

Update to annual report
2008 / 2009

LEVERAGING
TALENT



Leveraging Talent

Integrated partnership

in **55** countries

12,000 employees

In the last **3** years, the Group has
doubled its workforce and
increased its turnover by **47%**

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By virtue of the professions it practices, Mazars acts to ensure transparency in the market place. As a responsible group, Mazars decided to make itself transparent and to publish its consolidated accounts under the same conditions as those of its listed clients from 2005 onwards.

We invite you to find the annual report for the year 2008 / 2009 which this Update completes at the following address:

www.annualreport.mazars.com/eng/

At the same address, you can also read all the annual reports published since 2005.

Mazars democracy in action



Mazars' Annual Conference brings together all the partners from the five continents on which the Group operates. This is a key event in the life cycle of our partnership.

The following pages present the decisions taken at the conference in December 2009. They highlight the evolution of the Group and its will to respond relevantly to the expectations of the international economic and financial community.

At the Conference, we publish our annual report which presents the Group's consolidated accounts, co-audited and in accordance with the IFRS. The Conference is also the opportunity for partners to discuss

the future of the Group, our ambitions and how to increase the organisation's productivity in order to offer ever more relevant services to our clients. Each year, the members of the partnership vote on the main strategic directions, the co-option of new partners and the integration of new countries.

Consistent with the balance it has maintained between organic and external growth, Mazars sought the approval of its partners on four mergers in different continents, which would allow high quality professionals to join us in Algeria, Mauritius, Republic of Korea and Uruguay, and the co-option of 46 new partners chosen internally. An office in Angola has also been set up, under the auspices of Mazars in Portugal.

Mazars is a living democracy and, every three years, partners are invited to elect the Group Executive Board (GEB) which is responsible for the future of the Group and the Group Governance Council (GGC) which ensures the good governance of the Mazars partnership. This took place in London on 5th December 2009.

The GEB will face many challenges in the three years ahead including improving the integration of the Group at international level. The new management, introduced to and approved by the partners at the Conference, aims to reinforce transversality while increasing our teams' autonomy and capacity to take the initiative at an operational level.

At Mazars, we know that we owe our success to the people in business who put their faith in our teams, who serve our clients with their talent and expertise. For this reason, we chose the interaction of talent as the theme for our Conference and for the fifth edition of our Annual Report, because it symbolises our approach and our vision.

We hope that this Update will bring you the clarifications necessary for a complete understanding of our organisation and Mazars' development.

A handwritten signature in black ink that reads "Patrick de Cambourg". The signature is fluid and cursive.

Patrick de Cambourg
President and CEO of Mazars' Group.

New Governance and Management Teams



The elected Group Governance Council



Michel Barbet Massin
President of the Group Governance Council

Democratic and participative, the Mazars model is built on strong values and principles which regulate and orchestrate relations both within the Group and with the environment in which it is situated. The Group Executive Board leads Mazars, under the supervision of the Group Governance Council.

In conformity with our established calendar, the partners, placed at the heart of governance and strategic decisions, elected the members of the GEB for a three-year term. It is the same for members of the Group Governance Council.

For more details on their responsibilities and respective roles, see from page 52 onward in the Mazars Annual Report 2008 / 2009 as well as the Transparency Report, from page 60 onward.

THE GROUP GOVERNANCE COUNCIL

It was suggested to partners that they should elect a team clearly reflecting the new developments and challenges of the Group, with members in phase with Mazars' geographical expansion. Its election by the partners accords it legitimacy as a body that represents them throughout the world. In conformance with the Partners' Charter, revised in 2008, it is planned to open up the Group Governance Council to one or two external candidates, from institutions or business during 2010.

The 9 members of the Group Governance Council elected on 5th December 2009 are:

- > **Michel Barbet-Massin** (France), President
- > **Ali Elaouani** (Tunisia)
- > **Patrice de Folleville** (Germany)
- > **Tim Hudson** (United Kingdom)
- > **Ruud Krouwer** (the Netherlands)
- > **Vincenzo Miceli** (Italy)
- > **Kenneth Morrison** (Hong Kong)
- > **Mauricio Rioseco** (Mexico)
- > **Pierre Sardet** (France), Vice-President

THE GROUP EXECUTIVE BOARD

For the election of the new Group Executive Board, the partners approved the proposals of the elected President, Patrick de Cambourg, to integrate new talents into the heart of this Board in order to better reflect the evolution of Mazars in these last few years, both in terms of services and in terms of geographical development.

As such, Antonio Bover, lawyer and Senior Partner of Mazars in Spain, and Hilton Saven, Senior Partner of Mazars in South Africa, join Patrick de Cambourg, President, and Philippe Castagnac, Senior Partner of Mazars in France and member of the GEB since December 2006.

David Evans, Senior Partner of Mazars in the United Kingdom, and Jos van Huut, Senior Partner of Mazars in the Netherlands, previously members of the GEB since 2006 and 2000 respectively, have decided to serve the Group by joining John Mellows and Frédéric Allilaire as Senior Advisors to the GEB. Aside from the liaison with their national partnership, they are respectively Head of the sponsorship of the 'Talent' Global Support Unit and the President of Praxity.

The new team whose task it is to realise Mazars' ambitions following the elections that took place at the annual Conference in December 2009 thus comprises:

Patrick de Cambourg, *President and CEO of the Group*

Chartered accountant and statutory auditor, Patrick de Cambourg began his career with Mazars in 1974. Becoming a partner in 1978, he has been President of Mazars since 1983. He has great expertise in audit and advisory services provided to international groups and has worked particularly with companies in the banking and insurance sectors. Patrick de Cambourg is a member of the Executive Committee of Praxity, of its Governance Council and chairs its membership Committee. Praxity, of which Mazars is a founding member, is an international Alliance of independent audit and advisory service firms, sharing close values and the same standards of service quality. Praxity today numbers 109 member firms which employ 25,000 people in 75 countries on five continents.

Philippe Castagnac, *Co-CEO of the Group*

Chartered accountant and statutory auditor, Philippe Castagnac began his career with Mazars in 1978. Becoming a partner in 1988, he has acquired a wealth of experience in the provision of audit and advisory services to listed companies, both in France and internationally. He has been a member of the GEB since 2006 and a Senior Partner of Mazars in France. Within the GEB, he is in charge of the sponsorship of the Global Business Unit dedicated to the PIE*.

Antonio Bover, *Co-CEO of the Group*

Antonio Bover, lawyer, has been the Senior Partner of Mazars in Spain since 2003. Becoming a partner in 1999, Antonio has quickly taken on increasing responsibilities within the Mazars Group. He is President of the French Chamber of Commerce and Industry in Barcelona. Within the GEB, he is in charge of the sponsorship of the Tax and Law Global Business Units.

Hilton Saven, *Co-CEO of the Group*

Hilton Saven is the Senior Partner of Mazars in South Africa. President of Praxity for the Africa/Middle-East region, he is a member of its Group Governance Council. Hilton Saven joined Moores Rowland (which integrated into Mazars in 2007) in 1975, before becoming a partner in 1981. Hilton Saven is also a member of numerous committees in the South African Institute of Chartered Accountants. Within the GEB, he is responsible for the sponsorship of the Global Business Unit dedicated to OMBs*.

* *Public Interest Entities*

* *Owner Managed Businesses*

New elements of the Group's organisational structure



Patrick de Cambourg
*President and CEO
of the Group*



Philippe Castagnac
Co-CEO of the Group

Mazars' organisational structure has always been different from those of the other large market players. Our partnership structure places the individual at the centre and seems to us to be the model that is best suited to enable us to respond to current issues flexibly and to find tomorrow's solutions. Our differentiating strategy for the years to come is strongly anchored to the characteristics and values on which Mazars is based.

THE PURSUIT OF A BALANCED GROWTH IN THE PARTNERSHIP

Consistent with its approach to the growth of the partnership, Mazars has integrated firms of renowned professionalism and values in common with its own in Algeria, Mauritius, Republic of Korea and Uruguay. A new office will also be operational in Angola from the start of 2010, under the auspices of Mazars in Portugal. These developments thus bring the global coverage of Mazars to 55 integrated countries in the world, with 16 additional countries via correspondent agreements or joint-ventures.

(See map pages 10 to 11)



In Algeria, we are integrating a firm established in 1962 by a renowned professional in the sector. Led by Samir Hadj Ali, Senior Partner, it serves mainly international clients. Our new teams in Algeria also have a wealth of experience in the banking sector. The firm will operate by the name of Mazars Hadj Ali.



In Republic of Korea, the firm joining the partnership is located in Seoul; it is one of the three largest integrated entities outside the four major firms in the sector. Led by W. S. Yang, it serves several listed groups and is very experienced in Tax. It will be called Mazars Sebit.



In Mauritius, we are integrating a firm set up in 2007 by two partners both with great experience in international groups. Led by Sudhir Sesungkur, it now operates under the name Mazars in close collaboration with our other entities based in southern Africa.



In Uruguay, we are integrating our correspondent since 1999. The entity, led by Luis Martinez, will operate by the name of Mazars MMA.



The elected Group Executive Board
(Philippe Castagnac, Antonio Bover,
Hilton Saven and Patrick de Cambourg)

The integration of these four new countries, completed by the establishment of a new office in Angola, continues our development, which is always both rapid and prudent. Rapid, because we have doubled our workforce in 3 years and our turnover has increased by 47% over the same period. Prudent because we only integrate professionals who share our values and, therefore, our growth model, which entails a long period of discussion and exchange with each potential partner.

Beyond this external growth, this year, 46 new partners from 15 countries in Europe, Africa and the Middle-East, Asia-Pacific and America, and working within all our service and client lines, were co-opted at the Conference in December 2009. These new co-options are a strong sign of the confidence of the Group in its ambitions for future development.

Mazars is resolved to pursue its growth in the future and to continue to promote international development and talents wherever they are on the Mazars map. This, for us, is the way to implement our international integrated partnership completely.

A MANAGEMENT TEAM OPEN TO NEW TALENTS

Opening up the company to new talents, at every level in our organisation, has always been at the heart of the GEB's concerns, as important as the adaptation of our organisation to market needs. The diversity of the people within our teams, wherever they are located, whatever their expertise or seniority is also a constant facet of our Group.



Hilton Saven
Co-CEO of the Group



Antonio Bover
Co-CEO of the Group



Hervé Hélias

PIE

With regard to operational management, building on the international clientele and service lines and the Steering Groups dedicated to the functions essential to our development, the partners have approved a natural structural evolution by conferring upon these groups the status of Global Business Units (GBU) and Global Support Units (GSU).

Thus four GBUs have been created:

- > GBU PIE*
- > GBU OMB*
- > GBU TAX
- > GBU LAW

As well as four GSUs :

- > GSU "Performance and Systems"
- > GSU "Technique and Innovation"
- > GSU "Management of Talents" which also comprises Mazars University
- > GSU "General Secretariat and Communication"



Phil Verity

OMB

In order to enhance coordination on a global level and to ensure that new partners are always placed in a position of leadership, the GEB has decided to rely on a new management body, namely the Global Executive Committee (GEC).

The creation of this body illustrates the will for continuity and adaptation to new constraints, like the need to implement decisions in all countries quickly. It is also an opportunity to accord greater responsibilities to new talents across generations, in order to facilitate exchanges of skills and experiences.

Thus, this committee brings together the members of the GEB, the Senior Advisors and the heads of Mazars' transversal activities (GBUs and GSUs).

In addition to the members of the GEB and the Senior Advisors, the GEC is constituted by:

* *Public Interest Entities*

* *Owner Managed Businesses*

> **Hervé Hélias (France)**, deputy CEO of the Group, who is in charge of the international management of Mazars' PIE activities. Partner at Mazars in France since 1995 and involved in the banking sector in the Paris office, Hervé Hélias previously coordinated the IL Banking International Line. Furthermore, Hervé was in charge of the Talent Management Steering Group.

> **Phil Verity (United Kingdom)**, deputy CEO of the Group, in charge of the international management of OMB activities. Phil Verity has been a partner at Mazars in the United Kingdom since 1999. A specialist in OMB markets, he advises numerous small businesses, and supports their growth and development strategies. He is a member of the Executive of Mazars in the United Kingdom.

> **Ton Tuinier (the Netherlands)**, deputy CEO of the Group, in charge of Tax activities. Ton Tuinier has been a Mazars partner in the Netherlands since 1996. He is a member of the Executive of Mazars in the Netherlands and has led Mazars' Tax activities internationally since 2007. Ton is also Vice-President of the Tax branch of the international Praxity Alliance.

> **Bernd Sagasser (France)**, in charge of transversal Law activities. Lawyer, partner at Marccus Partners and partner at Mazars in France since 2007, and a specialist in legal advice, particularly in international law, Bernd Sagasser has been in charge of the international line dedicated to legal activities since 2007.

> **Thierry Colin (France)**, Group CFO, in charge of Mazars' "Performance and Systems" GSU. Thierry Colin has been a partner at Mazars in France since 1986. He was previously a member of the Executive in France, in charge of Finances, Management and Performance.

> **Jean-Luc Barlet (France)**, Group Chief Compliance Officer, in charge of Mazars' "Technique and Innovation" GSU. Jean-Luc Barlet has been a partner at Mazars in France since 1996. A member of the France Executive from 2006 to 2009, he was previously in charge of Risk Management and Technical Excellence for Audit, in liaison with the Group.



Bernd Sagasser

LAW

SENIOR ADVISORS TO THE GROUP EXECUTIVE BOARD



Frédéric Allilaire

Member of the GEB from 1995 to 2006, Frédéric Allilaire is in charge of the development of the Group in North and South Americas, in the Middle-East and in Africa.

David Evans

Member of the GEB from 2006 to 2009, David Evans is currently a Senior Partner at Mazars in the United Kingdom and sponsor of the "Talent Management" GSU.



John Mellows

John Mellows was a member of the GEB from 1998 to 2006. Based in Singapore, he is in charge of the development of Mazars' presence in the Asia-Pacific region.



Jos van Huut

Jos van Huut was a member of the GEB from 2000 to 2009. Senior Partner at Mazars in the Netherlands, he will continue to ensure a specific role for the development of the Group in Europe. He has been the chair of the International Praxity Alliance since 1st January 2010.



Thierry Colin

Performance and Systems

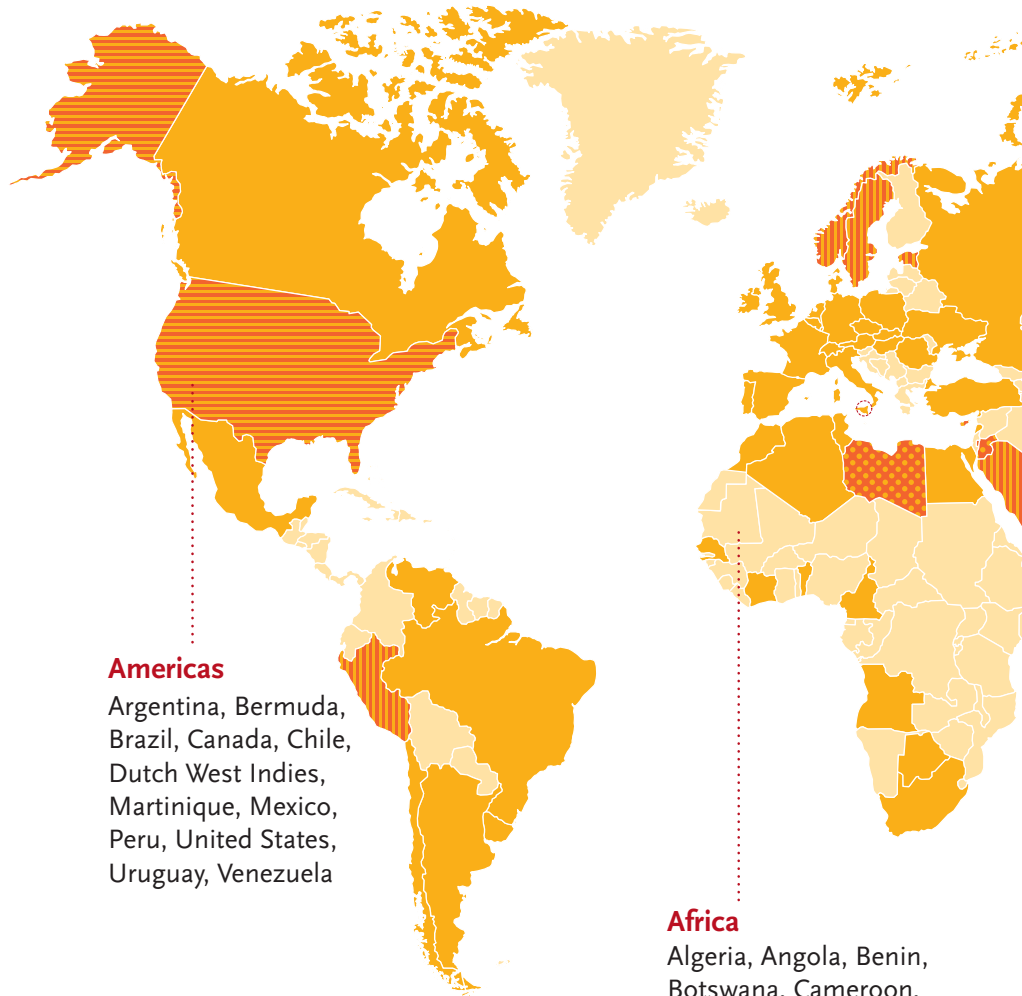


Jean-Luc Barlet

Technique and Innovation

Mazars in the world

at 1st January 2010



Americas

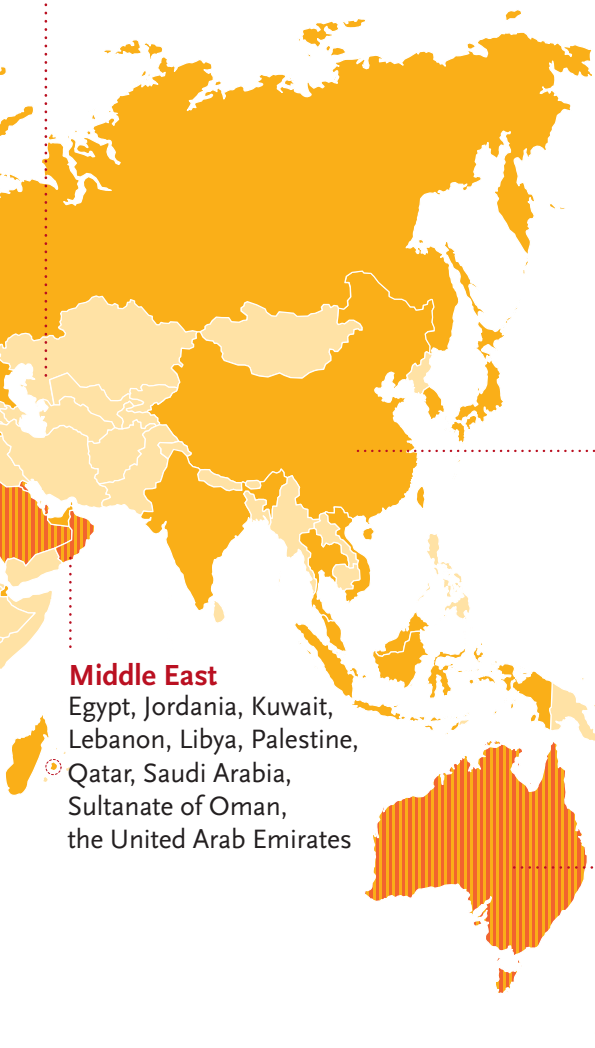
Argentina, Bermuda,
Brazil, Canada, Chile,
Dutch West Indies,
Martinique, Mexico,
Peru, United States,
Uruguay, Venezuela

Africa

Algeria, Angola, Benin,
Botswana, Cameroon,
Djibouti, Ivory Coast,
Madagascar, Mauritius,
Morocco, Senegal,
South Africa, Tunisia

Europe

Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, France, Germany, Hungary, Ireland, Italy, Lithuania, Luxemburg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom and Channel Islands



Asia Pacific

Australia, China (Mainland & Hong Kong), India, Indonesia, Japan, Malaysia, New Caledonia, Republic of Korea, Singapore, Thailand, Vietnam

Middle East

Egypt, Jordania, Kuwait, Lebanon, Libya, Palestine, Qatar, Saudi Arabia, Sultanate of Oman, the United Arab Emirates

- Integrated countries
- Correspondent countries & Joint-Ventures
- Mazars Team America partner firms
- Local correspondents



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