

annual report - digest  
2009 / 2010



A SENSE  
OF purpose



# BUILDING A SENSE OF PURPOSE

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- An **i-pad version** of the complete report is also available for download on our website.

# Mazars in a nutshell

2009 | 2010

Mazars is an international, integrated and independent organisation. We specialise in audit, accountancy, tax, legal and advisory services.

As at September 2010, Mazars has its own offices in 56 countries across five continents, with almost 12,500 professionals. Through our correspondent agreements, our joint ventures and our representative offices and desks, we serve our clients in 24 additional countries with teams of professionals, who all share the same commitment to quality and a common determination to maintain the highest technical and ethical standards. Mazars' comprehensive and adaptable portfolio of services reflects the Group's ambition: to provide its clients, whether international corporates, SMEs or individuals, with global and tailored solutions to help them achieve a sustainable growth.

# A STRONGER MANAGEMENT for greater operational effectiveness



Following its decision to strengthen the partnership's operational management capacities, Mazars created in January 2010 a Global Executive Committee (GEC), whose mission is to coordinate the Group's international management. The GEC, which brings together Mazars' executive, operational and functional managers, meets once a month to assess the appropriateness of their plans, and the sense of their common investments, with the aim of optimising the global implementation of strategic decisions.

# WEISER: MAZARS ASSERTS ITSELF ON THE AMERICAN MARKET



After ten fruitful years partnering Mazars in a joint venture, Weiser, an audit and consultancy firm in the North-East of the United States, becomes a full member of the integrated Mazars partnership in April, 2010.

Weiser, who turned over € 100 M in 2009, is now operating as WeiserMazars with a team of more than 70 partners and close to 700 professionals in the US market.

➤ To find out more, please view the video presenting of the event on our website: [www.mazars.com/weiser](http://www.mazars.com/weiser)

## MAZARS, A KEY ACTOR

In March 2010, Fabrice Demarigny, Mazars head of « capital markets » delivered a report on proposals to write a Small Business Act (SBA) into European stock exchange law, commissioned by Christine Lagarde, French Minister of Finance, Industry and Employment.

Christine Lagarde and German Federal Finance minister Wolfgang Schäuble used the report to support a common letter sent to the European Commission and to European finance ministers to raise awareness of this matter.

Fabrice Demarigny also supervised the writing of a report evaluating the Transparency Directive ordered from Mazars and Marccus Partners' teams by the European Commission.

➤ You can read these reports as well as every contribution to public thinking on our website: [www.mazars.com/professionaltopics](http://www.mazars.com/professionaltopics)

## in public thinking





## A clear sense of purpose

The crises we faced in the past were tough times, followed by a return to normal. The paradigm has now shifted, as we seem to have entered a continual trend of successive breakdowns.

Indeed, the times we are living through are in many respects a breakdown, which leaves every one of us legitimately wondering what is the purpose of our action and, how does that fit in the global picture. We tend to see breakdowns as threatening, because they cast doubt on established codes, on ways of behaving and on relative positionings. But however difficult they may be, breakdowns are nonetheless the opportunity to launch new dynamics.

Within the Mazars group, we believe the current evolutions can turn out to be positive, as long as they give us the opportunity to put more purpose into our actions. We have indeed witnessed the fact that the people, companies, communities or countries who keep going forward are the ones who manage to find purpose in their action and, moreover, want to share the individual and collective dynamic induced by this.

Consequently, our main objective is to help those who put their trust in us build purposeful projects for their companies. Of course, they remain fully responsible for their actions, yet we have chosen to work with them in a spirit of co-construction. Beyond methods, rules and techniques, this true teamwork means thinking with our clients about the relevance of their objectives and building tools enabling them to reach these objectives with maximum efficiency and safety.

Of course, this does not mean we can act out of the limits drawn by our technical, methodological or legal constraints. On the contrary, these constraints are the necessary stepping stones from which we can build the innovative solutions that are the answer to our desire for purpose.



### Missions structured around four major axes.

Keeping this in mind, our contribution has to be built around four axes.

The first one is the high quality and security of financial data, which is essential for companies and markets to act properly.

Quality of organization and systems comes second. If the organization aims at optimizing the use of talents, it becomes a key factor in companies' success.

Logically, the third axis is performance improvement. We see optimization as a dynamic process influencing all the factors contributing to the financial and moral success of the company.

Our last course of action is optimizing the legal, fiscal and contractual environment from which every company has to build its action.

We deliberately chose broad definitions to these axes of action, which truly give our action its purpose. Our services are indeed too often designed as very codified actions or pure exercises in style.

Whenever we intervene, we always favour substance over form. This certainly doesn't mean we do not follow the rules. On the contrary, we want to act according to the true meaning of these rules, go back to the basics that underpinned their creation.

In every one of our areas of excellence, we vow to put our desire for co-construction

Because we believe we can contribute to the sustainable development of markets and companies, we chose to become a global player, through a combination of external and partnership growth. We also chose to build this development around strong institutions and values, summed up in our integrated partnership, which is both responsible and transparent, and respects the benefits of cultural and human diversity.



### **A year of growth and geographic development.**

As at August 31st 2010, Mazars' teams comprise close to 12,500 professionals in 56 countries, after a fiscal year marked by several significant external growth operations, including the integration of Weiser on the American East Coast, which follows ten years of fruitful joint venture.

In 2009-2010, our global business rises by 14.3%, to generate a turnover of € 884.4 million.

at the service of the markets and business communities. Today, more than ever, the actions of every economic actor impact all of the other actors.

The times we are living through cause to question many things but also offer great potential for change. Quite likely, in the upcoming months, we will have to think about our common objectives and the means we dedicate to these goals with each and every of our clients.



# Supporting you better, taking you further

With the integration of six new countries and our enlarged capacity for direct intervention in certain key markets – particularly the USA – the financial year 2009-2010 saw further pursuit of the strategy for international expansion launched in 2006 through the ‘Odyssey’ plan. By setting up offices in Algeria, the Republic of Korea, Mauritius, Pakistan, Uruguay and the opening of an office in Angola, under the leadership of Mazars Portugal, Mazars is still expanding its geographic coverage, especially in the emerging markets, which represent areas of high growth potential.

Among the major events of the year, Mazars integrated Weiser LLP into the partnership, one of the key players in the audit and consulting business on the American East Coast. This milestone marks the beginning of a new venture, as the Group seeks to develop its presence on the ground throughout most of the USA.

To find out more about the countries where Mazars operates: [www.mazars.com/countryprofiles](http://www.mazars.com/countryprofiles)

#### EUROPE

Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, France, Greece, Germany, Hungary, Ireland, Italy, Lithuania, Luxemburg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom and Channel Islands (including a representative office in Gibraltar)

#### AMERICAS

Argentina, Bermuda, Brazil, Canada, Chile, Dutch West Indies, Mexico, Peru, Salvador, United States (including representative offices in Grand Cayman and Israel), Uruguay, Venezuela

#### ASIA PACIFIC

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

#### AFRICA

Algeria, Angola, Benin, Botswana, Cameroon (including representative offices in Tchad and Democratic Republic of the Congo), Djibouti, Ivory Coast, Kenya, Madagascar (including representative offices in the Union of the Comoros), Mauritius, Morocco, Senegal, South Africa, Tunisia

#### MIDDLE EAST

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

■ Integrated countries  
■ Mazars correspondents, country local correspondents, joint ventures and representative offices

In order to ensure consistent management of its international growth, Mazars divided the world into three regional platforms, each one supervised by a senior advisor or a partner. Frédéric Allilaire manages the Americas and Middle-East and North Africa areas, while John Mellows supervises the Asia-Pacific zone, leaving Loïc Wallaert in charge of Europe. Each of them sums up in a few words the main events of the year in their territory.

“ **John Mellows, Senior Advisor**

*“ In 2009 and 2010, Mazars grew by 25% in the Asia-Pacific region, where the Group now benefits from the skills of over 2 000 professionals in 10 countries. To support this ongoing development and guarantee that the quality standards of our operations match those of the other regions, we opened a new Mazars University campus in Kuala Lumpur in 2010. This university makes a fine addition to our structure in Asia, which already includes an IFRS desk opened in 2009 to bring technical support to all our local teams. ”*

“ **Loïc Wallaert, Partner**

*“ In Western Europe, our ambition is to develop our capacity to intervene in every Scandinavian country, as only Denmark is integrated in the partnership so far. As for Central and Eastern Europe, we are maintaining a steady growth in Hungary, Romania, Ukraine and Russia, where we just celebrated the 15th birthday of our Moscow office. We also regard the Balkans as a priority in terms of development. ”*



**EVEN GREATER REACH  
WITH THE PRAXITY ALLIANCE**

In 2007, Mazars and several independent North-American firms were the founding members of Praxity, an international alliance of 25,000 professionals in 76 countries. The alliance provides Mazars with additional resources and extended operational reach in an extra 12 countries. “In addition to the on-going reinforcement of the Alliance’s geographic reach, specifically in certain areas such as Far-East or Central Asia, our concern is to increase awareness of Praxity”, says Jos van Huut, Senior Advisor to the Group Executive Board and Chairman of the international Praxity Alliance since early 2010.

“ **Frédéric Allilaire, Senior Advisor**

*“ We had reached a very high level of proximity with Weiser both in the perception of our business and in our ethical and technical standards. It thus seemed natural to fully welcome the firm in our international partnership. ”*



Discover **Nomad Magazine** which highlights countries where Mazars develops:  
[www.mazars.com/nomad\\_eng](http://www.mazars.com/nomad_eng)



## From auditing to business advice: service that makes sense for our clients

**A**s an international provider of specialist business services for listed and un-listed companies of every size, Mazars supports its clients in their business development and helps them to successfully manage change. To this end, the Group deployed in 2010 four Global Business Units (GBUs), two of them based on the main market sectors, Public Interest Entities (PIE\*) and Owner Managed Businesses (OMB\*\*), the two others dealing with the Tax and Law activities.

This structure allows the Group to manage each activity's strategy on a worldwide scale, promotes new business skills and sectorial expertise. It also attracts new talents by encouraging the exchange of expertise, on the local and the global level, in every business line.

### Global Business Unit OMB

#### INNOVATION AND FLEXIBILITY: THE CORE OF OUR ADDED VALUE SERVICES

Phil Verity, Head of the GBU OMB, highlights the unique characteristics of this market, which includes both individual entrepreneurs, family businesses and medium-sized companies, all of which may operate nationally or internationally.

Every resource at the GBU's disposal is drawn upon in responding to the needs of our clients, particularly in facing issues of cost rationalisation, financial management

optimisation (setting up reporting systems, investment advisory, payroll...) and in refocusing on their core business with a view to finding the most effective allocation of their resources. The GBU OMB is also expanding its service offer around advisory services, with particular emphasis on tax advice, outsourcing and restructuring.

Mazars has seen business in this market grow steadily, by 17% in 2009-2010. This growth in OMB business stemmed largely, this year, from the healthy performance in Asian emerging countries, in Central and Eastern Europe, South Africa or Brazil, Russia, India, China and from our partnership's growth.

\* PIE: Public Interest Entities

\*\* OMB: Owner Managed Businesses

“ Phil Verity:

*« Broadening our service offer is one of the key levers of our strategy to serve Small and Medium Enterprises (SMEs) of all sizes, and including the largest. Our capacity to respond to the needs of the biggest SMEs benefits from the richness of our offer to PIE clients, from our knowledge of local economic environments, ensuring real understanding of our clients, and finally from the synergies created by our integrated partnership. »*

“ Ton Tuinier:

*“ Our strategy relies on reinforcing our activity in Western Europe and deploying teams of tax specialists in growing economies such as the Brazil, Russia, India and China, Central and Eastern Europe and in emerging markets. In the United States, we have high expectations of WeiserMazars, whose tax services represent a significant part of the business. Finally, increasing tax activity at global level also relies on our ability to attract experts who are specialists in their local markets. Our goal is to increase our share of Mazars' turnover to 15% within 3 years.”*



**GBU Tax**

**KEY COMPETENCE SUPPORTING A GLOBAL STRATEGIC APPROACH**

Under the supervision of Ton Tuinier, Mazars' Global Business Unit Tax is staffed by experts in domestic or international tax matters. These professionals work with privately owned or listed companies, national bodies or private clients, who present a broad spectrum of different tax issues. The GBU 's development dynamic is based on an ambitious strategy, involving both the roll-out of an increasingly comprehensive service offer and the strengthening of local tax expert teams to enhance our capacity for direct involvement in as many countries as possible.

The GBU Tax managed to secure 32% growth in 2009-2010, nourished by the partnership's growth and by the activity's dynamism in emerging countries, most notably in Asia and South America.

**GBU Law**

**REFINED EXPERTISE TO MANAGE COMPLEX OPERATIONS**

Developed since 2007 under the aegis of the Marccus Partners' brand, Mazars' law activity has since evolved quite considerably to become the Global Business Unit Law. With more than 300 dedicated professionals, the firm now delivers expertise in business law around the world, notably in international contexts, and works with the Group's other business units to provide our client with global advice.

Marccus Partners achieved a turnover of € 21 M, thanks to its broad service offer in corporate law, merger and acquisitions, real estate law, restructuring, labour law, litigation and arbitration, or fiscal law.



The GBU's success also relies considerably on the ability of Marccus Partners' teams to build strong personal relationships with their clients, based on trust, listening and honest dialogue. Our lawyers do not fit into a pattern: they know how to take the initiative, have diverse skills and remain open-minded, in order to bring tailored and relevant solutions to our clients.

“ Bernd Sagasser:

“ Our presence in key countries - Germany, France, Spain, Italy, the Netherlands, Romania, Russia, Great Britain and China – allows us to extend the business out into their respective regions of influence. Italy enables coverage of Libya ; France facilitates access to French-speaking Africa, Spain links with Latin America, Germany connects with Eastern Europe and so on. Coupled with our offer's diversification, this extended reach allows us to consider doubling our turnover within 3 years. ”

Global Business Unit PIE

**DRIVING DIVERSIFICATION AND INCREASING INTERNATIONALISATION**

Headed by Hervé Hélias, the GBU PIE is staffed by specialists in professions and sectors who are dedicated to answering the needs of listed companies and public sector entities, in their domestic and international markets in various fields: audit and financial reporting; corporate finance, governance, risk management and internal reporting, management consultancy and information systems, book-keeping, accounting or actuarial services. In 2010, the consulting offer also was expanded, as part of the Group's strategy to offer additional services and to develop an offer in high added-value services in strategic and operational management.

Coupled with the geographical development, this diversification of our offer follows current trends and is a growth lever for the GBU PIE. The unit also expects turnover increase from the reinforcing of its sectorial expertise in banking and capital markets, insurance, real estate or media and telecommunications.

Find out more about Mazars' expertise through client focuses:  
[www.mazars.com/focusonclient](http://www.mazars.com/focusonclient)

“ **Hervé Hélias:**

*“ Developing sectorial expertise is capital if we want to bring our clients relevant analyses, backed-up benchmarks and high added value services. After many years developing this expertise through our audit services, this sectorial knowledge enriches our service offer, in audit and consulting as well. Reinforcing this expertise, notably by integrating new talents is one of the keys to understanding and serving our clients the best way. ”*



**INTERNATIONAL DEVELOPMENT OF CONSULTING**

The decision to hothouse the international development of our consulting services was taken early in 2010 in order to even better anticipate our clients' expectations. Under the responsibility of Miguel de Fontenay, the consulting team enables Mazars to provide a complete international service offer. This activity will also benefit from our special knowledge of each country's specificities and capacity to answer our clients' major issues in four areas: optimization, restructuring, resilience and innovation.

“ **Miguel de Fontenay:**

*“Our goal is to enable our clients to anticipate their fundamental evolutions, and be at their side to handle them. We vow to quickly earn the same reputation in consulting as Mazars earned in audit, to offer our public and private clients, a fully integrated service offer underpinning their steady growth.”*

- Find out more about Miguel de Fontenay's and Professor Wilson's (Warwick University) views about economic resilience. Mazars in the United Kingdom is partnering with Warwick University on topics related to entrepreneurship: [www.mazars.com/resilienceandentrepreneurship](http://www.mazars.com/resilienceandentrepreneurship)





## Governance: the choice of a democratic partnership

Since its earliest days, Mazars has been building an international organisation of professionals united by the same shared values and the same shared quality-driven professional perspective. This community also shares objectives for growth, investments, risks and profits. The integrated partnership, true to the values of its founders, remains based on an authentically democratic and international model. This model gives each partner, regardless of the country they are working in, an essential part to play in the Group's development.

### MEMBERS OF THE MAZARS GROUP'S GOVERNANCE BODIES

**The Group Executive Board (GEB) elected in December 2009, whose term runs until December 2012, is composed of:**

- Patrick de Cambourg – President and CEO of the Group
- Antonio Bover – Group Co-CEO, in charge of GBU Tax and GBU Law, Mazars Senior Partner in Spain
- Philippe Castagnac – Group Co-CEO, in charge of GBU PIE, Mazars Senior Partner in France
- Douglas A. Phillips – Group Co-CEO, CEO of WeiserMazars, United States
- Hilton Saven, Group Co-CEO – in charge of GBU OMB, Mazars Senior Partner in South Africa

The Senior Advisors to the GEB are

- Frédéric Allilaire – in charge of the Americas, Middle East and North Africa
- David Evans – Mazars Senior Partner in the United Kingdom, in charge of GSU Talents

- John Mellows – in charge of Asia Pacific region
- Jos van Huut – Mazars Senior Partner in the Netherlands, Chairman of the Praxity Alliance

**The Global Executive Committee (GEC) includes, in addition to the members of the GEB and the Senior Advisors:**

The heads of the four Global Business Units:

- Hervé Hélias (GBU PIE)
- Bernd Sagasser (GBU Law)
- Ton Tuinier (GBU Tax)
- Phil Verity (GBU OMB)

**The heads of the four Global Support Units:**

- Jean-Luc Barlet (GSU Technique and Innovation)
- Laurent Choain (GSU Talents)
- Thierry Colin (GSU Performance and Systems)

- Caroline Van Troeyen (GSU General Secretariat and Communications)

As well as:

- Miguel de Fontenay (Consulting)
- Loïc Wallaert (Country Forum)

**The Group Governance Council (GGC) elected in December 2009 currently comprises ten members whose term runs until the end of 2012:**

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



## Key figures 2009 - 2010

TURNOVER 2009 - 2010:

€ 884.4M

GROWTH:

14.3% in euros

AND 13.3%

AT CONSTANT EXCHANGE RATE

6 new countries joined the partnership in 2009 - 2010: **Algeria, Mauritius, Pakistan, the Republic of Korea, Uruguay and Angola.**

- ☛ Find out more about Mazars' governance:  
[www.mazars.com/governance](http://www.mazars.com/governance)
- ☛ Read our financial statements:  
[www.mazars.com/financialstatements](http://www.mazars.com/financialstatements)

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### ANALYSIS AND PERSPECTIVES

Globally, the year 2009 - 2010 is encouraging, as the partnership kept growing and profitability is rising at a fast pace.

Our steady partnership's growth rhythm and the new development projects planned underline the relevance of our integrated partnership model, which turned out to be a source for resilience in many countries.

We are thus determined to continue to expand with the same dynamic, based on our GBUs which face the market and ensure a consistent and integrated service offering around the world.

Budget planning exercise for 2010 - 2011 allows us to plan on a global turnover reaching €970 m at constant perimeter and exchange rates, ie a growth rate of c. 10% compared to 2009 - 2010.



