: Success in France

The 1980s saw the Group's first period of strong growth. The beginning of this period saw the arrival of Jean-Marc Lech, formerly President of Ifop, who became Co-Chairman alongside Didier Truchot.

France in the 1980s was the setting for a massive explosion in communications, which was influenced by several factors:

- a remarkable buoyancy in the world of advertising,
- the development of the business press (economic and trade publications),
- alternating governments, along with the emergence of political communications which increased politicians' need to communicate better and forced them to pay more attention to their images.

In such favourable circumstances, Ipsos grew very fast. The Group built up strong positions in its chosen fields and acquired an image of excellence, particularly in:

- the media,
- measuring advertising effectiveness,
- public opinion and social research.

At the end of 1989, Ipsos achieved revenues of FRF100 million and was fifth in the French market after Nielsen, Secodip, Sofres and BVA.

At the same time the Co-Chairmen noticed a change in the market: the large international groups, anxious to globalise their approach in all markets, wished to work with the same research companies worldwide, in order to have homogeneous and comparable data from one country to another. Ipsos therefore had to expand outside France in order to meet its clients' needs abroad.

1990 – 1997: Expansion in Europe

The first half of the 1990s saw a third phase in the development of Ipsos, which built up positions in the major European countries, first of all in southern Europe and then in Germany, the UK and central Europe.

This expansion was achieved through acquisitions, with the Group selecting its targets by reference to clear criteria:

- the companies approached had to be ready to transfer all their capital, as Ipsos' objective was to set up a truly integrated group;
- the target companies had to be major players in their markets (one of the top 3 or 4);
- the management had to understand the Ipsos plan and agree to it: the takeovers were friendly and the directors were expected to head the new subsidiaries;
- the company's activity had to be related to at least one of three main activities of the Group i.e. media, advertising effectiveness, opinion polls and social research.

Meanwhile the Group continued to expand in France, where in 1993 it took over the leading qualitative research company, Insight, while maintaining a high level of organic growth. Ipsos also took its first steps outside Europe, in the Middle East, Latin America and the United States where it opened its first office in 1997.

This rapid development, which had been achieved through acquisitions and organic growth, required large amounts of capital and an increase in the Group's shareholders' equity. Up to that point Ipsos had been owned 2/3 by the two Co-Chairmen and 1/3 by the managers, however, in July 1992 it brought in several investors. They were replaced in their turn in September 1997 by the Artemis group (Mr François Pinault), through his Kurun fund, which had links with the Amstar fund (Mr Walter Butler).

By the end of 1997, Ipsos had become a European player with revenues of FRF946 million. However, the Group had to continue its international expansion, as its clients were continually extending their geographical coverage and wished to have suppliers on a global scale.

1998: Global ambitions

At the end of 1997 and the beginning of 1998, Ipsos made its first two major acquisitions outside Europe:

- It linked up with the South American network Novaction, comprising three companies in Argentina, Brazil and Mexico, with strong positions in marketing research. Ipsos took up 33% of the capital of the three companies, with an option to acquire the balance in 5 years. When the company was floated on the stock exchange, the acquisition of the minority interests was also anticipated; Ipsos now holds 100% of the capital of these companies.
- The Group acquired the world leader in copy testing, the American company ASI (now Ipsos-ASI).

These acquisitions have improved the Group's geographical coverage and strengthened its position in advertising research, in which Ipsos is now one of the world's leading players.

1999: Flotation

In order to have access to the resources needed to build up a world-class group while retaining their independence, the Co-Chairmen of Ipsos decided to have the company listed on the stock exchange. Its flotation on the Nouveau Marché of the Paris Stock Exchange was carried out successfully on 1 July 1999. In total, 2,539,533 Ipsos shares were issued at a price of €33.5, within the framework of a Fixed Price Offer and a Guaranteed Offer. The operation was over-subscribed 12.6 times.

This operation also strengthened the Group's position *vis-à-vis* its major international clients and competitors that were already listed.

1999 also saw a certain number of major initiatives:

- a new generation of advertising research products (Ipsos-ASI Next*TV) was launched;
- Ipsos acquired NFO Worldwide's shares in the four subsidiaries specialising in the development of access panels in Europe, which were formerly controlled by Ipsos and NFO Worldwide equally;
- operations in the Asia-Pacific region were begun with the opening of an office in Hong Kong and the acquisition of the Australian company Marketing for Change (now Ipsos Australia).

2000 – 2001: Ipsos intensified its acquisition policy and became a major player in North and Latin America

2000 and 2001 saw the Ipsos Group significantly strengthen its positions in North America, which restored equilibrium to its activities both in terms of geography and areas of expertise.

The acquisition of Angus Reid, Canada's leading research company

Canada's leading research company, the Angus Reid Group (now Ipsos-Reid Corp.) also has a strong presence in the United States where one third of its activities are conducted. Since 1979, the company has been offering a complete range of marketing and public opinion research to companies in the public and private sectors, with more than 1,200 clients worldwide. It now employs more than 400 people in 7 offices in Canada (Calgary, Edmonton, Montreal, Ottawa, Toronto, Vancouver and Winnipeg) and 4 offices in the United States (New York, Minneapolis, San Francisco and Washington D.C.).

Ipsos-Reid Corp., which was one of the first companies in North America to develop international research tools, is now working worldwide with global media such as Business Week.

Acquisition of Tandemar, Canada's market leader in advertising research

Tandemar Research Inc., which has offices in Montreal and Toronto, is Canada's market leader in advertising research. More than 80% of its activity is concerned with tracking the effect of advertising campaigns on sales and brand equity. Now known as Ipsos-ASI Ltd, the company has been integrated with Ipsos-ASI The Advertising Research Company, the Group's global brand name for advertising research.

Acquisition of the Marketing Research division of NPD

In January 2001, Ipsos acquired the assets of the Marketing Research division of NPD in the United States and Canada. Now operating as Ipsos-NPD, within the Ipsos Group, the business is now one of the leaders in marketing research in the United States. It has powerful resources which are particularly suited to this activity, such as access panels for postal or telephone research and access panels online.

Acquisition of the assets of Riehle Research and launch of the Public Opinion business in the United States

Based in Washington DC, the new Public Affairs division is part of Ipsos-Reid. Apart from political studies, its special area, it is also involved in problems of food safety, housing, economics and finance, and companies' internal research.

Thanks to these three major acquisitions, in 2001 Ipsos became a leading player in the North American market where it was ranked sixth with revenues of €186 million. In 2002, the area proved to be very dynamic and made a major contribution to the development of the Group, generating organic growth of 13.5% (see below).

In Latin America, after acquiring Bimsa, the Mexican market leader, in 2000, the Group moved into Chile in 2001 with Search Marketing (marketing and media research), and increased its presence in Argentina with the acquisition of Mora y Araujo (opinion polls) and in Brazil with the acquisition of Marplan (media research).

Also in Brazil, in 2001 the Group added new expertise to its research services with the creation of Ipsos Opinion. Ipsos is now the market leader in survey based research in Latin America.

In Europe, the Group's selective acquisition strategy can be seen in its bid to acquire Research in Focus, a British company which specialises in ad hoc qualitative and quantitative research and model building, and high added value consultancy. Ipsos acquired a 50% stake in Focus in 2000 and the remainder was acquired in summer 2002.

In summer 2001 Ipsos acquired all the shares of Novaction, a company specialising in high added value marketing research and consultancy, which operates both in Europe and in the Asia-Pacific region. This has extended the Group's geographical reach, especially in Japan and Korea, where Novaction achieves nearly one quarter of its business. It has also enhanced the Group's expertise in marketing research (modelling research, simulated market tests). The operation will be extended in spring 2002 with the acquisition of Vantis, which specialises in the same segments in North America (cf. below).

Finally in 2001, Ipsos acquired a 59% stake in the Polish company Demoskop, via a capital increase.

In the other regions, Ipsos has continued to expand its activities. In Asia, the Group has acquired a 40% stake in the Chinese company Link Survey. In the Middle East, it has increased its holding in the Lebanese subsidiary Stat, whose activity has seen strong growth in media and advertising. Through this subsidiary, Ipsos is now developing an integrated network covering the whole of the Middle East, where the markets show a significant potential for growth. Apart from Lebanon, Ipsos also has a presence in Syria, Jordan, the United Arab Emirates (Dubai), Kuwait, Saudi Arabia and Bahrain.

2002 – 2003: Ipsos strengthened its position in its major markets

North America

The Group strengthened its position in North America in spring 2002 with the acquisition of the assets of AC Nielsen Vantis, a division of AC Nielsen BASES, which specialises in marketing research and consultancy in the development of durable goods and services. The Group can now offer a wider variety of services in North America, ranging from advertising research, marketing research (including modelling research) and research relating to Customer Relationship Management to public opinion research.

The regional management structure that was set up in 2001 under Simon Kooyman rationalises the resources available in the whole continent. Telephone research resources were transferred to Canada, while common functions (human resources, finance and management) were brought together to increase efficiency. With a view to clarifying the services on offer, Ipsos-Reid and Ipsos-NPD, which operate in the marketing research sector in the United States, adopted a common structure and brand name, Ipsos-Insight, at the beginning of 2003. The name should prefigure the organisation that has been set up worldwide for this specialization.

Europe

Ipsos made several acquisitions in Northern Europe in 2002. It acquired Imri, Eureka and Intervjubolaget in Sweden, and F.Squared which is based in Russia, Ukraine and Poland. The Group also acquired the German company Sample-INRA which, with Ipsos Deutschland, significantly strengthens Ipsos' position in this market, which is the second largest in Europe. As a result Ipsos is now ranked third in survey-based research in Germany. With Sample-INRA, Ipsos also acquired new operations in Spain and the Czech Republic.

Asia

In 2002, Ipsos acquired a share of the capital of the Chinese company Feng & Associates Marketing Services (FAMS) which has offices in Beijing, Shanghai and Guangzhou (Canton). Specialising in marketing research (strategic research into brands and product development), it has 90 permanent employees and 600 researchers, and has the capacity to operate in 30 regions throughout the country, including Hong Kong. Having merged with Ipsos-Link, the company now operates as Ipsos China which is ranked third in this very dynamic market and in which the Group holds a 60% share.

Four years after its IPO, Euronext Paris S.A., in agreement with the Commission des Opérations de Bourse, has authorised the transfer of Ipsos S.A. to the Premier Marché of Euronext Paris. This decision took effect on 16 April 2003.

3.1.2 Group organisation

3.1.2.1 Business organisation chart

As at 1 January 2003, Ipsos was present in 35 countries. Its subsidiaries either operate in a given country, or have specific competence in one of the Group's five areas of specialisation. In such case they may operate under the same brand name in several countries. Locally, they all report to their regional head office.

There follows a business organisation chart of the Group showing both regional location and areas of specialisation.

A more detailed version of this chart can be seen on pages 78 and 79 (Section 4.4.7)

Ipsos

Management Board — Chairmen — Central Services

Advertising Research (Ipsos-ASI)
Marketing Research (Ipsos-Insight, Ipsos Forecasting, Modeling & Consulting)
Media Research
Public Opinion and Social Research (Ipsos Public Affairs)
Quality and Customer Satisfaction Research (Ipsos Loyalty)

On-line research (Key Account Management)

Ipsos Europe	Ipsos North America	Ipsos Latin America	Ipsos Asia Pacific	Ipsos - Stat (Middle East)
Belgium, Czech Republic France, Germany Hungary, Italy, Poland Portugal, Russia, Spain Sweden, Romania UK, Ukraine	Canada USA	Argentina, Brazil Chile, Colombia, Costa Rica, Dominican Republic, Mexico Venezuela	Australia Greater China Hong Kong Japan Korea Taiwan	Jordan Kuwait Lebanon Saudi Arabia Syria United Arab Emirates Bahrain
Ipsos Access Panel Ipsos-ASI Ipsos-Insight Ipsos-Novaction	Ipsos-ASI Ipsos-Novaction (FMC) Ipsos-Vantis (FMC) Ipsos-Insight	Ipsos-ASI Ipsos-Novaction (FMC)	Ipsos-ASI Ipsos-Novaction (FMC)	
Ipsos Brussels Ipsos Czech Republic Ipsos-Eco Consulting (Sp) Ipsos-Eureka (S) Ipsos-Explorer (It) Ipsos France Ipsos Deutschland Sample (D) Ipsos F-Squared (Ru/Uk) Ipsos-Imri (S) Ipsos New Media Research (Ro) Ipsos Poland Ipsos Portugal Ipsos Sweden Ipsos-Szonda (H) Ipsos UK	Ipsos-Reid	Ipsos Argentina Ipsos Brazil (B) Ipsos-Bimsa (Mx) Ipsos CCA Ipsos Dominicana Ipsos Hispania (Costa Rica) Ipsos-Marplan (B) Ipsos-Mora y Araujo (Ar) Ipsos-Search Marketing (Ch)	Ipsos Australia Ipsos China (PRC) Ipsos Taïwan	Ipsos-Stat (in all countries)

3.1.2.2 Business organisation

One business, five specialisations: a dynamic and effective organisation

Ipsos' survey-based research business breaks down into five specialisations:

- advertising research,
- marketing research,
- media research,
- public opinion and social research,
- quality and customer satisfaction research.

In each of these specialist areas the Group has set up an international organisation with dedicated staff to coordinate the development of the various activities in the regions concerned. For each specialization, Ipsos intends to organise its business around a single brand so as to clarify the services on offer and its communications worldwide. This type of organisation is particularly advanced in certain specializations, for example advertising research around the global brand Ipsos-ASI. Similar work is now in progress for marketing research around the brands Ipsos-Insight and Ipsos-Forecasting, Modelling and Consulting, and for quality and customer relationship management research around the brand Ipsos Loyalty. However, some Group specialisations such as media research and, to a certain extent, public opinion research, are still usually offered in national or even regional markets. When offered in several markets, this does not constitute a worldwide service. In the case of public opinion research, the Group has decided to adopt the same brand name, Ipsos Public Affairs, in all the countries where it operates.

To resume, thanks to its unique organisation, in 2002 the Group's activity grew in most of its core businesses. In order to make its services even more visible, Ipsos has begun to clarify its brand policy and future outlines should be made public in 2004.

1) **Ipsos-ASI The Advertising Research Company** is the Group brand dedicated to advertising research. It has an integrated organisation and a single management based on regional organisation with subsidiaries in more than 15 countries. Its highly specialised teams implement the Group's copy-testing, brand tracking and brand equity services worldwide.

2) As has already happened in the United States, **Ipsos-Insight**, is destined to become the umbrella brand for all the Group's marketing expertise. Qualitative research services will be marketed under the same brand, as **Ipsos-Insight The Worldwide Qualitative Research Company**.
The specific expertise relating to modelling research and simulated market tests (now offered by Ipsos-Novaction and Ipsos-Vantis) should be promoted separately under the brand name **Ipsos Forecasting, Modelling & Consulting**.

3) The brand name **Ipsos Public Affairs** which is already used in the United States, will be adopted by the other companies in the Group offering research into public opinion, company strategies and social matters.

4) Under the brand name **Ipsos Loyalty**, expertise in Customer Relationship Management research will be offered homogeneously in more than 10 countries in North America, Latin America and Europe. It will gradually be extended to the main markets in all the regions where Ipsos operates.

5) **Ipsos Reach** offers all the production and data collection tools available at European level, including the Ipsos Access Panels (research using panels of consumers in Europe) and the International CatiCentre in London (for international telephone surveys), under the same name. A similar organisation has been set up in North America, bringing together survey resources whenever possible, thus Ipsos Direct in Canada centralises Group telephone survey resources for the whole region, and Ipsos-Reid and Ipsos-Insight online and off-line consumer panels.

6) **Ipsos Interactive Services**: the Group uses this name as an umbrella for all the initiatives and resources implemented for research carried out via the Internet (both quantitative and qualitative). It also coordinates the development of access panels online in Europe and North America.

Implementation of a regional organisation
In 2001 and 2002, the Ipsos Group developed and strengthened its regional organisation, completing its matrix-based organisation, which is built on areas of activity.

In North America, the new head office has restructured the business of the four companies – Ipsos-ASI, Ipsos-NPD, Ipsos-Reid and Ipsos-Novaction & Vantis - by bringing together operational and management resources (finance, human resources, communication, etc.). Regional integration was achieved through the optimisation of resources, generating savings as from 2001, particularly with the transfer of the telephone activities of Ipsos-ASI to Ipsos-Reid Corp. in Canada, where the related costs are significantly lower. Efforts to achieve commercial coordination have enabled the Group to take advantage of synergies between the Canadian and American markets and between the services offered by its specialist teams (particularly advertising and marketing research). In 2002, with revenues of €210.7 million (organic growth of +13.5%), the Group reinforced its leading position in the North American market.

In Latin America, the regional head office, led by its Executive Committee, is aiming to develop synergies between the subsidiaries operating in Argentina, Brazil, Chile, Mexico, Colombia and Venezuela. In 2002, it carried out a major restructuring of the teams in Argentina and Brazil. In very difficult economic circumstances, this enabled the Group to achieve its best contribution in the region (organic growth of +13.7%). With revenues of €47.7 million, Ipsos is the leading operator in the region.

In Europe, the regional management introduced at the beginning of 2002 renewed the management teams in most of the major countries, particularly in Spain, Germany and the UK. The regional management of Ipsos-ASI was strengthened with the appointment of a new President and two Vice Presidents, one based in London with responsibility for advertising tracking, and the other based in Germany with responsibility for copy-testing. The local Ipsos-ASI teams were also strengthened in Italy and Spain. The arrival of the newly acquired teams, particularly in Northern and Eastern Europe, led to a very significant increase in activity as from 2002. The new teams bring Ipsos know-how into its core businesses for major clients in these fast expanding markets.

In the Middle East, the Lebanon-based regional management of Ipsos-Stat, is coordinating the development of our activities under the same brand name in Jordan, Kuwait, Saudi Arabia, Syria and the United Arab Emirates. In 2002, the Group completed its regional organisation with the appointment of one regional director for the Asia-Pacific region.

3.1.2.3 Relations between the parent company and subsidiaries

The parent company, Ipsos SA, manages the Group's equity interests and provides services and technical support to its subsidiaries. In particular, Ipsos SA manages the Ipsos brand and products, and grants permission for their use to its subsidiaries. The corresponding royalty fees amounted to €9.8 million in 2002.

In addition, the parent company arranges the vast majority of the Group's financing and provides loans to certain subsidiaries. These loans bear interest at market rates (total interest received in 2002 amounted to €2.6 million).

3.1.3 Key figures for the last three financial years

As forecast, operating profits have grown faster than revenues.

- Operating profit stood at €43.6 million, up 18% on 2001. This reflects the Group's innovation policy in its product offering and the harmonisation of its working practices worldwide. This increase is also the result of synergies achieved through Group acquisitions. By extending its geographical reach, the Group has managed to increase its revenues by responding to clients' global requirements, while reducing its operating costs by streamlining its production facilities.
- Net profit attributable to the Group (before goodwill amortisation) came to €23.7 million, up 37% over 2001.

Key profit & loss figures

EUR millions	2002	2001	2000
Revenues	538.4	480.2	329.5
Gross profit	311.5	272.0	182.7
Operating profit after employee profit sharing	43.6	36.9	24.1
Profit from consolidated companies	27.0	20.5	15.6
Share in companies accounted for by the equity method		(1.0)	(1.4)
Net profit attributable to the Group, before goodwill amortisation	23.7	17.3	12.3
Net profit attributable to the Group	7.1	2.0	6.0
Average workforce	3,823	3,362	2,437

Revenue breakdown by region

EUR millions	2002	2001	2000
France	91	83	72
Rest of Europe	170	141	129
North America	211	186	77
Latin America	48	57	46
Asia-Pacific and Middle East	18	13	6
TOTAL	538	480	329

%	2002 Distrib.	2002 Total growth	2002 Org. growth	2001 Distrib.	2001 Total growth	2001 Org. growth	2000 Distrib.	2000 Total growth	2000 Org. growth
France	17	10	2	17	15	9	22	8	8
Rest of Europe	32	21	1	29	9	6	39	18	16
North America	39	13	13	39	141	10	23	145	12
Latin America	9	(15)	14	12	24	6	14	112	30
Asia-Pacific and Middle East	3	36	11	3	141	10	2	nk	nk
TOTAL	**100**	**12**	**8**	**100**	**46**	**8**	**100**	**16**	**13**

Revenue breakdown by business

EUR millions	2002	2001	2000
Advertising research	111	103	92
Marketing research	299	241	131
Media research	49	53	46
Quality and customer satisfaction	44	45	30
Public opinion and social research	31	29	20
Other	4	9	10
TOTAL	**538**	**480**	**329**

%	2002 Distrib.	2002 Total growth	2002 Org. growth	2001 Distrib.	2001 Total growth	2001 Org. growth	2000 Distrib.	2000 Total growth	2000 Org. growth
Advertising research	21	8.2	14.7	21	14	12	28	41	14
Marketing research	55	24	7	50	83	7	40	43	8
Media research	9	(8.4)	0.1	11	16	3,5	14	29	12
Quality and customer satisfaction	8	(0.4)	7.9	9	50	7,5	9	35	30
Public opinion and social research	6	7.3	7.1	6	45	15	6	77	15
Other	1			2	nk	nk	3	ns	ns
TOTAL	**100**	**12**	**8,0**	**100**	**46**	**8,0**	**100**	**43**	**13**

Marketing and advertising are the most important sectors, accounting for 76% of Group revenues. Marketing research accounts for 55% of Ipsos' total activity and it can now provide its major clients with a complete range of surveys in all the major markets. Advertising research enjoyed organic growth of 14.7% in comparison with 2001, in spite of a difficult year in which numerous media plans were cut. Budget restrictions put a brake on our activity in the media sector – other than the major audience contracts that were renewed in their entirety. Public opinion and social research showed the energy of the staff specialising in this area with organic growth up 7.1% over 2001.

The Group's consolidated revenues for 2002 came to €538.4 million, i.e. 8% like for like organic growth at constant exchange rates. This represents a much stronger growth rate than the overall research market, reflecting the drive of Ipsos' teams.

Financial position

EUR millions	2002	2001	2000
Total shareholders' equity	192	200	177
Net fixed assets	336	319	156
Financial debt	169	184	34
Liquid assets	35	32	46
Net debt	134	152	(12)
Net debt ratio (%)	70%	76%	-
TOTAL BALANCE SHEET	**541**	**518**	**328**

At 31 December 2002, consolidated shareholders' equity came to €191.9 million, against €200.4 million at 31 December 2001. The financing for operating investments (€12 million) and the financing for acquisitions came from the cash surplus from operations (€43.4 million, up 24% over 2001). Taking account of these items, net debt amounted to €133.6 million as at 31 December 2002, giving a gearing of 70%.

3.2 IPSOS' ACTIVITIES

Ipsos is concerned exclusively with survey based research. Its core activity consists of gathering, processing and analysing information about the expectations and opinions of individuals, whether consumers, customers or citizens, and understanding their behaviour and motivations.

The information is gathered exclusively by surveys.

Ipsos' research is therefore distinct from research based on automatic data collection (such as analysing data from cash registers as with retailer panels), or research based on sampling (as with the monitoring of competitors' advertising). In this type of research, the information gathered is essentially descriptive and is incapable on its own of providing information about individual motivations. This distinction is fundamental to any understanding of the Group's activity. Ipsos is clearly positioned in survey based research.

Before examining Ipsos' five specialist areas, we would like to look briefly at the principal methods of gathering data.

The principal methods of gathering data

Traditionally a distinction is made between:

- quantitative research, which is based on the creation and questioning of large samples and which uses statistical techniques,
- qualitative research, which uses much smaller samples, but which produces much richer and more detailed information.

Nowadays qualitative and quantitative research are usually standardised, in order to be carried out repetitively.

Quantitative research

Quantitative research depends on the creation and questioning of representative samples of the target population, through individual interviews. Ipsos provides its clients with proven expertise and organisation at all stages of the research:

- definition and setting up of the sample to be questioned,
- drafting of questions, whose relevance and clarity will determine the quality of the replies,
- choice of the most suitable type of data gathering technique (face-to-face, telephone, written or Internet) and the administration of the questionnaires in accordance with rigorous procedures,
- summary and interpretation of the results.

Ipsos guides its clients through all stages of the process and helps them choose the most relevant methodologies and techniques. At the final stage, it helps them analyse the results in order to bring out their operational significance.

Qualitative research

Qualitative research is based on in-depth investigation, which involves interviewing groups or individuals either face-to-face, or via the Internet. Meetings are conducted by experts with a background in psychology or social-psychology. Ipsos organises more than 10,000 meetings of this type each year, worldwide.

Qualitative methods are frequently used in marketing, communications and media research and more and more often to gauge public opinion. This type of investigation can be used alone or to complement quantitative techniques. It allows for investigative hypotheses to be validated, before being explored systematically with larger samples.

With the acquisition of Insight in 1993, the French leader in qualitative research, Ipsos became one of the leading players in the European market. This intellectual service is provided by relatively independent units, which are based in each country and backed up by a structure whose purpose is to improve common methodologies, coordinate sales initiatives and more generally, spread know-how in other regions where the Group is present (see also the section devoted to Marketing Research).

3.2.1 Marketing research

Marketing research is Ipsos' most important activity in terms of revenues to which it contributes 55%, i.e. 5 points up over 2001. This expertise responds to the growing need for strategic information about markets and brands. Ipsos is well established in Europe, Latin America and North America and also offers its services in Asia and the Middle East.

In 2001, Ipsos considerably extended its range of standardised and repetitive products. With the integration of Ipsos-NPD (now Ipsos-Insight), Ipsos-Novaction and Ipsos Vantis, the Group now offers a complete range of surveys which enables it to work with its clients at all stages in the lifecycle of a brand or product.

Ipsos products combine quantitative and qualitative research, making it possible to understand markets, identify development opportunities and advise clients on action to be taken. The range is completed with modelling research to anticipate market performance.

3.2.1.1 Launching new products

Launching a new product or a new business represents both a major investment and a major risk for clients. In order to reduce the risk factor and optimise R&D investment, Ipsos offers its clients a complete range of research and advice, making it possible:

- to validate concepts and new products before they are marketed or relaunched: surveys assessing the Marketing Mix (price, concept, packaging, etc.);
- to model expected sales volumes using simulated market tests. The Group's flagship brand for this type of expertise is Ipsos-Novaction, with its star product Designor. This new offering is available in Europe, Latin America, the United States and Japan, essentially for large consumer goods companies, and in the consumer electronics, IT, automobile, consumer durables, financial services, health and alcoholic beverage sectors.

3.2.1.2 Behaviour, analyses and monitoring of markets and brands

This type of research, which is conducted once a product has been launched on the market, aims to enable clients to understand their markets, be aware of the behaviour and attitudes of consumers in the various market segments and monitor the performance of products and brands. This know-how is offered in Europe usually under the brand-name Ipsos Marketing, in North America under the brand names Ipsos-Insight and Ipsos-Reid and in Latin America under the brand-name Ipsos-Novaction Latin America.

In addition, Ipsos has developed know-how and a specific organisation for qualitative research adapted to marketing research. The development of this research at international level presupposes that high-quality services are provided in all the countries and that the results produced are perfectly standardised. In order to achieve this end, the Group has set up international research divisions in the main European countries, under the brand-name Ipsos-Insight The Worldwide Qualitative Research Company. This working group has responsibility for standardising qualitative methods and for the technical and commercial coordination of the research.

Finally, for those of its clients which wish to have access, for rapid one-off initiatives, to high-quality, affordable, production resources, Ipsos has created a range of Ipsos Reach tools (access panels, online panels, omnibus surveys) which provide an entry point for this type of research.

3.2.1.3 The creation of commercial brands

Ipsos has developed a subsidiary which specialises in the creation of commercial brands. This business, which only operates in France, consists of discovering new names, checking their legal availability, testing them on consumers, and then advising companies on the strategy to be adopted in order to promote them.

Many well-known brands were created by Ipsos: Eurostar and Transilien (SNCF), Candia (Yoplait), Citadium (PPR), Cœur de Lion (Compagnie des Fromages), C-Crosser (Citroën), Darjeeling, Gold (Kanterbrau), Houra.fr, Vizir (Procter & Gamble), Tsar (Van Cleef & Arpels), Tissaia (Leclerc), Touareg (Volkswagen), Ublo (Renault), Dominator and Pan European (Honda), B'Twin (Cycles Décathlon) etc. These brand names belong to the companies that commissioned them.

3.2.2 Measuring advertising effectiveness

Building strong brands and developing local or international communications strategies present companies with a serious challenge. To help them choose their communications concepts, to measure and anticipate the effectiveness of advertising campaigns, and to provide them with a precise diagnosis which will guarantee a return on their media investments, Ipsos has developed a global organisation dedicated exclusively to this activity, which is marketed under the brand name Ipsos-ASI.

Its objective is to develop and distribute the same methods of assessment to all Ipsos subsidiaries, enabling clients to have homogeneous information and comparable results, regardless of the country in which their campaigns take place.

This organisation proved to be particularly effective in 2002, as it enabled the Group to achieve strong growth in this area, even though advertising overall was sluggish. Advertising research, which represented 21% of the Group's consolidated revenues in 2002, grew 14.7% in organic terms. This is the most buoyant sector, thanks to its integrated organisation with a single brand name.

3.2.2.1 Post-tests

Historically, Ipsos developed research products designed to assess the effectiveness of campaigns after the event. These products ("Baromètre Affichage", "Suivi Télévision Cinéma" and "Suivi Impact Presse") which were developed and marketed in France, are now available in France, Italy, Spain, Latin America, China and the Middle East. In the Anglo-American countries, companies prefer to track their brands so as to keep a regular check on changes in the brand image and profile, measuring the effects of advertising campaigns in this way.

3.2.2.2 Pre-tests

The increase in the cost of entering the major media, especially television, means that the effectiveness of communications campaigns must be tested prior to being launched. Ipsos has taken an interest in this problem since the beginning of the 1990s, and has now become the world leader in this field, with the acquisition of ASI, the American leader in copy testing, in 1998.

Using expertise that was developed in the American market, Ipsos has developed a global business stream dedicated to copy testing, which is run by Ipsos-ASI. Its range of products, including Ipsos-ASI Next*TV, its star product which is offered in 15 countries, responds to companies' wishes for global products able to measure the effects of their campaigns in all markets with homogeneous data, and to optimise their creations.

A number of innovations have since been introduced to the range of Ipsos-ASI pre-tests:

- pre-tests developed for the first stages of the creative process (launch of Next*Idea in 2001, system of online copy-testing using animatics, story-boards or finished films (to screen concepts)),
- pre-tests adapted for each medium or target (launch of Next*Print to pre-test press advertisements, Next*Kid for children),
- measures adapted for gathering data online (with the Next*Online range, Ipsos-ASI tests the effectiveness of television and press advertising online, in countries and on targets with a satisfactory level of equipment),
- launch of Next*TV Express in 2003. This new system of standardised online copy-testing offers numerous innovations:
  - benchmarking using our databases which are the most complete on the market: in two years, more than 400 films have been tested,
  - more precise diagnosis thanks to the use of online technology: the interviewee points out the strengths and weaknesses of a film directly on the screen, cf. "interest trace".
  - faster completion times.

Now available in North America, Next*TV Express will soon be offered in Europe in the form of a self-administered online, in-hall test.

3.2.2.3 Tracking and brand evaluation

In addition to pre and post-testing, Ipsos-ASI tracks campaigns and evaluates brand equity. The purpose of this research is to understand and explain the functioning of advertisements and the contribution they make to the brand.

The most recent addition to the range, Ipsos-ASI Ad*Graph, is a tracking system which delivers "in market" information, not only on advertising performance, but also on the effectiveness of the media plan used. Thanks to its databases and an exclusive media model, Ipsos-ASI Ad*Graph is a useful aid in creative and media related decision-making.

3.2.3 Media research

Media research was one of the Group's first activities. It made an important contribution to its reputation for quality and innovation, which has never been lost. Initially European, Ipsos' expertise is now also available in Latin America and the Middle East. In 2002 this activity contributed 9% to Group revenues.

Ipsos has organised this activity around two functions:

- informing editorial and media marketing decision makers about the expectations, tastes and behaviour of readers, listeners, viewers or Internet users,
- providing companies and their advisers with precise knowledge of the media they use to reach their target audiences.

Dedicated teams deal with each of these areas of activity.

3.2.3.1 Media marketing research

Ipsos carries out ad hoc research for written marketing or advertising in the major media. In the case of written marketing, this research makes it possible to position (or reposition) a publication or television programme, or to create a new format. In the case of marketing, Ipsos will help a particular publication or family of publications, even a whole medium to better define its place in the market.

This type of research is carried out on the audiences or readership of the various media, which wish to test their proposals and learn about the expectations and reactions of their audiences, or with advertisers and players in the advertising market further to research into media marketing.

The research is usually ad hoc, qualitative and quantitative, but it may also be standardised and renewed periodically.

3.2.3.2 Measuring media audiences

Ipsos was one of the first companies to use targeted audience research. Its survey "What managers read", which was launched at a time when there were few publications aimed specifically at these readers, quickly aroused the interest of various press groups. Now, *La France des Cadres Actifs* (French Survey of Businessmen and women) has become a multimedia survey providing information about the behaviour and attitudes of this sector *vis-à-vis* the media, and also about aspects of their professional lives, even their consumption of goods and services (financial services, real estate, etc.). The Ipsos range has since been completed by other targeted surveys: *La France des Hauts Revenus* (High Income Survey), *Les décideurs financiers* (Financial Decision Makers) and *Les décideurs de l'informatique* (IT Decision Makers) which is available in France and the UK.

With these surveys which were all initiated by the Group (rather than in response to calls for tenders), Ipsos introduced the technique of syndicated financing for research work in France, i.e., carrying out the same piece of research for several clients, which share the cost. This method is also used to finance media audience measurement surveys, which are commissioned by the various media i.e. press, radio and TV.

Initially in Europe, and also in the major Latin American markets (Argentina, Brazil, Chile and Mexico), the Ipsos companies are all involved in audience measurement surveys for the mass media, i.e. the written press, radio and television. Given the specific nature of media offerings, this research is usually carried out at national level under long-term contracts (3 to 5 years). However, Ipsos also uses its British media research subsidiary, Ipsos-RSL, to conduct international audience research, like the Asian Business Readership Survey (ABRS) which measures the distribution of the business press in eight Asian countries.

Main surveys conducted after calls for tenders
- Survey of the readership of the daily press (France)
- Survey of magazine readership (France)
- National Readership Survey (UK)
- The British Business Survey (UK)
- Quality of Reading Survey (UK)
- Audipress (Italy)
- Media Analysis (Germany)
- EGM-Estudio General de Medios (Spain, Argentina)
- EGM Kids (Spain, Argentina)
- Radio Joint Audience Research (UK)
- Broadcasters' Audience Reaction Barometer (UK)
- Young View (UK)
- CATV 7 - Cable Audience Television Survey (UK)
- DART – Digital Audience Research Tracker TV (UK)
- Media Analysis (Hungary)
- National Media Analysis (Lebanon)
- TV Audience Measurement Survey (Lebanon)

Main Ipsos surveys
- *Paris Média 2002* (France)
- *La France des Cadres Actifs* (French Survey of Businessmen and women) (France)
- *La France des Hauts Revenus* (High Income Survey) (France)
- *La France des Décideurs Financiers* (Financial Decision Makers) (France)
- *L'audience de la Presse Pharmaceutique* (Pharmaceutical Press Readership Survey) (France)
- Ipsos IT, European Computer Decision Makers (France, UK)
- Euro 2000
- European Business Readership Survey
- Asian Business Readership Survey
- Japan Business Readership Survey
- Estudos Marplan (Brazil)
- Multimedia Branding Study (Mexico)
- Media Max (Mexico)

3.2.4 Public opinion and social research

Ipsos stands out, among the major world class groups, by offering research which aims to inform decision-makers, whether politicians or businessmen, about the challenges facing society and the attitudes and behaviour of citizens/consumers. As there is a strong correlation between voter confidence, employee confidence and consumer morale, Ipsos considers that public opinion surveys and corporate surveys complement marketing research.

In 2002, this activity accounted for 6% of Group revenues, generating organic growth of 7.1%.

3.2.4.1 Political surveys and measuring public opinion

In Europe, North America and Latin America, Ipsos' specialist teams survey the political climate and voting intentions. Ipsos also measures changes in public opinion on social matters such as employment, security and education, and provides research of strategic interest for both the decision-making process and image-related issues (cf: *Le Baromètre des hommes politiques* (Survey of Politicians) published in *Le Point, Le Baromètre d'image des Grandes Entreprises* (Large Corporations Image Survey) published in the *Nouvel Economiste*. In North America Ipsos has pursued active partnerships with the mass media making it possible to produce numerous publications dealing with current events.

3.2.4.2 Research in companies

For companies, Ipsos is developing research programmes to evaluate the institutional image of large groups, problems in crisis management and problems relating to human resources management.

In this latter area, Ipsos is studying employees' perception of company policies and strategies. Thanks to its international system of external benchmarks, Representative Employee Data (RED), Ipsos can compare and then refine the analysis of the results from its client companies. This type of research is most frequently carried out for multinationals. Our client list includes Air France, Auchan, Banque Sofinco, Visa International, Crédit Lyonnais, EDF, La Poste, Orange and Total.

3.2.4.3 International research

Ipsos offers multinational research which shows that new problems of food safety, health and the management of natural resources have given rise to public concern worldwide. In 2003, Ipsos is launching the International Trends Observer on the state of public opinion in 9 key countries in Europe and North America. European Public Opinion Trends (6 countries), the European Consumer Index (8 countries), and World Monitor, a survey carried out worldwide, are all examples of this type of work.

3.2.5 QUALITY AND CUSTOMER SATISFACTION RESEARCH

Building customer loyalty is a major objective in marketing strategies. Companies devote an ever increasing share of their research budgets to programmes which will give them precise information about customer satisfaction and loyalty. Decision-makers are more and more interested in strategies to increase customer loyalty.

The quality of products and services, the image and reputation of the company which markets them, and the perception of the market in which it competes are determining factors in building customer loyalty. These factors must be related to the real behaviour of our corporate clients' customers, to enable them to manage their Customer Relations effectively.

Ipsos has developed a systematic approach to the problem of quality and customer satisfaction, which makes it possible to predict loyalty, and therefore intentions to repurchase. Working through various modules, this decision-making tool takes account of each phase in the process of selection, purchase and consumption of products and services, and relates them to the corresponding stage in the company's activity. It also explains the basis of the consumer's brand loyalty, taking account of the consumer's satisfaction and the image and reputation of the company. It includes economic data which evaluates the customer equity and financial potential of each customer.

The system also takes account of the company's view of the customer relationship, including research into employees' perception of the quality of the service rendered to customers and an assessment of the tools available to them to manage customer relations.

The Group has developed this expertise mainly in Europe (France, Germany, Italy, UK), in North America, Latin America and in the Middle East, for key accounts such as Amadeus Global Travel, Axa, Bouygues Telecom, China Mobile, Daimler Chrysler, EDF, Fiat, Kodak, La Poste, Lufthansa, Mercedes Benz, Peugeot, Poste Italiane, Renault and Repsol.

In 2002 this activity, which accounted for 8% of the Group's consolidated revenues, saw organic growth of 7.9%. Ipsos wishes to strengthen its positions in this area which it plans to promote under the umbrella brand "Ipsos Loyalty". The appointment of a Chief Executive to take charge of this specialism worldwide should accelerate growth.

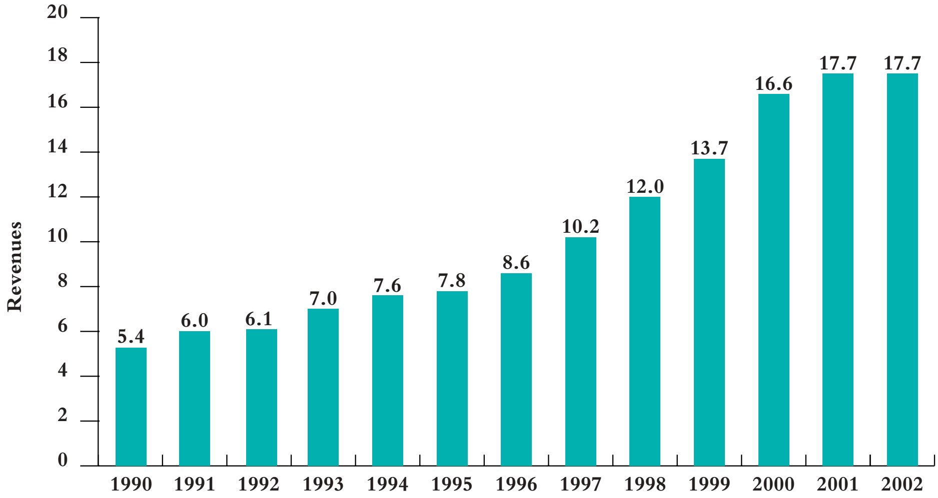
3.3 IPSOS' MARKETS AND COMPETITORS

3.3.1 THE GLOBAL RESEARCH MARKET

The global market

According to Esomar, the world market for market research and polling was valued at €17,756 billion in 2001, showing annual average growth of 11.5% since 1990. In 2002, due to the slowdown in economic activity compounded by variations in exchange rates (especially *vis-à-vis* the dollar and the Latin American currencies), the world market, expressed in euros, only grew slightly in comparison with 2001, to about €18 billion.

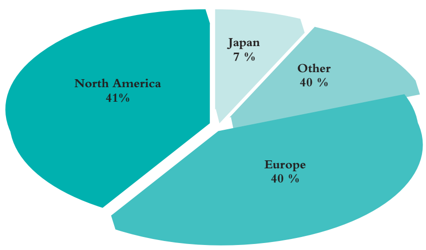
Global research revenues (€ billions)



Source: Esomar 2002; Ipsos estimate for 2002.

The research market essentially covers the major, economically mature, countries and is split fairly evenly between Europe and North America which together accounted for more than 80% of the market in 2001. Japan and the rest of the world (Latin America and the Asia Pacific region) accounted for 7 and 12% respectively.

Breakdown of the global research market in 2001

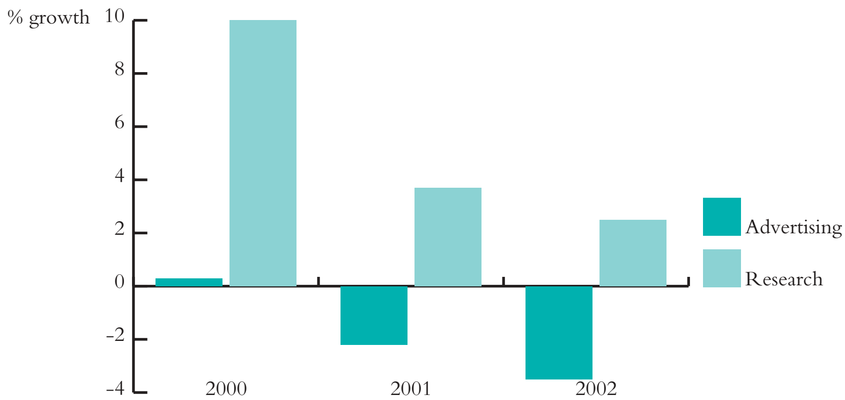


Source: Esomar 2002.

A robust and relatively uncyclical market

Since the beginning of the 1990s, the research market has grown faster than investment in advertising and faster than GDP. Historical data indicates that the research market shows relatively little cyclic change and is not directly related to changes in advertising investment. This trend has been confirmed during the last two financial years which saw a sharp decline in the advertising receipts of the mass media. Expressed in euros, in 2002 advertising expenditure in the mass media fell by 5% in comparison with 2001, while research expenditure, also expressed in euros, was unchanged from 2001.

Comparative changes in research and advertising expenditure (adjusted for currency movements)



Source: Esomar and Zenithoptimedia 2002.

NB: The changes in the advertising and research markets have been calculated using changes expressed in dollars and euros and the respective market shares of the dollar and euro zones have been weighted accordingly.

The resistance of the research market is explained by buyers' desire to have information that will help them understand the risks relating to their investments, especially in a period of economic uncertainty.

Over the next few years, the research market should continue to grow, driven by the following factors:

- economists are expecting GDP to grow in the region of 3 to 6% depending on the markets for the period 2004 – 2007;
- the growing complexity of consumer behaviour and needs, and the richness and complexity of new products on offer, generate more and more sophisticated research demands;
- new markets with new consumers are opening up to the market economy and the global supply of products;
- the end of monopolies in certain sectors (e.g. electricity), or certain countries, will increase the level of competition between operators and therefore the need to better understand markets and customers;
- finally, the continued development of new services online also generates new research needs.

3.3.2 Competition

The twenty leading players in the global research market

Ranking	Company		2001 revenues in USD millions
1	AC Nielsen Corp.	USA	2,400
2	IMS Health Inc.	USA	1,171
3	Kantar Group Ltd.	UK	1,007
4	Taylor Nelson Sofres Plc.	UK	813
5	Information Resources Inc.	USA	556
6	GFK Group	Germany	480
7	NFO WorlGroup Inc.	USA	453
8	**Ipsos SA**	**France**	**430**
9	NOP World	UK	325
10	Westat Inc.	USA	286
11	Synovate (Aegis)	UK	267
12	Arbitron Inc.	USA	228
13	Maritz research	USA	182
14	Video Research	Japan	162
15	Opinion research Corp	USA	134
16	J.D Power and Associates	USA	128
17	INTAGE Inc.	Japan	109
18	The NPD Group Inc.	USA	102
19	Jupiter media Metrix	USA	86
20	Dentsu Research Inc.	Japan	78

Source : Esomar 2002.

The market is largely dominated by the top ten players, which account for 50% of the global market.

The race to achieve critical mass has become a key feature of the sector, which has been marked by the creation of multinational groups capable of providing their major clients with a global service since the early 1990s.

In 2002 the Ipsos group carried out several acquisitions, which enabled it to set up operations in new markets (particularly Sweden and Russia) and to strengthen its position in key markets (China, Germany and the USA).

In the light of the mergers in the sector, Ipsos believes that its turnover for 2002 should put it in seventh place worldwide in the general ranking. However, the Group believes that the industry needs to be segmented with more precision.

Player segmentation

The global market research sector is split between companies which specialise in "panel" activities and companies in the survey-based market:

- Panel activities involve the mechanical collection of data at the point of sale (distributor panels), in private homes (consumer panels, TV panels etc.) or in the media (monitoring of advertising).
- Market research through surveys involves collecting information by questioning individuals about their opinions, attitudes, wishes or intentions.

Surveys	Panels
2/3 of the total market research market Still relatively dispersed Sector profitable for market leaders Strong growth Mono or multi-client activity	1/3 of the total research market Strong concentration Sector profitable for monopolies Average growth Multi-client activity
Main players	**Main players**
WPP (Kantar), Interpublic (NFO), Ipsos, TNS, GfK, UIG, Westat	VNU (ACN, NMR), IMS Health, IRI, TNS, GfK, Observer Group

Ipsos is a world leader among research groups specialising in survey based research.

Ranking	Survey based research companies		2002 survey revenues EUR millions
1	Kantar (WPP)	UK	952
2	**Ipsos**	**France**	**538**
3	NFO	USA	493
4	Taylor Nelson Sofres	UK	492
5	VNU	NL	416
6	NOP World (UBM)	UK	339
7	Synovate (Aegis)	UK	336
8	Westat	USA	303
9	GfK Group	Germany	274
10	The Arbitron Co.	USA	264

Ipsos estimate based on the companies' data

3.3.3 The main research groups worldwide

VNU is the leading research group in the world. It results from the merger between AC Nielsen (market research, information research and analysis of consumer behaviour) and Nielsen Media Research which specialises in television audience measurement, mainly in the United States. In 2001, the VNU Group achieved turnover of USD 2,400 million.

IMS Health is the research leader in the pharmaceuticals sector. In 2001, IMS Health achieved turnover of USD 1,171 million.

Kantar Group is the holding structure managing the subsidiaries of WPP which are engaged in market research and information management. In 2001, the market research and information management pole of the WPP group achieved turnover of USD 962.2 million through two specialist subsidiaries: Research International and Millward Brown (world leader in the measurement of advertising effectiveness).

Taylor Nelson Sofres leads the European market, where 70% of its activity was based prior to the acquisition of NFO (see below). In 2001, TNS achieved turnover of USD 813 million. TNS holds strong positions in quantitative research and in the media, especially consumer panels and audience measurement panels.

Information Resources is an American company which specialises in the collection of marketing information based on scanner technology. It is in direct competition with AC Nielsen. In 2001, Information Resources achieved turnover of USD 556 million.

GfK is a major player in information systems for consumer durables and the monitoring of international markets. Of German origin, more than 80% of its activity is carried on in Europe. In 2001, it achieved turnover of USD 480 million.

NFO WorldGroup, a subsidiary of the Interpublic group, was the subject of talks further to a possible acquisition by the Taylor Nelson Sofres group in the spring of 2003. NFO provides marketing information and conducts research into consumer behaviour i.e. market assessments, product development, brand management and advertising. In 2001, NFO achieved turnover of USD 453 million.

NOP World (a subsidiary of UBM - United Business Media) has strong positions in the United Kingdom and United States where it specialises in media research, and automobile and pharmaceuticals research. In 2001, it achieved turnover of USD 325 million. In 2001, it acquired the American company Roper Starch Worldwide, which specialises in marketing and public opinion research.

Westat is an American company whose capital is owned by its employees. It began with expertise in statistical research and has since developed know how in research for government departments. In 2001, it achieved turnover of USD 286 million.

3.3.4 The regulatory framework of the research market

Internationally, the industry's activity is not regulated by specific, clearly established legal norms. It is, however, subject to a code of professional conduct created by companies which have formed professional organisations:

- the ICC/ESOMAR (International Chamber of Commerce - European Society for Opinion and Marketing Research) International Code of Marketing and Social Research Practice. The code stresses the principle of the anonymity of interviewees and specifies the responsibilities of parties commissioning research and of researchers. It also lays down rules to be respected when data is recorded.

In France, the following laws and regulations apply to market research companies and their activities:

- French Data Protection Act of 6 January 1978,
- the Act of 19 February 2002 amending the Act of 19 July 1977 relating to the distribution and publication of certain opinion polls,
- the regulations relating to copyright dated 11 March 1957, which protect all research work,
- the recommendations of the Bureau de Vérification de la Publicité (Office for the Verification of Advertising) regarding the use of polls for advertising purposes.

Ipsos companies are involved individually in the representative professional associations in the main markets.

3.4 IPSOS GROUP CLIENTS

Ipsos has a large client base of companies and public institutions, operating both nationally and internationally.

	2002	Typical clients
Mass market	40%	Campbell Soup, Colgate-Palmolive, Danone, General Mills, GSK, Henkel, Johnson & Johnson, Kellogg's, Kraft, L'Oréal, Microsoft, Mars, Molson, Pepsico, Pfizer, Procter & Gamble, Reckitt Benckiser, SC Johnson, Unilever.
Media	10%	The main media groups in Europe, Latin America and the Middle East.
Information, Technology, Telecommunications	8%	AOL, AT&T, Bouygues Telecom, China Mobile, Deutsche Telecom, Intel, France Telecom, Microsoft, Motorola, Nokia, Portugal Telecom (Brazil), Terra.
Consumer durables	3%	Hewlett Packard, Philips, Siemens, Whirlpool.
Automobiles	5%	Daimler Chrysler, General Motors, Fiat, Ford Motor Company, PSA Group, Renault, Volkswagen Group.
Public sector	5%	President of the French Republic, French Ministry of Finance, Spanish Ministry of Employment, Bundespresseamt, Canada Post, Deutsche Post, La Poste, Poste Italiane.
Financial Services	4%	Axa, Bank of Montreal, Banque Sofinco, BNP-Paribas, Barclaycard, CNCE, MAAF, Royal Bank, Scotia Bank, Templeton, Visa.
Pharmaceuticals - Health	9%	AstraZeneca, Aventis, Boehringer Ingelheim, Glaxo-Smithkline, Merck, Novartis Pharmaceuticals, Pfizer Warner Lambert.
Distribution	4%	British Gas, Centres Leclerc, EDF, Total, LVMH, PPR, Repsol, Sainsbury's, Sears, Shell, RWE AG.
Agriculture	1%	Afivin, BASF, Bayer Cropsciences, Dupont de Nemours, Elanco Animal Health, GNIS, In Vivo, Merial Animal Health, Michelin, French Ministry of Agriculture, Monsanto, Pfizer Animal Health, Syngenta, Univers Céréales.
Transport, tourism, travelling, games.	3%	Air France, Amadeus, Texas Lotteries, RATP, RENFE, SNCF, Thomson, Star Alliance.
Other	8%	Communications agencies, research companies, auditing firms.

The distribution per sector of Ipsos' clients does not systematically follow its own organisation per activity. As a result marketing research or research into advertising effectiveness is mostly commissioned by companies selling products and services to mass markets, but media research, which is financed mostly by the media themselves, is also commissioned by communications and media agencies and sometimes by major advertisers. Public opinion and social research is usually of interest to the authorities, however, it is also of interest to large companies in the public and private sectors.

The demand for research has evolved with the need to understand a world and markets with subtle borders, and individuals, whether citizens, consumers, or employees, whose relationship with politicians, the media and the company, and whose attitudes to subjects such as the environment, globalisation and food safety, are constantly changing.

As a result companies are more and more interested in social research, while banks are showing an interest in marketing research in order to bring their products into line with the expectations of ordinary people and new behaviours. Another result is that advertisers believe that media audience research should not be defined and conducted without their agreement - and their financial participation - as the research is used as a point of reference when advertising prices are determined.

Every year the Ipsos group has several thousand clients which use its services for national or international research. Its clientele is very fragmented and evenly distributed, with no one client accounting for more than 7% of its revenues.

Specific organisation for the management of major clients

Ipsos' major clients are major international groups, with which it operates in several countries. They buy Ipsos' products and services on a regular basis and implement major research and development investment programmes before making final decisions about new products. They generate significant demand for marketing research, advertising research and social research programmes and help with building customer loyalty.

In order to develop ongoing and profitable relations with these clients, Ipsos has set up a Global Key Account Management system, which works as follows:

- Ipsos has set up a dedicated organisation for each of 14 major clients which makes it possible to respond to specific, clearly identified, needs and expectations.
- For each of them, it has appointed a high-level international director, who is an expert in his/her discipline and who is familiar with the client concerned.
- This person coordinates the work of research managers and teams dedicated to this client in each country. Ipsos' organisation mirrors the client's own organisation and guarantees it efficient and co-ordinated working relations from day-to-day.

This type of organisation, which was set up in 1998, is bearing fruit. It has proved to be an effective way of developing the Group's own activity, both locally and internationally. Thanks to its KAM system, Ipsos achieved turnover of €111 million with these clients in 2002, up 39% in comparison with 2001. They accounted for two thirds of the Group's organic growth.

Recurring business and remuneration

The Group's activity enjoys real recurrence, especially in media, public opinion, social and customer satisfaction research. Satisfaction and image measurement, along with consumption monitoring and audience research are usually delivered under contracts spanning several years (3 to 4 years). In other areas of activity, Ipsos also enjoys a high degree of customer loyalty (more than 90%), even if clients prefer to negotiate one-year contracts or place orders as needs arise.

Traditionally payment for research is made on delivery, for research which only requires one or two months work, or in several tranches, as sections of the work are completed, in the case of longer term research. Down payments are invoiced systematically when contracts are signed.

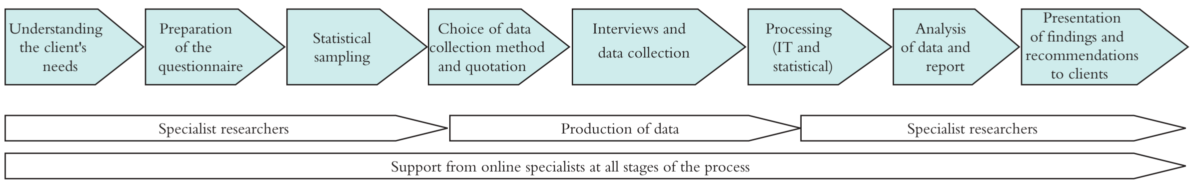
3.5 RESEARCH RESOURCES IMPLEMENTED BY THE GROUP

Ipsos has implemented powerful and effective tools for collecting, processing and supplying data, in order to deliver reliable, consistent and accurate information to its clients at a reasonable price and within short timescales. The Group continues to harmonise its resources and production methods, which are co-ordinated by the Systems & Technologies division to ensure that they are consistent and distributed in accordance with companies' needs.

The well-planned use of new information technologies has been a key factor for improving the speed, quality and cost of research. Ipsos has a long track-record in research and innovation, and continues to invest in the practical application of new technologies in order to increase its competitive lead.

As the following chart illustrates, the research process can be divided into several phases, involving teams of managers and specialist researchers working closely with the client, together with technical teams responsible for training interviewers, collecting research data and electronically processing the raw data gathered.

Due to the development of online techniques and their increasingly widespread use throughout the research process, online specialists have to provide support at every stage of this process, from questionnaire design and sampling plans, right up to the delivery of results and their application by clients.



3.5.1 Data Collection

3.5.1.1 Researchers and range of research techniques

Data collection requires a large workforce, ranging from temporary staff, who conduct face-to-face or telephone interviews, to specialist consultants (typically psychologists or sociologists) who lead and interpret focus group meetings.

Consequently, in addition to its permanent staff, Ipsos employs a large number of temporary staff, most of whom work for the Group on a regular basis. Interfacing with interviewees and collecting data are both tasks that require special skills and have to comply with a very strict methodology. As a result, the Group needs to attach particular importance to this category of staff. The quality of research results depends not only on the design of questionnaires and the way answers are interpreted, but also on how carefully the interviews are conducted.

In most countries, researchers are employed and trained by the company, which conducts the research locally, through a dedicated entity responsible for producing information and managing researchers. In other countries, this activity is outsourced (particularly in Latin America where this type of organisation is most common). Additionally, in some regions, Ipsos has grouped together its telephone survey operations (i.e. in Canada for the North American market, and in London for international research through the International CatiCentre).

Research techniques used by Ipsos

There are four methods of collecting information for quantitative research, depending on the type of survey involved:

- face-to-face: consumers are questioned individually, in person, and may be asked to respond to audiovisual materials;
- telephone interviews;
- focus group meetings: consumers are gathered together in a room and interviewed collectively;
- self-administered surveys (with no interviewer present): interviewees are expected to complete a questionnaire at home, at their workplace, directly via the Internet, or in rooms specially set up by Ipsos

3.5.1.2 Major innovations

Ipsos was one of the first market research companies to make widespread use of telephone surveys, including for electoral polling. The Group has been implementing IT tools for data collection since 1992: its Cati system uses predictive dialling for telephone surveys, while the Capi system supports face-to-face interviews, and the Cawi system handles online surveys via the Internet.

IT tools have brought immediate benefits, both in terms of the reliability of results (as responses are validated as they are input) and the speed with which results are processed and delivered to clients.

The use of interviewing software has enhanced the content of questionnaires and the intrinsic quality of the information collected. This software can vary the questions according to previous responses, without any input from the researcher, and can automatically alternate items to eliminate bias. In addition, the computer continuously checks the consistency of interviewees' replies, prompting them to be more specific if two conflicting answers are given.

Using IT systems also helps improve research techniques, such as the conjoint analysis method, where interviewees react to a set of stimuli based on individual criteria. Through sophisticated programming, the stimuli can be adapted according to the responses from each interviewee. Lastly, multimedia technology can be used to test products, packaging and advertising messages by displaying them to interviewees in a realistic setting.

Cati: Computer Assisted Telephone Interviews

Ipsos has set up Cati centres in 20 countries, i.e. a total of more than 3,500 research stations, mostly equipped with predictive dialling systems. These facilities optimise the use of Cati technology and speed up the research process.

The Group also has a multilingual telephone research centre, the International CatiCentre, based in Harrow in the UK, which is entirely dedicated to international research. Team leaders, specially trained to carry out international research, are responsible for supervising interviewers, who work in their mother tongue, and for ensuring that questionnaires are optimally coordinated and administered in a consistent way, regardless of the language used. In 2002, Ipsos conducted over 320,000 Cati interviews for international projects, within optimal preparation and execution times.

In 2002, Ipsos stepped up its efforts to streamline its Cati centres in North America by reorganising its Toronto centre. In 2003, the Group plans to set up a new centre in Montreal.

The Group has invested steadily in Europe: initially in France, where the entire Cati system has been migrated to the same technology platform as the other major countries, and subsequently in Italy, where the predictive dialling system has been introduced and the number of research stations had increased significantly by end-2002. This investment programme is due to be extended to Spain in 2003.

Capi: Computer Assisted Personal Interviews

The use of IT tools in personal interviews has made the process faster and more reliable. This technology has been optimised with the advent of multimedia, which enables sounds and images to be played back during interviews, followed by the launch of the dual-screen Capi system and, more recently, the wireless dual-screen multimedia Capi system (where the interviewer and interviewee both use a laptop PC connected by a radio link). This technology is particularly effective for measuring press readership, where different equipment is provided to the interviewer and interviewee. Lastly, for certain types of research, such as surveys on tourism patterns, which do not require excessively long questionnaires and only include closed questions, the Group has equipped its interviewers with PDAs (personal digital assistants), which make it easier to conduct interviews and transmit data back to our processing centres.

Capi technology is used consistently throughout Europe, where 2,300 interviewers have laptops, including 2,000 multimedia PCs. However, this technology is not used in the United States, where demand for face-to-face interviews is minimal. Data is generally collected by telephone or mail, and increasingly via the Internet (see section 3.5.1.3.).

In 2002, Ipsos invested in upgrading its IT hardware to extend its multimedia capabilities. The Group also increasingly uses the latest generation of PDAs, namely Pocket PCs.

GPRS technology

Ipsos has started trialling this technology, which will help centralise data collected from the Capi stations in real time so that they can be processed faster.

3.5.1.3 Online data collection

Data collection requires a substantial workforce, which is costly, especially in Europe, where employment legislation can make it more expensive to hire temporary staff. This impacts Ipsos as most of its interviewers are temporary employees. For this reason, the Group is exploring new methods for administering questionnaires, without the need for interviewers, as one avenue for enhancing its productivity and cutting its costs and timescales. Online questionnaires fit in perfectly with these objectives.

Ipsos does not expect the Internet to replace all other forms of data collection, in the same way that the telephone has not put an end to personal interviews. However, the interactivity and multimedia capabilities provided by the Internet make it suitable for many types of survey. When using the Internet, including for surveys carried out directly by clients from their own premises, research companies need to adopt an equally professional approach as for other types of surveys (e.g. when developing their questionnaires and samples, and analysing the information collected). They also need to develop new expertise in managing real-time interviews. Since 2000, online data collection has taken off sharply, especially in the US, where Ipsos now conducts over one-third of its surveys via the Internet (reaching as high as 50% for consumer goods marketing surveys alone). In North America, the Group aims to transfer half of all its surveys online by 2007. In other parts of the world, Ipsos is also relying more on online surveys, depending on the Internet penetration rate in each country. This data collection method is particularly suitable for specific target populations, such as company executives

3.5.2 The Group's production tools

Ipsos' added value resides in its technical expertise and the quality of the information and recommendations that it provides for its clients. Ipsos has also gained an edge thanks to the Group's innovations in the administration of surveys, having devised tools that provide information more quickly and at lower cost. They are offered in Europe under the brand name Ipsos Reach and in North America by Ipsos-Insight and Ipsos-Reid, with the brand name Ipsos Interactive Services reserved for world-wide operations.

- **Access panels:** are made up of selected individuals who agree to take part regularly in surveys, usually by completing questionnaires sent directly to their homes, by mail or online. This considerably reduces the cost of collecting information, as once the relatively high cost of recruiting the panel has been met, interviewers are no longer required.
  In North America, Europe and China, Ipsos has access to a total of 564,000 homes for its access panel based surveys, and access to 1,033,000 internet users for its on-line surveys.

- **On-line Access Panels:** Since acquiring the Marketing division of NPD in 2001, Ipsos benefits from exclusive access to the NPD online panel, covering 700,000 Northern American households. In addition, Ipsos Interactive Services has also developed a panel of 208,000 North American Internet users. In Europe, Ipsos continues to develop its online access panel. At 1 April 2003, this panel comprised 125,000 individuals spanning France, Germany, the UK and Scandinavia. As a result, Ipsos now has access to a total of 1,033,000 internet users throughout the world.
  To enhance the performance of its access panels, in 2002 Ipsos also invested in management software that makes these panels easier to use by providing readily-available samples for online surveys.

- **Omnibus surveys:** this method involves bringing together several clients with shared interests and pooling their questions, so that the administrative costs of the surveys can be shared.
  Ipsos was the first research group to offer a European omnibus ("Capibus Europe"), which is conducted in the homes of interviewees using the Capi system. Carried out each week with a continuously renewed sample of 5,000 people, Capibus Europe covers the five major countries. Two similar tools have been launched in central Europe (the Eastern European Omnibus) and in Asia (the Asian Omnibus), in partnership with local research companies.

  In North America, the omnibus surveys carried out by Ipsos-Insight and Ipsos-Reid Corp. collect information by telephone (Cati system) and on-line, monthly or weekly. Finally, each quarter Ipsos-Reid carries out a survey in 50 countries using 25,000 people (the Global Express).

- **International CatiCentre, Virtual CatiCentre:** contracts for quantitative research are still mostly national in scope, but multinational surveys are developing fast. In order to meet the specific needs of this type of survey, Ipsos has set up its International CatiCentre in London. This is a multilingual centre dedicated entirely to international telephone surveys, which can be coordinated far more easily when the interviewers and team leaders are in the same place. With the Virtual CatiCentre which opened in 2002, the Group's capacity to conduct international surveys co-ordinated from a single centre now includes North America.

3.5.3 Processing and distributing data

3.5.3.1 Data processing

Once collected, the data must be processed before Ipsos experts can analyse the information and provide recommendations.

Dedicated teams use increasingly integrated tools to process the data, with tasks ranging from content validation and consistency checks to statistical analysis.

In 2002, Ipsos extended its capacity by, for example, developing and implementing a database management system for European advertising research, involving all players in the production value chain through the Ipsos IT network.

Databases

Storing information in databases provides two major opportunities:

- It enables Ipsos to maintain a history of results that can be used to compare the findings of a survey with 'norms' and create forecasting models;
- By automating various repetitive production tasks using database management systems, more detailed analyses can be delivered in shorter timescales. Ipsos stepped up its efforts in this area in 2002.

For Ipsos, databases are a key factor for expanding and enhancing its offering with high value-added services.

3.5.3.2 Distributing data via the Internet and Extranets

Ipsos also uses the Internet to post the results of certain major studies online for its clients. In France, the website ipsos.fr displays the results of the European Public Opinion Barometer or French Managers' Survey (*La France des Cadres Actifs*) for subscribers who are given a confidential access code. In North America, Ipsos-ASI enables its clients to track their advertising performance via the Internet.

3.6 INFORMATION SYSTEMS

All IT development initiatives are co-ordinated by the Group Systems & Technologies division which, in addition to harmonising methods, hardware and tools, is responsible for the overall IT upgrade strategy.

3.6.1 Infrastructure

In 2002, Ipsos pursued its efforts to roll out a global infrastructure.

The Group continued to develop its international VPN (Virtual Private Network). This technology uses the Internet to establish secure private connections between the various Ipsos sites. The network is crucial for ensuring the free flow of information to customers.

3.6.2 The "Isis" information system

The Ipsos Secured Information System (Isis) is an information and management system which accurately forecasts changes in client demand and in the research market. Isis is installed in the main European countries.

In 2002, the system was made more user-friendly by creating a data warehouse that can be accessed directly by users in different business units.

Ipsos also launched a North American extension to the project, which is scheduled to go live in 2003.

These new integrated information and management systems form the backbone of the Group's international organisation, which is divided into business lines, and its system for managing key accounts, based on fully harmonised business rules across all Group companies. These systems enable the Group to deliver useful information quickly to all employees, ranging from researchers to co-chairmen.

3.6.3 The Ipsos intranet

In 2001, Ipsos launched a global Intranet, which was designed to share knowledge and act as an operational research tool. Since then, the Ipsos Intranet has been enhanced with new content and functionalities, including the production of European advertising research databases.

This Intranet gives Ipsos employees from around the world access to up-to-date global information on the five Ipsos business lines, on the Global Account Management programme and on the specialist expertise required in each research area. The Intranet also acts as a platform for corporate information and internal communications in general, as well as information on human resources, technology, business operations and finance. In spring 2003, 62% of Ipsos employees who responded to an internal survey felt that the Intranet was a useful business and communication tool. As a result, this system can now be considered as an integral part of their everyday experience, on a par with e-mail.

3.7 INVESTMENT IN EQUIPMENT AND SUPPLIERS

3.7.1 Premises

Ipsos employees and facilities in the Paris region are split between three sites: Paris 15 (Group headquarters), Montrouge (companies specialising in advertising research, opinion research and customer satisfaction) and Courbevoie (Ipsos-Novaction). Ipsos also has two provincial offices in Lyon and Toulouse.

The Group has signed an agreement with Bouygues Immobilier d'Entreprises for the construction of its future head office, a complex providing 14,000 square metres of office space at the southern edge of Paris (Gentilly/Paris Sud). Designed by the architect Henri Gaudin, this building has been marketed by Bouygues Immobilier d'Entreprises and acquired by Commerz Grundbesitz Investment Gesellschaft mbH (CGI). It is due for completion in early 2004.

The Group rents the premises it uses in all the countries where it operates. The owners have no relationship with the Group.

3.7.2 Hardware capital expenditure

Gross balance sheet value

EUR millions	2002	2001	2000
Tangible assets	57.9	55.8	46.6
Intangible assets	32.1	17.6	15.0
Research and development expenses	0.6	0.2	0.2
TOTAL	**90.6**	**73.6**	**61.8**

Tangible assets consist mainly of computer hardware and fixtures.

Intangible assets consist primarily of software purchases, as the surveying methods and technologies specific to Ipsos' business require the use of standard software and hardware configured to Ipsos' needs.

Ipsos also develops its own software, which is used by its researchers and some of which is sold to clients. Ipsos believes that this software adds substantial value to its research by enabling clients to import the data produced by Ipsos into their own management systems. Examples include media planning software, such as Popcorn or Poppy, that are designed and marketed by IMS, the Group's software subsidiary, and data processing software, such as Cosi, for statistical operations.

3.7.3 Suppliers

Ipsos has a number of different suppliers. Its main suppliers are the telecoms operators in each country; the Global One consortium for the Intranet; Dell for PCs and servers; SPSS for data processing software, Cati and Capi workstations and certain statistical processes; and Microsoft for PC and server applications. In 2001, as part of its ongoing efforts to improve its operating margin, Ipsos renegotiated its main contract with SPSS.

In certain countries (especially in Latin America), field data collection is outsourced to specialist companies.

For international studies that cover countries where Ipsos does not operate, the Group also outsources tasks to local research companies.

The table below shows the average breakdown of the Group's operating expenses by category. It excludes the cost of interviewers and the payroll expenses incurred by research companies

	2002	2001
Premises	30%	26%
Fees for services	11%	14%
IT costs	16%	22%
Travelling expenses	13%	10%
Communications	6%	5%
Advertising	3%	3%
Printing and copying	1%	2%
Other overheads	20%	18%
	100%	**100%**

3.8 MANAGEMENT AND HUMAN RESOURCES

3.8.1 Management

3.8.1.1 Two Co-Chairmen

Ipsos is the only market research company of its size that is still owned by its founders, Didier Truchot and Jean-Marc Lech. Together, they have been managing the group since 1982. Driven by the same strategic vision, they have contributed complementary capabilities to the Group. With his background as an economist, Didier Truchot initiated the policy of standardising products and expanding into media and advertising research. Jean-Marc Lech, a graduate in philosophy, sociology and political science, steered the Group's expansion into social research.

3.8.1.2 The Management Board

The two Co-Chairmen are assisted by a Management Board which sets the Group's strategic goals and tracks the progress of its projects. It consists of the Group's key executives and meets at least once every quarter. The Executive Committee comprises some of the members of this Management Board and meets twice or three times every quarter.

At 1 April 2003, the Executive Committee consisted of seven members:

- Didier Truchot, Co-Chairman of Ipsos and founder of the Group in 1975;
- Jean-Marc Lech, Co-Chairman of Ipsos since he joined the Group in 1982 and formerly CEO of the Institut Français d'Opinion Publique (Ifop);
- Jean-Michel Carlo, CEO of Ipsos, Chairman & CEO of Ipsos Europe, and Head of Global Marketing Research. Mr Carlo joined the Group in March 2002, after a very high-level career in advertising (he was most recently Chairman & CEO of Diversified Agencies within Havas Advertising);
- Carlos Harding, CEO of Ipsos, in charge of corporate development. He also oversees the Group's Latin American operations and is a specialist in marketing and advertising research;
- Simon Kooyman, Chairman & CEO of Ipsos North America and Chairman of Ipsos-ASI Worldwide;
- Laurence Stoclet, Group Chief Financial Officer;
- Henri Wallard, CEO of Ipsos, in charge of global CSM/CRM activities and the Group's Asian operations. Prior to joining Ipsos in October 2002, he worked for the French government, chiefly at ANDRA (French Agency for the Disposal of Toxic Radioactive Waste), before gaining in-depth research experience at Taylor Nelson Sofrès.

The other standing members of the Management Board as at 1 April 2003 are:

- Marie-Christine Bardon, Ipsos International Marketing Manager (including the KAM programme) and CEO of Ipsos Deutschland;
- Darrell Bricker, Head of Global Opinion Research;
- Pierre Giacometti, Head of Global Opinion Research and CEO of Ipsos France;
- Gustavo Lohfeldt, CEO of Ipsos Latin America;
- Richard Mecchi, CEO of Ipsos Asia;
- Richard Silman, Head of Global Media Research and CEO of Ipsos UK;
- Jim Thompson, CEO of Ipsos-ASI Worldwide;
- Rupert Walters, COO of Ipsos North America.

An extended Management Board also meets twice a year. It includes co-opted members and other invited Group executives.

3.8.2 Human resources and employment

In 2002, Ipsos employed around 3,823 people worldwide, with 51% based in Europe, 27% in North America, 13% in Latin America, and 9% in Asia-Pacific and the Middle East.

Ipsos has an active recruitment policy. It seeks experienced managers who have strong potential, specialise in its core business lines or offer particular skills (e.g. finance or technology). It also hires more junior managers, who are trained in Ipsos methods and techniques.

The Group has also introduced a policy aimed at diversifying the profiles of its senior executives. Experience gained by working for major clients or providing services to these clients (for example, in a communications agency) is a highly valued asset for the effective management and leadership of our business and for developing lasting and constructive relationships with our clients at the highest level. This is a new direction that the Group plans to develop in future.

Job category

	2002
Researchers and customer relations	54%
Production/data processing /field supervision	31%
Administration and management	15%

Annual staff turnover is between 10 and 20%, depending on the country.

Ipsos' workforce is generally young, predominantly female and highly stable, due to the Company's appeal. In addition to permanent staff, Ipsos employs some 10,000 temporary workers. In certain countries, these temporary staff may be classified as employees on fixed-term contracts, under local legislation. Most temporary workers are employed by the Group for less than six months a year.

Each company, or group of companies, in every country has employee representative bodies. There is no employee representative body for the Group as a whole.

Ipsos employees benefit from an annual performance-related bonus scheme, which is mainly based on profit margins per business unit and individual performance.

In 1998, a stock option scheme was introduced to retain and motivate the Group's directors and senior executives. In 2000 and 2001, a broader stock option scheme was introduced for all Ipsos employees.

In 2002, the Group launched a new incentive scheme, IPF (Ipsos Partnership Fund), which is aimed at around 80 executives, i.e. Ipsos top managers and key executives. By making a personal contribution to a leveraged fund, which holds 8.24% of Ipsos' share capital, and receiving Ipsos stock purchase options, participating executives can benefit from any rise in the Ipsos share price. The leverage on their personal contribution could potentially amount to a factor of 15x by the end of the five-year period of the scheme, launched on 9 July 2002. For the Group's remaining key executives, this scheme has been supplemented by share subscription options. These options are targeted at employees that have demonstrated an excellent track record and show strong potential for future development.

Employee profit-sharing is a key principle behind Ipsos' human resources policy. In 1999, when it was floated on the stock exchange, and subsequently in 2000, when it increased its share capital, the Group offered employees the opportunity to invest in the company's shares. Ipsos shares have been, and may still be, used as payment for acquisitions (e.g. Novaction takeover in 2001). In 2002, the Ipsos Partnership Fund transaction created a genuine "community of interests" between the Group's managers and executives, and all Ipsos shareholders.

3.9 RISK FACTORS

3.9.1 Sensitivity to macro-economic trends

The various markets in which Ipsos operates are inherently sensitive to changes in the economic climate. However, the economic turbulence that affected the markets in the 1990s did not have a lasting effect on the research industry. In fact, economic uncertainty often generates a greater need for information to assist the decision-making process. This strong underlying trend, coupled with economic globalisation and the need for information on all the major markets, has contributed significantly to the growth in demand for market research.

In 2002, the research market remained buoyant, even though growth was slower than in the previous decade. Ipsos believes that the geographical spread of its operations and its positioning as a multi-specialist will enable it to withstand any deterioration in local economic conditions. The Group's 2002 results underpin this view.

3.9.2 Seasonality of revenues and earnings

Traditionally, research companies post higher revenues in the final quarter of the year. Consequently, Ipsos' interim results represent less than 50% of its full-year revenues and operating profit. For example, at 30 June 2002, revenues and operating profit (after employee profit-sharing) came to €244.5 million and €17.8 million respectively, compared to the full-year figures of €538.5 million and €43.7 million in 2002.

In 2001, first-half revenues and operating profit came to €216.9 million and €13.9 million respectively, compared to €480.2 million and €36.9 million for the full-year.

3.9.3 Risk of revenue loss linked to the departure of key managers

Like all business-to-business service providers, Ipsos' sales relations with its customers depend primarily on the quality of the relationships developed between its managers and their contacts at client companies. Ipsos could lose certain clients from its portfolio if a key manager or account director were to leave the company.

However, Ipsos believes this risk is minimised by the following factors:

- Ipsos' revenues come from a broad customer base, with no single client accounting for more than 7% of consolidated revenues, based on contracts from several countries;
- Ipsos' managers enjoy an attractive pay package and certain key executives benefit from a long-term incentive scheme. In addition, these managers have non-competition clauses in their employment contracts;

– Most clients are loyal: 90% of clients in a given year use Ipsos' services the following year.

As well as providing close contact with its specialist teams, Ipsos offers its clients a reputable brand, powerful resources backed by leading-edge technologies, and databases guaranteeing consistent results that are comparable over time and between different countries.

3.9.4 Risk of changes in employment law

Ipsos employs a large number of temporary workers to administer its questionnaires. In some countries, depending on the local employment legislation, these staff may be considered as employees on the payroll, although this situation is rare. Currently, in a number of countries (e.g. Germany, the United Kingdom, Italy, and Belgium), there is a trend towards providing more protection for casual staff, as a result of employment law or its interpretation. This exposes the Group to two risks:

- a risk of legal penalties, if the Group does not offer its temporary workers the same benefits it currently provides to permanent employees only, thus breaching the law. In France, the status of researchers is defined in a national collective bargaining agreement, which already takes account these developments and therefore generates minimal risk;
- a financial risk, since these developments could lead to spiralling labour costs if Ipsos were unable to pass on these increases in its prices. Ipsos believes that this risk should be viewed in perspective since it applies to the entire industry and does not undermine the Group's competitive position.

In France, the law on the reorganisation and reduction of working time was implemented by the company on 3 January 2000. The agreement negotiated with the union (CFDT) and approved by 75% of the employees (90% of votes cast) is now being monitored by a committee which combines management and personnel representatives. Ipsos feels that this new legislation has been introduced in a satisfactory manner and is not a risk factor.

3.9.5 It risks

Ipsos' business is heavily reliant on information systems. As a result, a system fault could have a severe impact on its operations (loss of survey results, inability to access databases, etc.). In practice, this risk is minimised by the use of standard commercially-available systems and software. In addition, these systems are distributed over several sites and procedures have been implemented to back up or replicate crucial databases. If a problem occurs on a given system or at a given site, Ipsos believes that it can switch over to another one.

3.9.6 Market risks

Interest rate risks

Over 97% of the €169 million in bank borrowings outstanding as at 31 December 2002 were floating rate loans. A 1% change in short-term interest rates would have a €1.3 million impact on the Group's net financial expense. Ipsos does not currently use derivatives to hedge against interest rate risk, but does not rule out such transactions in the future.

Exchange rate risks

The Group has operations in 35 countries and conducts research in over 100 countries. However, foreign exchange risks from business transactions are negligible, as Ipsos' subsidiaries almost invariably invoice clients in their local currency and their operating expenses are also denominated in local currencies. The only exchange rate risk stems from the translation into euros of financial statements for foreign subsidiaries located outside the euro zone. Results are broken down by geographic region in section 3.1.3.

Liquidity risks

As part of its financing operations, Ipsos has arranged a syndicated loan of €110 million. The Group has undertaken to meet various financial ratios (Consolidated net debt/Consolidated EBITDA, Consolidated EBIT/Consolidated net interest and Consolidated net debt/Consolidated shareholders' equity) until the loan matures. All financial commitments had been met as at 31 December 2002.

Equity risks

The Group's equity risks are considered negligible. Due to its financial policy, Ipsos does not invest its cash in shares, apart from treasury shares, which are typically deducted from shareholders' equity.

3.9.7 Risks relating to industry-specific regulations

All Ipsos companies focus exclusively on research. Their staff, who are experts in their own fields, have detailed knowledge of the relevant regulations (see section 3.3.4). They define and apply the appropriate procedures to ensure compliance with regulations, especially with respect to data confidentiality and the distribution of opinion polls. Ipsos is also involved with professional associations in the various countries where the Group operates, and accordingly participates in the drafting of new regulations. Currently, the company cannot identify any circumstances where it may be in breach of the regulations applicable to its business.

3.9.8 Insurance

The service activities in which Ipsos specialises do not generate any industrial or environmental hazards. The Group's companies take out the standard insurance policies in each of the countries and markets in which they operate. In particular, these companies are usually covered by professional liability insurance

3.10 RECENT TRENDS AND OUTLOOK

3.10.1 Group strategy

Over the last 20 years, Ipsos has been the fastest-growing international market research company in its sector. Ipsos is now a world leader in the research market. By adopting a clear strategy that anticipates industry and market trends, and stepping up its acquisition policy in 2000 and 2001, then sustaining it in 2002, Ipsos has become the world's No.2 survey-based market research firm. The Group has expanded significantly, achieving the critical mass needed to work with major clients wherever they do business.

The Group's strategy now aims to consolidate Ipsos' position as an international leader in the research industry. This involves consolidating its geographical reach, enhancing its expertise in its five core businesses, developing strong brands and improving profitability.

3.10.1.1 Consolidating the Group's geographical reach

When large multinationals enter new markets, they have new research needs. Having implemented global product and marketing strategies, these major groups require data on all the countries where they operate, particularly marketing information, with results that are comparable from one market to another.

Ipsos aims to cater for its clients in all their markets and is continuing to build up its presence in each of these markets. The acquisition policy pursued by the Group since 1990 has enabled it to develop a robust position in Europe, North America, Latin America and China. Ipsos is now active in all the key markets, including Japan. The Group is currently focusing its efforts on Asia, where it still has a weak presence, and on certain key markets where some of its business lines are not represented.

The map below shows the Group's priority areas for expansion.

3.10.1.2 Enhancing expertise in core businesses

In order to strengthen its leadership position worldwide, the Group's objective is to expand its resources in its five core businesses, i.e. marketing research, advertising research, media research, public opinion and social research, and quality and customer satisfaction research.

This will involve targeted investments, both internally, through sustained efforts in research and development, and externally, through the acquisition of companies with significant expertise in any of these market segments. It also presupposes an active policy of combining know-how with strong global brands, and a strategy for managing key accounts on a global scale (see sections 3.3 and 3.4).

• Harmonising services and developing global brands

Ipsos has decided to set up global business lines in each of its five areas of specialisation to encourage the development of common tools in all of its national subsidiaries and offer a consistent range of services (see section 3.1.2.2 and following sections).

• Internet initiatives: Ipsos Interactive Services
All of Ipsos' interactive businesses have been consolidated under one umbrella brand: Ipsos Interactive Services. While Ipsos has withdrawn from Internet audience measurement, it is still developing ways of using the technology to collect data (especially online access panels) and distribute research results. It is also conducting numerous research programmes in this area, looking at advertising, web marketing, the potential of e-commerce sites, and new services offered via the web, especially by banks, insurance companies and so on.

• Working with major clients worldwide
In order to improve the services it provides to its clients worldwide, Ipsos has set up an organisation to manage key accounts, including a dedicated global coordination unit. As a result, account managers are able to increase their revenues through more effective management of their professional, commercial and financial relations with clients (see section 3.4).

3.10.1.3 Improving Group profitability

Optimising the cost structure

Optimising the cost structure is a major factor for improving Group profitability. For this reason, Ipsos continually strives to enhance its services, aiming to offer its clients the best solutions at the best price. This quest for competitiveness is carried out on several fronts:

- Ipsos has introduced Group-wide research techniques that offer the best value for money.
- Ipsos views technology as a way to improve service quality, mainly by speeding up data collection and making it more reliable and cheaper. By investing in IT, the Group can concentrate on its real source of added value, namely its expertise in working with citizen-consumers. Multimedia and Internet technologies are now widely used within the Group.
- Right from the outset, Ipsos has been a pioneer in offering a range of standardised research products. These products deliver information that can be compared over time and between different sectors, offering substantial added value for our clients. Using recurring survey and analysis methodologies, these products save time during the design and development phases, freeing up the sales teams, who can focus exclusively on customer relations.
- Similarly, by pooling its production resources (multi-client research) and offering syndicated funding options for major indicator surveys ('barometers') or multi-country studies, Ipsos makes its product more easily accessible to a larger selection of clients. These commercial arrangements are particularly well-suited to large-scale audience surveys or multi-country observational research (e.g. International Observer and the Observatoire des Comportements Alimentaires, a survey of the French food industry). They also enable the Group to generate high margins once each study has reached breakeven point.

Strengthening management structures
To support its rapid growth, Ipsos has strengthened its central management structures and tightened up the organisation that monitors its subsidiaries.

Regional management structures were initially set up in Latin and North America, then in the Middle East and, more recently, in Europe and the Asia-Pacific region. Their main purpose is to enhance Group profitability, to improve financial control and human resources management, and to coordinate initiatives aimed at our key accounts.

In addition, the management of each business line is being strengthened, in line with Ipsos-ASI, which is a fully-integrated global business, focusing on advertising research, and has been highly successful in its marketplace.

This organisation relies on dedicated resources and management tools developed by the Group. Since 1 January 2000, the main operational companies have adopted an integrated accounting and management system (ERP application). It provides standardised monitoring of operations and client accounts, together with information about the performances of the each business within the Group (see section entitled 'The ISIS information system').

3.10.2 Recent developments

Reinforcement of the CSM/CRM and Marketing business lines

As from 1 January 2004, Ipsos has decided to set up globally integrated management structures for the following two business lines, modelled on the organisation adopted by Ipsos-ASI:

- CSM/CRM (customer satisfaction and customers relations management), which will be marketed under the Ipsos Loyalty brand name;

- Expertise in marketing forecasts, modelling and consulting, which is part of the Marketing research business division and will group together the teams of Ipsos-Novaction (in Europe, Asia and the US) and Ipsos-Vantis (in the US and Europe), as well as other existing teams within the Group.

Complete integration of Sample/INRA's businesses within Ipsos Europe

When it signed an agreement to acquire the German, Spanish and Czech businesses of the Sample/INRA group in 2002, Ipsos secured the option to take over and merge with its Belgian businesses. As a result, 'INRA in Belgium', which is the leading research provider for the European Commission's main research contract (Eurobarometer), became part of the Ipsos Group in 2003.

First-quarter 2003 revenues

Ipsos Group reported first-quarter 2003 revenues of € 118.6 million, up 9.5% compared with the same quarter of 2002. On a constant perimeter and exchange rate basis, the Group's first-quarter sales rose by 8.6%. Most of the Group's business lines recorded satisfactory growth, particularly advertising research (21% organic growth).

3.10.3 Outlook

In the future, Ipsos aims to continue expanding rapidly in its current business lines, through faster organic growth than the industry as a whole and targeted acquisitions.

Acquisitions:

Ipsos will continue to extend its geographical reach in the Asia-Pacific region, where the Group feels its presence is still weak. Ipsos also plans to strengthen all its business lines in the countries where it already operates and wherever there is a market. The Group targets medium-size businesses which have already established a strong foothold in their market.

Organic growth:

Ipsos is set to expand faster than the overall research industry, owing to its robust positions in clearly targeted market segments, such as advertising research and customer satisfaction, and the fact that major clients prefer research firms that can cater for all their markets.

In 2003, the Group expects its organic growth to outperform the market and its main rivals, and at least match the level it achieved in 2002 (8%). It is also still committed to improving its operating margin. Looking forward to 2006, it expects to double its business volumes, achieving revenues of €1 billion and an operating margin of 10%.

The expected growth in Group profitability should stem from a shift in the business mix towards higher-margin businesses and regions, as well as the impact of synergies, which should help generate greater value from the client portfolio and optimise the cost structure.

2003 financial calendar:

- 11 June 2003: General Meeting of Shareholders to approve the 2002 financial statements
- 18 August 2003: Consolidated revenues for the second quarter of 2003
- 24 September 2003: Consolidated financial statements for the first half of 2003
- 12 November 2003: Consolidated revenues for the third quarter of 2003

3.11 NON-RECURRING EVENTS AND DISPUTES

Ipsos is not involved in any significant disputes and there were no non-recurring events in 2002.

3.12 GLOSSARY

Access panel: group of households that have been recruited by a research company and have agreed to take part in several surveys a year at pre-defined intervals.

Ad hoc studies: customised research conducted for a specific client. Ad hoc studies differ from regular surveys, such as indices.

Advertising research: assessing the effectiveness of advertising. This activity mainly includes evaluating the quality of advertising through pre and post tests, campaign assessment and tracking, and brand equity assessment and tracking.

Advertising tracking: continually monitoring a brand's advertising and its impact on consumer attitudes and behaviour. Data tends to be collected weekly from alternating samplings (as opposed to panels). A spin-off from this activity is the recent development of brand tracking in France, which monitors changes in brand image, profile, etc.).

Capi (Computer-assisted personal interviewing system): face-to-face interviewing tool where the interviewer uses a laptop computer to read questions from the screen and key in the replies directly.

Cati (Computer-assisted telephone interviewing system): the interviewer conducts the questionnaire by telephone and enters the replies directly onto a computer.

Copy testing: pre or post test of an advertisement (e.g. Ipsos-ASI Next*TV, Ipsos' global product for pre-testing commercials).

Face-to-face: technique whereby data is collected personally by the interviewer from each person surveyed (at home, in an office or in the street).

Field work: series of tasks aimed at collecting data for a survey and organising interviewers' tasks (i.e. drawing up profiles of prospective interviewees, providing instructions on selecting interviewees, setting quotas, administering the questionnaire, checking data, etc).

Index/Survey: study designed to monitor indicators on markets, companies, brands, products, services, etc., over time. It is conducted under identical conditions (same sampling structure, same questions, etc.), allowing comparisons between different periods.

Multi-client study: as its name indicates, a multi-client study is research sold to several clients. There are two kinds:
(i) syndicated research conducted for groups of clients (e.g. media audience measurement studies carried out for industry associations in each medium). The findings of these studies are the property of these clients; and
(ii) subscription-based research conducted independently by Ipsos. The findings of these surveys are subsequently sold to several clients (e.g. the French Managers' Survey, *La France des Cadres Actifs*).

Omnibus study: type of quantitative research where only the sample population is defined beforehand and each client may ask any questions it chooses. This is a type of multi-client survey.

Panel: representative sample of individuals or firms regularly surveyed using identical variables. The data may be collected automatically, since it does not require the direct involvement of participants (e.g. television viewer panels in passive audience rating). Information may be gathered directly from companies using sales records (e.g. retailer panels).

Poll: survey conducted on a representative sample of the target population.

Pre-test: a set of techniques designed to assess the impact of an advertising message before it is aired or published.

Qualitative research: research which is either exploratory (to investigate an unknown sector, identify the scope of a problem, formulate assumptions, understand motivations, etc.) or operational (based on an in-depth analysis of responses by a group or individuals). This type of study tends to be conducted on a small sample of individuals that do not need to be representative. It may either be carried out prior to a preliminary survey or on a standalone basis.

Quantitative research: a study that aims to quantify attitudes or behaviours, measure their underlying variables, compare responses and highlight correlations. This type of survey often involves questioning sample populations that are representative so that the results can be extrapolated to the entire population studied. This technique requires the development of standardised and coded measurement tools (structured questionnaires).

Questionnaire: set of questions submitted to respondents in a quantitative survey.

4

FINANCIAL STATEMENTS - RESULTS

4.1 Consolidated financial statements for the year ended 31 December 2002

4.1.1 Statutory auditors' report on the consolidated financial statements for the year ended 31 December 2002

In accordance with the terms of our appointment by your General Meetings, we have audited the accompanying consolidated financial statements of the Ipsos Group for the year ended 31 December 2002.

These consolidated financial statements were prepared under the responsibility of your Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our review in accordance with French auditing standards. These standards require the auditor to perform such tests and procedures as give reasonable assurance that the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in these financial statements. It also includes an assessment of the accounting principles used and of any significant estimates made in the preparation of the financial statements, as well as an evaluation of their overall presentation. We believe that our audit provides a reasonable basis for the opinion expressed below.

In our opinion, the consolidated financial statements have been properly and accurately prepared in accordance with French accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the consolidated Group.

We have also reviewed the information provided in Group Management Report, in accordance with French auditing standards.

We have no comments to make as to the fair presentation of this information or its consistency with the consolidated financial statements.

Paris, 6 May 2003

Cogerco - Flipo Member of Deloitte Touche Tohmatsu	JPA	Ernst & Young Audit
Francis Pons	Danielle Bardreau-Gilbert	Jacques Rigo
	Jacques Potdevin	

4.1.2 Consolidated financial statements for the year ended 31 December 2002

Consolidated balance sheet

Assets in thousand euros	Note	At 31 Dec 2002 Gross	Amort. & provisions	Net	31 Dec 2001 Net at	31 Dec 2000 Net at
FIXED ASSETS						
Intangible fixed assets	*1*					
Start-up costs		208	74	134	417	297
Other intangible fixed assets		32,738	21,954	10,784	7,711	7,143
Goodwill	*1*	***352,518***	***50,947***	***301,571***	***286,062***	***129,059***
Tangible fixed assets	1	**57,985**	**41,092**	**16,893**	**22,042**	**17,636**
Financial fixed assets	*2*					
Non-consolidated participating interests		2,769	106	2 663	37	143
Companies accounted for by the equity method		310		310	277	250
Other financial fixed assets		3,784	278	3,506	2,013	1,163
TOTAL FIXED ASSETS		**450,312**	**114,451**	**335,861**	**318,559**	**155,691**
CURRENT ASSETS						
Stocks and work in progress						
Miscellaneous supplies		361		361	257	277
Surveys in progress		6,629		6,629	8,111	8,000
Receivables	*3*					
Trade receivables		133,104	3,544	129,560	115,634	93,313
Other receivables		22,105	511	21,594	23,496	13,345
Marketable securities	7	6,298	138	6,160	2,697	33,457
Cash	7	28,984		28,984	28,933	12,240
TOTAL CURRENT ASSETS	*5*	**197,481**	**4,193**	**193,288**	**179,128**	**160,632**
Prepaid expenses, deferred taxes and other assets	*4*	**12,348**		**12,348**	**20,250**	**11,839**
TOTAL ASSETS		660,141	118,644	541,497	517,937	328,163

Liabilities in thousand euros	**Note**	**31 Dec 2002**	**31 Dec 2001**	**31 Dec 2000**
		before appropriation of profit		
SHAREHOLDERS' EQUITY				
Share capital		7,005	6,415	4,715
Share premium		173,989	175,520	156,923
Other reserves		10,118	10,953	6,157
Foreign exchange translation differences		(12,684)		
Current-year net profit after minority interests		**7,132**	**2,023**	**5,974**
Equity attributable to the Group	*5*	**185,560**	**194,911**	**173,769**
Minority interests in consolidated reserves		2,949	3,397	1,115
Minority interests in current-year net profit		3,382	2,153	1,895
Minority interests	*5*	**6,331**	**5,550**	**3,010**
TOTAL SHAREHOLDERS' EQUITY		**191,891**	**200,461**	**176,779**
Provisions for liabilities and charges	*6*	**20,094**	**13,884**	**6,608**
LIABILITIES				
Long-term debt	*7*	**168,877**	**184,448**	**33,697**
Other liabilities	*3*			
Advances and progress payments from customers		7,197	4,844	5,870
Trade payables		51,335	49,647	34,289
Tax and employment-related liabilities		41,278	33,894	29,653
Other liabilities		44,043	12,849	32,042
TOTAL LIABILITIES		**312,730**	**285,682**	**135,552**
Prepaid income and other liabilities	*4*	**16,782**	**17,910**	**9,224**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**541,497**	**517,937**	**328,163**

Consolidated analytical profit and loss account

in thousand euros	Note	2002	2001	2000
Revenues	*1*	**538,426**	**480,199**	**329,455**
Direct costs		226,889	208,168	146,714
GROSS PROFIT		**311,537**	**272,031**	**182,741**
Personnel costs including statutory employee profit-sharing		182,191	160,063	102,237
General operating expenses		82,992	73,146	56,069
Other income and expense (net)		2,725	1,955	294
TOTAL OPERATING EXPENSES		**267,908**	**235,164**	**158,600**
OPERATING PROFIT		**43,629**	**36,867**	**24,141**
Net financial expenses	*2*	(5,856)	(8,760)	(1,542)
NET PROFIT FROM ORDINARY ACTIVITIES OF CONSOLIDATED ENTITIES		**37,773**	**28,107**	**22,599**
Net exceptional expenses	*3*	(144)	(1,147)	(1,740)
CONSOLIDATED PROFIT BEFORE TAX		**37,629**	**26,960**	**20,859**
Corporate income tax	*4*	10,555	6,490	5,216
CONSOLIDATED PROFIT AFTER TAX		**27,074**	**20,470**	**15,644**
Share of profit/(losses) of companies accounted for by the equity method		39	(1,027)	(1,439)
Goodwill amortisation		16,599	15,267	6,336
NET PROFIT BEFORE MINORITY INTERESTS		**10,514**	**4,176**	**7,869**
Minority interests in current-year profit		3,382	2,153	1,895
NET PROFIT ATTRIBUTABLE TO THE GROUP		**7,132**	**2,023**	**5,974**
NET PROFIT ATTRIBUTABLE TO THE GROUP, BEFORE GOODWILL AMORTISATION		**23,731**	**17,290**	**12,310**
Earnings per share attributable to the Group, in euros	IV 5	1,07	0,33	1,04
Earnings per share attributable to the Group, in euros, before goodwill amortisation	IV 5	3,54	2,79	2,15
Diluted earnings per share attributable to the Group, in euros	IV 5	1,05	0,32	1,02
Diluted earnings per share attributable to the Group, in euros, before goodwill amortisation	IV 5	3,51	2,75	2,10

Consolidated cash flow statement

in thousand euros	2002	2001	2000
OPERATING ACTIVITIES			
Consolidated net profit attributable to the Group	**7,132**	**2,023**	**5,974**
Non-monetary items with no cash impact			
Amortisation and depreciation	14,293	11,289	7,828
Share in losses/(profits) of companies accounted for by the equity method	(39)	1,027	1,439
Losses/(gains) on asset disposals	230	267	(15)
Goodwill amortisation	16,601	15,267	6,336
Movement in other provisions	504	670	(323)
Deferred taxation	4,672	(1,421)	(1,857)
Minority interests	3 382	2,153	1,891
Other items	(6)		18
OPERATING CASH FLOW BEFORE WORKING CAPITAL ITEMS	**46,769**	**31,275**	**21,292**
Decrease/(increase) in stocks and work in progress	991	(13)	5,484
Decrease/(increase) in trade receivables	(10,056)	5,855	(21,514)
Decrease/(increase) in other receivables	312	(12,702)	(3,007)
Increase/(decrease) in trade payables	2,485	9,283	4,521
Increase/(decrease) in accrued interest on debt	610	672	10
Increase/(decrease) in other liabilities	2,320	2,834	(673)
CHANGE IN WORKING CAPITAL REQUIREMENTS	**(3,338)**	**5,929**	**(15,179)**
CASH PROVIDED BY OPERATING ACTIVITIES	**43,431**	**37,204**	**6,113**
INVESTING ACTIVITIES			
Acquisition of tangible and intangible fixed assets (excluding business goodwill)	(11,900)	(15,432)	(14,310)
Acquisition of business goodwill	(5,656)	(985)	
Acquisition of non-consolidated participating interests	(2,725)		(96)
Proceeds from disposals of tangible and intangible assets		963	472
Proceeds from disposals of long-term investments			31
Decrease/(increase) in marketable securities	(3,992)	30,650	(32,092)
Decrease/(increase) in other long-term investments	(1,580)	(648)	92
Increase/(decrease) in amounts payable on fixed assets	35,913	(24,014)	609
Impact of changes in consolidation scope	(42,759)	(171,018)	(54,265)
CASH USED IN INVESTING ACTIVITIES	**(32,699)**	**(180,484)**	**(99,559)**
FINANCING ACTIVITIES			
Share issue	39,835	20,297	107,736
Issue of long-term debt	16,738	190,654	13,119
Repayment of long-term debt	(18,905)	(57,331)	(19,271)
Increase/(decrease) in bank overdrafts & short-term debt	(39,973)	13,243	(132)
Dividends paid to parent company shareholders	(2,140)	(2,313)	(1,795)
Dividends paid to minority shareholders of consolidated entities	(1,705)	(513)	(1,189)
CASH FLOW PROVIDED BY FINANCING ACTIVITIES	**(6,150)**	**164,037**	**98,469**
Opening cash	**28,933**	**12,240**	**8,680**
Impact of exchange rate movements	(4,531)	(4,064)	(1,464)
Net change in cash	**4,582**	**20,757**	**5,023**
CLOSING CASH	**28,984**	**28,933**	**12,240**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. CHANGES IN CONSOLIDATION SCOPE

A. Main events of the year

The main changes in the consolidation scope during the year ended 31 December 2002 were as follows:

- Assets of Vantis acquired in March 2002 by the US company Ipsos FMC, which was set up especially for this purpose.
- 50% stake in 'Research in Focus' acquired by Ipsos UK, increasing the Group's total stake to 100%.
- Remaining 21.8% stake acquired in the Latin American holding company, Publimetria. As a result of this acquisition, the Group now holds a 100% stake in the Metrica companies, based in Mexico, Brazil and Argentina.
- Ipsos IMRI AB added to the consolidation scope in January 2002, following the acquisition of a 40% stake in its parent company IMRI Holding AB.
- Stakes acquired in the three Swedish companies: Intervjubolaget, Ipsos Eureka AB and Ipsos Sweden (40%, 51% and 51% respectively).
- 18.57% minority interest acquired in Demoskop, increasing the Group's total stake to 78.02%
- 100% stake acquired in ICEE F-Squared (Russia, Poland and Ukraine), effective from 1 July 2002.
- 51% stake acquired in ICAA-Dominicana.
- 51% stake acquired in Ipsos Dom.
- 50% stake acquired in Ipsos Health.
- Sample–Inra institute acquired and merged with Ipsos Deutschland. Under the terms of the deal, the following stakes were acquired: 82.25% of the merged entity Inra Deutschland and Ipsos Deutschland, 50.25% of Sample KG, 100% of Sample Gmbh, 100% of Trendtest and 100% of Forschung. In addition, ECO acquired 85% of Inra Espana.
- Stake acquired in Feng Associates Marketing Services (FAMS) in China.
- 40% interest acquired in New Media Research in Romania.
- On 1 July 2002, all the shares in Insight Marques and Statiro were respectively transferred to Insight Marketingand Ipsos Opérations.

B. Companies included in the consolidation scope as at 31 December 2002

The following companies are included in the consolidation:

Fully-consolidated companies

Consolidated companies	Legal form	% interest	Country	Address	Reg. No.
Ipsos	SA		France	99, rue de l'Abbé Groult 75739 Paris cedex 15	304 555 634
Ipsos Access Panel Holding	Soc.Civile	100	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	401 768 908
GIE Ipsos Europe	GIE	100	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	401 615 608
Ipsos France	SA	99.99	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	392 901 856
Ipsos Médias	SA	99.81	France	143, rue Blomet 75739 Paris cedex 15	334 068 129
Ipsos-Médiangles	SA	100	France	143, rue Blomet 75739 Paris cedex 15	378 869 200
Ipsos Opinion	SA	99.62	France	143, rue Blomet 75739 Paris cedex 15	317 839 959
Ipsos Régions	SARL	99.02	France	97, rue du Président Edouard Herriot 69 002 Lyon	972 509 442
Ipsos Opérations	SA	99.96	France	14, rue Yvart 75739 Paris cedex 15	315 105 502
Ipsos Satisfaction de client.	SA	99.85	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	391 307 329
Gie Ipsos	GIE	99.99	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	342 050 614
Ipsos Santé	SNC	100	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	333 925 824
Ipsos Music	SA	100	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	422 743 450
Ipsos-Insight Marketing	SA	99.97	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	712 047 265
Insight Marques	SARL	100	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	312 681 471
Ipsos-Stat	SA	50.99	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	401 595 939
IMS	SA	99.98	France	4 rue de Penthièvre 75008 Paris	348 983 842
Popcorn	SNC	49.99	France	4 rue Louise Michel 92300 Levallois Perret	377 678 289
Sysprint	SARL	99.98	France	4 rue de Penthièvre 75008 Paris	384 721 346
Statiro	SA	99.86	France	104 rue Castagnary 75015 Paris	722 022 944

Fully-consolidated companies (continued)

Consolidated companies	Legal form	% interest	Country	Address	Reg. No.
IMS Développement	SA	99.98	France	4 rue de Penthièvre 75008 Paris	387 725 245
Ipsos Access Panel France	SA	99.99	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	392 901 856
Ipsos Access Panel GIE	GIE	99.6	France	99, rue de l'Abbé Groult 75739 Paris cedex 15	402 829 147
Ipsos-Novaction	SA	100	France	11 avenue Dubonnet 92400 Courbevoie	722 003 209
Ipsos Brussels	SA	82	Belgium	243 Boulevard Sylavain Dupuis 1070 Bruxelles	
Ipsos UK	Ltd Co.	100	UK	Elmgrove Road Harrow HA1 2QG	
Pricesearch	Ltd Co	100	UK	Elmgrove Road Harrow HA1 2QG	
CatiCentre	Ltd. Co	100	UK	Elmgrove Road Harrow HA1 2QG	
Ipsos-Insight	Ltd. Co	100	UK	Elmgrove Road Harrow HA1 2QG	
Ipsos Access Panel UK	Ltd. Co	100	UK	Elmgrove Road Harrow HA1 2QG	
Ipsos Access Panel Services	Ltd. Co	100	UK	Elmgrove Road Harrow HA1 2QG	
Research in Focus	Ltd. Co	100	UK	Lovel Road, Winkfield, Berkshire SL4 2ES	
Novaction UK	Ltd. Co	100	UK	114A High Street, Eton, Windsor, Berkshire SL4 6AN	
Ipsos Health	Ltd. Co	50.01	UK	Elmgrove Road Harrow HA1 2QG	
Ipsos Deutschland	Gmbh	82.25	Germany	Langelohstrasse 134, 2 000 Hamburg 53	
Ipsos Phone	Gmbh	100	Germany	Langelohstrasse 134, 2 000 Hamburg 53	
Business Solutions	Gmbh	100	Germany	Kuuckhoffstrasse 55, 13156 Berlin	
Ipsos Access Panel Germany	Gmbh	100	Germany	Hobeluftchaussee 112, 20 244 Hamburg	
Novaction MMD	Gmbh	80	Germany	Waidmannstrasse 2, 60596 Frankfurt	
Inra Deutschland	Gmbh	82.25	Germany	Papenkamp 2-6 23879 Môlln Germany	
Sample KG	Gmbh	50.25	Germany	Kolonnenstrasse 26, 2,Hof,1,OG 10829 Berlin	
Trendtest	Gmbh	100	Germany	Kolonnenstrasse 26, 2,Hof,1,OG 10829 Berlin	
Sample QM	Gmbh	50.25	Germany	Kolonnenstrasse 26, 2,Hof,1,OG 10829 Berlin	
Ipsos-Explorer	SRL	100	Italy	10 Via Crocefisso, 20 122 Milano	
Explorer Opérations	SRL	100	Italy	10 Via Crocefisso, 20 122 Milano	
Ipsos Access Panel Italy	SRL	100	Italy	10 Via Crocefisso, 20 122 Milano	
Novaction Italia	SRL	80	Italy	Viale Lombardia, N20 20131 Milano	
Ipsos-Szonda	Hung. co	50.1	Hungary	1081 Budapest Kôztàrsaság tér 3	
Demoskop sp z.o.o.	Ltd	78.09	Poland	Pulawska 39/4, Varsaw	
Ipsos Polska	Ltd	100	Poland	Ul,Pulawska 39/4 Warsaw 02,508 Poland	
New media research	Ltd	40	Romania		
IMRI Holding AB	Ltd	40	Sweden	Landsvägen 52, 172 63, Malmö	
IMRI AB	Ltd	40	Sweden	Landsvägen 52, 172 63, Malmö	
Ipsos-Eureka AB	Ltd	51	Sweden	Box 6733 113 85 Stockholm	
Intervjubolaget pa Hârnon	Ltd	40	Sweden	Strengbergsgatan 2 871 33 hârnosand Sweden	
Ipsos Sweden AB	Ltd	51	Sweden	Landsvagen 52-s-17263 Sundbyberg Sweden	
ICEE (Fsquared)	Ltd	100	Russia		
Inra Praha	Ltd	50.25	Czech Rep.	Skolska 32 11000 Praha 1	
Ipsos Ukraine	Ltd	100	Ukraine		
Eco	SA	100	Spain	Calle Alcala, 96 28 009 Madrid	
Ipsos-Eco consulting	SA	100	Spain	Avenida de Burgos, 12 28 036 Madrid	
Inra Espana	SA	85	Spain	C/Alberto Aguilera 7-5 ° Izq 28015 Madrid	
Ipsos USA	Inc.	100	USA	333 W. Wacker Drive Chicago, Illinois 60611 USA	
Ipsos America	Inc.	100	USA	301, Merrit 7, Norwalk, CT 06851	
Ipsos ASI	Inc.	100	USA	301, Merrit 7, Norwalk, CT 06851	
Ipsos-NPD US	Inc.	100	USA	100 Charles Lindbergh Blvd NY 11553 Uniondale	
Ipsos-Reid Public Affairs	Inc.	100	USA	1101 Connecticut Avenue NW Suite 200, Washington, DC 20036	
Ipsos FMC (Vantis)	Inc.	100	USA	3130 Crow canyon Place, suite 400, San Ramon, CA 94583	
Ipsos Canada	Ltd	100	Canada	245 Victoria Avenue, Suite100, Westmount, Quebec H3Z 2M6	
Ipsos-ASI	Ltd	100	Canada	245 Victoria Avenue, Suite100, Westmount, Quebec H3Z 2M6	
Cantrack Research	Ltd	100	Canada	245 Victoria Avenue, Suite100, Westmount, Quebec H3Z 2M6	
Ipsos Holding Inc	Inc	100	Canada	Suite 1100, 1199 West hastings Street, Vancouver, V6E 3T5	
ARG Acquisition	Inc	100	Canada	Suite 1100, 1199 West hastings Street, Vancouver, V6E 3T5	
Ipsos-Reid	Inc	100	Canada	Suite 1100, 1199 West hastings Street, Vancouver, V6E 3T5	
Ipsos-NPD Canada	Inc	100	Canada	240 Duncan Mill Road ON M3B 3R6 Toronto	
Ipsos-Portugal	LDA	100	Portugal	Rua Carlos Malheiro Dias, 11 1700 Lisboa	
Ipsos Latin America	BV	100	Netherl.	Koningslaan 34 1075 aAD Amsterdam	
Ipsos	SA	100	Argentina	Conesa 2046 - Buenos Aires 1248	
Publimetria	SA	100	Argentina	Conesa 2046 - Buenos Aires 1248	
Novaction Argentina	SA	100	Argentina	Conesa 2046 - Buenos Aires 1248	
Metrica Argentine	SA	100	Argentina	Conesa 2046 - Buenos Aires 1248	
Ipsos-Mora Y Araujo		50	Argentina	Vuelta de Obligado 1947 - 3° Piso, Capital Federal C 1428 ADC	
Mora Consultoria		50	Argentina	Vuelta de Obligado 1947 - 3° Piso, Capital Federal C 1428 ADC	
Geomedia		50	Argentina	Juramento 1099 Buenos Aires	
Process & Line		50	Argentina	Avenida Santa Fe 5210 - 1° Piso Buenos Aires	
Novaction Brazil	LDA	100	Brazil	Av. 9 de Juuhlo, 5017 Conj. 111 CEP 01407-200 Sao Paolo	

Fully-consolidated companies (continued)

Consolidated companies	Legal form	% interest	Country	Adress
Metrica Brazil	LDA	100	Brazil	Av. 9 de Juuhlo, 5017 Conj. 111 CEP 01407-200 Sao Paolo
Ipsos-Marplan	Ltda	100	Brazil	Praça Ramos de Azevedo 206-13°andar, 01037-010 Sao Paulo
Opinion Brazil	LDA	100	Brazil	Av. 9 de Juuhlo, 5017 Conj. 111 CEP 01407-200 Sao Paolo
Novaction Mexico	SA	100	Mexico	Insurgentes Sur 933 Piso 5, Colonia Naploes, Mexico (DF)
Metrica Mexico	SA	100	Mexico	Insurgentes Sur 933 Piso 5 mexico (DF) Colonia Naploes
Ipsos-Bimsa	SA	50	Mexico	Sofocles #118, col. Palanco, CP11560 Mexico (DF)
Encustas Telefonicas	SA	50	Mexico	Av Ingenieros Militares 85 - Mexico DF
Campo Y Captura	SA	50	Mexico	Av Ingenieros Militares 85 - Mexico DF
Fiel Research de Mexico	SA	50	Mexico	Sofocles #118, col. Palanco, CP11560 Mexico (DF)
Ipsos Andina		50.7	Colombia	Carrera 19, Nro 84-51 Nivel 2, Santa Fe de Bogota
Ipsos Chile Inversiones	Ltda	100	Chile	Miraflores 222, piso 11 - 6500786 Santiago
Ipsos Search Marketing SA	Ltda	50	Chile	Avda. Francisco Bilbao 2841, Providencia SANTIAGO
Ipsos Far East	Ltd	100	Hong Kong	540 King's road. North Point Hong Kong
Ipsos Link Consulting Co Ltd	JV	60	China	38 Bei San Huan Zhong Lu, Haidain district, Beijing, 100088
FAMS		60		
Novaction Singapour		99.99		
Novaction KK		100	Japan	Toen Building 31, Daikyo-Cho-Shunjuku-Ku Tokyo 160
Ipsos Australia PTY	PTY Ltd	100	Australia	Level 2,1 Mc Laren Street, 2060 North Sydney
Novaction Australasia	PTY Ltd	50	Australia	65 Hume Street, Crows Nest NSW 2065
AGB Stat Ipsos		37.47	Lebanon	13 Youssef Karam Street, Sin-el-Fil, BP 55103 Beyrouth
Ipsos-Stat		24.99	Lebanon	13 Youssef Karam Street, Sin-el-Fil, BP 55103 Beyrouth
Ipsos-Stat		24.99	Syria	Mazzeh Highway, Mouhafaza, Building 6, Damas
Ipsos-Stat		25.5	Jordan	Wasfi Al-Tal Street, Tabba' Group Commercial Complex Amman 11183
Ipsos-Stat		24.99	UAE	Cheick Zayed Road, Bourj Al Salam, Office 202, Dubaï
Stat Koweit		24.99	Kuwait	Salhya Shuada'a Str P.O Box 22417 -13085 Safat
Ipsos Antilles		45.9	West Indies	Habitation desfourneaux 97212 Saint Joseph La martinique
Ipsos Océan indien		25.3	Réunion	12, rue de Nice 97400 La réunion
Ipsos Dom		51	West Indies	Habitation desfourneaux 97212 Saint Joseph La martinique
Ipsos ICAA		51		
Ipsos Dominicana		45.9	Dom. Rep.	Isabel la Catolica, 151 Altos, Zona colonial, santo domingo DN

Companies accounted for the equity method

Equity-accounted companies	Legal form	% interest	Country	Address	Reg. No.
Espace TV Communication	S.A.	28 %	France	30, rue d'Orléans 92200 Neuilly-sur-Seine	338 688 856

II. ACCOUNTING PRINCIPLES AND VALUATION METHODS

The consolidated financial statements have been prepared in accordance with CRC Regulation No. 99-02, approved by the order of 22 June 1999.

All amounts are expressed in thousand euros.

A. Consolidation principles

Consolidation methods

Companies exclusively controlled by the Group are fully consolidated. Their accounts are included line-by-line on a 100% basis, with minority interests deducted on a separate line.

Companies jointly controlled by the Group are accounted for using the proportionate consolidation method. Their accounts are included line-by-line, but only to the extent of the percentage interest held by the Group.

Companies that are not exclusively controlled by the Group, but over which Ipsos exercises significant influence, are accounted for using the equity method if they are more than 20%-controlled.

Date of first consolidation

Companies entering the consolidation during the financial year are consolidated from their acquisition date if interim accounts are available as at that date. Otherwise, they are consolidated from the date of the most recent accounts available.

Length of accounting periods and year-end date

The consolidated financial statements cover a 12-month period from 1 January to 31 December 2002. All consolidated companies draw up their accounts to 31 December.

Goodwill on first consolidation

Goodwill on first consolidation reflects the difference between the purchase cost of equity stakes in consolidated companies and the corresponding share of the book value of the net assets as at the acquisition date. This difference is analysed and allocated, if appropriate, to asset items and any balance is treated as acquisition goodwill.

Acquisition goodwill is amortised over a maximum period of 20 years. A shorter period is used for the goodwill arising on the acquisition by the Ipsos group of Insight Marketing (covering the companies Insight Marques and Ipsos Brussels), which is amortised over a period of 7 years, and the goodwill arising on the acquisition of GST, which is amortised over a period of 7 to 10 years.

Goodwill is subject to an overall revaluation at each year-end, based mainly on revenues, past or projected profit margins, and economic, financial or sectoral factors, in order to determine if additional provisions are required. Depreciation tests are applied to the smallest group of cash-generating business units to which goodwill can be reasonably allocated, i.e. on a regional basis for Latin America and North America, and on a country-by-country basis for the rest of the world.

Acquisition goodwill is treated as an asset owned by the company that holds the shares and is therefore valued at historic cost, expressed in euros in the Group's financial statements.

Ipsos only makes acquisitions in the field of research studies. Consequently, the Group acquires service sector companies, whose value is not estimated on the basis of their tangible assets, but on the basis of their current and future position in the research market, in terms of their ability to generate profits and take advantage of the experience gained in this business.

As a result, the purchase consideration mainly represents the intangible assets of each company, determined when the company was valued, although the component parts of these assets cannot be accurately identified. For this reason, goodwill tends to be fairly similar to the acquisition cost (approximately 95%).

Translation of foreign subsidiary accounts

Balance sheet items are translated at the year-end exchange rate (with the exception of capital, which is expressed at the historic rate). Profit and loss items are translated at the average exchange rate. The current-year profit included in shareholders' equity is shown at the average exchange rate and any difference arising from the application of the year-end rate is allocated to consolidated reserves.

In 2002, the average exchange rates used for the main currencies were as follows:

(for one euro)	Average rate	Year-end rate
USD	0.944905	1.048699
CAD	1.482825	1.654998
GBP	0.628758	0.650500
ARS	2.975057	3.544779

Intra-group transactions
The following items are eliminated, based on their impact on net profit and deferred taxation: accounts receivable and accounts payable balances between group companies as at 31 December, income and expenses generated by transactions between consolidated companies, and other intra-group transactions such as dividend payments, gains or losses on disposals, changes in provisions for impairment of shares in consolidated undertakings, loans to Group companies and internal margins.

B. Accounting rules and valuation methods

Intangible fixed assets
Intangible fixed assets are shown on the balance sheet at historic cost, and comprise:

- start-up costs;
- computer software and similar items amortised over periods of between 1 and 5 years;
- business goodwill, amortised over the same period as acquisition goodwill, i.e. between 3 and 20 years;
- the costs of setting up panels, amortised over 3 years.

Tangible fixed assets
Tangible fixed assets are shown at historic cost.

Tangible fixed assets appear on a single line in the balance sheet and comprise fixtures and fittings, office and computer equipment, office furniture and vehicles.

Depreciation is calculated on a straight line basis over the estimated useful life of the assets:

- fixtures and fittings	2 to 11 years
- office and computer equipment	2 to 10 years
- office furniture	3 to 10 years
- vehicles	2 to 5 years

The value of assets acquired under finance leases is recognised on the balance sheet and depreciated using the methods described above. The corresponding debt is recognised as a balance sheet liability.

Financial fixed assets
Financial fixed assets are shown at acquisition cost.

A provision for impairment is recorded against participating interests when their value in use is below their book value. The value in use of financial fixed assets is estimated based on their current and projected profitability.

Purchases of own shares are deducted from shareholders' equity, based on their purchase cost, except for shares purchased with a view to regulating the share price, which are booked under marketable securities. Any gains or losses on the sale of these shares are recognised in the profit and loss account.

Stocks and work in progress
Stocks of bought-in goods and supplies are valued at purchase price plus incidental purchase costs.

Work in progress is valued on the basis of expenses directly incurred by surveys not completed as at the year-end date.

Receivables
Receivables are shown at face value. Doubtful debt provisions are recorded on a case-by-case basis after analysing information from the Group's debt recovery operations.

Marketable securities
Marketable securities are shown on the balance sheet at the lower of their purchase cost or market value.

Provisions for liabilities and charges
Provisions for liabilities and charges, as stated on the balance sheet at 31 December 2002, mainly comprise provisions for retirement benefits, together with provisions for restructuring costs in Germany (following the acquisition of Inra Deutschland) and North America.

Subject to prevailing employment legislation in each country, provisions for retirement benefits are calculated as at each year-end date and for each employee (based on his/her age, salary, length of service and likelihood of being employed by the company on his/her retirement date).

Deferred taxation
Deferred taxation is recognised using the liability method and the full provision approach.

Deferred taxation arises from timing differences in taxable income and restatements for consolidation.

Deferred tax assets relating to tax-loss carry-forwards are only recognised if they are likely to be recovered.

Revenue recognition
Revenues are recognised on completion of each stage of a study (end of data collection phase, end of data processing phase and date when results are presented to the client).

Debt issue expenses
Debt issue expenses are written off over the entire maturity period of each debt.

Unrealised foreign exchange gains or losses
Foreign exchange gains and losses are recorded on the balance sheet. If the Group had applied the preferred method recommended by CRC Regulation No. 99-02, net financial income would be €1.051m lower as at 31 December 2002 and €651,000 lower as at 31 December 2001

C. Changes to the consolidation scope and pro forma structure:

None of the acquisitions made during the 2002 financial year are considered significant as they do not have an impact of over 15% on the Group's total balance sheet assets, revenues and operating profit.

The combined impact of these acquisitions on total balance sheet assets, revenues and operating profit amounts to €50.8m, €5.6m and €50.8m respectively.

The major acquisition made during the year, Sample-Inra Deutschland, generated 2001 revenues of €32.5m.

Regarding acquisitions made in 2000 and 2001,

The pro forma balance sheet and profit & loss statement have been prepared as if the main companies added to the consolidation scope in 2000 and 2001 were all consolidated from 1 January 2000.

The effective exchange rates for each year have been applied.

The following table lists the significant new acquisitions taken into account in these financial statements:

Companies	Country	Consolidated from
Ipsos-Reid	Canada	1 Jul 00
Ipsos-ASI (formerly Tandemar)	Canada	1 Feb 00
Ipsos-NPD	USA	1 Jan 01
Ipsos-NPD	Canada	1 Jan 01
Ipsos-Novaction	France	1 Jul 01
Novaction Australasia	Australia	1 Jul 01
Novaction UK	UK	1 Jul 01
Novaction Italia	Italy	1 Jul 01
Novaction MMD	Germany	1 Jul 01
Novaction KK	Japan	1 Jul 01

Pro forma consolidated balance sheet

Assets	31 Dec 01	31 Dec 00
FIXED ASSETS		
Intangible and tangible fixed assets	55,834	54,522
Goodwill on acquisitions	249,844	240,767
Financial fixed assets	2,327	1,557
CURRENT ASSETS		
Trade receivables	115,634	109,942
Cash and equivalents	31,630	39,972
Work in progress and other receivables	52,114	39,074
TOTAL ASSETS	507,383	485,834

LIABILITIES	31 Dec 01	31 Dec 00
SHAREHOLDERS' EQUITY		
Shareholders' equity attributable to the Group	184,357	156,335
Minority interests	5,550	3,054
Provisions for liabilities and charges	13,884	6,608
DEBTS		
Long-term debt	184,448	141,572
Other liabilities	119,144	178,265
TOTAL LIABILITIES	507,383	485,834

Pro forma profit and loss account

	31 Dec 01	31 Dec 00
Revenues	490,997	442,624
Direct costs	212,959	192,778
GROSS PROFIT	278,038	249,846
Payroll	163,882	140,490
General operating expenses	75,257	73,074
Other income and expense (net)	1,975	2,325
TOTAL OPERATING EXPENSES	241,114	215,889
OPERATING PROFIT	36,924	33,957
Net financial expenses	(8,949)	(10,261)
Exceptional items	(1,229)	(1,877)
Profit before tax	**26,746**	**21,819**
Corporate income tax	7,666	7,389
Profit after tax	**19,080**	**14,430**
Share of profits/(losses) of companies accounted for by the equity method	(1,028)	(1,439)
Goodwill amortisation	15,819	14,942
Net profit before minority interests	**2,233**	**(1,951)**
Minority interests in current-year profit	2,153	1,888
Net profit attributable to the Group	80	(3,839)
NET PROFIT ATTRIBUTABLE TO THE GROUP BEFORE GOODWILL AMORTISATION	15,899	11,103

III. DETAILED NOTES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

A. Notes to the balance sheet

Note 1 – Intangible and tangible fixed assets

Movements during the year

	Gross value at 1 Jan 02	Increases	Decreases	Reclassifications and other movements	Changes in consolidation and exchange rates	Gross value at 31 Dec 02
Intangible fixed assets						
Start-up costs	599	58		(414)	(35)	208
Research costs	158	40		442		640
Other intangible fixed assets	17,620	6,412	1,296	9,886	(524)	32,098
TOTAL	**18,377**	**6,510**	**1,296**	**9,914**	**(559)**	**32,946**
Acquisition goodwill and business goodwill(*)	**322,886**	**48,423**	**53**	**12**	**(18,750)**	**352,518**
Tangible fixed assets	**55,820**	**5,760**	**1,269**	**(1,007)**	**(1,319)**	**57,985**
GRAND TOTAL	**397,083**	**60,693**	**2,618**	**8,919**	**(20,628)**	**443,449**

(*) The amount under 'Changes in consolidation and exchange rates' stems from the decline in the US dollar exchange rate against the euro. An exchange rate of €1 = USD 1.048699 was applied at 31 December 2002, vs. €1 = USD 0.88130 at the start of the year.
The increase in acquisition goodwill comes from:
- Additional payments of €11m and €14m respectively for the stakes acquired in Novaction and Ipsos Reid, as part of the Group's commitments outlined in the notes to the 2001 consolidated financial statements.
- The transactions listed in the section 'Main events of the year', including the acquisitions made during the 2002 financial year. The largest goodwill charges stem from the acquisition of the Sample-Inra institute (€10m) and the minority interests purchased in Focus (€3m).

Amortisation and depreciation

	Amort. & deprec. at 1 Jan 02	Increases	Decreases	Reclassifications and other movements	Changes in consolidation and exchange rates	Amort. & deprec. at 31 Dec 02
Intangible fixed assets						
Start-up costs	182	17		(117)	(8)	74
Research costs	97	237		147		481
Other intangible fixed assets	9,970	5,787	536	6,337	(85)	21,473
TOTAL	**10,249**	**6,041**	**536**	**6,367**	**(93)**	**22,028**
Acquisition goodwill and business goodwill	**36,824**	**15,856**	**18**		**(1,715)**	**50,947**
Tangible fixed assets	**33,778**	**7,517**	**1,076**	**448**	**425**	**41,092**
GRAND TOTAL	**80,851**	**29,414**	**1,630**	**6,815**	**(1,383)**	**114,067**

Geographic breakdown of goodwill

Region	Gross	Amortization	Net
France	46,330	5,571	40,759
Rest of Europe	52,186	13,815	38,371
Latin America	30,493	5,338	25,155
North America	219,101	25,692	193,409
Asia	1,638	113	1,525
Middle East	1,199	151	1,048
Australia	1,571	267	1,304
TOTAL	**352,518**	**50,947**	**301,571**

Geographic breakdown of intangible fixed assets (excluding acquisition goodwill) and tangible fixed assets

Region	Intangible fixed assets (excluding acquisition goodwill)			Tangible fixed assets		
	Gross	Amort.	Net	Gross	Amort.	Net
France	11,161	7,426	3,735	5,232	3,153	2,079
Rest of Europe	8,086	5,097	2,989	27,556	22,842	4,714
Latin America	244	97	147	2,526	1,553	973
North America	13,072	9,153	3,919	19,816	11,697	8,119
Asia - Pacific	213	116	97	746	296	450
Middle East	170	139	31	2,109	1,551	558
TOTAL	**32,946**	**22,028**	**10,918**	**57,985**	**41,092**	**16,893**

Note 2 - Financial fixed assets

	Gross value at 1 Jan 02	Increases	Decreases	Mvmts	Changes in consolidation and exchange rates	Gross value at 31 Dec 02
Non-consolidated participating interests	45	2,724				2 769
Companies accounted for by the equity method	277			33		310
SUB-TOTAL	**322**	**2,724**		**33**		**3,079**
Receivables relating to participating interests		22,834	22,391			443
Loans	174	417	96	30	(15)	510
Other items (*)	1,992	1,770	839		(92)	2,831
SUB-TOTAL	**2,166**	**25,021**	**23,326**	**30**	**(107)**	**3,784**
TOTAL	**2,488**	**27,745**	**23,326**	**63**	**(107)**	**6,863**

(*) As the Ipsos Group does not own its premises, this item consists solely of lease guarantee deposits.

Non-consolidated participating interests:
Participating interests are excluded from the consolidation if they have an insignificant impact on the consolidated group (i.e. companies less than 20%-owned by Ipsos, or non-trading companies).

	% interest	Gross value	Depreciation	Net value	
Net Survey KFT	50.00	12		12	Hungary
Getas Irwik	59.54	8	8	0	Poland
Ifes	1.00	25	25	0	Germany
Ipsos ASIA Ltd *	80.00	2,509		2,509	Hong Kong
Forshung*	100.00	20		20	Germany
Sample Gmbh*	100.00	25		25	Germany
Other		170	73	97	
TOTAL		**2,769**	**106**	**2,663**	

(*) Stakes consolidated in 2003.

Details of main companies accounted for by the equity method

	Contribution to shareholders' equity (including profits)	Contribution to consolidated profits (excluding acquisition goodwill)
Espace TV Communication	119	35

Note 3 – Receivables and other liabilities

Movements in receivables and other liabilities during the year

	Gross value at 1 Jan 02	Movements	Changes in consolid.	Foreign exchange movements	Gross at 31 Dec 02
Trade receivables	118,863	18,578	7,511	(11,848)	133,104
Other receivables	23,993	(1,239)	1,830	(2,479)	22,105
TOTAL RECEIVABLES	**142,856**	**17,339**	**9,341**	**(14,327)**	**155,209**
Advances and progress payments from customers	4,844	(5,477)	7,989	(159)	7,197
Trade payables	48,912	2,721	4,077	(4,375)	51,335
Tax and employment-related liabilities	33,894	7,830	1,655	(2,101)	41,278
Other liabilities	12,849	(2,002)	995	(1,993)	9,849
Amounts payable on fixed assets and related accounts	735	33,469		(10)	34,194
TOTAL OTHER LIABILITIES	**101,234**	**36,541**	**14,716**	**(8,638)**	**143,853**

Receivables and other liabilities by maturity

	Gross value	Due within one year
Receivables		
Trade receivables	133,104	133,104
Other receivables	22,105	22,105
TOTAL RECEIVABLES	**155,209**	**155,209**
Other liabilities		
Advances and progress payments from customers	7,197	7,197
Trade payables	51,335	51,335
Tax and employment-related liabilities	41,278	41,278
Other liabilities	9,849	9,849
Amounts payable on fixed assets and related accounts	34,194	34,194
TOTAL OTHER LIABILITIES	**143,853**	**143,853**

Note 4 – Accruals, deferrals and other assets and liabilities

	at 31 Dec 02	at 31 Dec 01
Accruals, deferrals and other assets		
Prepayments	6,070	7,819
Deferred charges	1,134	1,559
Positive translation differences	1,795	3,499
Deferred taxation	3,349	7,373
Other		
TOTAL	**12,348**	**20,250**
Accruals, deferrals and other liabilities		
Deferred income	16,038	15,062
Negative translation differences	744	2,848
TOTAL	**16,782**	**17,910**

Note 5 – Changes in shareholders' equity

Changes in shareholders' equity attributable to the Group:

Attributable to Group shareholders	Share Capital	Pre-miums	Conso-lidated reserves	Current year profit	Translation differences(*)	Total share-holders' equity
POSITION AT 2000 YEAR-END	**4,715**	**156,923**	**3,529**	**5,974**	**2,629**	**173,769**
– Changes in the share capital of the consolidating entity	1,700	18,597				20,297
– Current-year net profit attributable to the Group				2,023		2,023
– Dividends distributed by the consolidating company			(2,313)			(2,313)
– Change in translation differences					1,163	1,163
– Other movements			5,946	(5 974)		(28)
POSITION AT 2001 YEAR-END	**6,415**	**175,520**	**7,161**	**2,023**	**3,792**	**194,911**
– Changes in the share capital of the consolidating entity	590	(1,531)				(941)
– Current-year net profit attributable to the Group				7,132		7,132
– Appropriation of previous-year profit			2,023	(2,023)		
– Dividends distributed by the consolidating company			(2,140)			(2,140)
– Change in translation differences					(13,203)	(13,203)
– Other movements			(199)			(199)
POSITION AT 31 DECEMBER 2002	**7,005**	**173,989**	**6,845**	**7,132**	**(9,411)**	**185,560**

(*) Including fixed translation differences as at 31 December 1999 arising from foreign susidiaries in European Economic and Monetary Union countries. *(445)*

As at 31 December 2002, the share capital comprised 7,004,597 shares with a par value of 1 (one) euro.

The reserved share issue approved by the Extraordinary General Meeting of 6 March 2002 consists of the following transactions:

- A capital increase through the issue of 577,320 new shares with a par value of €1 and an issue price of €69, giving a total subscription amount of €39,835,080.

- A grant of options to purchase 577,320 Ipsos shares. These options may be exercised at a price of €69 per share as from 2005.
- An agreement signed with a bank to purchase 577,320 Ipsos shares, on a deferred basis, at a predetermined price of €69 per share. These securities will be delivered on the exercise dates of the options granted, bearing in mind that the shares have been purchased to cover the potential exercise of these options by holders.

The amount receivable, corresponding to the Ipsos shares that will be received, has been deducted from shareholders' equity.

Changes in minority interests

Minority interests	Current-year profit	Other minority interests	Translation differences(*)	Total minority interests
POSITION AT 2000 YEAR-END	**1,895**	**1,413**	**(298)**	**3,010**
– Dividends paid to minority interests		(513)		(513)
– Changes to consolidation scope		736		736
– Change in translation differences			151	151
– Current-year net profit attributable to minority interests	2,153			2,153
– Other movements	(1,895)	1,909		14
POSITION AT 2001 YEAR-END	**2,153**	**3,544**	**(147)**	**5,550**
– Dividends paid to minority interests		(1,705)		(1,705)
– Changes to consolidation scope		(217)		(217)
– Change in translation differences			(679)	(679)
– Current-year net profit attributable to minority interests	3,382			3,382
– Other movements	(2,153)	2,153		0
POSITION AT 31 DECEMBER 2002	**3,382**	**3,775**	**(826)**	**6,331**

(*) Including fixed translation differences as at 31 December 1999 arising from foreign subsidiaries in European Economic and Monetary Union countries			*0*	

Note 6 - Provisions

Type of provisions	Amount at 1 Jan 02	Increases	Decreases (used provisions)	Decreases (unused provisions)	Charges in consol.	Foreign exchange movemts	Amount at 31 Dec 02
Provisions for liabilities and charges							
Liabilities and charges	4,545	809	1,768	36	4,547	(158)	7,939
Pension obligations	3,514	500		317	5	(39)	3,663
Deferred tax liabilities	1,853	1,420			25	(241)	3,057
Provision for restructuring(*)	3,971		556		3,061	(1,041)	5,435
SUB-TOTAL	**13,883**	**2,729**	**2,324**	**353**	**7,638**	**(1,479)**	**20,094**
Provisions against assets							
Provision against trade receivables	3,229	666		281	214	(284)	3,544
Provision against other current assets	497	57		21		(22)	511
Provision against marketable securities	75	63					138
Provision against fixed assets	153				140	(15)	278
SUB-TOTAL	**3,954**	**786**		**302**	**354**	**(321)**	**4,471**
GRAND TOTAL	**17,837**	**3,515**	**2,324**	**655**	**7,992**	**(1,800)**	**24,565**

(*) *Following the acquisition of Sample–Inra and the plan to merge Inra-Deutschland with Ipsos Deutschland in 2003, Ipsos has decided to reorganise the regional management for its German operations, and has accordingly booked a €3m provision for restructuring costs.*
In accordance with CRC Regulation No. 99-02, as this provision is part of the purchase cost of the shares, it is included in the acquisition goodwill recorded on the asset side of the consolidated balance sheet.

Note 7 - Debt

Debt	Balance at 31 Dec 02	less than 1 years	1 to 5 years	more than 5 years
Bank debt	147,450	19,362	128,088	-
Other debt	925	925		-
Accrued interest on debt	105	105		-
Bank overdrafts	20,397	20,397		-
TOTAL A	**168,877**	**40,789**	**128,088**	**-**

Cash and equivalents	Balance at 31 Dec 02	less than 1 years	1 to 5 years	more than 5 years
Marketable securities	6,298	6,298	-	-
Cash	28,984	28,984	-	-
TOTAL B	**35,282**	**35,282**	**-**	**-**
NET DEBT (A - B)	**133,595**	**5,507**	**128,088**	**-**

Breakdown of bank debt by type of rate (fixed vs. floating) and currency

Bank debt	Balance as at 31 Dec 02	Fixed rate	Floating rate
In US dollars (USD)	101,679		101,679
In euros (EUR)	41,924	2,197	39,727
In Canadian dollars (CAD)	1,985	1,985	
In pounds sterling (GBP)	1,862	632	1,230
TOTAL	**147,450**	**4,814**	**142,636**
of which finance leasing	1,542		

B. Notes to the profit and loss account

To enhance the quality of its financial information, the Ipsos Group has provided a profit and loss breakdown by type of income and expense item in these notes. This supplements the analytical profit and loss account (by destination) provided above, which shows its direct costs and gross profit, as is common practice among market research firms.

Profit & loss account (by type of income and expense item)

	Notes	2002	2001	2000
Revenues	*1*	538,426	480,199	329,455
Change in stocks of finished products and work in progress			(491)	(4,675)
Own production capitalised		430	3	236
Reversals of provisions and depreciation, transfer of expenses		2,785	979	2,488
Other income		2,589	744	1,205
TOTAL OPERATING INCOME		**544,230**	**481,434**	**328,709**
Purchases of raw materials and other supplies		8,063	7,220	1,870
Other bought-in goods and services		228,202	202,671	153,166
Taxes other than corporate income tax		1,824	3,443	3,044
Payroll and employee benefits		240,412	208,359	135,500
Statutory employee profit-sharing		357	453	557
Depreciation, amortisation and provisions		17,078	14,102	8,377
Other expenses		4,665	8,319	2,053
TOTAL OPERATING EXPENSES		**500,601**	**444,567**	**304,567**
OPERATING PROFIT		**43,629**	**36,867**	**24,141**
Net financial income/(expenses)	*2*	(5,856)	(8,760)	(1,542)
NET PROFIT FROM ORDINARY ACTIVITIES OF CONSOLIDATED ENTITIES		**37,773**	**28,107**	**22,599**
Net exceptional income/(expenses)	3	(144)	(1,147)	(1,740)
CONSOLIDATED PROFIT BEFORE TAX		**37,629**	**26,960**	**20,859**
Corporate income tax	*4*	10,555	6,490	5,216
CONSOLIDATED PROFIT AFTER TAX		**27,074**	**20,470**	**15,644**
Share of profit/(losses) of companies accounted for by the equity method		39	(1,027)	(1,439)
Goodwill amortisation		16,599	15,267	6,336
NET PROFIT BEFORE MINORITY INTERESTS		**10,514**	**4,176**	**7,869**
Minority interests in current-year profit		3,382	2,153	1,895
NET PROFIT ATTRIBUTABLE TO THE GROUP		**7,132**	**2,023**	**5,974**
NET PROFIT ATTRIBUTABLE TO THE GROUP, BEFORE GOODWILL AMORTISATION		**23,731**	**17,290**	**12,310**

Note 1 – Revenues

Revenue breakdown by region	2002	2001	2000
France	90,786	82,687	71,552
United Kingdom	63,091	67,702	63,058
Germany	51,377	32,166	28,678
Italy	17,483	15,524	15,591
Spain	19,520	16,757	15,741
Hungary	4,614	4,210	3,235
Belgium	2,947	3,173	2,212
Poland	2,994	894	
Romania	110		
Portugal	950	909	822
Czech Republic	15		
Ukraine	249		
Ireland	3,386		
Sweden	4,147		
TOTAL EUROPE	**261,669**	**224,022**	**200,889**
United States	132,112	110,971	40,831
Canada	78,460	75,446	36,524
TOTAL NORTH AMERICA	**210,572**	**186,417**	**77,355**
Argentina	2,824	13,815	14,361
Brazil	18,724	20,589	14,054
Colombia	701	711	536
Dominican Republic	194		
Chile	2,054	2,355	
Mexico	23,254	19,075	16,675
TOTAL SOUTH AMERICA	**47,751**	**56,545**	**45,626**
Australia	2,210	1,801	2,296
Japan	6,829	4,079	
Hong Kong		1,172	749
China	4,599	1,674	771
TOTAL ASIA-PACIFIC	**13,638**	**8,726**	**3,816**
Lebanon	2,582	2,991	1,571
Syria	75	123	103
Jordan	637	394	
Kuwait	689	756	
United Arab Emirates	813	225	95
TOTAL MIDDLE EAST	**4,796**	**4,489**	**1,769**
TOTAL REVENUES	538,426	480,199	329,455

By type of research	2002	2001	2000
Marketing research	299,069	241,225	131,782
Advertising research	111,412	102,930	92,248
Media research	48,881	53,400	46,124
Public opinion and social research	30,683	28,622	19,767
Quality and customer satisfaction research	44,414	44,603	29,651
Other	3,967	9,419	9,883
TOTAL REVENUES	538,426	480,199	329,455

Note 2 – Financial income and expenses

	2002	2001	2000
Income from short-term investments	318	21	1,224
Foreign exchange gains	2,501	1,194	446
Interest on loans and finance leases	(6,013)	(8,364)	(2,661)
Foreign exchange losses	(2,551)	(1,562)	(453)
Financial provisions net of reversals	(412)	(57)	(69)
Oher items	301	8	(29)
NET FINANCIAL INCOME/(EXPENSES)	**(5,856)**	**(8,760)**	**(1,542)**

Note 3 – Exceptional items

	2002	2001	2000
As part of the integration of the Group's North American operations, a provision was booked following the decision to close down two call centres in Virginia and transfer these activities to Canada.		(571)	(1,279)
Disposal gains and losses	(230)	(267)	15
Exceptional provisions net of reversals	(92)	123	(214)
Fees paid following the early termination of a lease-management contract			(432)
Other items	178	(432)	170
NET EXCEPTIONAL INCOME/(EXPENSES)	**(144)**	**(1,147)**	**(1,740)**

Note 4 – Corporate income tax

Reconciliation of income tax computed at the French statutory rate with actual income tax expense:

	2002
Pre-tax consolidated profit	**37,629**
Adjustments	**(9,986)**
– Deductible goodwill amortisation	(7,374)
– Tax-deductible share issue expenses	(1,083)
– Other permanent differences	(1,529)
Taxable base	**27,643**
Theoretical tax at Ipsos SA's tax rate	**(9,487)**
Total tax charge booked	**(10,555)**
– Current tax	(5,883)
– Deferred tax	(4,672)
Effective tax rate	**28.05%**
Difference between booked tax charge and theoretical tax charge	**(1,068)**
– Impact of differences in tax rates	(134)
– Impact of tax loss carry-forwards	(498)
– Other items	(436)
Deferred tax balances by category of timing difference	
Net balance	**292**
– Revenue recognition method	(1,494)
– Provisions	2,075
– Foreign exchange translation differences	(432)
– Amortisation adjustments: goodwill	(2,461)
– Amortisation adjustments: other fixed assets	(203)
– Provisions for pension obligations	410
– Due to employees	211
– Tax losses	1,968
– Other items	218
– Balance of deferred tax assets	3,349
– Provision for deferred taxation	(3,057)

Tax consolidation group for French companies:

On 21 December 1997, the following tax consolidation group was formed for a period of five years:

- Head company of tax consolidation group: Ipsos,
- Subsidiaries included in the tax consolidation group: Ipsos Médias, Ipsos Opinion, Ipsos Interviews, Ipsos France, Ipsos-Insight Marketing, Ipsos Satisfaction de Clientèle, IMS SA, Statiro, Sysprint, IMS Développement, Ipsos Music, Ipsos-Médiangles, Ipsos-Novaction SA and Insight Marques.

The taxable profits and losses of all the companies included in this tax consolidation group were subject to a single corporate income tax charge for the year ended 31 December 2002.

Justification of deferred tax assets recognised by fiscal entities having recently incurred tax losses

In 2000, some Group companies recorded tax losses due to exceptional circumstances, namely the withdrawal of a partner and significant changes to one of our clients' purchasing policy.

Based on various factors, our projections indicate that these companies will recover their tax losses by end-2003 at the latest.

In addition, €0.4m in tax losses were not recognised as deferred tax assets as they are unlikely to be recovered in the short term.

IV. OTHER INFORMATION

1. Off-balance sheet commitments

The Group had the following off-balance sheet commitments as at 31 December 2002 (in thousand euros):

An additional payment of CAD1.591m is potentially due in 2004 and 2005 to Ipsos Reid staff still employed by the company. This relates to the exercise of stock options granted to these employees of Ipsos Reid prior to its acquisition.	961
Following the acquisition of Search Marketing in 2001, an additional consideration of USD333,000 is potentially payable, subject to certifying the company's accounts as at 31 December 2002.	318
Following the acquisition of Novaction in December 2001, a maximum additional consideration of €5.3m (estimated) is potentially payable in 2004, depending on 2002 and 2003 EBIT figures, and provided that the beneficiaries are still employed by the company.	5,336
Following the purchase of shares in Ipsos Australia, an additional consideration of AUD250,000 is payable, provided that the beneficiaries are still employed by the company.	142
Following the purchase of shares in Publimetria in Latin America, a consideration of USD375,000 may be payable in 2006 if various financial criteria are met.	376
Following the acquisition of shares in IMRI Holding AB and NMR, and subject to meeting certain financial targets for 2002 and 2003, an additional consideration, estimated at SEK6.726m, may be payable in 2004.	735
In addition, the minority shareholders hold options to sell their stakes in 2007, namely 60% of Imri Holding, 60% of Ipsos NMR, and 49% of Ipsos Sweden and Ipsos Eureka. The exercise prices will be determined by the 2005-06 results of these companies.	
Following the acquisition of companies in Russia, Ukraine, and Poland (ICEE-Ukraine-Polska), a maximum additional consideration of USD3.850m may be payable, provided that the beneficiaires are still employed by the company in 2004, 2005 and 2006, and that certain financial targets are met.	3,671
Following the acquisition of FAMS, an estimated additional consideration of USD3.701m is payable in the second quarter of 2003.	3,529
Following the acquisition of shares in Latin America BV, a final payment of USD700,000 is due in the second quarter of 2003.	667
Ipsos has undertaken to purchase the remaining 20.9% stake in Demoskop in 2003 at a price of PLN1.750m.	435
Ipsos has also undertaken to purchase the remaining 50% stake in Socmerc in January 2003 at a fixed price of USD11,000. An additional consideration based on 2004 and 2005 revenues may also be payable.	130
Lastly, following the acquisitions of Ipsos Reid Public Affairs and Vantis, Ipsos may be required to make an additional payment in 2005/06 based on the financial performances of these two companies.	

In accordance with applicable accounting standards, no significant off-balance sheet commitments have been omitted from this list.

2. Disputes

The Group is not involved in any material disputes

3. Employees

Fully consolidated companies	Average permanent headcount	Fully consolidated companies	Average permanent headcount
France	592	Australia	11
Belgium	20	Argentina	102
Italy	119	Brazil	186
Germany	394	Chile	72
Hungary	64	Colombia	6
United Kingdom	400	Mexico	133
Poland	60	Hong Kong	0
Czech Republic	7	China	161
Ukraine	9	Japan	23
Portugal	13	Lebanon	80
Spain	221	Kuwait	15
Sweden	51	Jordan	19
USA	492	Syria	11
Canada	546	United Arab Emirates	16
TOTAL			**3,823**

4. Executive remuneration

	Remuneration	Attendance fees
Remuneration paid to members of administrative, management and supervisory bodies	1,683	-
TOTAL	1,683	-

The above comprises the remuneration (including fringe benefits and bonuses) paid to the seven members of the Management Board between 1 January and 31 December 2002.

5. Per-share data

Earnings per share is presented in two ways: basic earnings per share and diluted earnings per share.

Earnings per share

The weighted average number of shares used to calculate earnings per share for 2002 excludes any dilution resulting from the exercise of share options and share warrants issued in June 2000.

Diluted earnings per share

Diluted earnings per share are calculated in accordance with notice 27 of the OEC (association of French chartered accountants).

Dilutive instruments comprise share options and share warrants ('BSAs').

The calculation method used is the treasury stock method, based on the share price at 31 December of each year. Due to the price applied, anti-dilutive instruments are excluded from the calculation.

Calculation details

	2002		2001	
	Number of shares	Weighted average number of shares	Number of shares	Weighted average number of shares
31-12-00 Opening balance			6,185,213	6,185,213
29-10-01 Options exercised			1,944	335
12-12-01 Capital increase			227,520	11,811
31-12-01 Year-end total	**6,414,677**	**6,414,677**	**6,414,677**	**6,197,359**
07-03-02 Options exercised	1,536	1,255		
05-07-02 Options exercised	2,004	980		
05-07-02 Options exercised	3,652	1,786		
09-07-02 Capital increase (IPF)	577,320	276,041		
09-08-02 Options exercised	2,502	984		
27-09-02 Options exercised	1,844	479		
27-09-02 Options exercised	1,062	276		
31-12-02 Year-end total	**7,004,597**	**6,696,478**		
Number of additional shares resulting from dilutive instruments	72,449	72,449	89,119	89,119
NUMBER OF ADDITIONAL SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARE	7,077,046	6,768,927	6,503,796	6,286,478

6. Share options

In 1998, Ipsos implemented a share option scheme intended for all executive managers of the Group. Two tranches of options were granted, the first on 28 July 1998 and the second on 10 May 1999.

In 2000, the Group implemented a new share option plan for all its employees.

Date options granted by the Board of Directors	28 Jul 1998	10 May 1999	9 Jun 2000		
Number of options initially granted by the Board	97,662 2.47% of capital on allotment date	98,236 2.45% of capital on allotment date	27,609	11,594 1.43% of capital on allotment date	35,797
Number of grantees	57	83	489	263	644
Initial exercise date for options	28 Jul 2003	10 May 2004	9 Jun 2005	9 Jun 2003	9 Jun 2003
Final exercise date	28 Jul 2008	28 Jul 2008	9 Jun 2008	9 Jun 2007	9 Jun 2008
Exercise price	€20.58	€22.87		€120	
Number of options outstanding as at 31 December 2002	58,354	59,454	22,495	8,363	25,471

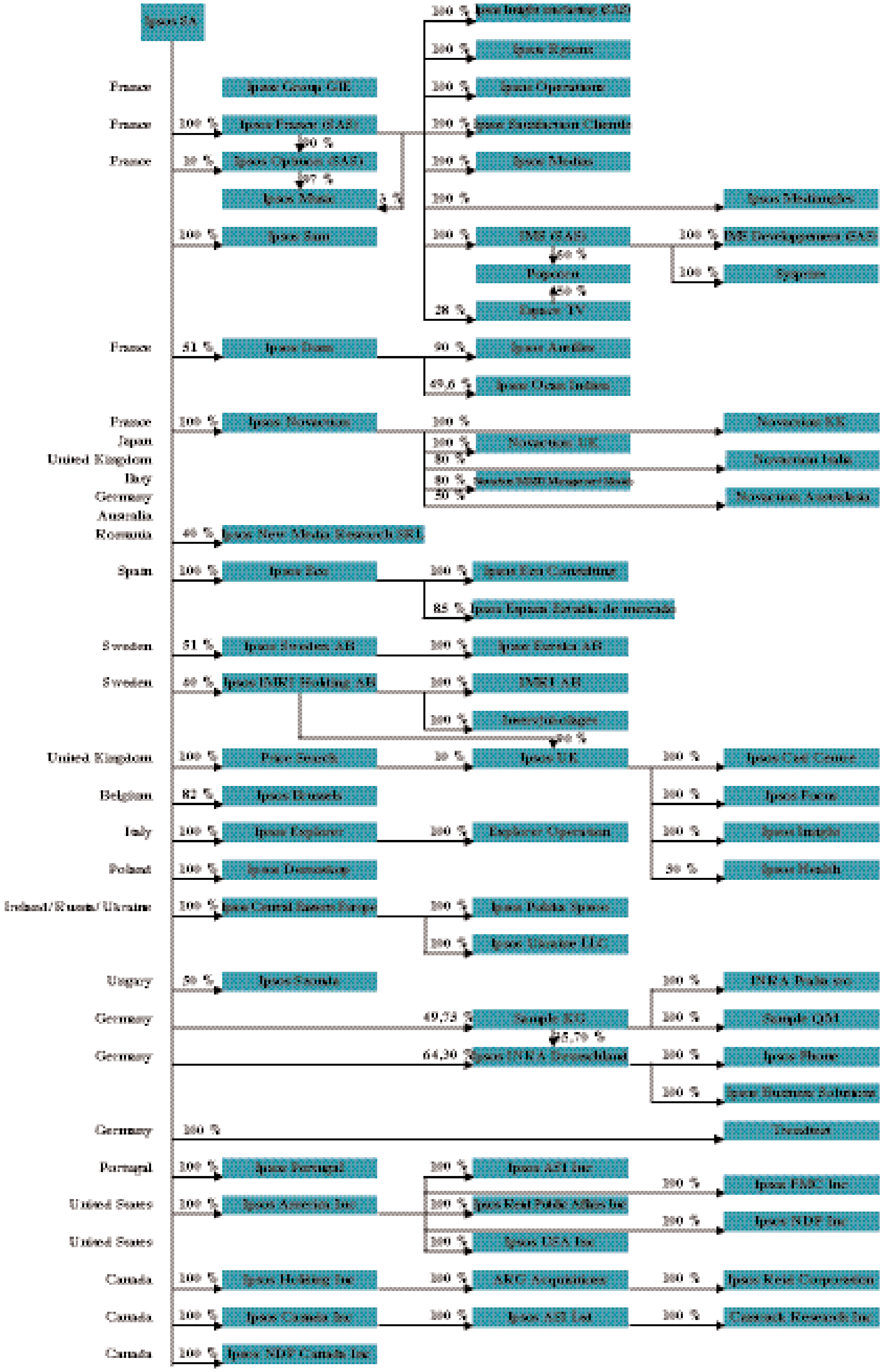
In 2001, the Group implemented another share option plan for all its employees.

Date options granted by the Board of Directors	8 Aug 2001	
Number of options initially granted by the Board	27,148	92,652
	1.94% of capital on allotment date	
Number of grantees	533	1,948
Initial exercise date for options	8 Aug 2005	8 Aug 2004
Final exercise date	8 Aug 2009	8 Aug 2009
Exercise price	€67	
Number of options outstanding as at 31 December 2002	23,223	76,304

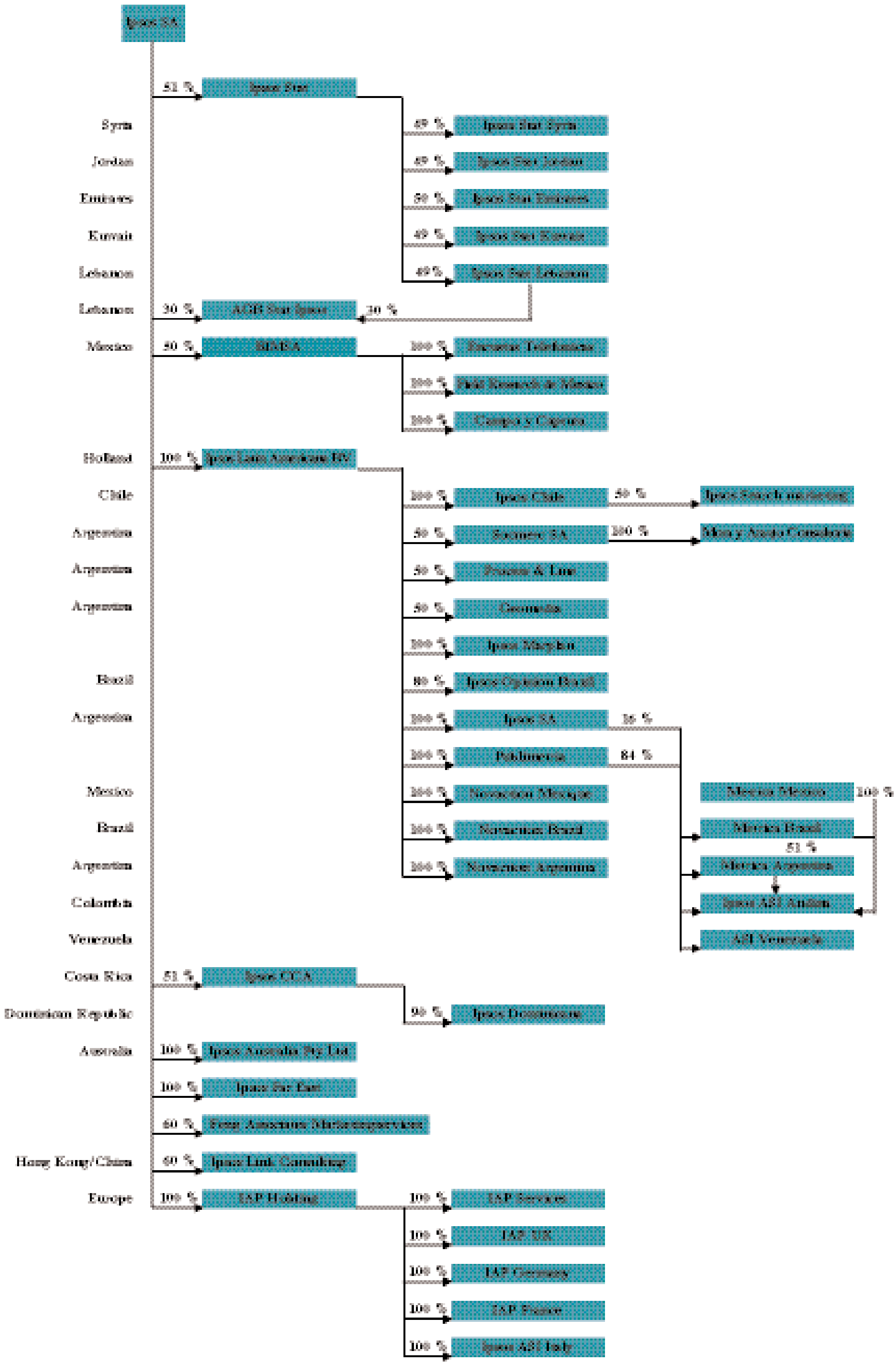
In 2002, the Group implemented a new share option scheme.

Date options granted by the Board of Directors	18 Dec 2002	
Number of options initially granted by the Board	9,330	84,670
Number of grantees	25	170
Initial exercise date for options	18 Dec 2006	18 Dec 2005
Final exercise date	18 Dec 2010	18 Dec 2010
Exercise price	€58	
Number of options outstanding as at 31 December 2002	9,330	84,670

7. Corporate structure chart



7. Corporate structure chart (continued)



4.2 Parent company financial statements for the year ended 31 December 2002

4.2.1 Statutory auditors' general report

In accordance with the terms of our appointment by your General Meetings, we hereby present our report for the financial year ended 31 December 2002, on:

• Our audit of the accompanying 2002 financial statements for Ipsos,

• The specific procedures and disclosures required by law.

These full-year financial statements were prepared under the responsibility of your Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

I. Opinion on the 2002 parent company financial statements
We conducted our audit in accordance with French auditing standards. These standards require the auditor to perform such tests and procedures as give reasonable assurance that the full-year financial statements are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the information contained in these financial statements. It also includes an assessment of the accounting principles used and of any significant estimates made in the preparation of the financial statements, as well as an evaluation of their overall presentation. We believe that our audit provides a reasonable basis for the opinion expressed below.

In our opinion, these financial statements have been properly and accurately prepared in accordance with French accounting standards and give a true and fair view of company's results for the year ended 31 December 2002, and of its financial position and assets and liabilities as at that date.

II. Specific procedures and disclosures
We have also performed the specific procedures required by law, in accordance with French auditing standards.

We have no comments to make as to the fairness and consistency with the 2002 financial statements of the information given in the Board of Directors' Management Report and in the documents on the company's financial position and full-year statements sent to shareholders.

As required by law, we have obtained assurance that information regarding acquisitions of participating or controlling interests and the identity of holders of equity shares or voting rights has been provided to you in the Management Report.

6 May 2003

Cogerco - Flipo Member of Deloitte Touche Tohmatsu	JPA	Ernst & Young Audit
Francis Pons	Danielle Bardreau-Gilbert	Jacques Rigo
	Jacques Potdevin	

4.2.2 PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

The balance sheet total for the 12 months to 31 December 2002 before appropriation of profits stood at €400,621,842.

The profit and loss account for the year, presented in vertical format, shows a profit of €2,090,109.

The notes and tables presented below are an integral part of the annual financial statements for the year ended 31 December 2002.

The significant events of the year ended 31 December 2002 were as follows:

• Ipsos SA increased its capital in 2002:

- by an issue of shares following the exercise of employee stock options,
- and by an issue of shares reserved for the Ipsos Partnership Fund.

• the following acquisitions of participating interests were made during 2002:

- Acquisition of companies in Sweden (40% interest in IMRI Holding AB, 51% interest in Sweden AB) and Romania (Ipsos New Media Research SRL).
- Acquisition of a 100% interest in Ipsos Central Eastern Europe by Ipsos SA.
- Acquisition of a 51% interest in Ipsos Dom by Ipsos SA.
- Acquisition of a 51% interest in Ipsos Caribbean Central America by Ipsos SA.
- Acquisition of an 80% interest in Ipsos Asia Ltd in Hong Kong by Ipsos SA.
- Acquisition of a 49.75% interest in Sample KG, 100% in Sample GmbH, 100% in Trend Test, 100% in Forshung by Ipsos SA.

• the following movements of participating interests took place during 2002:

- a buyout of minority interests in Ipsos Demoskop Inc.
- a share issue by Ipsos Explorer.
- additional consideration paid for Ipsos Latin America.
- a share issue and additional consideration paid for Novaction.
- a share issue by Ipsos Holding Inc.

Balance sheet – assets

Amount in euros	31 Dec 02 Gross	31 Dec 02 Deprec. and amortisation	31 Dec 02 Net	31 Dec 01 Net	31 Dec 00 Net
Capital subscribed but not called					
Intangible fixed assets					
Start-up costs					
Research and development costs					
Concessions, patents and similar rights	123,038	77,684	45,354	53, 088	73,791
Business goodwill					
Other intangible fixed assets					
Advances and progress payments for intangible fixed assets					
Tangible fixed assets					
Land					
Buildings					
Technical installations, plant and equipment					
Other tangible fixed assets	4,594	4,080	514	1,058	3,567
Fixed assets in progress					
Advances and progress payments for tangible fixed assets					
Financial fixed assets					
Companies accounted for using the equity method					
Other participating interests	211,223,163	86,868	211,136,295	181,432,494	112,783,673
Receivables relating to participating interests	127,855,064	198,289	127,656,774	140,742,176	15,117,983
Other long-term investment securities					
Loans					
Other financial fixed assets	39,842,183		39,842,183	689,087	7,103
FIXED ASSETS	**379,048,042**	**366,921**	**378,681,120**	**322,917,903**	**127,986,117**
Stocks and work in progress					
Raw materials and supplies					
Work in progress – goods					
Work in progress – services					
Semi-finished and finished goods					
Goods bought for resale					
Advances and progress payments made				281	
Accounts receivable					
Trade receivables	6,633,780		6,633,780	12,944,678	3,277,293
Other receivables	7,800,350	12,330	7,788,020	8,330,268	16,469,078
Capital subscribed and called but not paid					
Other items					
Marketable securities	262,566	137,967	124,598	231,693	32,529,439
(of which own shares: 102,459)					
Cash and cash equivalents	2,362,644		2,362,644	1,814	50,743
Accruals, deferrals and other assets					
Prepayments	71,111		71,111	84,394	26,294
Current assets	**17,130,451**	**150,297**	**16,980,153**	**21,593,128**	**52,352,847**
Deferred charges	3,108,787		3,108,787	2,066,358	1,820,906
Bond redemption premium					
Realizable exchange losses	1,851,782		1,851,782	171,851	144,905
GRAND TOTAL	**401,139,062**	**517,218**	**400,621,842**	**346,749,240**	**182,304,775**

Balance sheet: equity and liabilities

Amount in euros	31 Dec 02	31 Dec 01	31 Dec 00
Share capital of which paid up: 7,004,597	7,004,597	6,414,677	4,714,648
Share premium	213,824,377	175,519,766	156,922,742
Revaluation reserve of which equity accounting reserve			
Statutory reserve	641,468	471,465	399,011
Reserves required under the bylaws or contractually	49,654	49,654	49,654
Regulated reserves	4,214	4,214	4,214
Other reserves			
Retained earnings	11,637,577	8,591,440	5,247,452
Profit/(loss) for the year	**2,090,109**	**5,356,082**	**5,729,583**
Investment subsidies			
Regulated provisions			
SHAREHOLDERS' EQUITY	**235,251,996**	**196,407,298**	**173,067,304**
Proceeds from issues of participating securities			
Conditional advances			
OTHER EQUITY			
Provisions for liabilities	7,489,110		9,147
Provisions for charges			
PROVISIONS FOR LIABILITIES AND CHARGES	**7,489,110**		**9,147**
Debt			
Convertible bonds			
Other bonds			
Bank debt	136,755,656	145,843,057	5,585,961
Miscellaneous debt	365,158	1,416,104	585,707
Advances and progress payments received			
Accounts payable			
Trade payables	2,315,545	1,012,833	1,703,747
Tax and employment-related liabilities	575,054	600,133	799,384
Other liabilities			
Amounts payable on fixed assets and related accounts	16,805,040		
Other liabilities	661,783	440,788	142,652
Accruals, deferrals and other liabilities			
Deferred income			
LIABILITIES	**157,478,236**	**149,312,915**	**8,817,451**
Realisable exchange gains	402,500	1,029,026	410,871
GRAND TOTAL	**400,621,842**	**346,749,239**	**182,304,773**

Profit and loss account

Amounts in euros	France	Export	31 Dec 02	31 Dec 01	31 Dec 00
Sales of goods bought for resale					
Sales of manufactured goods					
Sales of services	425,887	8,729	434,616	311,202	670,092
REVENUES	**425,887**	**8,729**	**434,616**	**311,202**	**670,092**
Change in stocks of finished goods and work in progress					
Own production capitalised					
Operating subsidies					
Reversals of provisions and depreciation, transfers of expenses				9,147	935,182
Other income			9,831,880	8,494,607	3,367,880
OPERATING INCOME			**10,266,496**	**8,814,956**	**4,973,153**
Purchases of goods bought for resale (including customs duty)					1,568
Change in stocks of goods bought for resale)					
Purchases of raw materials and other supplies (incl. customs duty)					
Change in stocks of raw materials and other supplies					
Other bought-in goods and services			2,208,777	2,403,176	4,375,162
Taxes other than corporate income tax			101,592	75,756	91,365
Wages and salaries			828,518	713,801	734,848
Social security charges			285,788	214,105	256,178
DEPRECIATION, AMORTISATION AND PROVISIONS – OPERATING					
Depreciation and amortisation			786,783	539,204	222,730
Increases in provisions against fixed assets					
Increases in provisions against current assets					
Increases in provisions for liabilities and charges					
Other charges					4,630
OPERATING EXPENSES			**4,211,458**	**3,946,042**	**5,686,481**
OPERATING PROFIT/(LOSS)			**6,055,038**	**4,868,914**	**(713,328)**
Financial income from participating interests			4,989,983	4,852,077	5,040,103
Income from other securities and loans					
Other interest and similar income			2,692,162	4,406,914	1,119,736
Reversals of provisions, transfers of expenses			28,075		
Foreign exchange gains			540,896	432,076	72,994
Net proceeds from disposals of marketable securities				218, 219	74,080
FINANCIAL INCOME			**8,251,116**	**9,909,287**	**6,306,914**
Depreciation, amortisation and provisions - financial items			7,551,694	84,683	16,500
Interest and similar expenses			4,156,366	5,835,142	520,398
Foreign exchange losses			969,611	1,274,540	119,928
Net expenses on disposals of marketable securities					
FINANCIAL EXPENSES			**12,677,671**	**7,191,364**	**656,826**
NET FINANCIAL INCOME			**(4,426, 555)**	**2,717,922**	**5,650,088**
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX			**1,628,483**	**7,586,836**	**4,936,760**

Profit and loss account (continued)

	31 Dec 02	31 Dec 01	31 Dec 00
Exceptional income - non-capital transactions	123,545		
Exceptional income - capital transactions		78,428	2,589
Reversals of provisions, transfers of expenses			
EXCEPTIONAL INCOME	**123,545**	**78,428**	**2,589**
Exceptional expenses - non-capital transactions	703		
Exceptional expenses - capital transactions		2,657,558	2,589
Amortisation, depreciation and provisions			
EXCEPTIONAL EXPENSES	**703**	**2,657,558**	**2,589**
NET EXCEPTIONAL ITEMS	**122,841**	**(2,579,130)**	
Statutory employee profit-sharing			
Corporate income tax	(338,785)	(348,376)	(792,823)
NET PROFIT FOR THE YEAR	**2,090,109**	**5,356,082**	**5,729,583**

NOTES TO THE FINANCIAL STATEMENTS

• Accounting rules and methods

Generally accepted accounting conventions have been applied in conformity with the principle of prudence and with the basic accounting concepts of going concern, consistency of accounting methods from one period to the next, and the matching of costs and revenues, and in accordance with the general rules for the preparation and presentation of annual accounts.

The basic method used for the valuation of items recorded in the accounts is the historical cost method. The main accounting methods used are as follows:

Intangible and tangible fixed assets

Intangible and tangible fixed assets are valued at acquisition cost.

Depreciation and amortisation is calculated using the straight-line method over the following estimated useful lives:

- brand protection	5 to 10 years
- software	1 to 3 years
- fixtures and fittings	10 years
- office and computer equipment	1 to 3 years
- office furniture	5 to 10 years

Participating interests and other investments

These are shown at purchase cost, excluding incidental expenses. If the value in use is less than the purchase cost, a provision for impairment is recorded. The value in use of financial fixed assets is estimated based on their profitability and future profitability prospects.

Accounts receivable

Receivables are shown at face value. A provision for impairment is recorded if the estimated recoverable value is less than book value.

Pension obligations

Based on a calculation using the retrospective method, the company's pension obligations are not material.

Marketable securities

Marketable securities are booked at purchase cost. A provision for impairment is recorded if their average value during the last month of the period is below the purchase value.

• Detailed notes to the balance sheet and profit and loss account

Fixed assets

	Opening balance	Revaluations	Acquisitions
Start-up and research and development costs, Other intangible fixed assets	**123,038**		
Land			
Buildings on freehold land			
Buildings on non-freehold land			
Improvements to buildings			
Technical inst., industrial plant and equipment			
General fixtures and fittings	3,719		
Vehicles			
Office and computer equipment, furniture	875		
Recoverable packaging and other items			
Tangible fixed assets in progress			
Advances and payments on account for fixed assets			
Tangible fixed assets	**4,594**		
Companies accounted for using the equity method			
Other participating interests and related receivables	322,487,902		49,170,455
Other long-term investment securities			
Loans and other financial fixed assets	689,087		39,835,080
Financial fixed assets	**323,176,989**		**89,005,535**
TOTAL	**323,304,621**		**89,005,535**

	Transfers	Disposals	Closing balance	Original value
Start-up and research and develop. Costs, Other intangible fixed assets			**123,038**	
Land				
Buildings on freehold land				
Buildings on non-freehold land				
Improvements to buildings				
Technical inst., industrial plant and equipment				
General fixtures and fittings			3,719	
Vehicles				
Office and computer equipment, furniture			875	
Recoverable packaging and other items				
Tangible fixed assets in progress				
Advances and payments on account for fixed assets				
Tangible fixed assets			**4,594**	
Companies accounted for using the equity method				
Other participating interests and related receivables		32,580,131	339,078,226	
Other long-term investment securities				
Loans and other financial fixed assets		681,984	39,842,183	
Financial fixed assets		**33,262,115**	**378,920,409**	
TOTAL		**33,262,115**	**379,048,041**	

Depreciation and amortisation

	Opening balance	Charges	Reversals	Closing balance
Start-up and R&D costs, other intang. fixed assets	**69,950**	**7,734**		**77,684**
Land				
Buildings on freehold land				
Buildings on non-freehold land				
Improvements to buildings				
Technical inst., industrial plant and equipment				
General fixtures and fittings	2,833	372		3,205
Vehicles				
Office and computer equipment, furniture	703	172		875
Recoverable packaging and other items				
Tangible fixed assets	**3,537**	**544**		**4,080**
TOTAL	73,486	8,278		81,764

Breakdown of depreciation and amortisation charges	Straight line	Reducing balance	Exceptional	Accelerated tax depreciation	Reversals of accelerated tax depreciation
Start-up and R&D costs, other intang. fixed assets	**7,734**				
Land					
Buildings on freehold land					
Buildings on non-freehold land					
Improvements to buildings					
Technical inst., industrial plant and equipment					
General fixtures and fittings	372				
Vehicles					
Office and computer equipment, furniture	172				
Recoverable packaging and other items					
Tangible fixed assets	**544**				
TOTAL	8,278				

Deferred charges	Opening balance	Increases	Charges	Closing balance
Deferred charges	2,066,358	1,820,934	778,505	3,108,787
Bond redemption premium				

Provisions

Nature of provision	Opening balance	Charges	Reversals	Closing balance
Provisions for mineral and oil deposits				
Provisions for investment				
Provisions for price rises (stock relief)				
Provisions for fluctuations in prices				
Provisions for accelerated tax depreciation				
Provisions for foreign investments pre 1-01-92				
Provisions for foreign investments post 1-01-92				
Provisions for start-up loans				
Other regulated provisions				
REGULATED PROVISIONS				
Provisions for disputes				
Provisions for customer warranties				
Provisions for losses on futures markets				
Provisions for penalties and fines				
Provisions for foreign exchange losses		243,744		243,744
Provisions for pensions and similar obligations				
Provisions for taxation				
Provisions for replacement of fixed assets				
Provisions for major repairs				
Provisions for social and fiscal charges on holiday pay accrual				
Other provisions for liabilities and charges		7,245,366		7,245,366
PROVISIONS FOR LIABILITIES AND CHARGES		**7,489,110**		**7,489,110**
Provisions for intangible fixed assets				
Provisions for tangible fixed assets				
Provisions for companies accounted for using the equity method				
Provisions against participating interests	86,868			86,868
Provisions against other financial fixed assets	226,364		28,075	198,289
Provisions against stocks and work in progress				
Provisions against trade receivables				
Other provisions for impairment	87,713	62,584		150,297
PROVISIONS FOR IMPAIRMENT	**400,945**	**62,584**	**28,075**	**435,454**
TOTAL	**400,945**	**7,551,694**	**28,075**	**7,924,564**
Charges and reversals: operating				
Charges and reversals: financial		7,551,694	28,075	
Charges and reversals: exceptional				
Impairment provision against equity accounted securities at year-end				

Maturity schedule of assets and liabilities

Assets	Gross	1 year or less	More than 1 year
Receivables relating to participating interests	127,855,064	32,458,403	95,396,661
Loans			
Other financial fixed assets	39,842,183	39,842,183	
Doubtful and disputed trade receivables			
Other trade receivables	6,633,780	6,633,780	
Receivables representing loaned securities			
Amounts due from employees	114,614	114,614	
Social security and other welfare agencies	1,074	1,074	
Corporate income tax recoverable	616,166	616,166	
State and other local authorities	425,787	425,787	
Other taxes and duties recoverable			
Other amounts due from government and local authorities			
Amounts due from group companies and shareholders	6,134,278	6,134,278	
Sundry debtors	508,432	174,685	
Prepayments	71,111	71,111	
TOTAL	**182,202,488**	**86,805,827**	**95,396,661**
Loans granted during the year			
Loans repaid during the year			
Loans and advances granted to shareholders			

Liabilities	Gross	1 year or less	1 to 5 years	More than 5 years
Convertible bonds				
Other bonds				
Debt repayable within max. of 2 years at inception	880,887	880,887		
Debt repayable after more than 2 years at inception	135,874,769	9,622,806	126,251,963	
Miscellaneous debt	365,158	365,158		
Trade payables	2,315,544	2,315,544		
Amounts due to employees	324,304	324,304		
Social security and other welfare agencies	168,666	168,666		
Corporate income tax payable				
Value added tax payable	43,991	43,991		
Tax payment bonds				
Other taxes payable	38,093	38,093		
Amounts payable on fixed assets and related accounts	16,805,040	16,805,040		
Amounts due to group companies and shareholders				
Other liabilities	661,783	661,783		
Liabilities representing borrowed securities				
Deferred income				
TOTAL	**157,478,236**	**31,226,273**	**126,251,963**	
Debt taken out during the year	13,400,000			
Debt repaid during the year	21,917,011			
Debt contracted with shareholders				

Items relating to several balance sheet and profit and loss account lines

	Related undertakings	Participating interests	Trade bills payable and receivable
Fixed assets			
Participating interests	211,136,295		
Receivables relating to participating interests	127,656,774		
Other financial fixed assets	32,596,817		
Current assets			
Trade receivables	6,633,780		
Other receivables	6,134,278		
Liabilities			
Miscellaneous debt	365,158		
Trade payables	375,844		
Other liabilities	2,961,265		
Financial expenses			
Provision for impairment of receivables	7,307,950		
Financial income			
Interest for the period on current accounts	2,619,288		

Translation adjustments on foreign currency assets and liabilities

	Realizable exchange losses	Differences covered by hedging	Provision for foreign exchange losses	Realizable exchange gains
Financial fixed assets	1,258,914			53,375
Receivables	580,970			171,900
Debt				158,197
Accounts payable	11,898			19,027
TOTAL	**1,851,782**			**402,500**

Accrued income

	31 Dec 2002
Trade receivables	
Clients – invoices to raise	1,312,141
Other receivables	
Suppliers – credit notes not yet received	27,273
TOTAL ACCRUED INCOME	**1,339,414**

Accrued expenses

	31 Dec 2002
Debt	
Accrued interest on debt	104,619
Trade payables	
Purchase invoices not received	188,822
Other liabilities	
Clients - credit notes to raise	657,637
Tax and employment-related liabilities	
Accrued holiday pay	19,410
Bonus accrual	283,197
Holiday bonus accrual	10,284
Accrued apprenticeship tax	3,631
Continuing professional training accrual	2,155
Accrued social security charges on accrued holiday pay	8,265
Accrued social security charges on bonus accrual	92,803
Accrued social security charges on holiday bonus	4,268
Accrued liabilities	1,650
Other accrued taxes	25,357
Accrued tax on bonus	898
TOTAL ACCRUED EXPENSES	**1,402,997**

Prepayments

	31 Dec 2002
Operating expenses	
Miscellaneous prepayments	70,222
Subscription prepayments	889
TOTAL PREPAYMENTS	**71,111**

Composition of share capital

Type of share	Number of shares			
	At the end of the year	Issued during the year	Redeemed during the year	Par value
Ordinary shares	7,004,597	577,320		1
Stock options exercised		12,600		1

Breakdown of revenues (in thousands of euros)

	France	Export	Total 31 Dec 2002	Total 31 Dec 2001	% 02/01
Recharged personnel	249		249	266	(6.45)
Recharged costs	177	9	186	45	313.61
TOTAL	**426**	**9**	**435**	**311**	**(39.80)**

Exceptional items

Nature of income and expenses	Expenses	Income
Loss on unrecoverable loan to MMXI	703	
VAT recovered on fixed asset acquisition costs and stamp duty		123,545
TOTAL	**703**	**123,545**

Corporate income tax and group tax election

On 30 october 1997, Ipsos SA opted for a group tax election, valid for a period of 5 years. The companies included in the group tax election are:

- Ipsos: lead company.
- Other members: Ipsos-Insight Marketing, Ipsos France, Ipsos Interviews, Ipsos Médias, Ipsos Opinion, Ipsos Satisfaction de Clientèle, IMS, IMS Développement, Sysprint, Statiro, Ipsos Music, Ipsos-Médiangles, Ipsos Marques and Ipsos-Novaction.

The group tax election applied for the first time in the year ended 31 december 1998.

The group tax charge is split as follows:

- Member companies bear the tax charges for which they would have been liable if no group tax election had been in place;
- The lead company bears the tax charge (or gain) arising from the difference between the group tax charge and the aggregate tax charges (including the 3% levies) calculated by the member companies.

The group tax charge comprises the tax due in respect of the following companies (in euros):

Ipsos Médias	10,775
Ipsos France	-
Ipsos Interviews	-
Ipsos-Insight Marketing	-
Ipsos Opinion	496,770
Ipsos Satisfaction De Clientèle	64,826
IMS	27,338
IMS Développement	49,795
Sysprint	86,864
Statiro	-
Ipsos Music	-
Ipsos-Médiangles	31,275
Ipsos Marques	-
Novaction	-
Ipsos SA	388,452
Tax savings from the Group tax election	827,175
Ipsos Tax	328,620

Breakdown of corporate income tax

Breakdown	Pre-tax profit	Tax due	Net profit
Profit from ordinary activities	1,628,483	(380,960)	1,967,268
Exceptional items	122,841	42,175	122,841
ACCOUNTING PROFIT	**1,751,321**	**(338,785)**	**2,090,109**

• Financial commitments and other information

Financial commitments

Commitments given	Amount
Joint and several guarantee of the liabilities of Ipsos EIG	10,157,320
Guarantee on behalf of Ipsos Access Panels UK granted to Barclays Bank (£250,000)	384,320
Guarantee on behalf of Ipsos France (premises and tenants charges, rue Groult) from 2002 to end March 2004	1,261,935
Guarantee covering a loan of $6.25 million from BNP Paribas to Ipsos ASI. The principal now stands at $2.5 million.	2,383,904
Guarantee covering a loan of $6.25 million from Crédit Lyonnais to Ipsos ASI. The principal now stands at $2.5 million.	2,383,904
Guarantee of £600,000 on behalf of Ipsos UK Ltd to ECS UK Plc in respect of a computer equipment leasing contract (26 April 2000).	922,367
Following the purchase of Ipsos Latin America BV shares, a final payment of USD700,000 is due during the second half of 2003.	667,493
Taking into account financial criteria to be met from 2000 to 2002, additional purchase consideration not exceeding CAD19.8 million will be paid following the purchase of 100% of the shares of Ipsos Reid Corp., plus potentially an additional CAD2.9 million related to the stock options distributed to Ipsos Reid employees prior to the purchase for those beneficiaries still working in the company.	13,716,021
Following the purchase of IMRI Holding AB and NMR shares and taking into account the financial goals set (for 2002 and 2003), additional consideration estimated at SEK6.726m may be payable in 2004.	735,000
In addition, the minority investors hold put options exercisable in 2007 on their shareholding, i.e. 60% of IMRI Holding and 60% of Ipsos NMR, as well as on 40% of Ipsos Sweden and Ipsos Eureka. The exercise price will depend on the level of the earnings posted by these entities during 2005 and 2006.	
Following the purchase of shares in Ipsos Australia, additional consideration of AUD250,000 may be paid if beneficiaries are still employed by the company.	142,000
Following the purchase of Novaction in December 2001, additional consideration is payable in 2004 if beneficiaries are still employed by the company, depending on the level of EBIT in 2002 and 2003.	5,336,176
Following the purchase of companies in Russia, Ukraine and Poland (ICEE-Ukraine-Polska), additional consideration will be paid if beneficiaries are still employed by the company during 2004, 2005 and 2006 and if certain financial targets are met.	3,671,212
Ipsos has pledged to buy back the 20.9% interest in Ipsos Demoskop it does not already own for PLZ1,750,000 during 2003.	435,000
TOTAL	**42,196,652**

Commitments received	Amount
Undertaking by Ipsos Régions to repay a subsidy in the event of a return to profit	150,925
	150,925

Deferred charges

Deferred charges include:

• *Expenses incurred in purchase of fixed assets*

This refers to the acquisition of new companies. These expenses, composed of advisory fees, are deferred on a straight-line basis over a five-year period from the acquisition date.

At 31 December 2002, residual expenses to be deferred stood at €2,591,448.

• *Expenses incurred in multicurrency revolving credit facility*

In July 2000, Ipsos S.A. arranged a multicurrency revolving credit facility for a total amount of €110 million.

Since the reference currency is now the US dollar, the facility now amounts to $101 million. Expenses relating to the arrangement of this loan are charged to income on a straight-line basis over a five-year period.

At 31 December 2002, residual expenses to be deferred stood at €517,339.

Own shares

Own shares are booked at acquisition cost. A provision for impairment is recorded if the value at the year-end is less than cost of acquisition.

Own shares:

Direct purchases:

- 31 May 2000, 400 shares at €109.42
- 31 May 2000, 1,060 shares at €114.12

On 31 December 2002, Ipsos shares closed at €56.45. Accordingly, a provision was booked for a total amount of €82,318.20.

Held through a market-making contract:

- 31 December 2002, 355 shares at €56.45

Marketable securities

Marketable securities are booked at purchase cost. A provision is recorded if the average value during the last month of the period is below the purchase value.

The price of the Jupiter MXI shares held by Ipsos stood at USD0.18 on 31 December 2002. These shares were purchased for USD0.54. Consequently, a provision of €55,649.08 was recorded to reflect the combined impact of the foreign exchange loss and the impairment in value.

Other financial fixed assets

Other financial fixed assets relate to the Ipsos partnership fund (capital increase reserved for Ipsos managers). The 577,320 shares with an original value of €69.00 were valued at €32,589,714 at 31 December 2002. A provision for liabilities of €7,245,366 was set aside.

Shareholders' equity

	Share capital	Share premiums	Reserves	Retained earnings	Profit/(loss) for the year	Total
Balance as at 31-12-99	**3,990,109**	**49,911,086**	**355,794**	**3,593,308**	**3,546,445**	**61,396,742**
Capital increase	724,539	107,011,656				107,736,195
Dividends on own shares				334		334
Dividends distributed					(1,197,033)	(1,197,033)
Appropriation of profit			97,086	1,653,811	(2 349,413)	(598,516)
Profit/(loss) for the year					5,729,583	5,729,583
Balance as at 31-12-00	**4,714,648**	**156,922,742**	**452,879**	**5,247,452**	**5,729,583**	**173,067,305**
Capital increase	229,464	20,067,589				20,297,053
Conversion of capital into euros	1,470,565	(1,470,565)				
Dividends on own shares				367		367
Dividends distributed					(1,555,834)	(1,555,834)
Appropriation of profit			72,454	3,343,620	(4,173,749)	(757,675)
Profit/(loss) for the year					5,356,082	5,356,082
Balance as at 31-12-01	**6,414,677**	**175,519,766**	**525,333**	**8,591,440**	**5,356,082**	**196,407,298**
Capital increase	589,920	38,304,611				38,894,531
Dividends on own shares				831		831
Dividends distributed					(1,667,816)	(1,667,816)
Appropriation of profit			170,003	3,045,306	(3,688,266)	(472,956)
Profit/(loss) for the year					2,090,109	2,090,109
Balance as at 31-12-02	**7,004,597**	**213,824,377**	**695,336**	**11,637,577**	**2,090,110**	**235,251,997**

The various transactions carried out in connection with the reserved capital increase approved by the shareholders at the EGM on 6 March 2002 included:

- A capital increase through the issue of 577,320 shares, each with a par value of €1, at a price of €69, raising a total amount of €39,835,080,
- An issue of share purchase options covering 577,320 Ipsos shares exercisable at €69 per share from 2005,
- A forward purchase of 577,320 Ipsos shares from a bank for €69 per share paid at the outset, with delivery due to take place on the start dates of the allotted options. The purpose of this purchase is to hedge the options granted to the beneficiaries, whether or not they are exercised.

As a result of this forward purchase transaction, the company recorded:

- A receivable from the bank in an amount of €39,835,080 in respect of the consideration paid. This receivable will gradually diminish as the shares are delivered on the agreed dates.
- A forward purchase commitment by Ipsos covering the 577,320 shares.

To reflect the fall in Ipsos' share price at the end of the year to below €69 per share, a provision for financial risks of €7,245,366 was set aside.

Deferred and contingent taxation

	Amount
Tax due on	
Regulated provisions:	
- Provisions for price rises (stock relief)	
Realizable exchange losses	1,851,782
TOTAL INCREASES	**1,851,782**
Tax paid in advance on:	
Charges temporarily not deductible for tax purposes (deductible in the following year):	
- Organic sales-based social charge	25,357
- Realizable exchange gains	402,500
To be deducted subsequently	
TOTAL REDUCTIONS	**427,857**
NET DEFERRED TAX POSITION	**1,423,925**
Tax due on:	
Credits to be offset against:	
NET CONTINGENT TAX POSITION	

Average number of employees

Average number of employees	Salaried staff	Staff on secondment to the company
Managerial grades	3	
Technical and supervisory grades		
Employees		
Manual graduals		
TOTAL	**3**	

Executive remuneration

In 2002, the total remuneration and benefits in kind paid to executives totalled €726,004.

Cash flow statement

Amount in thousand euros	2002	2001	2000
Operating activities			
NET PROFIT	**2,090**	**5,356**	**5,730**
Adjustments to reconcile net profit to cash flow			
Depreciation and amortisation	9	22	30
Losses/(gains) on asset disposals		2,579	
Allocation to deferred charges	778	517	193
Movement in other provisions	7,524	75	17
Other items			
CASH FLOW BEFORE WORKING CAPITAL ITEMS	**10,401**	**8,549**	**5,969**
Decrease/(increase) in trade receivables	6,310	(9,667)	(1,700)
Decrease/(increase) in other receivables	(2,943)	215	(3,456)
Increase/(decrease) in trade payables	1,303	(690)	485
Increase/(decrease) in accrued interest on debt	(584)	661	11
Increase/(decrease) in other liabilities	(1,045)	1,547	100
CHANGE IN WORKING CAPITAL REQUIREMENT	**3,041**	**(7,934)**	**(4,560)**
CASH PROVIDED BY OPERATING ACTIVITIES	**13,442**	**615**	**1,409**
Investing activities			
Acquisition of tangible and intangible fixed assets			
Acquisition of participating interests	(29,704)	(7, 305)	(48,820)
Proceeds from disposals of tangible and intangible assets		1	6
Proceeds from disposals of participating interests		77	
Decrease/(increase) in marketable securities		32,222	(32,529)
Decrease/(increase) in other financial fixed assets	(26,039)	(126,315)	(11,031)
Increase/(decrease) in amounts payable on fixed assets	16,805		
CASH USED IN INVESTING ACTIVITIES	**(38,938)**	**(165,319)**	**(92,374)**
Financing activities			
Issue of shares	38,894	20,297	107,736
Issue of long-term debt	12,964	184,414	8,659
Repayment of long-term debt	(21,917)	(44,819)	(14,944)
Increase/(decrease) in bank overdrafts & short-term debt			
Dividends paid to shareholders	(2,140)	(2,313)	(1,795)
CASH PROVIDED BY FINANCING ACTIVITIES	**27,802**	**157,579**	**99,656**
Opening balance of cash and cash equivalents	**309**	**14,484**	**5,793**
Net change in cash and cash equivalents	**2,306**	**(7,124)**	**8,691**
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	**2,612**	**7,359**	**14,484**

(*) Cash and cash equivalents includes Ipsos' share in the treasury pool (Ipsos Eig).

List of subsidiaries and participating interests (in thousands of euros)

Company	Share capital	Shareholders' equity before appropriation of profit and excluding share capital	Interest held (%)	Book value of shares	Loans and advances	Guarantees and endorsements	Revenues VAT in 2002	2002 profit	Dividends paid during 2002
Subsidiaries									
Ipsos France	5,736	1,394	100	6,481		1,262	22,154	213	1,680
Ipsos Opinion	162	1,765	10	35			11,738	900	
IAP Holding	2,000	(204)	100	2,135	4 271			(115)	
Stat Ipsos France	915	(24)	51	466	654		28	11	
Ipsos-Novaction	1,795	(2,215)	100	32,767			13,541	694	
Ipsos UK (ex RSL)	615	(2,337)	100	5,765	4 229	922	53,388	(2,057)	
Price Search	192	(67)	100	3,574					
Ipsos Deutchland	361	3,162	82	6,917			28,380	640	700
Sample KG	394	(526)	50	5,688				(9)	
Trendtest	100	27	100	67			731	98	
Ipsos-Explorer	5,000	(155)	100	9,836	124		13,819	(234)	
Ipsos-Eco	180	1,940	100	3,286	398		12,033	335	
Ipsos Brussels	125	93	82	193	149		3,605	9	
Ipsos Szonda	34	1,621	50	114			4,761	321	153
Ipsos Portugal	25	(150)	100	29	272		1,284	65	
Ipsos America Inc.	30,895	(129)	100	32,902	89,222			(10)	
Ipsos USA	1	(71)	100		554				
Ipsos Latin America	19	13,893	100	16,277	12,085			1,786	1,155
Ipsos-Nov Mexique	161	163	100	1			2,517	7	
Bimsa	583	2,549	50	4,141			17,445	1,952	345
Ipsos Far East		(2,038)	100		2,184			(79)	
Ipsos-Link	286	296	60	562			1,774	110	
Ipsos Australia		3	100		1 716		1,786	(30)	
Stat Liban	95	795	49		95		1,815	298	
Agb Stat Ipsos	149	226	60	41	43		701	139	
Ipsos Canada	14,260	562	100	16,796				583	623
Ipsos-Npd Canada	4,059	(189)	100	4,971	8,081		10,732	65	
Ipsos Holding Inc.	43 069	0	100	50,927					
Ipsos-Demoskop	1,169	(743)	78	1,167			2,718	90	
Ipsos-Imri Holding AB	11	166	40	682	109			166	
Ipsos Sweden AB	11	(7)	51	28				(51)	
Ipsos New Media Research	1	41	40	160			343	9	
Ipsos Dom			51	148					
Ipsos Icca			51	1,521					
Icee (F.Squared)	10	728	100	909	3,630		3,236	728	
Sample GmbH			100	25					
Forschung			100	20					
Ipsos Asia Ltd			80	2,505					
Other investments									
Gie Ipsos Access Panel			100						
Gie Ipsos Europe		(39)	100				3,976	(41)	
Ipsos Santé		(14)	100						
TOTAL	**112,413**	**20,516**		**211,136**	**127,816**	**2,184**	**212,506**	**6,592**	**4,656**

N.B. Shareholders' equity does not include share capital and is shown before the appropriation of profit for the year.

The share capital, shareholders' equity (excluding the share capital and prior to the appropriation of profit for the year), revenues and profit for the year were translated into euros at the following exchange rates on 31 December 2002.

Currency	Name	Closing exchange rate
		1 euro =
ARS	Argentinean Peso	3.54477943
AUD	Australian Dollar	1.85560085
BRL	Brazilian Real	3.71258641
CAD	Canadian Dollar	1.65499892
CLP	Chilean Peso	755.287009
CNY	Chinese Yuan	8.68002812
COP	Colombian Peso	3003.003
CSK	Czech Krona	31.5766207
DOP	Dominican Peso	21.0273987
GBP	Pound Sterling	0.65050001
HKD	Hong Kong Dollar	8.178086
HUF	Hungarian Forint	236.294896
JPY	Japanese Yen	124.393581
MXN	Mexican Peso	10.9646718
PLN	Polish Zloty	4.02100573
SEK	Swedish Krona	9.15281541
SGD	Singapore Dollar	1.81989914
UAH	Ukrainian Hryvnia	5.59234073
USD	US Dollar	1.04869951

Identity of parent company consolidating the accounts of Ipsos

Name and registered office	Legal form	Capital	% interest
LT Participations 99/101, rue de l'Abbé Groult - Paris 15e	Société anonyme	124,150	37.03

4.3 AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

To the Shareholders,

In our capacity as the Company's auditors, we present our report on the related-party agreements of which we have been advised. It is not our responsibility to investigate the possible existence of such agreements.

We were not advised of any new agreements referred to in Article L. 255-38 of the French Commercial Code. Furthermore, pursuant to the decree of 23 March 1967, we were informed that the following agreements, which were approved during previous financial years, remained in place during the past financial year.

1- Agreement arising from the acquisition of Novaction shares from Carlos Harding, Director

Date of the Board meeting that authorised the agreement: 8 August 2001

Description and purpose:
In connection with the Company's acquisition of Novaction during the financial year ended 31 December 2001, Novaction shareholders that tendered their Novaction shares to the Company's offer received a guaranteed value commitment constituting a cash benefit.

Terms and conditions:
The valuation of Ipsos shares guaranteed under this commitment stands at €90 and the guarantee covers the period from 12 September 2002 to 12 March 2003. The cost of the guaranteed value commitment, which represents an additional cost related to the acquisition of the shares, stands at €603,333.10.

2- License agreement with Ipsos Access Panels S.A.

Date of the Board meeting that authorised the agreement: 19 December 1996

Description and purpose:
Ipsos Access Panels S.A. continued to benefit from a licence agreement covering intellectual property rights and techniques belonging to your Company, relating to the exploitation and marketing of the Panel in France and of the "Access Panel" product for the entire life of the joint venture in France.

Terms and conditions:
No royalties were received under this agreement in 2002.

Paris, 6 May 2003

Cogerco - Flipo Member of Deloitte Touche Tohmatsu	JPA	Ernst & Young Audit
Francis Pons	Danielle Bardreau-Gilbert	Jacques Rigo
	Jacques Potdevin	

4.4 Fees paid to statutory auditors:

Category in thousand euros	**JPA**	**Deloitte/Cogerco Flipo**	**Ernst & Young**	**Total**
Statutory auditing and certification of annual financial statements	416	167	605	1,188
Related assignments			15	15
Sub-total	**416**	**167**	**620**	**1,203**
Other services				
Tax	37		63	100
Legal	1			1
Other	19		13	32
Sub-total	**57**		**76**	**133**
TOTAL	**499**	**167**	**670**	**1,336**

5

INFORMATION ON THE ADMINISTRATION, MANAGEMENT AND AUDIT OF THE COMPANY AS AT 1 APRIL 2003

5.1 MEMBERS OF MANAGEMENT BODIES AND THEIR POSITIONS: BOARD OF DIRECTORS AS AT 1 APRIL 2003

MEMBERS OF THE BOARD OF DIRECTORS AS AT 1 APRIL 2003:

Directors holding executive function inside the Ipsos Group:

Didier Truchot, Chairman and Chief Executive Officer

Jean-Marc Lech, Vice-Chairman and Chief Executive Officer

Jean-Michel Carlo, Chief Executive Officer

Carlos Harding, Chief Executive Officer

Simon Kooyman

Laurence Stoclet

Henri Wallard, Chief Executive Officer

Independent directors:

Yves-Claude Abescat

Nicolas Bazire

LT Participations, represented by Pascal Cromback

Yann Duchesne

Pierre Haren

Patrick Sayer

Mr Claude Allègre resigned from the Board of Directors by letter dated 15 November 2002. The Board formally noted his resignation at its meeting of 18 December 2002.

Mrs Dawn Mitchell resigned from the Board of Directors by letter dated 1 January 2003. The Board formally noted her resignation at its meeting of 21 February 2003.

CORPORATE GOVERNANCE

The Ipsos Board includes six directors who do not have an executive function inside the Ipsos Group. It does not have any directors elected by employees. Pursuant to article 13 of the bylaws, each director must hold at least one share in the company. No censor has been appointed.

The Board has approved an internal bylaw authorising directors to participate in meetings by video-conference.

Whenever information of a highly confidential nature is disclosed to the Board, directors are advised of this fact and are reminded of their obligation to refrain from trading in the Company's shares.

80% of directors attended the board meetings held in 2002, either in person or by proxy.

To date, the directors have not received any attendance fees. As part of its efforts to strengthen its corporate governance, the Board proposed that shareholders authorise the payment of directors' attendance fees as from the year ended 31 December 2003. The total annual payment proposed by the Board is €50,000. In accordance with legal requirements, the Board will decide how this sum is allocated between the various directors. The Board has agreed to confine the payment of these attendance fees to the Group's external directors, in order to compensate them for the time they devote to the Company's board meetings and specialist committees.

DETAILS ON THE OFFICES HELD BY MEMBERS OF THE BOARD OF DIRECTORS:

Chairman & Chief Executive Officer

Didier Truchot

Reappointed at the Ordinary General Meeting of 29 June 1998 to hold office until the meeting held to approve the accounts for the year ended 31 December 2003.

Other offices held within the Ipsos group:

France

Ipsos Médias, Chairman and Chief Executive Officer,
Ipsos Satisfaction de Clientèle, Director,
Ipsos-Stat, Director.

Belgium

Ipsos Brussels, Director.

Canada

Ipsos-Reid Corporation, Director,
Ipsos Canada Inc., Chairman,
Ipsos Holding Inc., Director,
ARG Acquisitions Inc., Director.

United States

Ipsos-ASI Inc., Chairman,
Ipsos America Inc., Director,
Ipsos-NPD Inc., Chairman,
Ipsos USA Inc., Director.

Italy

Ipsos-ASI, Director,
Ipsos-Explorer SRL, Director.

Portugal

Ipsos (Portugal) Estudos de Mercado LDA, Director.

United Kingdom

Ipsos UK, Director,
Price Search Ltd., Chairman,
Ipsos Cati Centre Ltd., Chairman.

Hong Kong

Ipsos Asia Ltd, Chairman.

Office held outside the Ipsos group:

LT Participations, Chief Executive Office and Director.

Vice-Chairman and Chief Executive Officer

Jean-Marc Lech

Reappointed at the Ordinary General Meeting of 29 June 1998 to hold office until the meeting held to approve the accounts for the year ended 31 December 2003.

Other offices held within the Ipsos group:

France

Ipsos France SAS, Chairman,
Ipsos Music, Chairman and Chief Executive Officer,
Ipsos DOM, permanent representative of Ipsos SA.

Italy

Ipsos-Explorer S.R.L., Director.

United Kingdom

Ipsos UK, Director.

Office held outside the Ipsos group:

LT Participations, Chairman and Chief Executive Officer.

Other executive directors employed by the Ipsos group:

Jean-Michel Carlo,
Chief Executive Officer

Appointed by the Combined General Meeting of 6 March 2002 to hold office until the meeting held to approve the accounts for the year ended 31 December 2007.

Other offices held within the Ipsos group:

France

Ipsos Access Panels France, Chairman,
Ipsos Access Panels Holding, Managing Director.

United Kingdom

Ipsos UK, Director.

Sweden

Ipsos-IMRI Holding AB, Director,
IMRI AB, Director,
Ipsos Sweden, Director
Ipsos ASI AB, Director.

Office held outside the Ipsos group:

View, Director.

Carlos Harding
Chief Executive Officer

Reappointed at the Ordinary General Meeting of 29 June 1998 to hold office until the meeting held to approve the accounts for the year ended 31 December 2003.

Other offices held within the Ipsos group:

France

Ipsos Access Panels France, permanent representative of Ipsos Access Panels Holding, Ipsos-Stat, Chairman and Chief Executive Officer.

Argentina

Ipsos-Mora y Araujo, Director,
Ipsos-Mora y Araujo Consultoria S.A., Director.

Belgium

Ipsos Brussels, Director.

Brazil

Ipsos-Marplan, Director.

Canada

Ipsos-Reid Corporation, Director,
Ipsos Canada Inc., Director,
Ipsos-NPD Canada Inc., Director.

Chile

Ipsos-Search Marketing S.A., Director.

Spain

Ipsos-Eco Consulting S.A.U., Chairman,
Ipsos-Eco S.A., Chairman.

United States

Ipsos-ASI Inc., Director,
Ipsos America Inc., Director,
Ipsos-NPD Inc., Director,
Ipsos USA Inc., Director,
Ipsos FMC Inc, Director,
Ipsos Reid Public Affairs, Director.

Italy

Ipsos-ASI, Director,
Ipsos-Explorer S.R.L., Chairman,
Explorer Operations S.R.L., Chairman.

Lebanon

Ipsos-Stat S.A.L., representative of Ipsos Stat, Director.

Mexico

Bimsa, Director.

Portugal

Ipsos (Portugal) Estudos de Mercado LDA, Director.

Romania

Ipsos-New Media Research, Director.

United Kingdom

Ipsos Access Panels Services Ltd., Chairman,
Ipsos Access Panels Ltd., Chairman,
Ipsos Cati Centre Ltd., Director,
Ipsos-Focus, Director

Sweden

Ipsos-IMRI Holding AB, Director,
IMRI AB, Director,
Ipsos Sweden, Director,
Ipsos-ASI AB, Director.

Hong Kong :

Ipsos Asia Ltd, Director,
Ipsos China Ltd, Chairman.

Office held outside the Ipsos group:

LT Participations, Director.

Simon Kooyman	Appointed by the Combined General Meeting of 18 December 2002 to hold office until the meeting held to approve the accounts for the year ended 31 December 2008. **Other offices held within the Ipsos group:** *United States* Ipsos-ASI Inc, Director. Ipsos America Inc, Director. Ipsos USA Inc, Director. Ipsos-NPD Inc, Vice-Chairman. Ipsos-Reid Public Affairs Inc, Vice-Chairman. Ipsos-FMC Inc, Director. Ipsos-Reid Corporation, Director
Laurence Stoclet	Appointed by the Combined General Meeting of 18 December 2002 to hold office until the meeting held to approve the accounts for the year ended 31 December 2008. **Other offices held within the Ipsos group:** *Netherlands* Ipsos Latin America B.V., Managing Director. *United States* Ipsos-NPD Inc, Director.
Henri Wallard, Chief Executive Officer	Appointed by the Combined General Meeting of 18 December 2002 to hold office until the meeting held to approve the accounts for the year ended 31 December 2008. **Other office held within the Ipsos group:** *France* Ipsos Satisfaction de Clientèle, Chairman and Chief Executive Officer.
Independent directors Yves-Claude Abescat	Appointed by the Combined General Meeting of 18 December 2002 to hold office until the meeting held to approve the accounts for the year ended 31 December 2008. **Offices held outside the Ipsos group:** SG Capital Développement, Chairman. Soginnnove, Chairman. Société Générale Private Equity, Vice-Chairman. Société Générale Marocaine de Banque, Director. Salvepar, Director. LT Participations, permanent representative of SG Capital Développement, Director. Oberthur Smart Cards, permanent representative of SG Capital Développement, Director. Groupe Gascogne, permanent representative of SG Capital Développement, Director.
Nicolas Bazire	Appointed by the Combined General Meeting of 6 March 2002 to hold office until the meeting held to approve the accounts for the year ended 31 December 2007. **Offices held outside the Ipsos group:** Groupe Arnault, Chief Executive Officer, Rothschild & Cie, Chairman of the Board of Limited Partners, LVMH, Director.

LT Participations, represented by Pascal Cromback	Reappointed at the Ordinary General Meeting of 29 May 2002 to hold office until the meeting held to approve the accounts for the year ended 31 December 2007. **Offices held outside the Ipsos group:** Sofectec, Director, Idexpo, Director, LT Participations, Director.
Yann Duchesne	Appointed by the Combined General Meeting of 18 December 2002 to hold office until the meeting held to approve the accounts for the year ended 31 December 2008.
Pierre Haren	Co-opted at the Board Meeting of 1 October 1999 to hold office until the meeting held to approve the accounts for the year ended 31 December 2004. **Offices held outside the Ipsos group:** Ilog, Chairman, Ecole Nationale des Ponts & Chaussées, Director, Fondation de l'Ecole Polytechnique, Director.
Patrick Sayer	Reappointed at the Ordinary General Meeting of 29 June 1998 to hold office until the meeting held to approve the accounts for the year ended 31 December 2003. **Offices held outside the Ipsos group:** Eurazeo, Chairman of the Management Board, Partena, Managing Partner, Sovaclux (Luxembourg), Director, Eloïse Holding, Director, Fraikin, Chairman of the Supervisory Board, Eurazeo Editions SAS, Chairman, François-Charles Oberthur Fiduciaire, permanent representative of Eurazeo, Director, Oberthur Card Systems, permanent representative of Eurazeo, Director, BlueBirds Participations SARL (Luxembourg), Managing Director, BlueBirds II Participations SARL (Luxembourg), Managing Director.

The Company has complied with the new French regulation restricting the number of offices that can be held by directors, within the deadline stipulated by the law of 15 May 2001 (relating to the 'Nouvelles Régulations Economiques') and the law of 15 October 2002.

Audit committee

This committee, set up by the Board of Directors on 1 October 1999, is responsible for exercising independent control over the Company's accounting policies and financial statements, and comprises independent directors, namely Mr Nicolas Bazire, who chairs the committee, and Mr Pascal Cromback. This committee met twice between 1 April 2002 and 1 April 2003 to review the interim financial statements to 30 June 2002 and the full-year statements to 31 December 2002.

Remuneration committee

This committee, set up by the Board of Directors on 1 October 1999, is responsible for defining the general remuneration policy for the Group's executive managers, and is chaired by Mr Pierre Haren, an independent director.

At its next meeting, the Board of Directors will appoint other independent directors to this committee to replace Mr Claude Allègre and Mrs Dawn Mitchell, who have resigned from the Board.

This committee met three times between 1 April 2002 and 1 April 2003.

5.2 REMUNERATION OF MEMBERS OF MANAGEMENT BODIES

Members of the Board of Directors did not receive any attendance fees during the year ended 31 December 2002.

In 2002, the Executive Committee of the Management Board (seven members as at 31 December 2002 - see details in section 3.8.1 “Management”) received a combined remuneration of €1,682,705.

The variable portion of the remuneration paid to these directors is based on criteria set by the Remuneration Committee and the Co-Chairmen. The main criteria are: (i) operating profit generated by the Group, its regional divisions or its business lines, according to individual responsibilities; and (ii) earnings per share for the Co-Chairmen.

Pursuant to article L. 225-102-1 paragraph 1 of the Code of Commerce, the Board of Directors' Management Report provides the following individual details on the total remuneration and benefits paid to members of the Board of Directors by the Company and by companies under its control during the previous financial year:

- Didier Truchot, Chairman and Chief Executive Officer, received €274,959,
- Jean-Marc Lech, Vice-Chairman, Chief Executive Officer and Director, received €274,413,
- Jean-Michel Carlo, Chief Executive Officer and Director, received €284,582,
- Carlos Harding, Chief Executive Officer and Director, received €220,877,
- Henri Wallard, Director, received €81,893,
- Dawn Mitchell, Director, received €153,254,
- Laurence Stoclet, Director, received €176,632,
- Simon Kooyman, Director, received €369,349.

Yves-Claude Abescat, Claude Allègre, Nicolas Bazire, Pascal Cromback, Yann Duchesne, Pierre Haren and Patrick Sayer did not receive any remuneration in 2002 for their duties as directors.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS

Article L. 225-184 of the Code of Commerce requires a special report to be provided to shareholders each year regarding the transactions executed by the Company under the provisions of articles L. 225-177 to L. 225-186 of the Code of Commerce relating to share purchase or share subscription options.

I. Options granted on 9 July 2002

The Board of Directors, acting under the authorisation given by the Extraordinary General Meeting of Shareholders on 6 March 2002, decided on 9 July 2002 to grant 19,244 share purchase options to certain corporate officers and employees of the Company and its related groups. Each option entitles the holder to purchase a maximum of 30 ordinary Ipsos shares at a price of €69 per share.

These options are valid for six years and may be exercised (on one or more occasions) as from the third anniversary of their allotment date (except for French tax residents, who cannot exercise these options until the fourth anniversary of their allotment). These options may therefore be exercised from 9 July 2005 (except for French tax residents, who cannot exercise them before 9 July 2006) until 8 July 2008.

II. Options granted on 18 December 2002

The Board of Directors, acting under the authorisation given by the Extraordinary General Meeting of Shareholders on 20 May 2000, agreed on 18 December 2002 to grant 94,000 share subscription options to certain employees and corporate officers of the Company and its related groups. Each option entitles the holder to subscribe to one ordinary Ipsos share at a price of €58.

These options are valid for eight years and may be exercised (on one or more occasions) as from the third anniversary of their allotment date (except for French tax residents, who cannot exercise these options until the fourth anniversary of their allotment). These options may therefore be exercised from 18 December 2005 (except for French tax residents, who cannot exercise them before 18 December 2006) until 18 December 2010.

III. Corporate officers and main employees

A. Options granted

1- Corporate officers

Didier Truchot, Chairman and Chief Executive Officer of Ipsos, was granted 512 options by the Company on 9 July 2002. Each option entitles him to purchase up to 30 shares at a price of €69 per share and may be exercised from 9 July 2006.

Jean-Marc Lech, Vice-Chairman and Chief Executive Officer of Ipsos, was granted 512 options by the Company on 9 July 2002. Each option entitles him to purchase up to 30 shares at a price of €69 per share and may be exercised from 9 July 2006.

Carlos Harding, Director and Chief Executive Officer of Ipsos, was granted 512 options by the Company on 9 July 2002. Each option entitles him to purchase up to 30 shares at a price of €69 per share and may be exercised from 9 July 2006.

Jean Michel Carlo, Director and Chief Executive Officer of Ipsos, was granted 576 options by the Company on 9 July 2002. Each option entitles him to purchase up to 30 shares at a price of €69 per share and may be exercised from 9 July 2006.

Laurence Stoclet, Director of Ipsos, was granted 512 options by the Company on 9 July 2002. Each option entitles her to purchase up to 30 shares at a price of €69 per share and may be exercised from 9 July 2006.

Henri Wallard, Director and Chief Executive Officer of Ipsos, was granted 576 options by the Company on 9 July 2002. Each option entitles him to purchase up to 30 shares at a price of €69 per share and may be exercised from 9 July 2006.

Simon Kooyman, Director of Ipsos, was granted 576 options by the Company on 9 July 2002. Each option entitles him to purchase up to 30 shares at a price of €69 per share and may be exercised from 9 July 2005.

No options have been granted to any other corporate officers.

2- Main employee-shareholders

Excluding corporate officers, the following ten employees were granted the most options by the Company in 2002:

- Pierre Giacometti: 512 options, giving entitlement to purchase up to 15,360 shares
- Marie-Christine Bardon: 416 options, giving entitlement to purchase up to 12,480 shares
- José-Maria de Heredia: 416 options, giving entitlement to purchase up to 12,480 shares
- Stéphane Truchi: 416 options, giving entitlement to purchase up to 12,480 shares

  exercisable from 9 July 2006, on one or more occasions, at a price of €69 per share.
- Richard Silman: 512 options, giving entitlement to purchase up to 15,360 shares
- Gustavo Lofheldt: 512 options, giving entitlement to purchase up to 15,360 shares
- Rupert Walters: 512 options, giving entitlement to purchase up to 15,360 shares
- Jim Thompson: 416 options, giving entitlement to purchase up to 12,480 shares
- John Hallward: 416 options, giving entitlement to purchase up to 12,480 shares
- David Holliss: 320 options, giving entitlement to purchase up to 4,600 shares

  exercisable from 9 July 2005, on one or more occasions, at a price of €69 per share.

No other companies in the Ipsos group granted share subscription or share purchase options during the year.

B. Options exercised

Options exercised during the 2002 financial year enabled holders to subscribe to a total of 12,600 shares in the Company, based on the following breakdown and prices:

- Ralf Bieler (non-corporate officer): 1,536 shares at a price of €20.58 each
- Jorge Clemente (non-corporate officer): 2,004 shares at a price of €22.87 each
- Harald Hasselman (non-corporate officer): 1,912 shares at a price of €20.58 each and 1,740 shares at a price of €22.87 each
- Mickael Denny (non-corporate officer): 1,536 shares at a price of €20.58 each and 966 shares at a price of €22.87 each
- Marco Aureggi (non-corporate officer): 1,844 shares at a price of €20.58 each and 1,062 shares at a price of €22.87 each

Share subscription or share purchase options granted to and exercised by each Company officer

	Options granted during the year			Options exercised during the year	
Company officer	Number of options (number of shares that may be purchased)	Price (euros)	Final exercise date	Number of shares subscribed to or purchased	Subscription or purchase price
Didier Truchot	512 (15,360)	69	08 Jul 08	–	–
Jean-Marc Lech	512 (15,360)	69	08 Jul 08	–	–
Carlos Harding	512 (15,360)	69	08 Jul 08	–	–
Jean-Michel Carlo	576 (17,280)	69	08 Jul 08	–	–
Simon Kooyman	576 (17,280)	69	08 Jul 08	–	–
Laurence Stoclet	512 (15,360)	69	08 Jul 08	–	–
Henri Wallard	576 (17,280)	69	08 Jul 08	–	–

Share subscription or share purchase options granted to and exercised by the ten employees (non-corporate officers) awarded the highest number of options

	Total number of options granted/ shares subscribed to or purchased	Weighted average price (in euros)
Options granted during the year by Ipsos and relevant group companies to the ten employees of these companies awarded the highest number of options	4,448 (133,440)	69
Options to purchase shares in Ipsos group companies exercised during the year by the ten employees who purchased or subscribed to the most shares	12,600	21.63

5.3 MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met eight times during 2002.

5.4 PROVISION OF INFORMATION TO SHAREHOLDERS AND INVESTORS

The Company communicates with its shareholders at least once a year at its Annual General Meeting. It also regularly issues press releases to all business and financial media, reporting its quarterly revenues, interim and full-year results and any major events affecting the Group.

All prospectuses, annual reports and other information memorandums, as well as press releases, are available in French and English on the Group's web site (www.ipsos.com) and on request from the Company.

At least two analyst meetings a year are organised for members of the SFAF (French financial analyst's association) to present the full-year and interim financial statements, and these are generally followed by a series of other presentations in France and abroad.

The Group's management frequently meets with journalists, analysts and investors at their request (contact Mrs Laurence Stoclet, Chief Financial Officer - see section 1.5 above).

6

TEXT OF THE RESOLUTIONS PUT BEFORE THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 11 JUNE 2003

ORDINARY BUSINESS

First resolution

APPROVAL OF THE INDIVIDUAL FINANCIAL STATEMENTS AND OF THE CONSOLIDATED FINANCIAL STATEMENTS - DISCHARGE

The Ordinary General Meeting,

after reviewing the management report of the Board of Directors and the Auditors' reports for the year ended 31 December 2002,

approves the individual financial statements as at that date as presented, showing a net profit of €2,090,109,

and the consolidated financial statements as presented for the year ended 31 December 2002.

It also approves the transactions reflected in these accounts or summarised in these reports.

The Ordinary General Meeting therefore gives the directors discharge for the execution of their office for that year.

It also gives the Auditors discharge for their engagement.

Second resolution

APPROPRIATION OF PROFITS

The Ordinary General Meeting notes that:

the Company's profit for the period, of	€2,090,109
less the appropriation to the legal reserve of	€58,992
plus the retained earnings brought-forward of	€11,637,577
gives a distributable profit of	€13,668,694

and resolves, as proposed by the Board of Directors, to distribute a single dividend of €0.30 per share, it being stated that:

- shares issued subsequent to the exercise of share subscription options before the date of payment of the dividend will give entitlement to the dividend unless otherwise stipulated in the rules of the option schemes;
- shares held by the Company on the date of payment of the dividend will not give entitlement to the dividend.

For qualifying shareholders, a tax credit of €0.15 is associated with the dividend of €0.30 per share, giving total income for tax purposes of €0.45 per share. The dividend will be paid on 9 July 2003.

On the basis of the 7,004,597 shares representing the share capital at 31 December 2002, the allocation of the distributable profit would be:

- dividends to shareholders	€2,101,379
- withholding tax (précompte mobilier)	€303,306
- retained earnings carried forward	€11,264,009

The Ordinary General Meeting notes that the amounts distributed as dividends in respect of each of the three previous financial years were as follows:

Year	Net dividend per share	Tax credit	Gross revenue per share
2001	€0.26 (FRF1.70)	€0.13 (FRF0.85)	€0.39 (FRF2.55)
2000	€0.25 (FRF1.65)	€0.13 (FRF0.82)	€0.38 (FRF2.47)
1999	€0.22 (FRF1.50)	€0.11 (FRF0.75)	€0.34 (FRF2.25)

Third resolution

Agreements governed by article L.225-38 of the Code of Commerce

The Ordinary General Meeting, after reviewing the Auditors' Special Report on related-party agreements, notes the absence of new agreements governed by article L.225-38 of the Code of Commerce.

Fourth resolution

Directors' fees

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, sets the overall annual sum of directors' fees to be divided between the directors at €50,000, starting from the current financial year and until it is decided otherwise.

Fifth resolution

Authorising the Board of Directors to issue bonds and similar securities (in particular subordinated, redeemable or perpetual or fixed term debt securities)

The General Meeting, after reviewing the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary general meetings, authorises the Board of Directors to create and issue at its sole discretion, on one or more occasions and in France, or in foreign countries or international markets or both, bonds or similar securities (including subordinated, redeemable or perpetual or fixed-term debt securities) up to a maximum of €250 million in par value, and denominated either in euros, foreign currencies or any other monetary unit established by reference to several currencies, with or without mortgage or other collateral, in the proportions and forms, at the times and interest rates, and on the issue, amortisation and redemption terms with or without premium, that it sees fit.

The Meeting confers full powers on the Board of Directors, with the option to sub-delegate in accordance with legal provisions, to effect such issues and makes it clear that the Board will have complete freedom to:

- determine the characteristics of the bonds or similar securities which may in particular include a floating rate of interest and a fixed or variable premium over par value, which will be in addition to the maximum amount set above, or to set terms for capitalisation of interest, and to set the date from which rights are acquired,
- and in general, set all the terms of each issue, enter into any agreements with any banks and bodies and other persons, take all measures and complete all the required formalities, and generally do all that is necessary.

In accordance with the law, this authorisation is valid for a period of five years from the date of the present decision.

This authorisation cancels that given by the Ordinary General Meeting of 29 May 2002 in its fifth resolution, to the extent that it was not used.

Sixth resolution

Powers

The General Meeting confers full powers on the bearer of a copy or extract of the present document to carry out all the legal formalities.

EXTRAORDINARY BUSINESS

First resolution

AUTHORISING THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL UP TO AN OVERALL LIMIT BY ISSUING ALL TYPES OF SHARES AND TRANSFERABLE SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE CAPITAL OR BY CAPITALISATION OF RESERVES, PROFITS OR SHARE PREMIUM

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, after reviewing the report of the Board of Directors and the Special Report of the Auditors, and voting in accordance with the provisions of articles L.225-129 § II and III of the Code of Commerce,

1. delegates full powers to the Board of Directors to increase the share capital on one or more occasions, maintaining shareholders' preferential subscription rights:

a) by issuing shares or transferable securities giving immediate or future access to a proportion of the share capital, which may be subscribed to for cash consideration or by offset against receivables, with the exception of preference shares with voting rights, non-voting priority dividend shares and investment certificates as well as those transferable securities that give immediate or future access to preference shares with voting rights, non-voting priority dividend shares and investment certificates;

b) or by capitalisation of reserves, profits, share premiums or any other item able to be capitalised, followed by the issue and allocation of bonus shares or the increase in the par value of existing shares or by a combination of these two methods;

2. establishes the following limits for the transactions thus authorised

a) the overall ceiling of share capital increases that may result from the issue of the shares or transferable securities or both, provided for under 1a) is set at €3 million in par value, it being made clear that within this limit bonds with share warrants (OBSAs) may not lead to an increase of the share capital of more than €3 million in par value and the total increases in share capital necessitated by the exercise of separately issued share warrants may not exceed €3 million in par value;

b) the maximum overall increase in the share capital by capitalisation as provided for under 1b) is set at €3 million in par value and is in addition to the overall limit set in the previous paragraph;

all the above being subject, if necessary, to the amount of share capital increases made in connection with the legally required adjustments to the rights of certain bearers of securities giving access to the Company's capital in the case of new financial transactions.

In addition, the overall amount of issues of debt securities giving access to the capital may not exceed €250 million in par value or the equivalent foreign currency value at the date when the issue is decided, it being made clear that this amount is common to all of the debt securities of which the issue is delegated to the Board of Directors by this Meeting, but is independent of the amount of the debt securities not giving access to the capital for which the authorisation to issue is the subject of the fifth resolution put before the Ordinary General Meeting held today;

3. resolves that:

a) the transferable securities mentioned above may be issued either in euros or in a foreign currency or any monetary unit established by reference to several currencies, up to the authorised limit in euros or its foreign currency equivalent on the date of issue;

b) any transferable securities forming part of issues with preferential subscription rights, to which shareholders do not subscribe with or without scaling down of orders, where the Board grants such rights at the time of issue, may be offered to the public in France or, if necessary, in foreign countries and or on international markets, it being made clear that the Board of Directors may, in accordance with the law, restrict the amount of issues to the amount of subscriptions received.

This decision by the Meeting includes express waiver by the shareholders of their preferential subscription rights to the shares to which those transferable securities in the form of convertible bonds or separately issued share warrants give an entitlement, and entails waiver in favour of the holders of other types of transferable security of the preferential subscription rights to shares to which these securities give entitlement;

4. delegates all necessary powers to the Board of Directors, with the option to sub-delegate such powers to the Chairman, to:

a) undertake these issues, allotments of bonus shares or increases in the par value of shares, to set the amount or amounts, dates and terms, and in particular determine the form and characteristics of the shares or transferable securities to be issued, and to set the issue price and terms, it being made clear that the issue price of transferable securities other than shares will be such that the amount received immediately by the Company (increased if applicable by any amount that it might receive subsequently) will, for each share, be at least equal to 80% of the average of the closing price of the share recorded on the regulated market on which the Company's shares are listed for trading at the Paris stock exchange, during ten consecutive trading days chosen from the last twenty trading days preceding the commencement of the issue (after correction, if applicable, of this average to take account of the difference in the date from which rights to dividends are acquired), and that this will be so in the case of conversion, redemption or generally of transformation into shares of transferable securities issued;

b) set, even retrospectively, the date from which the shares issued entitle holders to dividends;

c) decide that, in the case of issues of shares by capitalisation of reserves, profits, share premiums or any other item able to be capitalised, shareholders' rights that give entitlement to a fraction of a whole number of shares will not be negotiable and that the corresponding shares will be sold and the proceeds of the sale will be allocated to the beneficiaries of the rights at the latest thirty days after the date of registration in their account of the whole number of shares allotted;

d) formally note that the issues and the increase in capital have been completed and make the corresponding amendments to the Company's bylaws, set issue expenses against the corresponding premium if it sees fit, make any offsets against the issue premium or premiums, in particular with respect to expenses and any levies from these premiums of sums needed to bring the statutory reserve to one tenth of the amount of the share capital;

e) determine the method by which the shares and other securities will be paid for and, where necessary, stipulate the conditions for the shares to be purchased on the stock exchange, the possibility of suspending the exercise of share allotment rights attached to the transferable securities to be issued, to define the means by which this will preserve the rights of holders of transferable securities giving access to the share capital, in accordance with the law;

f) enter into all agreements necessary for the successful completion of the issues, for the stock market listing of the shares, rights and transferable securities issued and for the provision of registrar facilities for bonds;

g) and generally take all necessary measures, complying in all these matters with the law and regulations in force at the time of these issues;

5. resolves that the present delegation is given for a period of twenty-six months from the date of this Meeting and cancels with immediate effect the authorisation given by the Extraordinary General Meeting of 29 May 2002 in its first resolution, to the extent that it was not used.

Second resolution

Upper limit on the capital increases that may be realised by the issue, without preferential subscription rights, of the transferable securities stipulated in the preceding resolution

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, after reviewing the report of the Board of Directors and the Auditors' Special Report, and voting in accordance with the provisions of articles L.225-129, L.225-148, L.225-150 and L.228-93 of the Code of Commerce, delegates to the Board of Directors all powers to increase the share capital, on one or more occasions, by issuing without shareholders' preferential subscription rights, shares in the Company and all types of transferable securities giving immediate or future access to a fraction of the share capital as stipulated in 1a) of the first resolution of the present Extraordinary General Meeting, for which consideration may be in cash or by offset against receivables, and resolves to remove the shareholders' preferential subscription rights to these shares and transferable securities.

These shares and transferable securities may in particular be issued to be used as consideration for shares offered in any public exchange offer initiated by the Company in respect of the shares of another company listed on one of the regulated markets mentioned in article L.225-148 of the Code of Commerce. The Meeting therefore resolves, to the extent that it is necessary, to remove in favour of the holders of such securities, the shareholders' preferential subscription rights to these shares and transferable securities.

Under the terms of this resolution, the Board of Directors may also issue shares in the Company to which entitlement will be given by bonds with share warrants and other transferable securities issued by companies in which the Company holds, either directly of indirectly, the majority of the share capital, in accordance with the provisions of articles L.225-150 and L.228-93 of the Code of Commerce. This decision entails waiver by right in favour of the holders of warrants and the holders of transferable securities issued by a company in which the Company holds more than half of the share capital, either directly or indirectly, of the preferential subscription rights of the Company's shareholders to the Company's shares issued when these warrants are presented or to which these transferable securities give an entitlement.

The General Meeting:

a) sets the overall ceiling of share capital increases that may result from the issue of these shares or transferable securities or both without preferential subscription rights at €3 million in par value, it being made clear that, within this limit, bonds with share warrants (OBSAs) may not lead to an increase of the share capital of more than €3 million in par value and the total of the increases in share capital necessitated by the exercise of separately issued share warrants may not exceed €3 million in par value,

b) and sets the overall issues of debt securities giving access to the capital at €250 million in par value or the equivalent foreign currency value at the date when the issue is decided, it being made clear that this amount is common to all of the debt securities of which the issue is delegated to the Board of Directors by this Meeting but is independent of the amount of the debt securities that do not give access to the capital of which the authorisation to issue is the subject of the fifth resolution put before the Ordinary General Meeting,

all of the above being (i) within the limit of the unused fraction of the ceiling set at 2. a) of the first resolution of this Extraordinary General Meeting, (ii) independently of the ceiling set at 2. b) of the first resolution of this Extraordinary General Meeting and (iii) not taking account, if applicable, of the amount of increases in share capital related to the legally required adjustments to the rights of certain bearers of securities giving access to the Company's capital in the case of new financial transactions.

The General Meeting resolves that:

a) the transferable securities mentioned above may be issued either in euros or in a foreign currency or any other monetary unit established by reference to several currencies, up to the authorised limit in euros or its foreign currency equivalent on the date of issue;

b) the Board of Directors may grant the shareholders, during a period and on terms that it will be set, a fixed priority period that may be shortened if necessary in which to subscribe to the shares or transferable securities issued or both but without giving rise to the creation of transferable or negotiable rights,

it being understood that the sum to be received by the Company in consideration for each of the shares issued without preferential subscription rights, and including shares issued as a consequence of the issue of transferable securities giving access to shares, including in the case of conversion, redemption or generally of transformation of these transferable securities, must be at least equal to the average of the opening price of the share recorded on the regulated market on which the Company's shares are listed for trading at the Paris stock exchange, during ten consecutive trading days chosen from the last twenty trading days preceding the commencement of the issue after correction, if applicable, of this average to take account of the difference in the date from which rights to dividends are acquired.

This decision includes express waiver by the shareholders of their preferential subscription right to the shares to which transferable securities in the form of convertible bonds or separately issued share warrants give an entitlement, and entails the waiver in favour of the holders of other types of transferable security renunciation of the preferential subscription rights to shares to which these securities may give entitlement.

The General Meeting delegates to the Board of Directors, with the option to sub-delegate to the Chairman, the same powers as those defined in the first resolution of the present Extraordinary General Meeting to carry out such issues.

The General Meeting delegates to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, the powers necessary to carry out the public exchange offers referred to above, and the issues of shares or transferable securities or both to be used as consideration for the shares offered under the terms of this resolution, it being understood that the Board of Directors will have to set the exchange parities and, if applicable, the balance to be paid in cash.

The General Meeting resolves that the present authority is given for a period of twenty-six months from the date of this Meeting and cancels with immediate effect the authorisation given by the Extraordinary General Meeting of 29 May 2002 in its second resolution, to the extent that it was not used.

Third resolution

Faculty to use the authorisations to increase the share capital in the event of a public offer to purchase or public exchange offer for the Company's shares

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, in accordance with the provisions of article L.225-129 § IV of the Code of Commerce,

expressly authorises the Board of Directors,

with effect from the present Meeting and until the next meeting called to approve the accounts for the period ended 31 December 2003, to use the authority delegated by the present General Meeting to increase the share capital by all legal means during the period of a public offer to purchase or public exchange offer concerning the Company's shares.

Fourth resolution

AUTHORISING THE BOARD OF DIRECTORS TO GRANT STOCK OPTIONS TO CORPORATE OFFICERS AND EMPLOYEES

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, after reviewing the report of the Board of Directors and the Special Report of the Auditors, authorises the Board of Directors, with the option to sub-delegate powers to the Chairman, in accordance with articles L.225-177 to L.225-185 of the Code of Commerce, to grant to some or all of the corporate officers and employees of the Company and of related companies as defined in article L.225-180 of the Code of Commerce, options to subscribe for new ordinary shares in the Company to be issued in the form of a capital increase, as well as options giving the right to purchase shares in the Company bought by the Company itself on the terms laid down by law.

The Board of Directors may use this authority for a period of thirty-eight months from the date of the present meeting. The authority may be used on one or more occasions.

The present authorisation entails express waiver, in favour of the grantees of the share options, by the shareholders of their preferential subscription rights in respect of the shares to be issued as and when the options are exercised.

Newly-issued or existing shares that may be bought by exercising granted stock options may not exceed 5% of the Company's share capital at the date of this meeting, i.e. 350,230 shares.

The strike price of stock options will be set by the Board of Directors on the day the options are granted, in accordance with article L.225-177 of the Code of Commerce in the case of options to buy newly-issued shares, and articles L.225-177 and L.225-180 of the Code of Commerce in the case of options to buy existing shares.

Within the limitations set out above, the General Meeting delegates all necessary powers to the Board of Directors, with the option to sub-delegate such powers to the Chairman, to implement this resolution, and in particular to:

• decide who shall receive options, and the number of options granted to each beneficiary;

• set the terms and conditions of options, with particular regard to:

- the expiry date, it being understood that options must be exercised during a maximum period of 8 years from the date they were granted;
- the vesting date or period, it being understood that the Board of Directors may (a) bring forward the vesting date or period, (b) maintain the exercisability of options and (c) alter the date from which or the period during which shares acquired by exercising options may not be sold or converted into bearer form;
- lock-up clauses covering all or part of the shares acquired by exercising options, although the lock-up period may not exceed three years from the date the options were exercised;
- decisions to limit, suspend, restrict or forbid the exercising of some or all options or the sale or conversion into bearer form of some or all shares acquired by exercising options, during certain periods or after certain events;
- the date from which newly-issued shares resulting from the exercise of stock options entitle holders to dividends, which may even be set retrospectively;
- adjustments to the number and price of shares that may be acquired by exercising options in accordance with the legal and regulatory conditions in force at the time.

The Board of Directors will also have all necessary powers, with the option to sub-delegate such powers to the Chairman, to formally note that issues of new shares to cover the exercise of options have been completed, to make the corresponding amendments to the Company's bylaws, to set issue expenses against the corresponding premium if it sees fit, to make any levies from these premiums of sums needed to bring the statutory reserve to one tenth of the amount of the new share capital after every capital increase, and to carry out all formalities required for the listing of the resulting shares, make all necessary statements to all organizations and perform any other act that may be necessary.

This authorisation substitutes the authorisation given by the Extraordinary General Meeting of 24 May 2000 in its sixth resolution, to the extent that it was not used.

Fifth resolution

Authorising the Board of Directors to carry out increases in share capital reserved for employees who are members of company savings schemes (PEE or PPESV)

The General Meeting, after reviewing the report of the Board of Directors and the Auditors' Special Report, and voting in accordance with the provisions of both the Code of Commerce, and in particular articles L. 225-129 VII and L. 225-138, and articles L.443-1 et seq. of the Labour Code, resolves to:

- delegate to the Board of Directors, with the option to sub-delegate to the Chairman, for a period of twenty-six months from the date of the present General Meeting, all powers to increase the share capital on one or more occasions by the issue for cash of new shares reserved for current and former employees who are members of a company savings plan (*plan d'épargne d'entreprise* (PEE)) or a voluntary joint employee savings plan (*plan partenarial d'épargne salariale volontaire* (PPESV)) of the Company, or of companies or groups related to it as provided for by the law,
- cancel, in favour of these current or former employees, shareholders' preferential subscription rights to subscribe to the shares to be issued for cash under the present authority.

The ceiling on the share capital increases made under this authority is set at €350,230 in par value.

The General Meeting delegates all powers to the Board of Directors to carry out the present authorisation under the terms of law and regulations in force, and in particular to:

- determine which issues may be made directly in favour of beneficiaries or through the intermediary of collective investment bodies,
- determine the nature and terms of the share capital increase,
- set the subscription price of shares issued for cash in accordance with legal provisions, it being a condition that this price may not be higher than the average of the opening prices of the share quoted on the regulated market on which the Company's shares are listed for trading at the Paris Stock Exchange during the twenty trading sessions preceding the day when the decision is taken setting the opening date for subscriptions, nor be less than 20% of this average, in the case of a company savings plan (*plan d'épargne d'entreprise* (PEE)) or 30% of this average in the case of a voluntary joint employee savings plan (*plan partenarial d'épargne salariale volontaire* (PPESV)),
- set the period within which shares must be paid for, as well as, if applicable, the period of employment required to be able to take part in the operation, in accordance with the limits laid down by law,
- amend the bylaws as required,
- and generally do all that is necessary.

The present authority is given for a period of twenty-six months from the date of this Meeting and cancels with immediate effect the authorisation given by the Extraordinary General Meeting of 29 May 2002 in its fourth resolution.

Sixth resolution

Approval of the specific benefit arising from a value guarantee commitment

The General Meeting, after reviewing the reports of the Board of Directors and the Auditors concerning specific benefits, voting under the quorum and majority conditions required for extraordinary general meetings,

approves the specific benefit resulting from article 3.2 of the Agreement signed on 18 September 2002 (the Agreement) to acquire F-Squared, granted to Portland Universal Ltd and Dominion Enterprises Ltd (together, the 'Sellers'), to the extent that they come to own shares in the Company as part of the second instalment of the acquisition price.

This specific benefit consists of the Company's commitment to pay each Seller, in the event that the Sellers sell shares in the Company acquired as part of the second instalment of the acquisition price, an amount per share sold equal to the Company's average closing share price in the 20 trading sessions preceding the date of this General Meeting (the 'Reference Price') minus the selling price after the deduction of certain costs, if this amount is positive. This commitment only applies to sales to a third-party buyer acting in good faith taking place within a period of six months starting on (i) 28 July 2003 or (ii) any prior date notified by the Company.

The Reference Price and the number of Company shares covered by the value guarantee commitment will be adjusted in the event of transactions affecting the Company's capital according to terms set out in the report of the Board of Directors.

For some Sellers, the number of shares covered by the value guarantee commitment may be reduced according to terms set out in the report of the Board of Directors.

The General Meeting gives all powers to the Board of Directors, with the option to sub-delegate such powers to the Chairman, to implement the value guarantee commitment covered by this resolution, within the framework of the related Agreement.

Seventh resolution

AMENDMENT OF THE BYLAWS AS A RESULT OF SPECIFIC BENEFITS

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, as a result of the adoption of the preceding resolution,

resolves, subject to the approval of the specific benefit mentioned in the previous resolution, to introduce a new article 6c into the Company's bylaws, as follows:

"Article 6 c – Specific benefits

Portland Universal Ltd and Dominion Enterprises Ltd enjoy a specific benefit, which consists of a commitment made by the Company to pay each of these entities, in the event that they sell shares in the Company acquired as part of the second instalment of the acquisition price, an amount per share sold equal to the average closing Company share price in the 20 trading sessions preceding the date of the General Meeting that approved this specific benefit (the 'Reference Price') minus the selling price after the deduction of certain costs, if this amount is positive. This commitment only applies to sales to a third-party buyer acting in good faith taking place within a period of six months starting on (i) 28 July 2003 or (ii) any prior date notified by the Company.

The Reference Price and the number of Company shares covered by the value guarantee commitment will be adjusted in the event of transactions affecting the Company's capital.

For some Sellers, the number of shares covered by the value guarantee commitment may be reduced."

The General Meeting gives all powers to the Board of Directors, with the option to sub-delegate such powers to the Chairman, to adapt the above text if necessary.

Eighth resolution

POWERS

The General Meeting confers all powers on the Board of Directors, with the possibility to sub-delegate, in order to seek the listing for trading on a regulated market of the securities issued in application of the resolutions above, in such places as it sees fit, and delegates all powers to a bearer of a copy or extract of the present document to carry out all the legal formalities.

COB cross-reference table

To make it easier for readers to use this Annual Report, which is registered as a Reference Document, the following table cross-references the main headings required under COB regulation no. 98-01 with the corresponding pages of the Annual Report.

Notes

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