

ABBREVIATED
CONSOLIDATED
FINANCIAL
STATEMENTS
2009



WORLD

ESOMAR

RESEARCH

MANAGEMENT REPORT

MANAGEMENT REVIEW

2009 represented a very challenging year for ESOMAR. As a result of both the deteriorating economic situation as well as a number of internal changes, ESOMAR's key objective in 2009 was to remain focused on providing its services to members and to try and maintain the value proposition of ESOMAR membership; this despite the continued decline of the global financial market, the resultant downturn in the research industry and the associated reduction in conference attendances.

Notwithstanding this very testing environment, ESOMAR's net result after tax for 2009 was a deficit of EUR 308K compared to a net deficit of EUR 501K in 2008. The 2009 result was achieved primarily from a regular cost control, as well as a prioritisation process for key investments.

HIGHLIGHTS 2009

The focus on providing membership benefits allowed the Society to maintain the (paid) membership level at 4,636 (including 5 honorary members). The Middle Eastern & African regions have seen most growth over 2009 for the second consecutive year. This clearly indicates the need of ESOMAR to focus on robust retention programme to emphasise the value proposition to members.

While Publishing revenue declined in 2009, ESOMAR increased the number of third party sales distributors and put in place the platforms that will potentially provide significantly improved collaborations with other Societies in 2010, in order to help promote the publications portfolio to a much wider audience. Research World, re-launched in 2008, continued to gain increased recognition for its editorial strategy

of bringing the latest developments, research tools, technology, and applications to research clients and at provoking discussion and debate on controversial issues.

In its 21st year, the Global Market Research Report included a section on global & regional highlights and 5-year trend data on 74 countries; an overview of the top 25 research companies and key financial figures of the top 10 firms; it also included a revamped industry journal providing a clearer overview of the main events in the industry during the past 18 months.

ESOMAR continued to promote adoption of the ICC ESOMAR Code to the top 50 markets (EU, BRIC, Asia and LATAM) as well as providing translations of the Code into more than 10 languages. In addition, the process for managing the Code (compliance and complaint handling) has been reviewed.

FINANCIAL POSITION AND OVERVIEW

The debtors' position at the end of the year 2009 was EUR 821K – compared with EUR 883K at the end of 2008.

The primary reason for this was the impact of the newly implemented NetSuite software (which improved the timing of the Billing Cycle), from which also came an improved set up of the online payments facility.

In 2009, ESOMAR registered total revenue of EUR 5.4 million compared to EUR 7.3 million in 2008 – a clear consequence of the challenging economic times.

Expenditure within all business segments and general overhead expenditure was managed effectively and stayed in line with budget.

Directory revenue recorded a gross surplus of EUR 1.1 million against the prior year surplus of EUR 1.2 million.

Professional Development - including results from Congress, Conferences, Education, and Publishing - realised a gross deficit of EUR 525K compared with a gross surplus of EUR 378K in 2008. This reversal impacted significantly on the overall performance of the business, and represents one of our key improvement objectives in 2010.

General overhead expenditure in 2009 was EUR 1.7million – slightly more than was budgeted and that was spent the previous year - of budget (1.6M) and 2008 (1.5M), this resulted from unexpected system costs linked with the NetSuite implementation, as well as key developmental investments for the organisation (general salaries, recruitment fees, and amortisation of tangible assets).

The securities and bank deposits consistently performed well above the benchmark during the year 2009. The performance of the asset portfolio was very satisfactory in the overall financial climate, and was positively influenced by developments in the financial markets, especially during the second half of 2009. The strategic and conservative allocation of the total portfolio contributed to this satisfactory result. ABN AMRO Asset Management (Netherlands) B.V. has been responsible for the management of ESOMAR's portfolio since the second half of 2005.

INDUSTRY OUTLOOK 2010

The change in the global economy has resulted in all industries having to re-examine the concept of "value", and the Market Research industry is no exception.

Consolidation in the market research industry will also continue; - Leaders of the Industry share the belief that the top 10 companies (now representing 58%+ of total revenues) will increase their share of the traditional market research industry by +/- 2% a year, so that in five years those companies will represent two thirds

of the market and in 10 years time, three quarters of the traditional market research industry.

From ESOMAR's perspective, this challenge is perhaps a little more "pointed" as it means (at its simplest level), ensuring that the individual membership platform remains relevant, and that the society must target increasing efficiencies in all that it does. This will require a clear articulation of the benefits of membership (not just the features), as well as ensuring that our offerings remain topical and representative of "leading the way".

As a result, the theme that ESOMAR has chosen for 2010 is "RELEVANCE":

- We must be "relevant" to our members, partners and sponsors to ensure continued subscription & recruitment;
- Our conferences must be "relevant" in theme, content and price;
- Our representative status must be as "relevant" to the US as to Asia-Pacific, and
- Our costs & investments into this aspect of our business must be "relevant" economically.

Amsterdam, 17/05/2010
The Board of Management,

Finn Raben
Director General

Marie-Agnès Mourot de Lathyle
Director Finance & Services

Abbreviated consolidated balance sheet as at 31 December

| | 31 DECEMBER 2009 | | 31 DECEMBER 2008 | |
|--|------------------|--------------|------------------|--------------|
| (in thousands of euros) | | | | |
| NON CURRENT ASSETS | | | | |
| Intangible assets | | 246 | | 183 |
| Property, plant and equipment | | 408 | | 442 |
| Financial fixed assets | | <u>5,905</u> | | <u>2,633</u> |
| TOTAL NON-CURRENT ASSETS | | 6,559 | | 3,258 |
| CURRENT ASSETS | | | | |
| <i>Inventory</i> | | 8 | | 47 |
| <i>Receivables</i> | | | | |
| Debtors | 821 | | 883 | |
| Income tax receivable | 141 | | - | |
| Prepaid expenses and other receivables | 389 | | 518 | |
| Accrued income | <u>1</u> | | <u>38</u> | |
| Total receivables | | 1,352 | | 1,439 |
| Short term deposits | 250 | | 2,500 | |
| Cash and cash equivalents | <u>789</u> | | <u>1,690</u> | |
| | | <u>1,039</u> | | <u>4,190</u> |
| TOTAL CURRENT ASSETS | | 2,399 | | 5,676 |
| TOTAL ASSETS | | 8,958 | | 8,934 |
| CURRENT LIABILITIES | | | | |
| Payables and accrued expenses | | 817 | | 1,175 |
| Income tax payable | | - | | 426 |
| Deferred income | | <u>2,655</u> | | <u>1,539</u> |
| TOTAL CURRENT LIABILITIES | | 3,472 | | 3,140 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 5,486 | | 5,794 |
| FINANCED BY: | | | | |
| Accumulated funds attributable to the members of the Society | | 5,486 | | 5,794 |

Abbreviated consolidated income statement for the year ended 31 December

| | 2009 | | 2008 | |
|--|---------|--------------|---------|--------------|
| (in thousands of euros) | | | | |
| PROFESSIONAL STANDARDS AND MEMBERSHIP | | | | |
| Membership and entrances fee | 1,436 | | 1,553 | |
| Membership expenditure | (345) | | (312) | |
| | | 1,091 | | 1,241 |
| Directory entries | 1,373 | | 1,561 | |
| Directory expenditure | (293) | | (359) | |
| | | 1,080 | | 1,203 |
| Other corporate and representation expenditure (1) | | (919) | | (1,154) |
| Subtotal gross margin professional Standards and Membership (A) | | 1,252 | | 1,290 |
| PROFESSIONAL DEVELOPMENT AND EVENTS | | | | |
| Congress revenue | 922 | | 1,591 | |
| Congress expenditure | (1,096) | | (1,332) | |
| | | (174) | | 258 |
| Conferences revenue | 1,029 | | 1,669 | |
| Conferences expenditure | (1,066) | | (1,404) | |
| | | (37) | | 265 |
| Education (workshops) revenue | 171 | | 309 | |
| Education (workshops) expenditure | (163) | | (278) | |
| | | 8 | | 31 |
| Publishing revenue | 441 | | 644 | |
| Publishing expenditure | (763) | | (820) | |
| | | (322) | | (176) |
| Subtotal gross margin Professional Development and Events (B) | | (525) | | 379 |
| Total gross profit (A+B) | | 727 | | 1,669 |
| GENERAL EXPENDITURE | | | | |
| Overhead costs, salaries and social charges (2) | (388) | | (432) | |
| Office expenses (3) | (727) | | (605) | |
| Other expenses (4) | (431) | | (418) | |
| Depreciation property, plant and equipment | (117) | | (63) | |
| Total general expenditure | | (1,663) | | (1,518) |
| OPERATING RESULT (CARRY FORWARD) | | (936) | | 151 |
| NET FINANCE INCOME/ (EXPENSE) (5) | | | | |
| Finance income | 504 | | 303 | |
| Finance expenses | (17) | | (836) | |
| | | 487 | | (533) |
| NET RESULT BEFORE TAX | | (449) | | (382) |
| Income tax | | 141 | | (119) |
| NET RESULT | | | | |
| Attributable to the members of the Society | | (308) | | (501) |

Abbreviated consolidated statement of recognised income and expense for the year ended 31 December

| | 2009 | 2008 |
|---|--------------|--------------|
| (in thousands of euros) | | |
| Net result for the period | (308) | (501) |
| TOTAL RECOGNISED INCOME AND EXPENSE FOR THE PERIOD | (308) | (501) |
| ATTRIBUTABLE TO THE MEMBERS OF THE SOCIETY | (308) | (501) |

Abbreviated consolidated cash flow statement for the year ended 31 December

| | 2009 | 2008 |
|---|----------------|----------------|
| (in thousands of euros) | | |
| OPERATING RESULT | (936) | 151 |
| Amortisation of intangible assets | 62 | 59 |
| Disposal of property, plant and equipment | - | 24 |
| Depreciation property, plant and equipment | 117 | 63 |
| Bank charges (5) | (4) | (12) |
| Income tax received | (426) | 35 |
| Interest paid | (1) | 0 |
| | <u>(1,188)</u> | <u>320</u> |
| Changes in inventory | 39 | (20) |
| Changes in debtors | 62 | 479 |
| Changes in prepaid expenses, other receivables and accrued income | 166 | (163) |
| Changes in payables and accrued expenses | (358) | 274 |
| Changes in deferred income | 1,116 | (1,689) |
| | <u>1,116</u> | <u>(1,689)</u> |
| NET CASH FROM OPERATING ACTIVITIES | (163) | (799) |
| Cash flows from investing activities | | |
| Interest received (5) | 177 | 267 |
| Dividends received (5) | 19 | 15 |
| Asset management fee (5) | (12) | (23) |
| Proceeds from sale of investments | 1,775 | 3,236 |
| Acquisitions of investments | (2,297) | (1,115) |
| Acquisitions of intangible assets | (125) | (183) |
| Acquisition of property, plant and equipment | (83) | (442) |
| | <u>(546)</u> | <u>1,755</u> |
| NET CASH FROM / (USED) IN INVESTING ACTIVITIES | (546) | 1,755 |
| NET CASH FROM / (USED) IN FINANCING ACTIVITIES | - | - |
| NET MOVEMENT IN CASH AND CASH EQUIVALENTS | (709) | 956 |
| Cash and cash equivalents at 1 January | 4,653 | 3,697 |
| Cash and cash equivalents at 31 December | 3,944 | 4,653 |

Notes to the abbreviated consolidated financial statements for the year 2009

1 REPORTING ENTITY

Activities

ESOMAR is the world organisation for enabling better research into markets, consumers and societies. With 4,636 members in over 110 countries, ESOMAR's aim is to promote the value of market and opinion research in illuminating real issues and bringing about effective decision-making.

To facilitate this ongoing dialogue, ESOMAR creates and manages a comprehensive programme of industry specific and thematic conferences, publications and communication as well as actively advocating self-regulation and the worldwide code of practice.

ESOMAR was founded in 1948 as the European Society for Opinion and Marketing Research (ESOMAR or "the Society"). The registered office of the Society is in Lausanne, Switzerland and was incorporated under art. 60 of Swiss Civil Code in the Canton de Vaud no. 133. Operations are managed from the office, which is located at Eurocenter 2, 11th floor, Barbara Strozziilaan 384, 1083 HN Amsterdam, The Netherlands. The Society has a 100% subsidiary: ESOMAR B.V. which is registered in the Netherlands.

2 SIGNIFICANT ACCOUNTING POLICIES

These abbreviated consolidated financial statements have been derived from the unabridged consolidated financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union. These standards are consistently applied throughout the group and previous year. The unabridged consolidated financial statements are prepared by the Board of Management and issued on the 17 May 2010. Assets and liabilities are shown at face value, unless otherwise stated.

Basis of preparation

The abbreviated consolidated financial statements are presented in euro thousands and rounded as

such. They are prepared under the historical cost convention except for the following assets and liabilities which are stated at fair value: derivative financial instruments, financial instruments and assets held for trading.

The abridged consolidated financial statements have been derived from the unabridged consolidated financial statements which have been audited by our auditors, KPMG Accountants NV (KPMG), and who have issued an unqualified opinion dated 17 May 2010. The abbreviated consolidated financial statements have been audited by KPMG and in their opinion, the abbreviated consolidated financial statements have been derived consistently, in all material respects, from the audited unabridged consolidated financial statements.

The preparation of financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future period.

Basis of consolidation

The abbreviated consolidated financial statements include the accounts of the Society and its subsidiary ESOMAR B.V ("the group"), using the full consolidation method.

All material intercompany income and expenses, balances, transactions and profits and losses

resulting from intra-group transactions are eliminated on consolidation.

Reporting currency

The consolidated financial statements of the Society are presented in EUR's, since this is currency of the primary economic environment of the Society.

Foreign currency transactions

The balance sheet items in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. The transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. The resulting exchange differences are recorded in the income statement.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement using the straight line depreciation method with no residual value over the estimated useful life of the assets (3-5 years).

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement using the straight line depreciation method with no residual value over the estimated useful lives of the assets mainly as follows:

Office renovation: 10 years.

Office equipment and furniture: 2 to 5 years.

Financial fixed assets

Securities and cash balances maintained for investment purposes are stated at fair value. Fair value is based on quoted bid prices at the reporting date. The gains or losses on revaluation to fair value are recognised in the income statement.

Inventory

Inventories are stated at the lowest of cost and net realisable value. The cost of inventory is based on the FIFO method.

Receivables

Receivables are valued at amortised cost less a provision for bad debts where appropriate.

Cash and cash equivalents

Cash at bank and in hand comprises cash balances and short term deposits and are stated at nominal value.

Impairment

An assessment is made at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, an estimate of the asset's recoverable amount is made. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement.

Revenue

This represents revenues from third parties, mainly members of the Society.

- Membership fees are invoiced once a year and recognised in the income statement in the period to which they relate. Membership entrance fee is invoiced to new members only, and recognised in the income statement in the period to which the membership fee relates to.
- Directory income is recognised as revenue at shipment date.
- Congress, Conferences and Education revenue is recognised in the income statement on the date when the event takes place.
- Publishing revenue is recognised in the income statement at shipment date.

Expenditure

Expenditure is directly allocated to business segments where possible, salaries are allocated based on the number of staff working for specific business segments.

Defined contribution plans

Commitments for defined contribution pension plans are recognised as expenditure in the income statement as incurred.

Financial income net

Interest income is recognised in the income statement as it accrues. Dividend income is recognised in the income statement on the date the entity's right to receive payment is established. Furthermore the financial expenditure comprises interest payable and management fees for Asset Management.

Income tax

Income tax is calculated on the taxable result of the 100% subsidiary ESOMAR B.V. which is located in the Netherlands. The Dutch corporation tax rate is applicable. The charge or benefit in the income statement relates to the current year's taxable income or loss. No tax is due on the result of the Swiss society, as these activities are tax exempt in the Netherlands.

Cash flow statement

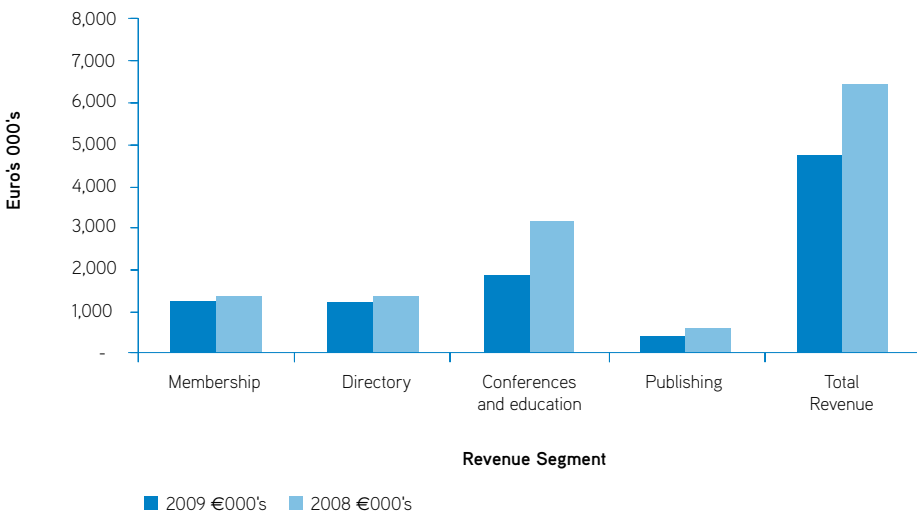
The abbreviated consolidated cash flow statement, which has been prepared according to the indirect method, shows the cash flow from operating activities, investing activities and the cash position at the beginning and at the end of the year. Cash flow from operating activities is stated as operating result adjusted for non-cash operating items and working capital movements. Cash flow from investing activities comprises investments and divestments of (in) tangible and financial assets.

ABBREVIATED CONSOLIDATED INCOME STATEMENT FOR THE YEAR 2009

Revenue

Total revenues decreased by 27% from EUR 7.3 million in 2008 to EUR 5.4 million in 2009. Revenues can be analysed as follows: Membership and entrance fees EUR 1,436K (2008: EUR 1,553K), Directory entries EUR 1,373K (2008: EUR 1,561K), Conferences and education EUR 2,122K (2008: EUR 3,569K) and Publishing EUR 441K (2008: EUR 644K)

Revenue 2009 v 2008



(1) Other corporate expenditure and representation

Corporate expenditure and representation can be specified as follows:

| | 2009 | 2008 |
|---|------------|--------------|
| (in thousand of euros) | | |
| Governance (Council and committees) | 101 | 203 |
| Public Relations and Representation | 309 | 338 |
| Self-regulation | 98 | 95 |
| Market Research and Development projects | 136 | 133 |
| Other Industry Initiatives | 56 | 168 |
| Allocated salaries | 219 | 217 |
| | <u>919</u> | <u>1,154</u> |

These expenses relate to the development of projects and initiatives to protect and promote the interests of the Market Research Industry as a strategic tool for business decision making in both public and private sectors alike.

Other Industry Initiatives relate for example to the ESOMAR World Industry Network (WIN), Round Tables, and monitoring and lobbying efforts such as The Alliance for Research.

(2) Overhead costs, salaries and social charges

Overhead costs, salaries and social charges can be specified as follows:

| | 2009 | | 2008 | |
|---|-------|------------|-------|------------|
| (in thousands of euros) | | | | |
| Salaries | 1,810 | | 1,785 | |
| Sickness benefit | (17) | | (25) | |
| Salaries and sickness benefit | | 1,793 | | 1,760 |
| Social security charges | 151 | | 167 | |
| Pension charges | 155 | | 152 | |
| Insurances | 43 | | 45 | |
| Travel allowance | 18 | | 18 | |
| Other salaries related costs | | 367 | | 382 |
| Salary cost allocated to events, publishing and other activities | | (1,772) | | (1,710) |
| | | <u>388</u> | | <u>432</u> |

The pension charges relate to a defined contribution plan. The insurances charges relate to insurance of ESOMAR staff.

There were 38 employees at the end of 2009. (2008: 28)

The average number of employees during the year was 33 employees (2008: 29)

(3) Office expenses

The office expenses can be specified as follows:

| | 2009 | 2008 |
|---------------------------------------|------------|------------|
| (in thousands of euros) | | |
| General office and personnel costs | 193 | 146 |
| Rental and lease costs | 220 | 191 |
| Telephone, internet and fax | 51 | 42 |
| Computer consultancy and license fees | 142 | 61 |
| Recruitment fees | 75 | 116 |
| Stationary | 10 | 4 |
| Cleaning | 15 | 17 |
| Electricity and gas | 21 | 21 |
| Other | - | 7 |
| | <u>727</u> | <u>605</u> |

(4) Other expenses

The other expenses can be specified as follows:

| | 2009 | 2008 |
|----------------------------------|------------|------------|
| (in thousands of euros) | | |
| Web site, brand and advertising | 155 | 197 |
| CRM | 62 | 73 |
| Advisory costs: tax, legal, etc. | 106 | 57 |
| Audit fees | 80 | 63 |
| Training personnel | 28 | 28 |
| | <u>431</u> | <u>418</u> |

(5) Net finance income / (expense)

The net finance expense can be specified as follows:

| | 2009 | 2008 |
|--|--------------|--------------|
| (in thousands of euros) | | |
| Interest income on bank deposits | 8 | 151 |
| Interest income on financial assets | 193 | 137 |
| Dividend income on financial assets | 19 | 15 |
| Net gain on disposal of financial assets | 0 | - |
| Change in fair value of financial assets | 394 | - |
| FINANCE INCOME | 614 | 303 |
| Change in fair value of financial assets | - | (273) |
| Net loss of disposal of financial assets | (110) | (505) |
| Management fees | (12) | (23) |
| Bank charges | (4) | (12) |
| Interest paid | (1) | (23) |
| FINANCE EXPENSES | (127) | (836) |
| NET FINANCE INCOME / (EXPENSE) | 487 | (533) |

To: the members and the board of management of the Society of ESOMAR

AUDITOR'S REPORT

Introduction

We have audited whether the accompanying abbreviated consolidated financial statements of the Society of ESOMAR, Lausanne, Switzerland, for the year 2009, as set out on pages 3 to 11, have been derived consistently from the audited consolidated financial statements of the Society of ESOMAR, for the year 2009.

In our auditor's report dated 17 May 2010 we expressed an unqualified opinion on these consolidated financial statements. Management is responsible for the preparation of the abbreviated consolidated financial statements in accordance with the accounting policies as applied in the 2009 consolidated financial statements of the Society of ESOMAR. Our responsibility is to express an opinion on these abbreviated consolidated financial statements.

Scope

We conducted our audit in accordance with International Standards on Auditing and Dutch law. These standards and law require that we plan and perform the audit to obtain reasonable assurance that the abbreviated consolidated financial statements have been derived consistently from the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these abbreviated consolidated financial statements have been derived consistently, in all material respects, from the consolidated financial statements.

Emphasis of matter

For a better understanding of the Society's financial position and results and the scope of our audit, we emphasize that the abbreviated consolidated financial statements should be read in conjunction with the unabridged consolidated financial statements, from which the abbreviated consolidated financial statements were derived and our unqualified auditor's report thereon dated 17 May 2010. Our opinion is not qualified in respect of this matter.

Amstelveen, 17 May 2010
KPMG ACCOUNTANTS N.V.
R.W.G. van Teeffelen RA

GENERAL INFORMATION

BANKERS

ABN AMRO Asset Management (Netherlands) B.V.
Amsterdam, The Netherlands

AUDITORS

KPMG Accountants N.V.
Amstelveen, The Netherlands

LEGAL ADVISORS

Höcker Advocaten
Amsterdam, The Netherlands

REGISTERED OFFICE

(Siège Social)
Lausanne, Switzerland
Incorporated under Art. 60 of
Code Civil Suisse, in the
Canton de Vaud, No.133

CONTACT DETAILS

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ESOMAR is the world organisation for enabling better research into markets, consumers and societies.

With more than 4600 members in over 100 countries, ESOMAR's aim is to promote the value of market and opinion research in illuminating real issues and bringing about effective decision-making.

To facilitate this ongoing dialogue, ESOMAR creates and manages a comprehensive programme of industry-specific and thematic events, publications and communications, as well as actively advocating self-regulation and the worldwide code of practice.