20.2. Consolidated financial statements

for the year ended 31 December 2017

1. Consolidated income statement **161**
2. Statement of comprehensive income **162**
3. Consolidated balance sheet **162**
4. Consolidated cash flow statement **163**
5. Statement of changes in consolidated shareholders' equity **164**

Notes to the consolidated financial statements **167**

1. Information about the Company and principal accounting policies **167**
1.1 Information about the Company 167
1.2 Principal accounting policies 167

2. Changes in the scope of consolidation **177**
2.1 Transactions during 2017 177
2.2 Transactions during 2016 178

3. Area reporting **179**
3.1 Area reporting as at 31 December 2017 179
3.2 Area reporting as at 31 December 2016 179
3.3 Reconciliation of area assets with total Group assets 179

4. Notes to the income statement **180**
4.1 Direct costs 180
4.2 Other operating income and expenses 180
4.3 Amortisation of intangible assets identified on acquisitions 180
4.4 Other non-current income and expenses 180
4.5 Financial income and expenses 181
4.6 Current and deferred taxes 181
4.7 Adjusted net earnings 183
4.8 Earnings per share 184
4.9 Dividends paid and proposed 185

5. Notes on the statement of consolidated financial position **185**
5.1 Goodwill 185
5.2 Other intangible assets 187
5.3 Property, plant and equipment 188
5.4 Investment in associates 188
5.5 Other non-current financial assets 189
5.6 Trade receivables 189
5.7 Other current assets 190
5.8 Shareholders' equity 190
5.9 Financial debt 192
5.10 Current and non-current provisions 194
5.11 Pensions and similar liabilities 194
5.12 Other current and non-current liabilities 198

6. Additional information **199**
6.1 Notes on the consolidated cash flow statement 199
6.2 Financial risk management objectives and policies 199
6.3 Financial instruments 203
6.4 Off-balance sheet commitments 207
6.5 Year-end headcount 208
6.6 Related-party transactions 208
6.7 Post-balance sheet events 209
6.8 Information on Ipsos SA parent company financial statements 209

7. Companies included in the scope of consolidation at 31 December 2017 **210**
7.1 Scope of consolidation 210

8. Auditors' fees **215**

20.2. Consolidated financial statements

For the year ended 31 December 2017

1 – Consolidated income statement

Year ended 31 December 2017

In thousand euros	Notes	31/12/2017	31/12/2016
Revenue	**3**	1,780,453	1,782,691
Direct costs	4.1	(623,787)	(622,244)
Gross profit		**1,156,666**	**1,160,446**
Payroll - excluding share based payments		(747,500)	(751,754)
Payroll costs - share-based payments	5.8.3	(10,094)	(9,991)
General operating expenses		(210,865)	(220,646)
Other operating income and expense	4.2	(5,931)	2,026
Operating margin	**3**	**182,275**	**180,080**
Amortisation of intangible assets identified on acquisitions	4.3	(4,668)	(4,786)
Other non-current income and expense	4.4	(14,364)	143
Income from associates	5.4	217	(46)
Operating profit		**163,460**	**175,391**
Finance costs	4.5	(20,380)	(20,811)
Other financial income and expenses	4.5	633	(475)
Profit before tax		**143,713**	**154,105**
Income tax - excluding deferred tax on goodwill	4.6	(39,118)	(37,765)
Deferred tax on goodwill	4.6	24,482	(6,582)
Income tax	**4.6**	**(14,636)**	**(44,347)**
Net profit		**129,076**	**109,758**
Attributable to the Group		**128,507**	**106,897**
Attributable to minority interests		**569**	**2,861**
Earnings per share (in euros) - Basic	4.8	**2.99**	2.40
Earnings per share (in euros) - Diluted	4.8	**2.94**	2.36

2 – Statement of comprehensive income

Year ended 31 December 2017

In thousand euros	31/12/2017	31/12/2016
Net profit	**129,076**	**109,758**
Other comprehensive income		
Hedges of net investments in a foreign subsidiary	(432)	(32,626)
Currency translation differences	(67,357)	24,483
Deferred tax on hedges of net investments in a foreign subsidiary	(1,849)	10,822
Total of other reclassified comprehensive income	**(69,638)**	**2,680**
Actuarial gains and losses	181	(2,487)
Deferred taxes on actuarial gains and losses	95	470
Total of other non-reclassified comprehensive income	**276**	**(2,017)**
Total of other comprehensive income	**(69,362)**	**663**
Comprehensive income	**59,715**	**110,421**
Attributable to the Group	61,086	108,180
Attributable to minority interests	(1,372)	2,249

3 – Consolidated balance sheet

Year ended 31 December 2017

In thousand euros	Notes	31/12/2017	31/12/2016
ASSETS			
Goodwill	5.1	1,159,352	1,259,193
Other intangible assets	5.2	59,964	71,489
Property, plant and equipment	5.3	32,228	35,517
Investment in associates	5.4	916	207
Other non-current financial assets	5.5	21,425	22,547
Deferred tax assets	4.6	21,252	18,184
Non-current assets		**1,295,136**	**1,407,138**
Trade receivables	5.6	617,660	624,406
Current taxes	4.6	13,517	15,204
Other current assets	5.7	75,802	78,677
Derivatives financial assets	5.9	1,462	3,399
Cash and cash equivalents	5.9	137,267	164,892
Current assets		**845,708**	**886,579**
TOTAL ASSETS		**2,140,844**	**2,293,717**
LIABILITIES AND EQUITY			
Share capital	5.8	11,109	11,109
Share premiums		516,130	516,489
Treasury shares		(35,235)	(55,905)
Other reserves		569,717	492,737
Currency translation differences		(112,515)	(44,819)
Shareholders' equity - attributable to the Group		**949,208**	**919,612**
Minority interests		17,290	19,805
Shareholders' equity		**966,498**	**939,417**

Borrowings and other long-term financial liabilities	5.9	577,432	626,152
Non-current provisions	5.10	8,964	9,230
Retirement benefit obligations	5.11	26,918	28,029
Deferred tax liabilities	4.6	66,450	100,432
Other non-current liabilities	5.12	18,183	21,159
Non-current liabilities		**697,948**	**785,002**
Trade payables		259,432	262,865
Borrowings and other short-term financial liabilities	5.9	25,527	86,662
Current taxes	4.6	14,658	11,104
Current provisions	5.10	7,189	9,664
Other current liabilities	5.12	169,592	199,005
Current liabilities		**476,398**	**569,300**
TOTAL LIABILITIES AND EQUITY		**2,140,844**	**2,293,717**

4 – Consolidated cash flow statement

Year ended 31 December 2017

In thousand euros	Notes	31/12/2017	31/12/2016
OPERATING ACTIVITIES			
NET PROFIT		**129,076**	**109,758**
Items with no impact on cash flow			
Amortisation and depreciation of property, plant and equipment and intangible assets		24,910	25,970
Net profit of equity associated companies - net of dividends received		(217)	46
Losses/(Gains) on asset disposals		(43)	2,481
Net change in provisions		(511)	(12,702)
Share-based payment expense		9,549	9,737
Other non-cash income/(expenses)		(778)	978
Acquisition costs of consolidated companies		178	1,325
Finance costs		20,380	20,811
Income tax expense		14,636	44,347
OPERATING CASH FLOW BEFORE FINANCIAL EXPENSES AND TAX PAID		**197,182**	**202,752**
Changes in working capital requirement	6.1	(37,771)	22,819
Interest paid		(21,245)	(20,351)
Income tax paid		(38,975)	(38,046)
CASH FLOW FROM OPERATING ACTIVITIES		**99,191**	**167,174**
INVESTMENT ACTIVITIES			
Acquisitions of property, plant and equipment and intangible assets	6.1.2	(17,518)	(17,631)
Proceeds from disposals of property, plant and equipment and intangible assets		285	133
(Increase)/Decrease of financial assets		(1,201)	(1,070)
Acquisitions of companies and consolidated activities, net of acquired cash	6.1.3	(2,212)	23,900
CASH FLOW FROM INVESTMENT ACTIVITIES		**(20,647)**	**5,332**
FINANCING ACTIVITIES			
Increase/(Decrease) in capital		-	(225)
(Purchase)/Proceeds of treasury shares		6,399	(85,050)
Increase/(Decrease) in long-term borrowings		(53,315)	(1,688)
Increase/(Decrease) in bank overdrafts and short-term debt		86	491
Purchase of minority interests	6.1.3	(12,785)	(33,312)
Dividends paid to parent company shareholders		(36,414)	(36,358)

Dividends paid to minority shareholders of consolidated companies		-	(431)
CASH PROVIDED BY FINANCING ACTIVITIES		**(96,030)**	**(156,575)**
NET CHANGE IN CASH		**(17,485)**	**15,932**
Impact of foreign exchange rate movements		(10,140)	(2,615)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**164,892**	**151,576**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**137,267**	**164,892**

5 – Statement of changes in consolidated shareholders' equity

Year ended 31 December 2017

In thousand euros	Share capital	Share premiums	Treasury shares	Other reserves	Currency translation differences	Shareholders' equity		
						Attributable to the Company's shareholders	Minority interests	Total
Position at 1 January 2016	**11,334**	**540,201**	**(1,220)**	**423,190**	**(48,110)**	**925,395**	**19,889**	**945,284**
Change in capital	(225)	-	-	-	-	(225)	-	**(225)**
Dividends paid	-	-	-	(36,228)	-	(36,228)	(1,161)	**(37,389)**
Impact of acquisitions and commitments to buy out minority interests	-	-	-	(2,605)	-	(2,605)	(1,197)	**(3,803)**
Delivery of treasury shares related to the 2014 plan to grant free shares	-	-	6,806	(6,806)	-	-	-	**-**
Other movements on treasury shares	-	(23,712)	(61,491)	153	-	(85,050)	-	**(85,050)**
Share-based payments taken directly to equity	-	-	-	9,737	-	9,737	-	**9,737**
Other movements	-	-	-	453	-	453	26	**479**
Transactions with shareholders	**(225)**	**(23,712)**	**(54,685)**	**(35,297)**	**-**	**(113,919)**	**(2,332)**	**(116,251)**
Profit for the year	-	-	-	106,897	-	106,897	2,860	**109,757**
Other comprehensive income	-	-	-	-	-	-	-	-
Hedges of net investments in a foreign subsidiary	-	-	-	-	*(32,458)*	*(32,458)*	(168)	***(32,626)***
Deferred tax on hedges of net investments in a foreign subsidiary	-	-	-	-	*10,822*	*10,822*	-	***10,822***
Currency translation differences	-	-	-	-	*24,927*	*24,927*	*(444)*	***24,483***

In thousand euros	Share capital	Share premiums	Treasury shares	Other reserves	Currency translation differences	Shareholders' equity: Attributable to the Company's shareholders	Shareholders' equity: Minority interests	Shareholders' equity: Total
Revaluation of the net liability (asset) for defined benefit plans	-	-	-	*(2,523)*	-	*(2,523)*	-	***(2,523)***
Deferred taxes on actuarial gains and losses	-	-	-	470	-	*470*	-	***470***
Total of other comprehensive income	**-**	**-**	**-**	**(2,053)**	**3,292**	**1,239**	**(612)**	**627**
Comprehensive income	**-**	**-**	**-**	**104,844**	**3,292**	**108,136**	**2,249**	**110,385**
Position at 31 December 2016	**11,109**	**516,489**	**(55,905)**	**492,738**	**(44,819)**	**919,612**	**19,805**	**939,417**

In thousand euros	Share capital	Share premiums	Treasury shares	Other reserves	Currency translation differences	Shareholders' equity: Attributable to the Company's shareholders	Shareholders' equity: Minority interests	Shareholders' 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 minority 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 treasury 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 shareholders	**-**	**(358)**	**20,670**	**(51,803)**	**-**	**(31,491)**	**(1,143)**	**(32,634)**
Profit for the year	-	-	-	128,507	-	128,507	569	**129,075**
Other comprehensive income	-	-	-	-	-	-	-	-
Hedges of net investments in a foreign subsidiary	-	-	-	-	*(972)*	*(972)*	540	***(432)***

In thousand euros	Share capital	Share premiums	Treasury shares	Other reserves	Currency translation differences	Shareholders' equity		
						Attributable to the Company's shareholders	Minority interests	Total
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**

Notes to the consolidated financial statements

Year ended 31 December 2017

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 2017.

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

On 28 February 2018, Ipsos' Board of Directors approved and authorised publication of Ipsos' consolidated financial statements for the year ended 31 December 2017. The consolidated financial statements for the financial year ended 31 December 2017 will be submitted to Ipsos shareholders for approval at the General Meeting on 4 May 2018.

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 2017 have been prepared in accordance with IFRS (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board) at 31 December 2017 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 2017

The interpretations and amendments to published standards that are mandatory for the Group as of the fiscal year beginning on January 1, 2017 did not have a significant impact on the consolidated financial statements.

- Amendments to IAS 7 - Disclosure Initiative;

- Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses;

- Annual Improvements to IFRS (2014-2016) - Various Standards (Amendment to IFRS 12)

New standards and amendments to published standards will be effective for fiscal years beginning on or after January 1, 2018. Although early adoption is permitted, the following new standards and standards amendments have not been applied to the preparation of these standards. consolidated financial statements.

> Main IFRS standards published and not yet applicable

- IFRS 15

In May 2014, the IASB issued IFRS 15 "Revenue from contracts with customers". This standard was developed as part of a joint project between the IASB and the FASB (the United States' Financial Accounting Standards Board). In April 2016, the IASB issued clarifications (amendments to IFRS 15) concerning the identification of performance obligations, agent and principal concepts and the accounting of licence revenues.

From 1 January 2018, IFRS 15 replaced IAS 18 "Revenue" and IAS 11 "Construction contracts" and all the associated interpretations.

IFRS 15 incorporates new principles for revenue recognition, particularly in terms of the events triggering the recognition of revenue, the identification of performance obligations, the inclusion of variable income and the allocation of the transaction price for multiple-component contracts. It also includes specific guidance regarding revenue generated by licensing agreements. Lastly, it includes new requirements for information in notes to the financial statements.

Ipsos began its implementation of IFRS 15 with a diagnostic phase during which the various categories of customer agreements, which are representative of Ipsos's business, were analysed according to the contract duration and type in the main countries. At the same time, as part of a working group facilitated by ESOMAR (the worldwide professional association of market research practitioners) the Ipsos Group participated in meetings with two market research companies, also members of ESOMAR, to establish recommendations and best market practices. These have been posted on Esomar's website. Six themes arose from this discussion: revenue recognition based on progress or completion; interpretation of contractual clauses upon completion; measurement of progress, separation of a contract into several components; capitalisation of costs; presentation of the financial statements: receivables or ongoing research. Ipsos follows all the recommendations provided by this working group.

The Group was able to complete its initial conclusions internally during the second half of the year and presented them to the Audit Committee meeting dedicated to this topic on 12 December 2017.

Ipsos signs contracts with its clients on either an individual basis or as part of a Master Service Agreement (MSA). In both cases, the general terms of sale contractual clauses have been amended to meet IFRS 15 requirements, particularly regarding the client's ability to terminate the contract early for convenience. These clauses will become applicable within the Group from the beginning of 2018.

The Ipsos Group will also implement new standard rules for the invoicing of clients since the beginning of 2018, which will involve invoicing client contracts monthly and in advance. This method conforms with the practices followed in other areas of business services and consulting.

Overall, revenue from contracts with clients will still be recognised using the percentage-of-completion method per IFRS 15, the continuous transfer of control for the service performed being generally demonstrated.

Methods that do not reflect the percentage of research completion were abandoned pursuant to IFRS 15 in favour of the straight-line method, insofar as this method reliably reflects the percentage of completion.

The Group began applying IFRS 15 as at 1 January 2018 and opted to apply the simplified transition method which will consist of only restating revenue from contracts impacted by the change of standard and that were still ongoing on 1 January 2018. The impact of this change will be recognised under consolidated shareholders' equity at 1 January 2018. The 2017 financial year presented as a comparison will therefore not be restated.

The Ipsos Group is unable to provide a precise number reflecting the impact that will be recognised under shareholders' equity, but believes it will not be material.

In addition, throughout 2018, in terms of the calculation of organic growth and the information required in the notes to the financial statements published pursuant to this method change, revenue (and other items impacted) will continue to be monitored solely within the Group's internal reporting, pursuant to the former (IAS 18).

- IFRS 9

The IASB issued IFRS 9 "Financial Instruments" in July 2014. From 1 January 2018, this standard will replace the current standards for the presentation, recognition and valuation of financial instruments (IAS 32 and IAS 39).

IFRS 9 was structured around three main themes: classification and valuation, impairment and hedge accounting. This standard was approved by the European Union and is mandatory for financial years beginning on or after 1 January 2018.

The Group intends to apply IFRS 9 from 1 January 2018. Analyses are underway, but given the nature of its business, Ipsos does not anticipate any major changes.

- 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 implementation of this standard will also entail a change in the presentation of the rental expense in the income statement (i.e. Depreciation and amortisation and interest expense) and in the cash flow statement (the amount used to repay the debt will be presented in cash flows from financing activities and the amount allocated to the asset will be presented in cash flows related to investment activities).

The standard is applicable for financial years beginning on or after 1 January 2019. Analysis of the impacts of this standard is underway.

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:

-Goodwill and business combinations as described in Note 1.2.8;

- 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 minority interests / 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 margin as described in Notes 1.2.25 Revenue recognition, 1.2.26 Definition of gross profit and 1.2.27 Definition of operating margin.

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. The accounts are taken at 100%, item by item, with recognition of the rights of the minority shareholders.

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 2017 is presented in Note 7.1.

1.2.4 – Area 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 application of these different exchange rates are reported as a separate component of in 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-recurring income and expenses for commitments to buy out minority 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 – Commitments to buy out minority 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 and in accordance with IAS 32, the Group records a liability with respect to put options sold to minority shareholders in 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 in question, with any remainder being deducted from shareholder's 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 purchase minority interests and the effect of accretion under "other non-current income and expense" in the income statement as per IAS 39.

In accordance with IAS 27, the share of income or changes in equity attributable to the parent company and to minority 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 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;

- 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 minority interests, the changes of which, in the absence of a change of control, are now recognized 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

The Group applies specific rules to panels: they consist of the representative samples of individuals or professionals regularly surveyed on identical variables and which are handled for accounting purposes by the Group according to their type:

- online panels: panel surveyed mainly online;

- Offline panels: 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 extension of online panels (purchases of databases, scanning, and panellist recruitment) are capitalised. Since these panels do not have a given useful life, in particular since they are never disbanded, the capitalised costs related to online panels are not amortised but undergo impairment tests at least once a year and whenever there is evidence that these intangible assets may have been impaired.

Subsequent maintenance expenditure required on both types of panel are charged to 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 - Treasury 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

The principles for the recognition and measurement of financial assets and financial liabilities are set out by IAS 39 "Financial instruments: recognition and measurement". Information to be disclosed and presentation principles are set out by IAS 32 "Financial instruments: disclosure and presentation".

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 tax

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.

If the straight line method does not reflect the percentage of completion of research at the balance sheet date, other methods may be used to estimate progress taking into account the specific features of the relevant survey.

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.

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 margin

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 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
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	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

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
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	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

2.2 – Transactions during 2016

The main changes in the scope of consolidation in FY 2016 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 GmbH	Creation	78.7%	78.7%	4th quarter 2016	Austria
Ipsos SA	Buy-out of minority interests	16.90%	16.90%	4th quarter 2016	Costa Rica
Ipsos Guatemala S.A.	Buy-out of minority interests	16.90%	16.90%	4th quarter 2016	Guatemala
Ipsos SRL	Buy-out of minority interests	15.20%	15.20%	4th quarter 2016	Dominican Republic
Ipsos TMG	Buy-out of minority interests	16.90%	16.90%	4th quarter 2016	Panama
Ipsos Opinion y Mercado SA	Capital increase	25.80%	25.80%	2nd quarter 2016	Bolivia
PT Ipsos Market Research	Buy-out of minority interests	30.00%	30.00%	2nd quarter 2016	Indonesia
Ipsos MMA Inc.	Buy-out of minority interests	2.55%	2.55%	2nd quarter 2016	USA
Research Insight	Disposal	-100.00%	-100.00%	1st quarter 2016	Ukraine

3 – Area reporting

3.1 – Area reporting as at 31 December 2017

In thousand euros	Europe, Middle East and Africa	Americas	Asia-Pacific	Others [2]	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)
Area assets[1]	863,780	855,978	331,742	(106,496)	1,945,006
Area 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) *Area assets consist of property, plant and equipment and intangible assets (including goodwill), trade and other receivables.*

(2) *Intercompany elimination and others*

3.2 – Area reporting as at 31 December 2016

In thousand euros	Europe, Middle East and Africa	Americas	Asia-Pacific	Others	Total
Revenue	785,973	736,958	336,902	(77,142)	1,782,691
Sales to external clients	*760,184*	*711,300*	*311,113*	*0*	*1,782,597*
Inter-area sales	*25,789*	*25,658*	*25,789*	*(77,142)*	*94*
Operating margin	66,069	92,764	26,960	(5,713)	180,080
Depreciation and amortisation	(15,074)	(7,454)	(3,437)	(5)	(25,970)
Area assets	881,564	946,173	353,459	(111,914)	2,069,282
Area liabilities	358,100	169,576	103,475	(185,377)	445,775
Capital expenditure for the period	13,148	2,205	2,278	1	17,631

3.3 – Reconciliation of area assets with total Group assets

In thousand euros	31/12/2017	31/12/2016
Area assets	1,945,006	2,069,282
Financial assets	22,341	22,754
Tax assets	34,769	33,389
Derivatives financial assets	1,462	3,399
Cash and cash equivalents	137,267	164,892
Total Group assets	**2,140,844**	**2,293,717**

4 – Notes to the income statement

4.1 – Direct costs

In thousand euros	31/12/2017	31/12/2016
Interviewer payroll costs	(89,105)	(96,957)
Other direct costs	(534,682)	(525,288)
Total	(623,787)	(622,244)

4.2 – Other operating income and expenses

This item primarily includes gains and losses from currency transactions related to commercial operations.

4.3 – Amortisation of intangible assets identified on acquisitions

Amortisation of intangible assets identified on acquisitions amounting to €4.6 million and €4.7 million at 31 December 2017 and 31 December 2016 respectively mainly corresponds to amortisation of contractual relationships with clients.

4.4 – Other non-current income and expenses

In thousand euros	31/12/2017	31/12/2016
Net impact of reimbursement received by Aegis for settlement in full of all balances associated with the Synovate transaction after the measurement period[(1)]	-	16,491
Acquisition costs	(151)	(65)
Reorganisation and streamlining costs	(12,278)	(12,570)
Expenses and provisions for employee-related litigations associated with Ipsos Brazil	(4,582)	(2,346)
Agrifood disposal	-	(1,473)
Change in commitments to buy out minority interests/ non-controlling interests (see Note 1.2.7)	2,648	106
Total	**(14,364)**	**143**

[(1)] *On 10 February 2016, Ipsos received a final cash repayment for £20 million in full and final settlement, fully terminating all claims and legal proceedings.*

This amount obtained following a final mediation settled the dispute between Ipsos and Aegis concerning the initial purchase price disbursed on 12 October 2011. This amount corresponds to:

- *the balance of Synovate's disputes, claims and risks;*
- *and the repayment of part of the purchase price of Synovate shares.*

The net profit in the consolidated financial statements amounts to €16,491 thousand net and breaks down as follows:

In thousand euros

Exceptional income (£20 million):	*27,425*
Legal fees	*(1,259)*
Expenses and provisions for employee-related litigations associated with Synovate Brazil	*(3,214)*
Balance of tax receivables in the United Kingdom and Australia	*(2,072)*
Provisions for other tax risks and related costs	*(4,389)*
	16,491

4.5 – Financial income and expenses

In thousand euros	31/12/2017	31/12/2016
Interest expenses on borrowings and bank overdrafts	(22,819)	(23,669)
Change in the fair value of derivatives	390	363
Interest income from cash and cash equivalents	2,049	2,495
Finance costs	(20,380)	(20,811)
Currency translation gains and losses	526	1,725
Other financial income and expenses	107	(2,200)
Other financial income and expenses	633	(475)
Total financial result	**(19,747)**	**(21,286)**

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	31/12/2017	31/12/2016
Current taxes	(44,201)	(36,141)
Deferred taxes[1]	29,565	(8,206)
Income tax	**(14,636)**	**(44,347)**

[1]For 2017, the Group 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 is 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	01/01/2017	Income statement	Shareholders' equity	Payments	Conversion and entities combination	31/12/2017
Current taxes						
Assets	15,204	638			(2,326)	13,517
Liabilities	(11,104)	(44,839)		38,975	2,310	(14,658)
Total	**4,100**	**(44,201)**	**-**	**38,975**	**(16)**	**(1,141)**
Deferred taxes						
Assets	18,184	(4,611)			7,679	21,252
Liabilities[1]	(100,432)	34,176	95	-	(290)	(66,450)
Total	**(82,248)**	**29,565**	**95**	**-**	**7,389**	**(45,198)**

[1]For 2017, the Group 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 is 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.

4.6.3 –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	31/12/2017	31/12/2016
Profit before tax	**143,713**	**154,105**
Less the share of profit of associates	(26)	46
Profit before tax of consolidated companies	**143,687**	**154,151**
Statutory tax rate applicable to French companies	34.43%	34.43%
Theoretical tax charge	**(49,471)**	**(53,074)**
Impact of different tax rates and specific contributions	10,304	8,539
Permanent differences	(289)	(681)
Utilisation of tax losses not previously recognised as assets	719	9,887
Impact of tax losses of the year not recognised as assets	(2,370)	(5,685)
Others(1)	26,471	(3,343)
Total tax recognised	**(14,636)**	**(44,357)**
Effective tax rate	**10.2%**	**28.8 %**

(1)For 2017, the Group 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 is 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	31/12/2017	31/12/2016
Deferred tax on:		
Revenue and costs recognition method	(6,281)	(6,574)
Provisions	239	253
Fair value of derivative instruments	(2,641)	(3,158)
Deferred rent payments	1,302	2,151
Goodwill tax deductible	(46,075)	(81,715)
Non-current assets (including client relationships)	(17,472)	(23,519)
Pension provisions	4,875	4,618
Accrued staff costs	1,935	1,668
Tax loss carryforwards recognised (1)	15,213	21,588
Translation differences	207	(126)
Non-current financial assets	-	-
Acquisition costs	308	343
Other elements	3,191	2,223
Net balance of deferred tax assets and liabilities	**(45,198)**	**(82,248)**
Deferred tax assets	21,252	18,184
Deferred tax liabilities	(66,450)	(100,432)
Net balance of deferred tax	**(45,198)**	**(82,248)**

(1) 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	31/12/2017	31/12/2016
Losses carried forward in between one and five years	1,870	1,181
Losses carried forward more than five years	336	1,881
Losses carried forward indefinitely	6,372	4,555
Tax assets not recognised on tax loss carryforwards	**8,579**	**7,618**

4.7 – Adjusted net earnings

In thousand euros	31/12/2017	31/12/2016
Revenue	1,780,453	1,782,691
Direct costs	(623,787)	(622,244)
Gross profit	**1,156,666**	**1,160,446**
Payroll - excluding share based payments	(747,500)	(751,754)
Payroll - share-based payments*	(10,094)	(9,991)
General operating expenses	(210,865)	(220,646)
Other operating income and expense	(5,931)	2,026
Operating margin	**182,275**	**180,080**
Amortisation of intangible assets identified on acquisitions*	(4,668)	(4,786)
Other non-current income and expenses*	(14,364)	143
Income from associates	217	(46)
Operating profit	**163,460**	**175,391**
Finance costs	(20,380)	(20,811)
Other financial income and expenses*	633	(475)
Profit before tax	**143,713**	**154,105**
Income tax - excluding deferred tax on goodwill	(39,118)	(37,765)
Deferred tax on goodwill amortisation*	24,482	(6,582)
Income tax	**(14,636)**	**(44,347)**
Net profit	**129,076**	**109,758**
Attributable to the Group	**128,507**	**106,897**
Attributable to minority interests / non-controlling interests	**569**	**2,861**
Earnings per share (in euros) - Basic	2.99	2.40
Earnings per share (in euros) - Diluted	2.94	2.36
Adjusted net earnings*	**128,400**	**124,945**
Attributable to the Group	**127,384**	**121,657**
Attributable to minority interests / non-controlling interests	**1,015**	**3,288**
Adjusted earnings per share (in euros) - Basic	2.96	2.73
Adjusted earnings per share (in euros) – Diluted	2.91	2.69

*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 – Earnings per share

4.8.1 – 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 of shares	31/12/2017	31/12/2016
Figure at previous year end	**44,625,512**	**45,336,235**
Increase/Decrease in capital	(271,304)	(150,000)
Exercise of options	271,304	-
Treasury shares	(1,644,770)	(559,728)
Number of shares used to calculate basic earnings per share	**42,980,742**	**44,625 512**
Number of additional shares potentially resulting from dilutive instruments	738,148	676,414
Number of shares used to calculate diluted earnings per share	**43,718,890**	**45,301,926**
Net profit attributable to equity holders of the parent (in thousand euros)	128,507	106,897
Earnings per share (in euros) - Basic	**2.99**	**2.40**
Earnings per share (in euros) - Diluted	**2.94**	**2.36**

4.8.2 –Adjusted net earnings per share

Weighted average number of shares	31/12/2017	31/12/2016
Adjusted net profit, attributable to the Group		
Net profit - Group share	128,507	106,897
Items excluded:		
Payroll - share-based payments	10,094	9,991
- Amortisation of intangible assets identified on acquisitions	4,668	4,786
- Other non-operating income and expenses	14,364	(143)
- Non-monetary impact of changes in puts	(1,814)	511
- Deferred tax on goodwill amortisation	(24,482)	6,582
- Income tax on excluded items	(3,507)	(6,540)
- Minority interests on excluded items	(446)	(427)
Adjusted net profit, attributable to the Group	**127,384**	**121,657**
Average number of shares	42,980,742	44,625,512
Average diluted number of shares	43,718,890	45,301,926
Adjusted net earnings per share (in euros), attributable to the Group - Basic	**2.96**	**2.73**
Adjusted net earnings per share (in euros), attributable to the Group - Diluted	**2.91**	**2.69**

4.9 – Dividends paid and proposed

It is the Company's policy to pay dividends in respect of a year, in full, in July of the following year. The amounts per share paid and proposed are as follows:

In respect of the financial year:	Net dividend per share (amounts in euros)
2017[(1)]	0.87
2016	0.85
2015	0.80

[(1)] *Total dividend payment of €37 million (after elimination of dividends on treasury shares as at 31 December 2017) to be proposed to the General Meeting on 4 May 2018. The dividend will be paid on 4 July 2018.*

5 – Notes on the statement of consolidated financial position

5.1 – Goodwill

5.1.1 –Goodwill impairment tests

Goodwill is allocated to groups of cash generating units (CFUs), consisting of 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 2018-2021 excluding external growth and restructuring transactions. These business plans are based for 2018 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 2017, 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:

	2017					2016				
Cash-generating units	Gross value of goodwill	Growth rate for 2018-2018	Growth rate for 2019-2021	Perpetual growth rate 2021 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	143,005	1.5%	1.0%	2.0%	7.3%	143,307	1.3%	1.0%	2.0%	7.3%
United Kingdom	154,165	1.6%	1.0%	2.0%	7.2%	159,391	3.9%	1.0%	2.0%	7.2%
Central and Eastern Europe	67,835	4.1%	5.0%	2.0%	9.1%	70,783	7.8%	5.0%	2.0%	9.2%
Latin America	57,311	3.5%	3.0%	3.0%	9.1%	65,412	2.9%	3.0%	3.0%	9.8%
North America	516,382	2.2%	2.0%	2.0%	6.5%	575,965	2.1%	2.0%	2.0%	6.4%
Asia-Pacific	186,771	5.1%	4.5%	3.0%	7.5%	208,273	4.3%	4.5%	3.0%	7.5%
Middle East	14,918	0.0%	5.0%	2.5%	9.1%	16,670	1.4%	5.0%	2.5%	9.3%
Sub-Saharan Africa	18,965	28.5%	7.0%	3.0%	10.8%	19,390	3.4%	7.0%	3.0%	10.6%
Subtotal	**1,159,352**					**1,259,193**				

Sensitivity of DCF values in use of goodwill

The sensitivity of the impairment test to changes in the assumptions used to determine the DCF value in use of goodwill at end-2017 is illustrated in the table below:

In thousand	Test margin(*)	Discount rate (WACC) applied to cash flows +0.5%	Perpetual growth rate -0.5%	Terminal recurring operating margin - 0.5%
Continental Europe	247,992	212,791	219,802	222,769
United Kingdom	98,574	74,380	78,817	82,497
Central and Eastern Europe	97,474	84,921	87,305	90,420
Latin America	28,901	20,039	22,046	22,144
North America	965,040	809,723	826,824	921,326
Asia-Pacific	432,253	365,007	373,632	406,298
Middle East	36,138	31,019	32,004	32,308
Sub-Saharan Africa	12,800	10,153	10,737	11,120

(*) *Test margin = DCF value in use - carrying amount*

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 margin, which was 1.6% in 2017 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% (8.4% in 2022 – terminal year). The table above details all the elements required for valuation based on other assumptions.

5.1.2 –Changes during 2017

In thousand euros	01/01/2017	Increases	Decreases	Change in commitments to buy out minority interests	Exchange rates	31/12/2017
Goodwill	1,259,193			(9,152)	(90,689)	1,159,352

5.2 – Other intangible assets

In thousand euros	01/01/2017	Increases	Decreases	Exchange rates	Entities combination and other movements	31/12/2017
Trademark	2,105	1	0	(141)	0	1,965
Online panels	26,646	3,156	(1,678)	(1,253)	0	26,869
Offline panels	7,349	0	0	(771)	0	6,578
Client relations	74,480	0	0	(5,612)	0	68,868
Other intangible assets(1)	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)	0	0	60	0	(670)
Online panels	(18,274)	(2,944)	1,678	751	0	(18,788)
Offline panels	(5,653)	0	0	594	0	(5,059)
Client relations	(31,309)	(4,668)	0	2,560	0	(33,417)
Other intangible assets(1)	(73,050)	(7,498)	1,510	3,924	(1,231)	(76,345)
Amortisation and depreciation	**(129,015)**	**(15,110)**	**3,188**	**7,890**	**(1,231)**	**(134,279)**
Net value	**71,489**	**(6,812)**	**(75)**	**(4,641)**	**4**	**59,964**

In thousand euros	01/01/2016	Increases	Decreases	Exchange rates	Entities combination and other movements	31/12/2016
Trademark	2,187	1	-	(82)	-	2,105
Online panels	25,893	3,152	0	(2,400)	2	26,646
Offline panels	7,236	-	-	113	-	7,349
Client relationships	75,445	-	(1,024)	58	-	74,480
Other intangible assets(1)	92,607	5,577	(6,476)	(1,111)	(673)	89,924
Gross value	**203,369**	**8,730**	**(7,500)**	**(3,423)**	**(671)**	**200,504**
Trademark	(615)	(108)	-	(7)	-	(730)
Online panels	(17,872)	(2,484)	-	2,082	-	(18,274)
Offline panels	(5,608)	-	-	(47)	1	(5,653)
Client relationships	(27,364)	(4,678)	630	104	(1)	(31,309)
Other intangible assets(1)	(71,441)	(8,266)	6,468	(482)	671	(73,050)
Amortisation and depreciation	**(122,899)**	**(15,535)**	**7,098**	**1,651**	**671**	**(129,015)**
Net value	**80,469**	**(6,806)**	**(402)**	**(1,772)**	**-**	**71,489**

(1) This mainly concerns software and R&D costs. Development costs capitalised in 2016 and 2017 amounted to €3.2 million and €2.9 million respectively for an overall R&D budget of €41.4 million in 2016 and €36.2 million in 2017.

5.3 – Property, plant and equipment

In thousand euros	01/01/2017	Increases	Decreases	Exchange rates	Changes in scope of consolidation and other movements	31/12/2017
Land and buildings	7,746	(8)	(71)	(478)	-	7,189
Other property, plant and equipment	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)
Amortisation and depreciation	**(123,462)**	**(9,800)**	**5,292**	**10,302**	**20**	**(117,639)**
Net value	**35,517**	**(882)**	**(132)**	**(2,282)**	**0**	**32,228**

In thousand euros	01/01/2016	Increases	Decreases	Exchange rates	Changes in scope of consolidation and other movements	31/12/2016
Land and buildings	7,377	70	(1)	300	-	7,746
Other property, plant and equipment (1)	155,308	9,749	(9,351)	115	(4,589)	151,233
Gross value	**162,685**	**9,820**	**(9,353)**	**415**	**(4,589)**	**158,979**
Land and buildings	(3,231)	(185)	2	(100)	(7)	(3,520)
Other property, plant and equipment (1)	(122,245)	(10,250)	8,983	(1,071)	4,641	(119,941)
Amortisation and depreciation	**(125,476)**	**(10,435)**	**8,986**	**(1,171)**	**4,630**	**(123,462)**
Net value	**37,209**	**(615)**	**(367)**	**(755)**	**41**	**35,517**

(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 €4.9 million at 31 December 2017 and €5.4 million at 31 December 2016.

5.4 – Investment in associates

This item saw the following changes during 2017:

In thousand euros	31/12/2017	31/12/2016
Gross value at start of period	**208**	**262**
Share of profit	217	(46)
Dividends paid		-
Change in scope of consolidation	490	-
Others	1	(8)
Gross value at end of period	**916**	**207**
Contribution to equity (including profit)	1,019	(800)

In thousands of euros	31/12/2017			31/12/2016		
	Ipsos Opinion SA	Apeme	Shanghai Ipsos Info Technology	Ipsos Opinion SA	Apeme	Shanghai Ipsos Info Technology
Current assets	1,060	1,483	4,363	902	750	-
Non-current assets	8	(19)	588	11	566	-
Total Assets	**1,068**	**1,464**	**4,951**	**913**	**1,316**	**-**
Current liabilities	1,332	1,230	3,224	1,125	973	-
Non-current liabilities	653		25	642	289	-
Total liabilities	**1,985**	**1,230**	**3,249**	**1,767**	**1,262**	**-**
Net assets	**(917)**	**234**	**1,702**	**(854)**	**54**	**-**

The principal balance sheet and income statement items from Apeme (Portugal), 25%-owned, Ipsos Opinion SA (Greece), 30%-owned, and Shanghai Ipsos Info Technology (China), 40%-owned, are the following at 31 December:

In thousands of euros	31/12/2017			31/12/2016		
	Ipsos Opinion SA	Apeme	Shanghai Ipsos Info Technology	Ipsos Opinion SA	Apeme	Shanghai Ipsos Info Technology
Revenue	1,547	2,000	5,824	1,357	2,200	-
Operating profit	(52)	226	629	(223)	158	-
Net profit	(64)	180	478	(251)	117	-
Percentage ownership	**30%**	**25%**	**40%**	**30 %**	**25 %**	**-**
Share of profit of associates	(20)	45	192	(75)	30	-

5.5 – Other non-current financial assets

In thousand euros	01/01/2017	Increases	Decreases	Entities Combination, reclassifications and translation differences	31/12/2017
Loans	644	422	(16)	-	1,050
Other financial assets[1]	21,976	4,609	(3,500)	(3,952)	19,133
Gross value	**22,621**	**5,032**	**(3,516)**	**(3,953)**	**20,184**
Impairment of other financial assets	(73)	-	-	1,315	1,242
Impairment	**(73)**	**-**	**-**	**1,315**	**1,241**
Net value	**22,547**	**5,032**	**(3,516)**	**(2,638)**	**21,425**

(1) This mainly related to guarantees and deposits

5.6 – Trade receivables

In thousand euros	31/12/2017	31/12/2016
Gross value*	624,801	631,474
Impairment	(7,141)	(7,068)
Net value	**617,660**	**624,406**

**The item comprises €176 million of surveys in progress as at 31 December 2017 (€166 million at 31 December 2016).*

In 2017, provisions for impairments of trade receivables amounted to €1.8 million and reversals of impairment provisions on trade receivables came to €0.1 million.

5.7 – Other current assets

In thousand euros	31/12/2017	31/12/2016
Advances and payments on account	3,666	2,119
Social security receivables	3,598	4,143
Tax receivables	35,535	36,512
Prepaid expenses	17,334	20,888
Other receivables and other current assets	15,669	15,015
Total	**75,802**	**78,677**

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

5.8 – Shareholders' equity

5.8.1 – Share capital

At 31 December 2017, 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 2017:

Number of shares (€0.25 nominal value)	Shares issued	Treasury shares	Shares in issue
At 31 December 2016	**44,436,235**	**(2,092,179)**	**42,344,056**
Capital increase (exercise of subscription options)	271,304	-	271,304
Capital reduction (through the cancellation of own shares)	(271,304)	271,304	-
Transfer (delivery of free share allocation plan of April 2015)	-	361,826	361,826
Transfer (delivery of plan IPF 2020)	-	119,426	119,426
Purchases/sales (outside liquidity contract)	-	-	-
Changes under the liquidity contract	-	(11,218)	(11,218)
At 31 December 2017	**44,436,235**	**(1,350,841)**	**43,085,394**

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:

Date of allocation to beneficiaries	Initial exercise date for options	Expiry date of the vesting period	Exercise price	Number of people affected	Number of options initially attributed	Number of options outstanding at 1/1/2017	Granted during the year	Cancelled during the year	Exercised during the year	Expired during the year	Number of options outstanding at 31/12/2017
04/09/2012	04/09/2015	04/09/2020	24,63	129	1,545,380	938,824	-	(21,844)	(202,044)	-	714,936
04/09/2012	04/09/2016			27	423,990	324,898	-	(17,368)	(69,260)	-	238,270
Sub-Total Plan IPF 2012-2020				**156**	**1,969,370**	**1,263,722**	**-**	**(39,212)**	**(271,304)**	**-**	**953,206**
Total					**1,969,370**	**1,263,722**	**-**	**(39,212)**	**(271,304)**	**-**	**953,206**

5.8.2.2 – Free share allocation plans

Each year since 2006, the Board of Directors of Ipsos SA has set up free share allocation plans for the benefit of French residents and French non-residents, who are employees, officers and directors of the Ipsos Group. These shares will vest with the beneficiaries only after a period of two years, provided that the beneficiary is still an employee, officer or director of the Ipsos Group at the end of this period. Starting with the next plan that will be implemented in respect of the 2018 financial year, the vesting period will be three years.

The principal features of the free share plans that remained in effect at the start of the period are as follows:

Date of allocation to beneficiaries	Type of plan	Number of people affected	Number of free shares initially attributed	Vesting date	Number of shares outstanding at 01/01/2017	Granted during the year	Cancelled during the year	Reclassified during the year	Delivered during the year	Number of shares outstanding at 31/12/2017
04/09/2012	IPF Non-France	129	154,538	04/09/2017	101,643	-	(9,015)	-	(92,628)	-
04/09/2012	IPF France	27	42,399	04/09/2017	33,527	-	(6,729)	-	(26,798)	-
Sub-Total Plan IPF 2012-2020		**156**	**196,937**		**135,170**	**-**	**(15,744)**	**-**	**(119,426)**	**-**
24/04/2015	France	87	68,918	24/04/2017	59,441	-	(3,213)	-	(57,960)	-
24/04/2015	Non-France	896	347,225	24/04/2017	312,129	-	(6,531)	-	(303,866)	-
2015 Plan Subtotal		**983**	**416,143**		**371,570**	**-**	**(9,744)**	**-**	**(361,826)**	**-**
28/04/2016	France	65	64,903	28/04/2018	64,903	-	(10,059)	-	-	54,844
28/04/2016	Non-France	730	386,212	28/04/2018	380,081	-	(11,196)	-	-	368,885
2016 Plan Subtotal		**795**	**451,115**		**444,984**	**-**	**(21,255)**	**-**	**-**	**423,729**
28/04/2017	France/Non-France	851	397,878	28/04/2019	-	397,878	(7,588)	-	-	390,290
2017 Plan Subtotal		**851**	**397,878**		**-**	**397,878**	**(7,588)**	**-**	**-**	**390,290**
Total free share allocation plan					**951,724**	**397,878**	**(54,331)**	**-**	**(481,252)**	**814,019**

Marginal adjustments were decided by the Board of Directors of 26 July 2017 as a corrective measure for processing errors.

5.8.3 –Analysis of share-based payment costs

In accordance with IFRS 2, to assess the staff costs deriving from the options, the following assumptions are used:

Date on which the Board of Directors granted the stock options to the beneficiaries		25/04/2014	24/04/2015	28/04/2016	28/04/2017
Share price on grant date		28.40	25.98	24.10	28.99
Option fair value	France	26.59	24.19	22.32	27.07
	Non-France	26.80	24.36	22.32	
Risk-free interest rate		0.63 %	0.08 %	-0.29%	-0.23%
Dividends		0.70	0.75	0.80	0.85

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

Date on which the Board of Directors granted the stock options to the beneficiaries		04/09/2012
Fair value of option	France	4.67-4.71
	Non-France	4.57-4.66
Implied market volatility		25%

During 2017 and 2016, the expense recognised, in respect of stock option and free share allocation plans, was calculated as follows:

In thousand euros	31/12/2017	31/12/2016
Plan Ipsos Partnership Funds 2020 of 4 September 2012	201	1,152
Free share allocation plan of 25 April 2014	-	1,172
Free share allocation plan of 24 April 2015	1,391	4,392
Free share allocation plan of 28 April 2016	4,711	3,020
Free share allocation plan of 28 April 2017	3,245	-
Total (excluding contributions)	**9,549**	**9,737**
Employer contribution 20% France and United Kingdom	545	254
Total (with contributions)	**10,094**	**9,991**

5.9 – Financial debt

5.9.1 –Net financial debt

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

In thousands of euros	31/12/2017				31/12/2016			
	Total				Total			
		less than 1 year	between 1 and 5 years	5 years or more		less than 1 year	between 1 and 5 years	5 years or more
Bond issue(1)	173,106	-	173,106	-	280,249	79,447	172,768	28,035
Bank borrowings(2) (3) (4)	423,808	20,813	330,037	72,958	424,741	0	347,015	77,726
Derivative financial instruments - liabilities	216	216	-	-	600	600	-	-
Debt linked to finance leases	598	220	378	-	708	236	472	-
Other financial liabilities	136	14	123	-	145	8	136	-
Accrued interest on financial liabilities	2,938	2,938	-	-	4,239	4,239	-	-
Bank overdrafts	2,158	1,327	831	-	2,133	2,133	-	-
Borrowings and other financial liabilities (a)	**602,959**	**25,526**	**504,474**	**72,958**	**712,815**	**86,662**	**520,391**	**105,761**
Derivative financial instruments - assets (b)	**1,462**	**1,462**	-	-	**3,399**	**3,399**	**-**	**-**
Short-term investments in money-market instruments	6,495	6,495	-	-	14,422	14,422	-	-
Available cash	130,771	130,771	-	-	150,470	150,470	-	-
Cash and cash equivalents (c)	**137,267**	**137,267**	-	-	**164,892**	**164,892**	-	-
Net debt (a - b - c)	**464,231**	**(113,202)**	**504,474**	**72,958**	**544,523**	**(81,629)**	**520,391**	**105,761**

(1) *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.*

5.9.2 –Breakdown of financial liabilities (excluding derivative instruments)

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

In thousands of 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 interest 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**

The breakdown of financial liabilities excluding derivative instruments at 31 December 2016 is as follows:

In thousand euros	2017	2018	2019	2020	2021	> 2021	Total
Bond issues	79,447	-	-	172,768	-	28,035	**280,249**
Bank borrowings	-	99,744	4,558	11,855	230,858	77,726	**424,741**
Debt linked to finance leases	236	455	8	5	3	-	**708**
Other financial liabilities	8	27	108	-	-	-	**143**
Accrued interest on financial liabilities	4,239	-	-	-	-	-	**4,239**
Bank overdrafts	2,135	-	-	-	-	-	**2,133**
Borrowings and other financial liabilities	**86,065**	**100,226**	**4,674**	**184,628**	**230,861**	**105,761**	**712,213**

5.9.3 – Financial debt by currency (excluding derivative instruments)

In thousands of euros	31/12/2017	31/12/2016
US dollar (USD)	296,518	439,697
Euro (EUR)	209,613	168,443
Pound sterling (GBP)	63,680	66,078
Japanese yens (JPY)	32,812	35,903
Other currencies	120	2,092
TOTAL	**602,743**	**712,213**

5.10 – Current and non-current provisions

In thousand euros	Amount at 1/1/2017	Allowances	Reversals of provisions used	Reversals of provisions not used	Changes in scope of consolidation and other reclassifications	Exchange rates	Amount at 31/12/2017
Provisions for litigations	6,471	421	(753)	-	(31)	(674)	5,434
Provisions for other liabilities and charges	12,426	1,217	(2,233)	(209)	(35)	(447)	10,719
Total	**18,897**	**1,638**	**(2986)**	**(209)**	**(66)**	**(1,121)**	**16,153**
o/w current provisions	**9,664**	**-**	**-**	**-**	**-**	**-**	**7,189**
o/w non-current provisions	**9,230**	**-**	**-**	**-**	**-**	**-**	**8,964**

Provisions for litigation concern primarily commitments relating to legal disputes with employees.

Provisions for other charges comprise commitments for rents above the market value or unoccupied premises, as well as 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 at 31 December 2017, 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		
2017	1,44%	2,50%
2016	1,48%	2,70%
Future salary increases		
2017	1% - 4%	2,90%
2016	2% - 4%	3,10 %
Expected return on plan assets		
2017	-	2,50 %
2016	-	2,70 %

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

	31/12/2017				31/12/2016			
In thousand euros	**France**	**United Kingdom**	**Other foreign companies**	**Total**	**France**	**United Kingdom**	**Other foreign companies**	**Total**
Present value of the liability	(8,030)	(13,729)	(18,376)	(40,135)	(7,504)	(14,235)	(19,528)	(41,267)
Fair value of financial assets	-	13,217	-	13,217	-	13,238	-	13,238
Surplus or (deficit)	**(8,030)**	**(512)**	**(18,376)**	**(26,918)**	**(7,504)**	**(997)**	**(19,528)**	**(28,029)**
Net assets/(provisions) recognised on the balance sheet	**(8,030)**	**(512)**	**(18,376)**	**(26,918)**	**(7,504)**	**(997)**	**(19,528)**	**(28,029)**

5.11.3 –Change in liabilities during the year

	31/12/2017				31/12/2016			
In thousand euros	**France**	**United Kingdom**	**Other foreign companies**	**Total**	**France**	**United Kingdom**	**Other foreign companies**	**Total**
Benefit obligation, beginning of year	**(7,504)**	**14,235**	**19,528**	**41,267**	**(5,763)**	**(14,185)**	**(18,430)**	**(38,378)**
Supplementary rights acquired	229	-	-	229	41	-	1,492	1,533
Interest on benefit obligation	114	372	25	511	117	503	59	679
Fund performance	-	(346)	-	(346)	-	(473)	-	(473)
Change in plan type	-	-	-	-	-	-	641	641
Actuarial gains and losses	(284)	(428)	341	(371)	1,120	255	30	1,505
Benefits paid out	467	(446)	(1521)	(1500)	363	(1,884)	(1,124)	(2,645)
Employer contributions	-	-	-	-	-	-	-	-
Translation differences	-	342	(1,425)	(1,083)	-	1,648	-	1,648
Change in scope of consolidation	-	-	-	-	-	-	-	-
Benefit obligation, end of year	**8,030**	**13,729**	**18,376**	**40,135**	**7,504**	**14,235**	**19,528**	**41,267**
Financial coverage	(8,030)	(13,729)	(18,376)	(40,135)	(7,504)	(14,235)	(19,528)	(41,267)
Fair value of financial assets	-	13,217	-	13,217	-	13,238	-	13,238
Provisions	**(8,030)**	**(512)**	**(18,376)**	**(26,918)**	**(7,504)**	**(997)**	**(19,528)**	**(28,029)**

5.11.4 –Change in fair value of plan assets

In thousands of euros	United Kingdom	Other foreign companies	Total
Invested assets as at 1 January 2016	**13,340**	**-**	**13,340**
Expected return on plan assets	473	-	**473**
Contributions to external funds	-	-	**-**
Benefits paid out	(255)	-	**(255)**
Actuarial gains and losses	1,667	-	**1,667**
Currency translation differences	(1,384)	-	**(1,384)**
Invested assets as at 31 December 2016	**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 differences	(904)	-	**(904)**
Invested assets as at 31 December 2017	**13,382**	**-**	**13,382**

5.11.5 –Allocation of plan assets

In thousands of euros	United Kingdom	Other foreign companies	Total	%
Corporate bonds	13,758	-	13,758	99.4%
Cash	82	-	82	0.6%
Invested assets as at 31 December 2016	**13,841**	**-**	**13,841**	**100.0%**
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%**

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:

	2017				2016			
In thousand euros	**France**	**United Kingdom**	**Other foreign companies**	**Total**	**France**	**United Kingdom**	**Other foreign companies**	**Total**
Supplementary rights acquired	(229)	-	-	(229)	(41)	-	(1,492)	(1,533)
Interest on benefit obligation	(114)	(372)	(28)	(514)	(117)	(503)	(59)	(679)
Amortisation of past service cost	-	-	-	-	-	-	-	-
Amortisation of actuarial gains and losses	-	-	-	-	-	-	-	-
Fund performance	-	346	-	346	-	473	-	473
Benefits paid out	-	-	85	85	-	-	1,121	1,121
Total expense for the year	**(343)**	**(26)**	**57**	**(313)**	**(158)**	**(31)**	**(430)**	**(619)**

Expenses related to defined-benefit plans are recognised in payroll and amounted to €17.8 million in 2016 and €18.6 million in 2017. The Group does not anticipate any significant change in terms of expenses related to defined-benefit plans in 2018.

The information required by IAS 19 over four years was not repeated here for financial years 2014 and 2015. It appears in the 2015 Reference document, incorporated by reference.

5.12 – Other current and non-current liabilities

	31/12/2017			31/12/2016		
In thousand euros	**< 1 year**	**> 1 year**	**Total**	**< 1 year**	**> 1 year**	**Total**
Payments and earn-out payments[1]	154	3,241	3,395	2,150	-	2,150
Buy-out of minority interests[1]	9,575	13,500	23,075	20,771	20,952	41,723
Advances and progress payments from clients	16,134	-	16,134	17,947	-	17,947
Other tax and social security liabilities	128,964	-	128,964	141,051	-	141,051
Pre-paid income[2]	8,686	-	8,686	10,867	-	10,867
Other debt and other liabilities	6,079	1,442	7,520	6,219	207	6,426
Total	**169,592**	**18,183**	**187,775**	**199,005**	**21,159**	**220,164**

[1] *See comments in Note 6.4.3 - Acquisition-related commitments.*
[2] *This mainly concerns client studies for which invoicing exceeds revenue recognised using the percentage-of-completion method.*

6. Additional information

6.1 Notes on the consolidated cash flow statement

6.1.1 –Changes in working capital requirement

In thousand euros	31/12/2017	31/12/2016
Decrease/(increase) in trade receivables	(47,933)	3,072
Increase/(decrease) in trade payables	17,573	(709)
Change in other receivables and payables	(7,411)	20,456
Changes in working capital requirement	**(37,771)**	**22,819**

6.1.2 – Cash flow relating to investing activities

In thousand euros	31/12/2017	31/12/2016
Acquisitions of intangible assets	(8,298)	(8,730)
Acquisitions of property, plant and equipment	(8,918)	(9,820)
Total acquisitions during the period	**(17,216)**	**(18,550)**
Deferred disbursement	(302)	918
Payments made on acquisitions of intangible assets and property, plant and equipment	**(17,518)**	**(17,631)**

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	31/12/2017	31/12/2016
Cashed in/out for acquisitions during the year	-	1,393
Cash acquired/made over	-	(383)
Cashed in/out for buy-out of minority interests	(12,785)	(33,312)
Cashed in/out for previous years acquisitions	(2,212)	22,891
Acquisitions of companies and consolidated activities, net of acquired cash	**(14,997)**	**(9,412)**

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 thousands of euros	Financial assets[(1)] (a)		Financial liabilities [(2)] (b)		Net exposure before hedging (c) = (a) + (b)		Interest 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
2018	-	(137,266)	22,372	-	22,372	(137,266)	30,000	(30,000)	52,372	(167,266)
2019	-	-	1,223	4,410	1,223	4,410	-	-	1,223	4,410
2020	-	-	160,921	-	160,921	-	(70,875)	70,875	90,046	70,875
2021	-	-	30,101	151,703	30,101	151,703	-	-	30,101	151,703
2022	-	-	24,150	131,965	24,150	131,965	-	-	24,150	131,965
> 2022	-	-	33,265	39,693	33,265	39,693	-	-	33,265	39,693
Total	**-**	**(137,266)**	**272,032**	**327,771**	**272,032**	**190,505**	**(40,875)**	**40,875**	**231,157**	**231,380**

[(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 61.5% of the €600 million in gross debt at 31 December 2017 (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 €3.7 million on the Group's financing expenses, equivalent to a 18% rise in finance costs for 2017. 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:

	31/12/2017	31/12/2016
Euro (EUR)	16.4%	16.3%
US dollar (USD)	27.5%	32%
Pound sterling (GBP)	11.6%	11.7%
Canadian dollars (CAD)	4.2%	4.3%
Brazilian real (BRL)	2.1%	2.1%
Yuan (CNY)	5.7%	5.3%
Other currencies	32.5%	28.4%
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 65% 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 equity in accordance with IAS 21 and IAS 39, came to €0.4 million at 31 December 2017.

The table below shows the details of the net asset position as at 31 December 2017 (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	Others
Financial assets	1,006	-	84	95	504	3,675
Financial liabilities	(17,798)	(139)	12,112	(1)	-	(4,689)
Net position before management	**(16,792)**	**(139)**	**12,197**	**95**	**504**	**(1,013)**
Derivative instruments	-	-	-	-	-	-
Net position after management	**(16,792)**	**(139)**	**12,197**	**95**	**504**	**(1,013)**

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 gain on translation of around €0.21 million, recognised in financial income.

Sensitivity to changes in exchange rates for the main exposure

As of 31 December 2017, the sensitivity of the Group's operating margin, 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	2017		
	USD	CAD	GBP
	5% increase in the currency against the euro	5% increase in the currency against the euro	5% increase in the currency against the euro
Impact on operating margin	2,174	509	269
Impact on profit before tax	1,533	299	(69)
Impact on equity Group share	10,543	2,396	(3,915)

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 2017 and 31 December 2016:

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
617,631	508,143	109,488	62,040	31,009	8,632	14,947	(7,141)

In thousand euros		31 December 2016					
		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
624 406	528 477	95 924	48 188	28 246	11 546	15 012	(7 068)

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 2017, the Group's financing via Ipsos SA took the form of:

- US private placement bond issued in 2010 at seven, ten and twelve year maturities for $300 million. The redemption of the first tranche of $85 million took place on 28 September 2017, the gross balance is $215 million (€179.3 million);
- a Schuldschein loan contracted on 7/11/2013. The €32.5 million tranche remains outstanding as at 31 December 2017;
- a Schuldschein loan contracted on 7/12/2016 with a tranche of €138 million and another tranche of $90 million, fully drawn to €213 million as at 31 December 2017;
- bank loans via two syndicated credit facilities initially for a term of five years, totalling a gross amount of €365 million, of which €140 million had been drawn as at 31 December 2017;
- bank loans via bilateral loans for three or five-year terms, for a gross amount of €240 million. Note one draw-down of €10 million was outstanding at 31 December 2017;
- in addition, a loan was contracted by Regional Financing Company SA on 15/12/2017 for €30 million.

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 thousands of euros	Carrying amount	Undiscounted contractual cash flows	Schedule					
		Total	2018	2019	2020	2021	2022	> 2022
Bond issue USPP 2010 (Ipsos SA)	173,106	179,271	-	-	154,257	-	25,015	-
2013 Schuldschein loan (Ipsos SA)	32,423	32,500	20,500	-	12,000	-	-	-
2016 Schuldschein loan (Ipsos SA)	212,350	213,044	-	5,000	-	134,940	-	73,104
Syndicated loan €215 million (Ipsos SA)	139,034	139,852	-	-	-	17,888	121,964	-
Other loans (Ipsos SA)	10,000	10,000	-	-	-	-	10,000	-
Other borrowings (subsidiaries)	30,004	30,000	-			30,000		
Debt linked to finance leases	598	598	220	367	8	3	-	-
Other financial liabilities	136	136	14	25	2	94	1	-
Accrued interest on financial liabilities	2,938	2,938	2,938	-	-	-	-	-
Bank overdrafts	2,158	2,158	1,326	832	-	-	-	-
Borrowings and other financial liabilities	**602,743**	**610,497**	**24,998**	**6,224**	**166,267**	**182,925**	**156,980**	**73,104**

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 margin/consolidated 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 hedging instruments, and they are stated on the balance sheet at fair value, excepting the interest rate SWAP covering the third of the USPP qualified as fair value hedge.

6.3.1 –Financial instruments recorded in the balance sheet

			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	617,660	617,660	-	-	-	617,660	-	-	-
Other receivables and current assets[1]	15,316	15,316	-	-	-	15,316	-	-	-
Derivatives financial 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, pre-paid income and other liabilities except current accounts of minority interests.

			31/12/2016						
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	22,547	22,547	-	-	1,483	21,064	-	-	-
Trade receivables	624,406	624,406	-	-	-	624,406	-	-	-
Other receivables and current assets[(1)]	14,631	14,631	-	-	-	14,631	-	-	-
Derivatives financial assets	3,399	3,399	-	-	-	-	-	-	3,399
Cash and cash equivalents	164,892	164,892	164,892	-	-	-	-	-	-
Assets	**829,875**	**829,875**	**164,892**	**-**	**1,483**	**660,101**	**-**	**-**	**3,399**
Long term financial debts (> 1 year)	626,152	630,101	-	-	-	-	-	626,152	-
Trade payables	262,866	262,866	-	-	-	262,866	-	-	-
Short term financial debts (< 1 year)	86,662	86,662	-	-	-	-	-	85,699	963
Other debts and current and non-current liabilities[(2)]	45,712	45,712	30,818	13,052	-	1,842	-	-	-
Liabilities	**1,021,392**	**1,025,341**	**30,818**	**13,052**	**-**	**264,708**	**-**	**711,851**	**963**

[(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, pre-paid 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	31/12/2017					
	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 expenses	107	-	-	526	-	-

In thousand euros	31/12/2016					
	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	-	-	-	-	(1,835)	-
Cost of net financial debt	2,494	-	(23,669)	-	-	363
Other financial income and expenses	(2,200)	-	-	1,725	-	-

6.3.3 – Information on interest rate and currency derivative instruments

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

In thousand euros	31/12/2016					
	Balance sheet value		Notional	Maturities		
	Assets	Liabilities		> 1 year	1 to 5 years	+5 years
Interest rate risk						
Interest rate swaps	3,399	(496)	124,868	-	124,868	-
Tunnels	-	(103)	40,793	26,563	14,230	-
Subtotal	**3,399**	**(600)**	**165,661**	**26,563**	**139,098**	**-**

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	31/12/2017	31/12/2016
Less than 1 year	34,262	34,867
Between 1 and 5 years	94,878	98,013
5 years or more	30,508	36,972
Total	**159,648**	**169,852**

Operating leases mainly relate to administrative premises. All of these premises are used by the Ipsos Group (except as mentioned in Note 5.10 "Current and non-current provisions"), and may be sub-let.

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	31/12/2017	31/12/2016
Less than 1 year	645	796
Between 1 and 5 years	988	1,283
5 years or more	-	-
Total minimum payments	**1,633**	**2,079**
Less financial expenses included	-	-
Present value of future minimum payments	**1,633**	**2,079**

Finance leases mainly concern IT hardware.

6.4.3 – 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 2017 break down as follows:

In thousands of euros	≤ 1 year	1 to 5 years	+5 years	Total
Deferred payments and earn-out payments	-	-	-	-
Central Europe	-	-	-	-
North America	-	-	-	-
Latin America	46	-	-	46
Asia-Pacific	-	-	3,241	3,241
Middle East	108	-		108
Subtotal	**154**	**-**	**3,241**	**3,394**
Commitments to buy out minority interests	-	-	-	-
Europe	712	2,374	-	3,086
North America	4,586	10,375	-	14,960
Latin America	154	751	-	905
Asia-Pacific	3,080	-	-	3,080
Middle East	-	-	-	-
Sub-Saharan Africa	1,044	-	-	1,044
Subtotal	**9,575**	**13,500**	**-**	**23,075**
Total	**9,729**	**13,500**	**3,241**	**26,469**

Ipsos Group has a share purchase option on 70% of Ipsos Opinion SA shares. The purchase price of these shares is based on a multiple of the operating profit of Ipsos Opinion SA for 2015, 2016 and 2017. It is capped at €3.1 million. This share purchase option is recorded as a financial derivative instrument whose fair value is insignificant at 31 December 2017.

6.4.4 –Other commitments and litigation

The Group is not involved in any material litigations as at 31 December 2017.

6.4.5 – 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 or legal proceedings. The Group is involved in a number of tax inspections and labour claims in a number of countries, notably in Brazil. Provisions have been set aside for the probable risks identified (see Note 5.10 "Current and non-current provisions").

The financial implications of 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 or litigations in progress are unlikely to have a material impact on the Company's operating profit, financial condition or liquidity position.

6.5 – Year-end headcount

Fully-consolidated companies	Headcount as at 31/12/2017	Headcount as at 31/12/2016
Europe, Middle East and Africa	8,339	8,275
Americas	3,558	4,902
Asia-Pacific	4,767	3,421
TOTAL	**16,664**	**16,598**

6.6 – Related-party transactions

6.6.1 – Relationships with related parties

None

6.6.2 – 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 related parties were not material at 31 December 2017.

6.6.3 – 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.

6.6.4 – 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 20 members, and the Board of Directors has 11 members, including 9 external directors at 31 December 2017.

In thousand euros	31/12/2017			31/12/2016		
	Executive Committee		External directors*	Executive Committee		External directors*
	Directors	Non-directors		Directors	Non-directors	
Total gross compensation and benefits[1]	1,372	8,738	139	975	8,633	185
Termination benefits[2]					268	
Share-based payments[3]	294	1,884		322	2,477	

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

[1] Compensation and benefits, bonuses, indemnities, directors' 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.

6.7 – Post-balance sheet events

In March 2018, the Ipsos Group provided a security deposit for the ISS dispute (taxes on services) in Brazil at the request of the Brazil tax authorities. This deposit totals BRL 27 million.

6.8 – Information on Ipsos SA parent company financial statements

In the year ended 31 December 2017, operating income of the Ipsos SA parent company amounted to €37,049,952 and net profit was €87,289,652.

7 – Companies included in the scope of consolidation at 31 December 2017

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	Countries	Address
Ipsos	SA	Parent	Parent	France	35, rue du Val de Marne 75013 Paris
Ipsos group	GIE	100	100	France	35, rue du Val de Marne 75013 Paris
Europe					
Ipsos France	Simplified joint-stock company (SAS)	100	100	France	35, rue du Val de Marne 75013 Paris
Ipsos Observer	SA	100	100	France	35, rue du Val de Marne 75013 Paris
Gie Ipsos	GIE	100	100	France	35, rue du Val de Marne 75013 Paris
Ipsos Ocean Indien	Limited liability company (SARL)	100	100	France	158, rue Juliette Dodu 97400 Saint Denis – La Réunion
Ipsos Antilles	Simplified joint-stock company (SAS)	100	100	France	Les Hauts de Californie, Morne Pavillon, 97232 Le Lamentin- Martinique
Espaces TV Communications	SA	100	100	France	30, rue d'Orléans, 92200 Neuilly sur Seine
Ipsos MORI UK Ltd.	Ltd.	100	100	United Kingdom	3 Thomas More Square, London E1W 1YW
Price Search	Ltd.	100	100	United Kingdom	3 Thomas More Square, London E1W 1YW
Ipsos Interactive Services Ltd.	Ltd.	100	100	United Kingdom	3 Thomas More Square, London E1W 1YW
M&ORI Limited	Ltd.	100	100	United Kingdom	3 Thomas More Square, London E1W 1YW
MORI Ltd.	Ltd.	100	100	United Kingdom	3 Thomas More Square, London E1W 1YW
Ipsos EMEA Holding Limited	Ltd.	100	100	United Kingdom	3 Thomas More Square, London E1W 1YW
Ipsos Pan Africa Holdings Limited	Ltd.	100	100	United Kingdom	3 Thomas More Square, London E1W 1YW
Synovate Healthcare Limited	Ltd.	100	100	United Kingdom	3 Thomas More Square, London E1W 1YW
Ipsos Retail Performance Ltd.	Ltd.	100	100	United Kingdom	Beech House, Woodlands Business Park, Milton Keynes - MK14 6ES
Ipsos Limited	Ltd.	100	100	Ireland	Block 3, Blackrock Business Park, Blackrock, Co Dublin
Ipsos GmbH	Gmbh	100	100	Germany	Sachsenstrasse 6, 20097 Hamburg
IPSOS Operations GmbH	Gmbh	100	100	Germany	Sachsenstrasse 6, 20097 Hamburg
Ipsos Loyalty	Gmbh	100	100	Germany	Sachsenstrasse 6, 20097 Hamburg
Trend.test GmbH	Gmbh	100	100	Germany	Kolonnenstrasse 26, 2, Hof, 1, OG 10829 Berlin
Ipsos Bahnreisenforschung Gmbh	Gmbh	100	100	Germany	Elektrastraße 6, 81925 München
Ipsos Srl	SRL	100	100	Italy	Via Tolmezzo 15, 20132 Milano
Ipsos Iberia, SA	SA	100	100	Spain	Avenida de llano castellano, 13, 3a planta, 28034 Madrid
Ipsos Understanding Unltd.,SAU	SAU	100	100	Spain	Avenida de llano castellano, 13, 3a planta, 28034 Madrid
Ipsos Holding Belgium	SA	100	100	Belgium	Paepsemlaan 11, 1070 Anderlecht
Ipsos NV (Belgium)	SA	100	100	Belgium	Grote Steenweg 110-2600, Berchem
Ipsos Hungary ZRT	Zrt.	100	100	Hungary	Pap Károly u. 4-6, Budapest, H-1139
Synovate – Investigação de Mercado, Lda	Lda	100	100	Portugal	Rua Ramalho Ortigão No. 8-2˚ Dto., 1070-230 Lisboa
Ipsos Sp. z.o.o	sp z.o.o.	100	100	Poland	ul. Domaniewska 34A, 02-672, Warsaw
Ipsos AB	AB	100	100	Sweden	S:t Göransgatan 63, Box 12236, 102 26 Stockholm
Ipsos AS	AS	100	100	Norway	Karenslyst Allé 20, 0278 Oslo, Postal: Postboks 64 Skøyen, 0212 Oslo
Ipsos A/S	AS	100	100	Denmark	Store Kongensgade 1, 1. 1264 Copenhagen K - Denmark
Ipsos interactive Services SRL	SRL	100	100	Romania	319G Splaiul Independentei, Atrium House, Ground floor, 060044 Bucharest, 6th district, Romania

Consolidated companies	Legal form	% voting rights	% interest	Countries	Address
Ipsos Research S.R.L.	SRL	100	100	Romania	Str. Siriului Nr.20, Zona A. Copr A, ET.1.014354, Bucharest, 1st district, Romania
Ipsos Eood	EOOD	100	100	Bulgaria	119 Europa Boulevard, 5th Floor, Sofia 1324
Ipsos Comcon LLC	LLC	100	100	Russia	3, Bld.2, Verhn. Krasnoselskaya St., 107140, Moscow, Russia
IPSOS s.r.o.	s.r.o	78.7	78.7	Czech Republic	Slovansky dum, entrance E, Na Prikope 22, Prague 1, 110 00
Ipsos SA r. o.	s.r.o	78.7	78.7	Slovak	Heydukova 12, 811 08 Bratislava
Ipsos GmbH	SRL	78.7	78.7	Austria	Rotenturmstraße 16-18 / 7th floor, Vienna, 1010
Ipsos LLC	LLC	100	100	Ukraine	6A Volodimirskaya street, office 1, 01025 Kiev, Ukraine
Ipsos SA	S.A.	100	100	Switzerland	11 Chemin du Château-Bloch, 1219 Le Lignon, Geneva
Ipsos	A.S.	100.0	100.0	Turkey	Centrum Is Merkezi Aydinevler No 3-34854 Kucukyali, Istanbul
Synovate (Holdings) South Africa	Pty Ltd.	100	100	South Africa	Building 3 & 4, Prism 2055 Fourways Johannesburg
Ipsos (Pty) Ltd.	Pty Ltd.	100	100	South Africa	Building 3 & 4, Prism 2055 Fourways Johannesburg
Ipsos Strategic Puls SAS	Simplified joint-stock company (SAS)	90.8	90.8	France	35, rue du Val de Marne 75013 Paris
Ipsos Strategic Marketing DOO.	d.o.o	90.8	90.8	Serbia	Gavrila Principa 8, 11000 Belgrade
Ipsos d.o.o.	d.o.o	90.8	90.8	Croatia	Šime Ljubića 37, 21000 Split
Ipsos Strategic Puls dooel	d.o.o.e.l.	90.8	90.8	Macedonia	Kairska 31, Skopje
Ipsos Strategic Puls D.O.O.	d.o.o.	90.8	90.8	Montenegro	BULEVAR SVETOG PETRA CETINJSKOG 149, PODGORICA
Ipsos d.o.o.	d.o.o.	90.8	90.8	Slovenia	Šmartinska 152, 1000 Ljubljana
Ipsos d.o.o.	d.o.o.	90.8	90.8	Bosnia	Hamdije Kreševljakovića 7c, Sarajevo, BIH
Strategic Puls Research	Sh.P.K.	90.8	90.8	Albania	Rr.Frederik Shiroka Kulla 1, Sh. 2 Ap.32 Shk., Tirana
Ipsos Dooel	Branch	90.8	90.8	Kosovo	Emin Duraku Nr. 2, 10000 Pristina
Ipsos Nigeria Limited	Ltd.	60.0	60.0	Nigeria	No.70 Adeniyi Jones Avenue, Ikeja-Lagos, Nigeria
Ipsos (East Africa) Limited	Ltd.	60.0	60.0	Kenya	Acorn House, 97 James Gichuru Road, Lavington P.O. Box 68230 - 00200 City Square, Nairobi
Ipsos Limited	Ltd.	100	100	Kenya	Acorn House, 97 James Gichuru Road, Lavington P.O. Box 68230 - 00200 City Square, Nairobi
Ipsos Limited	Ltd.	100	100	Ghana	H/NO. 4, Farrar Avenue, Asylum Down, PMB7, Kanda, Accra
Ipsos	Ltd.	100	100	Senegal	AGORA VDN Villa 7 Fann Mermoz - BP 25582 Dakar Fann
Ipsos SARL	S.A.R.L	100	100	Ivory Coast	Cocody 2 plateaux, Boulevard Latrille Carrefour Macaci, 11 BP 2280, Abidjan 11
Ipsos Moçambique, LDA	Ltd.	100	100	Mozambique	AV Francisco Orlando Magumbwe No 528, Maputo. Mozambique
Ipsos Ltd.	Ltd.	100	100	Uganda	Padre Pio House, Plot 32 Lumumba Road, PO Box 21571, Kampala
Ipsos Tanzania Limited	Ltd.	100	100	Tanzania	Plot 172 Regent Estate, PO Box 106253 Mikocheni, Dar Es Salaam
Ipsos Limited	Ltd.	100	100	Zambia	Plot 9632 Central Street, Chudleigh, PO Box 36605, Lusaka
Synovate Holdings BV	BV	100	100	Netherlands	Amstelveenseweg 760, 1081JK, Amsterdam
Ipsos B.V.	BV	100	100	Netherlands	Amstelveenseweg 760, 1081JK, Amsterdam
Ipsos A.E.	A.E.	100	100	Greece	8 Kolokotroni Street 10561 Athens
Ipsos Market Research LTD.	Ltd.	100	100	Cyprus	2-4 Arch. Makarios III Avenue, Capital Center, 9th Floor, 1065 Nicosia
Portdeal Ltd.	Ltd.	100	100	Cyprus	Themistokli, Dervi 3 Julia House, P.C. 1066, Nicosia, Cyprus
Regional Financing Company S.A.	SA	100	100	Luxembourg	15, avenue Emile Reuter L-2420 Luxembourg
North America					
Ipsos America	Inc.	100	100	USA	301 Merritt 7, Norwalk, CT 06851
Ipsos Insight	LLC	100	100	USA	301 Merritt 7, Norwalk, CT 06851

Consolidated companies	Legal form	% voting rights	% interest	Countries	Address
Ipsos Insight Corporation	Corp.	100	100	USA	301 Merritt 7, Norwalk, CT 06851
Ipsos Interactive Services US	Inc.	100	100	USA	301 Merritt 7, Norwalk, CT 06851
Ipsos Public Affairs, LLC	Inc.	100	100	USA	301 Merritt 7, Norwalk, CT 06851
Ipsos MMA, Inc.	Inc.	94,95	94,95	USA	301 Merritt 7, Norwalk, CT 06851
Research Data Analysis, Inc.	Inc.	100	100	USA	450 Enterprise Court Bloomfield Hills, MI 48302
Ipsos NPD	Inc.	100	100	Canada	240 Duncan Mill Road, Suite 2240, Toronto, Ontario
Ipsos Corp.	Inc.	100	100	Canada	1285 West Pender Street, Suite 200, Vancouver, BC V6E 4B1
Ipsos Interactive Services LP	LP	100	100	Canada	160 Bloor Street East, Suite 300 Toronto Ontario
Ipsos Ltd. Partnership	LP	100	100	Canada	1285 West Pender Street, Suite 200, Vancouver, BC V6E 4B1
Latin America					
Ipsos Argentina	SA	100	100	Argentina	Olazábal 1371 – C1428DGE , Buenos Aires, Argentina
Ipsos Observer SA	SA	51	51	Argentina	Olazábal 1371 – C1428DGE , Buenos Aires, Argentina
Ipsos Brasil Pesquisas de Mercado.	Ltda	100	100	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	Ltda	100	100	Brazil	Calçada Antares 264 - Alphaville - Centro de Apoio 2 - CEP 06541-065 - Santana do Parnaiba, Sao Paulo.
Ipsos CA	C.A.	100	100	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 C.V.	SA de CV	100	100	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	100	Mexico	Av Ingenieros Militares #85 interior 101 col. Nueva Argentina Delg. Miguel Hidalgo, CP 11230 (DF)
Ipsos CCA, Inc.	Inc.	100	100	Panama	816 Edificio Century Tower Avenida Ricardo J Alfaro Panama City Panama
Ipsos SRL	S.R.L.	90	90	Dominican Republic	Frank Félix Miranda 47, Naco, Santo Domingo, Dom. Rep. Dom.
Ipsos SA	S.A.	100	100	Guatemala	13 Calle 2-60 Zona10, Edificio Topacio Azul, nivel 8o. oficina 803. Ciudad Guatemala
Ipsos Inc. (Puerto Rico)	Inc.	100	100	Puerto Rico	Calle Fernando Calder #463 San Juan, Puerto Rico 00918
Ipsos TMG Panama SA	S.A.	100	100	Panama	816 Edificio Century Tower Avenida Ricardo J Alfaro Panama City Panama
Ipsos TMG SA	Panama Stock Corporation	100	100	Panama	816 Edificio Century Tower Avenida Ricardo J Alfaro Panama City Panama
Ipsos Opinión y Mercado SA	S.A.	100	100	Peru	Av. Reducto 1363, Miraflores, Lima 18
Premium Data SAC	S.A.C.	100	100	Peru	Av. Republica de Panama 6352, Miraflores, Lima 18
Ipsos Opinion y Mercado SA	S.A.	100	96.80	Bolivia	Calle Waldo Ballivian No.540 - Sopocachi, La Paz
Ipsos Ecuador SA	S.A.	100	100	Ecuador	Javier Aráuz N 36-15 y German Alemán
Servicios Ecuatorianos Atika Sa	S.A.	100	65.28	Ecuador	Arauz N36-15 y Alemán, Quito
Ipsos Herrarte SA de CV	Trading	50.5	50.5	El Salvador	79 Avenida Norte y 7 Calle PTE, No. 4109 Cote Escalon, San Salvador.
Ipsos Herrarte SA de CV (Nicaragua)	S.A.	100	100	Nicaragua	Plaza Julio Martínez, 1c. abajo, 3c. al sur, 1c abajo Managua
Herrarte, S.A. DE C.V.	S.A.	100	100	Honduras	Colonia Loma Linda Sur, Segunda Calle, Trece Avenida, Casa No. 32, Bloque H. Atrás de la Iglesia Cristo Viene. Tegucigalpa, M.D.C. (Municipio de Distrito Central) Honduras
Ipsos SA	S.A.	100	100	Costa Rica	Barrio Escalante, de la iglesia Santa Teresita 300 metros este, 100 norte y 25 este, San José
Ipsos Chile	S.A.	100	100	Chile	Pedro de Valdivia 555, piso 10, Providencia, Santiago

Consolidated companies	Legal form	% voting rights	% interest	Countries	Address
Ipsos Chile Ipsos Observer Chile	SA	100	100	Chile	Calle Arzobispo Larrain Gandarillas 65, Providencia, Santiago
Ipsos ASI Andina SAS	S.A.S.	100	100	Colombia	Calle 74 No 11 – 81 Piso 5. Bogotá, Colombia
Ipsos Napoleon Franco&Cia SAS	S.A.	100	100	Colombia	Calle 74 No 11 – 81 Piso 5. Bogotá, Colombia
Synovate Colombia SA	S.A.	100	100	Colombia	Calle 74 No 11 – 81 Piso 5. Bogotá, Colombia
Livra Europe Ltd	Ltd.	100	100	United Kingdom	3 Thomas More Square, London E1W 1YW, UK
Livra.com S.A.	SA	100	100	Argentina	11 de septiembre 2468 (2468) Buenos Aires, Argentina
Asia-Pacific					
Ipsos Limited	Ltd.	100	100	Hong Kong	22F Leighton Centre - 77 Leighton Road, Causeway Bay, Hong Kong
Beijing Ipsos Market Consult.	Ltd.	98	98	China	Suite 1201-1204, 12F, Union Plaza, No.20, Chaowai Avenue, Beijing
Ipsos Asia Limited	Ltd.	100	100	Hong Kong	22F Leighton Centre - 77 Leighton Road, Causeway Bay, Hong Kong
Ipsos Pte Ltd.	Pte. Ltd.	100	100	Singapore	3 Killiney Road, #05-01, Winsland House 1, Singapore 239519
Ipsos China Limited	Ltd.	100	100	Hong Kong	22F Leighton Centre - 77 Leighton Road, Causeway Bay, Hong Kong
Ipsos Limited	Ltd.	100	100	Taiwan	25F, No.105, Sec.2, Tun Hwa S. Rd., Da-an District, Taipei 106
Ipsos Co., Ltd.	Co. Ltd.	100	100	Korea	12F Korea Daily Economic BD 463 Cheongpa-Ro, Chung-Ku, Seoul, Korea 04505
Ipsos (Philippines), Inc.	Inc.	100	100	Philippines	Unit 1401B, One Corporate Centre, Julia Vargas Avenue corner Meralco Avenue, Ortigas Center, Pasig City, Philippines.
Ipsos Inc.	Inc.	100	100	Philippines	Unit 1401B, One Corporate Centre, Julia Vargas Avenue corner Meralco Avenue, Ortigas Center, Pasig City, Philippines.
Ipsos Ltd.	Ltd.	100	100	Thailand	Asia Centre Building, 21st, 22nd Floor, 173 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Thailand
PT. Ipsos Market Research	PT	100	100	Indonesia	Gedung Graha Arda Lt. 3, Jl. H.R. Rasuna Said Kav. B-6, Setiabudi, Jakarta Selatan 12910
IPSOS Sdn Bhd	Sdn Bhd	100	100	Malaysia	18th Floor, Menara IGB, No. 2 The Boulevard, Midvalley City Lingkaran Syed Putra, 59200 Kuala Lumpur.
Synovate Ltd	Ltd.	100	100	Hong Kong	22F Leighton Centre - 77 Leighton Road, Causeway Bay, Hong Kong
Ipsos Observer Limited	Ltd.	100	100	Hong Kong	22F Leighton Centre - 77 Leighton Road, Causeway Bay, Hong Kong
IJD Limited	Ltd.	100	100	Thailand	Asia Centre Building, 21st, 22nd Floor, 173 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
PT. Field Force Indonesia	PT	70	70	Indonesia	Gedung Graha Arda Lt. 3, Jl. H.R. Rasuna Said Kav. B-6, Setiabudi, Jakarta Selatan 12910
Ipsos Radar Market Consulting	Ltd.	100	100	China	Room 3409 - International Trade Center Ren Min Nan Road, Shenzhen, China
Ipsos LLC	LLC	51	51	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	100	Korea	12F Korea Daily Economic BD 463 Cheongpa-Ro, Chung-Ku, Seoul, Korea 04505
Ipsos Pty Ltd.	Pty Ltd.	100	100	Australia	Level 13, 168 Walker Street, North Sydney NSW 2060, Australia
I View Pty Ltd.	Pty Ltd.	100	100	Australia	Level 14, 168 Walker Street, North Sydney NSW 2060, Australia
Ipsos Public Affairs Pty Ltd.	Pty Ltd.	100	100	Australia	Level 13, 168 Walker Street, North Sydney NSW 2060, Australia
Ipsos Ltd.	Ltd.	100	100	New Zealand	Level 3, 8 Rockridge Avenue, Penrose 1061. Auckland, New Zealand
Ipsos KK	KK	100	100	Japan	1-12-12 Higashitenma、Kita-Ku, Osaka, 530-0044 Japan
Japan Marketing Operations Co.	KK	100	100	Japan	5-2-2, Rinkaicho, Edogawa-ku, Tokyo 134-0086
Ipsos Japan Holding co ltd	KK	100	100	Japan	3-5-8 Nakameguro, Meguro-ku, Tokyo 153-0061
Ipsos Healthcare Japan Ltd	Private company limited by shares	100	100	Japan	Hulic Kamiyacho Building, 4-3-13, Toranomon, Minato-ku, Tokyo, 105-0001

Consolidated companies	Legal form	% voting rights	% interest	Countries	Address
Ipsos Research Pvt.Ltd.	Pvt. Ltd.	100	100	India	1701, F Wing, Off Western Highway, Goregaon € Mumbai 400063
Ipsos LLP	Limited Liability Partnership	100	100	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
Ipsos SAL	S.A.L	52.67	49.16	Lebanon	Dekwaneh, Ipsos Building, P.O. Box: 55103 - Sin El Fil
AGB Stat-Ipsos	S.A.L	43.76	43.76	Lebanon	Dekwaneh, Ipsos Building, P.O. Box: 55103 - Sin El Fil
Ipsos Mena Offshore s.a.l.	S.A.L	52.67	52.67	Lebanon	Dekwaneh, Ipsos Building, P.O. Box: 55103 - Sin El Fil
Ipsos Stat Jordan (Ltd.)	LLC	52.67	52.67	Jordan	Wasfi Al Tal Str, P.O. BOX 830871, Amman-11183
The European Co. for Marketing Research	LLC	52.67	52.67	Kuwait	Beirut Street, PO Box 22417, Safat 13085, Hawally
Ipsos Stat (Emirates)	LLC	42.14	42.14	United Arab Emirates	Al Thuraya Tower 1, 8th Floor, Dubai Media City, PO BOX 71283, Dubai, UAE
Ipsos Saudi Arabia	Ltd.	52.67	52.67	Saudi Arabia	Tahlia Street,Yamamah Building– Office 31, P.O Box 122200 Jeddah 21332 KSA
Ipsos	W.L.L.	52.67	52.14	Bahrain	Al Ain Building, Flat 11, Building 92, Road 36, Block 334, Manama/Al Mahooz, Bahrain
Ipsos Egypt For Consultancy Services	S.A.E	52.67	52.67	Egypt	35A Saray ElMaadi Tower, 4th floor, Cornish El-Nile, Maadi, Cairo, Egypt
Iraq Directory for Research and Studies	Co. Ltd.	36.87	36.87	Iraq	BAGHDAD - Waziriya Area - Antar Square - Architecture Zebrano Furniture - 2th Floor
Synovate The Egyptian Market Research	LLC	52.67	52.67	Egypt	537 Houd El Gezira 1 Corniche El Nile, Maadi. CAIRO Egypt
Marocstat	S.A.R.L	52.67	52.14	Morocco	16, Rue des Asphodèlles - Maârif- Casablanca 20380
MDCS	S.A.R.L	52.67	52.14	Morocco	16, Rue des Asphodèlles - Maârif- Casablanca 20380
Synovate Market Research Sarl	S.A.R.L	52.67	52.67	Morocco	16, Rue des Asphodèlles - Maârif- Casablanca 20380
EURL Synovate	E.U.R.L.	52.67	52.67	Algeria	Lotissement AADL Villa n°13-Saïd HAMDINE. Bir MouradRais. Algiers
Ipsos SARL	S.A.R.L	52.67	55	Tunisia	Immeube Luxor, 3ème Etage, Centre Urbain Nord, 1082 Tunis
Ipsos Market Research LTD.	Ltd.	100	100	Israel	Tuval 13, 525228 Ramat Gan
Ipsos Qatar WLL	Limited Liability Company	50.0	50.0	Qatar	IBA Building, 1st floor, C Ring Road, Doha Qatar
Ipsos Pakistan	Pvt. Ltd.	36.9	36.9	Pakistan	4th Floor, Tower 10, MPCHS, E-11/1 Islamabad- Pakistan

Equity associated companies

Consolidated companies	Legal form	% voting rights	% interest	Countries	Address
APEME	Lda	25.0	25.0	Portugal	Avenida Duque de Ávila, nº 26 – 3º andar 1000 – 141 Lisbon
Ipsos-Opinion S.A	A.E.	30.0	30.0	Greece	8 Kolokotroni Street 10561 Athens
Shanghai Ipsos Info Technology Co Ltd	Ltd.	40.0	40.0	China	Room 581, Gate 2, No 148, Lanne 999 Xin'er Road, Baoshan District

8 - Auditors' fees

	Grant Thornton				Mazars				PricewaterhouseCoopers				TOTAL			
	Amount (excluding taxes)		%		Amount (excluding taxes)		%		Amount (excluding taxes)		%		Amount (excluding taxes)		%	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Statutory Auditors, certifications, review of individual and consolidated accounts																
Ipsos S.A.	*330*	*344*	*24%*	*15%*	*408*	*0*	*21%*	*0%*	*0*	*419*	*0%*	*19%*	*738*	*763*	*22%*	*17%*
- Globally integrated subsidiaries	*1,039*	*1,827*	*76%*	*79%*	*1,539*	*0*	*79%*	*0%*	*0*	*1,685*	*0%*	*77%*	*2,578*	*3,512*	*78%*	*78%*
Subtotal Accounts Certification	**1,369**	**2,171**	**100%**	**93%**	**1,947**	**0**	**100%**	**0%**	**0**	**2,104**	**0%**	**96%**	**3,316**	**4,275**	**100%**	**94%**
Services other than certification of accounts																
Ipsos S.A.	*0*	*0*	*0%*	*0%*	*0*	*0*	*0%*	*0%*	*0*	*0*	*0%*	*0%*	*0*	*0*	*0%*	*0%*
- Globally integrated subsidiaries	*0*	*153*	*0%*	*7%*	*0*	*0*	*0%*	*0%*	*0*	*97*	*0%*	*4%*	*0*	*250*	*0%*	*6%*
subtotal Services other than certification of accounts	**0**	**153**	**0%**	**7%**	**0**	**0**	**0%**	**0%**	**0**	**97**	**0%**	**4%**	**0**	**250**	**0%**	**6%**
TOTAL	**1,369**	**2,324**	**100%**	**100%**	**1,947**	**0**	**100%**	**0%**	**0**	**2,201**	**0%**	**100%**	**3,316**	**4,525**	**100%**	**100%**