



PROFILING PEOPLE

# 2000 ANNUAL REPORT

## PROFILING PEOPLE

The new Ipsos positioning, driving its trade and vocation.

Consumers, citizens and clients-we can be all of these in turn and at the same time.  
At Ipsos our researchers solve these psychological and sociological puzzles, enabling us to identify  
what unites and what differentiates us as individuals.

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the dynamics of their markets and provide reliable information that gives them a leading edge.

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**16 May 2001**

*This document is a free translation of the French language Document de référence, which was registered by the Commission des Opérations de Bourse on 16 May 2001 under No. R01-201. In the event of any ambiguity or conflict between corresponding statements in the two documents, the French language Document de référence shall prevail.*



**REGISTRATION BY THE COMMISSION DES OPERATIONS DE BOURSE**

Pursuant to its Regulation No 95-01, the *Commission des Opérations de Bourse* has registered this reference document on 16/05/2001 under number R01-201. It may not be used in connection with a financial transaction unless accompanied by a prospectus supplement approved by the COB. This reference document has been drawn up by the issuer under the responsibility of its signatories. This registration, made after examination of the relevance and consistency of the information given on the company's position does not imply authentication of the accounting and financial information presented.

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# 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 necessary for investors to form a judgement on the assets and liabilities, activities, financial position, results and prospects of the issuer, and on the rights attached to the securities 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

#### PRINCIPAL AUDITORS:

- ERNST & YOUNG Audit  
represented by Mr. Gabriel Galet  
Tour Manhattan La Défense 2 – 92095 Paris La Défense Cedex  
First appointed: 17 December 1998  
Term of office expires: Ordinary General Meeting called to examine the accounts for the financial year ending 31 December 2003.
- COGERCO FLIPO  
represented by Mr. Francis Pons  
72, rue de Bellechasse – 75007 Paris  
First appointed: 23 February 1988 ; reappointed 29 June 1993 and 31 May 1999  
Term of office expires: Ordinary General Meeting called to examine the accounts for the financial year ending 31 December 2004.
- CABINET JPA  
represented by Mr. Jacques Potdevin and Mrs. Danielle Bardreau-Gilbert  
83, avenue Henri Martin – 75116 Paris  
First appointed: 23 March 1991; reappointed 27 June 1997  
Term of office expires: Ordinary General Meeting called to examine the accounts for the financial year ending 31 December 2002.

#### ALTERNATE AUDITORS:

- Mr. 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: Ordinary General Meeting called to examine the accounts for the financial year ending 31 December 2004.
- Mr. Philippe Cagnat  
22, rue de Madrid – 75008 Paris  
First appointed: 30 June 1994; reappointed 27 June 1997  
Term of office expires: Ordinary General Meeting called to examine the accounts for the financial year ending 31 December 2002.

- Mr. Bruno Perrin  
100, rue Raymond Losserand – 75014 Paris  
First appointed: 17 December 1998  
Term of office expires: Ordinary General Meeting called to examine the accounts for the financial year ending 31 December 2003.

## 1.4 DECLARATION BY THE AUDITORS

As auditors of Ipsos and in application of COB Regulation 95-01, we have verified the historical financial and accounting information contained in the present reference document, in accordance with the auditing standards applicable in France.

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 financial and accounting information contained in this document.

Our review consisted, in accordance with the auditing standards applicable in France, in an assessment of the sincerity of the information on the financial position and the accounts and in verification of its consistency with the audited accounts. Our review also included reading the other information included in the reference document, in order to identify any material inconsistencies with the information provided on the financial position and accounts, and to report any manifestly erroneous information that we might note based on our general knowledge of the company acquired while performing our duties. The forecasts presented are objectives corresponding to the expected effects of the Management's intentions and strategy.

We audited the parent company and consolidated accounts for the years ended 31 December 1999 and 31 December 2000, as prepared by the Board of Directors. Based on our audit, which was conducted in accordance with the auditing standards applicable in France, we issued unqualified opinions on these accounts. Our report on the consolidated accounts for the period ended 31 December 2000 includes an observation in respect of the change in accounting method resulting from the adoption of Regulation 99-02 of the *Comité de la Réglementation Comptable* (accounting regulatory body).

The procedures applied to the unaudited pro-forma historical financial and accounting information presented in the reference document (Note III C of the Notes to the Consolidated Financial Statements) consisted, in accordance with auditing standards, in assessing whether the conventions adopted are consistent and constitute a reasonable basis for the preparation of the information, in verifying the translation into numerical terms of these conventions, in obtaining assurance of the conformity of the accounting methods used in preparing this information with those used for the preparation of the last accounts for past periods that were either audited or subjected to a limited review. On the basis of our review, we have noted nothing that would lead to querying the reasonableness of the conventions adopted for the presentation of the effects of the acquisition of Ipsos-Reid, BIMSA and Ipsos-ASI in the pro-forma information, the translation into numerical terms of these conventions and the conformity of the accounting methods used with those applied in the preparation of the consolidated accounts of Ipsos.

On the basis of these procedures, we have no observation to make on the sincerity of the information on the financial position and the accounts given in this reference document.

With respect to the pro-forma items contained in this prospectus, we would remind the reader that the purpose of this information is to translate the effect on historical accounting and financial information of a given transaction or event, at a date prior to that of its actual occurrence or that at which it could be reasonably envisaged. The information is not however necessarily representative of the financial situation or performance that would have been recorded if the transaction or event had occurred at a date prior to that of its actual occurrence or that at which it could be reasonably envisaged.

Paris, 4 May 2001

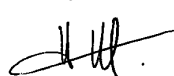
The Auditors

COGERCO - FLIPO



Francis Pons

JPA




Danielle Bardreau-Gilbert

ERNST & YOUNG Audit



Gabriel Galet



Jacques Potdevin

## 1.5 PERSON RESPONSIBLE FOR PROVIDING INFORMATION

Mrs. Laurence Stoclet, Chief Financial Officer (Tel: 01.53.68.19.45)  
99, rue de l'Abbé Groult  
75015 Paris

# 2

## GENERAL INFORMATION ABOUT IPSOS AND ITS SHARE 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 REGISTRATION AND DURATION OF THE COMPANY

The company was registered on 17 November 1975, for a period of 99 years from the date of its registration, saving 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 Code of Commerce (formerly the Act of 24 July 1966 on commercial companies).

#### 2.1.5 COMPANY REGISTRATION

304 555 634 R.C.S. PARIS

#### 2.1.6 NAF 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 OBJECT (ARTICLE 2 OF THE BYLAWS)

The company's object is:

- the production of market studies using surveys, opinion polls, statistical research or any other process with a view to facilitating and organising the establishment of sales operations, sales promotions, the distribution of products and services of all kinds, and the provision of studies, surveys, opinion polls and consultancy services in the political, economic and social field;
- the development, preparation, organisation and implementation either on its own account or for third parties as agent or otherwise of all forms of advertising for all commercial products, including all space buying and selling enterprises;
- the carrying out of all types of consultancy activities which may constitute decision-making aids for enterprises, services or any other bodies;
- the identification, taking, acquisition and exploitation of all patents, licences, processes and goodwill relating to the above activities;
- the taking of interests and equity stakes in whatever form in all similar enterprises, including by exchanges of shares for assets, by the subscription or purchase of shares, bonds or other securities, by becoming active partner in limited partnerships, by forming new companies, mergers, or in any other way;
- the execution of all financial transactions associated with a stock market listing;
- and generally all civil, commercial, financial, industrial transactions, and all transactions in movable or real property, relating directly or indirectly to the object of the company or to all other similar or associated objects.

## **2.1.9 FINANCIAL YEAR (ARTICLE 27 OF THE BYLAWS)**

From 1 January to 31 December of each year.

## **2.1.10 GENERAL MEETINGS (ARTICLES 20 TO 23 OF THE BYLAWS)**

The conditions for the convening and deliberation of 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:

- for holders of registered shares: the registration of the shareholder's name in the books of the company;
- for holders of bearer shares: the submission, on the conditions stipulated in article 136 of the Decree No. 67-236 of 23 March 1967, of a certificate from the depository of the shares.

These formalities must be completed at least five days before the General Meeting.

## **2.1.11 APPROPRIATION AND DISTRIBUTION OF PROFITS**

At least five per cent of the net profit for the year less any losses carried forward is appropriated to constitute the statutory reserve. The appropriation is no longer obligatory once this reserve reaches one-tenth of the share capital.

The balance, net of any other sums to be transferred to reserves pursuant to the law or the Company's bylaws, plus any retained earnings, 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)**

The Extraordinary General Meeting of 31 May 1999 decided to institute a disclosure threshold of 2.5% of the total voting rights of the Company and multiples thereof, over and above an initial threshold of 5%. Shareholders must notify the Company whenever their share of voting rights passes one of these multiples, whether upwards or downwards. This requirement is in addition to the statutory disclosure thresholds of 5%, 10%, 20%, 33 1/3%, 50% and 66 2/3%.

### **• 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 (formerly article 263-1 of the Act of 24 July 1966), 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 31 May 1999 decided to institute double voting rights for shares registered in the name of the same shareholder for at least four years. This decision does not apply retrospectively to shares already registered in the name of a shareholder.

## **2.1.13 SHARE BUYBACKS**

### **1. OBJECTIVES OF THE SHARE BUYBACK PROGRAMME AND USE OF THE SHARES REPURCHASED**

The Ipsos group is a leading player in surveys and opinion polls, both in France and worldwide. Since its foundation in 1975, Ipsos has been one of the fastest-growing companies in its sector, especially on the international stage. The Group now operates in 24 countries and employs 3,300 permanent staff. In 2000, Ipsos generated consolidated turnover of 329.4 million € (FRF 2,160 million).

Ipsos today wishes to renew the option to trade in the Company's own shares, by asking the General Meeting to be held on 22 May 2001 for authority to cancel some or all of the shares that it already owns or may acquire in the future, up to a maximum of 10% of the Company's share capital.

Other things being equal, this transaction should lead to an improvement in the key ratios, including earnings per share, that underlie the valuation and market assessment of the shares. It should also enhance the efficiency of the market in Ipsos shares.

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

- to buy and sell shares depending on market conditions;
- to optimise the financial management of the Company by cancelling if necessary all or part of the shares bought;
- 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;
- to use shares as payment or to exchange them, in particular in connection with acquisitions.

Under the share buyback programme approved by the COB under certificate N° 00-660 of 28 April 2000, Ipsos has used its authorisations to regulate market prices to the extent of 2,815 shares between May 2000 and March 2001.

At 1 April 2001, the Company held 2,815 shares representing 0.05% of its share capital.

## **2. LEGAL FRAMEWORK**

The present share buyback programme, which is conditional upon the adoption of the Fourth Resolution by the Ordinary General Meeting of 22 May 2001 and the Fifth Resolution by the Extraordinary General Meeting of 22 May 2001, falls within the scope of the legal framework created by the Miscellaneous Economic and Financial Provisions Act No. 98-546 of 2 July 1998, and cancels and replaces the previous share buyback programme approved on 28 April 2000 by the Commission des Opérations de Bourse under No. 00-660.

The text of these resolutions is reproduced below:

### **a) Fourth Resolution (ordinary business):**

*"The General Meeting, having reviewed the report of the Board of Directors and the information shown in the Information Memorandum approved by the Commission des Opérations de Bourse, authorises the Board of Directors, in accordance with Article L 225-209 of the Code of Commerce, to buy Company's shares.*

*These shares may be acquired, sold or transferred by any means and at any time.*

*The maximum purchase price is set at 200 € per share, and the minimum selling price at 50 € per share.*

*In the event of transactions affecting the share capital, in particular issues of shares via capitalisation of reserves, allotments of bonus shares, stock splits or reverse stock splits, the prices shown above will be adjusted by applying the ratio of the number of shares in issue before the transaction to the number of shares in issue after the transaction.*

*The maximum percentage of the share capital that can be bought shall not at any time exceed 10% of the share capital in issue as at the date of the present General Meeting.*

*This gives a maximum of 618,521 shares as of the date of this Meeting, subject to adjustment in the event of transactions affecting the share capital. The maximum amount of funds that the company may spend on buying back its own shares is 123,704,200 €.*

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

- to buy and sell shares depending on market conditions;
- to optimise the financial management of the company by cancelling if necessary all or part of the shares bought;
- to grant share 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;
- to use shares as payment or to exchange them, in particular in connection with acquisitions.

*Shares acquired in this way may be retained, sold or transferred. They may also be cancelled on the terms contained in the authority granted by the Fifth Extraordinary Resolution of the present General Meeting.*

*This authorisation cancels with immediate effect and, to the extent not used, the authorisation given by the Ordinary General Meeting of 24 May 2000 in its Fourth Resolution.*

*This authorisation will expire at the end of the General Meeting called to examine the accounts for the year ending 31 December 2001.*

*Full powers are conferred upon the Board of Directors, which may delegate such powers, to implement the present authorisation."*

### **b) Fifth Resolution (extraordinary business):**

*The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the reports of the Board of Directors and of the auditors, and voting in accordance with the provisions of Article L 225-209 of the Code of Commerce (formerly Article 217-2 of the Act of 24 July 1966 on commercial companies) authorises the Board of Directors, with power to delegate, to:*

- a) cancel on one or more occasions shares acquired as a result of using the authority granted by the Fourth Resolution of the Ordinary General Meeting held this day or any other resolution that may be substituted for it up to a maximum of 10% of the share capital in issue as at the time of the present General Meeting, per 24-month period and to reduce the share capital accordingly, the difference between the repurchase value and the par value of the cancelled shares to be offset against share premium and available reserves;*

b) amend the bylaws accordingly and complete all necessary formalities.

This authorisation will expire at the end of the General Meeting called to examine the accounts for the year ending 31 December 2001."

### **3. TERMS**

#### **a) Maximum percentage of share capital that may be bought back and maximum amount payable by Ipsos**

A maximum of 10% of the share capital of Ipsos as at the date of the Combined General Meeting of the shareholders (22 May 2001), i.e. a maximum of 618,521 shares, may be bought back. Given the number of own shares held by the Company at 1 April 2001, the maximum amount allowed for execution of this programme will be 123,141,200 €. The Company undertakes never to hold more than 10% of its share capital, either directly or indirectly. If all the shares were to be acquired at the maximum price authorised by the meeting, i.e. 200 €, the maximum amount of funds used by Ipsos on share buybacks would be 123,704,200 €.

#### **b) Terms of share buybacks**

Buybacks will be carried out in compliance with legal and regulatory provisions, in particular the rules relating to trading by companies in their own shares contained in articles 6, 7 and 8 of Commission des Opérations de Bourse Regulation 98-03, article 3 of Commission des Opérations de Bourse Regulation 89-03, and article 5.2.12 of the Conseil des Marchés Financiers General Regulation. The shares may be acquired on the stock market or via block trades. The entire programme may be carried out through block trades.

#### **c) Duration and timing of share buyback programme**

Subject to approval by the Combined General Meeting of the shareholders of Ipsos on 22 May 2001, the share buyback programme will remain valid until the end of the General Meeting called to examine the accounts for the financial year ending 31 December 2001, and at the latest on 22 November 2002.

#### **d) Financing of the share buyback programme**

The share buyback programme will be financed out of Ipsos' own resources, with any additional funding provided by the raising of debt.

e) **The Company's reserves** other than the statutory reserve (which will amount to 164.8 millions € after the proposed appropriation of the profit for 2000) are higher than the amount of the share buyback programme, in accordance with the provisions of Article L 225-210 of the Code of Commerce.

### **4. IMPACT OF THE PROGRAMME ON THE FINANCIAL POSITION OF IPSOS**

The calculations relating to the impact of the programme on the accounts have been made on the hypothetical basis of 1% of the capital, namely 61,852 shares.

The other assumptions used were:

- calculation on the basis of a full year;
- financial expenses estimated using a rate of 5%;
- purchase price of 97 € per share, i.e. the average closing price for the period from 1 January 2001 to 31 March 2001;
- a 37% tax rate.

On this basis, the impact of the share buyback programme on the consolidated accounts for 2000 would be as follows:

|   | Before buyback | Pro-forma after buyback at € 97 of<br>1% of the share capital |                                     |
|---|----------------|---|-------------------------------------|
|   |                | Before cancellation<br>of the shares                          | After cancellation<br>of the shares |
| Shareholders' equity attributable to the Group<br>(in FRF thousands)* | 1,139,847      | 1,138,607   | 1,099,252                           |
| Total shareholders' equity (in FRF thousands)                         | 1,159,593      | 1,158,353   | 1,118,998                           |
| Net debt (in FRF thousands)   | (78,712)       | (39,357)  | (39,357)                            |
| Number of shares  | 6,185,213      | 6,185,213   | 6,123,361                           |
| Net debt/total shareholders' equity                                   | (6.8%)         | (3.4%)  | (3.5%)                              |
| Net profit attributable to the Group<br>(in FRF thousands)            | 39 185         | 37,945  | 37,945                              |
| Earnings per share (in FRF)   | 6.34 FRF       | 6.13 FRF  | 6.20 FRF                            |
| Impact in % on EPS  | -              | (3.3%)  | (2.2%)                              |

\* including net profit

## **E. TAX REGIMES APPLICABLE TO SHARE BUYBACKS**

### ***a) For the purchaser***

The purchase by Ipsos of its own shares with a view to their cancellation has no impact on its taxable results. In particular, any increase in the value of the shares that may occur between the date of purchase and their cancellation will not result in a capital gain for tax purposes. Furthermore, this transaction does not result in the French equalisation tax (*précompte mobilier*) becoming payable.

The purchase by Ipsos of its own shares without subsequent cancellation would have an impact on its taxable results if the shares were subsequently to be sold or transferred at a different price to the purchase price.

### ***b) For the vendor***

The tax regime for capital gains applies to all share buyback transactions whatever the purpose for which the procedure is carried out, with the exception of the buyback of shares with a view to their cancellation made as part of a public share buyback offer (OPRA).

Under the Ipsos' buyback programme, gains realised by legal persons are subject to the regime of professional capital-gains (article 39 duodécies of the General Tax Code).

Gains realised by natural persons fall under the regime provided for by article 150-A of the General Tax Code. Under this regime, capital gains are only taxable if the aggregate annual amount of disposals made by the shareholder selling the Ipsos shares exceeds FRF 50,000 (7,622.45 €). They are then taxed at a 16% rate (26% including social levies).

## **F. OWNERSHIP OF SHARE CAPITAL AND VOTING RIGHTS IN IPSOS**

At 1 April 2001, the share capital of Ipsos was represented by 6,185,213 shares of 1 € par value.

To the best of the Company's knowledge, ownership of capital and voting rights at that date was as follows:

| <b>Shareholders</b>      | <b>Number of shares</b> | <b>% of capital</b> | <b>Number of voting rights</b> | <b>% of voting rights</b> |
|--------------------------|-------------------------|---------------------|--------------------------------|---------------------------|
| LT Participations (1)    | 2,594,086               | 41.94%              | 4,697,586                      | 56.40%                    |
| Employees (2)            | 52,932                  | 0.86%               | 53,332                         | 0.64%                     |
| SG Capital Développement | 97,400                  | 1.57%               | 139,500                        | 1.67%                     |
| The Company              | 2,815                   | 0.05%               | -                              | -                         |
| Public                   | 3,437,980               | 55.58%              | 3,438,280                      | 41.28%                    |
| <b>TOTAL</b>             | <b>6,185,213</b>        | <b>100.00</b>       | <b>8,328,698</b>               | <b>100.00</b>             |

(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 Azéo group (19.02% of the capital), the Société Générale group (6.84% of the capital), the FCPR Sogetcap Développement fund (2.42% of the capital), while 0.25% of the capital is held by the Company itself.

(2) When new shares were issued and under the employee savings scheme, three tranches were reserved for employees, of whom 16% (at 1 April 2001) became shareholders.

Certain managers of the Latin American and North American subsidiaries, and the executive manager of the German subsidiary, acquired Ipsos shares directly at the flotation price. Contrary to previous years, only registered shares are shown on the line "employees" in the above table.

There are no agreements between shareholders. To the best of the Company's knowledge, no member of the public holds more than 5% of the share capital or voting rights.

## **G. INTENTION OF THE MAIN SHAREHOLDERS**

LT Participations retains complete freedom, depending on the circumstances, to sell Ipsos shares during the period of validity of the present programme.

## **H. POTENTIAL CAPITAL**

At 1 April 2001, the share capital was 6,185,213 €. If all warrants and options were to be exercised, the maximum potential dilution would be 11.23% (694,532 new shares of which 470,015 in respect of share subscription warrants issued on 21 June 2000 and 224,517 in respect of subscription options granted to employees and corporate officers).

### **2.1.14 DISPOSAL OF SHARES**

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

### **2.1.15 PLEDGING OF ASSETS**

The assets of the company are not pledged.

## 2.2 INFORMATION ON THE SHARE CAPITAL

### 2.2.1 SHARE CAPITAL

#### **At the start of the financial year**

At 1 January 2000, the share capital was FRF 26,173,400, made up of 5,234,680 shares with a par value of FRF 5 each, fully paid up, and all of the same class.

#### **Increase in the share capital by the issue of shares with warrants (ABSAs) in 2000**

As authorised by the General Meeting of 24 May 2000, the Board of Directors launched an increase in the share capital on 6 June 2000 through an issue of shares with warrants (ABSAs) for an amount of 100 millions €.

The funds raised have been used by the Group to finance development of its product offering and in particular new skills such as those relating to the Internet, and to continue its external growth strategy.

The initially planned amount of 99,999,900 € was increased to 109,999,890 € represented by 940,170 shares with warrants to meet additional demand during the placing period. Holders of two share warrants will be able to subscribe to one new Ipsos share at an exercise price of 140 €.

LT Participations, a holding company owned by the co-Chairmen of Ipsos, Jean-Marc Lech and Didier Truchot, financiers and executives, subscribed to the issue in proportion to its holding in the Company.

As well as LT Participations, a large number of Ipsos shareholders participated in the offer, 58% subscribing during the priority period.

#### **Reserved share issue**

In June 2000, 10,293 new shares were issued to employees under the reserved issue described in paragraph 2.2.5 below.

#### **Exercise of share warrants**

During 2000, 70 new shares were issued subsequent to the exercise of 140 share warrants as described in paragraph 2.2.6 below. The Board of Directors formally noted this increase in share capital at its meeting of 28 March 2001.

#### **At the financial year end**

At 31 December 2000, the share capital was FRF 30,926,065, made up of 6,185,213 shares with a par value of FRF 5 each, fully paid up, and all of the same class.

#### **Conversion of the share capital to euros**

At its meeting of 28 March 2001, the Board of Directors decided, as authorised by the Fourth Resolution of the Extraordinary General Meeting of 24 May 2000, to convert the par value of each of the 6,185,213 shares representing the share capital to one euro (€1), and, in consequence, to set the new share capital at 6,185,213 €.

## 2.2.2 MOVEMENTS IN SHARE CAPITAL OVER THE PAST FIVE YEARS

| Date                                  | Transaction   | Par value | Gross share premium | Cumulative par value            | Cumulative number of shares |
|---------------------------------------|---|-----------|---------------------|---------------------------------|-----------------------------|
| Balance as at 31/12/95                |   | FRF 500   |                     | FRF 14,882,500                  | 29,765                      |
| General Meeting                       | Issue of 1,611 shares   | FRF 500   | FRF 13,864,500      | FRF 15,688,000                  | 31,376                      |
| 15/05/97                              | Issue of 110 shares in exchange for convertible bonds (1)   | FRF 500   | FRF 793,503.70      | FRF 15,743,000                  | 31,486                      |
| General Meeting of 23/01/98           | Issue of 8,124 shares   | FRF 500   | FRF 75,926,904      | FRF 19,805,000                  | 39,610                      |
| General Meeting of 28/07/98           | 50-for-1 stock split  | FRF 10    |                     | FRF 19,805,000                  | 1,980,500                   |
| 31/05/99                              | Issue of 193,400 shares in exchange for convertible bonds (2)   | FRF 10    | FRF 18,063,560      | FRF 21,739,000                  | 2,173,900                   |
| 31/05/99                              | Issue of 49,900 shares in exchange for convertible bonds (2)  | FRF 10    | FRF 9,327,308       | FRF 22,238,000                  | 2,223,800                   |
| General Meeting of 31/05/99           | 2-for-1 stock split   | FRF 5     |                     | FRF 22,238,000                  | 4,447,600                   |
| 30/06/99                              | Cash issue of shares reserved for employees (first tranche)   | FRF 5     | FRF 8,384,152       | FRF 22,468,400                  | 4,493,680                   |
| IPO 1/07/99                           | Cash issue of shares  | FRF 5     | FRF 159,126,486     | FRF 26,173,400                  | 5,234,680                   |
| Issue of shares with warrants 6/06/00 | Cash issue of shares  | FRF 5     | FRF 716,851,129     | FRF 30,874,250                  | 6,174,850                   |
| Board Meeting 9/06/00                 | Cash issue of shares reserved for employees (second tranche)  | FRF 5     | FRF 5,737,135       | FRF 30,920,655                  | 6,184,131                   |
| Board Meeting 9/06/00                 | Cash issue of shares reserved for employees (third tranche)   | FRF 5     | FRF 658,768         | FRF 30,925,715                  | 6,185,143                   |
| 31/12/00                              | Exercise of 140 share warrants during 2000 resulting in the issue of 70 new shares                                  | FRF 5     | FRF 63,933          | FRF 30,926,065                  | 6,185,213                   |
| 28/03/01                              | Conversion of the capital into € and increase in the capital by partial capitalisation of the share premium account | € 1       | (FRF 9,646,272)     | € 6,185,213<br>(FRF 40,572,337) | 6,185,213                   |

(1) On 30 June 1995, the company issued 266 bonds convertible into shares at the rate of one share per bond, maturing March 1997. By the end of the conversion period, 156 bonds had been repaid.

(2) 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 best of the company's knowledge, ownership of capital and voting rights as at 1 April 2001 was as follows:

| Shareholders             | Number of shares | % of capital  | Number of voting rights | % of voting rights |
|--------------------------|------------------|---------------|-------------------------|--------------------|
| LT Participations (1)    | 2,594,086        | 41.94         | 4,697,586               | 56.40              |
| Employees (2)            | 52,932           | 0.86          | 53,332                  | 0.64               |
| SG Capital Développement | 97,400           | 1.57          | 139,500                 | 1.67               |
| The Company              | 2,815            | 0.05          | -                       | -                  |
| Public                   | 3,437,980        | 55.58         | 3,438,280               | 41.28              |
| <b>Total</b>             | <b>6,185,213</b> | <b>100.00</b> | <b>8,328,698</b>        | <b>100.00</b>      |

(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 Azéo group (19.02% of the capital), the Société Générale group (6.84% of the capital), the FCPR Sogetecap Développement fund (2.42% of the capital), while 0.25% of the capital is held by the company.

(2) At the time of the issues of new shares and under the employee savings scheme, three tranches were reserved for employees, of whom 16% (as at 1 April 2001) became shareholders (see paragraph 2.2.5 below).

Certain managers of the Latin American and North American subsidiaries, and the executive manager of the German subsidiary, acquired Ipsos shares directly at the flotation price. Contrary to previous years, only registered shares are shown on the line "employees" in the above table.

None of the Company's shares are held by companies that it controls directly or indirectly. At 1 April 2001, the Company held 2,815 of its own shares in connection with regulating share prices.

To the best of the Company's knowledge, no member of the public holds more than 5% of the share capital or voting rights and there has been no material change in the shareholding during 2000 nor in the first quarter of 2001.

#### **2.2.4 CAPITAL AUTHORISED BUT NOT ISSUED**

The Extraordinary General Meeting of 24 May 2000 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 FRF 10,000,000 (€1,524,490), with or without preferential subscription rights, by the issue of all types of transferable securities, including share warrants giving immediate or future access to an interest in the share capital. This authorisation was used for an amount of FRF 7,051,275 during 2000, on the occasion of the issue of the shares with warrants described in paragraph 2.2.1 above.

Furthermore, the Extraordinary General Meeting of 24 May 2000 authorised the Board of Directors to increase the share capital by capitalisation of reserves, profits, share premiums or any other item able to be capitalised, up to a maximum of FRF 10,000,000 (€1,524,490). This authorisation has not been used during 2000. An amount of FRF 9,646,272 of share premium was capitalised when the share capital was converted to € following the decision of the Board of Directors on 28 March 2001.

Lastly, the Extraordinary General Meeting of 24 May 2000 authorised the Board of Directors to issue transferable debt securities giving access to the share capital for an amount not to exceed €200,000,000.

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

The renewal of these authorisations, proposed to the General Meeting of 22 May 2001, will cancel the authorisations described above, to the extent not used.

#### **2.2.5 SHARE ISSUE RESERVED FOR EMPLOYEES OF THE IPSOS GROUP**

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, with cancellation of preferential subscription rights, by issuing shares reserved for employees of the Company or of related companies as defined in article L 225-80 of the Code of Commerce (formerly article 208-4 of the Act of 24 July 1966) who are members of the Group Employee Savings Plan, either indirectly through investment funds or directly as shareholders in the case of employees of foreign subsidiaries, in accordance with article L 225-138 of the Code of Commerce (formerly article 186-3 of the Act of 24 July 1966) and article L 443-5 of the Labour Code, up to a maximum of 5% of the share capital at the date of the decision by the Board of Directors.

##### **First tranche issued in 1999**

The Board of Directors decided at its meeting of 21 June 1999 to issue a first tranche of new shares reserved for employees; as a result 46,080 new shares were issued at a subscription price of € 28.50 (FRF 186.90) 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 (two tranches, each with a different subscription price, have been defined to enable American employees not to be penalised by tax rules):

- the second tranche, subscribed to by non-Americans employed by the Group at 1 January 2000 resulted in the issue of 9,281 new shares at the subscription price of € 95 (FRF 623.20) per share;
- the third tranche, subscribed to by American nationals employed by the Group at 1 January 2000 resulted in the issue of 1,012 new shares at the subscription price of € 100 (FRF 656.00) per share.

The various schemes for the issue of new shares reserved for employees have allowed one third of the Group's employees (at 1 August 2000, i.e. 16% at 1 April 2001) to become shareholders.

The General Meeting to be held on 22 May 2001 will again be asked to authorise the Board of Directors to effect issues of new shares reserved for employees.

#### **2.2.6 POTENTIAL CAPITAL**

##### **First share option plan**

The Extraordinary General Meeting held on 28 July 1998 authorised the Board of Directors, under Articles L 227-177 et seq. of the Code of Commerce (formerly articles 208-1 et seq. of the Act of 24 July 1966), to grant options to subscribe to 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 first plan to grant options to Group employees has been carried out as follows:

- an initial tranche of 97,662 options (after the 50-for-1 stock split approved by the EGM of 28 July 1998 and the 2-for-1 stock split approved by the EGM 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 EGM 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 | Options exercisable on or after | Quantity allotted (*) | Exercise price 1 option per share | Options exercised | Quantity still outstanding at 1 April 2000 (**) | Last exercise date |
|-----------------------|---------------------------------|-----------------------|-----------------------------------|-------------------|---|--------------------|
| 28/07/98              | 20/07/03                        | 97,662                | 135 FRF                           | 0                 | 74,076  | 28/07/08           |
| 10/05/99              | 10/05/04                        | 98,240                | 150 FRF                           | 0                 | 76,702  | 28/07/08           |
| <b>TOTAL</b>          |                                 | <b>195,898</b>        |                                   | <b>0</b>          | <b>150,778</b>                                  |                    |

(\*) After 50-for-1 stock split (EGM of 28 July 1998) and 2-for-1 stock split (EGM of 31 May 1999)

(\*\*) Of which options held by permanent members of the Management Board at 1 April 2001: 38,760 (1998: 20,428, 1999: 18,332)

## Second share option plan

The General Meeting held on 24 May 2000 authorised the Board of Directors (with the option to sub-delegate authority to the Chairman), as provided for by articles L 225-177 et seq. of the Code of Commerce (formerly articles 208-1 et seq. of the Act of 24 July 1966), to grant options to subscribe to 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 to the corporate officers and to some or all of the employees of Ipsos S.A. and of related companies as defined in article L 225-180 of the Code of Commerce (formerly articles 208-4 of the Act of 24 July 1966).

The Board of Directors may use this authorisation until 24 May 2005. The authority may be used on one or more occasions, and in full or partially.

The total number of options to subscribe to shares that can be granted is 314,080, being 6% of the shares comprising the company's share capital as at the date of the meeting.

The General Meeting delegated to the Board of Directors (with the option of sub-delegation under the terms laid down by law), subject to the limits described above, the necessary powers to implement the share option plan, and in particular to:

- set, under the terms laid down by law, the dates on which the options will be granted;
- set the subscription price and purchase price within the limits and using the methods laid down by law;
- decide on the dates of each allotment, set the terms under which the options will be granted, draw up lists of grantees, and decide on the number of shares that each will be able to subscribe to or acquire;
- set the terms for the exercise of the options, which may be temporarily suspended;
- decide the conditions under which the price and the number of shares will be adjusted;
- complete all acts and formalities, in particular relating to the capital increases that may be carried out, amend the bylaws and do all that is necessary.

The plan adopted by the 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 carried out as follows:

A first tranche of 75,000 options, broken down into three sub-tranches with different periods for exercising options in order to take account of the specific aspects of the various taxation regulations, has been granted following a decision of the Board of Directors on 9 June 2000.

| Date of Board meeting | Options exercisable on or after | Quantity allotted (*) | Exercise price 1 option per share | Options exercised | Quantity still outstanding at 1 April 2000 (*) | Last exercise date |
|-----------------------|---------------------------------|-----------------------|-----------------------------------|-------------------|--|--------------------|
| 9/06/00               | 9/06/05                         | 27,609                | 787.15 FRF                        | 0                 | 27,089   | 9/06/08            |
| 9/06/00               | 9/06/03                         | 11,594                | 787.15 FRF                        | 0                 | 11,594   | 9/06/07            |
| 9/06/00               | 9/06/03                         | 35,797                | 787.15 FRF                        | 0                 | 34,656   | 9/06/08            |
| <b>TOTAL</b>          |                                 | <b>75,000</b>         | <b>787.15 FRF</b>                 | <b>0</b>          | <b>73,739</b>                                  |                    |

(\*) Of which options held by permanent members of the Management Board at 1 April 2001: 12,016.

## Share warrants

Under the capital increase by issue of share with warrants in June 2000 940,170 share warrants (BSAs) were issued. Holders of two share warrants may subscribe to one new Ipsos share at an exercise price of 140 €.

Holders of share warrants may subscribe to Ipsos shares with no statutory reference to the par value to be issued, at any time from 21 June 2000 to 21 June 2003 inclusive. Any share warrants not exercised by 21 June 2003 at the latest will become null and void and will lose their entire value.

The share warrants have been listed since 21 June 2000 on the Nouveau Marché of Euronext Paris (formerly ParisBourse SA), separately from the Ipsos shares, under Euroclear France (SICOVAM) code 24817.

Any new shares issued as a consequence of the exercise of the share warrants qualify for dividends as from the first day of the financial year in which the share warrants are exercised.

|                     | Number<br>of share warrants<br>not exercised | Number<br>of corresponding<br>potential shares |
|---------------------|--|--|
| At 21 June 2000     | 940,170                                      | 470,085  |
| At 31 December 2000 | 940,030                                      | 470,015  |

### Maximum potential dilution

At 1 April 2001, the share capital was 6,185,213 €. If all the warrants and options described above were to be exercised, the maximum potential dilution would be 11.23% (694,532 new shares).

### Subscription options

| Type of transaction  | ①          | ①          | ①         |   |          |
|--|------------|------------|-----------|---|----------|
| Date of the General Meeting authorising the transaction  | 28/07/98   | 28/07/98   | 24/05/00  |   |          |
| Date of the Board Meeting deciding or starting the transaction   | 28/07/98   | 10/05/99   | 09/06/00  |   |          |
| Initial number of shares that may be subscribed to   | 97,662     | 98,240     | 27,609    | 11,594  | 35,797   |
| Number of grantees   | 57         | 83         | 489       | 263   | 644      |
| Number of corporate officers concerned (members of the Management Board at 1 April 2001)                     | 6          | 7          | 8         |   |          |
| Number of shares to which corporate officers may subscribe (members of the Management Board at 1 April 2001) | 20,428     | 18,332     | 12,016    |   |          |
| Options or warrants exercisable on or after  | 28/07/03 ② | 10/05/04 ② | 09/06/05  | 09/06/03  | 09/06/03 |
| Expiry date  | 28/07/08   | 28/07/08   | 09/06/08  | 09/06/07  | 09/06/08 |
| Subscription price in French francs  | 135        | 150        | 787.15    |   |          |
| Subscription price in €  | 20.58      | 22.87      | 120       |   |          |
| Method of exercise   | 1 tranche  | 1 tranche  | 1 tranche | 1/3 from 09/06/03<br>1/3 from 09/06/04<br>1/3 from 09/06/05 |          |
| Number of shares subscribed to or bought at 1 April 2001   | 0          | 0          | 0         | 0   | 0        |
| Total number of shares that may be subscribed to at 1 April 2001   | 74.076     | 76.702     | 27.089    | 11.594  | 34.656   |

① Grant of options to subscribe to shares to Group employees and corporate officers.

② Employees leaving the Group after the third anniversary of the grant of option may, in some cases, exercise these options.

### Share warrants

These share warrants were issued as part of the issue of shares with warrants (ABSAs) in June 2000 and are listed on the Nouveau Marché of Euronext Paris under SICOVAM code 24817.

- General Meeting that decided to carry out the transaction: 24 May 2000
- Number of share warrants (BSAs) issued: 940,170
- Exercise ratio of the share warrants: two share warrants enable holders 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 2001: 470,015

### 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 SHAREHOLDERS' AGREEMENTS

There are no agreements between shareholders.

### 2.2.10 UNDERTAKING TO RETAIN SHARES

Since 1 July 2000 there has been no undertaking to retain shares.

### 2.2.11 DIVIDENDS AND DISTRIBUTION POLICY

The Company intends to follow a consistent distribution policy favourable to shareholders, paying out approximately 26% of consolidated net profit, provided that this is consistent with the Company's interests.

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

Ipsos has distributed the following dividends in respect of the last 5 financial years:

| Year      | Net dividend per share (*) |       | Tax credit per share (*) |       | Gross revenue per share (*) |       |
|-----------|----------------------------|-------|--------------------------|-------|-----------------------------|-------|
|           | FRF                        | €     | FRF                      | €     | FRF                         | €     |
| 2000 (**) | 1.65                       | 0.25  | 0.82                     | 0.13  | 2.47                        | 0.38  |
| 1999      | 1.50                       | 0.23  | 0.75                     | 0.11  | 2.25                        | 0.34  |
| 1998      | None                       |       |                          |       |                             |       |
| 1997      | None                       |       |                          |       |                             |       |
| 1996 (*)  | 134                        | 20.42 | 67                       | 10.21 | 201                         | 30.64 |

(\*) the amount for 1996 is before the 50-for-1 stock split (EGM of 28 July 1998) and the 2-for-1 stock split (EGM of 31 May 1999)

(\*\*) distribution to be proposed to the General Meeting of 22 May 2001; proposed date of payment: 6 July 2001

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

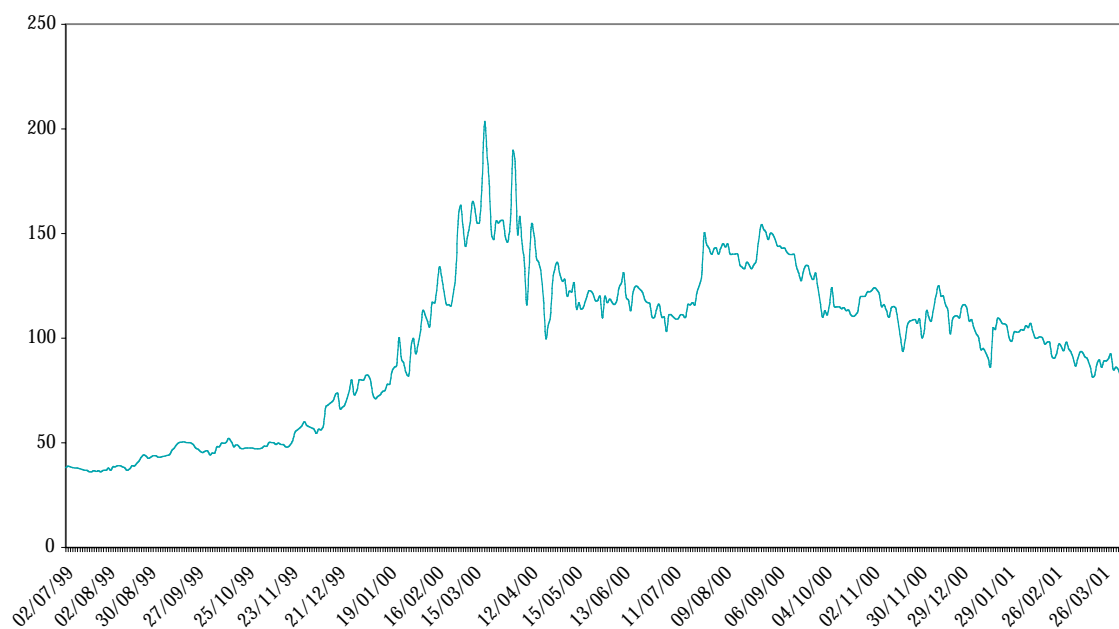
## 2.2.12 MAIN STOCK EXCHANGE DATA

The Company's shares have been listed since 1 July 1999 on the Nouveau Marché of Euronext Paris (formerly ParisBourse SA), Euroclear France (SICOVAM) code 7329.

Share price and share volume movements from the first quotation on the 1 July 1999.

|                | Highest<br>in € | Lowest<br>in € | Average price<br>weighted by<br>volume<br>in € | Volume<br>in shares | Volume<br>in millions<br>of € |
|----------------|-----------------|----------------|--|---------------------|-------------------------------|
| 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                          |

### Price of the Ipsos share on the Nouveau Marché, in euros



## INFORMATION CONCERNING IPSOS' BUSINESS

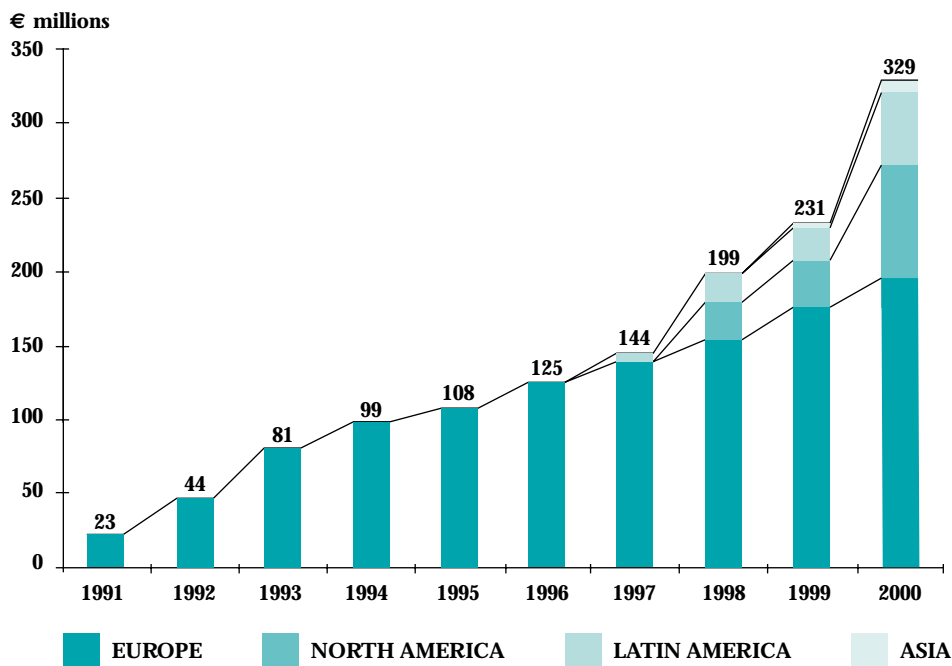
### 3.1 GENERAL PRESENTATION

Ipsos is a market research company which produces, interprets and distributes information gathered through surveys from individuals about their opinions, attitudes, behaviours, wishes and intentions.

Because the individuals concerned are citizens as well as clients, consumers or employees, Ipsos organises its activity into five specialist areas, namely advertising research, marketing research, media research, public opinion and social research, and customer satisfaction research.

Ipsos is the leading independent French company in its field and in 2000 60% of its business was in Europe. The Group has strong positions in North America, Latin America, the Middle East and is also present in the Asia-Pacific region. According to the most recent Esomar ranking, in 1999 it was ranked 10th in the world.

With an effective presence in 24 countries through specialist subsidiaries, Ipsos carries out research for its major clients in more than 100 countries. The Group's turnover has increased more than eighteen fold since 1990, which saw the start of its international expansion, giving an annual average growth of 36.6%.



Since the beginning of the decade, internal expansion has regularly been above 10%, giving an average rate of growth above that of the world market (+10% p.a. since 1990; Cf. section "3.3.1. The global research market").

|                    | Total growth<br>in turnover | Internal<br>expansion (*) |
|--------------------|-----------------------------|---------------------------|
| 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 %                  |
| <b>1999 - 2000</b> | <b>+ 42.8%</b>              | <b>+ 13.0 %</b>           |

(\*) like for like growth in turnover (consolidation and exchange rates)

### 3.1.1 HISTORY

#### ***1975 - 1981: Ipsos has been different from the very beginning***

Ipsos was founded in 1975 by Didier Truchot whose aim was to bring a new approach to the research industry in France, which at the time was dominated by SOFRES and IFOP. He offered clients not only quality information, but also added value by showing them the operational significance of the information.

The young company differentiated itself by launching two innovations on the French market:

- standardised evaluation instruments for advertising research, for each medium,
- a means of measuring the readership of the business press, whose cost is syndicated or shared among a large number of French publications.

Ipsos quickly became one of the most influential research companies and in 1981 it achieved turnover of FRF 5 million.

#### ***1982 - 1989: success in France***

The 1980s saw the Group's first period of strong growth. The beginning of the decade saw the arrival of Jean-Marc Lech, formerly chairman of IFOP, who became co-chairman with Didier Truchot.

In the 1980s France was the setting for a massive explosion in communications, under the influence of several factors:

- a remarkable buoyancy in the world of advertising,
- the development of the business press (economic and trade press),
- alternating governments, which increased politicians' need to communicate 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 a reputation for excellence, notably in:

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

At the end of 1989, Ipsos achieved turnover of FRF 100 million and was 5th 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 all the European countries, first of all in southern Europe and then in Germany, the United Kingdom and central Europe.

This expansion was achieved through acquisitions, with the group using clear criteria to select its targets:

- the company had to be ready to transfer all of its capital, as Ipsos' objective was to set up a truly integrated group;
- the target company had to be a major player in its market (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 research and public opinion and social research.

Ipsos' expansion into the rest of Europe did not interrupt the Group's expansion in France, where in 1993 it acquired the leading qualitative research company, Insight, now Ipsos-Insight Marketing. The French activity was also strengthened through its own internal growth. Ipsos also took its first steps outside Europe, opening subsidiaries in the United States and Latin America.

This rapid development, which had been achieved through acquisitions and internal expansion, 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, together with the Amstar fund (Mr. Walter Butler).

By the end of 1997, Ipsos had become a European player with turnover of FRF 946 million. However, the Group had to continue its international expansion, as its clients were continually extending their geographical cover 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, which consisted of 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 Bourse, the acquisition of the minority interests was also anticipated. Ipsos now holds 100% of the capital of these companies (except for the minority interests representing 18% of the Metrica 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 cover and strengthened its position in advertising research, in which Ipsos is now one of the leading players worldwide.

### ***1999: flotation***

Ipsos was listed on the Bourse in 1999, thereby acquiring access to the resources it needed to pursue and accelerate its expansion abroad (especially through acquisitions) while preserving its independence. The operation strengthened its position vis-à-vis its major international clients in relation to its major rivals which were already listed.

Its flotation on the Nouveau Marché of the Paris Bourse was carried out under excellent conditions on 1 July 1999. In total, 2,539,533 Ipsos shares were placed at a price of 33.5 €, within the framework of a Fixed Price Offer and a Guaranteed Placing. The offer was over-subscribed 12.6 times.

1999 saw a certain number of major initiatives:

- the launch of a new generation of advertising research products (Ipsos-ASI Next\*TV);
- an agreement on Internet audience research represented by Ipsos' participation in the MMXI Europe joint-venture;
- Ipsos' acquisition of NFO Worldwide's shares in the four subsidiaries specialising in the development of access panels in Europe. The subsidiaries were formerly controlled equally by the two partners;
- the Company pursued its international development by setting up bases for operations in Asia-Pacific, with the opening of an office in Hong Kong and the acquisition of the Australian company Marketing for Change (now Ipsos-MfC).

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

- Ipsos significantly strengthened its positions in North America in 2000.

#### ***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.

Founded by Dr. Angus Reid in 1979, Ipsos-Reid Corp. has an international reputation and is the market leader in its field. It offers a complete range of marketing research and public opinion studies to companies in the public and private sectors. It operates in more than 80 countries, in 40 different languages, and has more than 1,200 clients worldwide. It employs 300 people and 800 researchers in 6 offices in Canada (Montreal, Ottawa, Toronto, Winnipeg, Calgary and Vancouver), 4 offices in the United States (New York, Minneapolis, Saint-Louis and San Francisco) and in London.

Ipsos-Reid Corp. was one of the first companies in North America to develop international research tools, particularly by setting up the Global Products Group within its own organisation. Now it has established numerous links worldwide and is working in partnership with global media organisations such as The Economist and CNN.

In consequence, the Ipsos group's activities in public opinion and social research are now coordinated under a new international brand, **Ipsos-Reid**.

#### ***The 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 consists in tracking the effect of advertising campaigns on sales and on brand equity. Now known as Ipsos-ASI Ltd, the company has been integrated with Ipsos-ASI the Advertising Research Company, which provides a vehicle for Ipsos' expertise in advertising research at an international level.

With the acquisition of the NPD Marketing research division, which was completed at the beginning of 2001, Ipsos has become one of the 10 leading players in the North American research market. The Group now offers a balanced range of services including advertising research, marketing research and public opinion. This multi-disciplinary base is a major strength in the development of Ipsos' relations with its principal multinational clients.

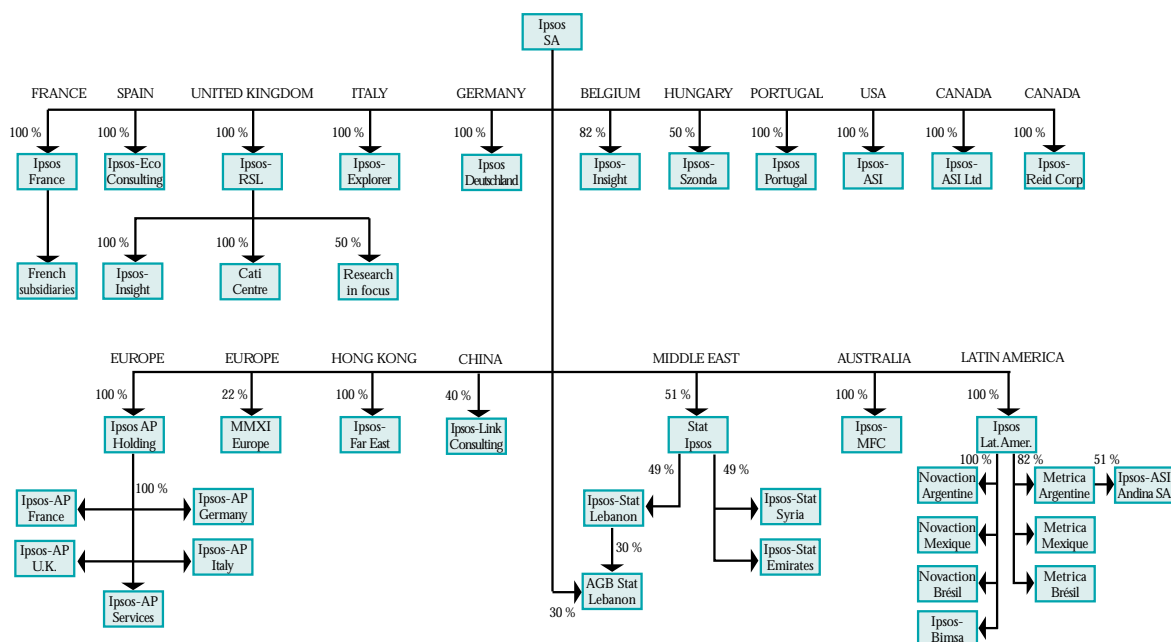
- The rise of the Ipsos group in Latin America in 2000 can be seen in the acquisition of BIMSA, the Mexican market leader and in its increased share in the capital of Novaction SA de CV, also in Mexico. Negotiations, begun in 2000 and completed at the beginning of 2001, with Search Marketing in Chile, Mora y Araujo in Argentina and Marplan in Brazil will allow the group to enhance its presence significantly in the region from 2001 (when the companies will be integrated), especially in Media, Opinion and Marketing. Ipsos is now the leading survey research company in Latin America.
- In Asia, the Group has acquired a 40% stake in Link Survey in China (now the joint venture Ipsos-Link) and increased its share in the Lebanese subsidiary Stat, whose business is growing fast in media and advertising. Through this subsidiary, Ipsos is now developing an integrated network covering the whole of the Middle East, where markets have high potential for growth. Apart from the Lebanon, Ipsos now offers services in Syria, Jordan, the United Arab Emirates (Dubai) and Kuwait.
- In Europe, the Group's strategy of selective expansion can be seen in its acquisition of Research in Focus in the United Kingdom. It acquired 50% of the capital in 2000 and will acquire the other half in 2003. Focus, which has both qualitative and quantitative expertise, carries out ad hoc research and modelling with high added value advice, as an area of special expertise. It also has a wide experience of international research which accounts for 90% of its activity, mainly in Europe, North and Latin America, Japan, and the main emerging countries.
- Internet related activity has been clearly identified as a priority growth area for Ipsos. In consequence the group acquired 100% of the capital of the French company Médiangles in 2000. It entered into an agreement with Media Metrix to extend to markets in Latin America the joint offer to carry out Internet audience research put forward by the two groups.

### 3.1.2 GROUP ORGANISATION

#### 3.1.2.1 Simplified Group organisation chart

Ipsos now has subsidiaries in 24 countries. They operate either within a specific geographical area or have specific competence in one of the Group's five areas of specialisation.

#### Simplified Group organisation chart at 31 December 2000:



### **3.1.2.2 Operational organisation**

#### **Dynamic and efficient business-lines organisation**

As the research market is very segmented, Ipsos has chosen to develop its expertise in five specialist areas corresponding to different research typologies:

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

In each of these specialist areas, Ipsos has organised its activity into business lines with world brands, integrated organisation and dedicated teams.

1/ Ipsos-ASI The Advertising Research Company is an integrated organisation which provides the Group services in advertising research, especially copy testing and brand tracking, worldwide.

2/ Ipsos-Insight The Worldwide Qualitative Research Company directs the international development of qualitative research based on the expertise initiated and developed in France, then in Europe, by Ipsos-Insight.

3/ Ipsos-Reid Global Public Opinion, the Group's brand for the international development of research into opinion and consumer trends and company strategies, is under the joint responsibility of Ipsos-Reid Corp. in Canada and Ipsos Opinion in France.

4/ Ipsos Access Panels manages research into consumer panels in Europe and works for the harmonisation of methods and integration with the activities of Ipsos-NPD and Ipsos-Reid Corp. in North America.

5/ Ipsos Reach offers under the same name all the production and data collection tools available at European level, including the International Cati Centre based in London which has special know-how in international telephone surveys.

6/ Ipsos Inter@ctive: the Group uses this name as an umbrella for all the research services (both quantitative and qualitative) available on the Internet, including the use of the Internet for the collection and distribution of information. It coordinates the development of online access panels in Europe and North America.

7/ In media research, Ipsos-RSL in the United Kingdom has responsibility for the expansion of the Group worldwide, particularly through developing services in Asia. The know-how developed by Ipsos Médias in France or Ipsos-Eco Consulting in Spain is now offered in other countries (Belgium, Argentina, etc...).

Ipsos' teams are not sector based. However, there is a certain degree of de facto specialisation, especially in marketing, and this is being increased in certain key sectors such as health, automobiles and financial services where dedicated units have been set up.

#### **The introduction of regional organisation**

The increase in the level of Ipsos' international development has made it possible and necessary to define integrated regional organisations whose objective is to increase synergies between Group subsidiaries. This development lays the foundation for a matrix based organisation, in which expertise per business line will be coupled with regional structures dedicated to the pooling of resources and the sharing of competencies.

In North America, a new team has been set up with a view to coordinating the Ipsos subsidiaries in the United States and Canada. In 2000 the telephone activities of Ipsos-ASI were transferred to Ipsos-Reid Corp. in Canada, where the related costs are significantly lower, as part of the move to bring regional integration and optimise resources. This first step will enable the Group to achieve savings from 2001.

In Latin America, the objective of the new regional management, which is led by a management board, is to deepen the synergies between the subsidiaries in the region, where Ipsos is already operating in six countries (Argentina, Brazil, Chile, Mexico, Colombia, Venezuela).

### 3.1.3 KEY FIGURES FOR THE LAST TWO YEARS

The operating results grew more rapidly than the volume of activity, as predicted. The operating profit came to € 24.1 million (FRF 158.4 million), up 72% over 1999.

These pleasing financial results were due to innovations in the supply of products and the harmonisation of working methods internationally in each of the business lines. They are also the first sign of the synergies generated by the Group's acquisitions. Extending the geographical areas covered has made it possible to increase the volume of activity by responding to our clients' global expectations and also to reduce operating costs by rationalising the production tools.

Net profit, Group share, came to € 6 million (FRF 39.2 million), up 68% over 1999, even though it included the exceptional costs relating to the transfer of the telephone activities from the United States to Canada and the cost of launching the Internet audience measurement activity proposed by MMXI Europe (of which the group's 22% holding is accounted for using the equity method).

#### Simplified profit and loss account

| Millions   | 2000    |       | 1999    |       |
|--|---------|-------|---------|-------|
|  | FRF     | €     | FRF     | €     |
| Revenues   | 2 161.1 | 329.5 | 1 513.6 | 230.7 |
| Gross margin   | 1 198.7 | 182.7 | 835.6   | 127.0 |
| Operating profit after employee profit sharing           | 158.4   | 24.1  | 91.9    | 14.0  |
| Profit of integrated companies                           | 102.6   | 15.6  | 56.0    | 8.5   |
| Share in companies accounted for using the equity method | (9.4)   | (1.4) | (4.4)   | (0.7) |
| Net profit before amortisation of goodwill, Group share  | 80.7    | 12.3  | 47.8    | 7.3   |
| Net profit, Group share                                  | 39.2    | 6.0   | 23.4    | 3.6   |
| Workforce at the end of the period                       | 2 437   |       | 1 681   |       |

#### Geographical distribution of revenues

| Millions                 | 2000         |            | 1999         |            | 1998         |            |
|--------------------------|--------------|------------|--------------|------------|--------------|------------|
|                          | FRF          | €          | FRF          | €          | FRF          | €          |
| France                   | 469          | 72         | 434          | 66         | 375          | 57         |
| Other European countries | 849          | 129        | 721          | 110        | 640          | 98         |
| North America            | 507          | 77         | 207          | 32         | 168          | 26         |
| Latin America            | 299          | 46         | 141          | 21         | 124          | 19         |
| Asia / Oceania           | 25           | 4          | 10           | 2          |              |            |
| Middle East              | 12           | 2          |              |            |              |            |
| <b>Total</b>             | <b>2 161</b> | <b>329</b> | <b>1 514</b> | <b>231</b> | <b>1 307</b> | <b>199</b> |

|                          | 2000<br>Distribution | 2000<br>Total<br>growth | 2000<br>Internal<br>growth | 1999<br>Distribution | 1999<br>Total<br>growth |
|--------------------------|----------------------|-------------------------|----------------------------|----------------------|-------------------------|
| France                   | 22%                  | 8%                      | 8%                         | 29%                  | 6%                      |
| Other European countries | 39%                  | 18%                     | 16%                        | 47%                  | 18%                     |
| North America            | 23%                  | 145%                    | 12%                        | 14%                  | 23%                     |
| Latin America            | 14%                  | 112%                    | 30%                        | 9%                   | 13%                     |
| Asia / Oceania           | 1%                   | 139%                    | 79%                        | 1%                   |                         |
| Middle East              | 1%                   |                         |                            |                      |                         |
| <b>Total</b>             | <b>100%</b>          | <b>43%</b>              | <b>13%</b>                 | <b>100%</b>          | <b>16%</b>              |

In line with the Group's strategic objectives, the distribution of Ipsos' turnover in 2000 shows a marked increase in the value of business in North America, even though the data only includes six months' activity for Ipsos-Reid Corp. Subsequent to the acquisition of the NPD Marketing research division, which took place in January 2001, the Group should carry out 40% of its turnover in North America in 2001.

## Distribution of revenues per activity

| Millions                           | 2000         |            | 1999         |            | 1998         |            |
|------------------------------------|--------------|------------|--------------|------------|--------------|------------|
|                                    | FRF          | €          | FRF          | €          | FRF          | €          |
| Advertising research               | 605          | 92         | 424          | 65         | 327          | 50         |
| Marketing research                 | 864          | 131        | 605          | 92         | 575          | 88         |
| Media research                     | 303          | 46         | 242          | 37         | 183          | 28         |
| Quality and customer satisfaction  | 194          | 30         | 136          | 21         | 104          | 16         |
| Public opinion and social research | 130          | 20         | 76           | 12         | 92           | 14         |
| Other                              | 65           | 10         | 30           | 5          | 26           | 4          |
| <b>Total</b>                       | <b>2 161</b> | <b>329</b> | <b>1 513</b> | <b>231</b> | <b>1 307</b> | <b>199</b> |

|                                    | 2000<br>Distribution | 2000<br>Total<br>growth | 2000<br>Internal<br>growth | 1999<br>Distribution | 1999<br>Total<br>growth |
|------------------------------------|----------------------|-------------------------|----------------------------|----------------------|-------------------------|
| Advertising research               | <b>28%</b>           | 41%                     | 14%                        | <b>28%</b>           | 30%                     |
| Marketing research                 | <b>40%</b>           | 43%                     | 8%                         | <b>40%</b>           | 5%                      |
| Media research                     | <b>14%</b>           | 29%                     | 12%                        | <b>16%</b>           | 32%                     |
| Quality and customer satisfaction  | <b>9%</b>            | 35%                     | 30%                        | <b>9%</b>            | 31%                     |
| Public opinion and social research | <b>6%</b>            | 77%                     | 15%                        | <b>5%</b>            | -18%                    |
| Other                              | <b>3%</b>            | ns                      | ns                         | <b>2%</b>            | 15%                     |
| <b>Total</b>                       | <b>100%</b>          | <b>43%</b>              | <b>13%</b>                 | <b>100%</b>          | <b>16%</b>              |

The most important sectors were marketing and advertising, accounting for 68% of turnover.

Like for like internal growth (exchange rates and consolidated companies) came to 13%, i.e. higher than for the whole of the research market (estimate for 2000 +9%), which reflects Ipsos' dynamism.

## Financial situation

| Millions                   | 2000  |     | 1999  |     | 1998 |     |
|----------------------------|-------|-----|-------|-----|------|-----|
|                            | FRF   | €   | FRF   | €   | FRF  | €   |
| Total shareholders' equity | 1 160 | 177 | 403   | 61  | 238  | 36  |
| Net fixed assets           | 1 021 | 156 | 501   | 76  | 433  | 66  |
| Financial debt             | 221   | 34  | 222   | 34  | 262  | 40  |
| Cash                       | 300   | 46  | 65    | 10  | 50   | 8   |
| Net debt ratio (%)         | -     | -   | 39    | 39  | 89   | 89  |
| Total balance sheet        | 2 153 | 328 | 1 103 | 168 | 924  | 141 |

At 31 December 2000, consolidated shareholders' equity including the minority interests came to € 177 million (FRF 1,160 million), i.e. an increase of € 116 million in comparison with the end of the previous financial year.

The Group's financial structure was strengthened by the issue of shares with warrants in June 2000 which raised a total of € 110 million. The proceeds of the operation were used to finance the acquisitions carried out in 2000.

Furthermore, a syndicated loan initiated in June, which was underwritten by eleven financial institutions, enabled the Group to increase its potential financial base by a total of € 110 million. The loan was used in February 2001 to finance the acquisition of the marketing division of NPD.

At 31 December 2000, the Group's total cash net of borrowings amounted to € 12 million, against borrowings net of cash of € 24 million at 31 December 1999.

Internal financing available in 2000 amounted to € 21.3 million, up € 7.2 million in comparison with 1999.

## 3.2 IPSOS' ACTIVITIES

The Ipsos group carries out exclusively survey based research. Its core activity consists of gathering, processing and analysing information about the expectations and opinions of individuals, whether consumers, clients or citizens and understand their behaviour and motivation. 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 distributor panels), or research based on statements such as in the case of advertising expenditure tracking. In this type of research, the information gathered is essentially descriptive and is incapable on its own of providing information about individuals' motivations.

This distinction is fundamental to any understanding of the Group's activity. Ipsos is clearly positioned in survey based research, unlike companies operating with panels.

Ipsos' core activity has been influenced by a number of different factors:

- Consumers are more and more mobile and less and less faithful. Manufacturers, service companies and the media therefore need up to date information more and more frequently in order to monitor and even anticipate changes in attitudes and consumer habits, and to adapt their goods and services to the new circumstances.
- The importance of such information from consumers and customers is now accepted in all sectors of the economy. In the past, market research was concerned almost exclusively with ordinary consumer goods. Nowadays all sectors regularly seek our help including services such as banking and insurance. The new sectors, such as telecommunications and high-technology, are also turning to marketing research with new problems, which open new avenues for the research companies.
- Producers wish to have a global presence, which creates a need for homogeneous data about their various markets. There is therefore strong pressure for research companies to provide services for their clients wherever they wish to set up and to provide the same quality of information regardless of location.

Ipsos specialises in five sectors:

- marketing research
  - advertising research
  - media research
  - public opinion and social research
  - quality and customer satisfaction research
- which are examined in the following chapters.

### 3.2.1 MARKETING RESEARCH

In terms of turnover, marketing research is Ipsos' most important activity, accounting for 40% in 1999 and 2000.

This activity breaks down into two major groups:

- Quantitative research, which is based on the setting up and questioning of large sample groups and which uses statistical techniques.
- Qualitative research which uses much smaller samples, which are subject to more detailed observation.

In addition, qualitative or quantitative research may be ad hoc, i.e. designed for individual cases in response to a particular problem, or standardised. Ipsos was a pioneer of the development of standardised research products. However, most of its business consists of ad hoc research.

In addition, the Group has a subsidiary in France dedicated to the creation of commercial brands.

#### 3.2.1.1 Quantitative research

Quantitative research is based on the creation and questioning of representative samples of the target population, through individual interviews. Such research requires a great deal of work.

Ipsos offers its clients expertise and proven organisation at all stages of the research:

- definition and setting up of the sample to be questioned,
- drafting of questions, as the quality of the replies depends on their relevance and clarity,
- administration of the questionnaires, depending on the most suitable form i.e. face-to-face, telephone, written and now the Internet, in accordance with rigorous procedures which guarantee the reliability of the results,
- summary and interpretation of the results: Ipsos guides its clients in the analysis of the results and the understanding of their operational significance.

Ipsos' added value lies in its technical expertise and in the quality of the information and recommendations that it gives to its clients. It is also distinguished by the innovations that the Group has brought to the administration of surveys, producing methods by which information can be obtained more quickly and for less costs, such as:

- Access panels, which are made up of selected individuals who agree to take part in surveys at a pace defined in advance, usually in the form of questionnaires sent directly to their homes. After a relatively high recruitment cost, this technique brings down the total cost of collecting information considerably, as interviewers are no longer required. With the creation of Ipsos Access Panels Europe and the acquisition of the marketing research division of NPD, Ipsos now has access to 655,000 homes in Europe and North America. In addition, the partnership with NPD gives the Group access to 900,000 Internet users' homes, i.e. 2 million people worldwide.

- Omnibus surveys, which involve several clients in the same batch, pooling their questions so that the administration costs can be shared.  
Ipsos was the first company to propose a European Omnibus, "Capibus Europe", which is carried out at interviewees' homes with the CAPI system. Capibus Europe is conducted every week with a constantly renewed sample of 6,000 people in the six major countries.  
The Group has launched a similar product in Central Europe, the Eastern European Omnibus, and also in Asia, the Asian Omnibus, in partnership with local research companies.  
The range of services offered in this field has been considerably enlarged since the Ipsos-Reid Corp. entered the group. Ipsos-Reid Corp. offers 6 omnibuses in Canada, either monthly or weekly, which use the CATI system or techniques for collecting data online.
- Quantitative research contracts are still mostly national, however, multinational surveys are developing fast. In order to respond to the specific needs of this type of survey, Ipsos created its International CatiCentre, which is based in London. This is a multilingual centre totally dedicated to international telephone surveys. Survey coordination is considerably facilitated by having the researchers and their team leaders in the same place. The centre is particularly useful when surveys are conducted with small groups of people with little free time such as corporate decision makers.

### **3.2.1.2 Qualitative research**

With the acquisition in 1993 of the company Insight, the French leader in qualitative research, the Ipsos group became one of the leading players in the European market.

This intellectual service is based on relatively autonomous units, which have been set up in each country, helped by a structure whose purpose is to improve joint methodologies, coordinate commercial initiatives and more generally foster synergies.

The development of this research is now led by the international market. In order to respond to clients who wish to have high-quality services in all countries and homogeneous survey results, the Group has set up international research units in France and the main European countries. It has also set up an international working group charged with the harmonisation of qualitative methods and the technical and commercial coordination of research (Ipsos-Insight the Worldwide Qualitative Research Company). The Group, which dominates the European market, is also introducing Ipsos-Insight know-how in qualitative research in other regions such as Latin America and the Middle East.

### **3.2.1.3 Brand creation**

As a counterpart to its marketing research activity, Ipsos has also set up a subsidiary specialising in the creation of commercial brands. This business, which only operates in France, involves searching for new names, checking their availability, testing them on consumers and then advising companies on the strategy to be adopted in order to promote them.

Many very well known brands were created by the Group, namely €tar and Transilien (SNCF), Ola and Loft for Itinérés (France Télécom), Candia (Yoplait), Cœur de Lion (Compagnie des Fromages), Petit Cœur (Lu), Gold (Kanterbrau), Esprit de Parfum (Christian Dior), Vizir (Procter & Gamble), Cage, the new Cartier handbag, Déclaration (Cartier), Tsar (Van Cleef & Arpels), Tissaia (Leclerc), Dominator and Pan European (Honda), B'Twin (Cycles Décathlon) etc. These brands belong to the clients.

## **3.2.2 ADVERTISING RESEARCH**

With the increase in advertising budgets, advertisers wish to have precise methods to measure the efficiency of their communication, in order to assess its profitability.

This business applies to all the media i.e. posters, printed press, radio, television and websites. The activity is growing fast and now accounts for 28% of the Group's consolidated turnover.

### **3.2.2.1 Post-tests**

Historically, Ipsos developed research products designed to assess the efficiency of campaigns after the event. These products ("Baromètre Affichage", "Suivi Télévision Cinéma" and "Suivi Impact Presse" ) were developed and marketed first of all in France, Italy, Spain and Latin America. In the English speaking countries, advertisers prefer to track their brands, so as to keep a regular check on the brand image and profile and thus to measure the effects of advertising campaigns indirectly.

### **3.2.2.2 Pre-tests**

The increase in the cost of advertising campaigns means that their efficiency must be tested prior to distribution, so as to avoid incurring losses through unsuitable messages. These techniques are used mostly for television advertising, which accounts for 39.4% of advertising costs in the major media (source: Zenith Media December 2000), and where the individual cost of each campaign is such that any failure would have serious financial consequences.

With the acquisition at the beginning of 1998 of the American company ASI (now Ipsos-ASI), the American leader in testing advertisements (copy testing), Ipsos became the world leader in this field. Ipsos-ASI databases include 20,000 copy tests which allow Ipsos clients to test their communications and compare their performance with that of their competitors, sector by sector, for each type of product, depending on the size of the budget and other variables.

The integration of Ipsos-ASI has enabled the Group to offer a full service to its clients, knowing that companies operating within American marketing culture have been using these techniques for a long time.

This move towards globalisation is dictated by the advertisers themselves. More and more of their campaigns are launched worldwide and they wish to have them tested on all the markets in which they will be distributed, using homogeneous data.

Ipsos has therefore set up a copy testing activity worldwide, under the control of Ipsos-ASI managers. To this end, the Group has developed a unique standardised product known as "Ipsos-ASI Next\*TV". Launched in 1999, it is now available in 14 countries. While implementation is homogeneous, it takes account of the cultural or material characteristics of each country. Ipsos-ASI Next\*TV replaces other products offered by certain Group companies, such as Pre\*vision in France, and thus provides a response to clients' needs for worldwide, homogeneous services. Ipsos-ASI Next\*TV is based on a technique which was developed several years ago in the United States, which involves using a video cassette once only.

Interviewees receive a cassette, with one television programme and commercial breaks including the test films, at home. Therefore they watch them in real conditions, and the test is carried out after the one and only viewing of the cassette - without any possibility of repeating the operation, which makes for very reliable and homogeneous results.

Ipsos-ASI is repeating the offer of Ipsos advertising research worldwide, with:

- copy testing for different media,
- monitoring and campaign reviews intended essentially for English speaking markets,
- post-tests able to measure the direct effect of campaigns in real time using one or more media,
- an adaptation of the various methods to the Internet, using a dedicated structure, Ipsos-ASI Inter@ctive.

### **3.2.2.3 Ipsos-ASI Inter@ctive**

Ipsos-ASI has set up a department (Ipsos-ASI Inter@ctive), which is dedicated to measuring the impact of advertising on the Internet, and to evaluating websites as instruments of communication. Ipsos-ASI also uses tracking, i.e. longer term monitoring of the advertiser's image, showing the influence of their various communications initiatives on the Internet.

A pioneer of Internet research, Ipsos-ASI has evaluated more than 500 advertising campaigns on the Internet over the last three years, thus accumulating a wealth of unique experience in this sector, as evidenced by its database, which gives real added value to its analyses.

## **3.2.3 MEDIA RESEARCH**

Media research is one of the Group's historical activities, on which it built its reputation for innovation. Ipsos' media activity is primarily European, where Group companies are involved in media audience research in all the major countries. This expertise is now also on offer in Latin America, Asia and the Middle East.

The activity breaks down into two segments:

- media audience research,
- specialised marketing research.

The media division accounted for 14% of the Group's consolidated turnover in 2000.

### **3.2.3.1 Media audience measurements**

Ipsos was one of the first companies to offer targeted audience research, when it was first set up in 1975. Its survey "What managers read", at a time when the specialist business press was in its infancy, was an important innovation in France. Ipsos also introduced the technique of syndicated financing in France at the same time. This involves carrying out the same research for several clients, who then share the cost, and is the method used to finance research into media audiences. Audience research concerns all the media: printed press, radio, television and the Internet. Ipsos is one of the most advanced research companies in the world of the Internet, thanks to the work it has been carrying out for several years in the United States and to its links with important groups which are active in the sector.

This type of research is carried out regularly in western countries under long term (3 to 5 year) contracts. Unlike marketing research, audience research is still concerned with national markets, and Ipsos carries out research into the readership of the printed press, on its own in some countries (United Kingdom, Spain, Argentina, Mexico, Brazil and Chile), or in collaboration with other organisations in others (France, Belgium, Germany, Italy and Hungary). In the United Kingdom, Ipsos-RSL also monitors radio audiences and takes part in television audience research.

### Examples of research undertaken

- Survey of the readership of the daily press (France)
- Survey of the readership of the Presse Magazine (France)
- National Readership Survey (United Kingdom)
- The British Business Survey (United Kingdom)
- La France des Cadres Actifs (France)
- La France des Hauts Revenus (France)
- La France des Décideurs Financiers (France)
- European Business Readership Survey (Europe via Ipsos-RSL)
- Asian Business Readership Survey (Asia)
- Japan Business Readership Survey (Japan via Ipsos-RSL)
- China Business Readership Survey (China, in partnership with CVSC)
- Audipress (Italy)
- Die Zeit (Germany)
- L'Observatoire de l'Opinion et de l'Information Médicale (France)
- Ipsos IT, The European Computer Decision Makers (France, United Kingdom)
- Radio Joint Audience Research (United Kingdom)
- Broadcasters' Audience Reaction Service (United Kingdom)
- Hungarian Local Radio Research (Hungary)
- Panel of TV Program acceptance (Spain)
- Affimétrie (France)
- Estudio General de Medios (Spain, Argentina)
- National Media Analysis (Lebanon)
- TV Audience Measurement Survey (Lebanon)

The following changes are expected in this sector:

- This market is rapidly becoming international, like the products which are now distributed well beyond their original countries, such as international editions of magazines, satellite television etc... Ipsos has therefore launched several transnational instruments which respond to market globalisation, under the management of Ipsos-RSL, the British subsidiary of the Group. In the press sector, for example, Ipsos produces the Asian Business Readership Survey (ABRS), which surveys the distribution of the economic press in eight Asian countries. Another survey, originally produced by Ipsos in France on IT decision-makers is now also produced for the British market under the Ipsos IT name, European Computer Decision Makers. It will shortly be extended to Germany, Spain, Italy and the Netherlands.
- Another change in this market derives from the rapid increase in the number of television channels and radio stations, which is forcing audience researchers to adapt. The same methods cannot be used to monitor television audiences when the number of channels grows from five or six to several hundred. This is a positive change for the Group, whose presence in television research is still modest. In terms of research techniques, the rapid increase in the number of channels makes television more like the press or radio, in which Ipsos has recognised expertise and strong positions.
- Internet and electronic media research

With respect to the Internet, in 1999 Ipsos entered into a partnership agreement with the American company Media Metrix, the German research company GfK and the Swedish company Sifo (now the Observer Group), in order to research Internet behaviour and the audience of websites and the electronic media in Europe.

The American company Media Metrix Inc., which merged in 2000 with Jupiter Communications and now trades under the name Jupiter Media Metrix, is the world expert in Internet audience measurement.

Therefore a joint subsidiary, now Jupiter MMXI Europe, was set up to implement the Jupiter Media Metrix methodology in Europe. Jupiter MMXI is the first research company to link factual and objective data on the use of the Internet with analyses of the prospects for the growth of the new economy.

Jupiter MMXI brings together MMXI, leader in Internet audience measurement, Jupiter Research and the Jupiter Forum brands. Its research services are used by the big media and service groups, advertising agencies, groups buying advertising space, advertisers, media or commercial sites, consultancies and the financial institutions, as the basis for strategic decisions. In Europe, Jupiter MMXI has offices in London, Paris, Nuremberg, Hamburg, Stockholm, Madrid, Milan, Copenhagen, Zurich and Oslo, and, with its majority shareholder Jupiter Media Metrix Inc. it surveys the American, Canadian, Brazilian, Argentinian, Japanese and Australian Internet markets.

At 1 April 2001 the new structure of Jupiter MMXI Europe was being completed. At that date, Ipsos held 22%, Jupiter Media Metrix held 50.1%, GfK held 19.9% and the Observer Group held 8% of the capital of MMXI Europe (Ipsos consolidated its holding using the equity method in the accounts).

Data is now collected from the homes of a panel of 6,000 Internet users per country in Germany, France, the United

Kingdom and Switzerland, and from 3,500 Internet users in Italy, Spain, Norway, Denmark and Sweden. The recruitment of Internet users in offices has been initiated in France, the United Kingdom and Germany. Its extension to other countries is being studied.

At the beginning of 2000, an agreement of the same type was finalised with Media Metrix to extend this expertise to Latin America.

### ***3.2.3.2 Media marketing***

In addition to measuring the use of the major media (audience, readership), Ipsos carries out ad hoc research into editorial or advertising marketing of the press, television, radio or posters. In the case of editorial marketing the object of the research is to position a publication or television programme or to design a new editorial formula, by testing projects with readers and analysing their reactions. In the case of advertising marketing, the object of the research is to assist a means of communication, a family of publications, or even a medium to better define its market position.

## **3.2.4 PUBLIC OPINION AND SOCIAL RESEARCH**

Among the large groups operating worldwide, Ipsos' public opinion and social research services are unusual: the other groups are often absent from this sector or are much less present.

For Ipsos, the citizen and the consumer are one and the same person who cannot be split in two. Indeed, the citizen's, or employee's, level of confidence is closely related to consumer morale, which demonstrates the complementarity of marketing and public opinion research.

Ipsos entered this specialisation in 1982, first in France through its subsidiary Ipsos Opinion, then in Hungary and Spain, where the companies acquired by Ipsos are leaders in the field. Ipsos has had little involvement in this activity up to now outside these three markets, indeed it represented only 6% of the Group's consolidated turnover in 2000, however, it now intends to develop this sector.

Thanks to two major acquisitions in North America (Angus Reid Group) and in Mexico (Bimsa), the company was able to develop an international public opinion service in 2000, particularly under the brand name Ipsos-Reid. Ipsos now offers a wide range of international research services, notably the Barometer of European Public Opinion Trends (6 countries), or the Face of the Web which is conducted by Ipsos-Reid Corp. in 34 countries.

In 2001, the addition of Mora y Araujo, the Argentinian leader in this specialisation, will also strengthen the development of this activity within the Group.

### ***3.2.4.1 The public sector***

Quantitative and qualitative research is developing in the public sector where decision-makers wish to better identify the needs or expectations of the public, and to have feedback on the public perception of their actions. In France, Ipsos is working on the introduction of the euro for various public institutions (the Ministry of Finance, European Commission etc.), and is also working on the perception of security questions, sensitivity to environmental issues and others, all subjects of which the authorities and even certain companies need a clear understanding. In Britain, Ipsos-RSL is taking part in the British Crime Survey, a Home Office research programme, which aims to measure the reality of criminality and to draw up statistics.

Some of this research, in the form of a barometer of opinion, is sold on subscription to various institutions and large public and private sector companies, and has been published in part, for example the Barometer of Public Opinion Trends in Europe.

### ***3.2.4.2 The private sector***

Social research within companies has developed considerably. It is concerned with both employees and consumers.

The first need concerns human resources. Ipsos conducts research into employee satisfaction and involvement, which enables management to better understand employee expectations and their degree of commitment to company policy.

Thanks to an international system of external benchmarking, Representative Employee Data (RED), Ipsos Opinion is able to compare and therefore refine its analyses of the results of its client companies. This type of research is carried out for multinationals such as the Danone Group, Air France, TotalFinaElf or Visa International. This specialised team also produces the Observatoire du Monde du Travail which monitors changes in the social climate in France (introduction of the 35 hour week, employees' assessment of the reduction in working time, degree of conflict). In collaboration with Ipsos-Reid it produces The World at Work, a survey of satisfaction levels among employees in 39 countries around the world.

Companies in the retail sector also need information about their images as institutions. Ipsos research in this sector therefore has something in common with marketing, however, rather than being concerned with products or services, it looks at the company's identity as an institution. Ipsos, which works with several large French or international groups, publishes the Baromètre d'Image des Grandes Entreprises in the *Nouvel Economiste*.

Companies also need information about the behaviour and expectations of consumers in their markets or at European level. For example, Ipsos produces a European Barometer of Consumers in 8 countries, with Sofinco, which measures their assessment of the economic situation in various countries, their expectations vis-à-vis the new European currency and their purchase, savings, and travel intentions etc. Ipsos-Reid Corp. in North America has also developed important multi-country research programmes which cover certain major contemporary worries such as the Face of the Web or New Thoughts for Food, on the problems of food safety worldwide.

### 3.2.5 QUALITY AND CUSTOMER SATISFACTION RESEARCH

Building customer loyalty is a major objective in marketing strategies. As companies are now aware of the cost of acquiring new customers, they are willing to devote an ever increasing share of their research budgets to programmes which will give them precise information about customer satisfaction and loyalty.

Ipsos has developed a systematic approach to the problem of quality and customer satisfaction, namely the Customer Experience and Satisfaction Analysis and Return, or CESAR system. 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, relates them to the corresponding stage in the company's activity. Hence, it enables to identify the key elements of customer satisfaction at each point. Ipsos is now developing research programmes which will predict loyalty.

This expertise has been developed principally by the Group in France, Italy, the United Kingdom and more recently in Latin America or the Middle East, and in North America by Ipsos-Reid Corp. Ipsos has several large accounts such as Axa, Bouygues Telecom, Lufthansa, Kodak, Peugeot, Renault, Mercedes Benz and Fiat.

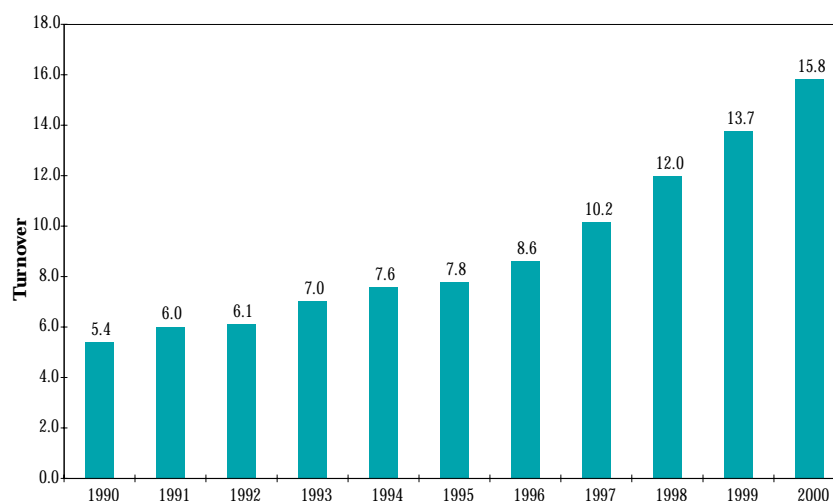
In 2000 this activity accounted for 9% of the Group's consolidated turnover.

## 3.3 IPSOS' MARKETS AND COMPETITION

### 3.3.1 THE GLOBAL RESEARCH MARKET

According to ESOMAR, the global market for market research and polling was valued at € 13,74 billion in 1999, showing annual average growth of 11% since 1990. In 2000, it should reach € 15.8 billion.

#### Research turnover worldwide in € billions



Source: Esomar, 2000 ; Ipsos estimates for turnover 2000.

The global research market concerns mainly the major, economically mature, countries and it is weighted mainly in Europe (42.3%). The United States and Japan are in second and third positions respectively (37.1% and 7.3%). The growing share of other markets should be noted (particularly Latin America and the Asia-Pacific region) which together accounted for 13.3% in 1999, up from 12.5% in 1998.

## Breakdown of the world research market in 1999

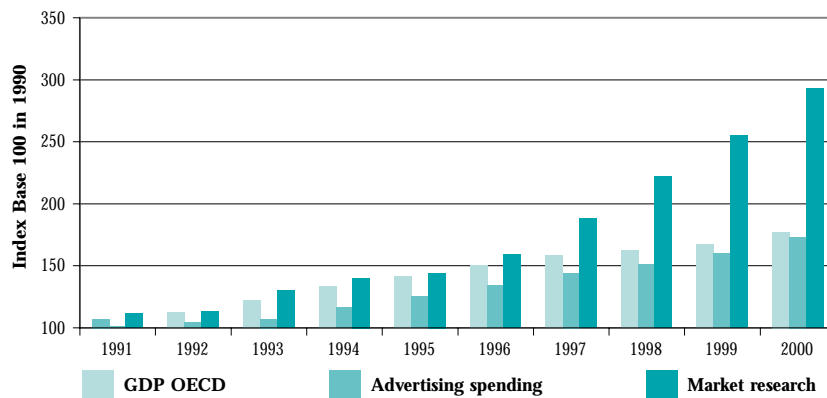


Source : Esomar, 2000

## A fast growing market

Since 1990, the research market has grown faster than investment in advertising and GDP.

## Comparison of the growth in market research, advertising spending and GDP



Source : Esomar, 2000, Zenith Media, Décembre 2000.

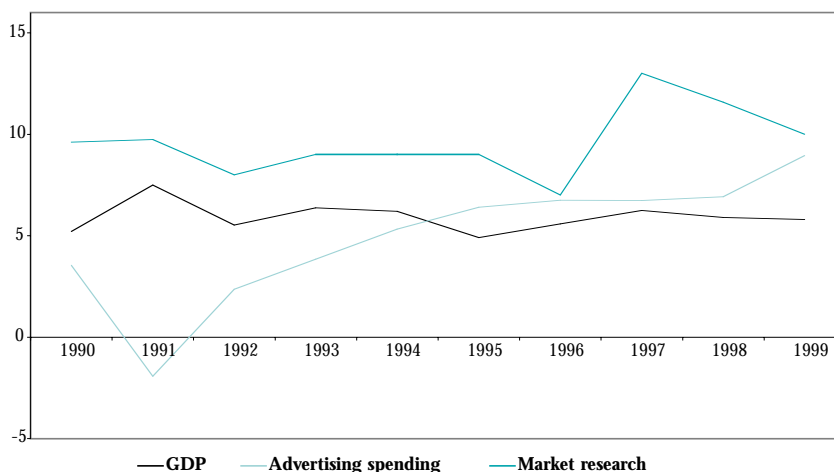
The research market should see sustained growth over the next few years due to the following factors:

- the internationalisation of the economy has created new needs: the globalisation of the distribution sector, increased competition in traditional sectors (mass market, domestic equipment) and also in the new sectors which are often deregulated (telecommunications, public services,...),
- information needs are becoming more complex and so the research companies should enhance their added value,
- the new economy has generated important new possibilities for the research market.

## The market is subject to little cyclic change

The historical data shows that the research market shows relatively little cyclic change and is not directly related to changes in advertising investment. This phenomenon can be explained by the fact that during recessions the fall in the total volume of business is compensated by the players' propensity to take more account of the risk inherent in their investments.

## The North American market: comparative growth rates



### 3.3.2 THE COMPETITION

#### *The twenty major players in the global market research market*

| Rank      | Companies                            |               | Turnover \$ million (1999) |
|-----------|--------------------------------------|---------------|----------------------------|
| 1         | AC Nielsen Corp.                     | USA           | 1524                       |
| 2         | IMS Health Inc.                      | USA           | 1276                       |
| 3         | Kantar Group Ltd.                    | UK            | 774                        |
| 4         | Taylor Nelson Sofres Plc.            | UK            | 601                        |
| 5         | Information Resources Inc.           | USA           | 546                        |
| 6         | NFO Worldwide Inc.                   | USA           | 457                        |
| 7         | Nielsen Media Research               | USA           | 453                        |
| 8         | GfK Group A.G.                       | Germany       | 414                        |
| 9         | United Information Group Ltd.        | UK            | 246                        |
| <b>10</b> | <b>Ipsos</b>                         | <b>France</b> | <b>246</b>                 |
| 11        | Westat Inc.                          | USA           | 242                        |
| 12        | The Arbitron Company                 | USA           | 215                        |
| 13        | Maritz Marketing Research            | USA           | 174                        |
| 14        | Market Facts Inc.                    | USA           | 160                        |
| 15        | Video Research                       | Japan         | 153                        |
| 16        | The NPD Group Inc.                   | USA           | 143                        |
| 17        | Marketing Intelligence Corp.         | Japan         | 110                        |
| 18        | Opinion Research Corp. International | USA           | 109                        |
| 19        | J.D. Power and Associates            | USA           | 75                         |
| 20        | Roper Starch Worldwide Inc.          | USA           | 66                         |

Source: Esomar 2000

Ipsos estimates that its turnover for 2000 should put it into eighth position worldwide (after the combination of AC Nielsen Corp. and Nielsen Media Research, which were acquired by VNU in 1999 and 2000).

Since the beginning of the 1990s the market research market has been characterised by the creation of global groups, able to provide global services. The race to reach critical size has become an essential characteristic of the sector.

The merger of the French group Sofres and the British company Taylor Nelson in 1997, produced the fourth largest group in the world and the leading group in Europe. It was followed at the end of 1998 by the acquisition of Infratest Burke by the American company NFO, which was itself subject to an exchange offer by the communications group Interpublic in 1999. 2000 saw the acquisition of AC Nielsen by the Dutch group VNU, which thereby became the leading player in the sector.

The increasing number of mergers is illustrated by the fact that the ten leading players represented 50% of the market in 2000 compared with 45% in 1999.

#### **The segmentation of the research market: panels v. surveys**

The global market research market is split between companies which specialise in panel activities and companies active in the survey based research 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).
- Research through surveys involves collecting information by questioning individuals about their opinions, attitudes, wishes or intentions. The term "individuals" means citizens, consumers or employees.

**Ipsos specialises in research through surveys, and is one of the four leading players in the segment.**

### Strategic segmentation of the market research market

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

### 3.3.3 THE MAIN COMPANIES IN THE RESEARCH MARKET

**AC Nielsen:** the global leader in market research and the analysis of consumer behaviour. In 1999, AC Nielsen achieved turnover of \$ 1,525 million against \$ 1,425 million in 1998.

In 2000, AC Nielsen was acquired by the VNU group and will be included in the group's accounts as from 2001.

**IMS Health:** a product of the split up of Cognizant in July 1998. It specialises in research in the pharmaceuticals sector. In 1999 IMS Health achieved turnover of \$ 1,440 million against \$ 1,084 million in 1998.

**Kantar Group:** is the holding structure managing the subsidiaries of WPP which operate in the research market and in information management.

In 1999, the research and information management pole of the WPP group achieved turnover of £ 675 million, through three major subsidiaries which specialise in quantitative and qualitative research, audience and advertising research and information management:

- Research International
- Millward Brown
- Kantar Media Research

Millward Brown is the world leader in advertising research, its two main markets being the United Kingdom and the USA.

**Taylor Nelson Sofres:** the result of the merger between the British group Taylor Nelson and the French Sofres. It now leads the European market. In 1999, TNS achieved turnover of £ 363 million against £ 340 million in 1998. It operates throughout the world, however, its main area of activity is Europe. TNS holds strong positions in quantitative research and in the media.

**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 1999, Information Resources achieved turnover of \$ 546 million against \$ 511 million in 1998.

**NFO:** founded in 1946, the NFO group supplies marketing information to the largest companies. It carries out research into consumer behaviour, along with market evaluation, product development, brand management and advertising. Its clients operate in consumer goods, health, financial services and travel. The group is the American market leader.

NFO strengthened its international position with the acquisition of the German group Infratest-Burke in November 1998. In 1999, NFO achieved turnover of \$ 457 million against \$ 424 million in 1998.

**Nielsen Media Research:** the new name of the American company Cognizant, which changed its name when its subsidiary IMS was floated in July 1998. It was acquired by the Dutch group VNU in autumn 1999.

It specialises in media research, especially TV audience research in the USA.

**GfK:** the GfK group is a major player in information systems for consumer durables and the monitoring of international markets. It provides a harmonised and coordinated approach to research on a European scale.

Of German origin, GfK is present in all the European countries and in eight others including the United States and various Asian countries. In 1999, it achieved turnover of DM 750 million against DM 621 million in 1998.

**UIG:** a subsidiary of the United Media Group, the British group UIG has strong positions in the United Kingdom and the United States. It specialises in media research in the United States and automobile and pharmaceutical research.

**Westat:** an American company which began with expertise in statistical research. It has since developed know-how in research for government departments. It provides services with high technological content in data collection and processing. Westat's capital is owned by its employees.

### 3.3.4 THE REGULATORY FRAMEWORK OF THE RESEARCH MARKET

There are no specific, clearly established legal standards at the French, European or global level, although a great deal is at stake in terms of public freedom and privacy. Companies operating within professional organisations have established several codes of practice:

#### - Internationally

- *The International Code of Marketing and Social Research Practice of the ICC/ESOMAR (International Chamber of Commerce - European Society for Opinion and Marketing Research)*. The code establishes the principle of the anonymity of the interviewee and sets out the responsibilities of persons commissioning research and of researchers. Rules have also been laid down concerning the recording of data.

#### - In France

- Le *Code des pratiques loyales (Code of ethics)* produced by *Syntec Etudes Marketing et Opinion* (a French professional group which brings together 44 companies representing around 60% of the turnover of the profession).
- The recommendations of the *Bureau de Vérification de la Publicité* (Advertising standards authority) regarding the use of surveys for advertising purposes.

Discussions are currently taking place on standards for European certification. In the same vein, the *Syntec Etudes Marketing et Opinions* has already set up an OPQCM (*professional body for management consultants*) standard which aims to guarantee the quality of research carried out.

The following body of French laws applies to research companies and their activities:

- the Literary and Artistic Property Act dated 11 March 1957, which protects all research work,
- the Computer Data Processing and Civil Liberties Act dated 6 January 1978,
- the Act regulating the distribution and publication of opinion polls dated 19 July 1977.

These are the main provisions applicable in France. Other provisions may exist in other countries.

## 3.4 IPSOS GROUP CLIENTS

Ipsos has a very wide range of clients including companies and public bodies, both nationally and internationally.

### Some Ipsos group clients

|  | 2000 | Examples of clients   |
|--|------|---|
| Consumer goods                               | 33%  | Colgate, Danone, Johnson & Johnson, Kraft, L'Oréal, Nabisco, Nestlé, Pillsbury, Procter & Gamble, Unilever, SC Johnson  |
| Media  | 17%  | The main French, British, German, Spanish and Italian press groups, the main French, British, German and Spanish radio stations and TV channels, the main Argentinian and Mexican media |
| Information Technology<br>Telecommunications | 8%   | AOL, Bouygues Telecom, Deutsche Telecom, Intel, France Télécom Multimedia Services, Sprint, Vivendi   |
| Durable goods                                | 2%   | Compaq, IBM, Bull   |
| Automotive                                   | 4%   | Fiat, Ford, PSA Group, Renault, Daimler Chrysler, Volkswagen Group  |
| Public sector                                | 9%   | Office of the French Presidency, Ministry of Finance (France), Ministry of Employment (Spain), New Labour (UK), Deutsche Post, La Poste   |
| Financial Services                           | 5%   | Abbey National, Banque Sofinco, BNP, CDC, Crédit Agricole, GAN, MAAF, Scottish Widows, Templeton  |
| Pharmaceuticals                              | 7%   | Rhône-Poulenc   |
| Retail                                       | 4%   | Centres Leclerc, Sainsbury, Total-Fina-Elf  |
| Agriculture                                  | 4%   | Novartis group, Semences Cargill  |
| Transport, tourism, travel                   | 3%   | London Transport Authority, RATP, RENFE, SNCF, Amadeus  |
| Others                                       | 4%   | (communication agencies, research companies, audit companies)   |

The distribution of the Group's clients per sector of activity reflects the specialisations within its core activity: marketing or advertising research is requested mainly by companies selling to mass markets and companies; media research is by definition financed mainly by the media themselves; historically public opinion and social research has been used mainly by the authorities and government departments.

However, the relationship between the sector of activity and the type of research is far from systematic. The research market changes in line with the need to better know and understand the targeted public, whether consumers, citizens or employees, which is felt by all sectors of activity.

Companies, for example, are more and more interested in social research, while banks and insurance companies, which sell their products for private individuals through mass distribution channels, or the authorities, which wish to know how citizens feel about certain measures, have marketing research carried out.

At the same time advertisers consider that media audience research, the ultimate object of which is to enable them to access space in newspapers, magazines, radio stations, television channels and now Internet sites, at prices that depend on the results of the research, cannot be defined or conducted without their agreement or even their financial participation.

Every year the Ipsos group has several thousand clients worldwide, 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 4% of turnover.

The 10 leading international clients of the Ipsos group generated revenues of FRF 270 million in 1999 (17.9% of revenues). Its main clients are major international groups which appear in listings such as Fortune 500. They buy Ipsos products and services regularly in several countries within major research and development programmes further to the preparation of their new products, which generate significant demand for marketing, advertising and social research. Ipsos has set up dedicated structures in order to improve the management of this clientele. Key Accounts Managers are charged with managing and developing business with such clients at an international level through cross-fertilisation country/business line.

The Group's activity is often recurrent, especially in media and public opinion, social research and customer satisfaction surveys, where audience measurement and barometers are tracked for several years and are thus covered by long-term contracts (3 to 4 years).

In the other core activities, Ipsos also enjoys a high level of customer loyalty (more than 90%), even if one-year contracts are usual or if research is only commissioned as and when needed.

Traditionally payment for research is made:

- on delivery, for research which only requires one or two months work,
- in several tranches, as sections of the work are completed, in the case of longer term research.

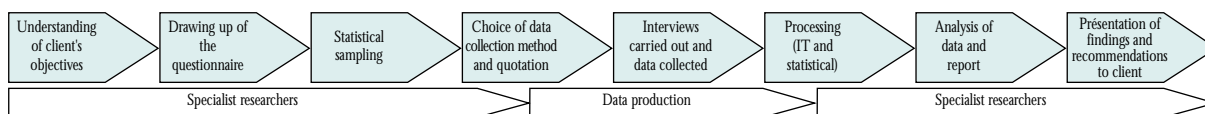
Down payments are invoiced systematically when contracts are signed.

## 3.5 RESOURCES IMPLEMENTED WHEN RESEARCH IS CARRIED OUT

### 3.5.1 THE ADMINISTRATION OF QUESTIONNAIRES

Clients expect Ipsos to produce reliable, homogeneous and accurate information quickly. In order to meet these requirements, Ipsos uses efficient data collection tools and has harmonised its production methods throughout the research process.

Schematically, the research process is divided between teams charged with specialised research, who are in contact with the client, and technical teams who manage the production of data, from training interviewers to the control and processing of the data collected. The process breaks down as follows:



#### 3.5.1.1 The interviewers

Conducting questionnaires calls for a large number of people. These range from temporary staff, who conduct interviews face-to-face or over the telephone, to specialised consultants (often psychologists or sociologists) who lead and interpret group meetings.

Along side its permanent staff, Ipsos employs a large number of temporary staff most of whom work regularly for the Group. Contact with interviewees and questionnaire administration call for real know-how and a very strict methodology. The quality of the results depends on the design of the questionnaires and the interpretation of replies, and also on the degree of care taken when interviews are conducted. In consequence the Group attaches considerable importance to this category of staff.

In most countries interviewers are employed and trained by the organisation which carries out the research locally, within a structure dedicated to the production of information and to the management of interviewers. In other countries, this activity is subcontracted (this is particularly true of Brazil where this type of organisation is more common). In other regions Ipsos has brought together its telephone survey activities on one site: in Canada for North America and at the International CatiCentre in London.

### **3.5.1.2 Different methods of questioning and techniques used**

There are four main ways of administering questionnaires:

- face-to-face: consumers are interviewed individually. They may be asked to react to visual or audio visual prompts,
- by telephone,
- in groups: consumers are brought together in a room and consulted as a group,
- without the researcher being present (self-administered research): interviewees are expected to reply in writing or through the Internet to questionnaires sent to their home or place of work.

The selected method of administration depends on the type of research.

#### ***Computer assisted research (CATI, CAPI)***

IT can speed up the research process, while making it more reliable, and more cost effective. Ipsos was one of the first research companies to make wide use of the telephone, and then, from 1992, of IT in the administration of telephone surveys (CATI system and automated calls) and in face-to-face interviews (CAPI system).

Using IT in the administration of questionnaires means that replies no longer have to be keyed into the computer separately for processing. This makes the research more reliable, as data entry errors can be eliminated, and it shortens processing time by cutting out one operation and thus reduces costs. The CAPI method has thus considerably reduced the delivery times of quantitative research. In the United Kingdom, for example, delivery times have been reduced from four weeks to one.

Questionnaires can also be made richer and the quality of replies improved thanks to IT:

- the computer can vary the questions depending on the previous replies, without the intervention of the interviewer who is able to work without the risk of making mistakes,
- the computer monitors the consistency of the replies given continuously, so that interviewees can be asked to check their statements if two replies are contradictory,
- the use of CAPI Multimedia makes it possible to test products, packaging and advertising messages by exposing interviewees to real audiovisual messages.

#### **CATI: Computer Assisted Telephone Interviews**

Independently of the resources with which each company in the Group is provided locally, Ipsos has a telephone survey centre, the International CatiCentre, which is based at Harrow in the United Kingdom and which is totally dedicated to international research.

Team leaders, who have been specially trained in international research, manage multilingual interviewers and coordinate and administer the questionnaires, without any risk of bias due to the research being carried out in several different countries.

The London suburbs were chosen as the location for this international centre because of the cost of telephone calls (which have been lower in Britain than the rest of Europe for some time, as Britain was one of the first countries to open up the telecommunications sector to competition), and because of the large number of foreign students at London universities. The centre enables Ipsos to carry out telephone surveys worldwide with very short preparation times.

#### **CAPI: Computer Assisted Personal Interviews**

The use of information technology in personal interviews has speeded up the process and made it more reliable. Certain interviews have been considerably enhanced by Multimedia, as it enables sound and images to be relayed by computer during interviews.

Ipsos-ASI has produced a new version of its post test for advertising films STC (Television Cinema Monitoring), known as STC Multimedia, in which the film is projected during the interview. In the past the main outline of the film was described to the interviewee. This new functionality means that a much higher recognition rate can be achieved, with much more security. In addition, the questionnaire can be more complete and can include more precise points, thus improving the diagnosis of the quality of the film tested.

CAPI technology is used homogeneously by the Group in France, Germany, the United Kingdom, Spain and Italy. 2000 Ipsos interviewers in Europe are equipped with laptop computers to this end.

However, this technology is not used in the United States due to the tightness of the American personal interview market. Data is generally collected by telephone or mail and increasingly through the Internet.

### **3.5.1.3 ISO 9000 Certification**

Several companies of the Group have been awarded ISO 9000 certification, which provides a guarantee of quality and shows that the company has introduced homogeneous procedures and methods. In 1994, Ipsos-RSL in the United Kingdom was awarded ISO 9001. In 1998 Ipsos-Explorer (Italy), Ipsos-Szonda (Hungary) and Ipsos Interviews, which centralises the administration and processing of questionnaires for France, were certified. All the Ipsos France research companies were certified in 2000. Ipsos-Eco and Ipsos-Eco Consulting (Spain) were certified at the beginning of 2001.

### **3.5.2 USE OF NEW TECHNOLOGIES**

The use of information technology has been crucial in improving the research in terms of speed, quality, and cost. Ipsos has a long tradition in research and innovation and continues to invest in the development of new technologies in order to increase its lead.

Ipsos sees technology as a way to improve the quality of its research and conduct research at the best price for its clients. The bulk of Ipsos' added value lies in its surveying expertise (i.e. in its ability to pose the right questions to the right sample) and in the quality of its interpretation of the data gathered. Ipsos does not aim to sell its technological resources but to guarantee its clients a high quality end result.

#### **The Internet: a new way to collect and deliver data.**

The administration of questionnaires currently requires the use of a substantial workforce. As a result, payroll expenses are high, especially in Europe where employment legislation tends to increase the cost of temporary workers. This has an impact on Ipsos because most of the interviewers are temporary workers. The development of methods of administering the questionnaires that do not require the use of interviewers is therefore one of the approaches being explored to increase productivity and cut costs.

The use of access panels is one such a method because the interviewees answer through postal questionnaires or directly by telephone. Using the Internet brings considerable improvements both in connection with access panels and other types of research.

Ipsos believes that as the telephone did not do away with face-to-face interviews, the Internet should not replace other forms of administering questionnaires. The low cost of the Internet as a means of communication, and its interactivity, make it well suited to many surveys including those administered directly by companies on their own websites. Ipsos believes that this is not a threat to research companies since their clients will always need their expertise to build their questionnaires, set up their samples, and correctly analyse the information gathered. On the contrary, the growth of databases – and therefore of the information potentially available – creates a new opportunity. It opens up the opportunity for Ipsos and its competitors to rid themselves at least partially of certain operational tasks and to increase the high value added component of their turnover.

Significant headway has been made in the use of the Internet as a tool for producing research. Ipsos-Reid Corp. has invested in new software for automating the day-to-day management of their panel database.

In Europe, Ipsos has installed a common Internet survey system based upon the Voxco technology. This new solution provides a single harmonised way to gather information via the Internet. It can be used in conjunction with Ipsos Access Panels to conduct ad hoc surveys or by adding pop-up technology to existing websites to conduct website assessment surveys or customer satisfaction surveys.

The Internet can also be used to achieve economies of scale because it offers the possibility of having a remotely-managed virtual survey centre, as the surveys are dispatched by each country which uses this centre via Ipsos' global network. A European competence centre will be organised in 2001.

Further, Ipsos also uses the Internet to deliver the results of some of its studies to its clients online (Extranet). For example, in France the Canalipos web site is used to send the results of the Consumer Barometer or the results of the European Public Opinion Trends Barometer to subscribers (using a confidential access code).

#### **Vision One: video and touch screen technology applied to surveys**

Vision One is a new self administered survey system based on a Opinion One technology that was launched worldwide in 2000. In Europe, Ipsos has set up interview centres in France, Germany, the United Kingdom, and Italy. In the United States, Ipsos has signed an agreement with Opinion One for the use of their facilities.

This system uses the latest video and touch screen technologies and is ideally suited to concept testing of the packaging of new products or new advertising campaigns.

Interviewees are recruited in busy shopping areas near interview centres by means of a brief screening interview. The interviewees are then taken to the interview centre where they self administer the survey. A central hub has been set up in the United Kingdom to develop the interviews and manage the data-collection process. The Ipsos network is used during the entire process to distribute interviews automatically to the appropriate centres, supervise the interview process in real time and consolidate the information for analysis.

Using this streamlined process, Ipsos is able to provide its clients with the information in shorter times.

## 3.6 CAPITAL EXPENDITURE AND SUPPLIERS

### 3.6.1 UPGRADING OF INFORMATION SYSTEMS

All technological developments are co-ordinated by the Group's Systems and Technologies Division which is responsible for harmonising the methods, hardware, and software, keeping up with new technologies, and preparing master plans for technological developments.

#### 3.6.1.1 *The ISIS project*

The ISIS project - Ipsos Secured Information System, is a new information system used to manage Ipsos in a modern, forward-looking manner by better anticipating changes in client needs and those of the research market.

ISIS was launched successfully in the main European countries in 2000. The extension of the project to North America should make it possible to continue integrating new Ipsos subsidiaries in the short term by encouraging synergies within the Group.

When choosing an Enterprise Resource Planning software (which offers total financial and production management etc.) Ipsos selected US-based JD Edward's One World software which is a highly flexible integrated database design solution.

The total cost of the project amounts to nearly FRF 20 million over two years. The project will be amortised over five years.

This new information and integrated management system is the backbone of an international organisation, subdivided into business lines, and of a system of major client accounts based on rules that are fully harmonised in all the Group's companies. The system makes it possible to deliver information fast to all employees from researchers to co-chairmen.

#### 3.6.1.2 *The euro*

The Group began working on the changeover to the euro as part of the implementation of a new information and integrated management system. Starting on 1 January 1999, Ipsos chose to conduct its business in euros with clients and suppliers who requested it, while preferring for the time being to use national currency for commercial transactions. The euro is therefore being treated as a supplementary currency.

Since 1 January 2001, the Group has been implementing its action plan for a gradual switchover in the countries concerned. All of the Group's functions will switch over to the euro by 1 January 2002 at the latest.

#### 3.6.1.3 *The Intranet project*

The Group has continued to invest in new technologies by developing a global Intranet, whose first phase is already operational.

This global Intranet was designed to be a knowledge-sharing tool. It delivers to Ipsos staff worldwide updated global information on Ipsos' five business lines and the Group's assistance with respect to communications, human resources, technology, and finance.

It is also designed as a working tool where employees can find all the applications they need to work on a daily basis. To meet the needs of the Group's geographical expansion across the world, the Intranet is operated by two mirror servers located in Europe and the United States. During the next two years, content and features will be added to the Ipsos Intranet each quarter.

### 3.6.2 PREMISES

Ipsos has consolidated most of its French resources in the 15th district of Paris. However, the growth of Ipsos' workforce resulted in people being dispersed in many different locations. As a result, part of the French staff now located in the 15th district will be moved to a new site in Montrouge in the Paris suburbs.

The Group leases all of its premises in all its countries of operation. The owners of the premises are independent third parties which are not affiliated with the Group in any way.

### 3.6.3 CAPITAL EXPENDITURE

| FRF million                       | 2000        | 1999        |
|-----------------------------------|-------------|-------------|
| Tangible assets                   | 64.7        | 25.9        |
| Intangible assets                 | 27.8        | 17.3        |
| Research and development expenses | 0.4         | 0.2         |
| <b>Total</b>                      | <b>92.9</b> | <b>43.4</b> |

Tangible assets consist mainly of computer hardware and fixtures.

Intangible assets consist primarily of software purchases. In fact, the surveying methods and technologies specific to Ipsos' business require the use of standard software and hardware configured to Ipsos' needs. For instance, the London call centre has 66 workstations using the SPSS QTS technology (Quantime Telephony System) and CATI software.

Ipsos also develops its own software which is used by the researchers and some of which is sold to clients. Ipsos believes that this software adds substantial value to its research by enabling clients to integrate the data produced by Ipsos in their own management system.

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 the statistical processing of information.

### 3.6.4 SUPPLIERS

Ipsos has a large number of suppliers.

Its main suppliers are the national telephone operators in each country, the Global One consortium for the Intranet, Dell for the PCs and servers, and SPSS for the information processing software and the CATI workstations.

In certain countries in which the Group operates (especially in Latin America), the gathering of field data is subcontracted to specialised companies. For international studies with sections in countries in which Ipsos does not operate, Ipsos also subcontracts to local research companies.

The table below breaks down operating expenses by type of expense. It does not include the cost of interviewers and the payroll expenses of the research companies.

|                          | 2000        | 1999        |
|--------------------------|-------------|-------------|
| Premises                 | 25%         | 24%         |
| Fees                     | 18%         | 19%         |
| IT costs                 | 19%         | 17%         |
| Trips and travel         | 11%         | 9%          |
| Communication            | 6%          | 8%          |
| Advertising              | 3%          | 6%          |
| Copying                  | 3%          | 3%          |
| Other operating expenses | 15%         | 14%         |
|                          | <b>100%</b> | <b>100%</b> |

## 3.7 MANAGEMENT AND HUMAN RESOURCES

### 3.7.1 MANAGEMENT

#### 3.7.1.1 Two co-Chairmen and CEOs

Ipsos is the only market research company of its size that is still owned by its founders. Together, they have been managing the Group since 1982.

Driven by the same strategic vision, Didier Truchot and Jean-Marc Lech have contributed complementary capabilities to the Group. Didier Truchot, a trained economist, began the policy of standardising products and expanding into marketing, advertising research, and media. With his background in philosophy, sociology, and political science, Jean-Marc Lech steered the Group's expansion into social research.

#### 3.7.1.2 The Management Board

The co-Chairmen are assisted by a Management Board consisting of the Group's main officers. The Board sets the group's strategy and tracks the progress of projects. It meets at least once every two months.

As at 1 April 2001, the Management Board was made up of the following ten permanent members:

- Didier Truchot, co-Chairman & CEO and founder of the Group in 1975,
- Jean-Marc Lech, co-Chairman & CEO since he joined the Group in 1982,
- Pierre Giacometti, CEO of Ipsos France. He is also joint International Director in charge of developing opinion and social research in the Group,
- Carlos Harding, CEO, in charge of the Group's development. He specialises in marketing and advertising research,
- Michael Hoppe, Chairman of Ipsos Deutschland. Michael Hoppe founded the marketing research company WBA, which merged with GFM-GETAS to form Ipsos Deutschland. He is in charge of the Group's Internet policy,
- Simon Kooyman, CEO for North America and Chairman of Ipsos-ASI Worldwide,

- Gustavo Lohfeldt, CEO for Latin America. He specialises in marketing research. He is in charge of expanding the Group's business in Latin America,
- Dawn Mitchell, Chairman of the Group's UK subsidiary, Ipsos-RSL. She specialises in media and supervises Ipsos' business in Asia,
- Angus Reid, Chairman and founder of Ipsos-Reid Corp.. He specialises in opinion studies which he develops with Pierre Giacometti. He is also involved in the Group's expansion in North America,
- Laurence Stoclet, Chief Financial Officer.

The Management Board also has the following deputies:

- Marie-Christine Bardon, International Marketing Director, in charge of developing multi-country activities and the Key Accounts programme,
- Giorgio Caporusso, CEO of Ipsos-Explorer, the Group's Italian subsidiary. He specialises in marketing research,
- Jorge Clemente, CEO of Ipsos-Eco Consulting, the Group's Spanish subsidiary. He specialises in opinion polling, especially electoral polls,
- Roger Gane, Managing Director of the Group's UK subsidiary, Ipsos-RSL. He specialises in media studies,
- Jose-Maria de Heredia, Chief Technology Officer. He has responsibility for establishing the Group's technology strategy and global I.T. standards,
- François Lapeyronie, Chief Financial Officer for North America and Ipsos-ASI,
- Tom Neri, CEO of Ipsos-Reid Corp. for the US. He is based in New York and specialises in marketing research,
- Karl Rosenberg, Asia Pacific Regional Manager for Ipsos-ASI. He also heads Hong Kong based Ipsos-Far East. He specialises in advertising research,
- Jim Thompson, CEO of Ipsos-ASI Worldwide and North America Regional Manager for Ipsos-ASI,
- Rupert Walters, CEO of Ipsos-NPD, the company which centralises all the acquired assets of NPD's marketing research division.

### 3.7.2 HUMAN RESOURCES AND THE EMPLOYMENT ENVIRONMENT

As at 31 December 2000, Ipsos had a workforce of around 2,500 worldwide. 60% are based in Europe (France, Belgium, Italy, Germany, Hungary, United Kingdom, Spain, and Portugal), 23% in the United States and Canada, 11% in Latin America (Mexico, Brazil, and Argentina), and 6% in Asia. As at 1 April 2001, the Group employed approximately 3,300 people as a result of the acquisitions completed at the beginning of 2001.

To keep up with its growth, Ipsos:

- looks for experienced high-potential managers who are specialists in priority business sectors or who possess specific expertise (relations with international clients, finance, technologies, etc.)
- recruits junior managers who undergo technical training before being assigned to different departments.

Annual personnel turnover varies between 10% and 20% depending on the country, with the United States having the highest rate.

On average, Ipsos' salaried staff is young, predominantly female and significantly stable, due to the attractiveness of the Group.

#### Breakdown of workforce by occupational sector

| Occupational sector                                   | 2000 |
|---|------|
| Research  | 52%  |
| Production/ Information Processing/ Field supervision | 32%  |
| Administration and Management                         | 16%  |

Each company or group of companies in a country has its own employee representatives. There are currently no Group-wide employee representatives.

Ipsos employees are eligible for a system of variable annual bonuses based primarily on profitability per zone and increases in market share.

In 1998, a stock option plan was proposed to the Group's European executive-level employees in two annual tranches (1998 and 1999).

In 2000, the plan was extended to all the Group's employees in all the various continents. Employee ownership is a key principle for managing human resources at Ipsos.

In addition to regular full-time employees, nearly 8,000 temporary employees work for Ipsos in Europe. In certain countries, domestic legislation may treat them as employees on fixed-term contracts. The bulk of these employees work for the Group for less than six months per year.

In France, the working time per week was reduced by consensus in accordance with the new regulations. The company agreement negotiated with Ipsos trade union representatives (CFDT trade union) was approved by 75% of the employees (90% of the votes cast) in December 1999 and became effective on 3 January 2000. In keeping with the spirit of the law, the implementation of the company agreement and a sharp growth in business resulted in the creation of many jobs in both the operational activities and support positions.

## 3.8 RISK FACTORS

### 3.8.1 SENSITIVITY TO MACROECONOMIC TRENDS

The various markets in which Ipsos operates are intrinsically sensitive to trends in economic conditions, subject to a certain delay. European market research companies grew more slowly during some periods of the last decade and in particular in 1992 and from 1994 to 1996. Their traditional consumer product manufacturer clients cut their media advertising expenditure and to a lesser extent their research budgets in response to economic conditions. Beginning in 1997, uncertainty as to the recovery of the economy spurred information needs from decision-makers and contributed to the growth in demand for market research.

Ipsos believes that the geographic dispersion of its operations and its positioning as a multispecialist enable it to withstand any local deterioration in economic conditions.

### 3.8.2 SEASONALITY OF OPERATIONS AND RESULTS

Traditionally, the turnover of research companies is at its highest in the last quarter. As a result, the financial statements for the first half represent less than 50% of annual revenues and operating profit. For example, the revenues and operating profit after employee profit-sharing at 30 June 2000 were respectively € 132.4 million and € 7.3 million compared to annual amounts of € 329.5 million and € 24.1 million. In 1999, revenues and operating profit for the first half totalled respectively € 98.9 million and € 5 million compared to € 230.7 million and € 14.6 million respectively for the year as a whole.

### 3.8.3 RISK OF A DECLINE IN REVENUES LINKED TO THE DEPARTURE OF KEY MANAGERS

As in all businesses providing services to companies, Ipsos' relations with its clients are primarily based on the quality of relations between its managers and their contacts at the client companies. Ipsos could lose certain clients in its portfolio as a result of the departure of an important manager or account manager.

Ipsos believes this risk is considerably reduced by the following factors:

- Ipsos' turnover comes from a wide range of clients so that no single client accounts for more than 4% of consolidated turnover, and from contracts in several countries;
- Ipsos' managers are well paid and there are non-competition clauses in their employment contracts;
- most clients are loyal since 90% one year's clients use Ipsos' services the following year;
- Ipsos offers its clients not only close contact with its specialised teams but also a recognised brand and operational resources and databases. They have a guarantee that survey results will be comparable over time and between countries.

### 3.8.4 RISK OF CHANGE IN EMPLOYMENT LAW

Ipsos employs a substantial number of temporary workers to administer its questionnaires. In certain countries, local employment law may consider these workers as employees but this is only the case in a very small number of countries. In certain countries (e.g. Germany, the United Kingdom, and certain Latin American countries), there is a trend towards higher levels of protection for temporary workers, through employment law or its interpretation. The Group runs two risks as a result of this trend:

- a legal risk, if the Group does not allow temporary workers certain benefits to which only permanent employees are entitled at the moment, and thus breaches the law. In France, the status of temporary worker already takes account of these trends and the risk is therefore minimal;
- an economic risk, since these trends would tend to make labour more expensive if Ipsos were unable to increase its prices in the same proportion. Ipsos believes that this risk is not as great as it might seem since it applies to the entire industry and would therefore not result in a loss of competitiveness for the Group.

### 3.8.5 IT RISK

Ipsos' business is heavily dependent on information systems. As a result, a computer system malfunction could have a considerable impact on its business (loss of survey results, inability to access the databases, etc.). In practice, this risk is limited because Ipsos uses standard market systems and software that are distributed over several sites. If there is a problem with one system, Ipsos believes that it can switch over to another one. The Group has put in place a programme to adapt its software for the euro.

### 3.8.6 INTEREST RATE AND FOREIGN EXCHANGE RISKS

#### Interest rate risk

Out of the € 27.2 million in loans as at 31 December 2000 taken out with credit institutions, 92% were variable rate loans. Currently, Ipsos does not use derivatives to hedge against interest rate risk but does not rule out their use in the future.

#### Foreign exchange risk

The Group operates in 24 countries and conducts research in more than 100 countries. Foreign exchange risk relating to commercial transactions is nevertheless negligible since Ipsos' subsidiaries almost always bill in their local currency. The only risk lies in the conversion of the accounts and in transferring back to the parent company the dividends of the foreign subsidiaries located outside the euro zone.

Revenues are broken down by geographic zone in section 3.1.

## 3.9 RECENT DEVELOPMENTS AND OUTLOOK

### 3.9.1 STRATEGY OF THE IPSOS GROUP

According to Inside Research, Ipsos has been the fastest-growing international market research company in its market over the last twenty years. Today, it is one of the world leaders in the research market. Ipsos presently ranks fourth in the world among the survey-based market research companies, thanks to both a clear strategy that anticipated industry and market trends and a stepped-up acquisition policy in 2000 and 2001.

The acquisitions allowed it to achieve critical size to work with major clients wherever they do business.

Today, the Group's strategy aims to consolidate Ipsos as an international leader on the market. It is based on three principles:

#### *3.9.1.1 Bolstering its expertise in its business lines*

To reinforce its global leadership, the Group aims to increase its resources in its five business lines: marketing research, advertising research, media research, opinion and social research, and quality and customer satisfaction studies. This reinforcement will require targeted expenditure both internally, through increased financing of R&D, and through the acquisition of companies with real expertise in one of these market segments.

#### *3.9.1.2 Extending its coverage*

The expansion of major multinationals into new markets creates new research needs:

- multinationals would like marketing data on their new markets such as the emerging countries of Asia or Latin America;
- these multinationals put in place global product strategies and would therefore like uniform data from one market to another.

Ipsos' goal is therefore to increase its resources in three ways:

#### • **Expanding into new geographical areas**

Ipsos has acquired a strong position in the North and South American countries and in nearly all the key markets, except for Japan, as a result of its acquisition policy begun in 1997. The Group must now expand into areas that are less of a priority, where its presence is weak or non-existent, and in certain key markets in which not all of its business lines are represented.

The map below shows the areas in which the Group considers expansion a priority.



**Strong Ipsos presence**

**Presence to be broadened**

Presence to be developed

• **Harmonisation of services and creation of global brands**

Ipsos has decided to set up global business lines in each of its five areas of specialisation to encourage the development of joint instruments in all of its subsidiaries and the marketing of uniform services.

– *Advertising research: Ipsos-ASI*

This strategic business line operates in the field of advertising research. It has an integrated structure that offers a unique global copy testing product called "Ipsos-ASI Next\*TV" and extends worldwide the offer of other products.

– *Marketing research: Ipsos-Insight, Ipsos Access Panels, Ipsos-NPD*

Ipsos also has international co-ordination structures in the areas of marketing research and qualitative research with Ipsos-Insight. In Europe there is a specific organisation for the Ipsos Access Panels business which has European management (France, Germany, UK, and Italy). As a result of the acquisition of Ipsos-NPD, Ipsos Access Panels works closely with this new subsidiary to homogenise the access panels service throughout the Group. In 2000, a new range of quantitative marketing research products called Ipsos Evolution was made available in most of the Group countries.

– *Public opinion and social research: Ipsos-Reid*

As a result of the acquisition of Canada's Angus Reid (now Ipsos-Reid Corp.), a new international brand was created: Ipsos-Reid Global Public Opinion. All of Ipsos' international research businesses in the area of opinion and consumer trends research is co-ordinated under this brand.

A substantial portfolio of international benchmark studies already exists: in Europe, Ipsos offers several international survey programmes: *The European Consumer Index*, *European Public Opinion Trends* and *RED - Representative Employee Data*. Ipsos-Reid Corp. offers *World Monitor*; a study of the values of citizens in 40 countries and *The Face of the Web*, a study of the sociology of web users conducted in 34 countries.

The Internet is a major building block of Ipsos-Reid's services. It is becoming the preferred medium for surveying certain targets such as executives. It is also suitable for delivering results. Ipsos-Reid will expand its operations in the main regions of the world: North America, Latin America (where the Group has just acquired Mora y Araujo, a leader in the sector), Europe, Asia, and the Middle East.

– *Internet operations: Ipsos Inter@ctive*

All of Ipsos' interactive businesses have been consolidated under one umbrella brand: Ipsos Inter@ctive. The Internet is the subject of research for Ipsos in more than one respect, namely audience measurement (through MMXI Europe and Media Metrix Latin America), the effectiveness of the medium for advertising purposes (with Ipsos-ASI), the evaluation of websites, research into the potential of commercial sites, and the use of the Internet as a qualitative and quantitative survey medium. Internet technologies are also already used to deliver results online to clients.

- **Tracking its global clients worldwide**

In order to improve its service to its most important and most international clients, Ipsos has set up a dedicated international co-ordination structure to manage key accounts. The manager in charge of a key account is responsible for increasing its revenues by better managing the professional, commercial, and financial relationship with the client.

### **3.9.1.3 Improving the Group's profitability by optimising the cost structure**

Ipsos is continuously improving its services in order to provide its clients with the best solutions at the lowest cost. It applies the following principles to increase competitiveness:

- **Use of new methods to perform the research**

Ipsos makes widespread use of techniques that offer the client the best value for money, such as:

- syndicated research i.e. the possibility of selling the same information to several clients;
- Ipsos Reach which offers the most suitable of the Group's research resources for international research.

- **Technological developments**

For Ipsos, technology is a way to improve the quality of its services by speeding up the collection of information and making it reliable, while cutting costs. By investing in new information technologies, the Group is able to focus its efforts on its real added value, namely its consumer/citizen expertise, the interpretation of subjects' replies and modes of addressing subjects. First among the new technologies in which Ipsos is investing heavily is the Internet. The Internet opens up promising possibilities for gathering information quickly and inexpensively and for delivering findings to clients. The Group was a pioneer in studying this new medium. It already makes large-scale use of the Internet (see section 3.5.2. Use of new technologies) through online access panels.

- **Strengthened management**

Owing to its rapid growth, Ipsos had to strengthen the main management and control structures of its subsidiaries. Beginning on 1 January 2000, the group's main operational companies gradually adopted an integrated accounting and management system (ERP). It forms the basis for the uniform tracking of client transactions and accounts receivable and provides a picture of the performance of the Group's various entities (also see paragraph entitled ISIS).

Further, the Group has set up regional management structures in Latin America and North America. The purpose of these structures is, among other, to strengthen the Group's control both financially and with respect to human resources, and to co-ordinate the initiatives to be conducted for our major clients. These structures are also expanding the Group's brand recognition in these regions.

### 3.9.2 RECENT DEVELOPMENTS

#### **Acquisition of NPD's Marketing Research Division in the United States.**

On 17 January 2001 Ipsos and NPD signed an agreement under which Ipsos acquired the assets of NPD's marketing research division in the United States and Canada. The NPD Marketing Research division posted 2000 turnover of around \$ 70 million and is one of the leaders in marketing research in the United States. The acquisition did not include NPD's assets on consumer spending behaviour in certain niche markets.

These assets also include the marketing products and services offered by NPD to its North American clients as well as all the access panels used by NPD in North America for mail or telephone studies in connection with various types of marketing research (concept tests, product launches and repositioning studies, etc.).

These various panels total 500,000 households whose members are regularly asked to take part in research. These assets complete Ipsos' offering in European access panels (115,000 households).

NPD's Marketing Research Division, which will operate under the Ipsos-NPD name, will bolster Ipsos' North American presence represented by Ipsos-ASI (advertising research) and Ipsos-Reid Corp. (public opinion and marketing research). In 2001, Ipsos' North American turnover is expected to reach \$ 200 million and contribute up to 40% of the Group's total turnover, up from 14% in 1999 and 23% in 2000.

Ipsos-NPD will also enhance the marketing products and services offering that Ipsos already provides in Europe and Latin America in consumer products (food, cleaning products, hygiene, beauty and cosmetics products), telecommunications, banking, finance and pharmaceutical products.

Further, Ipsos and NPD will work together in online research in which NPD already holds a leading position with its panel of more than 2,000,000 individuals, primarily Americans and Canadians. To do so, Ipsos acquired 25% of the company which holds and manages that online panel and Ipsos holds an exclusive right to use that panel in its business lines (advertising, marketing, media, opinion, and customer satisfaction research).

#### **Agreements under which Ipsos acquired 50% of Search Marketing in Chile and of Mora y Araujo in Argentina, and 100% of Marplan in Brazil, have been finalised.**

Ipsos entered into preliminary agreements in summer 2000, in order to extend its geographical and sectorial coverage in Latin America, and they were finalized in the first months of 2001.

**Search Marketing**, which is the leader in media research in Chile (printed press, radio and plurimedia research), posted 1999 turnover of \$ 2 million. It also has substantial business in ad hoc marketing research and customer satisfaction research.

The agreement with Buenos Aires based **Mora y Araujo**, also saw the Ipsos group acquire a 50% stake. Mora y Araujo is Argentina's most active company in the public opinion sector. It is also heavily involved in the marketing research sector which accounted for nearly half of its turnover. In 1999, it posted turnover of \$ 3.5 million.

Under the agreements, Ipsos has the option of buying all of Search Marketing and Mora y Araujo by 2005.

Founded in 1958, **Marplan** is Brazil's biggest media research company. It is the reference institute for press research (Estudos Marplan). Marketing research nevertheless accounts for 60% of its turnover. Its services include qualitative and quantitative ad hoc research: institutional image surveys, communication research, agricultural and automotive research.

Ipsos completely bought out Marplan at the beginning of 2001.

Ipsos is able to offer its Latin American clients better geographical coverage and complementary expertise as a result of acquiring these stakes. Ipsos is the leading survey-based research company in the region.

### 3.9.3 OUTLOOK

In the future, Ipsos intends to keep growing its current business lines at a brisk pace through targeted acquisitions and internal growth exceeding that of the market.

#### **• Acquisitions**

The Group will continue to extend its geographical coverage. It plans to increase its operations in Asia (Japan) and in Central Europe, where the Group believes it is weak, by signing partnership agreements and buying stakes in local companies.

In many countries, Ipsos is already in contact with several companies. The target companies are medium-sized structures that already have significant market share.

### • Internal growth

Ipsos will be able to grow faster than the research sector as a whole owing to its strong positions in the fastest-growing market segments, such as advertising research or customer satisfaction, and because major clients prefer companies that are able to provide a service in all their markets.

In addition to new capabilities, such as those using the Internet, the Group also aims to expand its offering in the area of public opinion research by developing the Ipsos-Reid brand and expanding the markets covered.

Factoring in the acquisitions made in 2000 and at the beginning of 2001, and its internal growth, the Group projects that it will post revenues of close to € 500 million in 2001 (based on the January 2001 exchange rates), up from the € 320 million for 2001 it announced when its shares were floated on the Paris Bourse. Operating margin is estimated to reach 8% after factoring in employee profit-sharing or 8.2% before factoring in employee profit-sharing ; Ipsos would thus achieve the goal it announced when it was floated on the Paris Bourse.

The expected growth in the Group's profitability is due to the new distribution that favours geographical areas and business lines with higher margins. Further, synergies should enable Ipsos to increase profitability by better valuation of the client portfolio and by optimising the cost structure.

Ipsos' policy for the years 2002-2004 is to grow at an average annual rate of 20%, at least half of which should come from internal growth, otherwise from acquisitions, and to increase its operating margin by 0.5% per annum.

*We draw your attention to the following:*

- *The financial goals disclosed by the Company are published with the sole aim of informing potential investors of the trends as they currently appear to the Company.*
- *They were prepared by the Company on the basis of its assessment of the current state of the economic, financial, social, tax, regulatory, technological and competitive environment. Any change, even minimal, in that environment could have a positive or negative impact on its business and result in a significant difference between the actual results and the goals presented in this report.*

*Given the element of unpredictability inherent in the achievement of these goals, (especially as regards acquisitions), Ipsos cannot guarantee that they will be achieved or not achieved.*

## 3.10 NON-RECURRING EVENTS AND DISPUTES

### NON-RECURRING EVENTS

Further to the integration of operations in North America, a provision of € 1.3 million was posted in 2000 as a result of the decision to shut down two call centres in the state of Virginia and move these operations to Canada. Beginning in 2001, the cost of this restructuring is expected to be offset by a reduction of the operating expenses transferred to Canada where the unit hourly cost of telephone operations is lower than in the United States.

### DISPUTES

The Group is currently involved in three disputes:

#### ***Dispute with RSC***

At the end of 1996, RSC brought proceedings in the state of Indiana (USA) against Ipsos and Ipsos-Insight Marketing alleging that the defendants had used confidential information or trade secrets relating to RSC's ARS Persuasion product provided by that company under confidentiality agreements signed respectively in September 1990 by Ipsos-Insight Marketing and in December 1990 by Ipsos.

During a trial by jury in April 2000, the jury dismissed all of RSC's claims. RSC subsequently lodged an appeal but Ipsos' position is extremely strong given the jury's unanimous decision.

In 1999, RSC brought new proceedings in the state of Ohio against Ipsos-ASI alleging that Ipsos-ASI's Next\*TV product infringes RSC's ARS Persuasion product. In February 2001, the court dismissed RSC's claims on the basis of the Indiana judgment of April 2000. RSC subsequently lodged an appeal but Ipsos' position is also strong given the previous decisions.

#### ***Statutory profit-sharing of Ipsos Interviews employees***

In 1998, the works committee of Ipsos Interviews submitted a request for information to the management concerning the application of statutory employee profit-sharing for the financial years prior to 1997, the year in which a collective profit-sharing agreement was signed.

After review, the management decided to book a provision for liabilities and charges of FRF 5 million in the accounts of Ipsos Interviews amounting to the estimate of the company's financial risk for the year ended 31 December 1998. In 1999, talks were held with Ipsos Interviews' employee representatives. A supplementary provision of FRF 1.9 million was recorded via an exceptional charge, corresponding to the maximum risk arising from this dispute.

In 2000, a reversal of the exceptional provision was made for FRF 600,000, corresponding to the amount paid to the works committee. Due to this reversal, there was no impact on the 2000 results.

At the beginning of 2001, Ipsos Interviews paid the sums owed to the eligible employees who were still with the company or whose addresses the company knew. The balance of the provision will be maintained in the accounts of Ipsos Interviews as beneficiaries do not make themselves known.

#### ***Dispute with Volvo***

Ipsos' Belgian subsidiary has brought proceedings against Volvo due to Volvo's refusal to pay for part of a survey on the grounds that Ipsos did not complete the survey on time. Ipsos has posted a provision for 50% of the contested amount of the claim. The unpaid part of the study amounts to BEF 13.9 million (FRF 2.2 million). Volvo requests the reimbursement of the advance paid as well as damages.

Except for the above proceedings and events, the company is not aware of any facts and is not currently involved in any dispute or arbitration likely to have or have had in the recent past a significant impact on the company's assets, finances, business and results.

### 3.11 GLOSSARY

**Access Panel:** group of households recruited by a research company which agree to take part in research several times a year at a pre-defined pace.

**Advertising research:** assessing the efficiency of advertising. This discipline includes evaluating the quality of advertising through pre and post tests, assessments and tracking of the campaign as well as brand assessment and brand equity.

**Barometer:** study designed to follow indicators on markets, companies, brands, product, services, etc. over time. It is conducted using the same methods (same sampling structure, same questions, etc.). It is used to make comparisons from one period to another.

**CAPI (Computer-assisted personal interviewing system):** a face-to-face computer-assisted interview. The interviewer uses a laptop computer, reading the questions from the screen and keying the replies directly into the computer.

**CATI (Computer-assisted telephone interviewing system):** the interviewer conducts the questionnaire by telephone and records the replies directly into a computer.

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

**Multiclient studies:** research that is sold to several clients which can be of two kinds: (i) **syndicated research** conducted for groups of clients (e.g. media audience measurement studies carried out for industry associations in each medium) to which the findings of these studies belong and (ii) **subscription research** conducted by Ipsos in its own name, whose findings are then sold to several clients (e.g. the Active Managers' France).

**Ad hoc studies:** customised research conducted for a specific client. Ad hoc studies differ from recurring research such as barometers.

**Face-to-face:** collection of individual data carried out by the interviewer in the presence of each person surveyed (at home, office or in the street).

**Omnibus study:** type of quantitative study in which only the sample of persons to be surveyed is defined beforehand and in which each participating client may ask the questions of its choice. This study also belongs to the multiclient study category.

**Panel:** representative sample of individuals or professionals regularly surveyed on identical variables. The information may be collected automatically, since it does not require the direct participation of the participants (e.g. television viewer panels in passive audience rating). Information may be gathered directly from professional sources using sales statements (e.g. distributor panels).

**Pre-test:** a group of techniques designed to check the value of the communication of an advertising message before it is aired or published.

**Qualitative research:** an exploratory study (to explore an unknown sector, identify the main dimensions of a problem, draw assumptions, understand motivations) or operational study based on in-depth analysis of interviewee responses (in a group or individually). It most often deals with a restricted sample of individuals that does not need to be representative. It may be the preliminary phase of a quantitative study or stand alone.

**Quantitative research:** a study that aims to quantify attitudes or behaviours, measure variables on which they hinge, compare, and point out correlations. It is most often conducted by a survey on a sampling that must be representative so that the results can be extrapolated to the entire population studied. It requires the development of standardised and codifiable measurement instruments (structured questionnaires).

**Questionnaire:** a group of questions submitted to the persons surveyed in a quantitative survey.

**Survey:** a research on a representative sample of the target population.

**Field:** all the operations carried out further to the collection of the information and organisation of the work of the interviewers (descriptions of persons to be surveyed, instructions on choosing the interviewees, quotas, administering the questionnaire, checks).

**Advertising tracking:** analysis of a brand's communication dynamic and its impact on consumer attitudes and behaviours. In general, information is collected weekly and uses rotating samplings (unlike panels). Brand tracking based on the same model recently appeared in France (analysis of the changes in image and recognition parameters, etc.).

## FINANCIAL POSITION – RESULTS

### 4.1 CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

#### 4.1.1 AUDITORS' REPORT ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

To the Shareholders,

In accordance with the terms of our appointment by your General Meetings, we have audited the attached consolidated accounts of Ipsos S. A. prepared in French francs for the year ended 31 December 2000.

The Board of Directors is responsible for the preparation of the consolidated accounts. Our responsibility is to express an opinion on the accounts based on our audit.

We conducted our audit in accordance with the auditing standards applicable in France. These standards require the auditor to perform such tests and procedures as give reasonable assurance that the consolidated accounts are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the information contained in the accounts. It also includes an assessment of the accounting policies used and of significant estimates made by the Board of Directors in the preparation of the accounts, and an evaluation of the overall adequacy of the presentation of the accounts. We believe that our audit provides a reasonable basis for the opinion expressed below.

In our opinion, the consolidated accounts have been properly prepared in accordance with the accounting rules and principles applicable in France and give a true and fair view of the assets and liabilities, financial position and results of the group.

Without bringing into question the opinion expressed above, we draw your attention to Note 2-B in the Notes to the Consolidated Financial Statements which describes the changes in accounting methods and in the presentation of the consolidated profit and loss account resulting from the application of Regulation 99-02 of the *Comité de la Réglementation Comptable* (accounting regulatory body).

We have also checked the information provided in the Group Management Report. We have no comments to make on the fair presentation of this information, or on its consistency with the consolidated accounts.

Paris, 4 May 2001

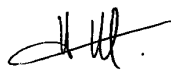
The Auditors

COGERCO FLIPO



Francis Pons

JPA



Danielle Bardreau-Gilbert

ERNST & YOUNG Audit



Gabriel Galet



Jacques Potdevin

## 4.1.2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

### CONSOLIDATED BALANCE SHEET

#### Assets as at 31 December 2000

| in thousands of FRF  | Notes<br>n° | as at 31 December 2000 |   |                  | Net as at<br>31/12/99 |
|--|-------------|------------------------|---|------------------|-----------------------|
|  |             | Gross                  | Depreciation,<br>amortisation<br>& provisions | Net              |                       |
| <b>FIXED ASSETS</b>  |             |                        |   |                  |                       |
| <b><i>Intangible fixed assets</i></b>  |             |                        |   |                  |                       |
|  | <b>1</b>    |                        |   |                  |                       |
| Start-up costs   |             | 2,252                  | 305   | 1,947            | 983                   |
| Other intangible fixed assets  |             | 99,075                 | 52,220  | 46,855           | 33,123                |
| Business goodwill  |             | 206,849                | 37,431  | 169,418          | 168,150               |
| <b><i>Goodwill (arising on acquisition)</i></b>  | <b>1</b>    | <b>778,411</b>         | <b>101,259</b>                                | <b>677,152</b>   | <b>233,964</b>        |
| <b><i>Tangible fixed assets</i></b>  |             |                        |   |                  |                       |
|  | <b>1</b>    | <b>305,595</b>         | <b>189,909</b>                                | <b>115,686</b>   | <b>53,344</b>         |
| <b><i>Financial fixed assets</i></b>   |             |                        |   |                  |                       |
|  | <b>2</b>    |                        |   |                  |                       |
| Non-consolidated participating interests<br>Companies accounted<br>for using the equity method |             | 1,006                  | 65  | 941              | 1,254                 |
| Other financial fixed assets   |             | 1,642                  |   | 1,642            | 1,495                 |
|  |             | 7 738                  | 108   | 7,630            | 8,341                 |
| <b>TOTAL FIXED ASSETS</b>  |             | <b>1,402,568</b>       | <b>381,297</b>                                | <b>1,021,271</b> | <b>500,654</b>        |
| <b>CURRENT ASSETS</b>  |             |                        |   |                  |                       |
| <b><i>Stocks and work in progress</i></b>  |             |                        |   |                  |                       |
| Miscellaneous supplies   |             | 1,818                  |   | 1,818            | 816                   |
| Surveys in progress  |             | 52,475                 | 0   | 52,475           | 80,800                |
| <b><i>Receivables</i></b>  |             |                        |   |                  |                       |
|  | <b>7</b>    |                        |   |                  |                       |
| Trade receivables  |             | 624,316                | 12,225  | 612,091          | 379,347               |
| Other receivables  |             | 87,807                 | 269   | 87,538           | 49,526                |
| Marketable securities  |             | 219,464                | 0   | 219,464          | 7,579                 |
| Cash   |             | 80,287                 |   | 80,287           | 56,938                |
| <b>TOTAL CURRENT ASSETS</b>  | <b>5</b>    | <b>1,066,167</b>       | <b>12,494</b>                                 | <b>1,053,673</b> | <b>575,006</b>        |
| <b><i>Prepaid expenses, deferred taxes<br/>and other assets</i></b>                            |             |                        |   |                  |                       |
|  | <b>3</b>    | <b>77,662</b>          |   | <b>77,662</b>    | <b>27,033</b>         |
| <b>TOTAL ASSETS</b>  |             | <b>2,546,397</b>       | <b>393,791</b>                                | <b>2,152,606</b> | <b>1,102,693</b>      |

## CONSOLIDATED BALANCE SHEET

### Shareholders' equity and liabilities at 31 December 2000

| in thousands of FRF   | Notes<br>n° | 31/12/00<br>before appropriation of income | 31/12/99         |
|---|-------------|--|------------------|
| <b>SHAREHOLDERS' EQUITY</b>                                   |             |  |                  |
| Share capital   |             | 30,926                                     | 26,173           |
| Premium   |             | 1,029,346                                  | 327,395          |
| Other reserves  |             | 40,390                                     | 18,045           |
| <b>Net income for the period<br/>after minority interests</b> |             | <b>39,185</b>                              | <b>23,428</b>    |
| <b>Equity attributable to the Group</b>                       | <b>4</b>    | <b>1,139,847</b>                           | <b>395,041</b>   |
| Minority interests in consolidated reserves                   |             | 7,315                                      | 3,788            |
| Minority interests in net income for the period               |             | 12,431                                     | 3,865            |
| <b>Minority interests</b>                                     | <b>4</b>    | <b>19,746</b>                              | <b>7,653</b>     |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                             |             | <b>1,159,593</b>                           | <b>402,694</b>   |
| <b>Provisions for liabilities and charges</b>                 | <b>5</b>    | <b>43,343</b>                              | <b>30,623</b>    |
| <b>LIABILITIES</b>  |             |  |                  |
| <b>Long-term debt</b>   | <b>6</b>    | <b>221,039</b>                             | <b>221,914</b>   |
| <b>Other liabilities</b>                                      | <b>7</b>    |  |                  |
| Advances & progress payments<br>from customers                |             | 38,504                                     | 80,681           |
| Trade payables  |             | 224,924                                    | 158,391          |
| Tax and employment-related liabilities                        |             | 194,511                                    | 161,000          |
| Other liabilities   |             | 210,184                                    | 22,422           |
| <b>TOTAL LIABILITIES</b>                                      |             | <b>889,162</b>                             | <b>644,408</b>   |
| <b>Prepaid income and other liabilities</b>                   | <b>3</b>    | <b>60,507</b>                              | <b>24,968</b>    |
| <b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>           |             | <b>2,152,605</b>                           | <b>1,102,693</b> |

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

| in thousands of FRF   | Notes    | 2000             | 1999             |
|---|----------|------------------|------------------|
| Revenues  | <b>1</b> | 2,161,084        | 1,513,630        |
| Change in stocks of finished goods and work in progress   |          | (30,666)         | (8,541)          |
| Own production capitalised  |          | 1,545            | 2,523            |
| Reversals of provisions & depreciation, transfers of expenses   |          | 16,320           | 5,112            |
| Other revenue   |          | 7,904            | 3,924            |
| <b>TOTAL OPERATING INCOME</b>   |          | <b>2,156,187</b> | <b>1,516,648</b> |
| Purchases of raw materials and other supplies   |          | 12,264           | 2,190            |
| Other bought-in goods and services  |          | 1,004,703        | 699,376          |
| Taxes other than corporate income tax   |          | 19,970           | 17,992           |
| Payroll and employee benefits   | <b>2</b> | 888,824          | 651,046          |
| Statutory profit-sharing  | <b>2</b> | 3,654            | 3,311            |
| Depreciation, amortisation and provisions   |          | 54,950           | 39,040           |
| Other expenses  |          | 13,465           | 11,817           |
| <b>TOTAL OPERATING EXPENSES</b>   |          | <b>1,997,830</b> | <b>1,424,772</b> |
| <b>OPERATING PROFIT</b>   |          | <b>158,357</b>   | <b>91,876</b>    |
| Net financial expenses  | <b>3</b> | (10,115)         | (11,755)         |
| <b>NET PROFIT FROM ORDINARY ACTIVITIES OF CONSOLIDATED ENTITIES</b>   |          | <b>148,242</b>   | <b>80,121</b>    |
| Net exceptional expenses  | <b>4</b> | (11,415)         | (2,787)          |
| <b>PROFIT OF CONSOLIDATED ENTITIES BEFORE TAX</b>   |          | <b>136,827</b>   | <b>77,334</b>    |
| Corporate income tax  | <b>5</b> | 34,212           | 21,291           |
| <b>PROFIT OF CONSOLIDATED ENTITIES AFTER TAX</b>  |          | <b>102,616</b>   | <b>56,044</b>    |
| Share of profits/(losses) of companies accounted for using the equity method  |          | (9,439)          | (4,419)          |
| Goodwill amortisation   |          | 41,561           | 24,332           |
| <b>NET PROFIT BEFORE MINORITY INTERESTS</b>   |          | <b>51,616</b>    | <b>27,293</b>    |
| Minority interests in profit for the year   |          | 12,431           | 3,865            |
| <b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b>   |          | <b>39,185</b>    | <b>23,428</b>    |
| <b>NET PROFIT ATTRIBUTABLE TO THE GROUP BEFORE THE IMPACT OF AMORTISATION OF GOODWILL ARISING ON ACQUISITION AND BUSINESS GOODWILL</b>                            |          | <b>80,746</b>    | <b>47,760</b>    |
| Earnings per share attributable to the Group, in French francs  |          | 6.83             | 5.03             |
| Earnings per share attributable to the Group, in French francs before the impact of amortisation of goodwill arising on acquisition and business goodwill         |          | 14.08            | 10.26            |
| Diluted earnings per share attributable to the Group, in French francs  |          | 6.69             | 4.89             |
| Diluted earnings per share attributable to the Group, in French francs before the impact of amortisation of goodwill arising on acquisition and business goodwill |          | 13.79            | 9.97             |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| in thousands of FRF   | 2000             | 1999             |
|---|------------------|------------------|
| <b>OPERATING ACTIVITIES</b>   |                  |                  |
| <b>Consolidated net profit attributable to the Group</b>                          | <b>39,185</b>    | <b>23 428</b>    |
| <b>Non-monetary items with no cash impact</b>                                     |                  |                  |
| Amortisation and depreciation   | 51,350           | 33,006           |
| Share in losses/(profits) of companies accounted for using the equity method      | 9,439            | 4,419            |
| Losses/(gains) on asset disposals   | (99)             | 3,060            |
| Amortisation of business goodwill and goodwill arising on acquisition             | 41,561           | 24,332           |
| Movement in other provisions  | (2,116)          | 2,450            |
| Deferred taxation   | (12,179)         | (3,290)          |
| Minority interests  | 12,407           | 3,865            |
| Other items   | 118              | 949              |
| <b>OPERATING CASH FLOW BEFORE WORKING CAPITAL ITEMS</b>                           | <b>139,666</b>   | <b>92,219</b>    |
| Decrease/(increase) in stocks and work in progress                                | 35,975           | 1,058            |
| Decrease/(increase) in trade receivables  | (141,121)        | (78,081)         |
| Decrease/(increase) in other receivables  | (19,723)         | 897              |
| Increase/(decrease) in trade payables   | 29,656           | 22,876           |
| Increase/(decrease) in accrued interest on debt                                   | 63               | (539)            |
| Increase/(decrease) in other liabilities  | (4,417)          | 16,319           |
| <b>CHANGE IN WORKING CAPITAL NEEDS</b>  | <b>(99,567)</b>  | <b>(37,470)</b>  |
| <b>CASH PROVIDED BY OPERATING ACTIVITIES</b>                                      | <b>40,099</b>    | <b>54,749</b>    |
| <b>INVESTING ACTIVITIES</b>   |                  |                  |
| Acquisition of tangible and intangible fixed assets (excluding business goodwill) | (93,865)         | (42,305)         |
| Acquisition of business goodwill  |                  | (9,211)          |
| Acquisition of non-consolidated participating interests                           | (627)            |                  |
| Proceeds from disposals of tangible and intangible assets                         | 3,094            | 1,144            |
| Proceeds from disposals of long-term investments                                  | 203              | 1,414            |
| Decrease/(increase) in marketable securities                                      | (210,511)        | (5,929)          |
| Decrease/(increase) in other long-term investments                                | 603              | (2,985)          |
| Increase/(decrease) in amounts payable on fixed assets                            | 3,994            | 2,758            |
| Impact of changes in consolidation scope  | (355,953)        | (123,709)        |
| <b>CASH USED IN INVESTING ACTIVITIES</b>  | <b>(653,062)</b> | <b>(178,823)</b> |
| <b>FINANCING ACTIVITIES</b>   |                  |                  |
| Share issue   | 706,704          | 180,600          |
| Issue of long-term debt   | 86,058           | 119,289          |
| Repayment of long-term debt   | (126,409)        | (143,230)        |
| Increase/(decrease) in bank overdrafts & short-term debt                          | (868)            | (25,858)         |
| Dividends paid to parent company shareholders                                     | (11,775)         |                  |
| Dividends paid to minority shareholders of consolidated entities                  | (7,798)          | (2,260)          |
| <b>CASH PROVIDED BY FINANCING ACTIVITIES</b>                                      | <b>645,912</b>   | <b>128,541</b>   |
| <b>Opening cash</b>   | <b>56,938</b>    | <b>48,501</b>    |
| Impact of exchange rate fluctuations  | (9,600)          | 3,970            |
| <b>Net change in cash</b>   | <b>32,949</b>    | <b>4,467</b>     |
| <b>CLOSING CASH</b>   | <b>80287</b>     | <b>56,938</b>    |

## 4.1.3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### I. CHANGES IN CONSOLIDATION SCOPE

#### A. Main events of the year

The main changes in consolidation scope during the year ended 31 December 2000 were as follows:

- Acquisition of 100% of Ipsos-Reid Corp. in July 2000.
- Acquisition of 50% of Ipsos-Bimsa by Ipsos SA in January 2000.
- Acquisition of 100% of Ipsos-Médiangles by Ipsos France in January 2000.
- Acquisition of 100% of Ipsos-ASI Ltd. (Canada) in February 2000.
- Formation in January 2000 of Ipsos Andina in which Metrica Argentine has a 51% holding.
- Formation in March 2000 of Ipsos-Link in which Ipsos SA has a 40% holding.
- Acquisition on 1 October 2000 of 50% of the UK company Research in Focus.
- Acquisition in July 2000 by Stat-Ipsos SA of 44% of Ipsos-Stat Lebanon taking the holding in this company to 49%. In view of the dominant position of Ipsos Stat Lebanon over the other companies in the Middle East held by Ipsos Stat S.A., these have been fully consolidated from 1 July 2000.

#### B. Companies included in the consolidation scope as at 31 December 2000

The following companies are included in the consolidation:

##### Fully consolidated companies

| Company                       | Form       | % interest           | Country |  | Reg. No.    |
|-------------------------------|------------|----------------------|---------|--|-------------|
| Ipsos                         | SA         | Société consolidante | France  | 99, rue de l'Abbé Groult 75 739 Paris cedex 15   | 304 555 634 |
| Ipsos Access Panel Holding    | Soc.Civile | 100                  | France  | 99, rue de l'Abbé Groult 75 739 Paris cedex 15   | 401 768 908 |
| GIE Ipsos Europe (1)          | GIE        | 100                  | France  | 99, rue de l'Abbé Groult 75 739 Paris cedex 15   | 401 615 608 |
| Ipsos France                  | SA         | 99.99                | France  | 99, rue de l'Abbé Groult 75 739 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 Interviews              | SA         | 99.96                | France  | 14, rue Yvart 75 739 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 (2)                 | 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       | 74.78                | France  | 99, rue de l'Abbé Groult 75739 Paris cedex 15    | 312 681 471 |
| Stat-Ipsos                    | SA         | 50.8                 | France  | 99, rue de l'Abbé Groult 75739 Paris cedex 15    | 401 595 939 |
| IMS                           | SA         | 99.98                | France  | 4 rue de Penthievre 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 Penthievre 75008 Paris                  | 384 721 346 |
| Statiro                       | SA         | 99.83                | France  | 104 rue Castagnary 75015 Paris                   | 722 022 944 |
| IMS Développement             | SA         | 99.98                | France  | 4 rue de Penthievre 75008 Paris                  | 387 725 245 |
| Ipsos Access Panel France     | SA         | 99.99                | France  | 99, rue de l'Abbé Groult 75 739 Paris cedex 15   | 392 901 856 |
| Ipsos Access Panel GIE        | GIE        | 99.6                 | France  | 99, rue de l'Abbé Groult 75 739 Paris cedex 15   | 402 829 147 |
| Int res                       | SA         | 82                   | Belgium | 116, rue du Sillon 1 070 - Anderlecht            |             |
| Ipsos-RSL                     | Ltd Co.    | 100                  | GB      | Elmgrove Road Harrow HA1 2QG                     |             |
| Priceresearch                 | Ltd Co     | 100                  | GB      | Elmgrove Road Harrow HA1 2QG                     |             |
| CatiCentre                    | Ltd. Co    | 100                  | GB      | Elmgrove Road Harrow HA1 2QG                     |             |
| Ipsos-Insight                 | Ltd. Co    | 100                  | GB      | Elmgrove Road Harrow HA1 2QG                     |             |
| Ipsos Access Panel UK         | Ltd. Co    | 100                  | GB      | Elmgrove Road Harrow HA1 2QG                     |             |
| Ipsos Access Panel Services   | Ltd. Co    | 100                  | GB      | Elmgrove Road Harrow HA1 2QG                     |             |
| Research in Focus             | Ltd. Co    | 50                   | GB      | Lovel Road, Winkfield, Berkshire SL4 2ES         |             |

## Fully consolidated companies, continued

| Company                      | Form          | % interest | Country     | Reg. No.  |
|------------------------------|---------------|------------|-------------|---|
| Ipsos Deutschland            | GmbH          | 100        | Germany     | Langelohstrasse 134, 2 000 Hambourg 53                      |
| Ipsos Phone                  | GmbH          | 100        | Germany     | Langelohstrasse 134, 2 000 Hambourg 53                      |
| Getas Consult                | GmbH          | 100        | Germany     | Kuuckhoffstrasse 55, 13156 Berlin                           |
| Ipsos Access Panel Germany   | GmbH          | 100        | Germany     | Hobeluftchaussee 112, 20 244 Hambourg                       |
| 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                            |
| Ipsos-Szonda                 | Sté hongroise | 50.1       | Hungary     | 1081 Budapest Köztársaság tér 3                             |
| Eco                          | SA            | 100        | Spain       | Calle Alcala, 96 28 009 Madrid                              |
| Ipsos-Eco consulting         | SA            | 100        | Spain       | Avenida de Burgos, 12 28 036 Madrid                         |
| Ipsos USA                    | Inc.          | 100        | USA         | 333 W.Wacker Drive Chicago, Illinois 60611 Etats-Unis       |
| Ipsos America                | Inc.          | 100        | USA         | 301, Merrit 7, Norwalk, CT 06851                            |
| Ipsos-ASI                    | Inc.          | 100        | USA         | 301, Merrit 7, Norwalk, CT 06851                            |
| 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 Corp.             | Inc           | 100        | Canada      | Suite 1100, 1199 West hastings Street, Vancouver, V6E 3T5   |
| Ipsos Portugal               | LDA           | 100        | Portugal    | Rua Carlos Malheiro Dias, 11 1700 Lisboa                    |
| Ipsos Latin America          | BV            | 100        | Netherlands | Koningslaan 34 1075 aAD Amsterdam                           |
| Publimentria                 | SA            | 78.2       | Argentina   | Conesa 2046 - Buenos Aires 1248                             |
| Novaction Argentina          | SA            | 100        | Argentina   | Conesa 2046 - Buenos Aires 1248                             |
| Metrica Argentine            | SA            | 81.69      | Argentina   | Conesa 2046 - Buenos Aires 1248                             |
| Novaction Brazil             | LDA           | 100        | Brazil      | Av. 9 de Juuhlo, 5017 Conj. 111 CEP 01407-200 Sao Paolo     |
| Metrica Brazil               | LDA           | 81.69      | 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            | 81.69      | Mexico      | Insurgentes Sur 933 Piso 5 mexico (DF) Colonia Naploes      |
| Ipsos-Bimsa                  | SA            | 50         | Mexico      | Sofocles #118, col. Palanco, CP11560 Mexico (DF)            |
| Ipsos Andina                 |               | 41.58      | Colombia    | Carrera 19, Nro 84-51 Nivel 2, Santa Fe de Bogota           |
| Ipsos Far East               | Ltd           | 100        | Hong-Kong   | 540 King's road. North Point                                |
| Ipsos-Link Consulting Co Ltd | JV            | 40         | China       | 38 Bei San Huan Zhong Lu, Haidain district, Beijing, 100088 |
| Ipsos Australia PTY          | PTY Ltd       | 100        | Australia   | Level 2,1 Mc Laren Street, 2060 North Sydney                |
| 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                   |               | 24.99      | UAE         | Cheick Zayed Road, Bourj Al Salam, Office 202, Dubaï        |

## Companies accounted for using the equity method

| Company                  | Form | % interest | Country     | Reg. No.                                       |             |
|--------------------------|------|------------|-------------|--|-------------|
| Espace TV. Communication | SA   | 28%        | France      | 30, rue d'Orléans, 92 200 Neuilly sur Seine    | 338 688 856 |
| MMXI Europe              | BV   | 22%        | Netherlands | Van Heuven Goedhartlaan 121,1181 KK AMSTELVEEN |             |

### Notes:

(1) GIE Ipsos Europe, an economic interest grouping with no share capital, manages European projects exclusively for its members, which run the entity. As at 31 December 2000, the members, which all had an equal interest, were: Ipsos Médias, Ipsos Opinion, Ipsos Interviews, Ipsos Régions, Ipsos France, Ipsos Satisfaction de clientèle, Ipsos-Insight Marketing, Insight Marques, Int res, Ipsos-RSL, Ipsos Deutschland, Ipsos-Explorer, Ipsos-Eco Consulting and Ipsos Portugal. Under the operating rules of the GIE, the entity generates neither a profit nor a loss.

(2) GIE Ipsos, an economic interest grouping with no share capital, handles the finance function exclusively for its members, which run the entity. As at 31 December 2000, the members, which all had an equal interest, were: Ipsos, GIE Ipsos Europe, Ipsos Médias, Ipsos Opinion, Ipsos Interviews, Ipsos Régions, Ipsos France, Ipsos Satisfaction de clientèle, Ipsos-Insight Marketing, Insight Marques and Ipsos Music. Under the operating rules of the GIE, the entity generates neither a profit nor a loss.

## 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 thousands of French francs.

### ***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 control is over 20%.

#### ***Date of first consolidation***

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

#### ***Length of accounting periods and balance sheet date***

The consolidated financial statements cover a 12-month period from 1 January to 31 December 2000. All consolidated companies draw up their accounts to 31 December.

#### ***Goodwill arising on acquisitions***

Goodwill on consolidation is the excess of the cost of acquisition of the shares in the consolidated companies over the corresponding share of the book value of the net assets at the date of acquisition. This difference is analysed and allocated, if appropriate, to asset items and any balance is treated as goodwill arising on 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 (companies involved: Insight Marques and Int res), 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 balance sheet date, based mainly on turnover, past or projected profitability, and economic, financial or sectoral factors, in order to determine if supplementary provisions are necessary.

#### ***Translation of the accounts of foreign subsidiaries***

Balance sheet items are translated at the closing rate, with the exception of capital which is maintained at the historical rate, and profit and loss account items are translated at the average rate. The profit for the year included in shareholders' equity is shown at the average rate; the difference relative to the closing rate is taken to consolidated reserves.

Average exchange rates used for the main currencies were as follows:

|             | 2000     | 1999     |
|-------------|----------|----------|
| USD         | 7.10208  | 6.154733 |
| CAD         | 4.785966 | 4.141159 |
| GBP         | 10.76261 | 9.957823 |
| DEM         | 3.353860 | 3.353860 |
| ESP         | 0.039424 | 0.039424 |
| ITL (1,000) | 3.388    | 3.388    |

#### ***Intra-group transactions***

Accounts receivable and accounts payable balances between group companies as at 31 December, income and expense generated by transactions between consolidated companies, and other intra-group transactions such as payments of dividends, gains or losses on disposals, changes in provisions for impairment of shares in consolidated undertakings, loans to group companies and internal margins are eliminated, taking account of their impact on net profit and deferred taxation.

## **B. Accounting rules and valuation methods**

### ***Intangible fixed assets***

Intangible fixed assets are shown in the balance sheet at historical 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 goodwill, of between 3 and 20 years;
- the costs of setting up panels, amortised over 3 years.

### ***Tangible fixed assets***

Tangible fixed assets are shown at historical cost.

Tangible fixed assets, which are shown on a single line in the balance sheet, 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 in the balance sheet, and depreciated using the methods described above. The corresponding lease obligation is recognised as a liability in the balance sheet.

### ***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 less than their book value.

Purchases of own shares are booked as a reduction to shareholders' equity on the basis of their acquisition cost, except for those made in order to regulate the share price, which are booked under marketable securities. Any disposal gains or losses on 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 expenditure directly attributable to surveys not completed as at the balance sheet date.

### ***Receivables***

Receivables are shown at face value. Doubtful debt provisions are taken on a case by case basis in the light of information derived from the debt recovery procedures used by the Group.

### ***Marketable securities***

Marketable securities are shown in the balance sheet at the lower of acquisition cost or market value.

### ***Provisions for liabilities and charges***

Provisions for liabilities and charges mainly comprise provisions for pension obligations.

Pension obligations for the UK companies in the Group are handled by an external body. They are included in "tax and employment-related liabilities" in the balance sheet, and in "payroll and employee benefits" in the profit and loss account.

### ***Deferred taxation***

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

Deferred taxation arises from temporary differences in taxation and adjustment of items for consolidation.

Deferred tax relating to tax losses available for carry-forward is only recognised when its recovery is likely.

**Recognition of income**

Income is recognised on completion of each stage of studies (end of data collection, end of data processing, and presentation of the results to the client). In order to simplify matters, income from studies of short duration is recognised in totality when the results are presented.

**Expenses of loan issues**

The expenses related to loan issues are written off over the period of the loans concerned.

**Note on the presentation of the profit and loss account**

In accordance with the provisions and recommendations of CRC Regulation No. 99-02:

- statutory employee profit-sharing, previously shown on a separate line, has been included in operating expenses for 2000. The figures for 1999 have been restated using this new presentation. Employee profit-sharing amounted to FRF 3,654 thousand in 2000 and FRF 3,311 thousand in 1999;
- Ipsos has recognised a deferred tax asset at 31 December 2000, in respect of the retirement provisions of French companies for FRF 1,617 thousand.

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

#### A. Notes to the balance sheet

##### Note 1 – Intangible and tangible fixed assets

##### Movements during the year

|  | Opening gross value | Increases      | Decreases     | Reclassifications & other movements | Changes in consolidation and exchange rates | Closing gross value |
|--|---------------------|----------------|---------------|-------------------------------------|---|---------------------|
| <b>Intangible fixed assets</b>             |                     |                |               |                                     |   |                     |
| Start-up costs                             | 1,212               | 1,212          | 127           |                                     | (45)  | 2,252               |
| Research costs                             | 18                  | 418            |               | 524                                 |   | 960                 |
| Other intangible fixed assets              | 66,186              | 27,808         | 1,324         | (466)                               | 5,911                                       | 98,115              |
| Business goodwill                          | 194,457             |                | 573           |                                     | 12,965                                      | 206,849             |
| <b>TOTAL</b>                               | <b>261,873</b>      | <b>29,438</b>  | <b>2,024</b>  | <b>58</b>                           | <b>18,831</b>                               | <b>308,176</b>      |
| <b>Goodwill (arising on acquisition) *</b> | <b>305,002</b>      | <b>467,856</b> |               |                                     | <b>5,553</b>                                | <b>778,411</b>      |
| <b>Tangible fixed assets **</b>            | <b>170,551</b>      | <b>64,717</b>  | <b>13,058</b> | <b>(348)</b>                        | <b>83,733</b>                               | <b>305,595</b>      |
| <b>GENERAL TOTAL</b>                       | <b>737,426</b>      | <b>562,011</b> | <b>15,082</b> | <b>(290)</b>                        | <b>108,117</b>                              | <b>1,392,182</b>    |

\* Following the various acquisitions reported in the paragraph "Main events of the year", goodwill has been recognised for FRF 467,856 thousand. The three most material changes in consolidation scope represent 93% of the total, or FRF 435,614 thousand, corresponding to the goodwill arising on the acquisition of the shares in Ipsos-Bimsa in Mexico, Ipsos-Reid Corp. and Ipsos-ASI Ltd. (formerly Tandemar) in Canada.

\*\* The strong increase in the item "Tangible fixed assets" arises from acquisitions of assets in connection with the growth in the Group's activities, and from changes in consolidation scope, representing 38% and 45% respectively of the amounts at 1 January 2000.

#### Amortisation and depreciation

|  | Opening amortisation & depreciation | Increases     | Decreases    | Reclassifications & other movements | Changes in consolidation and exchange rates | Closing amortisation & depreciation |
|--|-------------------------------------|---------------|--------------|-------------------------------------|---|-------------------------------------|
| <b>Intangible fixed assets</b>           |                                     |               |              |                                     |   |                                     |
| Start-up costs                           | 229                                 | 85            |              | (12)                                | 3   | 305                                 |
| Research costs                           | 0                                   | 157           |              |                                     |   | 157                                 |
| Other intangible fixed assets            | 33,081                              | 15,833        | 258          | (736)                               | 4,143                                       | 52,063                              |
| Business goodwill                        | 26,307                              | 9,811         |              |                                     | 1,313                                       | 37,431                              |
| <b>TOTAL</b>                             | <b>59,617</b>                       | <b>25,886</b> | <b>258</b>   | <b>(748)</b>                        | <b>5,459</b>                                | <b>89,956</b>                       |
| <b>Goodwill (arising on acquisition)</b> | <b>71,038</b>                       | <b>30,222</b> |              |                                     | <b>(1)</b>                                  | <b>101,259</b>                      |
| <b>Tangible fixed assets</b>             | <b>117,207</b>                      | <b>36,501</b> | <b>6,211</b> | <b>(228)</b>                        | <b>42,640</b>                               | <b>189,909</b>                      |
| <b>TOTAL</b>                             | <b>247,862</b>                      | <b>92,609</b> | <b>6,469</b> | <b>(976)</b>                        | <b>48,098</b>                               | <b>381,124</b>                      |

#### Geographical split of goodwill arising on acquisition

| Region         | Gross          | Amortisation   | Net            |
|----------------|----------------|----------------|----------------|
| France         | 60,075         | 17,013         | 43,062         |
| Rest of Europe | 168,026        | 55,617         | 112,409        |
| Latin America  | 122,005        | 15,566         | 106,439        |
| North America  | 417,249        | 12,702         | 404,547        |
| Asia           | 3,409          | 170            | 3,239          |
| Middle East    | 7,647          | 191            | 7,456          |
| <b>TOTAL</b>   | <b>778,411</b> | <b>101,259</b> | <b>677,152</b> |

## Geographical split of business goodwill

| Region         | Gross          | Amortisation  | Net            |
|----------------|----------------|---------------|----------------|
| France         | 2,451          | 530           | 1,921          |
| Rest of Europe | 10,112         | 9,803         | 309            |
| Australia      | 8,468          | 0             | 8,468          |
| North America  | 185,818        | 27,098        | 158,720        |
| <b>TOTAL</b>   | <b>206,849</b> | <b>37,431</b> | <b>169,418</b> |

## Geographical split of other intangible and tangible fixed assets

| Region         | Other intangible fixed assets |               |               | Tangible fixed assets |                |                |
|----------------|-------------------------------|---------------|---------------|-----------------------|----------------|----------------|
|                | Gross                         | Amort.        | Net           | Gross                 | Dep'n.         | Net            |
| France         | 61,500                        | 33,531        | 27,969        | 45,131                | 28,146         | 16,985         |
| Rest of Europe | 26,867                        | 12,584        | 14,283        | 135,095               | 100,636        | 34,459         |
| Latin America  | 1,363                         | 384           | 979           | 16,208                | 8,825          | 7,383          |
| North America  | 9,956                         | 4,878         | 5,078         | 99,413                | 47,570         | 51,843         |
| Asia-Pacific   | 1,500                         | 1,127         | 373           | 1,380                 | 530            | 850            |
| Middle East    | 141                           | 21            | 120           | 8,368                 | 4,202          | 4,166          |
| <b>TOTAL</b>   | <b>101,327</b>                | <b>52,525</b> | <b>48,802</b> | <b>305,595</b>        | <b>189,909</b> | <b>115,686</b> |

## Note 2 - Financial fixed assets

|   | Opening gross value | Increases    | Decreases    | Movements  | Changes in consolidation and exchange rates | Closing gross value |
|---|---------------------|--------------|--------------|------------|---|---------------------|
| Non-consolidated participating interests        | 1,269               | 627          |              |            | (890)                                       | 1,006               |
| Companies accounted for using the equity method | 1,495               |              |              | 147        |   | 1,642               |
| <b>SUB-TOTAL</b>                                | <b>2,764</b>        | <b>627</b>   | <b>0</b>     | <b>147</b> | <b>(890)</b>                                | <b>2,648</b>        |
| Receivables relating to participating interests | 1,447               | 419          | 407          |            | (1,371)                                     | 88                  |
| Loans   | 328                 | 440          | 443          |            |   | 325                 |
| Other items                                     | 6,566               | 1,476        | 827          |            | 110   | 7,325               |
| <b>SUB-TOTAL</b>                                | <b>8,341</b>        | <b>2,335</b> | <b>1,677</b> | <b>0</b>   | <b>(1,261)</b>                              | <b>7,738</b>        |
| <b>TOTAL</b>                                    | <b>11,105</b>       | <b>2,962</b> | <b>1,677</b> | <b>147</b> | <b>(2,151)</b>                              | <b>10,386</b>       |

## Non-consolidated participating interests:

Participating interests are excluded from the consolidation if their impact on the consolidation is not material (companies less than 20% owned and dormant companies).

|                   | Interest held | Gross value  | Provisions | Net value  |           |
|-------------------|---------------|--------------|------------|------------|-----------|
| Marketing Consult | 100%          | 31           | 15         | 16         | Hungary   |
| Net Survey KFT    | 50%           | 74           |            | 74         | Hungary   |
| Getas Irwik *     | 59.54%        | 50           | 50         | 0          | Poland    |
| Ipsos Argentina   |               | 32           |            | 32         | Argentina |
| Ifes              |               | 167          |            | 167        | Germany   |
| Stat Kuwait       | 49%           | 98           |            | 98         | Kuwait    |
| Stat Jordanie     | 49%           | 553          |            | 553        | Jordan    |
| <b>TOTAL</b>      |               | <b>1,006</b> | <b>65</b>  | <b>941</b> |           |

\* Deconsolidated

### Information on principal companies accounted for using the equity method:

|                         | Contribution to shareholders' equity (including results) | Contribution to consolidated results (excluding amortisation of goodwill arising on acquisition) |
|-------------------------|--|--|
| MMXI Europe             | (14,372)   | (9,728)  |
| Espace TV Communication | 396  | 289  |

### Note 3 - Accruals, deferrals and other assets and liabilities

|  | at 31/12/2000 | at 31/12/1999 |
|--|---------------|---------------|
| <b>Accruals, deferrals and other assets</b>      |               |               |
| Prepayments                                      | 34,894        | 18,125        |
| Deferred charges                                 | 10,992        | 1,713         |
| Translation difference, asset                    | 1,623         | 462           |
| Deferred taxation                                | 30,153        | 6,733         |
| Other items                                      |               |               |
|  | 77,662        | 27,033        |
| <b>Accruals, deferrals and other liabilities</b> |               |               |
| Deferred income                                  | 56,557        | 23,303        |
| Translation difference, liability                | 3,950         | 1,665         |
|  | 60,507        | 24,968        |

### Note 4 - Movements in shareholders' equity

#### Changes in shareholders' equity attributable to the Group

| Attributable to Group shareholders                    | Share capital | Premiums         | Consolidated reserves | Profit for the year | Translation differences* | Total shareholders' equity |
|---|---------------|------------------|-----------------------|---------------------|--------------------------|----------------------------|
| <b>POSITION AT THE 1998 YEAR-END</b>                  |               |                  |                       |                     |                          |                            |
|   | <b>19,806</b> | <b>153,157</b>   | <b>4,699</b>          | <b>6,807</b>        | <b>(10,142)</b>          | <b>174,327</b>             |
| - Changes in the capital of the consolidating entity  | 6,367         | 174,238          |                       |                     |                          | 180,605                    |
| - Other movements                                     |               |                  | 6,807                 | (6,807)             | 16,680                   | 16,680                     |
| - Net income for the period attributable to the Group |               |                  |                       | 23,428              |                          | 23,428                     |
| <b>POSITION AT THE 1999 YEAR-END</b>                  |               |                  |                       |                     |                          |                            |
|   | <b>26,173</b> | <b>327,395</b>   | <b>11,506</b>         | <b>23,428</b>       | <b>6,538</b>             | <b>395,040</b>             |
| - Changes in the capital of the consolidating entity  | 4,753         | 701,951          |                       |                     |                          | 706,704                    |
| - Net income for the period attributable to the Group |               |                  |                       | 39,185              |                          | 39,185                     |
| - Distribution by the consolidating entity            |               |                  | (11,775)              |                     |                          | (11,775)                   |
| - Change in translation differences                   |               |                  |                       |                     | 10,705                   | 10,705                     |
| - Other movements                                     |               |                  | 23,416                | (23,428)            |                          | (12)                       |
| <b>POSITION AT THE 2000 YEAR-END</b>                  |               |                  |                       |                     |                          |                            |
|   | <b>30,926</b> | <b>1,029,346</b> | <b>23,147</b>         | <b>39,185</b>       | <b>17,243</b>            | <b>1,139,847</b>           |

\* of which translation differences fixed as at 31 December 1999 arising on foreign subsidiaries in European Economic and Monetary Union countries

(2 916)

As at 31 December 2000, the share capital comprised 6,185,213 shares with a par value of FRF 5 each.

## Changes in minority interests

| Minority interests   | Profit for the year | Other minority interests | Translation differences* | Total minority interests |
|--|---------------------|--------------------------|--------------------------|--------------------------|
| <b>POSITION AT THE 1998 YEAR-END</b>                           | <b>7,091</b>        | <b>58,171</b>            | <b>(1,580)</b>           | <b>63,682</b>            |
| - Distribution of dividends to minority interests              |                     | (2,260)                  |                          | (2,260)                  |
| - Changes in consolidation scope                               |                     | (57,678)                 |                          | (57,678)                 |
| - Change in translation differences                            |                     |                          | 44                       | 44                       |
| - Net income for the period attributable to minority interests | 3,865               |                          |                          | 3,865                    |
| - Other movements  | (7,091)             | 7,091                    |                          |                          |
| <b>POSITION AT THE 1999 YEAR-END</b>                           | <b>3,865</b>        | <b>5,324</b>             | <b>(1,536)</b>           | <b>7,653</b>             |
| - Distribution of dividends to minority interests              |                     | (7,798)                  |                          | (7,798)                  |
| - Changes in consolidation scope                               |                     | 7,875                    |                          | 7,875                    |
| - Change in translation differences                            |                     |                          | (418)                    | (418)                    |
| - Net income for the period attributable to minority interests | 12,431              |                          |                          | 12,431                   |
| - Other movements  | (3,865)             | 3,868                    |                          | 3                        |
| <b>POSITION AT THE 2000 YEAR-END</b>                           | <b>12,431</b>       | <b>9,269</b>             | <b>(1,954)</b>           | <b>19,746</b>            |

\* of which translation differences fixed as at 31 December 1999 arising on foreign subsidiaries in European Economic and Monetary Union countries

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### Note 5 - Provisions

| Type of provision                             | Opening balance | Increases during the year | Decreases during the year | Changes in consolidation | Foreign exchange movements | Closing balance |
|---|-----------------|---------------------------|---------------------------|--------------------------|----------------------------|-----------------|
| <b>Provisions for liabilities and charges</b> |                 |                           |                           |                          |                            |                 |
| Liabilities and charges                       | 10,819          | 14,005                    | 2,757                     | 1,145                    | 49                         | 23,261          |
| Pension obligations                           | 19,804          | 2,016                     | 2,848                     | 1,119                    | (9)                        | 20,082          |
| <b>SUB-TOTAL</b>                              | <b>30,623</b>   | <b>16,021</b>             | <b>5,605</b>              | <b>2,264</b>             | <b>40</b>                  | <b>43,343</b>   |
| <b>Provisions against assets</b>              |                 |                           |                           |                          |                            |                 |
| Provisions against trade receivables          | 6,669           | 2,049                     | 1,201                     | 4,580                    | 128                        | 12,225          |
| Provisions against other current assets       | 1,604           |                           | 1,598                     |                          | (6)                        | 0               |
| Provisions against fixed assets               | 15              | 50                        |                           |                          |                            | 65              |
| <b>SUB-TOTAL</b>                              | <b>8,289</b>    | <b>2,099</b>              | <b>2,799</b>              | <b>4,580</b>             | <b>122</b>                 | <b>12,291</b>   |
| <b>TOTAL</b>                                  | <b>38,912</b>   | <b>18,120</b>             | <b>8,404</b>              | <b>6,844</b>             | <b>162</b>                 | <b>55,634</b>   |
| of which charges (+) and reversals (-):       |                 |                           |                           |                          |                            |                 |
| - Operating                                   |                 | (3,970)                   |                           |                          |                            |                 |
| - Financial                                   |                 | 453                       |                           |                          |                            |                 |
| - Exceptional                                 |                 | 1,401                     |                           |                          |                            |                 |

**Note 6 - Debt**

|                             | Balance as at<br>31/12/00 | Maturity            |                 |                      |
|-----------------------------|---------------------------|---------------------|-----------------|----------------------|
|                             |                           | Less than<br>1 year | 1 to<br>5 years | More than<br>5 years |
| <b>Debt</b>                 |                           |                     |                 |                      |
| Bank debt *                 | 178,112                   | 91,974              | 86,138          |                      |
| Other debt                  | 14,421                    | 2,871               | 11,550          |                      |
| Accrued interest on debt    | 1,423                     | 1,423               |                 |                      |
| Bank overdrafts             | 27,083                    | 27,083              |                 |                      |
| <b>TOTAL A</b>              | <b>221,039</b>            | <b>123,351</b>      | <b>97,688</b>   | <b>0</b>             |
| <b>Cash and equivalents</b> |                           |                     |                 |                      |
| Marketable securities       | 219,464                   | 219,464             |                 |                      |
| Cash                        | 80,287                    | 80,287              |                 |                      |
| <b>TOTAL B</b>              | <b>299,751</b>            | <b>299,751</b>      |                 |                      |
| <b>NET DEBT (A - B)</b>     | <b>(78,712)</b>           | <b>(176,400)</b>    | <b>97,688</b>   | <b>0</b>             |

\* The split of bank debt by type of rate (fixed/floating) and currency is as follows:

| Bank debt<br>(in thousands of French francs) | Balance as at<br>31/12/00 | Fixed<br>rate | Floating<br>rate |
|--|---------------------------|---------------|------------------|
| In US dollars (USD)                          | 79,556                    |               | 79,556           |
| In Belgian francs (BEF)                      | 1,002                     |               | 1,002            |
| In French francs (FRF)                       | 42,812                    | 14,872        | 27,940           |
| In Italian lire (ITL)                        | 82                        | 82            |                  |
| In Canadian dollars (CAD)                    | 45,891                    |               | 45,891           |
| In pounds sterling (GBP)                     | 946                       |               | 946              |
| In Australian dollars (AUD)                  | 7,823                     |               | 7,823            |
|  | <b>178,112</b>            | <b>14,954</b> | <b>163,158</b>   |

Because debt is denominated in the currency of the country where it is contracted, there is no foreign exchange risk on debt.

**Note 7 - Receivables and other liabilities by maturity**

|  | Gross value    | Maturity         |                     |
|--|----------------|------------------|---------------------|
|  |                | Within<br>1 year | More than<br>1 year |
| <b>Receivables</b>                                   |                |                  |                     |
| Trade receivables                                    | 624,316        | 624,316          |                     |
| Other receivables                                    | 87,807         | 87,807           |                     |
| <b>TOTAL RECEIVABLES</b>                             | <b>712,123</b> | <b>712,123</b>   | <b>0</b>            |
| <b>Other liabilities</b>                             |                |                  |                     |
| Advances & progress payments from customers          | 38,504         | 38,504           |                     |
| Trade payables                                       | 217,714        | 217,134          | 580                 |
| Tax and employment-related liabilities               | 194,511        | 193,172          | 1,339               |
| Other liabilities                                    | 210,184        | 210,184          |                     |
| Amounts payable on fixed assets and related accounts | 7,210          | 7,210            |                     |
| <b>TOTAL OTHER LIABILITIES</b>                       | <b>668,123</b> | <b>666,204</b>   | <b>1,919</b>        |

## **B. Notes to the profit and loss account**

### ***Alternative presentation***

The alternative presentation of the profit and loss account below shows direct costs and gross margin, which are generally used within the market surveys industry.

Direct costs include external costs incurred in connection with the collection and production of survey data, in particular the cost of interviewers. In some countries, interviewers have the status of employees; in this case, their remuneration is included in "payroll and employee benefits" in the statutory format consolidated profit and loss account. In countries where this is not the case their costs are included in "other bought-in goods and services".

In the alternative presentation of the profit and loss account, "personnel costs" comprises remuneration paid to permanent staff (survey managers, production managers, administrative staff and executive management).

| in thousands of FRF  | Notes N° | 2000             | 1999             |
|--|----------|------------------|------------------|
| <b>Revenues</b>  | <b>1</b> | <b>2,161,084</b> | <b>1,513,630</b> |
| Direct costs   |          | 962,382          | 678,075          |
| <b>GROSS MARGIN</b>  |          | <b>1,198,702</b> | <b>835,555</b>   |
| Personnel costs including statutory employee profit-sharing                  |          | 670,631          | 507,204          |
| General operating expenses   |          | 367,786          | 235,789          |
| Other income and expense (net)   |          | 1,928            | 686              |
| <b>TOTAL OPERATING EXPENSES</b>  |          | <b>1,040,345</b> | <b>743,679</b>   |
| <b>OPERATING PROFIT</b>  |          | <b>158,357</b>   | <b>91,876</b>    |
| Net financial expenses   | <b>3</b> | (10,115)         | (11,755)         |
| Exceptional items  | <b>4</b> | (11,415)         | (2,787)          |
| <b>Profit of consolidated entities before tax</b>                            |          | <b>136,827</b>   | <b>77,334</b>    |
| Corporate income tax   | <b>5</b> | 34,212           | 21,291           |
| <b>Profit of consolidated entities after tax</b>                             |          | <b>102,615</b>   | <b>56,043</b>    |
| Share of profits/(losses) of companies accounted for using the equity method |          | (9,439)          | (4,419)          |
| Amortisation of goodwill arising on acquisition and business goodwill        |          | 41,561           | 24,332           |
| <b>Net profit before minority interests</b>                                  |          | <b>51,615</b>    | <b>27,292</b>    |
| Minority interests in profit for the year                                    |          | 12,431           | 3,865            |
| Net profit attributable to the Group   |          | 39,185           | 23,428           |
| <b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b>                                  |          | <b>80,746</b>    | <b>47,760</b>    |
| before amortisation of goodwill arising on acquisition and business goodwill |          |                  |                  |

**Note 1 - Revenues**

| <b>Geographical split</b>   | <b>2000</b>      | <b>1999</b>      |
|-----------------------------|------------------|------------------|
| France                      | 469,353          | 434,452          |
| United Kingdom              | 413,632          | 324,577          |
| Germany                     | 188,115          | 168,167          |
| Italy                       | 102,269          | 95,724           |
| Spain                       | 103,256          | 97,314           |
| Hungary                     | 21,221           | 18,165           |
| Belgium                     | 14,509           | 12,633           |
| Portugal                    | 5,390            | 4,154            |
| <b>Total Europe</b>         | <b>1,317,745</b> | <b>1,155,186</b> |
| United States               | 267,833          | 207,045          |
| Canada                      | 239,585          |                  |
| <b>Total North America</b>  | <b>507,418</b>   | <b>207,045</b>   |
| Argentina                   | 94,203           | 78,214           |
| Brazil                      | 92,186           | 45,464           |
| Colombia                    | 3,518            |                  |
| Mexico                      | 109,379          | 17,240           |
| <b>Total Latin America</b>  | <b>299,286</b>   | <b>140,918</b>   |
| Australia                   | 15,060           | 8,967            |
| Hong Kong                   | 4,911            | 1,514            |
| China                       | 5,058            |                  |
| <b>Total Asia - Pacific</b> | <b>25,029</b>    | <b>10,481</b>    |
| Lebanon                     | 10,304           |                  |
| Syria                       | 677              |                  |
| United Arab Emirates        | 625              |                  |
| <b>Total Middle East</b>    | <b>11,606</b>    |                  |
| <b>TOTAL REVENUES</b>       | <b>2,161,084</b> | <b>1,513,630</b> |

| <b>By division</b>                | <b>2000</b>      | <b>1999</b>      |
|-----------------------------------|------------------|------------------|
| Marketing research                | 864,434          | 605,452          |
| Advertising research              | 605,104          | 423,816          |
| Media research                    | 302,552          | 242,181          |
| Opinion polls and social research | 129,665          | 75,682           |
| Quality and customer satisfaction | 194,498          | 136,227          |
| Other                             | 64,831           | 30,273           |
| <b>TOTAL REVENUES</b>             | <b>2,161,084</b> | <b>1,513,630</b> |

**Note 2 - Payroll and employee benefits**

In accordance with Regulation 99-02, statutory employee profit-sharing is included under this heading.

| <b>Payroll and employees benefits</b>  | <b>2000</b>    | <b>1999</b>    |
|--|----------------|----------------|
| Payroll and employee benefits (excluding statutory employee profit-sharing)            | 888,824        | 651,046        |
| Statutory employee profit-sharing  | 3,654          | 3,311          |
| <b>PAYROLL AND EMPLOYEE BENEFITS<br/>(including statutory employee profit-sharing)</b> | <b>892,478</b> | <b>654,357</b> |

**Note 3 – Financial income and expenses**

|                                       | 2000            | 1999            |
|---------------------------------------|-----------------|-----------------|
| Income from short-term investments    | 8,031           | 1,319           |
| Foreign exchange gains                | 2,928           | 284             |
| Interest on loans and leases          | (17,458)        | (12,401)        |
| Foreign exchange losses               | (2,970)         | (1,030)         |
| Financial provisions net of reversals | (453)           | 105             |
| Other items                           | (193)           | (32)            |
| <b>NET FINANCIAL EXPENSE</b>          | <b>(10,115)</b> | <b>(11,755)</b> |

**Note 4 - Exceptional items**

|  | 2000            | 1999           |
|--|-----------------|----------------|
| As part of the integration of the North American operations, a provision has been taken following the decision to close two telephone call facilities in Virginia and to transfer these activities to Canada | (8,394)         |                |
| Disposal gains and losses  | 99              | 981            |
| Retirement of intangible fixed assets  |                 | (1,875)        |
| Supplementary provision for Ipsos Interviews dispute   |                 | (1,945)        |
| Exceptional provisions net of reversals  | (1,401)         |                |
| Amount paid following early termination of a contract for leasing of a business  | (2,833)         |                |
| Other items  | 1,114           | 82             |
| <b>NET EXCEPTIONAL EXPENSE</b>   | <b>(11,415)</b> | <b>(2,757)</b> |

**Note 5 - Corporate income tax**

Reconciliation of the standard rate of taxation in France and the effective rate:

|  | 2000            |
|--|-----------------|
| <b>Pre-tax profit</b>  | <b>136,828</b>  |
| <b>Permanent differences:</b>                                      |                 |
| Tax-deductible capital increase expenses                           | (21,361)        |
| Other permanent differences  | 3,594           |
| <b>Total permanent differences</b>                                 | <b>(17,767)</b> |
| <b>Tax base</b>  | <b>119,061</b>  |
| <b>Standard tax rate at 36.67%: income/(expense)</b>               | <b>(43,660)</b> |
| Current tax 2000: income/(expense)                                 | (46,391)        |
| Deferred tax 2000: income/(expense)                                | 12,179          |
| <b>Total tax charge 2000</b>                                       | <b>(34,212)</b> |
| <b>Effective tax rate</b>  | <b>25.00%</b>   |
| <b>Difference</b>  | <b>9,448</b>    |
| including:   |                 |
| Impact of taking account of tax losses available for carry-forward | 5,300           |
| Impact of differences in tax rates                                 | 696             |
| Impact of supplementary local taxes                                | (2,125)         |
| Other items  | (199)           |

**Current tax**

The current tax figure takes account of the deductibility for tax purposes of the flotation expenses, amounting to FRF 21.4 million, which were offset against share premium in the financial statements.

**Group tax election (French companies):**

On 21 December 1997, the French companies in the Group opted for a group tax election, valid for a period of 5 years.

- Lead company: Ipsos S.A.
- Other members: Ipsos Médias, Ipsos Opinion, Ipsos Interviews, Ipsos France, Ipsos-Insight Marketing, Ipsos Satisfaction de clientèle, IMS SA, Statio, Sysprint, IMS Développement.

The taxable profits and losses of all the companies included in the group tax election were subject to a single corporate income tax charge for the year ended 31 December 2000.

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

In 2000, the tax losses of some Group companies arose from exceptional circumstances namely the withdrawal of a partner and the significant modification of one of our clients' purchasing policy.

Taking account of the following factors:

- the optimisation of the tax situation of some companies through the implementation of the group tax election with effect from 1 January 2000;
- the beneficial effects of synergy arising firstly from the acquisition in January 2001 of a company that is leader in a business segment identical to that of one of the companies with tax losses and secondly through the active partnership with another entity, in the very short term;
- and lastly, the implementation of a new strategy for the dispatch and collection of information which will generate increased reliability and better market reactivity for one of these entities from 2001;

the numerical forecasts indicate that these companies will recover their tax losses at the latest at the end of 2003.

**C. Pro-forma information on acquisitions in the period**

The pro-forma balance sheet and profit and loss account have been prepared assuming that the companies that were first consolidated in 2000 were in fact consolidated for the first time in January 1999.

Only material new acquisitions have been taken into account in these schedules, namely: Ipsos-Reid Corp. (Canada), Ipsos-BIMSA (Mexico) and Ipsos-ASI Ltd. (formerly Tandemar, in Canada).

**Information on material acquisitions**

| Company                               | Consolidated from | Acquisition cost in FRF thousands | Goodwill arising on acquisition in FRF thousands | Goodwill amortisation period |
|---------------------------------------|-------------------|-----------------------------------|--|------------------------------|
| Ipsos-Reid Corp.                      | 1/07/00           | 330,592                           | 301,781  | 20 years                     |
| Ipsos-BIMSA                           | 1/01/00           | 27,960                            | 26,475   | 20 years                     |
| Ipsos-ASI Ltd.<br>(formerly Tandemar) | 1/02/00           | 109,521                           | 107,358  | 20 years                     |

**Pro- forma consolidated balance sheet**

| (in thousands of FRF)                  | 31/12/00         | 31/12/99         |
|--|------------------|------------------|
| <b>FIXED ASSETS</b>                    |                  |                  |
| Intangible and tangible fixed assets   | 333,906          | 283,383          |
| Goodwill arising on acquisition        | 665,546          | 664,561          |
| Financial fixed assets                 | 10,213           | 11,090           |
| <b>CURRENT ASSETS</b>                  |                  |                  |
| Trade receivables                      | 612,091          | 448,628          |
| Cash and equivalents                   | 299,751          | 77,348           |
| Work in progress and other receivables | 219,493          | 172,852          |
| <b>TOTAL ASSETS</b>                    | <b>2,141,000</b> | <b>1,657,862</b> |

| (in thousands of FRF)                          | 31/12/00         | 31/12/99         |
|--|------------------|------------------|
| <b>SHAREHOLDERS' EQUITY</b>                    |                  |                  |
| Shareholders' equity attributable to the Group | 1,127,190        | 421,639          |
| Minority interests                             | 20,797           | 8,704            |
|  | 1,147,987        | 430,343          |
| Provisions for liabilities and charges         | 43,343           | 30,623           |
| Long-term debt                                 | 221,039          | 245,983          |
| Other liabilities                              | 728,631          | 950,913          |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>          | <b>2,141,000</b> | <b>1,657,862</b> |

***Pro-forma consolidated profit and loss account***

| (in thousands of FRF)  | 2000             | 1999             |
|--|------------------|------------------|
| <b>Revenues</b>  | <b>2,289,873</b> | <b>1,840,147</b> |
| Direct costs   | 1,020,817        | 834,272          |
| <b>GROSS MARGIN</b>  | <b>1,269,056</b> | <b>1,005,875</b> |
| Personnel costs including statutory employee profit-sharing  | 712,087          | 601,607          |
| General operating expenses   | 397,974          | 289,458          |
| Other income and expense (net)   | 3,915            | 1,233            |
| <b>TOTAL OPERATING EXPENSES</b>  | <b>1,113,976</b> | <b>892,298</b>   |
| <b>OPERATING PROFIT</b>  | <b>155,080</b>   | <b>113,577</b>   |
| Net financial expenses   | (12,166)         | (13,904)         |
| Exceptional items  | (11,415)         | (4,063)          |
| <b>Profit of consolidated entities before tax</b>  | <b>131,499</b>   | <b>95,610</b>    |
| Corporate income tax   | 24,394           | 29,055           |
| <b>Profit of consolidated entities after tax</b>   | <b>107,105</b>   | <b>66,555</b>    |
| Share of profits/(losses) of companies accounted for using the equity method   | (9,439)          | (4,419)          |
| Amortisation of goodwill arising on acquisition and business goodwill  | 50,093           | 47,384           |
| <b>Net profit before minority interests</b>  | <b>47,573</b>    | <b>14,752</b>    |
| Minority interests in profit for the year  | 12,431           | 4,916            |
| Net profit attributable to the Group   | 35,143           | 9,837            |
| <b>NET PROFIT ATTRIBUTABLE TO THE GROUP BEFORE AMORTISATION OF GOODWILL ARISING ON ACQUISITION AND BUSINESS GOODWILL</b> | <b>85,236</b>    | <b>57,221</b>    |

## IV. OTHER INFORMATION

### 1. Information in euros

Following the introduction of the single European currency on 1 January 1999, the French franc is now merely a sub-division of the euro.

The balance sheet and profit and loss account items in euros presented below were prepared by converting the French franc balances for the years ended 31 December 1999 and 2000 at the official conversion rate of 6.55957 FRF to the euro.

#### Condensed consolidated balance sheet in thousands of euros

| (in thousands of €)                            | 31/12/00       | 31/12/99       |
|--|----------------|----------------|
| <b>FIXED ASSETS</b>                            |                |                |
| Intangible and tangible fixed assets           | 50,904         | 38,966         |
| Goodwill arising on acquisition                | 103,231        | 35,668         |
| Financial fixed assets                         | 1,557          | 1,691          |
| <b>CURRENT ASSETS</b>                          |                |                |
| Trade receivables                              | 93,313         | 57,831         |
| Cash and equivalents                           | 45,697         | 9,836          |
| Work in progress and other receivables         | 33,461         | 24,112         |
| <b>TOTAL ASSETS</b>                            | <b>328,163</b> | <b>168,104</b> |
| (in thousands of €)                            | 31/12/00       | 31/12/99       |
| <b>SHAREHOLDERS' EQUITY</b>                    |                |                |
| Shareholders' equity attributable to the Group | 173,769        | 60,224         |
| Minority interests                             | 3,010          | 1,167          |
|  | 176,779        | 61,391         |
| Provisions for liabilities and charges         | 6,608          | 4,668          |
| Long-term debt                                 | 33,697         | 33,831         |
| Other liabilities                              | 111,079        | 68,214         |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>          | <b>328,163</b> | <b>168,104</b> |

#### Profit and loss account items in thousands of euros

| (in thousands of €)   | 2000    | 1999    |
|---|---------|---------|
| Revenues  | 329,455 | 230,751 |
| Operating profit  | 24,141  | 14,006  |
| Profit of consolidated entities before tax  | 20,859  | 11,789  |
| Net profit before minority interests  | 7,869   | 4,161   |
| Net profit attributable to the Group  | 5,974   | 3,572   |
| Net profit attributable to the Group before amortisation of goodwill arising on acquisition and business goodwill | 12,310  | 7,281   |

### 2. Transition to the euro

The Group began working on the changeover to the euro as part of the implementation of a new information and integrated management system. Starting on 1 January 1999, Ipsos chose to conduct its business in euro with clients and suppliers who requested it, while preferring for the time being to use national currency for commercial transactions. The euro is therefore being treated as a supplementary currency.

Since 1 January 2001, the Group has been implementing its action plan for a gradual switchover in the countries concerned. All of the Group's functions will switch over to the euro by 1 January 2002 at the latest.

### 3. Off balance sheet commitments

The Group had the following off balance sheet commitments as at 31 December 2000 (in thousands of FRF):

Non-competition compensation to pay in 2001 .....4,324

Following the purchase of two thirds of the shares in Ipsos Latin America in June 1999, additional consideration is payable as follows: \$ 600,000 in 2001, \$ 700,000 in 2002, and \$ 700,000 in 2003. ....14,099

Additional purchase consideration of AUS 1,500,000 will be paid in March 2001 by Ipsos Australia to the former shareholders of MFC if the conditions are met, following the purchase of the assets of MFC. ....4,694

In respect of objectives to be met (presence of the management and future financial criteria), additional purchase consideration could be paid with a maximum of \$ 1 million following the purchase of 50% of the shares of BIMSA. ....7,050

In consideration of financial criteria to be met from 2000 to 2002, additional purchase consideration could be paid with a maximum of CAS 19.8 million following the purchase of 100% of the shares of Ipsos-Reid Corp. ....93,004

Stock-options had been granted to the employees of Ipsos-Reid Corp. before this company was acquired by Ipsos via ARG Acquisition. Assuming that the beneficiaries are employed by this company at the exercise date of the options, the amounts payable would be respectively CAS 1,597,000, CAS 1,506,000, CAS 1,814,000 and CAS 178,000 on the 1 January of the years 2002 to 2005. ....23,928

#### **4. Disputes**

##### **Dispute with RSC**

At the end of 1996, RSC brought proceedings in the state of Indiana (USA) against Ipsos and Ipsos-Insight Marketing alleging that the defendants had used confidential information or trade secrets relating to RSC's ARS Persuasion product provided by that company under confidentiality agreements signed respectively in September 1990 by Ipsos-Insight Marketing and in December 1990 by Ipsos.

During a trial by jury in April 2000, the jury dismissed all of RSC's claims. RSC subsequently lodged an appeal but Ipsos' position is extremely strong given the jury's unanimous decision.

In 1999, RSC brought new proceedings in the state of Ohio against Ipsos-ASI alleging that Ipsos-ASI's Next\*TV product infringes RSC's ARS Persuasion product. In February 2001, the court dismissed RSC's claims on the basis of the Indiana judgment of April 2000. RSC subsequently lodged an appeal but Ipsos' position is also strong given the previous decisions.

##### **Statutory profit-sharing of Ipsos Interviews employees**

In 1998, the works committee of Ipsos Interviews submitted a request for information to the management concerning the application of statutory employee profit-sharing for the financial years prior to 1997, the year in which a collective profit-sharing agreement was signed.

After review, the management decided to book a provision for liabilities and charges of FRF 5 million in the accounts of Ipsos Interviews amounting to the estimate of the company's financial risk for the year ended 31 December 1998. In 1999, talks were held with Ipsos Interviews' employee representatives. A supplementary provision of FRF 1.9 million was recorded via an exceptional charge, corresponding to the maximum risk arising from this dispute.

In 2000, a reversal of the exceptional provision was made for FRF 600,000, corresponding to the amount paid to the works committee. Due to this reversal, there was no impact on the 2000 results.

At the beginning of 2001, Ipsos Interviews paid the sums owed to the eligible employees who were still with the company or whose addresses the company knew. The balance of the provision will be maintained in the accounts of Ipsos Interviews as beneficiaries do not make themselves known.

##### **Other disputes**

The Group is not involved in any other material disputes.

#### **5. Employees**

| Fully consolidated companies | Average permanent employees | Fully consolidated companies | Average permanent employees |
|------------------------------|-----------------------------|------------------------------|-----------------------------|
| Ipsos SA & GIE Ipsos Europe  | 31                          | Colombia                     | 4                           |
| France                       | 506                         | Argentina                    | 86                          |
| Belgium                      | 14                          | Brazil                       | 45                          |
| Italy                        | 102                         | Mexico                       | 139                         |
| Germany                      | 204                         | Australia                    | 7                           |
| Hongary                      | 60                          | Hong Kong                    | 5                           |
| United Kingdom               | 386                         | China                        | 46                          |
| Portugal                     | 11                          | Lebanon                      | 71                          |
| Spain                        | 155                         | Syria                        | 7                           |
| USA                          | 186                         | United Arab Emirates         | 4                           |
| Canada                       | 368                         |                              |                             |
| <b>TOTAL</b>                 |                             |                              | <b>2,437</b>                |

## 6. Executive remuneration

|  | Remuneration  | Attendance fees |
|--|---------------|-----------------|
| Remuneration paid to members of administrative, management and supervisory bodies (in FRF thousands) | 14,985        |                 |
| <b>TOTAL</b>   | <b>14,985</b> | <b>0</b>        |

This comprises the remuneration paid to the 9 members of the Management Board in 2000.

## 7. Share options

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

In 2000, the Group implemented a new share option scheme covering all its employees.

| Date options granted by the Board of Directors       | 28/07/98                               | 10/05/99                               |            | 09/06/00                               |            |
|--|--|--|------------|--|------------|
| Number of options initially granted by the Board     | 97,662                                 | 98,236                                 | 27,609     | 11,594                                 | 35,797     |
|  | 2.47% of the capital at the grant date | 2.48% of the capital at the grant date |            | 1.43% of the capital at the grant date |            |
| Number of grantees                                   | 57                                     | 83                                     | 489        | 263                                    | 644        |
| Options exercisable on or after                      | 28/07/2003                             | 10/05/2004                             | 09/06/2005 | 09/06/2003                             | 09/06/2003 |
| Last exercise date                                   | 28/07/2008                             | 28/07/2008                             | 09/06/2008 | 09/06/2007                             | 09/06/2008 |
| Exercise price                                       | FRF 135.00                             | FRF 150.00                             |            | FRF 787.15                             |            |
| Number of options outstanding as at 31 December 2000 | 74,076                                 | 76,702                                 | 27,529     | 11,594                                 | 35,736     |

## 8. Per share data

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

### 8.1 Earnings per share

The weighted average number of shares used to calculate earnings per share for 1999 and 2000 is taken before any dilution relating to the exercise of share options and of the share warrants issued in June 2000.

### 8.2 Diluted earnings per share

Diluted earnings per share are calculated in accordance with Opinion 27 of the Ordre des Experts Comptables, the professional organisation of French accountants in public practice.

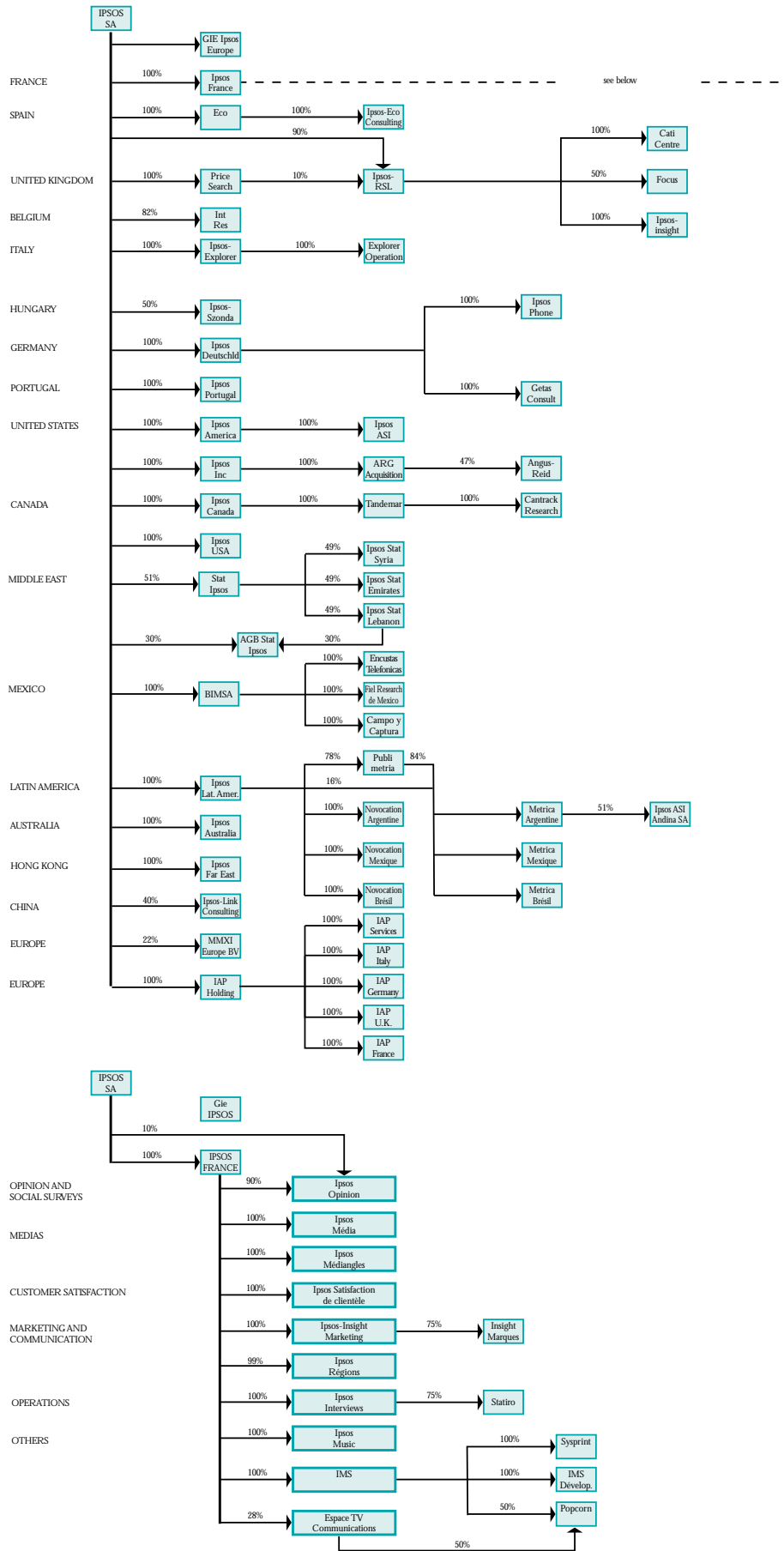
The dilutive instruments comprise share options and share warrants (BSAs).

The method of calculation used is the treasury stock method, taking account of the share price at 31 December of each year. As a result of the price used, relative instruments are excluded from the calculation.

## 9. Post-balance sheet events

Ipsos and NPD have entered into an agreement under which Ipsos acquired the assets of the Marketing Research division of NPD in the United States and Canada. The NPD Marketing Research division is one of the market research leaders in the USA with revenues in 2000 of the order of \$ 70 million. This sale excludes assets in the form of information on consumer purchasing behaviour in certain niche markets, owned by NPD .

# 10. Organisation chart



### 4.1.3 SUPPLEMENTARY NOTES ON THE FINANCIAL STATEMENTS

#### **Note 1 – Goodwill arising on acquisition**

Ipsos only makes acquisitions in the field of research studies. In consequence, the Group acquires service sector companies of which the value is estimated not by assessing tangible assets but on the basis of its current and future position in the research market, in terms of both its ability to generate profits and its ability to make use of experience gained in this business.

The purchase consideration therefore mainly represents the intangible assets of the company revealed when the company is valued but of which the component parts cannot be accurately identified. This is why goodwill is generally fairly close (approximately 95%) to the cost of acquisition.

#### **Note 2 – Pro-forma profit and loss account**

Companies consolidated for the first time in 2000 account for 21.9% and 37.5% of the pro-forma revenues and operating profit respectively.

#### **Note 3 – Receivables and other liabilities**

##### **Changes in the period of receivables and other liabilities**

|  | Opening gross value | Movements | Changes in consolidation scope | Foreign exchange movements | Closing gross value |
|--|---------------------|-----------|--------------------------------|----------------------------|---------------------|
| Trade receivables*                                   | 386,016             | 141,121   | 91,426                         | 5,753                      | 624,316             |
| Other receivables*                                   | 49,526              | 19,723    | 17,460                         | 1,098                      | 87,807              |
| Total receivables                                    | 435,542             | 160,844   | 108,886                        | 6,851                      | 712,123             |
| Advances & progress payments from customers          | 80,681              | (41,963)  | -                              | (214)                      | 38,504              |
| Trade payables*                                      | 155,175             | 29,656    | 30,340                         | 2,543                      | 217,714             |
| Other tax and employment-related liabilities         | 161,000             | 9,504     | 23,282                         | 725                        | 194,511             |
| Other liabilities**                                  | 22,422              | 183,170   | 4,094                          | 498                        | 210,184             |
| Amounts payable on fixed assets and related accounts | 3,216               | 3,994     | -                              | -                          | 7,210               |
| Total other liabilities                              | 422,494             | 184,361   | 57,716                         | 3,552                      | 668,123             |

\* the changes in the items Trade Receivables, Other Receivables and Trade Payables result from external growth (reflected in the "movements" column) and changes in consolidation scope (reflected in the "changes in consolidation scope" column).

\*\* the significant increase in the item Other liabilities is due to the recognition of a balance of FRF 155 million due to the former shareholders of Ipsos-Reid Corp in connection with the purchase of all of the shares in this company. This balance was paid at the end of January 2001.

#### **Note 4 – Share Capital and share premium of the consolidating entity**

The changes in the share capital and share premium are the result of the share capital increases described on page 12 of this document.

#### **Note 5 – Provisions for liabilities and charges**

The increase in the provision for liabilities and charges is principally due to the Mexican companies. Invoices not received from suppliers of field-work for FRF 8,395 thousand have been accrued.

#### **Notes 6 – Disputes**

No amount has been calculated in respect of the dispute between RSC and Ipsos/Ipsos Insight Marketing as the jury found against RSC.

The dispute concerning the statutory employee profit-sharing by employees of Ipsos Interviews is now closed. The risk had been fully provided for in the accounts for 1999.

## 4.2 PARENT COMPANY ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

### 4.2.1 AUDITORS' REPORT

To the Shareholders,

In accordance with the terms of our appointment by your General Meetings, we hereby present our report for the year ended 31 December 2000 on:

- the audit of the attached accounts of Ipsos S.A. prepared in French francs in accordance with the accounting rules and principles applicable in France,
- the specific procedures and disclosures required by law.

The Board of Directors is responsible for the preparation of the accounts. Our responsibility is to express an opinion on the accounts based on our audit.

#### I. OPINION ON THE ACCOUNTS

We conducted our audit in accordance with the auditing standards applicable in France. These standards require the auditor to perform such tests and procedures as give reasonable assurance that the accounts are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the information contained in the accounts. It also includes an assessment of the accounting policies used and of significant estimates made by the Board of Directors in the preparation of the accounts, and an evaluation of the overall adequacy of the presentation of the accounts.

We believe that our audit provides a reasonable basis for the opinion expressed below.

In our opinion, the accounts have been properly prepared in accordance with the accounting rules and principles applicable in France, and give a true and fair view of the results of the company for the year ended 31 December 2000, and of its financial position and its assets and liabilities as at that date.

#### II. SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed the specific procedures required by the law, in accordance with the auditing standards applicable in France.

We have no comments to make on the truth and fairness or on the consistency with the annual accounts of the information given in the Management Report of the Board of Directors or in the documents addressed to the shareholders concerning the financial position and the accounts.

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

Paris, 4 May 2001

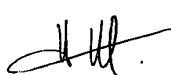
The Auditors

COGERCO FLIPO



Francis Pons

JPA

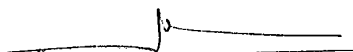


Danielle Bardreau-Gilbert

ERNST & YOUNG Audit



Gabriel Galet



Jacques Potdevin

#### 4.2.2 PARENT COMPANY ACCOUNTS AT 31 DECEMBER 2000

The balance sheet for the 12 months to 31 December 2000 is shown before appropriation of profits, and shows a total of FRF 1,195,840,928.

The profit and loss account for the year, presented in vertical format, shows a profit of FRF 37,583,600.00.

The notes and tables presented below are an integral part of the financial statements for the year ended 31 December 2000.

The major events of the year ended 31 December 2000 were as follows:

- Ipsos S.A. increased its capital in 2000 by:
  - an issue of share with warrants listed on the *Nouveau Marché*.
  - an issue of shares reserved for employees.
- the following acquisitions of participating interests were made during 2000:
  - Acquisition of a 50% interest in Bimsa by Ipsos S.A.
  - Acquisition of 100% of Ipsos-ASI Ltd. Canada by Ipsos S.A. via Ipsos Canada
  - Acquisition of 100% of Ipsos-Reid Corp. by Ipsos S.A. via Ipsos Holding Inc..

**BALANCE SHEET - ASSETS**

| Amount in French Francs                                    | Gross                | 31/12/00<br>Amortisation<br>and depreciation, | Net                  | 31/12/99<br>Net    |
|--|----------------------|---|----------------------|--------------------|
| Capital subscribed but not called                          |                      |   |                      |                    |
| <b>INTANGIBLE FIXED ASSETS</b>                             |                      |   |                      |                    |
| Start-up costs   |                      |   |                      |                    |
| Research and development costs                             |                      |   |                      |                    |
| Concessions, patents and similar rights                    | 807,074              | 323,038                                       | 484,036              | 633,052            |
| Business goodwill  |                      |   |                      |                    |
| Other intangible fixed assets                              |                      |   |                      |                    |
| Advances and progress payments for intangible fixed assets |                      |   |                      |                    |
| <b>TANGIBLE FIXED ASSETS</b>                               |                      |   |                      |                    |
| Land   |                      |   |                      |                    |
| Buildings  |                      |   |                      |                    |
| Technical installations, plant and equipment               |                      |   |                      |                    |
| Other tangible fixed assets                                | 315,779              | 292,382                                       | 23,397               | 109,694            |
| Fixed assets in progress                                   |                      |   |                      |                    |
| Advances & progress payments for tangible fixed assets     |                      |   |                      |                    |
| <b>FINANCIAL FIXED ASSETS</b>                              |                      |   |                      |                    |
| Companies accounted for using the equity method            |                      |   |                      |                    |
| Other participating interests                              | 740,382,211          | 569,815                                       | 739,812,396          | 419,574,972        |
| Receivables relating to participating interests            | 100,591,316          | 1,423,849                                     | 99,167,467           | 26,945,330         |
| Other long-term investment securities                      |                      |   |                      |                    |
| Loans  |                      |   |                      |                    |
| Other financial fixed assets                               | 46,591               |   | 46,591               | 21,591             |
| <b>FIXED ASSETS</b>  | <b>842,142,971</b>   | <b>2,609,085</b>                              | <b>839,533,886</b>   | <b>447,284,638</b> |
| <b>STOCKS AND WORK IN PROGRESS</b>                         |                      |   |                      |                    |
| 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                        |                      |   |                      |                    |
| <b>RECEIVABLES</b>   |                      |   |                      |                    |
| Trade receivables  | 21,497,634           |   | 21,497,634           | 10,348,004         |
| Other receivables  | 108,110,947          | 80,878  | 108,030,069          | 41,440,684         |
| Capital subscribed and called but not paid                 |                      |   |                      |                    |
| <b>OTHER ITEMS</b>   |                      |   |                      |                    |
| Marketable securities                                      | 213,379,131          |   | 213,379,131          | 1,520              |
| (of which own shares 1,347,632)                            |                      |   |                      |                    |
| Cash   | 332,855              |   | 332,855              | 113,025            |
| <b>ACCRUALS, DEFERRALS AND OTHER ASSETS</b>                |                      |   |                      |                    |
| Prepayments  | 172,479              |   | 172,479              | 421,002            |
| <b>CURRENT ASSETS</b>                                      | <b>343,493,045</b>   | <b>80,878</b>                                 | <b>343,412,167</b>   | <b>52,324,234</b>  |
| Deferred charges   | 11,944,363           |   | 11,944,363           | 1,016,501          |
| Bond redemption premium                                    |                      |   |                      |                    |
| Translation difference, asset                              | 950,511              |   | 950,511              | 22,114             |
| <b>TOTAL</b>   | <b>1,198,530,891</b> | <b>2,689,963</b>                              | <b>1,195,840,928</b> | <b>500,647,487</b> |

**BALANCE SHEET - LIABILITIES AND EQUITY**

| Amount in French Francs                                | 31/12/00                | 31/12/99           |
|--|-------------------------|--------------------|
| Share capital of which paid up: 30,926,065             | 30,926,065              | 26,173,400         |
| Share premium  | 1,029,345,713           | 327,395,263        |
| Revaluation reserve of which equity accounting reserve |                         |                    |
| Statutory reserve                                      | 2,617,340               | 1,980,500          |
| Reserves required under the bylaws or contractually    | 325,711                 | 325,711            |
| Regulated reserves                                     | 27,642                  | 27,642             |
| Other reserves   |                         |                    |
| Retained earnings                                      | 34,421,030              | 23,570,553         |
| <b>PROFIT/(LOSS) FOR THE YEAR</b>                      | <b>37,583,600</b>       | <b>23,263,157</b>  |
| Investment subsidies                                   |                         |                    |
| Regulated provisions                                   |                         |                    |
| <b>SHAREHOLDERS' EQUITY</b>                            | <b>1,135,247,100</b>    | <b>402,736,225</b> |
| Proceeds from issues of participating securities       |                         |                    |
| Conditional advances                                   |                         |                    |
| <b>OTHER EQUITY</b>                                    |                         |                    |
| Provisions for liabilities                             | 60,000                  | 60,000             |
| Provisions for charges                                 |                         |                    |
| <b>PROVISIONS FOR LIABILITIES &amp; CHARGES</b>        | <b>60,000</b>           | <b>60,000</b>      |
| <b>DEBT</b>  |                         |                    |
| Convertible bonds                                      |                         |                    |
| Other bonds  |                         |                    |
| Bank debt  | 36,641,505              | 77,794,649         |
| Miscellaneous debt                                     | 3,841,989               | 882,224            |
| Advances and progress payments received                |                         |                    |
| <b>OPERATING LIABILITIES</b>                           |                         |                    |
| Trade payables   | 11,175,846              | 7,993,477          |
| Tax and employment-related liabilities                 | 5,243,618               | 3,731,780          |
| <b>OTHER LIABILITIES</b>                               |                         |                    |
| Amounts payable on fixed assets and related accounts   |                         |                    |
| Other liabilities                                      | 935,732                 | 6,583,907          |
| <b>ACCRUALS, DEFERRALS AND OTHER LIABILITIES</b>       |                         |                    |
| Deferred income  |                         |                    |
| <b>LIABILITIES</b>                                     | <b>57,838,690</b>       | <b>96,986,037</b>  |
| Translation difference, liability                      | 2,695,138               | 865,225            |
| <b>TOTAL</b>   | <b>1,195,840,928</b>    | <b>500,647,487</b> |
| <i>Profit for the year in francs and centimes</i>      | <i>37,583,599.83</i>    |                    |
| <i>Balance sheet total in francs and centimes</i>      | <i>1,195,840,928.02</i> |                    |

**PROFIT AND LOSS ACCOUNT (vertical format)**

|  | France           | Export         | 31/12/00           | 31/12/99          |
|--|------------------|----------------|--------------------|-------------------|
| Sales of goods bought for resale                                   |                  |                |                    |                   |
| Sales of manufactured goods  |                  |                |                    |                   |
| Sales of services  | 3,932,559        | 462,954        | 4,395,513          | 4,511,623         |
| <b>REVENUES</b>  | <b>3,932,559</b> | <b>462,954</b> | <b>4,395,513</b>   | <b>4,511,623</b>  |
| Change in stocks of finished goods and work in progress            |                  |                |                    |                   |
| Own production capitalised   |                  |                |                    |                   |
| Operating subsidies  |                  |                |                    |                   |
| Reversals of provisions & depreciation, transfers of expenses      |                  |                | 6,134,392          | 7,491             |
| Other income   |                  |                | 22,091,843         | 13,575,321        |
| <b>OPERATING INCOME</b>  |                  |                | <b>32,621,748</b>  | <b>18,094,434</b> |
| Purchases of goods bought for resale (including customs duty)      |                  |                | 10,288             |                   |
| 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                                 |                  |                | 28,699,182         | 11,621,574        |
| Taxes other than corporate income tax                              |                  |                | 599,312            | 511,017           |
| Wages and salaries   |                  |                | 4,820,289          | 4,750,138         |
| Social security charges  |                  |                | 1,680,420          | 1,761,270         |
| <b>Amortisation, depreciation and provisions – operating</b>       |                  |                |                    |                   |
| Amortisation and depreciation                                      |                  |                | 1,461,010          | 240,098           |
| Increases in provisions against fixed assets                       |                  |                |                    |                   |
| Increases in provisions against current assets                     |                  |                |                    |                   |
| Increases in provisions for liabilities and charges                |                  |                |                    |                   |
| Other expenses   |                  |                | 30,372             | 22,697            |
| <b>OPERATING EXPENSES</b>  |                  |                | <b>37,300,872</b>  | <b>18,906,794</b> |
| <b>OPERATING PROFIT/(LOSS)</b>                                     |                  |                | <b>(4,679,124)</b> | <b>(812,359)</b>  |
| Financial income from participating interests                      |                  |                | 33,060,910         | 18,885,294        |
| Income from other securities and loans                             |                  |                |                    | 13,308            |
| Other interest and similar income                                  |                  |                | 7,344,990          | 371,299           |
| Reversals of provisions, transfers of expenses                     |                  |                |                    |                   |
| Foreign exchange gains   |                  |                | 478,812            | 69,945            |
| Net proceeds from disposals of marketable securities               |                  |                | 485,930            |                   |
| <b>FINANCIAL INCOME</b>  |                  |                | <b>41,370,641</b>  | <b>19,339,846</b> |
| Amortisation, depreciation and provisions - financial items        |                  |                | 108,231            | 113,018           |
| Interest and similar expenses                                      |                  |                | 3,413,584          | 3,423,438         |
| Foreign exchange losses  |                  |                | 786,679            | 615,457           |
| Net expenses on disposals of marketable securities                 |                  |                |                    |                   |
| <b>FINANCIAL EXPENSES</b>  |                  |                | <b>4,308,494</b>   | <b>4,151,914</b>  |
| <b>NET FINANCIAL INCOME</b>  |                  |                | <b>37,062,147</b>  | <b>15,187,932</b> |
| <b>PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX</b>                  |                  |                | <b>32,383,024</b>  | <b>14,375,573</b> |

**PROFIT AND LOSS ACCOUNT (continued)**

|   | 31/12/00          | 31/12/99          |
|---|-------------------|-------------------|
| Exceptional income - non-capital transactions         |                   |                   |
| Exceptional income - capital transactions             | 16,982            | 53,078            |
| Reversals of provisions, transfers of expenses        |                   |                   |
| <b>EXCEPTIONAL INCOME</b>                             | <b>16,982</b>     | <b>53,078</b>     |
| Exceptional expenses – non-capital transactions       |                   | 230               |
| Exceptional expenses – capital transactions           | 16,982            |                   |
| Amortisation, depreciation & provisions – exceptional |                   |                   |
| <b>EXCEPTIONAL EXPENSES</b>                           | <b>16,982</b>     | <b>230</b>        |
| <b>NET EXCEPTIONAL ITEMS</b>                          |                   | <b>52,848</b>     |
| Statutory employee profit-sharing                     |                   |                   |
| Corporate income tax                                  | (5,200,576)       | (8,834,736)       |
| <b>NET PROFIT FOR THE YEAR</b>                        | <b>37,583,600</b> | <b>23,263,157</b> |

**NOTES TO THE ACCOUNTS****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 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.

**RECEIVABLES**

Receivables are shown at face value. A provision for loss of value 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.

## DETAILED NOTES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### FIXED ASSETS

|   | Opening balance    | Revaluations | Acquisitions       |
|---|--------------------|--------------|--------------------|
| START-UP AND RESEARCH & DEVELOPMENT COSTS,<br>OTHER INTANGIBLE FIXED ASSETS | <b>807,074</b>     |              |                    |
| Land  |                    |              |                    |
| Buildings on freehold land  |                    |              |                    |
| Buildings on non-freehold land  |                    |              |                    |
| Improvements to buildings   |                    |              |                    |
| Technical inst, industrial plant and equipment                              |                    |              |                    |
| General fixtures and fittings   | 24,396             |              |                    |
| Vehicles  |                    |              |                    |
| Office and computer equipment, furniture                                    | 329,189            |              |                    |
| Recoverable packaging and other items                                       |                    |              |                    |
| Tangible fixed assets in progress   |                    |              |                    |
| Advances & payments on account for fixed assets                             |                    |              |                    |
| <b>TANGIBLE FIXED ASSETS</b>  | <b>353,585</b>     |              |                    |
| Companies accounted for using the equity method                             |                    |              |                    |
| Other participating interests and related receivables                       | 448,405,735        |              | 428,610,887        |
| Other long-term investment securities                                       |                    |              |                    |
| Loans and other financial fixed assets                                      | 21,591             |              | 567,651            |
| <b>FINANCIAL FIXED ASSETS</b>   | <b>448,427,326</b> |              | <b>429,178,538</b> |
| <b>TOTAL</b>  | <b>449,587,985</b> |              | <b>429,178,538</b> |

|   | Transfers         | Disposals     | Closing balance    | Original value |
|---|-------------------|---------------|--------------------|----------------|
| START-UP AND RESEARCH & DEVELOPMENT COSTS,<br>OTHER INTANGIBLE FIXED ASSETS |                   |               | <b>807,074</b>     |                |
| Land  |                   |               |                    |                |
| Buildings on freehold land  |                   |               |                    |                |
| Buildings on non-freehold land  |                   |               |                    |                |
| Improvements to buildings   |                   |               |                    |                |
| Technical inst, industrial plant and equipment                              |                   |               |                    |                |
| General fixtures and fittings   |                   |               | 24,396             |                |
| Vehicles  |                   |               |                    |                |
| Office and computer equipment, furniture                                    |                   | 37,806        | 291,383            |                |
| Recoverable packaging and other items                                       |                   |               |                    |                |
| Tangible fixed assets in progress   |                   |               |                    |                |
| Advances & payments on account for fixed assets                             |                   |               |                    |                |
| <b>TANGIBLE FIXED ASSETS</b>  |                   | <b>37,806</b> | <b>315,779</b>     |                |
| Companies accounted for using the equity method                             |                   |               |                    |                |
| Other participating interests and related receivables                       | 36,043,095        |               | 840,973,527        |                |
| Other long-term investment securities                                       |                   |               |                    |                |
| Loans and other financial fixed assets                                      | 542,651           |               | 46,591             |                |
| <b>FINANCIAL FIXED ASSETS</b>   | <b>36,585,746</b> |               | <b>841,020,118</b> |                |
| <b>TOTAL</b>  | <b>36,623,552</b> |               | <b>842,142,971</b> |                |

## AMORTISATION AND DEPRECIATION

|   | Opening balance | Charges        | Reversals | Closing balance |
|---|-----------------|----------------|-----------|-----------------|
| <b>START-UP AND RESEARCH &amp; DEVELOPMENT COSTS, OTHER INTANGIBLE FIXED ASSETS</b> | <b>174,022</b>  | <b>149,016</b> |           | <b>323,038</b>  |
| Land  |                 |                |           |                 |
| Buildings on freehold land  |                 |                |           |                 |
| Buildings on non-freehold land  |                 |                |           |                 |
| Improvements to buildings   |                 |                |           |                 |
| Technical inst, industrial plant and equipment                                      |                 |                |           |                 |
| General fixtures and fittings   | 13,699          | 2,446          |           | 16,146          |
| Vehicles  |                 |                |           |                 |
| Office and computer equipment, furniture  | 230,192         | 46,044         |           | 276,236         |
| Recoverable packaging and other items   |                 |                |           |                 |
| <b>TANGIBLE FIXED ASSETS</b>  | <b>243,891</b>  | <b>48,491</b>  |           | <b>292,382</b>  |
| <b>TOTAL</b>  | <b>417,914</b>  | <b>197,507</b> |           | <b>615,420</b>  |

| Breakdown of amortisation & depreciation charges                                    | Straight line  | Reducing balance | Exceptional | Accelerated tax depreciation | Reversals of accelerated tax depreciation |
|---|----------------|------------------|-------------|------------------------------|---|
| <b>START-UP AND RESEARCH &amp; DEVELOPMENT COSTS, OTHER INTANGIBLE FIXED ASSETS</b> | <b>149,016</b> |                  |             |                              |   |
| Land  |                |                  |             |                              |   |
| Buildings on freehold land  |                |                  |             |                              |   |
| Buildings on non-freehold land  |                |                  |             |                              |   |
| Improvements to buildings   |                |                  |             |                              |   |
| Technical inst, industrial plant & equipment  |                |                  |             |                              |   |
| General fixtures and fittings   | 2,446          |                  |             |                              |   |
| Vehicles  |                |                  |             |                              |   |
| Office and computer equipment   | 46,044         |                  |             |                              |   |
| Recoverable packaging and other items   |                |                  |             |                              |   |
| <b>TANGIBLE FIXED ASSETS</b>  | <b>48,491</b>  |                  |             |                              |   |
| <b>TOTAL</b>  | <b>197,507</b> |                  |             |                              |   |

| Deferred charges        | Opening balance | Increases  | Charges   | Closing balance |
|-------------------------|-----------------|------------|-----------|-----------------|
| Deferred charges        | 1,016,501       | 12,191,366 | 1,263,503 | 11,944,363      |
| Bond redemption premium |                 |            |           |                 |

## **PROVISIONS**

| <b>Nature of provision</b>   | <b>Opening balance</b> | <b>Charges</b> | <b>Reversals</b> | <b>Closing balance</b> |
|--|------------------------|----------------|------------------|------------------------|
| 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   |                        |                |                  |                        |
| <b>REGULATED PROVISIONS</b>  |                        |                |                  |                        |
| Provisions for disputes  |                        |                |                  |                        |
| Provisions for customer warranties                                   |                        |                |                  |                        |
| Provisions for losses on futures markets                             |                        |                |                  |                        |
| Provisions for penalties and fines                                   |                        |                |                  |                        |
| Provisions for foreign exchange losses                               |                        |                |                  |                        |
| Provisions for pensions & 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                         | 60,000                 |                |                  | 60,000                 |
| <b>PROVISIONS FOR LIABILITIES &amp; CHARGES</b>                      | <b>60,000</b>          |                |                  | <b>60,000</b>          |
| Provisions for intangible fixed assets                               |                        |                |                  |                        |
| Provisions for tangible fixed assets                                 |                        |                |                  |                        |
| Provisions for companies accounted for using the equity method       |                        |                |                  |                        |
| Provisions against participating interests                           | 569,815                |                |                  | 569,815                |
| Provisions against other financial fixed assets                      | 1,315,618              | 108,231        |                  | 1,423,849              |
| Provisions against stocks and work in progress                       |                        |                |                  |                        |
| Provisions against trade receivables                                 |                        |                |                  |                        |
| Other provisions for loss of value                                   | 80,878                 |                |                  | 80,878                 |
| <b>PROVISIONS FOR IMPAIRMENT AND LOSS OF VALUE</b>                   | <b>1,966,311</b>       | <b>108,231</b> |                  | <b>2,074,543</b>       |
| <b>TOTAL</b>   | <b>2,026,311</b>       | <b>108,231</b> |                  | <b>2,134,543</b>       |
| Charges and reversals: operating                                     |                        |                |                  |                        |
| Charges and reversals: financial                                     |                        | 108,231        |                  |                        |
| Charges and reversals: exceptional                                   |                        |                |                  |                        |
| Impairment provision against equity accounted securities at year-end |                        |                |                  |                        |

## **RECEIVABLES AND LIABILITIES**

| <b>RECEIVABLES</b>                                      | <b>Gross</b>       | <b>1 year<br/>or less</b> | <b>More than<br/>1 year</b> |
|---|--------------------|---------------------------|-----------------------------|
| Receivables relating to participating interests         | 100,591,361        | 100,591,361               |                             |
| Loans   |                    |                           |                             |
| Other financial fixed assets                            | 46,591             | 46,591                    |                             |
| Doubtful and disputed trade receivables                 |                    |                           |                             |
| Other trade receivables                                 | 21,497,634         | 21,497,634                |                             |
| Receivables representing loaned securities              |                    |                           |                             |
| Amounts due from employees                              | 47,630             | 47,630                    |                             |
| Social security and other welfare agencies              | 968                | 968                       |                             |
| Corporate income tax recoverable                        | 1,373,000          | 1,373,000                 |                             |
| State and other local authorities                       | 606,439            | 606,439                   |                             |
| Other taxes and duties recoverable                      |                    |                           |                             |
| Other amounts due from government and local authorities |                    |                           |                             |
| Amounts due from group companies and shareholders       | 95,553,667         | 95,553,667                |                             |
| Sundry debtors  | 10,529,243         | 10,529,243                |                             |
| Prepayments   | 172,479            | 172,479                   |                             |
| <b>TOTAL</b>  | <b>230,418,966</b> | <b>230,418,966</b>        |                             |

Loans granted during the year  
Loans repaid during the year  
Loans and advances granted to shareholders

| <b>LIABILITIES</b>                                   | <b>Gross</b>      | <b>1 year<br/>or less</b> | <b>More than 1 year,<br/>less than 5 years</b> | <b>More than<br/>5 years</b> |
|--|-------------------|---------------------------|--|------------------------------|
| Convertible bonds                                    |                   |                           |  |                              |
| Other bonds  |                   |                           |  |                              |
| Debt repayable within max. of 2 years at inception   | 36,641,505        | 14,610,072                | 22,031,433                                     |                              |
| Debt repayable after more than 2 years at inception  |                   |                           |  |                              |
| Miscellaneous debt                                   | 3,841,989         | 3,841,989                 |  |                              |
| Trade payables                                       | 11,175,846        | 11,175,846                |  |                              |
| Amounts due to employees                             | 1,603,268         | 1,603,268                 |  |                              |
| Social security and other welfare agencies           | 1,112,319         | 1,112,319                 |  |                              |
| Corporate income tax payable                         |                   |                           |  |                              |
| Value added tax payable                              | 2,346,724         | 2,346,724                 |  |                              |
| Tax payment bonds                                    |                   |                           |  |                              |
| Other taxes payable                                  | 181,306           | 181,306                   |  |                              |
| Amounts payable on fixed assets and related accounts |                   |                           |  |                              |
| Amounts due to group companies & shareholders        | 16,174            | 16,174                    |  |                              |
| Other liabilities                                    | 919,558           | 919,558                   |  |                              |
| Liabilities representing borrowed securities         |                   |                           |  |                              |
| Deferred income                                      |                   |                           |  |                              |
| <b>TOTAL</b>   | <b>57,838,690</b> | <b>35,807,257</b>         | <b>22,031,433</b>                              |                              |

Debt taken out during the year 77,890,100  
Debt repaid during the year 119,043,245  
Debt contracted with shareholders

### Note on debts:

The increases in share capital in 2000 for a total amount of FRF 728 million (excluding expenses) enabled loans to be repaid to financial institutions.

**ITEMS RELATING TO SEVERAL BALANCE SHEET AND PROFIT AND LOSS ACCOUNT LINES**

| Item  | Related undertakings | Participating interests | Trade bills payable and receivable |
|---|----------------------|-------------------------|------------------------------------|
| <b>FIXED ASSETS</b>                             |                      |                         |                                    |
| Participating interests                         | 740,382,211          |                         |                                    |
| Receivables relating to participating interests | 100,591,316          |                         |                                    |
| Other financial fixed assets                    | 42,683               |                         |                                    |
| <b>CURRENT ASSETS</b>                           |                      |                         |                                    |
| Trade receivables                               | 21,235,629           |                         |                                    |
| Other receivables                               | 95,553,667           |                         |                                    |
| <b>LIABILITIES</b>                              |                      |                         |                                    |
| Miscellaneous debt                              | 3,841,989            |                         |                                    |
| Trade payables                                  | 2,542,157            |                         |                                    |
| Other liabilities                               | 904,190              |                         |                                    |
| <b>FINANCIAL EXPENSES</b>                       |                      |                         |                                    |
| Provision for impairment of securities          | 108,231              |                         |                                    |
| <b>FINANCIAL INCOME</b>                         |                      |                         |                                    |
| Interest for the period on current accounts     | 2,699,601            |                         |                                    |

**TRANSLATION DIFFERENCES ON FOREIGN CURRENCY RECEIVABLES AND LIABILITIES**

| Type of difference     | Assets<br>Unrealised<br>loss | Differences<br>covered by<br>hedging | Provision for<br>foreign<br>exchange losses | Liabilities<br>Unrealised<br>gain |
|------------------------|------------------------------|--------------------------------------|---|-----------------------------------|
| Financial fixed assets | 496,975                      |                                      |   | 2,267,545                         |
| Receivables            | 174,939                      |                                      |   | 218,721                           |
| Operating liabilities  | 278,597                      |                                      |   | 208,872                           |
| <b>TOTAL</b>           | <b>950,511</b>               |                                      |   | <b>2,695,138</b>                  |

**ACCRUED INCOME**

|   | 31/12/2000        |
|---|-------------------|
| <b>TRADE RECEIVABLES</b>                |                   |
| Clients – invoices to raise             | 51,800.59         |
| <b>OTHER RECEIVABLES</b>                |                   |
| Suppliers – credit notes to be received | 546,565.34        |
| <b>MARKETABLE SECURITIES</b>            |                   |
| Accrued interest on debt                | 35,845.83         |
| <b>TOTAL ACCRUED INCOME</b>             | <b>634,211.76</b> |

## **ACCRUED EXPENSES**

|  | 31/12/2000          |
|--|---------------------|
| <b>DEBT</b>  |                     |
| Accrued interest on debt                               | 181,627.60          |
| <b>TRADE PAYABLES</b>                                  |                     |
| Purchase invoices not received                         | 1,897,029.74        |
| <b>OTHER LIABILITIES</b>                               |                     |
| Clients – credit notes to raise                        | 15,367.93           |
| <b>TAX AND EMPLOYMENT-RELATED LIABILITIES</b>          |                     |
| Accrued holiday pay                                    | 7,129.36            |
| Bonus accrual  | 1,468,000.00        |
| Holiday bonus accrual                                  | 17,707.00           |
| Accrued apprenticeship tax                             | 22,421.49           |
| Continuing professional training accrual               | 15,977.33           |
| Accrued social security charges on accrued holiday pay | 33,691.28           |
| Accrued social security charges on bonus accrual       | 631,000.00          |
| Accrued social security charges on holiday bonus       | 6,934.00            |
| Accrued liabilities                                    | 6,642.29            |
| Other accrued taxes                                    | 17,444.00           |
| Accrued tax on bonus                                   | 128.00              |
| <b>TOTAL ACCRUED EXPENSES</b>                          | <b>4,390,100.02</b> |

## **PREPAYMENTS**

|                           | 31/12/2000        |
|---------------------------|-------------------|
| <b>OPERATING EXPENSES</b> |                   |
| Miscellaneous prepayments | 172,478.90        |
| <b>TOTAL PREPAYMENTS</b>  | <b>172,478.90</b> |

## **COMPOSITION OF SHARE CAPITAL**

| Type of share   | Number of shares       |                        |                          | Par value |
|-----------------|------------------------|------------------------|--------------------------|-----------|
|                 | at the end of the year | issued during the year | redeemed during the year |           |
| Ordinary shares | 6,185,213              | 950,533                |                          | 5         |

## ***FIVE-YEAR FINANCIAL SUMMARY***

| <b>Period-end</b>  | <b>31/12/2000</b> | <b>31/12/1999</b> | <b>31/12/1998</b> | <b>31/12/1997</b> | <b>31/12/1996</b> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Length of accounting period (months)</b>  | <b>12</b>         | <b>12</b>         | <b>12</b>         | <b>12</b>         | <b>12</b>         |
| <b>CAPITAL AT PERIOD-END</b>   |                   |                   |                   |                   |                   |
| Share capital  | 30,926,065        | 26,173,400        | 19,805,000        | 15,743,000        | 15,688,000        |
| Number of shares - ordinary  | 6,185,213         | 5,234,680         | 1,980,500         | 31,486            | 31,376            |
| <b>PROFIT &amp; LOSS ACCOUNT DATA</b>  |                   |                   |                   |                   |                   |
| Revenues, excluding VAT  | 4,395,513         | 4,511,623         | 3,552,794         | 2,987,435         | 4,354,023         |
| Profit/(loss) before tax, profit-sharing, amortisation, depreciation, & provisions | 33,952,265        | 14,781,537        | 5,344,528         | (2,488,121)       | 5,338,472         |
| Corporate income tax   | (5,200,576)       | (8,834,736)       | (7,595,842)       | (5,270,215)       | (3,530,996)       |
| Amortisation, depreciation & provisions  | 1,569,241         | 353,116           | 264,265           | (1,468,686)       | 213,047           |
| Net profit   | 37,583,600        | 23,263,157        | 12,676,105        | 4,250,780         | 8,656,421         |
| Profit distributed as dividend   |                   | 11,778,030        |                   |                   | 4,204,384         |
| <b>PER SHARE DATA</b>  |                   |                   |                   |                   |                   |
| Profit after tax & profit-sharing, before amortisation, depreciation & provisions  | 6                 | 5                 | 7                 | 88                | 283               |
| Net profit   | 6                 | 4                 | 6                 | 135               | 276               |
| Dividend   |                   | 2.25              |                   |                   | 134               |
| <b>EMPLOYEE DATA</b>   |                   |                   |                   |                   |                   |
| Average number of employees  | 3                 | 3                 | 3                 | 3                 | 3                 |
| Wages and salaries   | 4,820,289         | 4,750,138         | 4,165,970         | 3,396,481         | 3,547,601         |
| Other employee benefits (social security bodies etc.)                              | 1,680,420         | 1,761,270         | 1,382,671         | 1,072,607         | 1,374,539         |

## ***BREAKDOWN OF REVENUES (in thousands of FRF)***

|                     | <b>Revenues France</b> | <b>Revenues Export</b> | <b>Total 31/12/2000</b> | <b>Total 31/12/1999</b> | <b>% 2000 /1999</b> |
|---------------------|------------------------|------------------------|-------------------------|-------------------------|---------------------|
| Recharged personnel | 2,520                  |                        | 2,520                   | 1,433                   | 75.85%              |
| Recharged costs     | 1,413                  | 463                    | 1,876                   | 3,078                   | (39.05%)            |
| <b>TOTAL</b>        | <b>3,933</b>           | <b>463</b>             | <b>4,396</b>            | <b>4,511</b>            | <b>(2.55%)</b>      |

## ***EXCEPTIONAL ITEMS***

| <b>Nature of income and expenses</b> | <b>Expenses</b> | <b>Income</b> |
|--------------------------------------|-----------------|---------------|
| Net book value of assets disposed of | 16,982          |               |
| Income from disposal of assets       |                 | 16,982        |
| <b>TOTAL</b>                         | <b>16,982</b>   | <b>16,982</b> |

### **TRANSFER OF EXPENSES**

Syndication fees of FRF 6,134,392 in respect of loan issue have been transferred to deferred expenses and will be written off over the period of the loan (5 years).

### **CORPORATE INCOME TAX AND GROUP TAX ELECTION**

On 30 October 1997, Ipsos S. A. 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, Statio.

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 two additional levies of 10% each) calculated by the member companies.

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

|  |           |
|--|-----------|
| Ipsos Médias   | 1,258,001 |
| Ipsos France   | 0         |
| Ipsos Interviews   | 949,325   |
| Ipsos-Insight Marketing                                  | 0         |
| Ipsos Opinion  | 506,986   |
| Ipsos Satisfaction de Clientèle                          | 1,513,530 |
| IMS  | 1,023,862 |
| IMS Développement  | 310,114   |
| Sysprint   | 11,520    |
| Statio   | 0         |
| Tax savings for Ipsos relative to the company's tax loss | 5,573,339 |

### **BREAKDOWN OF CORPORATE INCOME TAX**

| <b>Breakdown</b>                | <b>Pre-tax profit</b> | <b>Tax payable</b> | <b>Post-tax profit</b> |
|---------------------------------|-----------------------|--------------------|------------------------|
| Profit from ordinary activities | 32,383,024            | (5,200,576)        | 37,583,600             |
| <b>Accounting profit</b>        | <b>32,383,024</b>     | <b>(5,200,576)</b> | <b>37,583,600</b>      |

## FINANCIAL COMMITMENTS AND OTHER INFORMATION

### FINANCIAL COMMITMENTS

| Commitments given  | AMOUNT             |
|--|--------------------|
| Joint and several guarantee of the liabilities of GIE Ipsos  | 2,503,985          |
| Guarantee on behalf of Ipsos-NFO UK, beneficiary Barclays Bank (£250,000)  | 2,627,613          |
| Guarantee on behalf of IMS, beneficiary Société Générale   | 600,000            |
| Guarantee on behalf of Ipsos Access Panel France, beneficiary Paribas (covering a loan of FRF 5m from Paribas to Ipsos Access Panel France)  | 5,000,000          |
| Guarantee on behalf of Int res (beneficiary Sogelease)   | 372,759            |
| Guarantee on behalf of Binomio (beneficiary Banque Ambrosio Veneto)  | 1,355,200          |
| Guarantee on behalf of Ipsos France (premises and tenants charges, Rue Groult), 2000 to end March 2002   | 8,277,750          |
| Guarantee on behalf of Ipsos Régions (beneficiary Société Générale)  | 175,240            |
| Guarantee covering a loan of \$6,250,000 from BNP to Ipsos-ASI   | 36,657,457         |
| Guarantee covering a loan of \$6,250,000 from Crédit Lyonnais to Ipsos-ASI. The principal is henceforth \$5,200,000.   | 36,657,457         |
| Guarantee of £600,000 on behalf of Ipsos RSL Ltd to ECS UK plc in respect of a computer equipment leasing contract. (26/04/00).  | 6,306,270          |
| Following the purchase of two thirds of the shares in Ipsos Latin America in June 1999, additional consideration is payable as follows: USD 600,000 in 2001, USD 700,000 in 2002, and USD 700,000 in 2003.                           | 14,099,022         |
| Additional purchase consideration of AUD 1,500,000 will be paid in March 2001 by Ipsos Australia to the former shareholders of MFC if the conditions are met, following the purchase of the assets of MFC.                           | 4,693,789          |
| In respect of objectives to be met (presence of the management and future financial criteria), additional purchase consideration could be paid with a maximum of USD 1 million following the purchase of 50% of the shares of BIMSA. | 7,049,511          |
| In consideration of financial criteria to be met from 2000 to 2002, additional purchase consideration could be paid with a maximum of CAD 19.8 million following the purchase of 100% of the shares of Ipsos-Reid Corp.              | 93,003,570         |
| <b>TOTAL</b>   | <b>219,379,623</b> |
| <hr/>  |                    |
| Commitments received   | AMOUNT             |
| Undertaking by Ipsos Régions to repay a subsidy in the event of a return to profit   | 990,000            |
| <b>TOTAL</b>   | <b>990,000</b>     |

### 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.

The movements during the year ended 31 December 2000 were as follows:

|   |                                       |
|---|---------------------------------------|
| Direct purchases:.....                      | 31 May 2000, 400 shares at €109.42    |
|   | 31 May 2000, 1,060 shares at €114.12  |
| Held through a market-making contract:..... | 31 December 2000, 354 shares at €115. |

### SHARES WITH WARRANTS (ABSAS)

• Terms: The issue amounted to €109,999,890 represented by 940,170 shares with warrants. The subscription price of one share with warrant was €117. This price was for one share at €115.10 and one share warrant at €1.90. Each share in this issue is accompanied by one share warrant.

Holders of share warrants are entitled to subscribe to Ipsos shares until 21 June 2003.

After this date, any share warrants that have not been exercised will become null and void and will lose their entire value.

Two share warrants entitle holders to subscribe to one new Ipsos share.

The exercise price is €140.



• Movements:

|                    | Number of warrants | Amount received<br>in € |
|--------------------|--------------------|-------------------------|
| Brought forward    | 940,170            |                         |
| Warrants exercised | 140                | 9,800                   |
|                    | 940,030            |                         |

- As the price of the Ipsos share at 31 December 2000 (€116) was lower than the exercise price of the warrants, no dilutive effect has been recognised on the earnings per share.

**DEFERRED AND UNREALISED TAX POSITION**

|  | Amount             |
|--|--------------------|
| <b>TAX DUE ON:</b>   |                    |
| Regulated provisions:  |                    |
| Provisions for price rises (stock relief)  |                    |
| Translation difference, asset  | 950,511            |
| <b>TOTAL INCREASES</b>   | <b>950,511</b>     |
| <b>TAX PAID IN ADVANCE ON:</b>   |                    |
| Charges temporarily non-deductible for tax purposes (deductible in the following year) |                    |
| "Organic" sales-based social charge  | 17,444             |
| Translation difference, liability  | 2,695,138          |
| To be deducted subsequently  |                    |
| <b>TOTAL REDUCTIONS</b>  | <b>2,712,582</b>   |
| <b>NET DEFERRED TAX POSITION</b>   | <b>(1,762,071)</b> |

**TAX DUE ON:  
CREDITS TO BE OFFSET AGAINST:**

**NET UNREALISED TAX POSITION**

**AVERAGE NUMBER OF EMPLOYEES**

| Employees                        | Salaried<br>staff | Staff on<br>secondment<br>to the<br>company |
|----------------------------------|-------------------|---|
| Managerial grades                | 3                 |   |
| Technical and supervisory grades |                   |   |
| Clerical grades                  |                   |   |
| Manual grades                    |                   |   |
| <b>TOTAL</b>                     | <b>3</b>          |   |

**EXECUTIVE REMUNERATION**

The remuneration paid to executives is not disclosed as this would lead indirectly to the disclosure of individual remuneration.

## LIST OF SUBSIDIARIES AND PARTICIPATING INTERESTS (in FRF thousands)

| Company                                    | Share capital | Shareholders' equity before appropriation of profit and excluding share capital | Interest held % | Book value of shares | Loans and advances made | Guarantees | Sales excl. VAT of latest period | Profit/(loss) latest period | Dividends received during the period |
|--|---------------|---|-----------------|----------------------|-------------------------|------------|----------------------------------|-----------------------------|--------------------------------------|
| <b>SUBSIDIARIES (over 50%)</b>             |               |   |                 |                      |                         |            |                                  |                             |                                      |
| Ipsos France                               | 35 848        | 16 686  | 100             | 42 513               | -                       | 8 278      | 78 982                           | 7 321                       | 4 500                                |
| Ipsos-Explorer (Italy)                     | 11 858        | 3 920   | 100             | 43 659               | 813                     | -          | 107 750                          | (461)                       | -                                    |
| Ipsos-Szonda (Hungary)                     | 198           | 7 218   | 50              | 745                  | 2                       | -          | 22 176                           | 1 914                       | 477                                  |
| Ipsos-Eco (Spain)                          | 1 183         | 11 351  | 100             | 21 556               | 1 183                   | -          | 72 218                           | 4 987                       | 3 548                                |
| Ipsos Deutschland (Germany)                | 2 368         | 21 176  | 100             | 45 371               | -                       | -          | 197 056                          | 9 149                       | 6 624                                |
| Ipsos-RSL (UK)                             | 4 204         | 18 656  | 90              | 37 817               | 12 613                  | 6 306      | 373 678                          | 7 515                       | 6 306                                |
| Price Search (UK)                          | 1 314         | -   | 100             | 23 443               | -                       | -          | -                                | -                           | -                                    |
| Ipsos-Insight (Belgium)                    | 813           | 465   | 82              | 1 264                | 1 508                   | 373        | 16 766                           | 552                         | -                                    |
| Ipsos Opinion (France)                     | 1 050         | 10 176  | 10              | 228                  | -                       | -          | 62 418                           | 1 340                       | 154                                  |
| Ipsos Santé (France)                       | 1             | (83)  | 100             | -                    | -                       | -          | -                                | -                           | -                                    |
| Stat-Ipsos (France)                        | 250           | (165)   | 51              | 127                  | 1 957                   | -          | -                                | (81)                        | -                                    |
| Ipsos Portugal (Portugal)                  | 164           | (1 426)   | 100             | 180                  | 1 782                   | -          | 6 910                            | 436                         | -                                    |
| Ipsos USA, Inc. (USA)                      | 7             | (42)  | 100             | 5                    | 4 095                   | -          | 2 566                            | 1 128                       | -                                    |
| Ipsos Latin America BV (Netherlands)       | 125           | 78 538  | 100             | 95 108               | 1 494                   | -          | -                                | 10 495                      | 11 452                               |
| Ipsos America Inc (USA)                    | 105 743       | 92  | 100             | 90 154               | 29 960                  | -          | -                                | -                           | -                                    |
| Ipsos Australia (Australia)                | -             | 716   | 100             | -                    | 1 700                   | -          | 15 177                           | 696                         | -                                    |
| Ipsos Access Panel Holding (France)        | 13 119        | 141   | 100             | 14 004               | 28 017                  | -          | -                                | 140                         | -                                    |
| Ipsos Far East (Hong Kong)                 | -             | (11 419)  | 100             | -                    | 13 985                  | -          | 7 171                            | (6 507)                     | -                                    |
| Ipsos Canada (Canada)                      | 110 853       | -   | 100             | 110 177              | -                       | -          | -                                | -                           | -                                    |
| Ipsos Holding, Inc (Canada)                | 172 742       | -   | 100             | 170 052              | -                       | -          | -                                | -                           | -                                    |
| <b>PARTICIPATING INTERESTS (10 to 50%)</b> |               |   |                 |                      |                         |            |                                  |                             |                                      |
| AGB Stat Ipsos (Lebanon)                   | 1 100         | (2 446)   | 30              | 272                  | 1 480                   | -          | 5 400                            | 615                         | -                                    |
| MMXI Europe BV (Netherlands)               | 59 036        | 1 880   | 22              | 12 988               | -                       | -          | 1 879                            | 1 879                       | -                                    |
| Bimsa (Mexico)                             | 4 677         | 8 162   | 50              | 27 160               | -                       | -          | 81 716                           | 7 384                       | -                                    |
| Ipsos-Link (China)                         | 2 113         | 106   | 40              | 2 988                | -                       | -          | 5 191                            | 106                         | -                                    |
| <b>OTHER INVESTMENTS</b>                   |               |   |                 |                      |                         |            |                                  |                             |                                      |
| Gie Ipsos (France)                         | -             | -   | -               | -                    | -                       | 2 504      | 813                              | -                           | -                                    |
| Gie Ipsos Access Panel                     | -             | -   | -               | -                    | -                       | -          | 19                               | -                           | -                                    |
| <b>Total</b>                               |               |   |                 | <b>739 811</b>       | <b>100 589</b>          |            |                                  |                             | <b>33 061</b>                        |

## IDENTITY OF PARENT COMPANY CONSOLIDATING THE ACCOUNTS OF IPSOS

| Name and registered office                                      | Legal form      | Capital | % interest |
|---|-----------------|---------|------------|
| LT Participations<br>99/101, rue de l'Abbé Groult -75015- PARIS | Société Anonyme | 640,960 | 41.94%     |

## 4.3 AUDITOR'S SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

**Ipsos, S.A.**  
Year ended 31 December 2000

To the Shareholders,  
In our capacity as the company's auditors, we present our report on related-party agreements.

### **I - In accordance with article L 225-40 of the Code of Commerce, we were informed of one agreement, which received the prior approval of the Board of Directors.**

It is not our responsibility to investigate the possible existence of other related-party agreements, but to report to you, based on the information given to us, on the main features and terms of those of which we have been informed. We are not required to express an opinion on the usefulness or appropriateness of these agreements. It is your responsibility, under the terms of section 92 of the decree of 23 March 1967, to assess the benefit arising from this agreement in order to decide whether it should be approved.

We conducted our review in accordance with auditing standards, these standards require that we perform procedures designed to check that the information given to us is consistent with the source documents.

#### **WITH IPSOS ACCESS PANELS S.A.**

##### ***Board of Directors meeting of 26 September 2000***

**Directors concerned :** Mr. Jean-Marc Lech, Mr. Didier Truchot and Mr. Carlos Harding

**Description :** Ipsos S.A. has provided its joint and several guarantee on behalf of Ipsos Access Panels S.A. to BNP Paribas for an amount of FRF 5,000,000 in principal.

**Terms :** No amount has been paid in respect of this guarantee in 2000.

### **II - In accordance with the decree of 23 March 1967, we were informed that the following agreements, entered into in previous years, remained in force during the year ended 31 December 2000.**

#### **1. WITH IPSOS ACCESS PANELS S.A. (FORMERLY IPSOS NFO FRANCE)**

##### ***Board of Directors meeting of 19 December 1996***

**Description :** Ipsos Access Panels France continued to benefit from a licence agreement covering intellectual property rights and techniques belonging to Ipsos S.A., 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 company in France.

**Terms :** No royalty was received under this agreement in 2000.

#### **2. WITH IPSOS INSIGHT BELGIQUE (FORMERLY INT-RES)**

##### ***Board of Directors meeting of 15 November 1996***

**Description :** As part of the rehabilitation of the financial position of Ipsos Insight Belgique, Ipsos S.A. granted an interest-free loan to its Belgian subsidiary, with a view to enabling Ipsos Insight Belgique to meet its commitments to a number of subcontractors in connection with the performance of the contract with Volvo signed at the end of 1995 and terminated by Volvo in May 1996.

**Terms :**

Amount of the loan at 31 December 2000: FRF 532,688

Term: three years, extendable, and repayable at the end of the first three year period if by that time Ipsos Insight Belgique has reconstituted its equity such that its net assets comply with Belgian legal and regulatory requirements. If Ipsos Insight Belgique is granted a loan by a bank, Ipsos S.A. will not be repaid until Ipsos Insight Belgique has repaid to the bank the principal of its loan, plus interest, commission and incidental expenses.

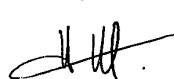
Paris, 4 May 2001  
The Auditors

COGERCO FLIPO



Francis Pons

JPA




Danielle Bardreau-Gilbert

ERNST & YOUNG Audit



Gabriel Galet

  
Jacques Potdevin

## INFORMATION ON THE ADMINISTRATION, MANAGEMENT AND AUDIT OF THE COMPANY

### 5.1 MEMBERS AND FUNCTIONS OF MANAGEMENT BODIES

#### BOARD OF DIRECTORS:

##### Chairman & CEO :

##### **Didier Truchot**

(reappointed at the Ordinary General Meeting of 29 June 1998 to hold office until the General Meeting held to examine the accounts for the year ending 31 December 2003)  
Offices held outside the Ipsos group:  
 LT Participations, *CEO and Director*

##### Other Board Members:

##### **Jean-Marc Lech**

*Vice-Chairman  
 Chief Executive Officer*

(reappointed at the Ordinary General Meeting of 29 June 1998 to hold office until the General Meeting held to examine the accounts for the year ending 31 December 2003)  
Offices held outside the Ipsos group:  
 LT Participations, *Chairman & CEO*

##### **Carlos Harding**

*Chief Executive Officer*

(reappointed at the Ordinary General Meeting of 29 June 1998 to hold office until the General Meeting held to examine the accounts for the year ending 31 December 2003)

##### **LT Participations S.A.**

represented by Pascal Cromback (reappointed at the Ordinary General Meeting of 24 June 1996 to hold office until the General Meeting held to examine the accounts for the year ending 31 December 2001)  
Offices held outside the Ipsos group:  
 Sofectec, *Director*  
 Marçais, *member of the Management Board*

##### **Elizabeth Mitchell**

(reappointed at the Ordinary General Meeting of 29 June 1998 to hold office until the General Meeting held to examine the accounts for the year ending 31 December 2003)

##### **Patrick Sayer**

(reappointed at the Ordinary General Meeting of 29 June 1998 to hold office until the General Meeting held to examine the accounts for the year ending 31 December 2003)  
Offices held outside the Ipsos group:  
 Lazard Frères (SAS), *managing partner*  
 Lazard, *Managing Director*  
 Maison Lazard (SAS), *managing partner*  
 Partena, *managing partner*  
 SIDEL, *Director*  
 Sovaclux (Luxembourg), *Director*  
 AZEO, *director*  
 Virata Corporation., *Director*  
 Fonds Partenaires – Gestion (F.P.G.), *Director*  
 France Asie Participations, *permanent agent of Azeo*  
 François-Charles Oberthur Fiduciaire, *permanent agent of Azeo*  
 Infogrames Entertainment, *permanent agent of Azeo*  
 Oberthur Card Systems, *permanent agent of Azeo*

**Christian Brégou** (co-opted at the Board Meeting of 1 October 1999 to hold office until the General Meeting held to examine the accounts for the year ending 31 December 2004)  
Offices held outside the Ipsos group:  
*C2XB, Chairman & CEO*

**Pierre Haren** (co-opted at the Board Meeting of 1 October 1999 to hold office until the General Meeting held to examine the accounts for the year ending 31 December 2004)  
Offices held outside the Ipsos group:  
*ILOG, Chairman & CEO*

#### **AUDIT COMMITTEE:**

This Committee, set up by the Board of Directors on 1 October 1999, is charged with exercising independent control over the company's accounting policies and accounts, and is made up of non-executive directors: Mr. Patrick Sayer, who chairs the committee, and Mr. Pascal Cromback.

#### **REMUNERATION COMMITTEE:**

This Committee, set up by the Board of Directors on 1 October 1999, is charged with defining the remuneration policy (in the broadest sense) for the Group's executive managers, and is made up of non-executive directors: Mr. Christian Brégou, who chairs the committee, and Mr. Pierre Haren.

## **5.2 REMUNERATION OF MANAGEMENT BODIES**

Members of the Board of Directors do not receive any attendance fees.

In 2000, the Management Board (9 members at 31 December 2000) received aggregate remuneration of FRF 14,985,000 (including employer's social contributions and direct or indirect remuneration in kind). (The composition of the Management Board is given in section 3.7.1, "Management")

## **5.3 MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors met five times during 2000.

## **5.4 PROVISION OF INFORMATION TO SHAREHOLDERS AND INVESTORS**

The Company communicates information to shareholders on a systematic basis at least once a year on the occasion of the Annual General Meeting. It regularly issues press releases to all of the media in the economic and financial sector on its quarterly revenues, half-yearly and annual results and on the occasion of major events affecting the Group.

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

At least two meetings with analysts who are members of the French analyst's association SFAF are organised every year to present the annual and half-yearly accounts, and these are generally followed by a series of other presentations in France and abroad.

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

## 6

## TEXT OF THE RESOLUTIONS PUT BEFORE THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 22 MAY 2001

### ORDINARY BUSINESS

#### First Resolution

##### APPROVAL OF THE ACCOUNTS – DISCHARGE

The Ordinary General Meeting, having received the management report of the Board of Directors and the auditors' reports on the year ended 31 December 2000, approves the annual accounts as at that date as presented, showing a net profit of FRF 37,583,599.83. It also approves the transactions reflected in these accounts or summarised in these reports. The General Meeting therefore gives the directors discharge for the execution of their office for the year ended 31 december 2000. It also gives the auditors discharge for their engagement.

#### Second Resolution

##### APPROPRIATION OF PROFITS

The Ordinary General Meeting resolves, on the proposal of the Board of Directors, to appropriate the profit for the year ended 31 December 2000 as follows:

|  |                   |
|--|-------------------|
| Profit for the year:   | 37,583,599.83 FRF |
| To the statutory reserve:  | 475,266.50 FRF    |
| Balance  | 37,108,333.33 FRF |
| Plus retained earnings brought forward   | 34,421,029.98 FRF |
| Giving distributable profits of:   | 71,529,363.31 FRF |
| To dividends to the shareholders an amount of FRF 1.65 for each of the 6,185,213 shares comprising the share capital, entitling qualifying shareholders to a tax credit of FRF 0.82 and total declarable income of FRF 2.47. | 10,205,601.45 FRF |
| To dividend equalisation tax ( <i>précompte mobilier</i> )   | 5,102,800.72 FRF  |
| Leaving retained earnings carried forward of   | 56,220,961.14 FRF |

The dividend will be paid on 6 July 2001. If the company owns any of its own shares at the time the dividend is paid, the amount of dividend corresponding to these shares will be taken automatically to retained earnings.

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

| Year | Net dividend per share | Tax credit | Gross revenue per share |
|------|------------------------|------------|-------------------------|
| 1999 | FRF 1.50               | FRF 0.75   | FRF 2.25                |
| 1998 | None                   | None       | None                    |
| 1997 | None                   | None       | None                    |

#### Third Resolution

##### AGREEMENTS GOVERNED BY ARTICLE L 225-40 OF THE CODE OF COMMERCE

The Ordinary General Meeting, having reviewed the auditors' special report on related-party agreements, approves, under the conditions stipulated in the final paragraph of Article L 225-40 of the Code of Commerce, the agreements governed by Article L 225-38 of that Code and presented in the auditors' special report.

## Fourth Resolution

### **AUTHORISING THE BOARD OF DIRECTORS TO PURCHASE, HOLD OR TRANSFER THE COMPANY'S OWN SHARES**

The General Meeting, having reviewed the report of the Board of Directors and the information shown in the Information Memorandum approved by the *Commission des Opérations de Bourse*, authorises the Board of Directors, in accordance with Article L 225-209 of the Code of Commerce, to buy Company's shares.

These shares may be acquired, sold or transferred by any means and at any time.

The maximum purchase price is set at 200 € per share, and the minimum selling price at 50 € per share.

In the event of transactions affecting the share capital, in particular issues of shares via capitalisation of reserves, allotments of bonus shares, stock splits or reverse stock splits, the prices shown above will be adjusted by applying the ratio of the number of shares in issue before the transaction to the number of shares in issue after the transaction.

The maximum percentage of the share capital that can be bought shall not at any time exceed 10% of the share capital in issue as at the date of the present General Meeting.

This gives a maximum of 618,521 shares, subject to adjustment in the event of transactions affecting the share capital.

The maximum amount of funds that the company may spend on buying back its own shares is 123,704,200 €.

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

- to buy and sell shares depending on market conditions;
- to optimise the financial management of the company by cancelling if necessary all or part of the shares bought;
- to grant share 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;
- to use shares as payment or to exchange them, in particular in connection with acquisitions.

Shares acquired in this way may be retained, sold or transferred. They may also be cancelled on the terms contained in the authority granted by the Fifth Extraordinary Resolution of the present General Meeting.

This authorisation cancels with immediate effect and to the extent not used, the authorisation given by the Ordinary General Meeting of 24 May 2000 in its Fourth Resolution.

This authorisation will expire at the end of the General Meeting called to examine the accounts for the year ending 31 December 2001.

Full powers are conferred upon the Board of Directors, which may delegate such powers, to implement the present authorisation.

## 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, having reviewed 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, 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 par value of 250 million €, and denominated either in euro, 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 General 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, to the extent not used, that given by the Ordinary General Meeting of 24 May 2000 in its Seventh Resolution.

## Sixth Resolution

### **POWERS**

The General Meeting confers full powers on the bearer of a copy or extract of the presents 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 Meetings, and having reviewed the reports of the Board of Directors and the auditors' special report, and voting in accordance with the provisions of Article L 225-129 § II and III of the Code of Commerce (formerly Article 180 § II and III of the Act of 24 July 1966 on commercial companies) authorises the Board of Directors to:

1. 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 both methods.
2. and establishes the following limits for the transactions thus authorised:
  - a) the total 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 2 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 2 million € in par value and the total increases in share capital necessitated by the exercise of separately issued share warrants (BSAs) may not exceed 2 million € in par value;
  - b) the maximum total increase in the share capital by capitalisation as provided for under 1b) is set at 2 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 relating 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.

In addition, the total 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 General 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 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) 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 or both 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 General Meeting decision 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 may 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 opening price of the share recorded on the Nouveau Marché of Euronext Paris SA during 10 consecutive trading days chosen from the last 20 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 are entitled 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, offset 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 conformity 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 authority is given for a period of twenty-six months from the date of this General Meeting and cancels, to the extent not used, with immediate effect, the authorisation given by the Extraordinary General Meeting of 24 May 2000 in its First Resolution.

## 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, having reviewed 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 (formerly Articles 180, 193-1, 194-1 and 339-3 of the Act of 24 July 1966 on commercial companies), 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 Ipsos 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 Ipsos 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 General 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 Ipsos to which entitlement will be given by bonds with share warrants and other transferable securities issued by companies in which Ipsos holds, either directly or 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 in favour of the holders of warrants and the holders of transferable securities issued by a company in which Ipsos holds more than half of the share capital either directly or indirectly, of the preferential subscription rights of the Ipsos shareholders to the Ipsos shares issued when these warrants are presented or to which these transferable securities will 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 2 million € at 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 2 million € at par value and the total of the increases in share capital necessitated by the exercise of separately issued share warrants (BSAs) may not exceed 2 million € at par value;
- b) and sets the total issues of debt securities giving access to the capital at 250 million € at 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 2a) of the First Resolution of this Extraordinary General Meeting, (ii) independent from the ceiling set at 2b) 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 in its foreign currency equivalent on the date of issue;
- b) the Board of Directors may grant the shareholders, during a period and in terms that it will set, a fixed priority period in which to subscribe to the shares or transferable securities issued or both, in proportion to their interest in the capital, with or without scaling down of orders, but without giving rise to the creation of transferable or negotiable rights,

it being understood that the sums 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, shall be at least equal to the average of the opening price of the share recorded on the *Nouveau Marché* of Euronext Paris SA during 10 consecutive trading days chosen from the last 20 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 rights 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 these 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 General Meeting and cancels with immediate effect the authorisation given by the Extraordinary General Meeting of 24 May 2000 in its Second Resolution, to the extent 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 (formerly Article 180 § IV of the Act of 24 July 1966 on commercial companies), expressly authorises the Board of Directors,

with effect from the present General Meeting and until the next General Meeting called to examine the accounts for the year ending 31 December 2001, 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 CARRY OUT INCREASES IN SHARE CAPITAL RESERVED FOR EMPLOYEES WHO ARE MEMBERS OF COMPANY SAVINGS SCHEMES PEE OR PPESV**

The General Meeting, having reviewed the report of the Board of Directors and the auditors' special report, and voting in accordance with the provisions of Articles L 225-129, and 225-138 of the Code of Commerce (formerly articles 180, and 186-3 of the Act of 24 July 1966 on commercial companies), and of Article L 443-5 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 Ipsos, or of companies or groups related to Ipsos 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 in par value of the share capital increases made under this authority is set at 309,260 €, corresponding to FRF 2,028,612.

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 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 Ipsos 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 reduced by more 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 accordingly and generally do all that is necessary.

The present authority is given for a period of twenty-six months from the date of this General Meeting and cancels with immediate effect the authorisation given by the Extraordinary General Meeting of 31 May 1999 in its Sixth Resolution.

## Fifth Resolution

### **AUTHORISING THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL BY CANCELLING SHARES**

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the reports of the Board of Directors and of the auditors, and voting in accordance with the provisions of Article L 225-209 of the Code of Commerce (formerly Article 217-2 of the Act of 24 July 1966 on commercial companies) authorises the Board of Directors, with power to delegate, to:

- a) cancel on one or more occasions shares acquired as a result of using the authority granted by the Fourth Resolution of the Ordinary General Meeting held this day or any other resolution that may be substituted for it up to a maximum of 10% of the share capital in issue as at the time of the present General Meeting, per 24-month period and to reduce the share capital accordingly, the difference between the repurchase value and the par value of the cancelled shares to be offset against share premium and available reserves;
- b) amend the bylaws accordingly and complete all necessary formalities.

This authorisation will expire at the end of the General Meeting called to examine the accounts for the year ending 31 December 2001.

## Sixth Resolution

### **POWERS**

The General Meeting confers all powers to the Board of Directors, with the possibility to sub-delegate, in order to seek the listing for trading on an exchange market of the securities issued in application of the resolutions above, in such places as it sees fit, and the General Meeting delegates all powers to a bearer of a copy or extract of the present document to carry out all the legal formalities.



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