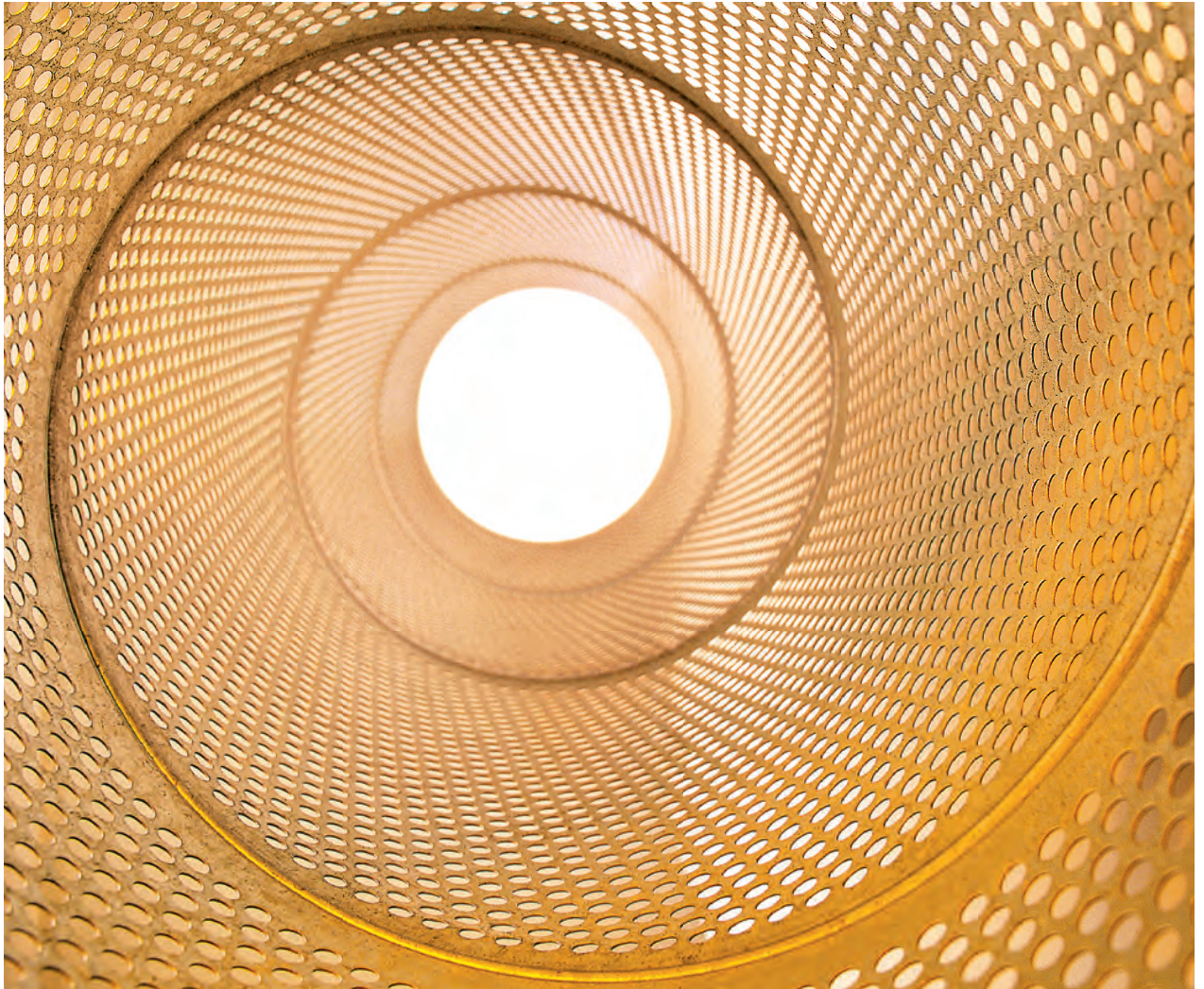


DRIVING PROGRESS TOGETHER

Annual Report 2011-2012
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This document is an extract of our annual report. You can download the complete version on the following website: annualreport.mazars.com

To access and read online our 2011-2012 consolidated financial statements, use the QR Code or the following link www.mazars.com/financialstatements



DRIVING PROGRESS TOGETHER

Mazars is an international, integrated and independent organisation specialising in audit, advisory, accounting, tax and legal services.

As at 1 January 2013, the Group operates in 71 countries, and draws on the expertise of 13,500 professionals to assist companies – major international groups, SMEs, private investors – and public bodies, at every stage in their development.

Mazars also has correspondents and representative offices that give the capacity to serve clients to the same high quality standards in a further 14 countries.

Based on an innovative, personalised reading of their expectations and their challenges, Mazars offers clients a range of services guaranteeing reliability thanks to our recognised technical expertise. We also provide the benefit of creating value and optimising their performance.

In a multipolar world, Mazars believes that collective intelligence is the source of the most appropriate solutions, and we harness the talents of all our teams in driving a dynamic of progress in the service of all.

« CAPITALISING ON A **DYNAMIC OF PROGRESS** IN THE SERVICE OF ALL. »

The audit and services market has been going through changes for about twenty years now. The crisis that industrialised countries are experiencing, the emergence of new economic and financial giants, together with the desire of authorities to better regulate the way our professions are practised, are all factors in the call for a reorganisation of our market.

Since 1995 and the creation of our integrated partnership, we have chosen to transcend our French and European roots and elected to serve entities of every size. Our adventure is the one of a young and dynamic organisation, enriched by its diversity and seeking to create value for all. It is also the adventure of a thoroughly integrated structure that has succeeded in expanding on almost every continent, and of a brand recognised in the market as a label of professionalism, of quality of service, and of ethical rigour.

Our objective is simple: we want to contribute to shaping a new audit and advisory market at international level, one which is more open, more competitive and more apt to serve the general interest.

Integration, not centralisation

More than ever, our partners will be pivotal to our development. Our partnership today counts more than 750 partners all over the world. Collaboration and regular communication between all the countries are essential to our activity, and we

intend to make them even more frequent and productive.

In a group like ours, now present in 71 countries, centralisation is not the solution. Our ambition is to set up regional platforms as solid structures for governance and decision-making that lead development and performance at local level, and guarantee our values and our commitments to excellence.

It also seems important to us to further develop our integrated operational structure. For three years, Mazars has been driving its activity at international level via the framework of four Global Business Units (GBUs). These four axes of expertise enable us to serve our clients better and ensure the application of identical quality standards across the world. We consider that the level of technical, operational and financial integration between these GBUs must continue to be reinforced.



Building our service capabilities

The audit market is undergoing profound transformation. That is why we have chosen to devote so much time and energy to meeting the parties involved and European opinion leaders on these matters. As far as joint audit is concerned, the position we favour seems to be finding sympathy since other countries are beginning to consider its eventual implementation. We have also suggested that the rotation of firms should only apply if the entire audit is performed by a single firm and should be organised over a long period, to avoid impairing the quality of audit services.

In Europe, our priorities will be Germany and the United Kingdom. Outside Europe, we envisage the creation of a substantial platform in the United States. In Asia, we want to strengthen our positions in China and India, but we also have projects in Cambodia and have just signed a correspondence agreement in Myanmar. In Latin America, we expect to strengthen our service capabilities by building on our current positions, while, in Africa and the Middle East, our plan is to capitalise on our current strengths, becoming one of the five leading players in a rapidly developing part of the world.

A wider range of specialist services

One of our primary objectives, linked with the optimisation of operational performance and the development of our range of services, is to reinforce our teams of experts on national and international tax matters. We naturally seek to consolidate our position in the audit market and to continue expanding our scope, while we are currently developing extra-financial audit and reporting services. Furthermore, the rollout of our Consulting services is a key driver in our strategy for becoming a global provider of professional services. Finally, the development of our legal services will be pursued by an integrated team within GBU Law and, in parallel, through the creation of an international alliance of law firms.

A growth model with proven resilience

Like every audit and advisory organisation, we have been impacted by the crisis, but our model has proven its resilience. This year we will pass the symbolic milestone of a one billion euro turnover. Over the last three years we have made significant progress in our PIE activity, which today represents 50% of our revenue. Our OMB activities have stood up equally well, partly as we have successfully developed specialised services, for example in Corporate Finance and Restructuring, which have acted as drivers for growth.

In response to the growing demand for highly specialised tax services, we have created a number of transnational teams of experts and built up dedicated structures in twenty or so countries. These initiatives have resulted in significant growth for our Tax business, which now represents 10% of our turnover. It is by remaining true to ourselves and to what makes us unique that we will make Mazars part of a shift towards sustainable growth. And it is through stimulating all forms of collective intelligence that we will contribute to a dynamic of construction and value creation that will profit our clients and the world at large.

SERVING OUR CLIENTS ON EVERY CONTINENT

13,500

professionals

Information updated after the Partners' General Assembly on December 2012

71 countries in the integrated partnership

14 additional countries

€1,013 M

turnover as of 31st August 2012

AMERICAS

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

PRAXITY ALLIANCE

In 2007, Mazars became one of the founding members of Praxity, an alliance of independent audit and consultancy firms, which now numbers 30,000 professionals in 92 countries. All members share the same high standards of technical excellence and uphold the same ethical values in conducting their professions. As such, the Praxity Alliance offers Mazars additional operating capacity *via* professional teams in 17 additional countries.

● Integrated countries

● Non integrated countries: Mazars correspondents and representative offices

EUROPE

Albania, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Greece, Germany, Hungary, Ireland, Israel, Italy, 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)

ASIA PACIFIC

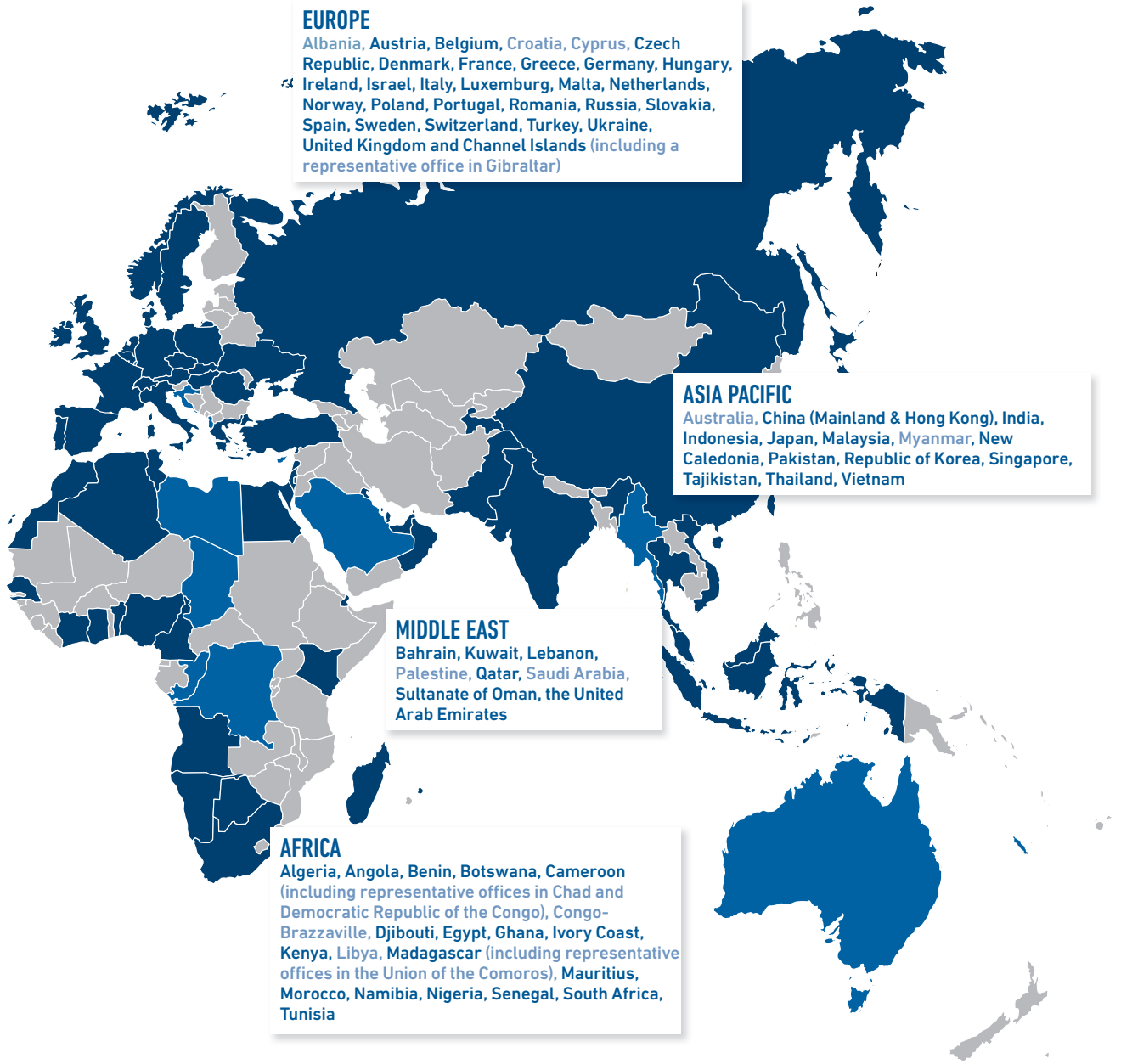
Australia, China (Mainland & Hong Kong), India, Indonesia, Japan, Malaysia, Myanmar, New Caledonia, Pakistan, Republic of Korea, Singapore, Tajikistan, Thailand, Vietnam

MIDDLE EAST

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

AFRICA

Algeria, Angola, Benin, Botswana, Cameroon (including representative offices in Chad and Democratic Republic of the Congo), Congo-Brazzaville, Djibouti, Egypt, Ghana, Ivory Coast, Kenya, Libya, Madagascar (including representative offices in the Union of the Comoros), Mauritius, Morocco, Namibia, Nigeria, Senegal, South Africa, Tunisia



KEY FACTS 2012

1

BILLION EUROS

turnover, a milestone the Group marked this year. Just 7 years after achieving a €500M turnover in 2005, Mazars is actively pursuing its business development in 5 continents.



60

INTERNET SITES

were simultaneously launched in virtually all Mazars countries as part of a major operation carried out in July 2012. With a new look and optimised ease of use for all Group websites, this launch marks the first step in the roll-out of the new Mazars visual identity.

10

COUNTRIES

Have joined the Mazars integrated partnership during 2011-2012, evidence of the dynamism of our international development policy. Bermuda, Bahrain, Ghana, Greece, Israel, Kuwait, Namibia, Norway, Oman and Qatar now strengthen Mazars' capacities on 5 continents.



4 CRITERIA FOR 1 PRIZE

Improvement in efficiency, client satisfaction, innovative nature and capacity to instil this as best practice: these are the criteria which convinced the jury of International Accounting Bulletin to award Mazars the 2011 prize for innovation in auditing, for its "Human Rights Audit" service.

BETWEEN
6 AND 12%

That's the percentage of payroll Mazars spent in 2011-2012 on training teams in nearly all Group countries. It is a figure that, compared to the 2.7% spent on average by companies around the world for all sectors, is a strong signal of Mazars' determination to invest in its principal asset and is key for long term growth: human talent!

30 proposals

Submitted by NYSE Euronext's Strategic Directions Committee for SME/SMB, chaired by Fabrice Demarigny, Head of Capital Markets at Mazars. These proposals mark the first steps of this Committee, targeted with setting up a new stock exchange dedicated entirely to the financing of small and medium-sized businesses.

GLOBAL SERVICE, BESPOKE SOLUTIONS

Mazars mobilises and combines the relevant expertise from across the Group to provide bespoke solutions that answer the strategic needs of companies.

The client at the centre of business management

Mazars serves the economic community as a whole, supporting and advising major international groups, SMEs, mid-sized businesses (MSB), entrepreneurs and public bodies and, to do so, puts the client at the heart of its strategy and its operational management. Our activity is run, at international level, through four Global Business Units (GBUs): GBU Public Interest Entities, GBU Owner Managed Businesses, GBU Tax and GBU Law. The way we are structured also ensures we are in close touch with local markets, while maintaining optimal operational efficiency and encouraging the development of new expertise.

The demand for reliability, the need for security

Rigour of our methodological of clients' issues, mastery of control mechanisms, systematic integration of risk assessment, all contribute to the optimisation and enhanced safety of strategic decision-making, the trustworthiness of client information and the creation of value. All our fields of expertise are driven by

the same demands for excellence and impeccable ethics and share a common desire to match our services to the very best in the market.

Pursuing performance, guaranteeing effectiveness

By combining our in-depth knowledge of sectorial specifics and local markets with a global view of the strategic issues and operational functioning of organisations, we can define and lead the changes aimed at improving financial and extra-financial performance.

Innovative solutions made-to-measure

Combining personalisation, innovation and anticipation: this is the Mazars mindset. It gives us real capacity for adapting services, processes and methodologies, allowing us to respond continually to the fresh issues and sectorial metamorphoses of our clients.

Prioritising flexibility and responsiveness

The single lead partner principle ensures flexibility and responsiveness for our clients. Mazars' multicultural expert teams position the Group as a partner of trust for growing companies, offering them made-to-measure solutions that are immediately operational and adaptable worldwide.

CLIENT FOCUSES

STATE BANK OF PAKISTAN

In 2011, Mazars designed and implemented for the State Bank of Pakistan a major project aimed at teaching basic finance and banking to Pakistan's most underprivileged adults. *"We had to create highly interactive workshops and innovative teaching materials based on the realities of everyday life,"* explains Rodney Rahman, Managing Partner of Mazars in Pakistan *"and our long term goal is to bring this knowledge to 500,000 people in Pakistan"*. This programme received the Project of the Year 2012 award from the Project Management Institute branch in Pakistan

AIRBNB (COMMUNITY PLATFORM OFFERING RENTAL ACCOMMODATION ALL OVER THE WORLD)

"We were convinced by Mazars' capacity to work in a truly integrated fashion at international level, while still ensuring we have centralised control with a single point of contact in close touch with our affairs", explains Bob Forest, Airbnb CFO.

"This 'one stop shop' approach has real added value for us, because we can develop effective collaboration based on the in-depth knowledge Mazars' teams have of our business model, our culture and our working methodology."

PSB INDUSTRIES (WORLD RENOWNED COSMETIC/PERFUMERY PACKAGER AND LEADER IN FRANCE IN MADE TO MEASURE THERMOFORM PACKAGING)

"Beyond the high level of rigour and the technical quality of Mazars' services, it's really the quality of our relationships and the attentiveness of the support we receive in each country that form the basis of our professional collaboration over time," emphasises Didier Mangin, Finance Director for PSB Industries. *"In Mexico, for example, the Mazars teams are providing work of great quality and things are moving forward smoothly and efficiently. And this view of the quality of relationships is shared by our teams in the United States, in France and in Japan".*

MORE THAN A SERVICE OFFER, A VALUE PROPOSITION



MODERN GOVERNANCE SERVING THE **MAZARS COMMUNITY** DYNAMIC

True to its participatory culture and its values of independence and transparency, Mazars has built a unique model of integrated partnership that ensures a genuinely democratic community. In addition, at the end of 2011, Mazars put in place a stable and balanced governance mechanism designed to reinforce its capacities for steering and anticipation, to guarantee the stability and relevance of its institutions, and to prepare for the future, while ensuring the sustainable growth of the Group. This integrated and collective model is run by professionals who have chosen to share risks as well as rewards. The partners meet at the General Assembly to approve the Group's major strategic and operational directions, the nomination of new partners and the consolidated results for the financial year. Every four years this Assembly also hosts the election of the members of the governance bodies.

The Group Executive Board

At Group level, the direction of Mazars Scrl is performed by the Group Executive Board (GEB) under the supervision of the Group Governance Council. The GEB plays a key role in the operational management of the Group, within the framework of the major strategic directions that have been collectively defined and is the guarantor of the development, feasibility, quality and longevity of Group activity.

THE GROUP EXECUTIVE BOARD

COMPRISES SIX MEMBERS, MANDATED FOR FOUR YEARS:

Philippe Castagnac, Group CEO,
President of the Group Executive Board

Antonio Bover, co-CEO, Sponsor of GBU Tax
and GBU Law, Senior Partner of Mazars in Spain

Hervé Hélias, co-CEO, leader of GBU PIE,
Senior Partner of Mazars in France

Hilton Saven, co-CEO, Senior Partner of Mazars
in South Africa, Sponsor of emerging markets

Phil Verity, co-CEO, leader of GBU OMB,
Senior Partner of Mazars in United Kingdom

Victor Wahba, co-CEO, Member of the Executive
Board of WeiserMazars in the United States

The Global Strategic Committee (GSC)

To face the background of tougher markets and regulatory environments, Mazars is supported by the expertise of the Global Strategic Committee (GSC). The GSC's mission is to identify and lead certain merger operations in line with the Group's policy for extending its international coverage and expanding its range of services. It is also responsible for monitoring Mazars' active contribution to the structuring of the profession.

THE 4 MEMBERS OF THE GSC:

Patrick de Cambourg,
Chairman of the Group Governance Council

Douglas A. Phillips,
Vice-Chairman of the Group Governance Council

Philippe Castagnac,
Group CEO

Michel Barbet-Massin,
Former Chairman of the Group Governance Council

The Group Governance Council

The Group Governance Council represents the partnership in the supervision of Group management bodies. Two independent and external members, elected at the Annual General Assembly of partners in December 2011, have now joined the Governance Council. This move towards increased openness is in line with current leading standards of governance and demonstrates Mazars' ambition to ensure that the supervision is carried out with complete impartiality and in a constructive spirit of independence.

THE GROUP GOVERNANCE COUNCIL

COMPRISES 14 MEMBERS, MANDATED FOR FOUR YEARS:

Patrick de Cambourg (France),

Chairman of the Group Governance Council

Kenneth Morrison (China),

Vice-Chairman of the Group Governance Council

Douglas A. Phillips (United States),

Vice-Chairman of the Group Governance Council

Thierry Blanchetier (France)

Kathryn Byrne (United States)

François de Carbonnel* (France)

Anita de Casparis (Netherlands)

Simone Del Bianco (Italy)

Mohamed Ali Elaouani Cherif (Tunisia)

Denise K. Fletcher* (United States)

Patrice de Folleville (Germany)

Tim Hudson (United Kingdom)

Kathleen Robison (United States)

Jean-Louis Simon (France)

*External members.

The Partnership Charter

The partners are pivotal to the Mazars model. It is actually the partner who assumes responsibility for the way assignments are carried out and for the opinions or advice that are offered. Based on self-assessment, challenged through peer review, this approach enables the individual to be part of a dynamic matching individual aspirations and abilities to the contributions necessary for the success of the collective project.

A LONG TERM COMMITMENT

Focusing on four key areas, Mazars' Partnership Social Responsibility (PSR) policy, since its inception in 2008, our PSR policy has continued to evolve, enriched every year with fresh initiatives and new tools.



Developing responsible services

Company performance is no longer measured by purely financial criteria. New legislation is increasingly restrictive regarding the publication of extra-financial reporting indicators and groups worldwide are more often adopting a voluntary reporting approach. Amongst other dedicated offers, our Human Rights compliance service meets the demands of the United Nations Global Compact, signed by Mazars in 2011, particularly well.

To advise our clients on the implementation of Corporate Social Responsibility (CSR) Mazars offers a wide array of services, including an element of personal development dedicated to supporting the growth of companies by

prioritising the human values of individual and social advancement.

7 COUNTRIES OFFERING HUMAN RIGHTS COMPLIANCE SERVICES :

- FRANCE
- INDIA
- INDONESIA
- NETHERLANDS
- SOUTH AFRICA
- UNITED KINGDOM
- UNITED STATES

Respect for employees and well-being at work

Respecting each member of the staff and his rights, guaranteeing work-life balance, and acting to promote diversity and equality between men and women rank high among the priorities in Mazars' approach of management.

Methodological guides and tools enable each country to identify the most important problem areas and the required actions, and finally to judge their effectiveness: Parenthood Charter and work-life balance in France, policies regarding flexible working in Russia or the United States, awareness-building programmes in the United Kingdom or the Netherlands or partnerships with Ministry of Employment in Poland or Czech Republic.

53 % OF OUR STAFF ARE WOMEN.

24 % OF THE NEW PARTNERS COOPTED IN DECEMBER 2012 ARE WOMEN.

Combatting climate change

Sustainable development naturally includes the necessity to fight against climate change. Every year, the Group establishes the Carbon Balance for its annual partner's Conference to offset it. The 2011 edition resulted in the renewal of our partnership with a reforestation initiative in China, the Million Tree Program.

Many Mazars countries have also developed their own local environmental protection programmes. These include Carbon Audits of key facilities, employing local suppliers, using "green" partners, choosing distributors of organic and fair-trade products offering recyclable containers and packaging and choosing more eco-friendly IT materials.

Our commitment to society and the community

Making what we do part of the bigger picture and actively contributing to the progress of communities in which we work are two pillars of our social responsibility policy. Mazars is involved with various think tanks and debates on aspects of society that have far wider significance than our particular fields of expertise, such as the Cité de la Réussite at the Sorbonne University or the renowned think tank Institut Montaigne, which Mazars joined in 2010.

Mazars is also active in cultural sponsorship, to help sharing our cultural heritage with the widest possible audience. In 2012, the Group joined the ranks of the Exceptional Patrons of the Louvre museum in France and became one of eleven companies supporting the 2011 launch of a private foundation called INPACT, following an appeal by the Ministry of Culture and Communication. In the UK, Mazars also renewed its partnership with the Tate Modern Gallery.

Mazars also encourages and supports projects helping under-served or underprivileged members of the community gain access to the services or solutions that they need. In Ireland, for example, the efforts of the Mazars teams raised funds for medical research and sick children, while Mazars' offices in South Africa decided to celebrate their involvement in their communities annually, dedicating one whole day for staff from all the offices to charitable causes. The Mazars corporate Foundation also enables various organisations to further their aims in combatting vulnerability, helping families in difficulty, improving access to education and culture, or assisting individuals with disabilities, thanks to targeted financial donations.

Mazars is present on 5 continents.