

French limited liability company (*Société Anonyme*) with a capital of FRF 26,173,400

Head office: 99, rue de l'Abbé Groult, 75 739 Paris Cedex 15

Company registration: 304 555 634 R.C.S. Paris

This document is a free translation for information purposes only of the French language *Note d'opération définitive*, which receive the visa of the *Commission des Opérations de Bourse no.00-1020* on 8 June, 2000. In the event of any ambiguity or conflict between corresponding statements in the two documents, the French language *Note d'opération définitive* shall prevail. No action has been taken in any jurisdiction other than France that would permit a public offering of the shares and/or warrants or possession or distribution of this document or any other offering material, in any jurisdiction where action for this purpose is required.

FINAL PROSPECTUS SUPPLEMENT

PUBLIC OFFERING

IN CONNECTION WITH A CAPITAL INCREASE

THROUGH THE ISSUE OF SHARES

WITH WARRANTS

The legal notice was published in the *Bulletin des Annonces légales obligatoires* on 12 June 2000.



Visa of the Commission des Opérations de Bourse

Pursuant to Articles 6 and 7 of Order no. 67-833 of 28 September 1967, the French original of this Final Prospectus has received the visa no. 00-1020 of the *Commission des Opérations de Bourse* dated 8 June, 2000.

Warning

The *Commission des Opérations de Bourse* draws the attention of the public to the explanations given in the prospectus on the method of valorisation of the warrants ('ABSAs') and on the fact that the volatility used for the valorisation of the warrants ('ABSAs') does not correspond to the historical volatility of the stock of the company.

The Final Prospectus comprises:

- The Reference Document filed with the *Commission des Opérations de Bourse* under registration no. R.00-261 ;
- The French original of this Final Prospectus Supplement.

Copies of the Final Prospectus are available from the banks responsible for processing share applications or from the company's head office (99, rue de l'Abbé Groult, 75 739 Paris Cedex 15).

SG INVESTMENT BANKING

UBS WARBURG

NATEXIS CAPITAL

IPSOS**DESCRIPTION OF THE SHARES WITH WARRANTS****(‘ABSAs’)****AMOUNT OF THE ISSUE**

The issue amounts to 99,999,900 euros, represented by 854,700 Shares with Warrants.

However, to meet additional demand during the placing period, the amount of the issue may be increased to 109,999,890 euros, represented by 940,170 Shares with Warrants, provided that Ipsos receives notification from the underwriting syndicate by the settlement date.

PREFERENTIAL SUBSCRIPTION RIGHTS AND PRIORITY PERIOD

As a result of the combined General Shareholders’ Meeting of 24 May 2000, shareholders automatically give up their preferential subscription rights to any issue of securities giving access to a proportion of the company’s share capital.

However, 854,700 of the newly issued shares will initially be reserved for existing shareholders for a priority period between 9 June and 15 June, inclusive. This priority does not constitute a negotiable or transferable right.

Under these terms, persons holding Ipsos shares as of 6 June 2000 may subscribe to this issue on the basis of FIVE (5) Shares with Warrants for every THIRTY-THREE (33) existing shares held.

SUBSCRIPTION PERIOD

The public offer period will last between 9 June 2000 and 15 June 2000, inclusive.

The public offer period may be closed without notice, except in the case of private investors, for whom it will remain open for the entire period mentioned above.

SUBSCRIPTION PRICE

The subscription price for the Shares with Warrants was set on 8 June 2000 and amounts to 117 euros per Share with Warrant.

QUALIFICATION FOR DIVIDENDS FROM THE NEW SHARES

The new shares will qualify for dividends as from 1 January 2000.

LISTING OF THE NEW SHARES

Application will be made for admission of the newly issued shares to the *Nouveau Marché* of ParisBourse^{SBF} SA.

The estimated date for admission of the new shares to the *Nouveau Marché* of ParisBourse^{SBF} SA is 21 June 2000.

They will be listed on a second line under Sicovam code no. 18 228 until they are combined with the existing shares, which will occur after payment of the dividend for the year ending 31 December 1999.

DESCRIPTION OF THE SHARE WARRANTS

NUMBER OF SHARE WARRANTS ASSOCIATED WITH THE SHARES

EACH share in the current issue is associated with ONE Share Warrant.

EXERCISE RATIO – EXERCISE PRICE

The exercise ratio will be TWO SHARE WARRANTS for ONE new Ipsos share (subject to any adjustments provided for) at an exercise price of 140 euros, resulting in a premium (the "Issue Premium") of 21.74 % of the reference price of the Ipsos shares.

EXERCISE PERIOD

Share Warrant holders will be entitled to subscribe to the Ipsos shares at any time starting from the warrants' registration date (21 June 2000 through 21 June 2003) regardless of the nominal amount of the issue.

Any Share Warrants not issued by 21 June 2003 at the latest will become null and void and will lose their entire value.

LISTING OF THE SHARE WARRANTS

The company will apply for admission of the Share Warrants on the *Nouveau Marché* of ParisBourse^{SBF} SA. They will be listed separately from the original shares at the same time the original shares are listed.

The estimated date for admission to the *Nouveau Marché* of ParisBourse^{SBF} SA is 21 June 2000, under Sicovam code no. 24 817.

QUALIFICATION FOR DIVIDENDS ON THE SHARES APPLIED FOR BY EXERCISING THE SHARE WARRANTS

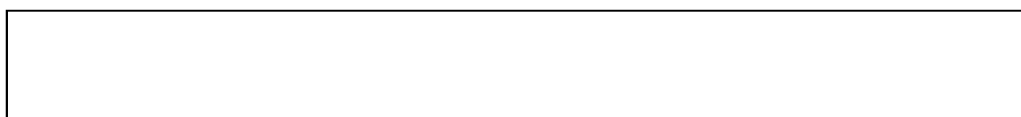
The new shares subscribed for by exercising the Share Warrants will qualify for dividends as from the first day of the corporate financial year in which the Share Warrants are exercised.

MARKET PRICE OF THE SHARES

115 euros (754.35 francs), corresponding to the price of the Ipsos shares at the time the final terms and conditions for the Shares with Warrants are set on 8 June 2000.

THE CONVERSION RATE FROM EUROS TO FRANCS

The amounts in francs, as rounded off, were determined, based on the official rate of 1 euro = 6.55957 francs, and are given for informational purposes only.



CHAPTER I PERSONS RESPONSIBLE FOR THE PROSPECTUS AND AUDITORS
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1.1 PERSONS RESPONSIBLE FOR THE PRELIMINARY PROSPECTUS

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

1.2 DECLARATION BY PERSONS RESPONSIBLE FOR THE FINAL PROSPECTUS

“To the best of our knowledge, the information given in this final prospectus is in accordance with the facts: it contains all the information required by investors to reach a judgement on the assets and liabilities, activities, financial position, results and prospects of the issuer, as well as the rights associated with the shares offered. There are no omissions likely to affect the import of the final prospectus.”

Co-chairmen

Mr Didier Truchot and Mr Jean-Marc
Lech.

1.3 AUDITORS

Official auditors

Ernst & Young Audit

Represented by Mr Gabriel Galet

34, boulevard Haussmann – 75009 Paris

Date of first appointment: 17 December 1998

Expiry of mandate: Ordinary General Meeting called to approve the accounts for
the year ending 31 December 2003.

Cogerco Flipo

Represented by Mr Francis Pons

9, avenue Percier – 75008 Paris

Date of first appointment: 23 February 1988 (mandate renewed on 26 June 1993 and 31 May 1999)

Expiry of mandate: Ordinary General Meeting called to approve the accounts for the year ending 31 December 2004.

Cabinet JPA

Represented by Mr Jacques Potdevin and Mrs Danièle Bardreau-Gilbert

7, rue de Galilée – 75116 Paris

Date of first appointment: 23 March 1991 (mandate renewed on 27 June 1997)

Expiry of mandate: Ordinary General Meeting called to approve the accounts for the year ending 31 December 2002.

Substitute auditors

Mr Hervé Pouliquen

9, avenue Percier – 75008 Paris

Date of first appointment: 23 February 1988 (mandate renewed on 26 June 1993 and 31 May 1999)

Expiry of mandate: Ordinary General Meeting called to approve the accounts for the year ending 31 December 2004

Mr Philippe Cagnat

22, rue de Madrid – 75008 Paris

Date of first appointment: 30 June 1994 (mandate renewed on 27 June 1997)

Expiry of mandate: Ordinary General Meeting called to approve the accounts for the year ending 31 December 2002

1.4 DECLARATION BY THE AUDITORS

As auditors of Ipsos, we have verified the financial and accounting information contained in the present final prospectus.

The company's Joint Chairmen are responsible for the preparation of this final prospectus. Our responsibility is to express an opinion on the financial and accounting information contained in this document.

Historical financial and accounting information

We audited the parent company and consolidated accounts for the years ended 31 December 1999 and 31 December 1998, as prepared by the Board of Directors. Based on our audit, which was conducted in accordance with auditing standards, we issued unqualified opinions on these accounts with no emphasis of matter.

Auditing standards require the auditor to perform such tests and procedures as give reasonable assurance that the accounts are free from material misstatement.

We have checked the reproduction of these parent company and consolidated accounts in the present final prospectus and have no observation to make in this respect.

Prospective financial information

Our review of the prospective financial information of the present final prospectus did not include an assessment of the company's targets or the reasonableness of the company's assumptions, and was limited to ensuring that this financial information was derived from estimates prepared internally by the company on the basis of the assumptions mentioned in the final prospectus. Based on our review, we have no observations to make in this respect.

Other historical financial and accounting information

Our review of the other historical and financial information contained in the final prospectus involved verifying the sincerity of the information, and, where appropriate, ensuring its consistency with the parent company and consolidated accounts.

Based on our review, we have no observations to make on this other historical financial information.

The Auditors:

Cogerco-Flipo

JPA

Ernst & Young Audit

Francis Pons

Danièle Bardreau-Gilbert

Jacques Potdevin

Gabriel Galet

1.5 INFORMATION POLICY

Person responsible for providing information

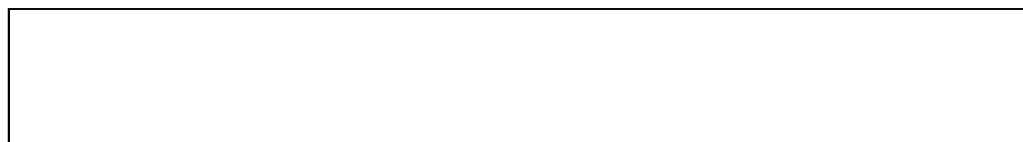
Name: Mrs Laurence Stoclet,

Finance Director

99, rue de l'Abbé Groult

75739 Paris Cedex 15

Telephone: +33-1 53 68 19 45



CHAPTER II
ISSUE AND ADMISSION OF IPSOS SHARES WITH WARRANTS ('ABSAs')
TO THE PREMIER MARCHE

2.1 AUTHORIZATIONS BY THE GENERAL SHAREHOLDERS' MEETING AND DECISION BY THE BOARD OF DIRECTORS

2.1.1 Authorisations by the General Shareholders' Meeting

The Extraordinary General Shareholders' Meeting held by Ipsos on 24 May 2000:

- authorised the Board of Directors to carry out one or more capital increases by issuing securities, without preferential subscription rights, giving immediate or future access to a proportion of the company's share capital;
- set a maximum limit of FRF 10 million for the total nominal amount of share capital to be raised by issuing these securities without preferential subscription rights;
- agreed that the above securities may either be issued in euros or in another currency, subject to the maximum authorised limit in euros, or its equivalent value in another currency on the issue date;
- authorised the Board of Directors to finalise the duration and terms of a priority subscription period reserved for existing shareholders. During this period, current shareholders will be entitled to subscribe to these newly issued securities in proportion to their existing holdings in the company. This subscription right will not be transferable or negotiable;
- confirmed that, as a result of this decision, shareholders will automatically give up their preferential subscription rights to any other shares in the company's capital to which they are entitled through the above-mentioned securities, which have themselves been issued without preferential subscription rights;
- authorised the Board of Directors to carry out these capital increases within a period of twenty-six months from the date of the above-mentioned General Shareholders' Meeting, with the option to sub-delegate full authority for these transactions to the Chairmen.

2.1.2 Decision by the Board of Directors and the Chairman

During the Board Meeting held on 24 May 2000, and in accordance with the authorisation described in 2.1.1 above, the Ipsos Board of Directors authorised the Chairman of the Board to carry out a capital increase amounting to a maximum of 110 (one hundred and ten) million euros, including the issue premium, through a public offering of ordinary shares. These shares may be accompanied by warrants ('BSAs'), but will not carry any preferential subscription rights, although a priority subscription period will be reserved for existing shareholders.

As a result, on 8 June 2000, the Chairman decided to proceed with a capital increase involving the issue of Shares with Warrants ('ABSAs') without preferential

subscription rights, but with a priority subscription period, in accordance with the terms and conditions outlined below.

2.2 INFORMATION ABOUT THE ISSUE OF SHARES WITH WARRANTS ('ABSAs')

2.2.1 Amount of the issue

The issue amounts to 99,999,900 euros, represented by 854,700 Shares with Warrants.

However, to meet additional demand during the placing period, the amount of the issue may be increased to 109,999,890 euros, provided that Ipsos receives notification from the underwriting syndicate by the settlement date.

The newly created shares will qualify for dividends as from 1 January 2000. They will account for 14.04 % of the capital and 10.50 % of the company's current voting rights and 19.67 % of the capital and 14.97 % of the company's current voting rights if all the Share Warrants are exercised.

If the amount of the issue is increased, the new shares will also qualify for dividends as from 1 January 2000, and will account for around 15.23 % of the company's current share capital and 11.43 % of its current voting rights, or 21.22 % of the company's current share capital and 16.22 % of its voting rights if all the Share Warrants are exercised.

2.2.2 Structure of the issue

2.2.2.1 Share placing

The Shares with Warrants will be part of a global offering in the following countries:

- France: to institutional and private investors.
- Rest of world excluding France and the US: subject to the specific regulations of each country where the placing will occur.

No tranches have been reserved for specific markets.

2.2.2.2 Placing restrictions

Distribution of the prospectus and the sale of the Ipsos Shares with Warrants may be subject to specific regulations in some countries. All recipients of this document should obtain information on any local restrictions that apply to them and comply with those restrictions.

Société Générale, UBS Warburg and Natexis Capital undertake to comply with the laws and regulations in force in the countries where the shares will be offered and, in particular, the following placing restrictions.

Distribution and offering restrictions in the US

The Shares with Warrants, and any shares resulting from the exercise of these warrants, have not been and will not be registered under the Securities Act of 1933 of the United States of America (as amended) (the "Securities Act"), and, subject to certain exemptions, neither the new shares nor the warrants may be offered, sold, exercised or delivered in the United States of America by the underwriters.

The Shares with Warrants will be offered and sold outside the United States of

America in accordance with Regulation S under the Securities Act (“Regulation S”).

By accepting this prospectus and the delivery of the shares and warrants, each applicant for the Shares with Warrants will be required to certify that he is not a “US person” nor a resident of the United States of America at the time the Shares with Warrants are purchased.

The terms in this section (2.2.2.2) are used within the meaning of Regulation S.

Distribution and offering restrictions in the UK

Each underwriter certifies that:

- (a) It has not offered or sold and, prior to the date six months after the issue date, will not offer or sell any shares or warrants to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (b) It has complied with and will comply with all applicable provisions of the Financial Services Act of 1986 with respect to anything done by it in relation to the Shares with Warrants in, from or otherwise involving the United Kingdom; and
- (c) It has only issued or passed on, and will only issue or pass on, in the United Kingdom any document received by it in connection with the issue of the Shares with Warrants to a person who is of a kind described in Article II (3) of the Financial Services Act of 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

2.2.3 Preferential subscription rights and priority period

As a result of the General Shareholders' Meeting of 24 May 2000, shareholders automatically give up their preferential subscription rights to any issue of securities giving access to a proportion of the company's share capital.

However, 854.700 of the newly issued shares will be reserved for existing shareholders for a priority period between 9 June and 15 June inclusive. This priority does not constitute a negotiable or transferable right.

Under these terms, existing shareholders may subscribe to this issue on the basis of FIVE (5) Shares with Warrants for every THIRTY-THREE (33) existing shares held.

Shareholders who, as of 6 June 2000, own fewer shares than the minimum quantity required for the subscription will be able to subscribe to the number of shares corresponding to the next highest multiple of shares they own. Subscriptions registered in each shareholder's name will be grouped together to determine the number of priority shares that the corresponding shareholder is entitled to apply for. Prior to allocation, all shares registered in applicants' accounts will be held by a bank or financial intermediary until the end of the priority period.

2.2.4 Intentions of major shareholders

LT Participations, a shareholder represented on the Ipsos Board of Directors that owned a 42.29% interest in the company on the date this final prospectus was issued, has announced that it intends to exercise its full share entitlement during the priority period for this issue. No other shareholders have been informed in advance of the launch and terms and conditions of this issue.

2.2.5 Subscription period

The public offer period will last from 9 June 2000 through 15 June 2000.

The public offer period will be closed without notice, except in the case of private investors, for whom it will remain open for the entire period mentioned above.

2.2.6 Paying agents, settlement and deposits

Share applications and payments will be accepted by the French offices and branches of the following banks:

- Société Générale
- UBS Warburg
- Natexis Capital

Each share application must be accompanied by a payment covering the full subscription price for each Share with Warrants purchased.

Any applications that are not accompanied by the appropriate payment will be duly cancelled, without any obligation to issue a payment reminder.

Payments made in settlement of the Shares with Warrants to be issued will be deposited with Société Générale.

2.2.7 Subscription price

The subscription price for the Shares with Warrants was set on 8 June 2000 and amounts to 117 euros.

Each application must be accompanied by the full Subscription Price for each Share with Warrants purchased.

- Comparison of the issue price of the Shares with Warrants with the per-share value of Ipsos' consolidated shareholders' equity at 31 December 1999:

The following calculations are based on a subscription price of 117 euros per Share with Warrants and on an exercise price of 140 euros per warrant.

	Per-share value of the company's consolidated shareholders' equity as at 31 December 1999	
	FRF	Euros
Before issue	75.47	11.51
After issuing 854,700 Shares with Warrants	172.60	26.31
After issuing 854,700 Shares with Warrants and exercising all Share Warrants	221.50	33.77
After issuing 85,470 additional Shares with Warrants	180.83	27.57
After issuing 85,470 additional Shares with Warrants and exercising all Share Warrants	233.00	35.52

· Criteria issued to value the Share Warrants:

The following parameters have been used strictly as a rough guide to value the Share Warrants.

Underlying share price	115 €
Dividend pay-out ratio	0.43 % p.a.
Risk-free rate	5.37 % p.a.
Exchange parity for Share Warrants	TWO Share Warrants entitle the shareholder to subscribe to ONE new Ipsos share
Exercise price	140 €
Share Warrant exercise period	From 21 June 2000 to 21 June 2003

The following table shows the estimated valuation range for each Share Warrant using the Black & Scholes method and based on different volatility rates:

Volatility	20 %	30 %	40 %
Estimated value of each Share Warrant (euros)	5.91 €	9.73 €	13.58 €

For the record, the historic volatility rate recorded by the Ipsos share amounts to 92% over 100 days. This is not a representative value as it is influenced by the stock's low market liquidity and the recent share price turbulence in this sector.

For purposes of illustration, since the beginning of the year, Ipsos stock has fluctuated between a low of 67.55 euros and a high of 205.00 euros.

The subscription price of 117 euros per Share with Warrant comprises:

- a share price of 115.1 euros corresponding to an average of 10 consecutive trading days of the Ipsos shares chosen among the twenty days preceding the date on which the subscription price of the Shares with Warrants is set; and
- a Share Warrant value of 1,9 euro corresponding to a volatility of 9.4 % in order to take into account the stock limited liquidity, the relative importance of the current offering which amounts to over 16.6 % of the company's stock capitalisation in the particular context of recent developments in financial markets.

2.2.8 Issue proceeds and costs

The gross and net proceeds of the issue are 99,999,900 euros and around 97.9 million euros, respectively, potentially rising to 109,999,890 euros and around 107.7 million euros if the option to increase the amount of the issue is fully exercised.

Any legal and administrative costs, as well as fees due to financial intermediaries, will be shouldered by Ipsos and may be offset against the issue premium

2.2.9 Purpose of the issue

Over the past 10 years, the Ipsos Group has grown at an average rate of over 30% per year, owing mainly to its globalisation strategy.

Its specialised research business now serves brands, businesses and institutions in 24 countries. This global presence is the result of an active and selective acquisition policy outside France.

Ipsos aims to maintain a rapid rate of growth in the areas in which it now specialises (marketing, measuring advertising effectiveness, media research, corporate research and opinion surveys and customer satisfaction), based both on targeted external growth operations and on organic growth surpassing that of the market.

In this context, the proceeds from this issue are to be used as follows:

- to finance the development of the Ipsos product line (new expertise such as the Internet, global harmonisation and R&D on new products); and
- to pursue Ipsos' external growth strategy aimed at expanding its geographical coverage in countries where the company is not yet sufficiently active (Asia and Central Europe) and to bolster its presence in certain countries, where the company does not yet offer all its business lines to its customers.

2.2.10 Underwriters

The issue of these Shares with Warrants is to be undertaken by Société Générale, UBS Warburg (France) SA and Natexis Capital, based on the terms and conditions set forth in a global underwriting contract to be signed with Ipsos on 8 June 2000. This contract does not guarantee the successful outcome of the transaction as stipulated by article 191-1 of law no. 66-537 of 24 July 1966 on business corporations.

2.3 INFORMATION ABOUT THE NEW SHARES

2.3.1 Rights associated with the newly issued shares

The new shares will be subject to all statutory requirements and will qualify for dividends from 1 January 2000.

From 2000 onwards, the shares will be eligible for the same dividends as the existing shares and will have the same characteristics as these shares.

The shares will have exactly the same characteristics as existing shares, following dividend payments from year ending 31 December 1999.

2.3.2 Negotiability of the shares

There are no statutory clauses which prevent the shares from being freely negotiable.

2.3.3 Registration of the shares

The new shares will either be registered or bearer shares, at the shareholder's discretion. Both types of shares must be registered in an account held by the company, its representative, or an approved financial intermediary, depending on the case. Shareholders' rights will be registered under their name as follows:

- Bearer shares: in an account with an approved financial intermediary;
- Registered shares: with Société Générale – Services Bancaires Titres et Bourse – BP 81236 – 44312 Nantes CEDEX 3, FRANCE.

The company will apply for the admission of these shares to Sicovam SA operations. The projected date for registering these new Shares (and Share Warrants) is June 21, 2000.

Subject to the laws and regulations in force, the company is entitled to request at any time from the organisation responsible for clearing the shares, the name, nationality, year of birth (or year of establishment in the case of an organisation), and address of the holders of shares granting immediate or future voting rights at its own shareholders' meetings, as well as the quantity of shares held by each of them and, if applicable, any restrictions on the shares.

2.3.4 Tax regime for the new shares

According to current legislation, the following provisions summarise the tax requirements likely to apply to investors. However, individual investors or organisations should consult their own tax advisor for details on the tax requirements applicable to their individual case.

French non-residents should comply with the tax legislation in force in their country of residence.

2.3.4.1 French residents

1. Individuals holding French shares as part of their private assets

(a) Dividends

Dividends paid on French shares, including the 50% tax credit, are taken into account when calculating the taxpayer's total income from negotiable securities. Dividends currently qualify for an annual tax free allowance of FRF 16,000 (EUR 2,439.18) for married couples or partners taxed jointly (as from the third year after registering a 'Civil Solidarity Pact' under article 515-1 of the French Civil Code) and FRF 8,000 (EUR 1,219.59) francs for single and divorced people, widows, and married couples taxed separately. Dividends, together with any tax credits, are included in the taxable income, which is subject to personal income tax, at the sliding-scale rate, plus the following additional taxes (which do not provide any tax-free allowances):

- The general social contribution (CSG) of 7.5%, of which 5.1% is deductible from personal income tax (article 1600-0 E of the French Tax Code).
- The 2% social levy (article 1600-0 F bis III 1 of the French Tax Code).
- The 0.5% contribution to the repayment of the social security debt (article 1600-0 L of the French Tax Code).

The tax credit associated with the dividends may be offset against the total personal income tax liability and is repayable if there is insufficient tax against which to offset it.

(b) Capital gains

For Shares with Warrants subscribed on the issue date, the share purchase price used will be the subscription price of the Shares with Warrants, given that the tax value of the Share Warrants is considered nil.

In accordance with article 150-0 A of the French Tax Code, all capital gains made by individuals are currently taxable at 16% (article 200 A 2 of the French Tax Code) if the annual amount of share disposals exceeds a given threshold, currently set at FRF 50,000 (EUR 7,622.45). These capital gains are also subject to the following taxes:

- The general social contribution (CSG) of 7.5% (article 1600-0 E of the French Tax Code).
- The 2% social levy (article 1600-0 F bis III 1 of the French Tax Code).
- The 0.5% contribution to the repayment of the social security debt (article 1600-0 L of the French Tax Code).

Capital losses may be offset against capital gains of the same type arising during the same tax year or five subsequent years, provided that the threshold of FRF 50,000 (EUR 7,622.45) was exceeded in the year in which said capital losses were realised.

(c) Special regime for PEAs (equity savings schemes)

Shares issued by French companies are eligible assets for the shares savings schemes ('PEAs') instituted by law no. 92-666 of 16 July 1992.

Under certain conditions, dividends received and capital gains realised from these shares are tax-exempt, although they are still subject to the social levy, the general social contribution (CSG) and the contribution to the repayment of the social security debt (CRDS).

The following table shows the various taxes payable as of 1 January 2000 according to the duration of the scheme:

Duration of the scheme	Social levy	CSG	CRDS	Income tax	Total
Less than 2 years	2.0%	7.5%	0.5%	22.5%	32.5% ⁽¹⁾
2-5 years	2.0%	7.5%	0.5%	16.0%	26.0% ⁽¹⁾
Over 5 years	2.0%	7.5%	0.5%	0.0%	10.0%

⁽¹⁾ On all income if the disposals threshold is exceeded

2. Undertakings liable to corporate income tax

(a) Dividends

Dividends received by undertakings liable to corporate income tax, together with the 40% tax credit, are included in the profits liable to tax at a current rate of 33¹/₃%, plus an additional contribution of 10% (article 235 ter ZA of the French Tax Code), giving an effective tax rate of 36²/₃%. In some cases, the investor company may also be eligible for a further 20% tax credit on the equalisation tax actually paid by the issuing company (this does not apply to equalisation tax on amounts drawn from the special long-term capital gains reserve).

For years ending 1 January 2000 onwards, companies also have to pay a social contribution of 3.3% on the amount of corporate income tax less a tax-free allowance of FRF 5 million (article 235 ter ZC of the French Tax Code), giving an effective rate of around 37.76% for taxable amounts above the FRF 5 million threshold. Companies are exempted from this contribution if their pre-tax turnover is less than FRF 50 million and at least 75% of their fully paid-up share capital is held by private individuals or by undertakings themselves fulfilling these turnover and share ownership criteria.

If an undertaking fulfils the necessary conditions and has opted for the parent company regime allowed under articles 145, 146 and 216 of the French Tax Code, any dividends received (inclusive of tax credits) are deducted from the undertaking's taxable net profit, less a proportion of expenses and charges set at 5% of the total dividend (inclusive of tax credits). The parent company is not entitled to offset the tax credit attached to these dividends against its corporate income tax liability. However, the tax credit may be offset against the amount of equalisation tax and will be equal to 50% of the dividends received.

(b) Capital gains

For Shares with Warrants subscribed on the issue date, the purchase price of the share is calculated by distributing the subscription price of the Share with Warrant between the share price and the Share Warrant price. The share price used is its value on the purchase date; the price of the Share Warrant is equal to the difference between the subscription price of the Share with Warrant and the share price on the purchase date (article 38-8). Capital gains are calculated based on the fraction of the subscription price of each of these components.

Net capital gains on disposals of shares other than participating interests are included in the profits liable to tax at a current rate of 33¹/₃%, plus an additional contribution of 10% (article 235 ter ZA of the French Tax Code),

giving an effective tax rate of $36\frac{2}{3}\%$.

For years ending 1 January 2000 onwards, companies also have to pay a social contribution of 3.3% on the amount of corporate income tax less a tax-free allowance of FRF 5 million (article 235 ter ZC of the French Tax Code), giving an effective rate of around 37.76% for taxable amounts above the FRF 5 million threshold. Companies are exempted from this contribution if their pre-tax turnover is less than FRF 50 million and at least 75% of their fully paid-up share capital is held by private individuals or by undertakings themselves fulfilling these turnover and share ownership criteria.

Capital gains on participating interests that have been held for over two years are eligible for the long-term capital gains tax regime, provided that a special long-term capital gains reserve is set up. Under this regime, these gains are taxed at 19%, plus an additional contribution of 10% (article 235 ter ZA of the French Tax Code), giving an effective tax rate of 20.9%.

For years ending 1 January 2000 onwards, companies also have to pay a social contribution of 3.3% on the amount of corporate income tax less a tax-free allowance of FRF 5 million (article 235 ter ZC of the French Tax Code), giving an effective rate of around 21.52% for taxable amounts above the FRF 5 million threshold. Companies are exempted from this contribution if their pre-tax turnover is less than FRF 50 million and at least 75% of their fully paid-up share capital is held by private individuals or by undertakings themselves fulfilling these turnover and share ownership criteria.

2.3.4.2 French non-residents

(a) Dividends

Dividends distributed by companies whose registered office is in France are liable to withholding tax of 25% when recipients are not resident in France for tax purposes or have their registered office outside France.

This withholding tax may be reduced or eliminated if shareholders are covered by an international tax treaty or article 119-ter of the French Tax Code. These treaties may also provide for a transfer of the tax credit.

By way of exception, dividends originating in France and paid to taxpayers not resident in France for tax purposes or whose registered office is outside France, and which carry entitlement to the transfer of the tax credit under a tax treaty in order to avoid double taxation, are liable at the time of payment only to withholding tax at the reduced rate specified in the treaty, subject to certain conditions, notably that the recipient of the dividend is able to prove prior to the date the dividend is available for collection that the recipient is not resident in France as defined in the treaty (Administrative Instruction 4-J-1-94 of 13 May 1994).

(b) Capital gains

Undertakings that are not resident in France for tax purposes or whose registered office is located outside France are not eligible for capital gains tax in France when they sell their shares, provided that these shares are not actually owned by an established entity in France and that these undertakings have not held an interest of over 25% in the company's profits, either directly or indirectly, at any time during the last five years prior to the disposal of their shares (article 244 bis C of the French Tax Code).

2.4 PLACE OF LISTING

2.4.1 Admission of the new shares to the Paris Stock Exchange

The new shares are to be admitted to the *Nouveau Marché* of ParisBourse^{SBF} SA (Paris Stock Exchange).

The projected date for admission of shares to be negotiated on the *Nouveau Marché* of ParisBourse^{SBF} SA is June 21, 2000.

The shares will be quoted on a second line under Sicovam code no. 18 228 until they share the same characteristics as existing shares, which will occur after payments of dividends from year ending December 31, 1999.

2.4.2 Other places of listing

To date, Ipsos has not applied for the shares' admission to any other stock exchange.

2.4.2 Other markets

None.

2.4.3 Share price performance and trading volumes

Ipsos' shares are listed on the *Nouveau Marché* of ParisBourse^{SBF} SA (Sicovam code 7329).

The following table shows their share price performance and trading volumes on the *Nouveau Marché* since July 1999:

Month	High (euros)	Low (euros)	Average daily turnover (no of shares)	Average daily turnover (capital in euros)
1999				
July	38.70	33.50	83,060	3,013,000
August	44.80	36.51	16,848	705,000
September	52.00	43.50	9,283	440,000
October	<span lang="EN-GB" style="mso-bidi-font-			

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