20.2. Consolidated financial statements

For the year ended 31 December 2018

20.1. Consolidated financial statements

20.2. Consolidated financial statements

1 – Consolidated income statement

For the year ended 31 December 2018

In thousand euros	Notes	31/12/2018	31/12/2017
Revenue	**3**	1,749,494	1,780,453
Direct costs	4.1	(611,119)	(623,787)
Gross profit		**1,138,374**	**1,156,666**
Payroll - excluding stock-based compensation		(753,464)	(747,500)
Payroll - share based payments	5.8.3	(8,937)	(10,094)
General operating expenses		(207,477)	(210,865)
Other operating income and expense	4.2	3,922	(5,931)
Operating profit	**3**	**172,418**	**182,275**
Amortization of intangibles identified on acquisitions	4.3	(4,380)	(4,668)
Other non-current income and expenses	4.4	(5,273)	(14,364)
Income from associates	5.4	587	217
Operating profit		**163,352**	**163,460**
Finance costs	4.5	(21,281)	(20,380)
Other financial income and expense	4.5	4,980	633
Profit before tax		**147,051**	**143,713**
Taxes - excluding deferred taxes on goodwill amortization	4.6	(37,078)	(39,118)
Income tax - deferred tax on goodwill	4.6	(1,420)	24,482
Current income tax	**4.6**	**(38,498)**	**(14,636)**
Net income		**108,554**	**129,076**
Of which attributable to equity holders of the Parent Company		**107,520**	**128,507**
Attributable to non-controlling interests		**1,033**	**569**
Earnings per share (in euros) - Basic	4.8	2.48	2.99
Earnings per share (in euros) - Diluted	4.8	2.40	2.94

2 – Statement of comprehensive income

For the year ended 31 December 2018

In thousand euros	31/12/2018	31/12/2017
Net income	**108,554**	**129,076**
Other elements of the Comprehensive Income		
Hedges of net investments in a foreign subsidiary	(9,225)	(432)
Currency translation differences	(649)	(67,357)
Deferred tax on hedges of net investments in a foreign subsidiary	1,650	(1,849)
Total of other reclassified comprehensive income	**(8,225)**	**(69,638)**
Actuarial gains and losses on defined benefit plans	834	181
Deferred taxes on actuarial gains and losses	-	95
Total of other non-reclassified comprehensive income	**834**	**276**
Total of Other Comprehensive Income	**(7,391)**	**(69,362)**
Comprehensive income	**101,163**	**59,715**
Of which attributable to equity holders of the Parent Company	99,393	61,086
Of which non-controlling interests	1,769	(1,372)

3 – Consolidated balance sheet

For the year ended 31 December 2018

In thousand euros	Notes	31/12/2018	31/12/2017
ASSETS			
Goodwill	5.1	1,291,077	1,159,352
Other intangible assets	5.2	82,001	59,964
Property, plant and equipment	5.3	37,890	32,228
Investments in associates	5.4	2,892	916
Other non-current financial assets	5.5	35,021	21,425
Deferred tax assets	4.6	26,987	21,252
Non-current assets		**1,475,868**	**1,295,136**
Trade receivables and related accounts	5.6	466,119	441,399
Contract assets	5.13	168,822	176,261
Current taxes	4.6	16,905	13,517
Other current assets	5.7	78,831	75,802
Financial instruments assets	5.9	500	1,462
Cash and cash equivalents	5.9	167,834	137,267
Current assets		**899,011**	**845,708**
TOTAL ASSETS		**2,374,878**	**2,140,844**
LIABILITIES AND EQUITY			
Share capital	5.8	11,109	11,109
Share premium		516,038	516,130
Own shares		(22,723)	(35,235)
Other reserves		526,177	441,212
Currency translation differences		(121,475)	(112,515)
Adjusted net profit attributable to equity holders of the Parent		107,520	128,507
Shareholders' equity - attributable to the Group		**1,016,646**	**949,208**
Non-controlling interests		18,314	17,290
Equity		**1,034,960**	**966,498**
Borrowings and other long-term financial liabilities	5.9	729,180	577,432
Non-current provisions	5.10	4,678	8,964
Provisions for retirements	5.11	29,715	26,918
Deferred tax liabilities	4.6	70,934	66,450
Other non-current liabilities	5.12	22,040	18,183
Non-current liabilities		**856,547**	**697,948**
Trade payables		276,266	259,432
Borrowings and other short-term financial liabilities	5.9	13,713	25,527
Current taxes	4.6	12,153	14,658
Current provisions	5.10	4,996	7,189
Contract liabilities	5.12 and 5.13	15,656	16,134
Other current liabilities	5.12	160,588	153,458
Current liabilities		**483,372**	**476,398**
TOTAL LIABILITIES AND EQUITY		**2,374,878**	**2,140,844**

4 – Consolidated cash flow statement

For the year ended 31 December 2018

In thousand euros	Notes	31/12/2018	31/12/2017
OPERATING ACTIVITIES			
NET PROFIT		**108,554**	**129,076**
Items with no impact on cash flow			
Amortisation and depreciation of property, plant and equipment and intangible assets		32,698	24,910
Net profit of equity associated companies - net of dividends received		(609)	(217)
Losses/(gains) on asset disposals		(9,461)	(43)
Net changes in provisions		4,074	(511)
Share-based payments expense		8,458	9,549
Other non-cash income/(expense)		(1,106)	(778)
Acquisition costs of consolidated companies		3,930	178
Finance costs		21,281	20,380
Income tax expense		38,498	14,636
OPERATING CASH FLOW BEFORE FINANCIAL EXPENSES AND TAX PAID		**206,317**	**197,182**
Change in the working capital requirement	6.1.1	3,482	(37,771)
Interest paid		(18,385)	(21,245)
Income tax paid		(39,697)	(38,975)
CASH FLOW FROM OPERATING ACTIVITIES		**151,717**	**99,191**
INVESTMENT ACTIVITIES			
Acquisitions of property, plant and equipment and intangible assets	6.1.2	(49,006)	(17,518)
Proceeds from disposals of property, plant and equipment and intangible assets		164	285
(Increase)/Decrease of financial assets		5,216	(1,201)
Acquisitions of companies and consolidated activities, net of acquired cash	6.1.3	(152,479)	(2,212)
CASH FLOW FROM INVESTMENT ACTIVITIES		**(196,105)**	**(20,647)**
FINANCING ACTIVITIES			
Increase/(Decrease) in capital		-	-
(Purchase)/Proceeds of treasury shares		1,219	6,399
Increase in long-term borrowings		603,286	700,272
Decrease in long-term borrowings		(481,034)	(753,587)
Increase/(Decrease) in bank overdrafts and short-term debt		567	86
Buy-out of non-controlling interests	6.1.3	(9,125)	(12,785)
Dividends paid to Parent-Company shareholders		(37,831)	(36,414)
Dividends paid to non-controlling interests of consolidated companies		(857)	-
CASH PROVIDED BY FINANCING ACTIVITIES		**76,225**	**(96,030)**
NET CHANGE IN CASH		**31,837**	**(17,485)**
Impact of foreign exchange rate movements		(1,269)	(10,140)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**137,267**	**164,892**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**167,834**	**137,267**

5 – Statement of changes in consolidated shareholders' equity

For the year ended 31 December 2018

In thousand euros	Share capital	Share premium	Own shares	Other reserves	Currency translation differences	Equity: Attributable to the Company's shareholders	Equity: Non-controlling interests	Equity: Total
Position at 1 January 2017	**11,109**	**516,489**	**(55,905)**	**492,738**	**(44,819)**	**919,612**	**19,805**	**939,417**
Change in capital	-	-	-	-	-	-	-	**-**
Dividends paid	-	-	-	(36,292)	-	(36,292)	(75)	**(36,367)**
Impact of acquisitions and commitments to buy out non-controlling interests	-	-	-	(10,899)	-	(10,899)	(1,332)	**(12,231)**
Delivery of treasury shares related to the 2015 plan to grant free shares and the IPF 2012-2020	-	-	13,935	(13,935)	-	-	-	**-**
Other movements on own shares	-	(358)	6,735	22	-	6,399	-	**6,399**
Share-based payments taken directly to equity	-	-	-	9,543	-	9,543	-	**9,543**
Other movements	-	-	-	(241)	-	(241)	264	**22**
Transactions with the shareholders	**-**	**(358)**	**20,670**	**(51,803)**	**-**	**(31,491)**	**(1,143)**	**(32,634)**
Net profit	**-**	**-**	**-**	**128,507**	**-**	**128,507**	**569**	**129,075**
Other elements of the Comprehensive Income	-	-	-	-	-	-	-	-
Hedges of net investments in a foreign subsidiary	-	-	-	-	*(972)*	*(972)*	540	***(432)***
Deferred tax on hedges of net investments in a foreign subsidiary	-	-	-	-	*(1,849)*	*(1,849)*	-	***(1,849)***
Currency translation differences	-	-	-	-	*(64,876)*	*(64,876)*	*(2,481)*	***(67,357)***
Revaluation of the net liability (asset) for defined benefit plans	-	-	-	*181*	-	*181*	-	***181***
Deferred taxes on actuarial gains and losses	-	-	-	95	-	*95*	-	***95***
Total of Other Comprehensive Income	-	-	-	**276**	**(67,697)**	**(67,421)**	**(1,941)**	**(69,362)**
Comprehensive income	**-**	**-**	**-**	**128,783**	**(67,697)**	**61,086**	**(1,372)**	**59,715**
Position at 31 December 2017	**11,109**	**516,130**	**(35,235)**	**569,719**	**(112,515)**	**949,208**	**17,290**	**966,498**

In thousand euros	Share capital	Share premium	Own shares	Other reserves	Currency translation differences	Equity		
						Attributable to the Company's shareholders	Non-controlling interests	Total
1 January 2018 Comprehensive income	**11,109**	**516,130**	**(35,235)**	**569,719**	**(112,515)**	**949,208**	**17,290**	**966,498**
Impact of initial application of IFRS 15	-	-	-	(6,958)	-	(6,958)	(41)	**(6,998)**
Change in capital		-		-	-	-		**-**
Dividends paid	-	-	-	(37,484)	-	(37,484)	(857)	**(38,341)**
Impact of acquisitions and commitments to buy out non-controlling interests	-	-	-	1,424	-	1,424	(296)	**1,128**
Delivery of treasury shares related to the 2016 plan to grant free shares and the IPF 2012-2020	-	-	10,905	(10,905)	-	-	-	**-**
Other movements on own shares	-	(92)	1,607		-	1,515	-	**1,515**
Share-based payments taken directly to equity	-	-	-	8,458	-	8,458	-	**8,458**
Other movements	-	-	-	1,089	-	1,089	449	**1,537**
Transactions with the shareholders	**-**	**(92)**	**12,512**	**(37,418)**	**-**	**(24,999)**	**(704)**	**(25,701)**
Net profit	-	-	-	**107,520**	**-**	**107,520**	**1,033**	**108,554**
Other elements of the Comprehensive Income								
Hedges of net investments in a foreign subsidiary	-	-	-	-	*(9,108)*	*(9,108)*	(117)	***(9,225)***
Deferred tax on hedges of net investments in a foreign subsidiary	-	-	-	-	*1,650*	*1,650*	-	***1,650***
Currency translation differences	-	-	-	-	*(1,503)*	*(1,503)*	*854*	***(649)***
Revaluation of the net liability (asset) for defined benefit plans	-	-	-	*834*	-	*834*	-	***834***
Deferred taxes on actuarial gains and losses	-	-	-	-	-	-	-	**-**
Total of Other Comprehensive Income	**-**	**-**	**-**	**834**	**(8,961)**	**(8,127)**	**736**	**(7,391)**
Comprehensive income	-	-	-	**108,354**	**(8,961)**	**99,393**	**1,769**	**101,163**
Position at 31 December 2018	**11,109**	**516,038**	**(22,723)**	**633,697**	**(121,475)**	**1,016,646**	**18,314**	**1,034,960**

Notes to the consolidated financial statements

For the year ended 31 December 2018

1 – Information about the Company and principal accounting policies

1.1 – Information about the Company

Ipsos is a global company specialising in survey-based research for brands, companies and institutions. It is currently the world's third-largest player in its market, with consolidated subsidiaries located in 89 countries at 31 December 2018.

Ipsos SA is a "Société Anonyme" (limited liability corporation) listed on Euronext Paris. Its head office is at 35 rue du Val de Marne, 75013 Paris, France.

On 27 February 2019, Ipsos' Board of Directors approved and authorised publication of Ipsos' consolidated financial statements for the year ended 31 December 2018. The consolidated financial statements for the financial year ended 31 December 2018 will be submitted to Ipsos shareholders for approval at the General Meeting on 28 May 2019.

The financial statements are presented in euros, and all values are rounded off to the nearest thousand euros (€000), unless otherwise indicated.

1.2 – Principal accounting policies

1.2.1 – Basis of preparation of the financial statements

In accordance with regulation 1606/2002 adopted on 19 July 2002 by the European Parliament and Council of Europe, Ipsos' consolidated financial statements for 2018 have been prepared in accordance with IFRS (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board) at 31 December 2018 and adopted by the European Union (EU) as evidenced by publication in the Official Journal of the European Union prior to the date of approval of the financial statements.

1.2.1.1 – Standards, amendments and interpretations adopted by the European Union and effective for reporting periods beginning on or after 1 January 2018

Apart from the impacts of IFRS 15 and IFRS 9 which are detailed below, the other new standards, interpretations and amendments to published standards that are mandatory for the Group as of the financial year beginning on 1 January 2018 did not have a significant impact on the consolidated financial statements:

• Amendment to IFRS 2: Classification and Measurement of Share-based Payment Transactions;

• Amendments to IFRS 4: Insurance Contracts – implementation of IFRS 9;

• Amendment to IAS 40: Investment Property – transfers of a property to, or from, investment property;

• Annual improvements to IFRSs (2014-2016): Various standards; and

• IFRIC 22: Foreign Currency Transactions and Advance Consideration.

- IFRS 15:

In late May 2014, the IASB issued IFRS 15 "Revenue from contracts with customers". This standard was developed as part of a joint project between the IFRS and US benchmarks. Since 1 January 2018, IFRS 15 replaces IAS 18 "Revenue" and IAS 11 "Construction contracts".

Ipsos began its project to implement IFRS 15 in 2017 with a diagnostic phase during which the various categories of contracts concluded with clients, representative of Ipsos' business, were analysed by duration and type of contract in the main countries. In parallel, as part of a market research industry working group led by ESOMAR (the global trade union of market research practitioners), the Ipsos Group participated in meetings with two market research companies, also members of ESOMAR, to determine recommendations and "best practices" for the market. These have been published on the Esomar website. Six themes emerge from this reflection: recognition of revenue upon advancement or completion; interpretation of contractual termination clauses; measurement of progress; separation of a contract into several components; capitalization of costs; presentation of financial statements: trade receivables or research in progress. Ipsos is following all the recommendations of this working group.

The Group was able to draw its first internal conclusions in the second half of 2018 and presented them to the special meeting of the Audit Committee on 8 January 2019.

The contracts that Ipsos signs with its clients are concluded either individually or as part of framework agreements known as MSAs ("Master Service Agreements"). In both cases, the contractual clauses of the general terms and conditions of sale were amended to meet the requirements of IFRS 15, particularly about the possibility for the customer to terminate the contract early for convenience. These clauses have been applied within the Group since the beginning of 2018.

The Ipsos Group also wishes to implement new standard rules for the invoicing of clients, which will involve invoicing client contracts monthly and in advance. This is in line with the practice in other service and business advisory sectors.

Since this is a service which is transferred on a continual basis, with control of the service likewise shown to be transferred on that basis, revenue from contracts with clients is recognised according to the percentage of completion method under IFRS 15.

Methods that do not reflect the percentage of completion of studies have been discontinued under IFRS 15 in favor of the straight-line method, insofar as it reliably reflects the percentage of completion.

The Group has applied IFRS 15 since January 1, 2018 and has chosen to apply the simplified retrospective transition method, which consists of restating only the income from contracts impacted by the change in standard and still in force on January 1, 2018, given the immaterial nature of the impact of this change in method on revenue and in accordance with the options proposed by IFRS 15.

The impact of this change is recognized in opening consolidated shareholders' equity at January 1, 2018. The year 2017 presented for comparison is therefore not restated.

On an equity basis published at 31 December 2017 of €966.5 million, the amount of the equity adjustments in the opening balance sheet amounts to -6.9 million €.

In addition, for the purposes of calculating organic revenue growth, the old standard (IAS 18) continues to be applied and monitored for 2018 in the Group's internal reporting. The impact on annual revenue of the application of IFRS 15 is €3.8 million for 2018.

The impacts of IFRS15 on the opening balance sheet are as follows:

in thousands of euros	Notes	31/12/2017	IFRS 15 adjustments	01/01/2018 restated
ASSETS				
Deferred tax assets		21,252	2,399	23,651
Non-current assets		**1,295,136**	**2,399**	**1,297,535**
Trade receivables and related accounts	5.6	617,660	(21,383)	596,277
Current assets		**845,708**	**(21,383)**	**824,325**
TOTAL ASSETS		**2,140,844**	**(18,984)**	**2,121,860**

in thousands of euros	Notes	31/12/2017	IFRS 15 adjustments	01/01/2018 restated
LIABILITIES				
Other reserves		569,717	(6,998)	562,719
Shareholders' equity attributable to the company's shareholders		**949,208**	**(6,998)**	**942,210**
Trade payables		259,432	(11,986)	247,446
Current liabilities		**476,398**	**(11,986)**	**464,412**
TOTAL LIABILITIES		**2,140,844**	**(18,984)**	**2,121,860**

- IFRS 9

IFRS 9 has been structured around three main themes: classification and measurement of financial assets and liabilities, impairment and hedge accounting.

This standard, approved by the European Union, is mandatory for annual periods beginning on or after January 1, 2018.

The Ipsos Group has applied IFRS 9 as from 1 January 2018 and due to the nature of its activities, the impacts are not material.

Classification and measurement of financial assets and liabilities: The standard allows the irrevocable choice, upon initial recognition of each financial asset having the nature of an equity instrument within the meaning of IAS 32, to be recognized at fair value against other non-recyclable comprehensive income (FVOCI) or at fair value through profit or loss. Other financial assets include non-consolidated investments of €2,179k at 31 December 2017 and €15,133k at 31 December 2018. The Group has classified some of these investments as:

- fair value through other comprehensive income (FVOCI) for €1,256k, adjusted for acquisitions for €2,982k and not revalued at 31 December 2018, i.e. a balance of €4,238k;

- €923k revalued at €10,895k at fair value through profit or loss at 31 December 2018.

Impairment of financial assets: IFRS 9 requires the recognition of impairment losses up to the amount of expected losses with no significant impact on the Ipsos Group.

Hedge accounting: IFRS 9 has no impact on Ipsos' consolidated financial statements. The Group has two financial instruments that meet fair value hedge accounting criteria as defined in IAS 39: an interest rate swap set up to hedge one-third of the US$300 million bond issue and an interest rate swap to hedge an intercompany loan denominated in euros and granted to a Canadian subsidiary. The transition to IFRS 9 has no significant impact in relation to this hedging.

- Amendment to IFRS2

The amendment has three parts and has no impact on the Ipsos Group financial statements.

Standards, amendments and interpretations published by the IASB, whose application is not mandatory for annual periods beginning on or after January 1, 2018

> Main IFRS standards published and not yet applicable

- IFRS 16

In January 2016, the IASB issued IFRS 16 "Leases", which aligns the accounting for operating leases with the accounting for finance leases (recognition on the balance sheet of a liability for future lease payments and an asset under the right of use). The application of this standard will also entail a change in the presentation of the rental expense in the income statement (i.e. Depreciation, amortisation and interest expense) and in the cash flow statement (the amount used to repay the debt will be presented in cash flow from financing activities and the amount allocated to the asset will be presented in cash flow relating to investing activities).

The standard is applicable for financial years beginning on or after 1 January 2019 and its adoption by the European Union is underway. Analysis of the impacts of this standard is underway At this stage, we are unable to provide an estimate of the impacts of the application of this standard or of the link with lease commitments.

1.2.2 – Use of estimates

When drawing up the consolidated financial statements, the measurement of certain balance sheet or income statement items requires the use of assumptions, estimates and assessments. These assumptions, estimates and assessments are based on information or situations existing on the date on which the financial statements were drawn up and which may in future prove to be different from the actual situation.

The main sources of estimates concern:

- the value of goodwill in respect of which the Group verifies, at least once per year, that there is no impairment to recognise, by using various methods that rely on estimates. More detailed information on this point is provided in Notes 1.2.8 and 5.1.1;

- deferred tax assets related to tax loss carryforwards as described in Note 1.2.24;

- unlisted financial assets as described in Note 1.2.16;

- the valuation of debts relating to put options on non-controlling interests as described in Note 1.2.7;

- the fair value measurement of borrowings and hedging instruments as described in Note 1.2.20;

- the valuation of the progress of surveys as described in Note 1.2.25;

- the different elements involved in calculating the operating profit as described in Notes 1.2.25 Revenue recognition, 1.2.26 Definition of gross profit and 1.2.27 Definition of operating profit.

1.2.3 – Consolidation methods

In accordance with IFRS 10 "Consolidated Financial Statements", Ipsos's consolidated financial statements include the financial statements of the entities directly or indirectly controlled by the Company, irrespective of its level of equity interest in those entities. An entity is controlled whenever Ipsos holds the power over that entity, is exposed to, or is entitled to variable returns as a result of its involvement in that entity, and when it has the ability to use its power over the entity to influence the amount of such returns.

The determination of control takes into account the existence of potential voting rights if they are substantive, i.e. whether they can be exercised in a timely manner when decisions on the relevant activities of the entity must be taken.

The financial statements include the financial statements of Ipsos Group and of all its subsidiaries for the period to 31 December of each year. The financial statements of subsidiaries are prepared using the same accounting period as the parent company financial statements, and on the basis of common accounting principles.

Subsidiaries are consolidated from the date on which they are acquired i.e. from the date on which control passed to the Group.

Companies Controlled by the Group (An investor controls an investee when it is exposed or is entitled to variable returns because of its links with the entity that is the subject of the an investment and has the capacity to influence these returns because of the power it holds over it), whether by right (direct or indirect holding of the majority of the voting rights), or contractually are fully consolidated. Their assets and liabilities are included in full, with adjustment for non-controlling interests.

In accordance with IFRS 11 "Partnerships", Ipsos classifies partnerships (entities over which Ipsos exercises joint control with one or more other parties) as joint operations, in which Ipsos recognises its assets and liabilities in proportion to its rights and obligations, or joint ventures, which are accounted for using the equity method.

The Ipsos Group exercises joint control over a partnership when decisions regarding the relevant activities of the partnership require the unanimous consent of Ipsos and the other controlling parties.

Ipsos exercises significant influence over an associate when it has the power to participate in financial and operational policy decisions but cannot control or exercise joint control over those policies.

Joint ventures, companies over which Ipsos exercises joint control, and associates, companies over which Ipsos exercises significant influence, are accounted for under the equity method in accordance with IAS 28 "Investments in associates and joint ventures".

The equity method involves initially recognising the cost contribution and adjusting it subsequently to reflect changes in the net assets of an associate or joint venture.

Transactions between consolidated companies and internal profits are eliminated.

The list of the main companies included in the scope of consolidation in 2018 is presented in Note 7.1.

1.2.4 – Segment reporting

IFRS 8 requires area reporting in the consolidated financial statements based on the internal reporting presentation that is regularly reviewed by the Group's executive management in order to assess performance and allocate resources to the areas. The executive management represents the chief operating decision-maker pursuant to IFRS 8.

Three reportable areas have been defined, consisting of geographical regions based on internal reports used by the Group's management. The Group's three areas are:

- Europe, Middle East and Africa;
- the Americas;
- Asia-Pacific.

Furthermore, Ipsos has a single business activity, i.e. survey-based research.

The accounting policies put in place by the Group for area reporting in accordance with IFRS 8 are the same as those used for preparing the financial statements.

In addition to the three operational areas, the Company reports for Corporate entities and eliminations between the three operating areas classified in "Other". Corporate assets which are not directly attributable to the activities of the operating areas are not allocated to an area.

Inter-area commercial transactions are carried out in line with market conditions, i.e. on terms similar to those that would be proposed to third parties. Area assets include property, plant and equipment and intangible assets (including goodwill), trade receivable and other current assets.

1.2.5 – Translation of foreign currency items

The financial statements of foreign subsidiaries whose functional currency is not the euro or the currency of a country experiencing hyperinflation are translated into euros (the currency in which Ipsos presents its financial statements) as follows:

- foreign currency assets and liabilities are translated at the closing rate;

- the income statement is translated at the average rate for the period;

- translation differences arising from the application of these different exchange rates are reported as a separate component of other comprehensive income under "Translation differences".

Recognising and valuing foreign currency transactions are defined by IAS 21 "Effects of changes in foreign exchange rates". In accordance with IAS 21, transactions denominated in foreign currencies are translated by the subsidiary into its operational currency on the day of the transaction.

Monetary items on the balance sheet are revalued at the period-end exchange rate at each balance sheet date. The corresponding revaluation adjustments are recorded in the income statement:

- in operating profit for commercial transactions related to client surveys;
- in other non-operating income and expenses for commitments to buy out non-controlling interests;
- in financial result for financial transactions and corporate costs.

By exception to the rule described above, translation differences arising on long-term intra-group financing transactions that can be considered as forming part of the net investment in a foreign subsidiary, and translation differences arising on foreign currency borrowings representing, in whole or in part, a hedge of the net investment in a foreign entity (in accordance with IAS 39), are recognised directly under translation differences as a separate component of "Hedges of net investments in a foreign subsidiary" until the disposal of the net investment.

1.2.6 – Intra-group transactions

The closing balances of the following items have been eliminated, based on their impact on net profit and deferred taxation: accounts receivable and accounts payable between Group companies, income and expenses generated by transactions between consolidated companies, and other intra-group transactions such as dividend payments, gains and losses on disposals, changes in or reversals of provisions for impairment losses on investments in consolidated companies, loans to Group companies and internal profits.

1.2.7 – Buy-out commitments for non-controlling interests

The Group has given commitments to minority shareholders in some fully consolidated subsidiaries to acquire their interests in these companies. For Ipsos, these commitments are option-like, equivalent to those arising from the sale of put options.

On initial recognition, the Group records a liability with respect to put options sold to non-controlling interests of fully consolidated subsidiaries. The liability is initially recognised at the present value of the put option’s strike price, which on subsequent balance sheet dates is adjusted according to changes in the value of the commitment.

For acquisitions where control was gained prior to 1 January 2010, the counterparty to this liability consists partly of a deduction from minority interests, with the remainder being recorded under goodwill. Subsequently, the effect of accretion and change in value of the commitment are recognised through an adjustment to goodwill.

When the commitment expires, if the buy-out has not taken place, accounting entries previously made are reversed. If the buy-out has taken place, the amount recorded under current or non-current liabilities is reversed, with the balancing entry being the cash outflow arising from the minority investment, and ongoing goodwill is reclassified as goodwill.

In accordance with IFRS 3 revised and IAS 27 amended, for acquisitions where control was gained since 1 January 2010, the counterpart of this liability is deducted from the related minority interests for the carrying amount of the minority interests/non-controlling interests in question, with any remainder being deducted from shareholders’ equity attributable to the Group. The value of the debt is remeasured at each closing date at the current repayment value, i.e. the current value of the put exercise price.

Until 31 December 2012, any change in the value was recorded in equity. From financial year 2013, the Ipsos Group decided to record all changes in the value of commitments to buy out non-controlling interests and the effect of accretion under “other non-operating income and expense” in the income statement, as permitted by IAS 39.

In accordance with IAS 27, the share of income or changes in equity attributable to the parent company and to non-controlling interests is determined on the basis of current ownership percentages and does not reflect potential additional interests that may arise as a result of such commitments.

1.2.8 – Goodwill and business combinations

In accordance with IFRS 3 revised, business combinations are recognised under "Business combinations" using the purchase method from 1 January 2010. When a company is acquired, the buyer must recognise identifiable acquired assets, liabilities and contingent liabilities at their fair value on the acquisition date, if they comply with the IFRS 3 revised accounting criteria.

Goodwill is the sum of the consideration transferred and non-controlling interests, less the net amount recognized for identifiable assets and liabilities assumed by the acquiree at the acquisition date, is recognized as an asset. of the balance sheet under the heading "Goodwills" Goodwill from the acquisition of joint ventures is included in the value of securities accounted by the equity method. It chiefly comprises non-identifiable items such as the know-how and business expertise of staff. Negative goodwill is immediately recorded in profit or loss.

Goodwill is allocated to Cash-Generating Units (CGUs) for the requirements of impairment tests. Goodwill is allocated to the CGUs liable to benefit from the synergies created by business combinations and representing for the Group the lowest level at which goodwill is measured for internal management purposes.

A CGU is defined as the smallest identifiable group of assets that generates cash and cash equivalents largely independent of cash and cash equivalents generated by other assets or groups of assets. The CGUs correspond to the geographical areas in which the Group conducts its business.

Goodwill is recorded in the operational currency of the acquired entity.

Acquisition costs are immediately charged against income when they are incurred.

On an individual transaction basis, the Group can choose to use the "full goodwill method", i.e. where the fair value of the totality of the minority interests/non-controlling interests at the acquisition date is taken into account in the goodwill calculation and not only the Group's share in the fair value of the assets and liabilities of the acquired company.

Goodwill is not amortised and is tested for impairment at least once a year by means of a comparison of the book value and the recoverable amount at the balance sheet date, on the basis of projected cash flows based on business plans covering a period of four years. Testing may be carried out more frequently if events or circumstances indicate that the book value is not recoverable. Such events or circumstances include but are not restricted to:

- a significant difference in the economic performance of the asset compared with the budget;

- a significant deterioration in the asset's economic environment;

- the loss of a major client;

- the significant rise in interest rates.

Details of impairment tests are described in Note 1.2.15 dealing with impairment. In the event of impairment, the impairment loss taken to income is irreversible.

Any potential earn-out is calculated at its fair value at the acquisition date. This initial value cannot be adjusted later against goodwill unless some new information linked to facts or circumstances already existing at the acquisition date are taken into account and insofar as the initial valuation has been presented on a temporary basis (12-month period limitation); any post-acquisition adjustment which does not meet these conditions is recorded in group profit or loss (with debt or receivables as a counterpart, as appropriate).

Concerning acquisitions carried out before 1 January 2010 and in respect of which the old version of IFRS 3 continues to apply, all changes on debt relating to earn-out clauses remain recorded with a balancing entry under goodwill with no impact on Group profit or loss.

IFRS 10 changed the accounting for transactions involving non-controlling interests, the changes of which, in the absence of a change of control, are now recognised in equity. In particular, in the case of a complementary acquisition of securities of an entity already controlled by the Group, the difference between the purchase price of the shares and the additional share of the consolidated shareholders 'equity acquired is recorded in shareholders' equity - Group. The consolidated value of the entity's identifiable assets and liabilities (including goodwill) remains unchanged.

1.2.9 – Other intangible assets

Separately acquired intangible assets are stated on the balance sheet at acquisition cost less accumulated amortisation and any impairment losses.

Intangible assets acquired as part of a business combination are booked at fair value at the date of the acquisition, separately from goodwill, where they meet one of the following two conditions:

- they are identifiable, i.e. they arise from contractual or other legal rights;
- they are separable from the acquired entity.

Intangible assets comprise chiefly brands, contractual relationships with clients, software, development costs and panels.

1.2.10 – Brands and contractual relationships with clients

No value is assigned to brands acquired as part of business combinations, which are regarded as names with no intrinsic value, unless the brand has a sufficient reputation to enable the Group to maintain a leadership position in a market and to generate profits for a lengthy period.

Brands recognised as such in connection with business combinations are regarded as having an indefinite life and are not amortised. They are tested for impairment on an annual basis, which consists of comparing their recoverable value with their book value. Impairment losses are recognised in the income statement.

In accordance with IFRS 3 revised, contractual relationships with clients are accounted for separately from goodwill arising from a business combination where the business acquired has a regular flow of business with identified clients. Contractual relationships with clients are measured using the excess earnings method, which takes into account the present value of future cash flows generated by the clients. The parameters used are consistent with those used to measure the value of goodwill.

Contractual relationships with clients with a determinable life are amortised over their useful life, which has usually been assessed at between 13 and 17 years. They are tested for impairment whenever evidence of impairment exists.

1.2.11 – Software and development costs

Research costs are recognised as expenses when they are incurred. Development costs incurred on an individual project are capitalised when the project's feasibility and its profitability can reasonably be regarded as assured.

In accordance with IAS 38, development costs are capitalised as intangible assets if the Group can demonstrate:

- its intention to complete the asset and its ability to use it or to sell it;

- its financial and technical ability to complete the development project;

- the availability of resources with which to complete the project;

- that it is probable that the future economic benefits associated with the development expenditure will flow to the Group;

- that the cost of the asset can be reliably measured.

Capitalised software includes software for internal use, as well as software for commercial use, measured at acquisition cost (external purchase) or at production cost (internal development).

These intangible assets are amortised on a straight-line basis over periods corresponding to their expected useful lives, i.e.:

- for software: three years;

- for development costs: varies according to the economic life of each specific development project.

1.2.12 – Panels

Special rules are applied by the Group in the case of panels: they designate the samples that are representative of private individuals or business people who are regularly surveyed on identical variables. They are treated by the Group for accounting purposes according to their nature:

- online panel: panel surveyed mainly online;

- offline panel: panel surveyed mainly by mail or by telephone.

The costs arising from the creation and improvement of offline panels are capitalised and amortised over the estimated time spent by panellists on the panels, i.e. three years.

Costs arising from the creation and increase in online panel capacity (purchases of databases, scanning and panellist recruitment) were capitalised in some countries. In other countries, recruitment costs were capitalised and then impaired using the FIFO method.

In 2018, the Group undertook to harmonise the capitalisation and impairment method applied in all its subsidiaries for online panels. This resulted in a refinement of the capitalisation and impairment methodology. Since 1 January 2018, the Group has capitalised the recruitment costs for all its online panels and then impairs them according to the expected rate of generation of survey responses. This rate was defined by geographical area (Europe, North America, Asia-Pacific, Latin America and MENA) according to the history and so that costs were fully amortised over five years.

This methodology was applied prospectively in 2018 and had a non-material positive impact of €78k on the impairment expense recognised in the consolidated financial statements.

Subsequent maintenance expenditure required on the other panels is recognised as an expense, owing to the specific nature of these intangible assets and the difficulty of distinguishing expenses incurred to maintain or develop the Company's intrinsic business activities.

1.2.13 – Property, plant and equipment

In accordance with IAS 16 "Property, plant and equipment", these assets are stated on the balance sheet at purchase or cost price, less depreciation and any identified impairment loss.

Property, plant and equipment comprise fixtures and fittings, office and computer equipment, office furniture and vehicles.

Certain assets are leased by Ipsos. These items are therefore covered by IAS 17 "Leases".

Under IAS 17, leases are classified as finance leases whenever the terms of the lease substantially transfer the risks and rewards of ownership to the lessee.

The value of fixed assets which are the subject of a contract referred to as a finance lease is charged to assets. These fixed assets are amortised using the method indicated below. The corresponding debt is recognised as a balance-sheet liability.

All other leases are classified as operating leases.

Lease payments under an operating lease are expensed on a straight-line basis over the lease term.

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

- fixtures and fittings: the shorter of the lease term and useful life (ten years);

- office and computer equipment: the shorter of the lease term and useful life (from three to five years);

- office furniture: the shorter of the lease term and useful life (nine or ten years);

- vehicles: the shorter of the lease term and useful life (five years).

The useful lives and residual values of property, plant and equipment are reviewed annually. Where applicable, the impact of changes in useful life or residual value are recognised prospectively as a change in accounting estimate.

Depreciation of property, plant and equipment is recognised in the various functional lines of the income statement.

1.2.14 – Borrowing costs

Borrowing costs are expensed in the period in which they are incurred and are stated on the income statement under "financing expenses".

1.2.15 – Impairment of fixed assets

In accordance with IAS 36 "Impairment of assets", impairment tests are carried out on property, plant and equipment and intangible assets as soon as there is evidence that an asset may be impaired and at least once per year. At Ipsos, this applies to intangible assets with an indefinite life (online panels) and goodwill.

When the net book value of these assets becomes higher than their recoverable amounts, the difference is recorded as impairment. Impairment is charged in priority to goodwill, but is recognised on a separate line of the income statement when the amounts are significant. Impairment of goodwill cannot be reversed subsequently.

Impairment tests are applied to the smallest group of cash-generating units to which goodwill can be reasonably allocated. For the requirements of impairment tests, the goodwill is allocated to the following cash generating units or groups of cash generating units: Continental Europe, the United Kingdom, Central and Eastern Europe, North America, Latin America, Asia-Pacific, the Middle East and Sub-Saharan Africa.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use:

- fair value is the amount that may be obtained by selling an asset through an arm's length transaction and is determined with reference to a price resulting from an irrevocable agreement to sell, or if this is not possible, with reference to prices observed in recent market transactions;

- value in use is based on the discounted value of future cash flows generated by the assets concerned. Estimates are derived from the forecasting database used for budgets and business plans drawn up by the Group's management. The discount rate applied reflects the rate of return required by investors and the risk premium specific to the Group's business and the relevant country or region. The perpetual growth rate applied depends on the geographical area.

Cash-generating units used for impairment tests are not higher than those used according to IFRS 8 "Operating areas".

1.2.16 – Other non-current financial assets

Financial assets are initially recognised at cost which corresponds to the fair value of the price paid and which includes the related acquisition costs. After initial recognition, financial assets classified as "available for sale" are stated at fair value. Unrealised gains and losses relative to the price of acquisition are recorded as in other comprehensive income until the asset is sold. However, if permanent impairment is deemed to have occurred, the amount of the impairment is transferred from equity to profit or loss, and the net book value of the financial asset after impairment replaces its cost.

For financial assets listed on a regulated market, fair value corresponds to the market closing price. For unlisted financial assets, fair value is subject to estimates. Finally, the Group values financial assets at their historic cost less any potential impairment loss in the event that the fair value cannot be estimated reliably using another valuation technique.

1.2.17 – Own shares

The purchase price of Ipsos shares owned by the Group, at a spot rate and forward basis, are deducted from consolidated equity, at their acquisition cost. In the event of sale, the income from the sale is charged directly to equity for its amount net of tax, such that any capital gains or losses resulting from the sale do not affect the for profit the period. Sales of treasury shares are accounted for using the weighted average cost method.

1.2.18 – Distinction between current and non-current items

In accordance with IAS 1 "Presentation of financial statements", a distinction must be drawn between current and non-current items of an IFRS-compliant balance sheet. Assets expected to be realised and liabilities due to be settled within 12 months from the balance sheet date are classified as current, including the short-term portion of long-term debts. Other assets and liabilities are classified as non-current.

All deferred tax assets and liabilities are presented on a separate line in the balance sheet assets and liabilities, among the non-current items.

1.2.19 – Trade receivables

Receivables are carried at their fair value. A provision for impairment is made when there is an objective indication of the Group's inability to recover all of the amounts owed, after analysis within the framework of the receivables recovery process. Major financial difficulties encountered by the debtor, the known likelihood of insolvency or financial restructuring and a failure or payment default represent evidence of impairment of a receivable. Impairment is recognised in the income statement under "Other operating income and expenses". The "Receivables and related accounts" item also comprises the studies in progress valued at their recoverable value based on the percentage-of-completion method.

1.2.20 – Financial instruments

Financial liabilities are classified as measured at amortised cost or at fair value through profit or loss. A financial liability is classified as a financial liability at fair value through profit or loss if it is classified as held for trading purposes, whether a derivative or designated as such at the time of its initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and the resulting net gains and losses, taking into account interest expense, are recognised in the income statement. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the income statement. Any gain or loss on derecognition is recorded in income.

Assets and liabilities are recognised in the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the instrument.

- Borrowings

On the arrangement date, borrowings are recognised at the fair value of the consideration given, which is normally the cash received less related issuance costs. Subsequently, if a hedging relationship does not exist, borrowings are measured at amortised cost using the effective interest method. Redemption premiums and issuance costs are taken to income over time according to the effective interest method.

- Derivative instruments

Derivative instruments are recognised on the balance sheet at their market value on the balance sheet date. Where quoted prices on an active market are available, as for example with futures and options traded on organised markets, the market value used is the quoted price. Over-the-counter derivatives traded on active markets are measured with reference to commonly used models and to the market prices of similar instruments or underlying assets. Instruments traded on inactive markets are measured using commonly used models with reference to directly observable parameters. In the case of hybrid instruments, the resulting value is confirmed with reference to quoted prices of third-party financial instruments. Derivative instruments with a maturity of more than 12 months are recognised as non-current assets and liabilities. Fair value variations of non-hedging instruments are directly accounted in the income statement.

- Cash and cash equivalents

"Cash and cash equivalents" include cash in hand and at bank, along with short-term investments in money-market instruments. These investments can be realised at any time at their face value, and the risk of a change in value is negligible and representative of developments in the money market. Cash equivalents are stated at their market value at the balance sheet date. Changes in value are recorded under "financial income and expenses".

1.2.21 – Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", provisions are booked when, at the end of an accounting period, the Group has a present obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

This obligation may be legal, regulatory or contractual.

These provisions are measured according to their type, taking into account the most likely assumptions. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the market's current assessment of the time value of money. Where the provision is discounted, the increase in the provision linked to the passage of time is recognised under financial expenses.

The long-term portions of provisions are booked under non-current liabilities, with their short-term portion recognised under current liabilities.

If no reliable estimate of the amount of the obligation can be made, no provision is booked, and a disclosure is made in the notes.

1.2.22 – Employee benefits

The Group provides employees with pension plans according to regulations and customs in force in the countries in which it operates.

The benefits gained by these plans fall into two categories: defined contributions and defined benefits.

For defined contribution plans, the Group's sole obligation is to pay the premiums due to external organisations: the expenses corresponding to the payment of these premiums is taken into account in the profit (loss) for the year under "payroll costs", with no liabilities being stated in the balance sheet as the Group has no commitment beyond the contributions paid.

For defined-benefit plans, the Group estimates its obligations using the projected unit credit method, in accordance with IAS 19 "Employee benefits". This method uses actuarial techniques that take into account the employee's expected length of service assuming the employee remains with the Group until retirement, along with future salary, life expectancy and staff turnover. The present value of this liability is determined using the appropriate discount rate for each of the relevant countries.

Changes in actuarial gains and losses are systematically recorded under other comprehensive income, net of tax, and past service cost are recognised entirely as net income for the period. A rate of return on financial assets corresponding to the discount rate is used to calculate the net commitment.

1.2.23 – Share-based payments

Ipsos has a policy of giving all managers and staff an interest in the Company's success and in the creation of shareholder value through stock option and bonus free share plans.

In accordance with IFRS 2 "Share-based payment", services received from employees that are remunerated through stock option plans are recognised under staff costs, with a balancing entry consisting of an increase in equity, over the vesting period. The expense recognised in each period corresponds to the fair value of goods and services received, measured using the Black & Scholes formula on the grant date.

All stock options granted after 7 November 2002 and non-vested at the start of the period are taken into account.

For bonus share plans, the fair value of the benefit granted is measured on the basis of the share price on the grant date, adjusted for all specific conditions that may affect fair value (e.g. dividends).

1.2.24 – Deferred taxes

Deferred taxes are recognised using the liability method, for all temporary differences existing on the balance sheet date between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are generally recognised for all taxable temporary differences, except where the deferred tax liability results from the initial recognition of an asset or liability as part of a transaction that is not a business combination and which, on the transaction date, does not affect accounting profits or taxable profits or losses.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that a taxable profit will become available against which the deductible temporary difference could be charged.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and increased or reduced as appropriate, to take account of changes in the likelihood that a taxable profit will become available against which the deferred tax asset can be charged. To assess the likelihood that a taxable profit will become available, the following factors are taken into account: results in previous years, forecasts of future results, non-recurring items that are unlikely to arise again in the future and tax planning strategy. As a result, a substantial amount of judgement is involved in assessing the Group's ability to utilise its tax loss carryforwards. If future results were substantially different from those expected, the Group would have to increase or decrease the carrying amount of its deferred tax assets, which could have a material impact on its balance sheet and net income of the Group.

Deferred tax assets and liabilities are set off against each other where the Group has a legally enforceable right to offset tax assets and liabilities, and these deferred taxes relate to the same taxable entity and the same tax authority. Deferred tax assets and liabilities are not discounted.

Tax savings resulting from the tax-deductible status of goodwill in certain countries (notably in the United States) generate temporary differences which give rise to the recognition of deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is debited from or credited to the income statement except where it relates to items taken directly to equity, in which case it is also taken to equity.

1.2.25 – Revenue recognition

Revenues are recognised using the percentage-of-completion method. Generally speaking, the percentage of completion is determined on a straight-line basis over the period between the date on which client agrees to a project and the date on which the survey findings are presented.

Before the application of IFRS 15, if the straight-line method did not reflect the percentage of completion of research at the balance sheet date, other methods could be used to estimate progress taking into account the specific features of the relevant research.

Revenues are measured at the fair value of the consideration received or receivable taking into account the amount of any discounts and rebates granted by the Company.

We use the generic term "research" when referring to the services we provide for our clients. Research involves a contract within the meaning of IFRS 15. The average duration is indicated below. In general we tend to have long-term relationships with our main clients which last for several years and are governed by framework agreements.

The contracts (which can cover several pieces of research) can be short-term (less than one month), or last for one or more years (and often up to three to four years, or even five to seven years in some cases).

There is no difference in the revenue recognition rule for short-term and long-term research, or for different Service Lines.

The rate of recognition of gross profit and revenue is identical.

1.2.26 – Definition of gross profit

Gross profit is defined as revenues less direct costs, i.e. external variable costs incurred during the data collection phase, including goods and services delivered by third-party providers, remuneration of temporary staff paid on an hourly or per task basis, and subcontractors for field work.

For studies in progress, gross profit is recognised using the percentage-of-completion method, on the basis of the estimated income and costs upon completion.

1.2.27 – Definition of operating profit

Operating margin reflects profit generated from ordinary operations. It consists of gross profit less administrative and commercial expenses, pension costs and share-based payment costs.

Amortisation of intangible assets is included in operating expenses and features under "general operating expenses" on the income statement, except for amortisation of intangible assets identified on acquisitions (notably client relationships).

1.2.28 – Definition of other non-recurring income and expenses

Other non-recurring income and expenses include the components of earnings that because of their nature, their amount or frequency cannot be considered as being part of the Group's operating profit, such as non-recurring restructuring costs and other non-recurring income and expenses, representing major events, which are very few in number and unusual.

1.2.29 – Definition of financing expenses

Financing expenses include interest on debt, changes in the fair value of interest-rate financial instruments and income from ordinary cash management. Interest expenses are recognised according to the effective interest method, under which interest and transaction costs are spread over the borrowing term.

1.2.30 – Definition of other financial income and expenses

Other financial income and expenses include financial income and expenses, except for financing expenses.

1.2.31 – Earnings per share

The Group reports basic earnings per share, diluted earnings per share and adjusted earnings per share.

Earnings per share is calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of shares outstanding during the period, minus the Ipsos treasury shares stated as a reduction in consolidated equity.

The number of shares used to calculate diluted earnings per share is the number used to calculate basic earnings per share plus the number of shares that would result from the exercise of all existing options to subscribe new shares during the period.

Diluted earnings per share is calculated using the treasury stock method, taking into account the share price at each balance sheet date. Owing to the price applied, earnings-enhancing instruments are excluded from this calculation. The total issue price of potential shares includes the fair value of the services to be provided to the Group in the future within the framework of stock option plans, stock purchase plans or free share allocation plans. When basic earnings per share are negative, diluted earnings per share are equal to basic earnings per share.

Adjusted net earnings is calculated before non-cash items linked to IFRS 2 (share-based payments), before the amortisation of intangible assets identified on acquisition (client relationships), before deferred tax liabilities related to goodwill on which the amortisation is deductible for tax purposes in certain countries and before the impact net of tax of other non-recurring income and expenses and other non-operating income and expenses and the non-monetary impact of changes in puts in other financial income and expenses.

2 – Changes in the scope of consolidation

2.1 – Transactions during 2018

The main changes in the scope of consolidation in FY 2018 are shown in the following table:

Name of the entity concerned	Type of transaction	Change in % of voting rights	Change in % stake	Date of inclusion or exclusion from scope of consolidation	Country
Ipsos LLC	Buy-out of minority interests	49%	49%	1st quarter 2018	Vietnam
Zhejiang Oneworld BigData Investment Co Ltd	Acquisition	40%	40%	1st quarter 2018	China
Ipsos MMA Inc	Buy-out of minority interests	2.45%	2.45%	2nd quarter 2018	USA
Ipsos Digital S.R.L	Acquisition	100%	100%	3nd quarter 2018	Romania
Synthesio SAS	Acquisition	99.94%	99.94%	4th quarter 2018	France
Social Karma	Acquisition	100%	99.94%	4th quarter 2018	Belgium
Synthesio Ltd	Acquisition	100%	99.94%	4th quarter 2018	United Kingdom
Synthesio Inc.	Acquisition	100%	99.94%	4th quarter 2018	USA
Synthesio Pte Ltd	Acquisition	100%	99.94%	4th quarter 2018	Singapore
Ipsos Mystery Shopping UK Ltd	Acquisition	100%	100%	4th quarter 2018	United Kingdom
Ipsos Mystery Shopping Services UK Ltd	Acquisition	100%	100%	4th quarter 2018	United Kingdom
Ipsos Norm AB	Acquisition	100%	100%	4th quarter 2018	Sweden
1-2-3 MysteryWorldNet GmbH	Acquisition	100%	100%	4th quarter 2018	Germany
Ipsos Norm B.V.	Acquisition	100%	100%	4th quarter 2018	Netherlands

2.1.1 – GfK

On 10 October 2018, Ipsos acquired four global divisions of GfK Custom Research: Customer Experience; Experience Innovation; Health and Public Affairs, covering 26 countries (Argentina, Australia, Austria, Belgium, Brazil, Chile, China, Czech Republic, Germany, Hungary, India, Italy, Japan, Mexico, Netherlands, Peru, Poland, Romania, Russia, Singapore, Sweden, Switzerland, Turkey, Ukraine, United Kingdom and United States) with an enterprise value of €105 million.

The signing of the agreement with GfK was announced on 30 July 2018. It was subject to various conditions that have since been met, including obtaining authorisation from the competition authorities, announced on 17 September 2018.

The effective transfer of staff (around 1,000 people) and assets took place on 1 October 2018 (except for two minor countries, Turkey and Brazil, for which the transfer took place on 1 November 2018). The official acquisition date (date of entry into the Ipsos Group scope of consolidation) was 1 October 2018.

The acquisition involved:

1) the purchase of shares of five subsidiaries of GfK (share deals): GfK NORM AB, GfK NORM BV, MysteryWorldNet GmbH, Gfk Mystery Shopping Services UK Limited and GfK Mystery Shopping UK Limited;

2) the purchase of assets and liabilities previously owned by GfK entities and the transfer of staff attached to those divisions (asset deals) in 26 countries;

3) the purchase of intellectual property (IP) consisting of patents, trademarks, domains and know-how.

The business activities transferred include the €29.9 million working capital requirement defined in the SPA. This amount corresponds to the parties' best estimate of the working capital requirement of the businesses transferred when the purchase agreement was concluded. When finalising the transaction, it was decided that this estimated amount would be transferred to GFK to enable it to complete the research and operations in progress at the acquisition date.

Other adjustments are contractually defined when the purchase price is set to take into account the cash flow, debt and working capital requirement of the companies purchased and the liabilities relating to employees transferred to Ipsos.

The provisional purchase price considered for the 2018 consolidated financial statements is €99 million, which includes the estimated working capital requirement of €29.9 million. The definitive price is expected to be agreed in March 2019.

Acquisition costs totalling €2.6 million were recognised in the income statement, as required by IFRS 3.

The purchase price allocation (PPA) was determined on the basis of the provisional fair value of the assets and liabilities acquired at the acquisition date. Goodwill totals €65.8 million. Ipsos recognised provisions of €6 million in respect of the PPA (€4.5 million, net of tax effect) in respect of goodwill, to take into account the contractual commitments made by Ipsos which generated costs without an offsetting entry. These provisions gave rise to a reversal for €5.4 million (€4.1 million net of tax) reported on the line "other operating expenses and income" in the group's consolidated income statement.

This provisional allocation will be adjusted in the event of a change in these values compared with the situation at the acquisition date, no later than 12 months after that date.

The impact of this acquisition on the Group's financial position is summarised in the following table:

In millions of euros	01/10/2018		
Assets	**Asset Deals**	**Share Deals**	**Total**
Property, plant and equipment	1.6	0.1	1.6
Intangible fixed assets	9.3	0.5	9.8
Non-current assets	-	0.2	0.2
Current assets	-	1.8	1.8
Deferred tax assets	3.6	-	3.6
Cash and cash equivalents	-	2.4	2.4
Total Assets	**14.5**	**5.0**	**19.5**
Liabilities	**Asset Deals**	**Share Deals**	**Total**
Provisions for retirement benefit obligations and other long-term liabilities	1.9	-	1.9
Provisions	6.0	-	6.0
Current liabilities	6.7	2.8	9.5
Total Liabilities	**14.7**	**2.8**	**17.5**
Fair value of net assets acquired	(0.2)	2.2	2.0
Goodwill	**64.6**	**1.2**	**65.8**
Consideration exchanged	64.4	3.4	67.8
- of which payment in 2018			*67.5*
- of which earn-outs provisioned			*0.3*

This acquisition contributed €30.1 million to revenue and €2.9 million to operating profit of the Ipsos Group for the 2018 financial year.

In the consolidated cash flow statement, this acquisition was recorded for the amount of €96.6 million under the item "acquisitions of companies and consolidated activities, net of acquired cash", based on a total enterprise value of €99 million, net of acquired cash of €2.4 million.

2.1.2 – Synthesio

On 30 October 2018, Ipsos acquired the Synthesio group for an enterprise value of more than $50 million in cash. Established in 2006, Synthesio is a recognised leader in social media monitoring and owns five subsidiaries based in New York, London, Singapore and Brussels and employing 130 employees worldwide.

The goodwill was recognised in the amount of €51.6 million. The purchase price is provisional and the PPA will be reviewed in 2019.

Synthesio has been consolidated since 30 October 2018. For the 2018 financial year, it contributed €2.8 million to Ipsos Group revenue and €(0.4) million to operating profit.

Acquisition costs of €0.9 million were recognised in the income statement, as required by IFRS 3 revised.

2.1.3 – Clintelica

Ipsos acquired Clintelica on 1 August 2018 for an enterprise value of €5 million. An earn-out provision of €4.2 million was recognised and goodwill of €9.2 million was recorded in the Group's consolidated financial statements.

The purchase price allocation is provisional and will be reviewed in 2019.

Clintelica has been renamed Ipsos Digital.

2.1.4 – Market Pulse International

Ipsos acquired the teams and customers of Market Pulse International on 14 September 2018. This company has been operating for over 20 years in the "mystery shopper" sector in the Asia-Pacific region, where it has become the market leader. About 30 people from Market Pulse International joined Ipsos in Australia, New Zealand and Thailand. Goodwill of €0.3 million was recognised at the end of 2018.

2.2 – Transactions in 2017

The main changes in the scope of consolidation in FY 2017 are shown in the following table:

Name of the entity concerned	Type of transaction	Change in % of voting rights	Change in % stake	Date of inclusion or exclusion from scope of consolidation	Country
Ipsos MMA Inc	Buy-out of minority interests	2.60%	2.60%	2nd quarter 2017	USA
Shanghai Ipsos Information Technology Company Limited	Creation	40%	40%	2nd quarter 2017	China
Ipsos China Limited	Buy-out of minority interests	2%	2%	3rd quarter 2017	China
Ipsos Stat SA	Subscription to a capital increase by a minority interest	-0.68%	-0.68%	3rd quarter 2017	France
Ipsos Stat Jordan (Ltd)	Buy-out of minority interests and impact from the subscription to a capital increase of the holding company by a minority interest	12.67%	12.67%	2nd quarter 2017	Jordan
Ipsos SAL	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.68%	-0.84%	3rd quarter 2017	Lebanon
AGB Stat Ipsos SAL	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.68%	-0.24%	3rd quarter 2017	Lebanon
Ipsos Mena Offshore s.a.l.	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.18%	-0.73%	3rd quarter 2017	Lebanon
The European Co. for Marketing Research	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.63%	-0.68%	3rd quarter 2017	Kuwait

Name of the entity concerned	Type of transaction	Change in % of voting rights	Change in % stake	Date of inclusion or exclusion from scope of consolidation	Country
Ipsos Stat (Emirates) LLC	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.73%	-0.56%	3rd quarter 2017	United Arab Emirates
Ipsos Saudi Arabia LLC	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.56%	-0.68%	3rd quarter 2017	Saudi Arabia
Ipsos WLL	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.13%	-0.66%	3rd quarter 2017	Bahrain
Ipsos Egypt For Consultancy Services	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.68%	-0.68%	3rd quarter 2017	Egypt
Iraq Directory for Research and Studies Co.Ltd	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.43%	-0.43%	3rd quarter 2017	Iraq
Synovate The Egyptian Market Research Co	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.37%	-0.68%	3rd quarter 2017	Egypt
Marocstat	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.13%	-0.66%	3rd quarter 2017	Morocco
MDCS	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.13%	-0.66%	3rd quarter 2017	Morocco
Synovate Market Research Sarl	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.13%	-0.68%	3rd quarter 2017	Morocco
Ipsos SARL	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.63%	-0.69%	3rd quarter 2017	Creation Tunisia
Ipsos Qatar WLL	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.66%	-0.70%	3rd quarter 2017	Qatar
Ipsos Pakistan	Impact from the subscription to a capital increase of the holding company by a minority interest	-0.43%	-0.40%	3rd quarter 2017	Pakistan
Ipsos Nigeria Limited	Buy-out of minority interests	40.00%	40.00%	4th quarter 2017	Nigeria
Ipsos	Creation	100.00%	100.00%	4th quarter 2017	Senegal

3 – Segment reporting

3.1 – Segment reporting at 31 December 2018

In thousand euros	EMEA	Americas	Asia-Pacific	Other (2)	Total
Revenue	789,271	677,972	356,170	(73,919)	1,749,494
Sales to external clients	*761,425*	*653,360*	*334,632*	*75*	*1,749,492*
Inter-area sales	*27,846*	*24,612*	*21,538*	*(73,994)*	*2*
Operating margin	69,337	77,450	30,967	(5,495)	172,258
Depreciation and amortisation	(16,492)	(12,380)	(3,826)	-	(32,698)
Segment assets (1)	867,024	917,382	337,892	2,352	2,124,740
Segment Liabilities	251,985	161,065	99,221	7,025	519,295
Capital expenditure for the period	17,192	22,355	6,322	3,137	49,006

(1) *Segment assets are made of tangibles and intangibles assets (including goodwill), trade receivables and other receivables.*

(2) *Intercompany elimination and others*

3.2 – Segment reporting at 31 December 2017

In thousand euros	EMEA	Americas	Asia-Pacific	Rest of the World	Total
Revenue	792,985	712,939	348,138	(73,609)	1,780,453
Sales to external clients	*767,543*	*688,490*	*325,146*	*(795)*	*1,780,383*
Inter-area sales	*25,442*	*24,449*	*22,992*	*(72,814)*	*70*
Operating margin	71,861	84,331	30,353	(4,269)	182,275
Depreciation and amortisation	(15,087)	(6,385)	(3,434)	(4)	(24,910)
Segment assets (1)	863,780	855,978	331,742	(106,496)	1,945,006
Segment Liabilities	354,891	148,220	92,573	(174,952)	420,739
Capital expenditure for the period	11,686	2,732	3,097	3	17,518

(1) *Segment assets are made of tangibles and intangibles assets (including goodwill), trade receivables and other receivables.*

3.3 – Reconciliation of segment assets with total Group assets

In thousand euros	31/12/2018	31/12/2017
Segment assets	2,124,740	1,945,006
Financial assets	37,913	22,341
Tax assets	43,892	34,769
Financial instruments assets	500	1,462
Cash and cash equivalents	167,834	137,267
Total Group assets	**2,374,878**	**2,140,844**

4 – Notes to the income statement

4.1 – Direct costs

In thousand euros	31/12/2018	31/12/2017
Interviewer payroll costs	(83,012)	(89,105)
Other direct costs	(528,107)	(534,682)
Total	**(611,119)**	**(623,787)**

4.2 – Other operating income and expenses

In thousand euros	31/12/2018	31/12/2017
Change in provisions for operating liabilities and charges (*)	5,085	(208)
Operating foreign exchange gains and losses	974	(3,289)
Total other operating income	**6,059**	**(3,497)**
Provision for impairment of receivables and losses on receivables	(1,162)	2,133
Rest of the World	(975)	(301)
Total other operating expenses	**(2,137)**	**(2,434)**
Total other operating income and expenses	**3,922**	**(5,931)**

(*) This item mainly includes the reversal of provisions made in connection with the purchase price allocation for GfK's four global divisions, amounting to €5.4 million (see Note 2.1.1).

4.3 – Amortisation of intangible assets identified on acquisitions

Amortisation of intangible assets identified on acquisitions amounting to €4.4 million and €4.6 million at 31 December 2018 and 31 December 2017 respectively mainly corresponds to amortisation of contractual relationships with clients.

4.4 – Other non-recurring income and expenses

In thousand euros	31/12/2018	31/12/2017
Acquisition costs	(3,930)	(151)
Costs of restructuring and rationalization	(14,038)	(12,278)
Provision for social dispute in Brazil	(3,026)	(4,582)
Reversal of provisions on tax risk	1,989	-
Change in commitments to buy out minority interests/ Non-controlling interests (see Note 1.2.7)	(1,076)	2,648
Capitalization of internal development costs	14,809	-
Total non-recurring expenses	**(7,261)**	**(14,364)**
Reversal of provisions on tax risks	1,989	-
Total non-current income	**1,989**	**-**
Total non-recurring income and expenses	**(5,273)**	**(14,364)**

4.5 – Financial income and expenses

In thousand euros	31/12/2018	31/12/2017
Interest expenses on borrowings and bank overdrafts	(22,641)	(22,819)
Change in the fair value of derivatives	262	390
Interest income from cash and cash equivalents	1,097	2,049
Finance costs	(21,281)	(20,380)
Foreign exchange gains and losses	(1,456)	526
Other financial expenses	(1,422)	(1,013)
Other financial income (*)	7,858	1,120
Total financial result	**(16,301)**	**(19,747)**

(*) mainly includes the revaluation of non-consolidated investments classified at fair value through profit or loss for an impact of €7.6 million, as explained in Note 1.2.1.1 IFRS 9.

4.6 – Current and deferred taxes

In France, Ipsos SA elected for tax consolidation through membership of a group for a period of five years from 30 October 1997, which has since been renewed. This scope of tax consolidation comprises the following companies: Ipsos SA (head of tax consolidation), Ipsos France, Ipsos Observer, Popcorn Media and Espaces TV Communications. The profits of all the companies included in this tax consolidation group are taxed together in terms of corporate income tax.

In addition, the Group has elected to use the optional national tax consolidation regimes in Spain, the United Kingdom, the United States, Italy and Australia.

4.6.1 – Current and deferred tax expenses

In thousand euros	31/12/2018	31/12/2017
Current taxes	(34,348)	(44,201)
Deferred tax[(1)]	(4,149)	29,565
Income tax	**(38,498)**	**(14,636)**

[(1)]For 2017, the Group had recognised calculated income of €24.8 million due to the decrease in its deferred tax liabilities on goodwill amortisation in the United States.
This decrease was the result of a reduction in the US federal tax rate from 35% to 21% in 2017. Tax savings from the tax-deductible status of goodwill in the United States has generated temporary differences resulting in the recognition of deferred tax liabilities in the consolidated financial statements.

4.6.2 – Changes in balance sheet items

In thousand euros	01/01/2018	Opening restatements IFRS 15	01/01/2018 restated	Income statement	Payments	Conversion, changes in scope of consolidation and other reclassifications	31/12/2018
Current taxes							
Assets	13,517	-	13,517	1,289	-	2,098	16,905
Liabilities	(14,658)	-	(14,658)	(35,638)	39,697	(1,554)	(12,153)
Total	**(1,141)**		**(1,141)**	**(34,348)**	**39,697**	**544**	**4,752**
Deferred taxes							
Assets	21,252	2,399	23,651	743	-	2,593	26,987
Liabilities	(66,450)	-	(66,450)	(4,892)	-	408	(70,934)
Total	**(45,198)**	**2,399**	**(42,799)**	**(4,149)**	**-**	**3,001**	**(43,947)**

4.6.3 – Reconciliation between the statutory tax rate in France and the Group's effective tax rate

The basic rate of income tax for companies in France is 33.33%. The Social Security Financing Act No. 99-1140 of 29 December 1999 introduced a social solidarity contribution corresponding to 3.3% of the basic tax owed. This surtax had the effect of raising the French corporate income tax rate by 1.1% and consequently amounts to 34.43%.

The Amending Finance Act of 21 December 2011 introduced an exceptional contribution of corporation tax with its rate increasing to 10.7% in 2016. This exceptional contribution is based on the tax rate of 33.33% and it applies to companies whose revenue is above €250 million in France. Ipsos' revenue in France is less than this threshold. The Group is therefore not subject to this exceptional contribution.

The reconciliation between the statutory tax rate in France and Ipsos' effective tax rate is as follows:

In thousand euros	31/12/2018	31/12/2017
Profit before tax	**147,051**	**143,713**
Less the share of profit of associates	(587)	(26)
Profit before tax of consolidated companies	**146,464**	**143,687**
Statutory tax rate applicable to French companies	34.43%	34.43%
Theoretical tax charge	**(50,428)**	**(49,471)**
Impact of different tax rates and specific contributions	14,814	10,304
Permanent differences	(2,749)	(289)
Utilisation of tax losses not previously recognised as assets	2,706	719
Impact of tax losses of the year not recognised as assets	(2,377)	(2,370)
Other(1)	(463)	26,471
Total tax recognised	**(38,498)**	**(14,636)**
Effective tax rate	**26.2%**	**10.2%**

(1)For 2017, the Group had recognised calculated income of €24.8 million due to the decrease in its deferred tax liabilities on goodwill amortisation in the United States.
This decrease was the result of a reduction in the US federal tax rate from 35% to 21% in 2017. Tax savings from the tax-deductible status of goodwill in the United States has generated temporary differences resulting in the recognition of deferred tax liabilities in the consolidated financial statements.

4.6.4 – Change in net balance of deferred tax

In thousand euros	31/12/2018	31/12/2017
Deferred tax on:		
Capitalisation of IT R&D costs	(4,125)	-
Revenue and costs recognition method	(1,051)	(6,281)
Provisions	563	239
Fair value of derivative instruments	(2,288)	(2,641)
Deferred rent payments	1,316	1,302
Goodwill tax deductible	(49,403)	(46,075)
Non-current assets (including client relationships)	(13,520)	(17,472)
Pension provisions	5,044	4,875
Accrued staff costs	2,653	1,935
Tax loss carryforwards recognised (*)	14,944	15,213
Translation differences	198	207
Non-current financial assets	-	-
Acquisition costs	312	308
Other elements	1,411	3,191
Net balance of deferred tax assets and liabilities	**(43,947)**	**(45,198)**
Deferred tax assets	26,987	21,252
Deferred tax liabilities	(70,934)	(66,450)
Net balance of deferred tax	**(43,947)**	**(45,198)**

(*) The deferred tax assets recognised on tax loss carryforwards will be used within a period of one to five years.

At 31 December, deferred tax assets not recognised on tax loss carryforwards are as follows:

In thousand euros	31/12/2018	31/12/2017
Losses carried forward in between one and five years	119	1,870
Losses carried forward more than five years	283	336
Losses carried forward indefinitely	5,093	6,372
Tax assets not recognised on tax loss carryforwards	**5,494**	**8,579**

4.7 – Adjusted net profit

In thousand euros	31/12/2018	31/12/2017
Revenue	1,749,494	1,780,453
Direct costs	(611,119)	(623,787)
Gross profit	**1,138,374**	**1,156,666**
Staff expenses - excluding stock-based compensation	(753,464)	(747,500)
Payroll - share-based payments*	(8,937)	(10,094)
General operating expenses	(207,477)	(210,865)
Other operating income and expense	3,922	(5,931)
Operating profit	**172,418**	**182,275**
Amortisation of intangibles identified on acquisitions*	(4,380)	(4,668)
Other non-operating income and expenses*	(5,273)	(14,364)
Income from associates	587	217
Operating profit	**163,352**	**163,460**
Finance costs	(21,281)	(20,380)
Other financial income and expense*	4,980	633
Profit before tax	**147,051**	**143,713**
Taxes - excluding deferred taxes on goodwill amortization	(37,078)	(39,118)
Income tax - deferred tax on goodwill*	(1,420)	24,482
Current income tax	**(38,498)**	**(14,636)**
Net income	**108,554**	**129,076**
Of which attributable to equity holders of the Parent Company	**107,520**	**128,507**
Attributable to minority interests / non-controlling interests	**1,033**	**569**
Earnings per share (in euros) - Basic	2.48	2.99
Earnings per share (in euros) - Diluted	2.40	2.94
Adjusted net profit	**126,810**	**128,400**
Attributable to the Group	**125,237**	**127,384**
Attributable to minority interests / non-controlling interests	**1,572**	**1,015**
Adjusted earnings per share (in euros) - Basic	2.88	2.96
Adjusted earnings per share (in euros) - Diluted	2.80	2.91

**Adjusted net earnings is calculated before non-cash items related to IFRS 2 (share-based compensation), before amortisation of acquisition-related intangible assets (client relationships), before deferred tax liabilities related to goodwill for which amortisation is deductible in some countries, before the impact net of tax of other non-current income and expense and the non-monetary impact of changes in puts in other financial income and expenses.*

4.8 – Net earnings per share

4.8.1 – Net earnings per share

The income statement shows two earnings per share figures: basic and diluted. The number of shares used in the calculations is determined as follows:

Weighted average number shares	31/12/2018	31/12/2017
Figure at previous year end	**44,436,235**	**44,625,512**
Capital increase/decrease	(69,788)	(271,304)
Exercise of options	69,788	271,304
Own shares	(994,469)	(1,644,770)
Number of shares used to calculate basic earnings per share	**43,441,766**	**42,980,742**
Number of additional shares potentially resulting from dilutive instruments	1,329,871	738,148
Number of shares used to calculate diluted earnings per share	**44,771,637**	**43,718,890**
Net Profit attributable to equity holders of the Parent (in thousand euros)	107,520	128,507
Basic earnings per share (in euros)	**2.48**	**2.99**
Diluted earnings per share (in euros)	**2.40**	**2.94**

4.8.2 – Adjusted net earnings per share

Weighted average number of shares	31/12/2018	31/12/2017
Adjusted net profit		
Adjusted net profit attributable to equity holders of the Parent	107,520	128,507
Items excluded:		
- Payroll - share-based payments	8,937	10,094
- Amortization of intangibles identified on acquisitions	4,380	4,668
- Other non-current income and expenses	5,273	14,364
- Non-monetary impact of changes in puts	(227)	(1,814)
- Deferred tax on goodwill	1,420	(24,482)
- Income tax on excluded items	(1,527)	(3,507)
- Minority interests on excluded items	(539)	(446)
Adjusted net profit	**125,237**	**127,384**
Average number of shares	43,441,766	42,980,742
Average diluted number of shares	44,771,637	43,718,890
Basic adjusted earnings per share (in euros)	**2.88**	**2.96**
Diluted adjusted earnings per share (in euros)	**2.80**	**2.91**

4.9 – Dividends paid and proposed

Ipsos' policy is to pay single dividend in respect of a given accounting period in the July following the end of the period. The amounts per share paid and proposed are as follows:

In respect of the financial year:	Net dividend per share (in euros)
2018[*]	0.88
2017	0.87
2016	0.85

[*] Total dividend payment of €38 million (after elimination of dividends on treasury shares as at 31 December 2018) to be proposed to the General Meeting on 28 May. The dividend will be paid on 10 July 2019.

5 – Notes to the balance sheet

5.1 – Goodwill

5.1.1 – Goodwill impairment tests

Goodwill is allocated to groups of cash generating units (CGUs), namely the following eight regions or sub-regions: Continental Europe, the United Kingdom, Central and Eastern Europe, North America, Latin America, Asia-Pacific, the Middle East and Sub-Saharan Africa.

Goodwill is allocated to cash generating units (CGUs), themselves brought together in one of the operating areas presented in Note 3 Area reporting, as recommended by IFRS 8.

The value in use of the CGUs is determined through a number of methods, among them the DCF (discounted cash flow) method using:

• the four-year post-tax cash flow projections, calculated on the basis of the business plans of these CGUs over the period 2019-2022 excluding external growth and restructuring transactions. These business plans are based for 2019 on the budgetary data approved by the Board of Directors;

• beyond these four years, the terminal value of the cash flows is obtained by applying a long-term growth rate to the end of period normative flow. This long-term growth rate is estimated for each geographical area. This growth rate does not exceed the regional sector's average rate of long-term growth;

• future cash flows are discounted using weighted average cost of capital (WACC) after tax determined individually for each CGU.

At 31 December 2018, on the basis of measurements carried out in-house using the DCF method, Ipsos' management concluded that the recoverable value of goodwill allocated to each group of cash-generating units exceeded its carrying amount.

The principal assumptions used for the goodwill impairment tests conducted on each group of cash-generating units were as follows:

	2018					2017				
Cash-generating units	**Gross value of goodwill (1)**	**Growth rate for 2018**	**Growth rate for 2019-2022**	**Growth rate 2022 and beyond**	**Discount rate after tax**	**Gross value of goodwill**	**Growth rate for 2017**	**Growth rate for 2018-2020**	**Perpetual growth rate beyond 2020**	**Discount rate after tax**
Continental Europe	217,201	1.61%	1.00%	2.00%	7.90%	143,005	1.5%	1.0%	2.0%	7.3%
United Kingdom	164,606	2.45%	1.00%	2.00%	7.88%	154,165	1.6%	1.0%	2.0%	7.2%
Central and Eastern Europe	76,683	9.47%	5.00%	2.00%	10.17%	67,835	4.1%	5.0%	2.0%	9.1%
Latin America	57,904	7.10%	3.00%	3.00%	9.94%	57,311	3.5%	3.0%	3.0%	9.1%
North America	551,048	2.54%	2.00%	2.00%	7.02%	516,382	2.2%	2.0%	2.0%	6.5%
Asia-Pacific	190,923	7.19%	4.50%	3.00%	8.13%	186,771	5.1%	4.5%	3.0%	7.5%
Middle East	15,522	12.88%	5.00%	2.50%	9.72%	14,918	0.0%	5.0%	2.5%	9.1%
Sub-Saharan Africa	17,190	9.88%	7.00%	3.00%	11.96%	18,965	28.5%	7.0%	3.0%	10.8%
Sub-total	**1,291,077**					**1,159,352**				

(1) The gross value of goodwill presented in this table includes 2018 acquisitions, although the tests are performed excluding acquisitions.

Sensitivity of DCF values in use of goodwill

The analysis of the sensitivity of CGUs to a reasonable change in growth rates, regarded as key assumptions in the Group's impairment tests, have no material impact on the test result as presented below:

In thousand	Goodwill value tested	Test margin(*)	Discount rate (WACC) applied to cash flows +0.5%	Perpetual growth rate -0.5%	Terminal recurring operating profit -0.5%
Continental Europe	142,820	295,404	259,209	266,065	272,809
United Kingdom	152,989	162,415	135,437	140,138	147,555
Central and Eastern Europe	62,953	121,028	109,219	111,561	114,840
Latin America	53,493	27,251	19,640	21,347	21,979
North America	531,137	348,642	260,484	273,381	316,658
Asia-Pacific	188,263	256,565	211,008	218,640	232,102
Middle East	15,522	33,848	29,007	30,026	29,942
Sub-Saharan Africa	17,190	6,976	4,984	5,518	5,384

(*) Test margin = DCF value in use - carrying amount (tests are performed excluding acquisitions)

The declines in DCF values in use that would result from the above simulations would not affect the amount at which the goodwill is carried in the balance sheet. As regards the Latin America region, the figures presented take into account the continuation of the plan to improve the region's operating profit, which was 1.0% in 2018 and was negatively impacted in particular by the ongoing economic recession in Brazil. The margin is expected to gradually return to a more normal level of at least 8% (10% in 2022 – terminal year). The table above details all the elements required for valuation based on other assumptions.

5.1.2 – Changes during 2018

In thousand euros	01/01/2018	Increases	Decreases	Changes in commitments to buy out minority interests	Exchange rates	31/12/2018
Goodwill	1,159,352	126,837	-	(819)	5,706	1,291,077

In 2018, the increase (excluding changes in minority buy-out commitments) in goodwill mainly corresponds to GfK, Synthesio and Clintelica, whose purchase price allocation was provisional at the end of 2018.

5.2 – Other intangible assets

In thousand euros	01/01/2018	Increases	Decreases	Exchange rates	Entities combination and other movements	31/12/2018
Trademark	1,965	5	-	148	4,961	7,079
Panels on line (1)	26,869	9,947	-	(424)	1,865	38,258
Panels off line	6,578	139	(675)	221	141	6,406
Client relations	68,868	-	-	(213)	205	68,860
Other intangible assets (2)	89,963	25,124	(21,404)	352	4,214	98,250
Gross value	**194,243**	**35,216**	**(22,079)**	**85**	**11,386**	**218,853**
Trademark	(670)	(3)	-	(26)	-	(698)
Panels on line (1)	(18,788)	(9,195)	-	316	(1)	(27,668)
Panels off line	(5,059)	(25)	675	(192)	-	(4,601)
Client relations	(33,417)	(4,400)	-	221	(202)	(37,799)
Other intangible assets	(76,345)	(9,350)	21,396	(294)	(1,493)	(66,086)
Amortisation and impairment	**(134,279)**	**(22,973)**	**22,071**	**25**	**(1,696)**	**(136,852)**
Net value	**59,964**	**12,242**	**(8)**	**111**	**9,690**	**82,001**

In thousand euros	01/01/2017	Increases	Decreases	Exchange rates	Entities combination and other movements	31/12/2017
Trademark	2,105	1	-	(141)	-	1,965
Panels on line	26,646	3,156	(1,678)	(1,253)	-	26,869
Panels off line	7,349	-	-	(771)	-	6,578
Client relationships	74,480	-	-	(5,612)	-	68,868
Other intangible assets	89,924	5,140	(1,584)	(4,754)	1,235	89,963
Gross value	**200,504**	**8,298**	**(3,263)**	**(12,531)**	**1,235**	**194,243**
Trademark	(730)	-	-	60	-	(670)
Panels on line	(18,274)	(2,944)	1,678	751	-	(18,788)
Panels off line	(5,653)	-	-	594	-	(5,059)
Client relationships	(31,309)	(4,668)	-	2,560	-	(33,417)
Other intangible assets	(73,050)	(7,498)	1,510	3,924	(1,231)	(76,345)
Amortisation and impairment	**(129,015)**	**(15,110)**	**3,188**	**7,890**	**(1,231)**	**(134,279)**
Net value	**71,489**	**(6,812)**	**(75)**	**(4,641)**	**4**	**59,964**

(1) Change in estimate of the capitalisation and impairment of online panels

As mentioned in Note 1.2.12, the Group applied a new method of capitalisation and impairment of online panels at 31 December 2018. As a result, the capitalisation of online panels increased by €6.4 million and impairment by €6.3 million.

(2) Capitalization of internal development expenses

Until now, the Group only activated its external development costs when the conditions defined in note 1.2.11 to the consolidated financial statements of 31.12.2017 of its accounting principles and methods were met.

Following the improvement of its internal monitoring system, Ipsos can capitalize its internal development costs, which consist of the payroll of its teams working on its platforms and projects, under the same conditions.

This decision has resulted in a change in the accounting estimate of the amounts that will now be capitalized.

In accordance with IAS 8, this change was applied prospectively from 2018 to account for these impacts.

For 2018, capitalised payroll amounted to €18,663k and depreciation relating to this capitalisation totalled €2,022k.

The impacts of this change in the financial statements at 31 December 2018 are as follows:

In the balance sheet, other intangible assets increased by €16,768k and deferred tax assets decreased by €4,154k.

The impact on net income amounts to +€12,516k in the income statement at 31 December 2018.

At June 31, 2018, in order not to create any distortion in the reading of the operating profit by the recognition of a capitalization product not offset by amortizations during an initial period, the positive effects on income of this first year of asset recognition were reclassified from operating profit to other non-operating income. The same classification will be applied over the coming years, until the implementation of the capitalisation levels off.

The impact on net income before taxes at 31 December 2018 was +€16,641k, broken down as follows:

Net impact on 2018 payroll if the method had been applied continuously +1,832 k€.

The exceptional impact of the application of the prospective method was recorded net in other non-operating income and expenses for a positive amount of €14,809 k.

The Ipsos Group has assessed the impact of this change in accounting estimate on subsequent years.

Insofar as the Group estimates that the capitalized amount would remain constant over the next few years, the impacts on the income statement for subsequent years would be as follows:

in thousands of euros	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022
Payroll - excluding stock-based compensation	1,832	930	348	24	-
Other non-current income and expenses	14,809	11,964	8,803	5,385	1,666
Operating profit (*)	**16,641**	**12,893**	**9,151**	**5,409**	**1,666**
Income tax	(4,125)	(3,196)	(2,268)	(1,341)	(413)
Net income	12,516	9,697	6,883	4,068	1,253

(*) including amortisation of intangible assets

And the impacts in subsequent years' balance sheets would be as follows:

in thousands of euros	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022
Net value of other intangible assets	16,768	29,661	38,812	44,221	45,887
Deferred tax assets	(4,154)	(7,350)	(9,618)	(10,959)	(11,372)

5.3 – Property, plant and equipment

In thousand euros	01/01/2018	Increases	Decreases	Exchange rates	Entities combination and other movements	31/12/2018
Land and buildings	7,189	68	-	313	-	7,570
Other property, plant and equipment	142,679	13,729	(30,972)	(151)	2,329	127,614
Gross value	**149,868**	**13,797**	**(30,972)**	**162**	**2,329**	**135,184**
Land and buildings	(3,479)	(199)	-	(147)	(3)	(3,828)
Other property, plant and equipment (1)	(114,160)	(9,295)	30,736	(205)	(548)	(93,466)
Amortisation and depreciation	(117,639)	(9,494)	30,736	(353)	(551)	(97,294)
Net value	**32,228**	**4,303**	**(236)**	**(191)**	**1,778**	**37,890**

In thousand euros	01/01/2017	Increases	Decreases	Exchange rates	Entities combination and other movements	31/12/2017
Land and buildings	7,746	(8)	(71)	(478)	-	7,189
Other property, plant and equipment (1)	151,233	8,926	(5,353)	(12,106)	(20)	142,679
Gross value	**158,979**	**8,918**	**(5,424)**	**(12,582)**	**(20)**	**149,868**
Land and buildings	(3,520)	(202)	-	225	17	(3,479)
Other property, plant and equipment (1)	(119,941)	(9,598)	5,292	10,077	3	(114,160)
Depreciation and impairment	**(123,462)**	**(9,800)**	**5,292**	**10,302**	**20**	**(117,639)**
Net value	**35,517**	**(882)**	**(132)**	**(2,282)**	**-**	**32,228**

(1) See Note 1.2.13 on the type of other property, plant and equipment.

The net value of non-current assets held under finance leases came to €5.6 million at 31 December 2018 and €4.9 million at 31 December 2017.

5.4 – Investments in associates

This item saw the following changes during 2018:

In thousand euros	31/12/2018	31/12/2017
Gross value at start of period	**916**	**208**
Share of profit	587	217
Dividends paid	-	-
Change in scope of consolidation	1,389	490
Rest of the World	-	1
Gross value at end of period	**2,892**	**916**
Contribution to equity (including profit)	1,282	1,019

In thousand euros	31/12/2018				31/12/2017		
	Ipsos Opinion SA	Apeme	Shanghai Ipsos Info Technology	Zhejiang Oneworld BigData Investment Co Ltd	Ipsos Opinion SA	Apeme	Shanghai Ipsos Info Technology
Current assets	803	1,174	7,757	2,004	1,060	1,483	4,363
Non-current assets	13	(20)	908	5,778	8	(19)	588
Total Assets	816	1,154	8,665	7,782	**1,068**	**1,464**	**4,951**
Current liabilities	1,227	889	4,302	-	1,332	1,230	3,224
Non-current liabilities	665	-	-	5,401	653	-	25
Total liabilities	1,892	889	4,302	**5,401**	**1,985**	**1,230**	**3,249**
Net assets	**(1,076)**	**265**	**4,363**	**2,381**	**(917)**	**234**	**1,702**

The principal balance sheet and income statement items from Apeme (Portugal) 25%-owned, Ipsos Opinion SA (Greece), 30%-owned, Shanghai Ipsos Info Technology (China), 40%-owned, and Zhejiang Oneworld BigData Investment Co Ltd (China), 40-% owned, are as follows at 31 December:

In thousand euros	31/12/2018				31/12/2017		
	Ipsos Opinion SA	Apeme	Shanghai Ipsos Info Technology	Zhejiang Oneworld BigData Investment Co Ltd	Ipsos Opinion SA	Apeme	Shanghai Ipsos Info Technology
Revenue	1,177	1,793	10,249	-	1,547	2,000	5,824
Operating profit	(147)	73	1,794	(25)	(52)	226	629
Net income	(159)	31	1,727	(160)	(64)	180	478
Percentage ownership	30%	25%	40%	40%	**30%**	**25%**	**40%**
Share of profit of associates	(48)	8	691	(64)	(20)	45	192

5.5 – Other non-current financial assets

In thousand euros	01/01/2018	Increases	Decreases	Business combinations, reclassifications and translation differences	31/12/2018
Loans	1,050	5,499	(482)	(47)	6,019
Other financial assets (1)	19,025	15,174	(6,130)	467	28,537
Gross value	20,075	20,673	(6,612)	420	34,556
Loan provision	-	(667)	-	(21)	(689)
Impairment of other financial assets	1,350	(85)	-	(112)	1,154
Impairment	1,350	(752)	-	(133)	466
Net value	**21,425**	**19,921**	**(6,612)**	**287**	**35,021**

(1) This mainly related to guarantees and deposits and non-consolidated investments.

5.6 – Trade receivables

In thousand euros	31/12/2018	31/12/2017
Gross value	641,828	624,801
Impairment	(6,887)	(7,141)
Net value	**634,941**	**617,660**

The item comprises €168 million of research in progress as at 31 December 2018 (€176 million at 31 December 2017).

In 2018, provisions for impairments of trade receivables amounted to €0.2 million and reversals of impairment provisions on trade receivables came to €0.1 million.

5.7 – Other current assets

In thousand euros	31/12/2018	31/12/2017
Advances and payments on account	4,603	3,666
Social security receivables	3,972	3,598
Tax receivables	34,193	35,535
Prepaid expenses	17,509	17,334
Other receivables and other current assets	18,555	15,669
Total	**78,831**	**75,802**

All other current assets have a maturity of less than one year.

5.8 – Shareholders' equity

5.8.1 – Share capital

At 31 December 2018, the share capital of Ipsos SA was €11,109,059 made up of 44,436,235 shares with a nominal value of €0.25 each. The number of shares making up the share capital and holdings of treasury shares changed as follows during 2018:

Number of shares (par value € 0.25)	Shares issued	Own shares	Shares in issue
At 31 December 2017	**44,436,235**	**(1,350,841)**	**43,085,394**
Increase of capital (exercise of option)	69,788	-	69,788
Capital decrease (exercise of option)	(69,788)	69,788	-
Transfer (delivery of free share allocation plan)	-	416,251	416,251
Transfer (delivery of plan IPF 2020)	-	-	-
Purchase (except liquidity contract)	-	-	-
Changes under the liquidity contract	-	(18,122)	(18,122)
At 31 December 2018	**44,436,235**	**(882,924)**	**43,553,311**

The Ipsos SA capital is made up of a single class of ordinary shares with a nominal value of €0.25 each. Registered shares held for more than two years carry double voting rights.

Treasury shares held at the close of the financial year, including those held as part of the liquidity contract, are deducted from equity. These treasury shares held do not carry dividend rights.

The Company has implemented several share allocation plans, which are described below.

5.8.2 – Share allocation plan

5.8.2.1 – Share subscription option plans

Since 1998, the Ipsos SA Board of Directors has set up several share subscription option plans at a specified price, for certain employees and all directors and officers of the Company. The current terms of plans outstanding at year opening are as follows:

Grant date	Vesting Date	Expiry date	Exercise price	Number of grantees	Number of options granted by the Board of Directors	Number of options outstanding 01/01/2018	Number of options granted during the year	Number of options cancelled during the year	Number of options exercised during the year	Number of options expired during the year	Number of options outstanding 31/12/2018
04/09/2012	04/09/2015	04/09/2020	24.63	129	1,545,380	714,936	-	(17,954)	(68,188)	-	628,794
04/09/2012	04/09/2016			27	423,990	238,270	-	-	(1,600)	-	236,670
Sub-Total Plan IPF 2012-2020				**156**	**1,969,370**	**1,263,722**	-	-	**(69,788)**	-	**(69,788)**
Total					**1,969,370**	**953,206**	**-**	**(17,954)**	**(69,788)**	**-**	**865,464**

5.8.2.2 – Free share attribution plans

Each year since 2006, the Board of Directors of Ipsos SA has set up free share attribution plans for the benefit of French and international residents, who are executive officers and employees of the Ipsos Group. Prior to the 2018 plan, these shares only vested after a period of two years, provided that the beneficiary was still an employee or corporate officer of the Ipsos Group at the end of that period. From 2018, the vesting period was extended to three years.

The free share attribution plans which remain outstanding at 30 June 2018 were set up with the following characteristics:

Grant date	Type of shares	Number of grantees	Number of free shares initially attributed	Expiry date of the vesting period	Number of free shares outstanding 01/01/2018	Number of free shares granted during the year	Number of free shares cancelled during the year	Number of free shares reclassified during the year	Number of free shares vested during the year	Number of free shares outstanding 31/12/2018
28/04/2016	Ordinary shares	795	451,115	28/04/2018	423,729	-	(8,332)	-	(415,397)	-
Sub-Total 2016 Plan		**795**	**451,115**		**423,729**	**-**	**(8,332)**	**-**	**(415,397)**	**-**
28/04/2017	Ordinary shares	851	397,878	28/04/2019	390,290	-	(21,802)	-	(1,724)	366,764
Sub-Total 2017 Plan		**851**	**397,878**		**390,290**	**-**	**(21,802)**	**-**	**(1,724)**	**366,764**
04/05/2018	Ordinary shares	1,006	394,398	04/05/2021	-	394,398	(12,307)	-	(800)	381,291
15/11/2018	Ordinary shares	30	54,205	15/11/2021	-	54,205	-	-	-	54,205
Sub-Total 2018 Plan		**1,036**	**448,603**		**-**	**448,603**	**(12,307)**	**-**	**(800)**	**435,496**
Total free shares attribution plans					**814,019**	**448,603**	**(42,441)**	**-**	**(417,921)**	**802,260**

5.8.3 – Analysis of share-based payment costs

In accordance with IFRS 2, to assess the staff cost deriving from the attribution of free shares, the following assumptions are used:

<table>
<tr><th colspan="2">Date on which the Board of Directors granted the stock options to the beneficiaries</th><th>28/04/2016</th><th>28/04/2017</th><th>04/05/2018</th><th>15/11/2018</th></tr>
<tr><td colspan="2">Share price on grant date</td><td>24.10</td><td>28.99</td><td>31.24</td><td>23.50</td></tr>
<tr><td rowspan="2">Option fair value</td><td>France</td><td>22.32</td><td rowspan="2">27.07</td><td rowspan="2">28.34</td><td rowspan="2">20.63</td></tr>
<tr><td>Non-France</td><td>22.32</td></tr>
<tr><td colspan="2">Risk-free interest rate</td><td>-0.29%</td><td>-0.23%</td><td>-0.05%</td><td>-0.04%</td></tr>
<tr><td colspan="2">Dividends</td><td>0.80</td><td>0.85</td><td>0.85</td><td>0.87</td></tr>
</table>

Ipsos uses the Black & Scholes model to measure the staff costs relating to stock options, which has the following main assumptions:

<table>
<tr><th colspan="2">Date on which the Board of Directors granted the stock options to the beneficiaries</th><th>04/09/2012</th></tr>
<tr><td rowspan="2">Fair value of option</td><td>France</td><td>4.67-4.71</td></tr>
<tr><td>Non-France</td><td>4.57-4.66</td></tr>
<tr><td colspan="2">Implied market volatility</td><td>25%</td></tr>
</table>

During 2018 and 2017, the expense recognised, in respect of stock option and free share allocation plans, was calculated as follows:

In thousand euros	31/12/2018	31/12/2017
Free shares attribution plan of 28 April 2016	1,540	4,711
Free shares attribution plan of 28 April 2017	4,877	3,245
Free shares attribution plan of 4 May 2018	2,003	-
Free share plan of 15 November 2018	38	-
Sub-Total	**8,458**	**9,549**
Employer contribution 20% France and United Kingdom	479	545
Total	**8,937**	**10,094**

5.9 – Financial debt

5.9.1 – Net financial debt

Borrowings, net of cash and cash equivalents, are comprised as follows:

	31/12/2018				31/12/2017			
	Total				Total			
	Total	less than 1 year	between 1 and 5 years	more than 5 years		less than 1 year	between 1 and 5 years	more than 5 years
Bond issue (1)	476,780	-	183,246	293,534	173,106	-	173,106	-
Bank borrowings (2) (3) (4) (5) (6)	257,256	5,267	251,989	-	423,808	20,813	330,037	72,958
Derivative financial assets	-	-	-	-	216	216	-	-
Debt linked to finance leases	632	326	306	-	598	220	378	-
Other financial liabilities	114	8	106	-	136	14	123	-
Accrued interests on financial liabilities	5,284	5,284	-	-	2,938	2,938	-	-
Bank overdrafts	2,828	2,828		-	2,158	1,327	831	-
Borrowings and other financial liabilities (a)	**742,894**	**13,713**	**435,647**	**293,534**	**602,959**	**25,526**	**504,474**	**72,958**
Derivatives financial assets (b)	**500**	**500**			**1,462**	**1,462**	-	-
Marketable securities	4,475	4,475	-	-	6,495	6,495	-	-
Cash	163,358	163,358	-	-	130,771	130,771	-	-
Cash and cash equivalents (c)	**167,834**	**167,834**	-	-	**137,267**	**137,267**	-	-
Net debt (a - b - c)	**574,560**	**(154,621)**	**435,647**	**293,534**	**464,231**	**(113,202)**	**504,474**	**72,958**

(1) *In September 2018, a new €300 million bond was issued, repayable in seven years with a fixed coupon of 2.875%.*
In September 2010, a new bond amounting to $300 million was issued through a private placement with US insurance companies. It is split according to three tranches: a 7-year bond amounting to $85 million (fixed rate of 4.46%), a 10-year bond amounting to $185 million (fixed rate of 5.18%), a 12-year bond amounting to $30 million (fixed rate of 5.48%). The $ 85 million has been repaid in fiscal 2017 Interest-rate swaps amounting to $100 million with a 10-year maturity were arranged.

(2) *In November 2013, the Company issued a "Schuldschein" bond on the German private market, divided into four fixed and variable-rate tranches in euros for a total of €52.5 million, with maturities of three, five and seven years, and two variable-rate tranches in US dollars for a total of $76.5 million with maturities of three and five years.*

(3) *In December 2016, the Company issued a "Schuldschein" bond on the German private market, divided into five fixed and variable-rate tranches in euros for a total of €138 million, with maturities of three, five and seven years, and four fixed and variable-rate tranches in US dollars for a total of $90 million with maturities of five and seven years.*

(4) *In December 2017, a new variable rate loan was contracted with Société Générale for an amount of €30 million and for a period of four years.*

(5) *A bank loan via a syndicated credit facility, initially for a term of five years, totalling a gross amount of €215 million, of which €140 million had been drawn at 31 December 2017 and €0 at 31 December 2018.*

(6) *Bank loans via bilateral loans for three or five-year terms, for a gross amount of €275 million, of which €10 million had been drawn at 31 December 2017 and €0 at 31 December 2018.*

5.9.2 – Breakdown of financial liabilities (excluding derivative instruments)

The breakdown of financial liabilities excluding derivative instruments at 31 December 2018 is as follows:

in thousands of euros	2019	2020	2021	2022	2023	> 2023	Total
Bond issues	-	158,571	-	24,675	-	293,534	**476,780**
Bank borrowings	5,267	11,391	136,530	30,000	74,068	-	**257,256**
Debt linked to finance leases	326	299	7	-	-	-	**632**
Other financial liabilities	8	6	98	1	-	-	**114**
Accrued interests on financial liabilities	5,284	-	-	-	-	-	**5,284**
Bank overdrafts	2,828	-	-	-	-	-	**2,828**
Borrowings and other financial liabilities	**13,713**	**170,268**	**136,636**	**54,676**	**74,068**	**293,534**	**742,894**

The breakdown of financial liabilities excluding derivative financial instruments at 31 December 2017 is as follow:

In thousand euros	2018	2019	2020	2021	2022	> 2022	Total
Bond issues	-	-	148,957	-	24,149	-	**173,106**
Bank borrowings	20,469	4,754	11,955	181,707	131,965	72,958	**423,808**
Debt linked to finance leases	220	367	8	3	-	-	**598**
Other financial liabilities	14	25	2	94	1	-	**136**
Accrued interests on financial liabilities	2,938	-	-	-	-	-	**2,938**
Bank overdrafts	1,326	832	-	-	-	-	**2,158**
Borrowings and other financial liabilities	**24,966**	**5,978**	**160,922**	**181,804**	**156,115**	**72,958**	**602,743**

5.9.3 – Financial debt by currency (excluding derivative instruments)

in thousands of euros	31/12/2018	31/12/2017
US dollar (USD)	261,423	296,518
Euro (EUR)	480,355	209,613
Pound sterling (GBP)	2	63,680
Japanese yens (JPY)	-	32,812
Other currencies	1,114	120
TOTAL	**742,894**	**602,743**

5.10 – Current and non-current provisions

In thousand euros	1st January 2018	Allowances	Reversals of provisions used	Reversals of provisions non used	Change in scope of consolidation	Other reclassifications	Exchange rates	30 June 2018
Provisions for litigation and other risks	5,434	501	(1,258)	-	-	395	(327)	4,745
Provisions for other charges	10,719	1,015	(5,757)	(1,902)	6,014	(5,049)	(111)	4,929
Total	**16,153**	**1,516**	**(7,015)**	**(1,902)**	**6,014**	**(4,654)**	**(438)**	**9,674**
o/w current provisions	**7,189**	**-**	**-**	**-**	**-**	**-**	**-**	**4,996**
o/w non-current provisions	**8,964**	**-**	**-**	**-**	**-**	**-**	**-**	**4,678**

Provisions for litigation concern primarily commitments relating to legal disputes with employees. The Group decided to reverse the provision set aside in 2016 to cover the tax risks resulting from the acquisition of Synovate, in the amount of €1.9 million. The balance of the provision was €1 million at 31 December 2018.

The Group reclassified the rent discounts recorded by its UK subsidiary for €4.8 million to payables.

Provisions for other liabilities and charges mainly include provisions for tax and social security risks. These commitments were recognised on the occasion of the acquisition of Synovate on the fair value measurement of their respective assets and liabilities.

5.11 – Pensions and similar liabilities

Group commitments for pension and similar liabilities mostly concern the following defined benefit plans that follow:

- retirement indemnities (France, Italy, Japan);

- end-of-service benefits (Australia, Turkey, Middle East);

- supplementary pensions (Germany, United Kingdom) which are added to state pensions;

- coverage of certain medical expenses for pensioners (South Africa).

Pension and similar liabilities are recognised in accordance with the method described in Note 1.2.22. "Employee benefits". For defined contribution plans, the Group's sole obligation is to pay the premiums due. The expense corresponding to the contributions paid is recognised through profit or loss for the financial year.

5.11.1 – Actuarial assumptions

Actuarial assumptions, used for the pension liabilities valuation, take in account demographic and financial conditions specific to each country or entity of the Group.

For the period ended 31 December 2018, the Group kept the same assumptions that were used in previous years to determine the discount rates. For the most important countries, the principal actuarial assumptions used were as follows:

	Euro zone	United Kingdom
Discount rate		
2018	1.57%	2.90%
2017	1.44%	2.50%
Future salary increases		
2018	1% - 4%	2.90%
2017	1% - 4%	2.90%
Expected return on plan assets		
2018	-	2.90%
2017	-	2.50%

At each period-end, the discount rate is determined based on the most representative returns on high quality corporate bonds with a life that approximates the duration of the benefit obligation. For the Euro zone, the Group used the IBOXX € Corporate AA. Mortality and staff turnover assumptions take into account the economic conditions specific to each country or Group company.

5.11.2 – Comparison between value of liabilities and provisions

	31/12/2018				31/12/2017			
In thousand euros	**France**	**United Kingdom**	**Other foreign companies**	**Total**	**France**	**United Kingdom**	**Other foreign companies**	**Total**
Present value of the liability	7,868	12,619	21,560	42,046	8,030	13,729	18,376	40,135
Fair value of financial assets	-	(12,332)	-	(12,332)	-	(13,217)	-	(13,217)
Surplus or (deficit)	**7,868**	**287**	**21,560**	**29,715**	**8,030**	**512**	**18,376**	**26,918**
Net assets/(provisions) recognised on the balance sheet	**7,868**	**287**	**21,560**	**29,715**	**8,030**	**512**	**18,376**	**26,918**

5.11.3 – Change in liabilities during the year

	31/12/2018				31/12/2017			
In thousand euros	**France**	**United Kingdom**	**Other foreign companies**	**Total**	**France**	**United Kingdom**	**Other foreign companies**	**Total**
Benefit obligation, beginning of year	**(8,030)**	**(13,729)**	**(18,376)**	**(40,135)**	**7,504**	**(14,235)**	**(19,528)**	**(41,267)**
Supplementary rights acquired	(466)	(95)	-	(561)	(229)	-	-	(229)
Interest on benefit obligation	(115)	(340)	(23)	(479)	(114)	(372)	(25)	(511)
Fund performance	-	-	-	-	-	346	-	346
Change in plan type	-	-	-	-	-	-	-	-
Actuarial gains and losses	820	1,127	(1,104)	842	284	428	(341)	371
Benefits paid out	(76)	378	(12)	290	(467)	446	1521	1500
Employer contributions	-	-	-	-	-	-	-	-
Translation differences	-	53	(125)	(72)	-	(342)	1,425	1,083
Change in scope of consolidation	-	-	(1,564)	(1,564)	-	-	-	-
Benefit obligation, end of year	**(7,868)**	**(12,607)**	**(21,205)**	**(41,679)**	**(8,030)**	**(13,729)**	**(18,376)**	**(40,135)**
Fair value of financial assets	-	(12,332)	-	(12,332)	-	(13,217)	-	(13,217)
Retirement benefit obligations	**7,868**	**275**	**21,915**	**29,348**	**8,030**	**512**	**18,376**	**26,918**
Other long-term obligations								
Change in scope of consolidation	-	12	355	367	-	-	-	-
Provisions for retirement benefit obligations and similar	**7,868**	**287**	**21,560**	**29,715**	**8,030**	**512**	**18,376**	**26,918**

The sensitivity of provisions for retirement benefit obligations to a change in the discount rate of plus or minus 0.25% in the two main countries is not significant, as presented below.

In thousand euros	**Discount rate -0.25%**	**Discount rate +0.25%**
Provisions for retirement benefit obligations at 31/12/2018		
France	(8,103)	(7,644)
United Kingdom	(883)	297

5.11.4 – Change in fair value of plan assets

In thousand euros	United Kingdom	Other foreign companies	Total
Invested assets as at 1 January 2017	**13,841**	**-**	**13,841**
Expected return on plan assets	346	-	346
Contributions to external funds	-	-	-
Benefits paid out	(242)	-	(242)
Actuarial gains and losses	342	-	342
Currency translation difference	(904)	-	(904)
Invested assets as at 31 December 2017	**13,382**	**-**	**13,382**
Expected return on plan assets	(729)	-	(729)
Contributions to external funds	-	-	-
Benefits paid out	(382)	-	(382)
Actuarial gains and losses	327	-	327
Currency translation difference	(130)	-	(130)
Invested assets as at 31 December 2018	**12,468**	**-**	**12,468**

5.11.5 – Allocation of plan assets

In thousand euros	United Kingdom	Other foreign companies	Total	%
Corporate bonds	13,319	-	13,319	99.5%
Cash	63	-	63	0.5%
Invested assets as at 31 December 2017	**13,382**	**-**	**13,382**	**100.0%**
Corporate bonds	12,413	-	12,413	99.6%
Cash	54	-	54	0.4%
Invested assets as at 31 December 2018	**12,468**	**-**	**12,468**	**100.0%**

5.11.6 – Pension expenses recognised during the year

Expenses linked to defined-benefit pension plans are an integral part of the Group's personnel expenses. They are broken down for each financial year as follows:

	2018				2017			
In thousand euros	France	United Kingdom	Other foreign companies	Total	France	United Kingdom	Other foreign companies	Total
Supplementary rights acquired	(466)	(95)	(260)	(821)	(229)	-	-	(229)
Interest on benefit obligation	(115)	(340)	(168)	(624)	(114)	(372)	(28)	(514)
Amortisation of past service cost	-	-	(75)	(75)	-	-	-	-
Amortisation of actuarial gains and losses	-	-	(63)	(63)	-	-	-	-
Fund performance	-	327	-	327	-	346	-	346
Benefits paid out	-	-	-	-	-	-	85	85
Total expense for the year	**(582)**	**(109)**	**(566)**	**(1,256)**	**(343)**	**(26)**	**57**	**(313)**

Expenses related to defined-benefit plans are recognised in payroll and amounted to €18.6 million in 2017 and €15.3 million in 2018. The Group does not anticipate any significant change in terms of expenses related to defined-benefit plans in 2019.

The information required by IAS 19 over four years was not repeated here for financial years 2015 and 2016. It appears in the 2016 Reference document, incorporated by reference.

5.12 – Other current and non-current liabilities

	31/12/2018			31/12/2017		
In thousand euros	**< 1 year**	**> 1 year**	**Total**	**< 1 year**	**> 1 year**	**Total**
Purchase price and earn-out payments [1]	450	11,514	11,964	154	3,241	3,395
Buy-out of minority interests [1]	11,161	2,911	14,072	9,575	13,500	23,075
Contract liabilities	15,656	-	15,656	16,134	-	16,134
Tax and social security liabilities	129,816	-	129,816	128,964	-	128,964
Deferred income [2]	14,543	-	14,543	8,686	-	8,686
Other debt and other liabilities	4,618	7,615	12,233	6,079	1,442	7,520
Total	**176,244**	**22,040**	**198,284**	**169,592**	**18,183**	**187,775**

(1) See comments in Note 6.4.3 – Acquisition-related commitments.
(2) It mainly concerns client research on which invoicing exceeds revenue recognised using the percentage of completion method.

5.13 Contract assets and liabilities

Contract assets relate to the Group's rights to receive payments for research not invoiced at the reporting date. Contract liabilities relate to advance payments received from clients for research where revenue is recognised on an accrual basis.

6 – Additional information

6.1 – Notes on the consolidated cash flow statement

6.1.1 – Changes in working capital requirement

In thousand euros	31/12/2018	31/12/2017
Decrease (Increase) in trade receivables	14,446	(47,933)
Increase (Decrease) in trade payables	(6,876)	17,573
Change in other receivables and payables	(4,088)	(7,411)
Change in the working capital requirement	**3,482**	**(37,771)**

6.1.2 – Cash used by investing activities

In thousand euros	31/12/2018	31/12/2017
Acquisitions of intangibles assets	(35,021)	(8,298)
Acquisitions of property, plant and equipment	(13,797)	(8,918)
Total acquisitions during the period	**(48,818)**	**(17,216)**
Deferred disbursement	(187)	(302)
Payments made on acquisitions of intangible assets and property, plant and equipment	**(49,006)**	**(17,518)**

6.1.3 – Cash flow relating to acquisitions and consolidated activities, net of acquired cash

Companies' acquisitions and consolidated activities, net of acquired cash which appear in the consolidated cash flow statement, can be summarised as follow:

In thousand euros	31/12/2018	31/12/2017
Cashed in/out for acquisitions during the year	(154,857)	-
Cash acquired/made over	2,839	-
Cashed in/out for buy-out of minority interests	(9,125)	(12,785)
Cashed in/out for previous years acquisitions	(461)	(2,212)
Acquisitions of companies and consolidated activities, net of acquired cash	**(161,604)**	**(14,997)**

6.2 – Financial risk management objectives and policies

6.2.1 – Exposure to interest rate risk

Ipsos' exposure to risk arising from changes in market interest rates relates to its long-term debt. The Group's policy is to manage interest expenses by using a combination of fixed- and floating-rate borrowings.

The Group's policy is not to deal in financial instruments for the purpose of speculation. The interest rate swap to cover one-third of the $300 million bond issue meets the criteria for fair value hedge accounting within the meaning of IAS 39. The swap is recognised on the balance sheet at its market value against the risk covered.

Other derivative instruments (interest rate swaps) and tunnels bought by Ipsos SA do not fulfil the conditions of IAS 39 and are not recognised as hedging instruments, even though they correspond on an economic level to hedging of interest rate risk relating to debt.

Interest rate hedges

In thousand euros	Financial assets [(1)] (a)		Financial liabilities [(2)] (b)		Net exposure before hedging (c) = (a) + (b)		Rate hedging instruments [(3)] (d)		Net exposure after hedging (e) = (c) + (d)	
	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
2019	-	(167,833)	3,161	5,259	3,161	(162,574)	-	-	3,161	(162,574)
2020	-	-	170,275	-	158,876	11,399	(74,236)	74,236	84,640	85,635
2021	-	-	22,511	114,124	105	136,530	-	-	105	136,530
2022	-	-	24,676	30,000	24,676	30,000	-	-	24,676	30,000
2023	-	-	39,557	34,511	-	74,068	-	-	-	74,068
> 2023	-	-	293,534	-	293,534	-	-	-	293,534	-
Total	**-**	**(167,833)**	**553,713**	**183,894**	**480,352**	**89,423**	**-74,236**	**74,236**	**406,116**	**163,659**

[(1)] Financial assets correspond to cash and cash equivalents.

[(2)] Financial liabilities correspond to borrowings and other financial liabilities (excluding accrued interest and fair value of derivative financial instruments) described in Note 5.9.1 "Net financial debt".

[(3)] Interest rate swaps and tunnels covering the US private placement bond issued in 2010, and the syndicated floating-rate credit facilities of €150 and €215 million.

Around 35% of the €737 million in gross debt at 31 December 2018 (excluding accrued interest and the fair value of derivative instruments) was floating rate (after taking into account swap contracts and tunnels). A 1% increase in short-term interest rates would have a negative impact of around €2.6 million on the Group's financing expenses, equivalent to a 12% rise in finance costs for 2018. Interest rate risk management is centralised at the headquarters under the responsibility of the Group cash manager.

6.2.2 – Exposure to exchange rate risk

The Group is active, via consolidated subsidiaries, in 89 countries and carries out projects in more than 100 countries. Ipsos records its financial position and its income in the relevant local currency, and then converts these figures into euros at the applicable exchange rates for the purposes of consolidation in the Group's financial statements

The share of the main currencies in consolidated revenue is as follows:

	31/12/2018	31/12/2017
Euro (EUR)	16.6%	16.4%
US dollar (USD)	27.6%	27.5%
Pound sterling (GBP)	12.2%	11.6%
Canadian dollars (CAD)	3.9%	4.2%
Brazilian real (BRL)	1.7%	2.1%
Yuan (CNY)	6.5%	5.7%
Other currencies	31.6%	32.5%
TOTAL	**100%**	**100%**

The Group has little exposure to transaction-related exchange rate risk, since its subsidiaries almost always invoice in their local currency, and since operating costs are also denominated in the local currency. As a result, the Group does not usually hedge its exchange rate exposure.

The transactional exchange rate risk for the Ipsos Group is limited primarily to trademark licence royalties and payments for services or technical assistance charged by Ipsos SA or Ipsos Group GIE to subsidiaries in local currencies.

Where possible, the Group covers the financing requirements of subsidiaries in the operating company of the subsidiary concerned. Around 35% of debt is denominated in currencies other than the euro.

Hedging exchange rate risk

Borrowings by Ipsos SA in currencies other than the euro are generally covered by assets in the same currency. Exchange rate losses on net investments in a foreign subsidiary, recognised in other comprehensive income in accordance with IAS 21 and IAS 39, came to €9.2 million at 31 December 2018.

The table below shows the details of the net asset position as at 31 December 2018 (trade receivables net of trade payables in currencies and bank accounts) of the entities bearing the main exchange rate risks: Ipsos SA, Ipsos Group GIE and Ipsos Holding Belgium. It presents transactional foreign exchange gains or losses recognised in financial result:

In thousand euros	USD	CAD	GBP	JPY	BRL	Rest of the World
Financial assets	1,081	-	520	1	462	2,894
Financial liabilities	(27,004)	3	3,748	-	-	(1,924)
Net position before management	**(25,923)**	**3**	**4,267**	**1**	**462**	**970**
Derivative instruments	-	-	-	-	-	-
Net position after management	**(25,923)**	**3**	**4,267**	**1**	**462**	**970**

A 5% decrease in the value of the euro against the US dollar, Canadian dollar, British pound, Brazilian real and Japanese yen would result in a loss on translation of around €1.2 million, recognised in financial income.

Sensitivity to changes in exchange rates for the main exposure

As of 31 December 2018, the sensitivity of the Group's operating profit, net income and equity to a change in the exchange rates of each country against the euro was as follows for the Group's main exposures:

In thousand euros	2018		
	USD	CAD	GBP
	5% rise in the currency against the euro.	5% rise in the currency against the euro.	5% rise in the currency against the euro.
Impact on operating margin	2,417	606	584
Impact on profit before tax	1,709	477	289
Impact on equity Group share	11,499	2,564	(5,573)

6.2.3 – Exposure to client counterparty risk

The Group analyses its trade receivables, paying particular attention to improving recovery times, as part of the overall management of its working capital requirements, backed by the "Max Cash" programme.

Any impairment is assessed on an individual basis and takes account of various criteria such as the client's situation and payment delays. No charge to impairment is recorded on a statistical basis.

The table below shows the age of trade receivables at 31 December 2018 and 31 December 2017:

In thousand euros		31 December 2018					
		Receivables due					
Net trade receivables	Receivables not due	Total	Less than 1 month	1 to 3 months	3 to 6 months	More than 6 months	Impairment
466,119	375,567	90,552	40,576	32,952	7,734	16,177	(6,887)

In thousand euros		31 December 2017					
		Receivables due					
Net trade receivables	Receivables not due	Total	Less than 1 month	1 to 3 months	3 to 6 months	More than 6 months	Impairment
441,399	331,911	109,488	62,040	31,009	8,632	14,947	(7,141)

The Group services a large number of clients in a varied range of business areas. The largest clients are international groups. The largest client represents around 2.5% of Group revenue. No other client exceeds 2.3% of revenue (more than 5,000 clients in total). The solvency of international clients and the considerable dispersion of other clients limit credit risk.

6.2.4 – Exposure to banking counterparty risk

The Group has established a policy for selecting authorised banks to act as counterparties for all subsidiaries. This policy makes it mandatory to deposit cash with authorised banks. Moreover, only leading banks are authorised, thus limiting counterparty risk.

6.2.5 – Exposure to liquidity risk

As at 31 December 2018, the Group's financing via Ipsos SA took the form of:

- a 7-, 10- and 12-year $300 million USPP 2010 bond issue, with $215 million remaining outstanding (€187.7 million);

- a Schuldschein loan contracted on 7/11/2013. The €12 million tranche remains outstanding as at 31 December 2018;

- a Schuldschein loan contracted on 7/12/2016 with a tranche of €138 million and another tranche of $90 million, fully drawn to €216 million as at 31 December 2018;

- a loan arranged by Regional Financing Company SA on 15/12/2017 for €30 million;

- in addition, a €300 million bond issue was completed on 21/09/2018;

- the balance of the loan issue expenses of the CS215 is €795k.

The Group's objective is to manage the financing in order have less than 20% of borrowings maturing within one year. The following table shows undiscounted contractual cash flows from financial liabilities (excluding derivative instruments):

In thousand euros	Carrying amount	Undiscounted contractual cash flows	Schedule					
		Total	2018	2019	2020	2021	2022	> 2022
Bond issue USPP 2010 (Ipsos SA)	180,394	187,773	-	161,572	-	26,201	-	-
Bond issue (2018)	296,386	300,000	-	-	-	-	-	300,000
2013 Schuldschein loan (Ipsos SA)	11,982	12,000	-	12,000	-	-	-	-
2016 Schuldschein loan (Ipsos SA)	216,070	216,603	5,000	-	136,858	-	74,745	-
Syndicated loan €215 million (Ipsos SA)	(795)	-	-	-	-	-	-	-
Other borrowings (subsidiaries)	30,000	30,000	-	-	30,000	-	-	-
Debt linked to finance leases	632	587	281	299	7		-	-
Other financial liabilities	114	114	8	6	98	1		-
Accrued interests on financial liabilities	5,284	5,284	5,284	-	-	-	-	-
Bank overdrafts	2,827	2,827	2,827	-	-	-	-	-
Borrowings and other financial liabilities	**742,893**	**755,187**	**13,401**	**173,877**	**166,963**	**26,202**	**74,745**	**300,000**

The Group is committed to attaining certain financial ratios (such as consolidated net debt/consolidated EBITDA (i.e. operating margin before amortisation and depreciation), consolidated EBIT (i.e. operating margin)/net consolidated interest expenses and consolidated net debt/consolidated equity). The levels of the financial ratios to which the Group is committed are as follows:

Financial ratios	Level to be achieved
1. Consolidated net debt/consolidated shareholders' equity	<1
2. Consolidated net debt/consolidated EBITDA	<3.5
3. Operating profit/consolidated net interest expenses	> 3.75

6.3 – Financial instruments

The only financial instruments recognised at the balance sheet date are interest-rate instruments. They do not qualify as a hedge accounting relationship and are stated on the balance sheet at fair value, except for interest rate swaps covering a third of the USPP qualifying as a fair value hedge, and the currency swap hedging EUR/CAD exchange rate risk on an intercompany loan in euros for a Canadian subsidiary.

6.3.1 – Financial instruments recorded in the balance sheet

			31/12/2018						
In thousand euros	**Balance sheet value**	**Fair value**	**Fair value through profit & loss**	**Fair value through goodwill**	**Assets available for sale**	**Loans and receivables**	**Miscellaneous liabilities**	**Debt at amortised cost**	**Derivative instruments**
Other non-current financial assets	35,317	35,317	-	-	15,046	20,271	-	-	-
Trade receivables and related accounts	634,941	634,941	-	-	-	634,941	-	-	-
Other receivables and current assets (1)	18,555	18,555	-	-	-	18,555	-	-	-
Financial instruments assets	500	500	-	-	-	-	-	-	500
Cash and cash equivalents	167,834	167,834	167,834	-	-	-	-	-	-
Assets	**856,851**	**856,851**	**167,834**	**-**	**15,046**	**673,767**	**-**	**-**	**500**
Long term financial debts (> 1 year)	729,180	721,983	-	-	-	-	-	729,180	-
Trade payables	276,266	276,266	-	-	-	-	276,266	-	-
Short term financial debts (< 1 year)	13,713	13,713	-	-	-	-	-	13,713	-
Other debts and current and non-current liabilities (2) (3)	27,227	27,227	16,229	9,807	-	-	1,191	-	-
Liabilities	**1,046,386**	**1,039,189**	**16,229**	**9,807**	**-**	**-**	**277,457**	**742,893**	**-**

(1) Excluding advances and payments on account, other tax and social security receivables and prepaid expenses.

(2) Excluding advances and payments on account from clients, tax and social security liabilities, prepaid income and other liabilities except current accounts of minority interests.

(3) The provisions for earn-out payments recognised on the acquisition of Synthesio and Clintelica at 31 December 2018 for a total of €7 million were classified under "fair value through goodwill". Since the purchase price allocation was provisional at the end of 2018, the amount may be revised in 2019 as an offsetting entry to goodwill, as allowed under IFRS 3.

			31/12/2017						
In thousand euros	Balance sheet value	Fair value	Fair value through profit & loss	Fair value through goodwill	Assets available for sale	Loans and receivables	Assets held to maturity	Debt at amortised cost	Derivative instruments
Other non-current financial assets	21,425	21,425	-	-	2,179	19,246	-	-	-
Trade receivables and related accounts	617,660	617,660	-	-	-	617,660	-	-	-
Other receivables and current assets (1)	15,316	15,316	-	-	-	15,316	-	-	-
Financial instruments assets	1,462	1,462	-	-	-	-	-	-	1,462
Cash and cash equivalents	137,267	137,267	137,267	-	-	-	-	-	-
Assets	**793,130**	**793,130**	**137,267**	**-**	**2,179**	**652,222**	**-**	**-**	**1,462**
Long term financial debts (> 1 year)	577,432	571,540	-	-	-	-	-	577,432	-
Trade payables	259,432	259,432	-	-	-	259,432	-	-	-
Short term financial debts (< 1 year)	25,527	25,527	-	-	-	-	-	25,311	216
Other debts and current and non-current liabilities (2)	28,030	28,030	23,121	3,349	-	1,560	-	-	-
Liabilities	**890,421**	**884,529**	**23,121**	**3,349**	**-**	**260,992**	**-**	**602,743**	**216**

(1) Excluding advances and payments on account, other tax and social security receivables and prepaid expenses.
(2) Excluding advances and payments on account from clients, tax and social security liabilities, prepaid income and other liabilities except current accounts of minority interests.

The main valuation methods applied are as follows:

Investments in non-consolidated companies, included in "Other financial assets" are stated at fair value in the balance sheet, in accordance with IAS 39. The fair value of investments in non-consolidated companies not traded in an active market corresponds to their cost.

Financing loans are stated at amortised cost measured using the effective interest method.

Derivative financial instruments that are not deemed to be hedging instruments are, in accordance with IAS 39 recognised at their fair value in profit or loss. The valuation of their fair value is based on observable market data (Level 2 fair value).

The fair value of trade receivables and payables is considered as being equivalent to carrying amount, after deducting accumulated impairment if any due to their very short maturities.

The same applies to cash and cash equivalents. Other debts and current and non-current liabilities mainly correspond to the purchase of minority interests. The valuation of their fair value is obtained using valuation techniques but at least one of the important items of entry data is based on non-observable market data (Level 3 fair value).

6.3.2 – Financial instruments reported in the income statement

In thousand euros	31/12/2018					
	Interest on assets revalued at fair value	Debt at amortised cost		Loans and receivables		Change in value of derivatives
		Currency effects	Interest	Currency effects	Impairment and other reversals	
Operating profit	-	-	-	-	(1,162)	-
Cost of net financial debt	1,097	-	(22,641)	-	-	262
Other financial income and expense	6,437	-	-	(1,456)	-	-

In thousand euros	31/12/2017					
	Interest on assets revalued at fair value	Debt at amortised cost		Loans and receivables		Change in value of derivatives
		Currency effects	Interest	Currency effects	Impairment and other reversals	
Operating profit	-	-	-	-	(2,133)	-
Cost of net financial debt	2,050	-	(22,819)	-	-	390
Other financial income and expense	107	-	-	526	-	-

6.3.3 – Information on interest rate and currency derivative instruments

In thousand euros	31/12/2018					
	Balance sheet value		Notional	Maturities		
	Assets	Liabilities		> 1 year	1 to 5 years	+5 year
Exchange rate risk						
Interest rate swaps	144	-	87,336	-	87,336	-
Tunnels	60	-	13,100	-	13,100	-
Currency swaps	296	-	30,000	-	30,000	
Sub-total	**500**	**-**	**130,437**	**-**	**130,437**	**-**

In thousand euros	31/12/2017					
	Balance sheet value		Notional	Maturities		
	Assets	Liabilities		> 1 year	1 to 5 years	+5 year
Interest rate risk						
Interest rate swaps	1,456	(215)	113,382	30,000	83,382	-
Tunnels	5	-	12,507	-	12,507	-
Sub-total	**1,462**	**215**	**125,889**	**30,000**	**95,889**	**-**

6.4 – Off-balance sheet commitments

6.4.1 – Lease commitments

Minimum future lease payments on non-cancellable operating leases are as follows:

In thousand euros	31/12/2018	31/12/2017
Less than 1 year	34,480	34,262
Between 1 and 5 years	130,573	94,878
5 years or more	29,024	30,508
Total	**194,077**	**159,648**

Operating leases mainly relate to administrative premises. All these premises are used by the Ipsos Group and could be sub-let if necessary.

6.4.2 – Finance lease commitments

The value of future payments on the debt portion of finance leases, and on leased assets recognised as acquisitions, are as follows:

In thousand euros	31/12/2018	31/12/2017
Less than 1 year	631	645
Between 1 and 5 years	995	988
5 years or more	-	-
Total minimum payments	**1,626**	**1,633**
Less financial expenses included	-	-
Present value of future minimum payments	**1,626**	**1,633**

Finance leases mainly concern IT hardware.

6.4.3 – Other commitments and litigation

The Group is not involved in any material litigations as at 31 December 2018.

6.4.4 – Contingent liabilities

In the normal course of business, there are risks in certain countries that the government may call into question the Company's tax or labour practices, which may result in a reassessment. The Group is involved in a number of tax inspections and labour claims in a number of countries. Provisions have been set aside for the probable risks identified (see Note 5.10 "Current and non-current provisions").

The financial implications of these tax reassessments are accounted for by setting aside provisions for the amounts notified by the authorities and accepted by Ipsos' management. The reassessments are taken into account on a case- by-case basis based on estimates factoring in the risk that the validity of the measures and proceedings initiated by the Company may not be recognised.

Ipsos' management believes that such reassessments in progress are unlikely to have a material impact on the Company's operating profit, financial condition or liquidity position.

6.4.5 – Commitments received: credit lines received and not drawn

In thousand euros	31/12/2018	31/12/2017
Less than 1 year	40,000	175,000
Between 1 and 5 years (*)	610,000	280,148
5 years or more	-	-
Total	**650,000**	**455,148**

(*) of which more than €400 million at more than three years at the end of December 2018

6.5 – Acquisition-related commitments

Commitments to purchase minority interests, deferred payments and earn-out payments that are discounted and recognised as non-current liabilities at 31 December 2018, or current liabilities if due in less than one year, break down as follows:

In thousand euros	≤ 1 year	1 to 5 years	> 5 years	Total
Deferred payments and earn-out payments	-	-	-	-
Central Europe	344	4,140	-	4,483
Europe	(54)	2,841	-	2,787
North America	-	-	-	-
Latin America	48	-	-	48
Asia-Pacific	-	-	4,534	4,534
Middle East	112	-	-	112
Sub-total	**450**	**6,980**	**4,534**	**11,964**
Commitments to buy out minority interests	-	-	-	-
Europe	714	1,993	-	2,707
North America	10,329	-	-	10,329
Latin America	118	922	-	1,040
Asia-Pacific	-	-	-	-
Middle East	-	-	-	-
Sub-Saharan Africa	-	-	-	-
Sub-total	**11,161**	**2,915**	**-**	**14,076**
Total	**11,611**	**9,895**	**4,534**	**26,039**

6.6 – Year-end headcount

Fully-consolidated companies	Headcount as at 31/12/2018	Headcount as at 31/12/2017
Europe, Middle East, Africa	9,146	8,339
Americas	4,939	3,558
Asia-Pacific	3,902	4,767
TOTAL	**17,987**	**16,664**

6.7 – Related-party transactions

6.7.1 – Related parties

None

6.7.2 – Associates

Associates are companies in which Ipsos owns a stake of between 20% and 50% and over which it exerts notable influence. Associates are accounted for under the equity method.

Transactions with associates take place on the basis of market prices.

Transactions with these related parties were not material at 31 December 2018.

6.7.3 – Related parties with notable influence over the Group

There are no transactions with any member of the management bodies or with any shareholder owning more than 5% of Ipsos SA's capital that is other-than-ordinary.

6.7.4 – Executive compensation

Executives include persons who at the close or during the year were members of the Executive Committee and/or members of the Board of Directors. The Executive Committee is comprised of 22 members, and the Board of Directors has 10 members, including six external directors at 31 December 2018.

In thousand euros	31/12/2018			31/12/2017		
	Executive Committee		External directors*	Executive Committee		External directors*
	Directors	Non-directors		Directors	Non-directors	
Total gross compensation and benefits(1)	1,489	9,354	120	1,372	8,738	139
Termination benefits(2)	-	-	-	-	-	-
Share-based payments(3)	345	1,695		294	1,884	-

**Directors who are not members of the Executive Committee receive only attendance fees.*

(1) Compensation and benefits, bonuses, indemnities, attendance fees and benefits in kind paid during the year excluding employer's social security charges.
(2) Expense recognised in the income statement for provisions for severance or termination benefits.
(3) Expense recognised in the income statement for stock option or free share plans.

6.8 – Subsequent events

There are no significant subsequent events.

6.9 – Information on Ipsos SA parent company financial statements

In the year ended 31 December 2018, operating income of the Ipsos SA parent company amounted to €35,486,887 and net profit was €23,425,986.

7 – Scope of consolidation at 31 December 2018

7.1 – Scope of consolidation

The following companies are included in the scope of consolidation:

Fully consolidated companies

Consolidated companies	Legal form	% voting rights	% interest 2018	Country	Address
Ipsos	SA	Parent	100.00	France	35, rue du Val de Marne 75013 Paris
Europe					
Ipsos Group Gie	GIE	100.00	100.00	France	35, rue du Val de Marne 75013 Paris
Ipsos France	Simplified joint-stock company (SAS)	100.00	100.00	France	35, rue du Val de Marne 75013 Paris
Ipsos Observer	SA	100.00	99.99	France	35, rue du Val de Marne 75013 Paris
Popcorn Media	SA	99.99	99.98	France	35, rue du Val de Marne 75013 Paris
GIE IPSOS	GIE	100.00	100.00	France	35, rue du Val de Marne 75013 Paris
Ipsos Ocean Indien	Limited liability company (SARL)	100.00	100.00	France	158, rue Juliette Dodu 97400 Saint Denis - La Réunion
Ipsos Antilles	Simplified joint-stock company (SAS)	100.00	100.00	France	Les Hauts de Californie, Morne Pavillon, 97232 Le Lamentin
Synthesio SAS	Simplified joint-stock company (SAS)	99.94	99.94	France	8-10 Rue Villedo - 75001 Paris
Espaces TV	SA	100.00	100.00	France	30, rue d'Orléans, 92200 Neuilly sur Seine
Ipsos MORI UK Ltd	Ltd.	100.00	100.00	United Kingdom	3 Thomas More Square, London E1W 1YW
Price Search	Ltd.	100.00	100.00	United Kingdom	3 Thomas More Square, London E1W 1YW
Ipsos Interactive Services Ltd	Ltd.	100.00	100.00	United Kingdom	3 Thomas More Square, London E1W 1YW
M&ORI Limited	Ltd.	100.00	100.00	United Kingdom	3 Thomas More Square, London E1W 1YW
MORI Ltd	Ltd.	100.00	100.00	United Kingdom	3 Thomas More Square, London E1W 1YW
Ipsos EMEA Holding Limited	Ltd.	100.00	100.00	United Kingdom	3 Thomas More Square, London E1W 1YW
Ipsos Pan Africa Holdings Limited	Ltd.	100.00	100.00	United Kingdom	3 Thomas More Square, London E1W 1YW
Synovate Healthcare Limited	Ltd.	100.00	100.00	United Kingdom	3 Thomas More Square, London E1W 1YW
Ipsos Retail Performance Ltd	Ltd.	100.00	100.00	United Kingdom	Beech House, Woodlands Business Park, Milton Keynes - MK14 6ES
Ipsos Mystery Shopping UK Ltd	Ltd.	100.00	100.00	United Kingdom	3 Thomas More Square, London E1W 1YW
Ipsos Mystery Shopping S UK Lt	Ltd.	100.00	100.00	United Kingdom	3 Thomas More Square, London E1W 1YW
Synthesio Ltd	Ltd.	100.00	99.94	United Kingdom	28 Brunswick Place N1 6DZ - London
Ipsos Limited	Ltd.	100.00	100.00	Ireland	Block 3, Blackrock Business Park, Blackrock, Co Dublin
Ipsos GmbH	Gmbh	100.00	100.00	Germany	Sachsenstrasse 6, 20097 Hamburg
IPSOS Operations GmbH	Gmbh	100.00	100.00	Germany	Sachsenstrasse 6, 20097 Hamburg
Ipsos Loyalty	Gmbh	100.00	100.00	Germany	Sachsenstrasse 6, 20097 Hamburg

Consolidated companies	Legal form	% voting rights	% interest 2018	Country	Address
Trend.test GmbH	Gmbh	100.00	100.00	Germany	Kolonnenstrasse 26, 2,Hof,1,OG 10829 Berlin
Ipsos Bahnreisenforschung GmbH	Gmbh	100.00	100.00	Germany	Elektrastraße 6, 81925 München
1-2-3 MysteryWorldNet GmbH	Gmbh	100.00	100.00	Germany	Herrengraben 204593 Hamburg
Ipsos Srl	SRL	100.00	100.00	Italy	Via Tolmezzo 15, 20132 Milano
Ipsos Iberia, SA	SA	100.00	100.00	Spain	Avenida de llano Castellano, 13, 3a Planta, 28034 Madrid
IPSOS UNDERSTANDING UNLTD.,SAU	SAU	100.00	100.00	Spain	Avenida de llano Castellano, 13, 3a Planta, 28034 Madrid
Ipsos Holding Belgium	SA	100.00	100.00	Belgium	Paepsemlaan 11, 1070 Anderlecht
Ipsos NV (Belgium)	SA	100.00	100.00	Belgium	Grote Steenweg 110-2600, Berchem
Social Karma	SA	100.00	99.94	Belgium	Rue du Belvédère 29 Brussels
IPSOS HUNGARY ZRT	Zrt.	100.00	100.00	Hungary	Pap Károly u. 4-6, Budapest, H-1139
Synovate - Investigação de Mercado, Lda	Lda	100.00	100.00	Portugal	Rua Ramalho Ortigão No. 8-2˚ Dto., 1070-230 Lisboa
Ipsos Sp. z o. o.	sp z.o.o.	100.00	100.00	Poland	ul. Domaniewska 34A, 02-672, Warsaw
Ipsos AB	AB	100.00	100.00	Sweden	S:t Göransgatan 63, Box 12236, 102 26 Stockholm
Ipsos NORM AB	AB	100.00	100.00	Sweden	Hälsingegatan 49, 5tr 113 31 Stockholm
Ipsos AS	AS	100.00	100.00	Norway	Karenslyst Allé 20, 0278 Oslo , Postal: Postboks 64 Skøyen, 0212 Oslo
Ipsos A/S	AS	100.00	100.00	Denmark	Store Kongensgade 1, 1. 1264 Copenhagen K
Ipsos interactive Services SRL	SRL	100.00	100.00	Romania	319G Splaiul Independentei, Atrium House, Ground floor, 060044 Bucharest, 6th district
Ipsos Research S.R.L.	SRL	100.00	100.00	Romania	Str. Siriului Nr.20, Zona A. Copr A, ET.1.014354, Bucharest, 1st district
Ipsos Digital S.R.L.	SRL	100.00	100.00	Romania	Bucuresti Sectorul 6, Splaiul INDEPENDENTEIL, Nr. 319G, CLADIRAE C1 (ATRIUM HOUSE), PARTER, ZONA A, CORP A
Ipsos Eood	EOOD	100.00	100.00	Bulgaria	119 Europa Boulevard, 5th Floor, Sofia 1324
Ipsos Comcon LLC	LLC	100.00	100.00	Russia	3, Bld.2, Verhn. Krasnoselskaya St., 107140, Moscow, Russia
IPSOS s.r.o.	s.r.o	78.70	78.70	Czech Republic	Slovansky dum, entrance E, Na Prikope 22, Praha 1, 110 00
IPSOS s. r. o.	s.r.o	100.00	78.70	Slovak	Heydukova 12, 811 08 Bratislava
Ipsos GmbH	SRL	100.00	78.70	Austria	Rotenturmstraße 16-18 / 7th floor, Vienna, 1010
Ipsos LLC	LLC	100.00	100.00	Ukraine	6A Volodimirskaya street, office 1, 01025 Kiev, Ukraine
Ipsos SA	S.A.	100.00	100.00	Switzerland	11 Chemin du Château-Bloch, 1219 Le Lignon, Geneva
Ipsos	A.S.	100.00	100.00	Turkey	Centrum Is Merkezi Aydinevler No 3-34854 Kucukyali, Istanbul
Synovate (Holdings) South Africa Pty Ltd	Pty Ltd.	100.00	100.00	South Africa	Building 3 & 4, Prism 2055 Fourways Johannesburg
Ipsos (PTY) LTD	Pty Ltd.	100.00	100.00	South Africa	Building 3 & 4, Prism 2055 Fourways Johannesburg
Ipsos Strategic Puls SAS	Simplified joint-stock company (SAS)	90.80	90.80	France	35, rue du Val de Marne 75013 Paris
IPSOS STRATEGIC MARKETING DOO.	d.o.o	100.00	90.80	Serbia	Gavrila Principa 8, 11000 Belgrade
Ipsos d.o.o	d.o.o	100.00	90.80	Croatia	Šime Ljubića 37, 21000 Split
IPSOS Strategic Puls dooel	d.o.o.e.l.	100.00	90.80	Macedonia	Kairska 31, Skopje
IPSOS STRATEGIC PULS D.O.O.	d.o.o.	100.00	90.80	Montenegro	Bulevar Svetog Petra Cetinjskog 149, Podgorica

Consolidated companies	Legal form	% voting rights	% interest 2018	Country	Address
Ipsos d.o.o.	d.o.o.	100.00	90.80	Slovenia	Leskoškova 9E, 1000 Ljubljana
Ipsos d.o.o.	d.o.o.	100.00	90.80	Bosnia	Hamdije Kreševljakovića 7c, Sarajevo, BIH
STRATEGIC PULS RESEARCH	Sh.P.K.	100.00	90.80	Albania	Rr. Frosina Plaku. Godina 8 kate, apt.7, kati 2, 1020 Tirana
Ipsos DOOEL - Dega Ne Kosove	Branch	90.80	90.80	Kosovo	Emin Duraku No.: 16 10000 Prishtina
Ipsos Nigeria Limited	Ltd.	100.00	100.00	Nigeria	No.70 Adeniyi Jones Avenue, Ikeja, Lagos
Ipsos (East Africa) Limited	Ltd.	60.00	60.00	Kenya	Acorn House, 97 James Gichuru Road, Lavington P.O. Box 68230 – 00200 City Square, Niarobu
Ipsos Limited	Ltd.	100.00	100.00	Kenya	Acorn House, 97 James Gichuru Road, Lavington P.O. Box 68230 – 00200 City Square, Niarobu
Ipsos Limited	Ltd.	100.00	100.00	Ghana	Farrar Avenue 4, Asylum Down, PMB7, Kanda, Accra
Ipsos SARL	S.A.R.L	100.00	100.00	Ivory Coast	2 Plateaux Boulevard Lattrille Carrefour Macaci Rue J54 Villa duplex No 69 BP 2280 Abidjan 11
Ipsos Moçambique, LDA	Ltd.	100.00	100.00	Mozambique	AV Francisco Orlando Magumbwe No 528, Maputo
IPSOS LTD	Ltd.	100.00	100.00	Uganda	Padre Pio House, Plot 32 Lumumba Road, PO Box 21571, Kampala
IPSOS TANZANIA LIMITED	Ltd.	100.00	100.00	Tanzania	Plot 172 Regent Estate, PO Box 106253 Mikocheni,Dar Es Salaam
Ipsos Limited	Ltd.	100.00	100.00	Zambia	Plot 9632 Central Street, Chudleigh, PO Box 36605, Lusaka
Ipsos Senegal	SASU	100.00	100.00	Senegal	Agora VDN Villa N°7, Fann Mermoz Dakar Fann BP 25582
Synovate Holdings BV	BV	100.00	100.00	Netherlands	Amstelveenseweg 760, 1081JK, Amsterdam
Ipsos B.V.	BV	100.00	100.00	Netherlands	Amstelveenseweg 760, 1081JK, Amsterdam
Ipsos NORM B.V.	BV	100.00	100.00	Netherlands	Amstelveenseweg 760, 1081JK, Amsterdam
Ipsos A.E.	A.E.	100.00	100.00	Greece	8 Kolokotroni Street 10561 Athens
Ipsos Market Research LTD	Ltd.	100.00	100.00	Cyprus	2-4 Arch. Makarios III Avenue, Capital Center, 9th Floor, 1065 Nicosia
Portdeal Ltd	Ltd.	100.00	100.00	Cyprus	Themistokli, Dervi 3 Julia House, P.C. 1066, Nicosia
Regional Financing Company S.A.	SA	100.00	100.00	Luxembourg	15, avenue Emile Reuter L-2420 Luxembourg
North America					
Ipsos America	Inc.	100.00	100.00	USA	301 Merritt 7, Norwalk, CT 06851
Ipsos Insight	LLC	100.00	100.00	USA	301 Merritt 7, Norwalk, CT 06851
Ipsos Insight Corporation	Corp.	100.00	100.00	USA	301 Merritt 7, Norwalk, CT 06851
Ipsos Interactive Services US	Inc.	100.00	100.00	USA	301 Merritt 7, Norwalk, CT 06851
Ipsos Public Affairs, LLC.	Inc.	100.00	100.00	USA	301 Merritt 7, Norwalk, CT 06851
Ipsos MMA, Inc.	Inc.	97.40	97.40	USA	301 Merritt 7, Norwalk, CT 06851
Research Data Analysis, Inc.	Inc.	100.00	100.00	USA	450 Enterprise Court Bloomfield Hills, MI 48302
Synthesio INC	Inc.	100.00	99.94	USA	35 West 31 Street - 5th floor New York
Ipsos NPD Inc.	Inc.	100.00	100.00	Canada	240 Duncan mill Road, suite 2240, Toronto, Ontario
Ipsos Corp.	Inc.	100.00	100.00	Canada	1285 West Pender Street, Suite 200, Vancouver, BC V6E 4B1
Ipsos Interactive Services LP	LP	100.00	100.00	Canada	1075 W Georgia St, 17th Floor Vancouver BC V6E 3C9
Ipsos Limited Partnership	LP	100.00	100.00	Canada	1075 W Georgia St, 17th Floor Vancouver BC V6E 3C9
Latin America					
Ipsos Argentina	SA	100.00	100.00	Argentina	Olazábal 1371 – C1428DGE , Buenos Aires, Argentina

Consolidated companies	Legal form	% voting rights	% interest 2018	Country	Address
Ipsos Observer SA	SA	51.00	51.00	Argentina	Olazábal 1371 – C1428DGE , Buenos Aires, Argentina
Ipsos Brasil Pesquisas de Mer.	Ltda	100.00	100.00	Brazil	Av. 9 de Julho, 4865, 7. Andar – Jardim Paulista - CEP 01407-200 Sao Paulo, Estado de São Paulo.
Ipsos Brazil 2011 Pesquisas de Mercado	Ltda	100.00	100.00	Brazil	Calçada Antares 264 - Alphaville - Centro de Apoio 2 - CEP 06541-065 - Santana do Parnaiba, Sao Paulo.
Ipsos CA	C.A.	100.00	100.00	Venezuela	Av. Francisco de Miranda entre primera avenida y avenida Andrés Bello, Edf. Mene Grande I Piso 1 oficina 1-3 Urb. Los Palos Grandes – Caracas (Chacao) Zona Postal 1060
Ipsos SA de CV	SA de CV	100.00	100.00	Mexico	Paseo de las Palmas 500 piso 1. Col Lomas de Chapultepec. Miguel Hidalgo CP 11000 Mexico DF
Field Research de Mexico SA de CV	SA de CV	100.00	100.00	Mexico	Av Ingenieros Militares #85 interior 101 col. Nueva Argentina Delg. Miguel Hidalgo, CP 11230 (DF)
Ipsos CCA Inc	Inc.	100.00	100.00	Panama	816 Edificio Century Tower Avenida Ricardo J Alfaro Panama City Panama
Ipsos SRL	S.R.L.	90.00	90.00	Dominican Republic	Calle Frank Felix Miranda 47, Ensanche Naco, Santo Domingo, D.N., Dominican Republic
Ipsos, S.A.	S.A.	100.00	100.00	Guatemala	13 Calle 2-60, Zona 10 - Edificio Topacio Azul Nivel 8, Of. 803 01010 Guatemala
Ipsos, Inc. (Puerto Rico)	Inc.	100.00	100.00	Puerto Rico	463 Fernando Calder St. 00918 San Juan, Puerto Rico
Ipsos TMG Panama SA	S.A.	100.00	100.00	Panama	816 Edificio Century Tower Avenida Ricardo J Alfaro Panama City Panama
Ipsos TMG SA	Panama Stock Corporation	100.00	100.00	Panama	816 Edificio Century Tower Avenida Ricardo J Alfaro Panama City Panama
Ipsos Opinión y Mercado S.A.	S.A.	100.00	100.00	Peru	Av. Reducto 1363, Miraflores, Lima 18
Premium Data SAC	S.A.C.	100.00	100.00	Peru	Av. Republica de Panama 6352, Miraflores, Lima 18
Ipsos Opinion y Mercado SA	S.A.	100.00	96.80	Bolivia	is Calle Waldo Ballivian # 540 Sopocachi La Paz - Bolivia
Ipsos Ecuador SA	S.A.	100.00	100.00	Ecuador	Javier Aráuz N 36-15 y German Alemán
Servicios Ecuatorianos Atika Sa	S.A.	65.40	65.40	Ecuador	Servicios Ecuatorianos Atica SA, Arauz N36-15 y Alemán, Quito
Ipsos Herrarte, S.A. DE C.V.	Trading	99.00	50.49	El Salvador	79 Avenida Norte y 7 Calle PTE, No. 4109 Cote Escalon, San Salvador.
Ipsos Herrarte SA de CV (Nicaragua)	Trading	99.00	50.49	Nicaragua	Plaza Julio Martinez 1c. abajo, 3c. al sur, 1c. abajo. Managua, Nicaragua RUC.: J0310000176078
Herrarte, S.A. DE C.V.	Trading	99.00	50.49	Honduras	Col. Loma Linda Sur, Segunda Calle, Trece Avenida, Casa No. 32, Bloque H, Atrás de la Iglesia Cristo Viene Tegucigalpa, M.D.C. Honduras, C.A. R.T.N.: 08019008184302
Ipsos SA	S.A.	100.00	100.00	Costa Rica	Barrio Escalante, de la iglesia Santa Teresita 300 metros este, 100 norte y 25 este, San José
Synovate (Costa Rica) SA	S.A.	100.00	100.00	Costa Rica	Barrio Escalante, de la iglesia Santa Teresita 300 metros este, 100 norte y 25 este, San José
Ipsos (Chile) S.A.	S.A.	100.00	100.00	Chile	Pedro de Valdivia 555, piso 10, Providencia, Santiago
Ipsos Observer Chile	SA	100.00	100.00	Chile	Avenida Pedro de Valdivia 555, 7th floor, Providencia, Santiago.
Ipsos ASI Andina SAS	S.A.S.	100.00	100.00	Colombia	Calle 74 No 11 – 81 Piso 5. Bogotá, Colombia
Ipsos Napoleon Franco&Cia SAS	S.A.	100.00	100.00	Colombia	Calle 74 No 11 – 81 Piso 5. Bogotá, Colombia
Synovate Colombia SA	S.A.	100.00	100.00	Colombia	Calle 74 No 11 – 81 Piso 5. Bogotá, Colombia
Livra Europe Ltd	Ltd.	100.00	100.00	United Kingdom	3 Thomas More Square, London E1W 1YW, UK
Livra.com S.A.	SA	100.00	100.00	Argentina	Olazábal 1371 – C1428DGE , Buenos Aires, Argentina
Asia-Pacific					
Ipsos Limited	Ltd.	100.00	100.00	Hong Kong	22F Leighton Centre - 77 Leighton Road, Causeway Bay, Hong Kong

Consolidated companies	Legal form	% voting rights	% interest 2018	Country	Address
Ipsos (China) Consulting Co., Ltd	Ltd.	100.00	100.00	China	Suite 1201-1204, 12F, Union Plaza, No.20, Chaowai Avenue, Beijing
Ipsos Asia Limited	Ltd.	100.00	100.00	Hong Kong	22F Leighton Centre - 77 Leighton Road, Causeway Bay, Hong Kong
Ipsos China Limited	Ltd.	100.00	100.00	Hong Kong	22F Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong
Synovate Ltd	Ltd.	100.00	100.00	Hong Kong	22F Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong
Ipsos Observer Limited	Ltd.	100.00	100.00	Hong Kong	22F Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong
Ipsos Pte Ltd	Pte. Ltd.	100.00	99.99	Singapore	3 Killiney Road, #05-01, Winsland House 1, Singapore 239519
Synthesio Pte Ltd	Ltd.	100.00	99.94	Singapore	1 George Street #10-01 Mid Valley City, Lingkaran Syed Putra 049145
Ipsos Limited	Ltd.	100.00	100.00	Taiwan	25F, No.105, Sec.2, Tun Hwa S. Rd., Da-an District, Taipei 106
Ipsos Co., Ltd	Co. Ltd.	100.00	100.00	Korea	12F Korea Daily Economic BD 463 Cheongpa-Ro, Chung-Ku, Seoul, Korea 04505
IPSOS (PHILIPPINES), INC.	Inc.	100.00	100.00	Philippines	Unit 1401B, One Corporate Centre, Julia Vargas Avenue corner Meralco Avenue, Ortigas Center, Pasig City, Philippines.
Ipsos Inc.	Inc.	100.00	100.00	Philippines	Unit 1401B, One Corporate Centre, Julia Vargas Avenue corner Meralco Avenue, Ortigas Center, Pasig City, Philippines.
Ipsos Ltd	Ltd.	100.00	100.00	Thailand	19th Floor, Empire Tower, 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
PT Ipsos Market Research	PT	100.00	100.00	Indonesia	Gedung Graha Arda Lt. 3, Jl. H.R. Rasuna Said Kav. B-6, Setiabudi, Jakarta Selatan 12910
IPSOS SDN BHD	Sdn Bhd	100.00	100.00	Malaysia	23rd Floor, Centrepoint NorthMid Valley City, Lingkaran Syed Putra59200 Kuala Lumpur
IJD Limited	Ltd.	100.00	100.00	Thailand	Asia Centre Building, 21st, 22nd Floor, 173 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
PT. Field Force Indonesia	PT	100.00	100.00	Indonesia	Gedung Graha Arda Lt. 3, Jl. H.R. Rasuna Said Kav. B-6, Setiabudi, Jakarta Selatan 12910
Ipsos Radar Market Consulting	Ltd.	100.00	100.00	China	Room 3409 - International Trade Center Ren Min Nan Road , Shenzhen, China
Ipsos LLC	LLC	100.00	100.00	Vietnam	Level 9A, Nam A Bank Building, 201-203 Cach Mang Thang 8 street, District 3, Ho Chi Minh City
Synovate Ltd Korea Branch	Branch	100.00	100.00	Korea	12F Korea Daily Economic BD 463 Cheongpa-Ro, Chung-Ku, Seoul, Korea 04505
Ipsos Pty Ltd	Pty Ltd.	100.00	100.00	Australia	Level 13, 168 Walker Street, North Sydney NSW 2060, Australia
I-View Pty Ltd	Pty Ltd.	100.00	100.00	Australia	Level 14, 168 Walker Street, North Sydney NSW 2060, Australia
Ipsos Public Affairs Pty Ltd	Pty Ltd.	100.00	100.00	Australia	Level 13, 168 Walker Street, North Sydney NSW 2060, Australia
IPSOS LTD.	Ltd.	100.00	100.00	New Zealand	Level 3 , 8 Rockridge Avenue, Penrose 1061. Auckland, New Zealand
Ipsos KK	KK	100.00	100.00	Japan	1-12-12 Higashitenma、Kita-Ku, Osaka, 530-0044 Japan
Japan Marketing Operations Co.	KK	100.00	100.00	Japan	1-12-12 Higashitenma、Kita-Ku, Osaka, 530-0044 Japan
Ipsos Japan Holding co ltd	KK	100.00	100.00	Japan	1-12-12 Higashitenma、Kita-Ku, Osaka, 530-0044 Japan
Ipsos Healthcare Japan Ltd	Private company limited by shares	100.00	100.00	Japan	Hulic Kamiyacho Building, 4-3-13, Toranomon, Minato-ku, Tokyo, 105-0001
Ipsos Research Pvt.Ltd	Pvt Ltd	100.00	100.00	India	1701, F Wing, Off Western Highway, Goregaon East Mumbai 400063
Ipsos LLP	Limited Liability Partnership	100.00	100.00	Kazakhstan	Tole Bi Str. 101, Dalych Business Center, Block "A", Office 5 "A", Almalinskiy Raion, Almaty, 050012 Republic of Kazakhstan
Middle East and North Africa					
Ipsos STAT SA	SA	52.67	52.67	France	35, rue du Val de Marne 75013 Paris

Consolidated companies	Legal form	% voting rights	% interest 2018	Country	Address
Ipsos SAL	S.A.L	93.33	49.16	Lebanon	Ipsos Building Freeway Street, Dekwaneh Beirut
AGB STAT Ipsos SAL	S.A.L	58.00	43.76	Lebanon	Ipsos Building Freeway Street, Dekwaneh Beirut
Ipsos Mena Offshore s.a.l.	S.A.L	98.66	51.96	Lebanon	Ipsos Building Freeway Street, Dekwaneh Beirut
Ipsos Stat Jordan (Ltd)	LLC	100.00	52.67	Jordan	Wasfi Al Tal Str, P.O. BOX 830871, Amman-11183
The European Co. for Marketing Research	LLC	100.00	52.67	Kuwait	Beirut Street, PO Box 22417, Safat 13085, Hawally
Ipsos Stat (Emirates) LLC	LLC	42.14	42.14	United Arab Emirates	Al Thuraya Tower 1, 8th Floor, Dubai Media City, PO BOX 71283, Dubai
Ipsos Stat FZ	LLC	100.00	52.60	United Arab Emirates	Al Thuraya Tower 1, 8th Floor, Dubai Media City, PO BOX 71283, Dubai
Ipsos Saudi Arabia LLC	Ltd.	100.00	52.60	Saudi Arabia	Tahlia Street,Yamamah Building– Office 31, P.O Box 122200 Jeddah 21332
Ipsos WLL	W.L.L.	99.00	52.14	Bahrain	Al Ain Building, Flat 11, Building 92, Road 36,Block 334, Manama/Al Mahooz
Ipsos Egypt For Consultancy Services	S.A.E	100.00	52.67	Egypt	35A Saray ElMaadi Tower, 4th floor, Cornish El-Nile, Maadi, Cairo
Iraq Directory for Research and Studies Co.Ltd	Co. Ltd.	70.00	36.87	Iraq	Al-Ahtamia, Najib Basha, Mahala 306, Street 13, Building 91
Synovate The Egyptian Market Research Co	LLC	100.00	52.67	Egypt	N35A Saray ElMaadi Tower, 4th floor, Cornish El-Nile, Maadi, Cairo, Egypt
Marocstat	S.A.R.L	99.00	52.14	Morocco	16, Rue des Asphodèlles - Maârif- Casablanca 20380, 5e étage
MDCS	S.A.R.L	100.00	52.14	Morocco	16, Rue des Asphodèlles - Maârif- Casablanca 20380, 5e étage
Synovate Market Research Sarl	S.A.R.L	100.00	52.67	Morocco	16, Rue des Asphodèlles - Maârif- Casablanca 20380, 5e étage
EURL Synovate	E.U.R.L.	100.00	100.00	Algeria	Lotissement AADL Villa n°13-Saïd HAMDINE. Bir MouradRais. Algiers
Ipsos SARL	S.A.R.L	100.00	52.66	Creation Tunisia	Immeube Luxor, 3ème Etage, Centre Urbain Nord, 1082 Tunis
Ipsos Market Research Ltd	Ltd.	100.00	100.00	Israel	Tuval 13, 525228 Ramat Gan
Ipsos Qatar WLL	Limited Liability Company	50.00	50.00	Qatar	IBA Building, 1st floor, C Ring Road, Doha Qatar
Ipsos Pakistan	Pvt. Ltd.	36.87	36.90	Pakistan	4th Floor, Tower 10, MPCHS, E-11/1 Islamabad-Pakistan

Equity associated companies

Consolidated companies	Legal form	% voting rights	% interest 2018	Country	Address
APEME	Lda	25.00	25.00	Portugal	Avenida Duque de Ávila, nº 26 – 3º andar 1000 – 141 Lisbon
Ipsos-Opinion S.A	A.E.	30.00	30.00	Greece	8 Kolokotroni Street 10561 Athens
Shanghai Ipsos Info Technology Co Ltd	Ltd.	40.00	40.00	China	Room 581, Gate 2, No. 148, Lane 999, Xin'er Road, Baoshan District. Shanghai. China
Zhejiang Oneworld BigData Investment Co Ltd	Ltd.	40.00	40.00	China	Room 657, No.5. Building, Meishan Avenue business center, Beilun District, Ningbo, Zhejiang.

8 – Auditors' fees

	Grant Thornton				**Mazars**				**TOTAL**			
	Amount (excluding taxes)		**%**		**Amount (excluding taxes)**		**%**		**Amount (excluding taxes)**		**%**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Statutory Auditors, certifications, review of individual and consolidated accounts												
Ipsos S.A.	*336*	*330*	*21%*	*24%*	*415*	*408*	*18%*	*21%*	*751*	*738*	*19%*	*22%*
- Fully integrated subsidiaries	*1,050*	*1,039*	*67%*	*76%*	*1,497*	*1,539*	*65%*	*79%*	*2,547*	*2,578*	*66%*	*78%*
Subtotal Accounts Certification	**1,386**	**1,369**	**89%**	**100%**	**1,912**	**1,947**	**82%**	**100%**	**3,298**	**3,316**	**85%**	**100%**
Services other than certification of accounts												
Ipsos S.A.	*180*	*-*	*11%*	*-*	*398*	*-*	*17%*	*-*	*578*	*-*	*15%*	*-*
- Fully integrated subsidiaries	*-*	*-*	*-%*	*-*	*10*	*-*	*-*	*-*	*10*	*-*	*-*	*-*
Subtotal Services other than certification of accounts	**180**	**-**	**11%**	**-**	**408**	**-**	**18%**	**-**	**588**	**-**	**15%**	**-**
TOTAL	**1,566**	**1,369**	**100%**	**100%**	**2,320**	**1,947**	**100%**	**100%**	**3,886**	**3,316**	**100%**	**100%**

Services other than account certification cover the services required by laws and regulations and services provided at the entity's request. These include, in particular, the comfort letter issued in connection with the Group's bond issue, work on the different acquisition projects and work on various tax topics (tax compliance in particular).