Press Release

# Ipsos 2012 – 2013

# After stabilisation, back to growth

## 2012 revenues: 1,789 million euros
## Operating margin: 10%

**Paris, 27 February 2013.** Full-year 2012 revenues totalled 1,789 million euros, the same amount as the 2011 pro forma figure for Ipsos and Synovate together.

In the fourth quarter alone, revenues declined 1% compared to the same period in 2011 at constant scope, exchange rates and accounting methods. The performance in the emerging countries was stronger, with organic growth of 5.9%.

All in all, Ipsos' business volume was lower than we expected in the last months of the year. A deteriorating macroeconomic environment, uncertainty in the United States and several wrong turns in Europe strained economic growth prospects and hence the business climate. Specific factors pertaining to the research market and Ipsos, which we will cover further below, also contributed to delaying by some months our company's return to growth.

In terms of margins, our performance has improved. The gross profit margin progressed throughout the year to 64.1%, from 63.4% in the first-half of 2012 and from 62.9% for the pro forma of Ipsos and Synovate together in 2011. Consequently, Ipsos reached its target of an operating margin of 10%, 120 basis points above the pro-forma 2011 results for Ipsos and Synovate combined.
Although this improvement was expected, it was generated almost entirely in the second half of the year, as the first-half increase was only 30 basis points (5.8% vs. 5.5%).

| *(in millions of euros)* | **2012** | **2011 statutory** | **Change 2012/2011** | **2011 pro forma** |
|---|---|---|---|---|
| **Revenue** | **1789,5** | **1 362,9** | **+31,3%** | **1 789,9** |
| **Gross profit** | **1147,2** | **872,3** | **+31,5%** | **1125,3** |
| *Gross margin* | *64,1%* | *64,0%* | | *62,9%* |
| **Operating profit** | **178,5** | **160,2** | **+11,4%** | **157,2** |
| *Operating margin* | *10%* | *11,8%* | | *8,8%* |
| **Net profit (attributable to the Group)** | **74,1** | **84,1** | **-11,9%** | |
| **Adjusted net profit* (attributable to the Group)** | **118,5** | **115,3** | **+2,7%** | |

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

35 rue du Val de Marne
75628 Paris cedex 13
France
Tel : + 33 1 41 98 90 00

**Contact** :
Laurence Stoclet, Deputy CEO and Group CFO
Email : laurence.stoclet@ipsos.com
Téléphone : +33 (0)1 41 98 90 20

## Performance by region and business line

The respective performances of the different regions reflect the weight of emerging markets each contains. Asia Pacific has progressed because most of the Ipsos turnover here comes from emerging markets. In contrast, the Americas declined in the fourth quarter due to the special importance of the USA, which alone accounts for 60% of this region's turnover.

| **Consolidated revenues by region** *(in millions of euros)* | **2012** | **2011** | **Change 2012/2011** | **Organic growth Q4 only** |
|---|---|---|---|---|
| Europe, Middle East and Africa | 768,3 | 587,5 | +30,8% | -0,5% |
| Americas | 709,1 | 575,7 | +23,2% | -4,5% |
| Asia-Pacific | 312,1 | 199,7 | +56,3% | +4 ,5% |
| **Full-year revenues** | **1789,5** | **1 362,9** | **+31,3%** | **-1%** |

By specialism, the levels of activity in the fourth quarter alone are not fully representative of annual sales. It is in Marketing – the most diverse and hitherto the least specific and specialised area of activity – that the annual decrease has been most marked. The other specialisms (including MediaCT, whose poor performance in quarter four was a short-term phenomenon) performed better and will all contribute to Ipsos' growth in 2013.

| **Consolidated revenues by business line** *(in millions of euros)* | **2012** | **2011** | **Change 2012/2011** | **Organic growth Q4 only** |
|---|---|---|---|---|
| Advertising Research | 283,9 | 258,3 | +9,9% | +8% |
| Marketing Research | 947,9 | 676,5 | +40,1% | -3,5% |
| Media Research | 168,5 | 130,4 | +29,2% | -12% |
| Opinion & Social Research | 157,8 | 129,4 | +21,9% | +6% |
| Customer Relationship / Management Research | 231,5 | 168,3 | +37,6% | +1% |
| **Full-year revenues** | **1789,5** | **1 362,9** | **+31,3%** | **-1%** |

## Profitability

The Group generated operating profit of 178.5 million euros, up 11.4% compared to the statutory operating profit for full-year 2011, which included the positive impact of the integration of Synovate solely in the fourth quarter of the year.

In view of the traditionally seasonal nature of market research activities (around 30% of revenues are recognised in the fourth quarter, while operating expenses – excluding direct costs relating to data collection – are recognised on a more straight-line basis). Synovate's profitability was highest in the fourth quarter of 2011.

***The improvement in gross profit,*** which is calculated by deducting external direct variable costs attributable to contracts from revenues, is one of the keys to the improvement in profitability, as the positive effects of the combination plan began to be felt in the second half of the year. The gross margin improved to 64.1% compared to the 2011 pro forma figure of 62.9%. This 120 basis points improvement can be attributed to the implementation of an in-sourcing policy for Synovate's production capacities and a strong ability to maintain prices in all countries.

***Amortisation of acquisition-related intangible assets.*** A portion of goodwill is allocated to client relationships during the 12-month period following an acquisition, and amortisation charges are recognised in the income statement over several years, in accordance with IFRS. This charge came to 4.9 million euros in 2012, compared to 2.3 million euros the previous year, and reflects the weight of Synovate's client relationships over 12 months.

***Other non-operating income and expenses****.* The balance of this item was (36.6) million euros compared with (26.3) million euros in 2011. It includes unusual items not related to operations and, since the change in IFRS applicable from 1 January 2010 (revised IFRS 3), acquisition costs. Costs relating to the acquisition of Synovate came to around 10 million euros in 2011 and 3 million euros in 2012, while costs relating to the combination plan for Ipsos and Synovate came to around 13 million euros in 2011 and 33 million euros in 2012.

***Finance costs****.* Finance costs amounted to 23.9 million euros up from 8.2 million euros in 2011 due to finance charges relating to the Synovate acquisition over a full year.

***Tax.*** The effective tax rate on the IFRS income statement was 25%, the same as at 30 June 2012. As in the past, this includes a deferred tax liability of 5.8 million euros, cancelling out the tax saving achieved through the tax deductibility of goodwill amortisation in certain countries, even though this deferred tax charge would fall due only if the activities concerned were sold, and is restated accordingly in adjusted net profit.

***Adjusted net profit attributable to the Group*** came to 118.5 million euros, up 2.7% compared with 2011. Net profit attributable to the Group was down 11.9% to 74.1 million euros, reflecting the cost of the combination plan.

## Financial structure

The acquisition of Synovate resulted in a disbursement on 12 October 2011 corresponding to an enterprise value of 525 million pounds (599.7 million euros – cost at 12 October 2011 based on an exchange rate of 1 euro = 0.87535 pounds), one third of which was financed by means of a capital increase and two thirds by debt.

There is a disagreement with Aegis over contractual price adjustments, and the independent expert who was appointed in July 2012 has not yet submitted his conclusions.

Ipsos also invested a total of 28 million euros over the full year in its acquisition programme, in part to buy out minority interests in some emerging countries (Turkey, India, Saudi Arabia, Morocco, South Africa, Peru, Hungary and Thailand) but also for the 8.5 million euro deferred payment on the acquisition price of OTX, the American leader in digital research purchased in 2010.

Finally, Ipsos invested 6.7 million euros in its share buyback programme to limit the impact of dilution on its free share attribution plans.

***Shareholders' equity*** now stands at 927.6 million euros, compared with 891.6 million euros at 31 December 2011.

***Net debt*** came to 623.5 million euros at 31 December 2012, representing gearing of 67.2%, compared to 680 million euros at 30 June 2012 and 585.9 million euros at 31 December 2011.

***Cash generated by operations*** came to 169.7 million euros, the same as in 2011. It was partly offset by the higher working capital requirement relating to growth in activities in emerging markets, but also to the impact of the combination plan. The migration of Ipsos' ERP to Synovate entities created a temporary delay in client billings (an item that increased by 55 million euros), the collection of which did not begin until January 2013. This trend reversed as of January 2013.

***Cash and cash equivalents*** stood at 131.3 million euros at 31 December 2012. **A dividend** of 0.64 euros per share will be proposed at the Annual General Meeting, representing around 24.5% of the adjusted earnings per share and an increase of 1.6% relative to the previous dividend.

**Outlook for 2013**

Seen from Europe, there is little sign of improvement. The scenario seems almost pre-determined. Rising populism is directly linked, as we have written many times before, to the lack of a political response to the social crisis unfolding in Europe.
So long as pro-Europeans – an endangered species in a South that doesn't want to pay up, as well as in a North that doesn't want to pay up either -– seek shelter under the umbrella of necessary austerity, not understanding the intense frustrations of the majority who are flabbergasted by the wealth of some, but more importantly worried by the gradual erosion of social benefits, we will slip, day by day, further into the tragi-comedy of decline. Even a child can understand that Ireland's recovery does not mean that it is now game over, and that extrapolating the lessons of renewal from a tax haven of five million inhabitants to the more populous nations of the euro zone, makes no sense.

Politics is meant to provide perspective, create confidence and set out the content of a project that is understood and accepted by a majority. Dragging politics into disrepute prevents any positive move, any productive change, or any agreed sacrifice. It marginalises citizens who prefer to laugh along with the satirists rather than roll up their sleeves and work, with little prospect of success, alongside the professors, however competent they may be. Europe is sick and getting sicker and will drag other economies down with it -- particularly if the USA, the world's biggest economic power, proves unable to reign in bi-partisanship and introduces excessively restrictive policies, the only clear outcome of which is a collapse in final demand.

One can only hope that the skirmishes already seen over the relative value of currencies do not develop into open warfare. After all, for as long as it is around, the euro might as well serve some purpose.

Against this background it would be highly surprising if companies broke in 2013 with the caution they have demonstrated since 2008. Granted, the M&A market has been a little more active, sometimes surprisingly so, as in the case of the bid for Heinz from Warren Buffett, the Sage of Omaha, and the Brazilians of ABI. But in most cases deals are more about rationalising a market -- as in the case of Ipsos' acquisition of Synovate -- or, as is clearly the case for a few funds in the USA, taking advantage of very favourable funding conditions.
However, when it comes to organic growth, companies in most cases are concentrating on protecting margins and generating cash rather than on potential expansion.

Thus the growth in the market for information on citizens, consumers and clients has slowed down. Fewer marketing initiatives means less need for information. In any event, the figures are clear and, dare one say it, stubborn. Since 2008 marketing expenditure has grown more slowly than the economy as a whole, a clear sign that this area is no longer sheltered from the productivity efforts of companies who no longer want to give up in this area the benefits they have generated elsewhere by improving the performance of their factories, their networks or the structure of their relationships with suppliers.

Ipsos, along with the other members of the 'Big 4', is in a privileged position: we are amongst the few to have been able in recent years to build platforms capable of producing and exploiting the same information flows around the world. Whilst we remain able, at the very least, to keep our promises on the operational efficiency and consistency of our services from one period to the next and one region to another, we will continue to benefit from our institutional and corporate clients' wish to get the most out of the consolidation of their partnerships. This will be enough to underpin the business base for the 'Big 4' and should, gradually, help them improve margins. But it will not be enough for those who want to develop a policy of profitable growth. It is with this in mind that, once the combination of Ipsos and Synovate has been completed, Ipsos intends to develop new services to meet the new needs of its clients.

**Ipsos, a growth-led company**

As everyone knows, 2012 was not an easy year. Ipsos lost market share. Some of these losses were deliberate where they concerned activities or contracts that Ipsos deemed that it was unable to continue with, either because they did not fit in with its skills base or because they were incompatible with its financial ratios. Other losses resulted from decisions made by clients themselves, due to conflicts of interest, a lack of proximity to Ipsos or quite simply the fear of assigning certain projects to a company occupied with its own restructuring. Finally, staff departures were seen in Asia and the US in particular, sometimes as a result of targeted approaches by direct rivals, making it impossible to hold on to all of the contracts for which these staff were responsible.

Overall, these losses remained limited and reversible. Ipsos has not lost any major clients. On the contrary, Ipsos was able in the majority of cases to increase business volumes with its major international clients.

Although we overestimated our business potential for the last quarter of 2012, this is primarily because of the market's ongoing "wait-and-see" stance in the face of an uncertain climate. The last few weeks of the calendar year are often particularly busy, with our clients wanting to use up their annual budgets. Ipsos did not benefit from any such last-minute decisions in 2012, either because its clients decided to cancel rather than spend their remaining budget, or because its staff was unable to respond to these specific demands.

If there is a lesson to be learned from this error in our forecasts, it is that a merger like that of Ipsos and Synovate takes time, even if its physical and formal execution is swift. Time to reassure clients, and time for researchers and other staff to feel comfortable enough to collaborate between themselves, and therefore fully available to seize the opportunities that any market – even a lacklustre market - offers to the most enterprising.

With each month that passes, things are getting better. Confidence from shared experiences is being built up. The *Better Ipsos* teams have together devised a growth plan for 2013.

**In 2013, Ipsos will:**

- Pursue growth in the emerging countries by relying on its already strong positions in Latin America, the Middle East, central and eastern Europe – notably in Turkey and Russia – and in Asia: in China, of course, but also in India, Indonesia, and in the hubs of Hong Kong and Singapore. We will also pursue growth in sub-Saharan Africa, a market that is beginning to take shape.

- Increase its presence in numerous ways in the booming market for mobile devices, which are an obvious way of revolutionising access to people via protocols that are either active (surveys) or passive (software stored on the devices). Mobile devices are also the focus of new research, notably to identify links between content and platforms.

- Boost efforts aimed at understanding social networks, which are a source of valuable information – not only for crisis management, but also as a support for new survey protocols. Via the creation of ad-hoc communities, these protocols strive to develop a better understanding of citizens/consumers/clients and to enlist their participation in the elaboration of differentiating strategies, enabling companies to better define their product offers and communications.

- Help its customers better define their actions in the digital world, and, most importantly, link these actions to what they are doing in traditional markets. Everyone knows that consistency and interaction between different channels of communication is vital. Yet one must still manage all the points of contact between ideas, brands and people. For this, much must be done in terms of experimenting, learning, applying and auditing.

- Strengthen its position and expertise in the universe of Big Data and analytical models. To be frank, an abundance of information is not a source of knowledge – at any rate, not a source of exploitable knowledge that can be used in the management of a market, product or brand. For years, the goal has been to take the existing data on individual behaviour and to combine it with new or existing information on their attitudes, unsatisfied demands, opinions and knowledge. With the rapid increase in behavioural databases and the development of effective analytical models, it is now possible to advance in this market. Ipsos already generates roughly fifteen million euros in this segment, and we plan to develop it further.

- Help its clients better understand their markets, challenges and options by assisting them in exploiting the information they already have, to set up management reports, activation seminars, strategic reviews, etc. This is a matter of turning data into action, by improving its use and enhancing its value.

Ipsos understands that it is vital to sustain this growth.

This is why Ipsos plans to step up its efforts in terms of recruitment, training and career management. We have implemented a new human resources policy, based on a simple idea: Ipsos can be the place where the best and brightest choose to work – the brightest young talent as well as the very best experts. Ipsos must pay its staff adequately, which is already the case, and associate its senior employees with the company's growth in value. This is the purpose of our free share programmes, open to 900 executives and managers, and of the more selective Ipsos Partnership Fund (IPF 2020), which is reserved for 160 executive managers. But above all, Ipsos must give each of its employees the chance to succeed.

In 2013, existing HR systems will be replaced by a global system that will cover all these issues, which might seem straightforward, but is actually very hard to define and implement in the nearly 90 countries where we do business. This system will provide consistent performance evaluation of each employee, as well as classifying job profiles, establishing mobility criteria and verifying the succession plans. All of this will naturally be tied into training plans and our qualification and promotion systems.

Lastly, this is also why Ipsos will continue working to simplify its service offers and operating procedures.

Nothing is worth more than information that is simple, clear, and rapidly delivered. Nothing is more complex – but nothing is also more important – than defining, setting up and implementing the protocols and platforms that make it possible to do in just one day what used to take a week, and to cover forty countries where we previously could only handle one, two or three markets.

As of this year, more than 10% of our business will be conducted using technologies and methodologies that cut delivery times in half. Ipsos is not the only company working in this direction, but our ambition is to be the most determined and the most systematic – notably in the management of ongoing research programmes, which involve our biggest contracts covering the most markets.

Ipsos is not lacking in projects, nor in the determination to carry them out. While we were merging

Ipsos and Synovate, the vast majority of our clients showed their support by maintaining or even increasing our allocations. Over this same period, our teams have brought about tremendous achievements. Looking beyond our organisation, structures and processes, they have sought and found a common language, a shared vision and a single ambition: to be the preferred partner of our clients in all our chosen areas of specialisation. However, all of this took a little longer than we expected, and did not go quite as smoothly as planned, as shown in our performance of the fourth quarter 2012.

Nevertheless, Ipsos is progressing and is resolutely determined to achieve its plans for profitable growth. In 2013, Ipsos plans to grow faster than its market and to improve its operating margin by 100 basis points to 11%.

**A presentation of Ipsos' activities and results for full-year 2012**
**will be available as of 28 February 2013**

**at: http://www.ipsos.com/Investor_Relations**

**Appendices**:

**Consolidated income statement**
**Consolidated balance sheet**
**Consolidated cash flow statement**
**Consolidated statement of changes in shareholder's equity**

## Nobody's Unpredictable

"Nobody's Unpredictable" is the Ipsos signature.

*Our clients' clients are increasingly changing their habits –*
*hopping from one trend to the next, changing their behaviour, views and preferences.*
*We help our clients to capture these trends, which characterise the society in which we live.*
*We help them to understand their clients – and the world - as they are.*

Ipsos is listed on Eurolist - NYSE-Euronext.
The company is part of the SBF 120 and the Mid-100 index and is eligible for the Deferred Settlement Service (SRD).

***ISIN code FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP***
**www.ipsos.com**

# Consolidated income statement
## For the year ended 31 December

| In thousands of euros | 2012 | 2011 |
|---|---|---|
| **Revenue** | **1,789,521** | **1,362,895** |
| Direct costs | (642,342) | (490,611) |
| **Gross profit** | **1,147,179** | **872,284** |
| Payroll - excluding share based payments | (730,780) | (528,076) |
| Payroll - share based payments * | (8,396) | (6,115) |
| General operating expenses | (229,874) | (172,565) |
| Other operating income and expense | 318 | (5,316) |
| **Operating margin** | **178,448** | **160,212** |
| Amortisation of intangibles identified on acquisitions * | (4,920) | (2,304) |
| Other non operating income and expense * | (36,638) | (26,331) |
| Income from associates | (14) | 13 |
| **Operating profit** | **136,876** | **131,590** |
| Finance costs | (23,895) | (8,156) |
| Other financial income and expense | (3,738) | 1,353 |
| **Profit before tax** | **109,243** | **124,787** |
| Income tax - excluding deferred tax on goodwill | (21,451) | (29,643) |
| Income tax - deferred tax on goodwill * | (5,823) | (4,765) |
| Income tax | (27,274) | (34,408) |
| **Net profit** | **81,969** | **90,379** |
| **Attributable to the Group** | 74,070 | 84,048 |
| **Attributable to Minority interests** | 7,899 | 6,331 |
| Earnings per share (in euros) - Basic | 1.64 | 2.22 |
| Earnings per share (in euros) - Diluted | 1.62 | 2.20 |

| | | |
|---|---|---|
| **Adjusted net profit *** | **126,755** | **121,995** |
| **Attributable to the Group** | **118,463** | **115,364** |
| **Attributable to Minority interests** | **8,292** | **6,631** |
| Adjusted earnings per share (in euros) - Basic | 2.62 | 3.05 |
| Adjusted earnings per share (in euros) - Diluted | 2.59 | 3.02 |

35 rue du Val de Marne
75628 Paris cedex 13
France
Tel : + 33 1 41 98 90 00

**Contact** :
Laurence Stoclet, Deputy CEO and Group CFO
Email : laurence.stoclet@ipsos.com
Téléphone : +33 (0)1 41 98 90 20

# Consolidated balance sheet
## For the year ended 31 December

| In thousands of euros | 2012 | 2011 |
|---|---|---|
| **ASSETS** | | |
| Goodwill | 1,199,024 | 1,119,798 |
| Intangible assets | 90,450 | 81,755 |
| Property. plant and equipment | 47,442 | 50,300 |
| Interests in associates | 478 | 493 |
| Other non-current financial assets | 154,077 | 148,962 |
| Deferred tax assets | 38,812 | 43,061 |
| **Total non-current assets** | **1,530,283** | **1,444,368** |
| Trade receivables | 606,643 | 564,992 |
| Current income tax | 16,307 | 9,910 |
| Other current assets | 56,416 | 46,262 |
| Derivative financial instruments | 7,968 | 5,853 |
| Cash and cash equivalents | 132,254 | 161,203 |
| **Total current assets** | **819,587** | **788,220** |
| **TOTAL ASSETS** | **2,349,870** | **2,232,588** |

| In thousands of euros | 2012 | 2011 |
|---|---|---|
| **LIABILITIES** | | |
| Share capital | 11,332 | 11,311 |
| Share premium | 540,017 | 538,405 |
| Own shares | (983) | (1,019) |
| Other reserves | 365,727 | 330,442 |
| **Shareholders' equity - attributable to the Group** | **916,093** | **879,139** |
| Minority interests | 11,556 | 12,437 |
| **Total shareholders' equity** | **927,648** | **891,576** |
| Borrowings and other long-term financial liabilities | 675,855 | 680,574 |
| Non-current provisions | 25,103 | 1,616 |
| Retirement benefit obligations | 20,751 | 16,458 |
| Deferred tax liabilities | 101,979 | 84,334 |
| Other non-current liabilities | 89,742 | 52,599 |
| **Total non-current liabilities** | **913,431** | **835,581** |
| Trade payables | 259,349 | 259,800 |
| Short-term portion of borrowings and other financial liabilities | 87,844 | 72,460 |
| Current income tax liabilities | 10,042 | 6,752 |
| Current provisions | 6,171 | 3,041 |
| Other current liabilities | 145,384 | 163,379 |
| **Total current liabilities** | **508,791** | **505,431** |
| **TOTAL LIABILITIES** | **2,349,870** | **2,232,588** |

# Consolidated cash flow statement
## For the year ended 31 December

| In thousands of euros | 2012 | 2011 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| **NET PROFIT** | **81,969** | **90,379** |
| **Adjustements to reconcile net profit to cash flow** | | |
| Amortisation and depreciation of fixed assets | 29,075 | 19,625 |
| Net profit of equity associated companies - net of dividends received | 14 | (13) |
| Losses/(gains) on asset disposals | 776 | 332 |
| Movement in provisions | (3,799) | 2,301 |
| Share-based payment expense | 7,246 | 6,115 |
| Other non cash income/(expenses) | 183 | 2,061 |
| Acquisitions costs of consolidated companies | 3,022 | 6,454 |
| Finance costs | 23,895 | 8,157 |
| Income tax expense | 27,274 | 34,408 |
| **OPERATING CASH FLOW BEFORE WORKING CAPITAL. FINANCING AND TAX PAID** | **169,655** | **169,821** |
| **Change in working capital requirement** | **(66,275)** | **(29,520)** |
| **Interest paid** | **(23,814)** | **(12,855)** |
| **Income tax paid** | **(28,110)** | **(25,800)** |
| **CASH FLOW FROM OPERATING ACTIVITIES** | **51,456** | **101,646** |
| **INVESTMENT ACTIVITIES** | | |
| Acquisitions of property. plant. equipment and intangible assets | (26,219) | (19,719) |
| Proceeds from disposals of property. plant. equipment and intangible assets | 251 | 128 |
| Acquisition of financial assets | (2,430) | (2,510) |
| Acquisition of consolidated companies and business goodwill | (15,888) | (596,606) |
| **CASH FLOW FROM INVESTMENT ACTIVITIES** | **(44,286)** | **(618,707)** |
| **FINANCING ACTIVITIES** | | |
| Increase/(decrease) in capital | 1,633 | 195,778 |
| Increase/(decrease) in long-term borrowings | (6,146) | 387,671 |
| Increase/(decrease) in bank overdrafts and short-term debt | 9,361 | (2,054) |
| (Purchase)/proceeds of own shares | 1,112 | (7,728) |
| Acquisition of minority interests | (12,484) | (19,587) |
| Dividends paid to parent-company shareholders | (28,549) | (20,549) |
| Dividends paid to minority shareholders of consolidated companies | (1,280) | (1,975) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **(36,353)** | **531,556** |
| **NET CASH FLOW** | **(29,184)** | **14,495** |
| Impact of foreign exchange rate movements | 235 | (3,308) |
| **CASH AT BEGINNING OF PERIOD** | **161,203** | **150,016** |
| **CASH AT END OF PERIOD** | **132,254** | **161,203** |

# Consolidated statement of changes in shareholder's equity
## For the year ended 31 December

| In thousand euros | Share capital | Share Premium | Own shares | Other consolidated reserves | Currency translation difference | Shareholders' equity: Attributable to the Group | Shareholders' equity: Minority interests | Shareholders' equity: Total |
|---|---|---|---|---|---|---|---|---|
| **1st January 2011** | **8,533** | **339,630** | **(228)** | **268,028** | **398** | **616,361** | **11,576** | **627,937** |
| - Change in capital | 2,778 | 198,775 | - | (4,172) | - | 197,380 | 87 | **197,467** |
| - Dividends paid | - | - | - | (20,549) | - | (20,549) | (1,938) | **(22,487)** |
| - Change in scope of consolidation | - | - | - | - | - | - | (8,089) | **(8,089)** |
| - Impact of share buy-out commitments | - | - | - | - | - | - | 4,214 | **4,214** |
| - Delivery of free shares related to 2009 plan | - | - | 7,552 | (7,552) | - | - | - | **-** |
| - Other movements on own shares | - | - | (8,343) | (87) | - | (8,430) | - | **(8,430)** |
| - Share-based payments taken directly to equity | - | - | - | 6,115 | - | 6,115 | - | **6,115** |
| - Other movements | - | - | - | (3,123) | - | (3,123) | (75) | **(3,198)** |
| Transactions with the shareholders | 2,778 | 198,775 | (791) | (29,368) | - | 171,393 | (5,801) | 165,592 |
| **- Net profit** | - | - | - | 84,048 | - | 84,048 | 6,331 | **90,379** |
| - Other elements of the Comprehensive income | - | - | - | - | - | - | - | - |
| *Hedges of net investments in a foreign subsidiary* | - | - | - | - | *(3,465)* | *(3,465)* | - | ***(3,465)*** |
| *Deferred tax on hedges of net investments in a foreign subsidiary* | - | - | - | - | *2,582* | *2,582* | - | ***2,582*** |
| *Currency translation differences* | - | - | - | - | *8,220* | *8,220* | *331* | ***8,552*** |
| **- Total of the other elements composing the Comprehensive income** | **-** | **-** | **-** | **-** | **7,337** | **7,337** | **331** | **7,668** |
| Comprehensive income | - | - | - | 84,048 | 7,337 | 91,385 | 6,662 | 98,047 |
| **1st January 2012** | **11,311** | **538,405** | **(1,019)** | **322,707** | **7,735** | **879,139** | **12,437** | **891,576** |
| - Change in capital | 21 | 1,612 | - | - | - | 1,633 | 0 | **1,633** |
| - Dividends paid | - | - | - | (28,542) | - | (28,542) | (1,350) | **(29,892)** |
| - Change in scope of consolidation | - | - | - | - | - | - | 1,791 | **1,791** |
| - Impact of share buy-out commitments | - | - | - | - | - | - | (4,966) | **(4,966)** |
| - Delivery of free shares related to 2010 plan | - | - | 6,675 | (6,675) | - | - | - | **-** |
| - Other movements on own shares | - | - | (6,637) | 225 | - | (6,411) | 2 | **(6,409)** |
| - Share-based payments taken directly to equity | - | - | - | 7,247 | - | 7,247 | - | **7,247** |
| - Other movements | - | - | (2) | (7,477) | - | (7,479) | (3,994) | **(11,473)** |
| Transactions with the shareholders | 21 | 1,612 | 36 | (35,222) | - | (33,552) | (8,516) | (42,068) |
| **- Net profit** | - | - | - | 74,072 | - | *74,072* | 7,898 | **81,970** |
| - Other elements of the Comprehensive income | - | - | - | - | - | - | - | - |
| *Hedges of net investments in a foreign subsidiary* | - | - | - | - | *7,681* | *7,681* | - | ***7,681*** |
| *Deferred tax on hedges of net investments in a foreign subsidiary* | - | - | - | - | *(3,553)* | *(3,553)* | - | ***(3,553)*** |
| *Currency translation differences* | - | - | - | - | *(7,692)* | *(7,692)* | *(263)* | ***(7,955)*** |
| **- Total of the other elements composing the Comprehensive income** | **-** | **-** | **-** | **-** | **(3,565)** | **(3,565)** | **(263)** | **(3,829)** |
| Comprehensive income | - | - | - | 74,072 | (3,565) | 70,506 | 7,635 | 78,141 |
| **31 December 2012** | **11,332** | **540,017** | **(983)** | **361,557** | **4,170** | **916,093** | **11,556** | **927,649** |