Edenred

2010
REGISTRATION DOCUMENT

SUMMARY

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AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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Presentation of the group

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1.1. Corporate profile

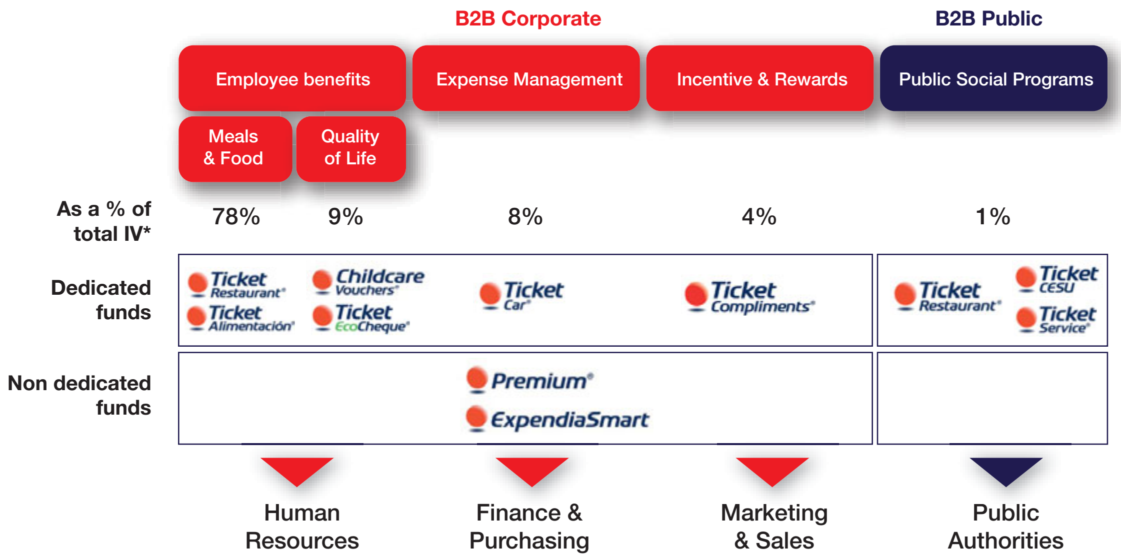
1.1.1. UNIQUE EXPERTISE AND POSITIONING

Edenred, which invented the Ticket Restaurant® meal voucher and is the world leader in prepaid corporate services, designs and delivers solutions that make employees' lives easier and improve the efficiency of organizations.

By ensuring that allocated funds are used specifically as intended, these solutions enable companies to more effectively manage their:

- Employee benefits (*Ticket Restaurant*®, *Ticket Alimentación*, *Ticket CESU*, *Childcare Vouchers*, etc.);
- Expense management process (*Ticket Car*, *Ticket Cleanway*, etc.);
- Incentive and rewards programs (*Ticket Compliments*, *Ticket Kadéos*, etc.).

The Group also supports public institutions in managing their social programs.



* *IV: Issue volume (€13.9 billion in 2010).*

Edenred is committed to forging and nurturing relationships with all of its stakeholders, based on dialogue, mutual interests and responsibility. These stakeholders include:

- **Companies and public sector clients**, concerned with being an attractive employer, with motivating their teams and optimizing their performance.
- **Beneficiaries**, who appreciate the simplicity and convenience of service cards and vouchers in making their lives easier.
- **Affiliated merchants**, seeking to increase their revenue, retain their customers and secure their transactions.
- **Public authorities**, looking to improve the effectiveness of their social and economic policies, to deliver benefits and to ensure the traceability of funds allocated to benefit programs.

Listed on the NYSE Euronext Paris stock exchange [(1)], Edenred operates in 40 countries, with 6,000 employees, nearly 530,000 companies and public sector clients, 1.2 million affiliated merchants and 34.5 million beneficiaries. In 2010, total issue volume amounted to €13.9 billion, of which 55% was generated in emerging markets.

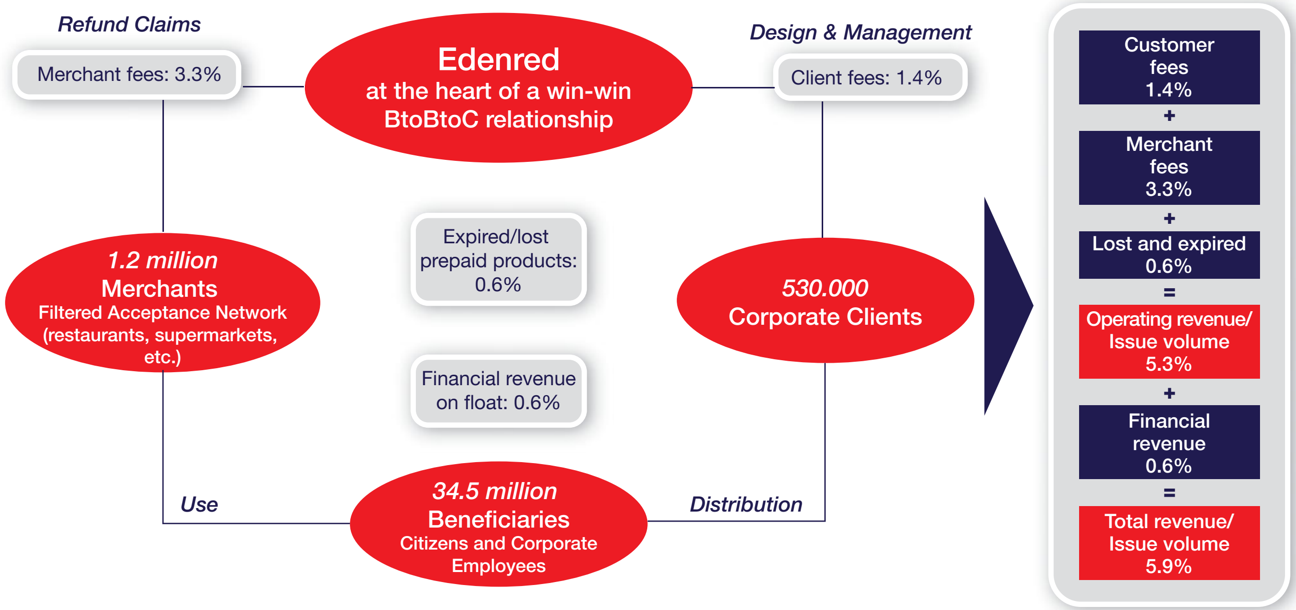
(1) Listed on NYSE Euronext Paris in Compartment A (ISIN code: FR0010908533).

1.1.2. A PROFITABLE AND SUSTAINABLE BUSINESS MODEL, BASED ON WIN-WIN STAKEHOLDER RELATIONSHIPS

1.1.2.1. Description of the business model

The Group's business model, illustrated below, is based on win-win relationships with stakeholders.

BASED ON 2010 FIGURES:



One of the Group's key indicators is issue volume, corresponding to the total face value of the prepaid service vouchers and cards issued by Edenred to its corporate and public sector clients.

Revenue comprises operating revenue generated directly by the supply of prepaid service vouchers and cards and financial revenue generated by investing available cash.

Operating revenue corresponds to revenue from the sale of products and services. It includes operating revenue generated by issue volume and other operating revenue.

Operating revenue generated by issue volume corresponds to operating revenue generated by prepaid vouchers. Other operating revenue is revenue generated by prepaid services that do not involve the issue of vouchers. It consists mainly of billings for services such as the management of incentive and rewards programs.

Total operating revenue represented 5.3% of issue volume in 2010, breaking down as follows:

1 Commissions received from clients on the sale of prepaid vouchers and cards and all related amounts billed to clients such as delivery costs, card sales and voucher customization costs, representing an average of 1.4% of issue volume in 2010.

2 Commissions received from affiliated merchants (restaurants, supermarkets, etc.), representing an average of 3.3% of 2010 issue volume. When beneficiaries have spent their prepaid vouchers with affiliated merchants, the merchants present the vouchers to Edenred for reimbursement of their face value, net of a commission. This is Edenred's second source of revenue. Affiliated merchants generally join the program by signing a contract drawn up individually that specifies the commission rate as well as the basis for reimbursing vouchers. The commission rate generally depends on the type and size of the merchant network and the reimbursement period selected by the merchant when a choice is offered.

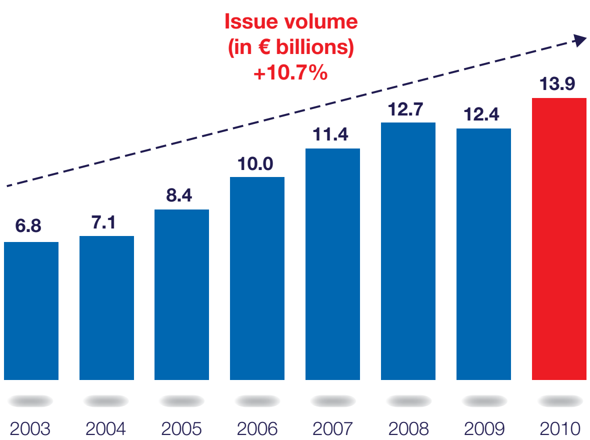
3 Profits on vouchers that are lost or expire without being reimbursed, representing 0.6% of 2010 issue volume.

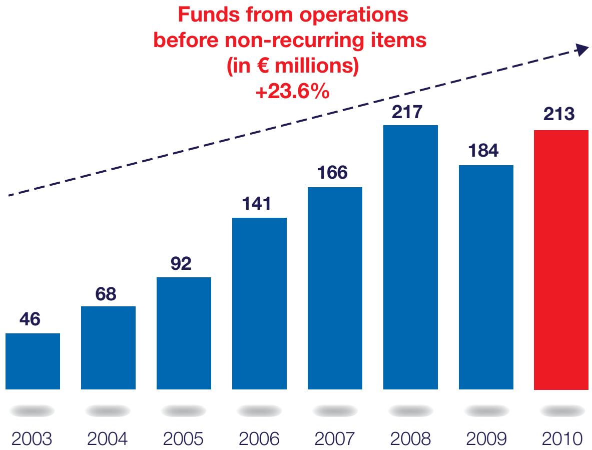
The float corresponding to the cash received from clients for prepaid services that has not yet been reimbursed to affiliated merchants is invested, generating **financial revenue** that is added to operating revenue to calculate the Group's total revenue. In 2010, financial revenue represented 0.6% of issue volume.

Over the period from 2003 to 2010, the Group reported average revenue growth of 11.3% per year.

1.1.2.2. A profitable and sustainable business model

Edenred's performance is underpinned by a business model that is profitable over the long term because it delivers sustained growth, generates a negative working capital requirement and requires little capital investment. Since 2003, reported voucher issue volume has grown by an average 10.7% per year, and funds from operations before non-recurring items (FFO) [(1)] have increased by 23.6%. Maintenance capital expenditure by the Group is in the region of €30 million to €40 million per year. In 2010, issue volume increased by 10.0% like-for-like (based on a comparable scope of consolidation and at constant exchange rates) and 11.8% as reported, while operating revenue grew 6.3% like-for-like.





This sustainable business model is also based on extensive diversification in terms of geographies, products, client portfolios and media, which plays a critical role in maintaining consistent performance by spreading risks more widely. In addition, the model is remarkably effective in creating economic wealth and jobs, as well as in promoting consumer spending, while also controlling payment flows, representing a further guarantee of sustainability.

1.1.3. A SOLUTIONS OFFER THAT MAKES EMPLOYEES' LIVES EASIER AND ORGANIZATIONS MORE EFFICIENT

The following table shows the breakdown of issue volume by product category and each category's like-for-like growth in 2010:

	B2B Corporate				B2B Public	
	Employees Benefits		Expense Management	Incentive & Rewards	Public Social Programs	TOTAL
	Meal and Food	Quality of Life				
Issue Volume ***(in € million)***	10,882	1,210	1,100	538	145	13,875
As a % of IV	78%	9%	8%	4%	1%	100%
LFL change 2009/2010	+11%	+18%	+17%	-19%	+3%	+10%

(1) Funds from operations before non-recurring items corresponds to EBITDA less net financial expense, income tax expense, non-cash revenue and expenses included in EBITDA, provision movements included in net financial expense, income tax expense and non-recurring taxes. For more information, see section 2.1.1.6 Management Ratios.

- **Employee benefits**. The vast majority of our solutions are developed in response to public policies, for example to improve nutrition or to promote social cohesion and economic activity.

  Employee benefits are a win-win proposition for all stakeholders:

  - **Public institutions**: our employee benefits solutions represent an efficient method of enhancing the effectiveness of governments' social or economic policies, delivering benefits and ensuring the traceability of funds allocated to social programs. Their social usefulness qualifies them for income tax and/or payroll tax exemptions. For governments, the lost tax revenue is generally offset by tax revenues from other sources, generated by the direct and indirect effects of employee benefit programs which help to improve tax collection rates, particularly corporate income tax and value-added tax. It's a fact that these solutions are above all an efficient tool for combatting development of the informal economy (particularly in the food and human services sectors). However, they are also an important source of additional revenue for affiliated merchants, allowing them to attract and retain customers who would not normally visit their restaurants or stores. Lastly, these solutions help to create local jobs, particularly in the food services sector. For governments, a key attraction of employee benefits solutions (particularly meal and food vouchers) is that they help beneficiaries and their families to enjoy a healthier diet. They also benefit the economy by boosting workers' motivation and raising productivity levels, reducing absenteeism, workplace accidents and cases of food poisoning. In addition, they represent a simple alternative to corporate catering structures for small and medium-sized enterprises, allowing them to compete more effectively against large companies in the employment market.
  - **Companies and public sector clients**: employee benefits are a cost-effective way for employers to boost their employees' compensation, as all or part of their contribution to financing the benefits is tax-exempt. In France, for example, the portion of meal vouchers' face value paid by the employer is exempt from social security contributions and payroll tax, within the limits prescribed by law. In a survey of employers (1), 93% of respondents said that their employees valued the meal voucher system. With 530,000 clients at December 31, 2010, Edenred has an extremely diversified client portfolio.
  - **Beneficiaries**: employee benefits solutions increase beneficiaries' purchasing power, as the employer's contribution to financing these solutions is exempt or partially exempt from personal income tax. In a survey of employees conducted in France, 90% of respondents said that they valued their meal vouchers and 71% considered that offering meal vouchers made companies more attractive employers.
  - **Affiliated merchants**: introducing an employee benefits system is also a highly effective method of boosting the businesses of affiliated merchants (restaurants, grocery stores, etc.), because they help these merchants to attract and retain a new category of "employee-consumer" customers who represent a totally secure source of revenue. In France, around 15% of the revenues in the foodservices sector are generated by meal vouchers. In a survey of restaurants (2), 57% of respondents said that meal vouchers contributed a significant proportion of their revenues and 81% considered that they represented a means of retaining customers. At year-end 2010, Edenred's worldwide affiliate network comprised 1.2 million service providers of every type, including restaurants, supermarkets, retailers, grocery stores and service stations.

There are several types of employee benefit solutions:

- **Food-related employee benefits**: The Group offers two types of solutions: **Ticket Restaurant**® meal vouchers and **Ticket Alimentación** food vouchers, currently offered in 30 countries.
  - The first product invented by the Group, back in 1962, *Ticket Restaurant*® allows employees to buy lunch outside their workplace, in an affiliated restaurant or other foodservice outlet of their choice. It is a simple alternative to corporate catering structures, particularly for small and medium-sized enterprises, that helps to foster employee loyalty. The employer's contribution to the cost of the meal, corresponding to all or part of the vouchers' face value, is generally deductible from its taxable profit. It is also generally exempt from personal income tax in the hands of the employee. In addition, all or part of the vouchers' face value is exempt from employer and employee payroll taxes.
  - *Ticket Alimentación* increases beneficiaries' purchasing power by allowing them to pay for groceries in neighborhood stores and supermarkets not only for themselves but for their entire family. Launched by Edenred in 1983 in Mexico, under the name **Vale Despensas**, the product has since been rolled out to other Latin American countries and, more recently, to certain countries in Central Europe.
- **Employee benefits to improve quality of life**: Building on the outstanding success of *Ticket Restaurant*® and *Ticket Alimentación*, the Group has developed a range of products that allow employers to help finance the cost of essential services that make employees' lives easier. Examples include childcare (with *Childcare Vouchers* in the United Kingdom and *Ticket Guardería* in Spain), human services (with the *Ticket CESU* in France) and commuting costs (with *Ticket Transport* in Brazil and *Commuter Check* in the United States). More recently, 2009 saw the development in Belgium of *Ticket EcoCheque*, which allows employees to shop with affiliated merchants that specialize exclusively in environmentally friendly products. In some countries, companies can also award tax-exempt gift vouchers to employees in connection with certain events (a wedding, birth of a child, Christmas, etc.). Among these various solutions, the *Childcare Voucher* represents one of our flagship programs. By allowing companies that don't have workplace daycare facilities to help finance their employees' childcare costs, this product responds to the needs of all the players concerned. For the State, the total or partial exemption from payroll taxes and income tax of the employer's contribution is the most cost-effective solution to the acute needs created by recent social trends, particularly the growing number of

(1) IPSOS survey carried out in September 2008 among 400 employers, 800 employees and 400 restaurant owners offering meal vouchers.

(2) Ernst & Young survey carried out in May 2006 for Commission Nationale des Titres-Restaurants.

working mothers. For companies too, *Childcare Vouchers* represent a simpler and far more cost-effective solution than the alternatives, such as setting up a workplace daycare center. As a result, even medium, small and very small businesses can include them in the benefits package offered to employees. Moreover, the vouchers don't just increase beneficiaries' purchasing power, they also ensure that the funds are effectively spent on childcare. For beneficiaries, they represent a flexible solution as they can be used to pay for all types of childcare, provided by centers or individuals that are affiliated with accredited voucher issuers.

- **Expense management solutions**: Edenred offers solutions to companies to help them control their employees' business expenses and optimize expense reporting processes, while at the same time generating cost savings. For employees, these solutions mean not having to pay expenses out of their own pockets and claim reimbursements. Although based on the same model as employee benefits, they do not qualify for any exemption from income tax or payroll taxes. They can be accepted in filtered, open and closed loop networks [(1)] and commission rates vary according to the type of network.
  - The main expense management product is *Ticket Car*, which was launched in Brazil in 1990 for use by employees to fill up their car for business trips. The product now also covers vehicle maintenance, allowing companies to track and better manage this type of expense thanks to numerous controls covering, for example, the distance traveled, destinations, type of fuel and maintenance outlays. It has become a valuable corporate fleet management tool, not only for company cars but also for truck fleets. *Ticket Car* is now also offered in Chile, Argentina and Mexico, positioning Edenred as the market leader in Latin America.
  - *Ticket Cleanway* is used by employees to pay for the cleaning of their work clothes. The company issues the employee a smartcard or paper voucher-based cleaning allowance that can be used in a network of affiliated service providers. Launched in France in 1995, *Ticket Cleanway* has recently been introduced in other European countries.
- **Incentive and rewards programs**. Our incentive and rewards solutions are designed to be used by companies to motivate sales teams, provide incentive for distribution networks, and retain employees. Although based on the same model as employee benefits, like expense management solutions they do not qualify for any exemption from income tax or payroll taxes. They can be accepted in filtered, open and closed loop networks and commission rates vary according to the type of network. Examples of incentive and rewards products include gift vouchers that clients distribute to beneficiaries who purchase products in affiliated stores.
  - The Group's two main incentive and rewards brands are *Ticket Kadéos*, a range of gift vouchers and cards for businesses and consumers that may be used either in single brand stores and multiple-brand stores, and *Ticket Compliments*, a multi-brand gift voucher and card solution for companies, Works Councils (for distribution to employees) and public sector clients (for their social programs).
  - The Group also provides incentive and rewards services through its *Accentiv'* brand, which offers companies, Works Councils and public sector clients its expertise in the areas of rewards, loyalty programs and gifts. *Accentiv'* has developed a comprehensive service offer that includes the essential first step of developing an incentive and rewards strategy as well as the distribution of the rewards (gift vouchers, gift cards, gift packs, trips, etc.). *Accentiv'* deploys programs at international, regional and local level, enabling companies to strengthen ties between their brands and their BtoB or BtoC clients, their distribution networks or resellers and their employees.
- **Public social programs**: public authorities and institutions also use our services for the management and distribution of social benefits, in order to enhance the effectiveness of their policies in this area, in particular by improving the traceability of the funds allocated to the programs. Our public social program solutions help public authorities and institutions to keep better track of funds earmarked to improve the purchasing power of certain categories of the population. For example, the *Ticket Service* distributed in France (*Ticket CESU*), Belgium (*Ticket S*), Italy, the Czech Republic, Turkey, Chile and South Africa, allows financial assistance to be distributed in accordance with local or regional social policies, to meet specific needs. Most of the programs are designed to help people buy food or clothing, to meet their personal hygiene needs, or provide access to cultural or sporting facilities or transport. For public authorities and institutions, our solutions represent an alternative to the distribution of assistance in the form of cash payments, allowing them to target a specific need, track the use of the funds and ensure that they are used by beneficiaries for their intended purpose. Flexible and easy to set up and to use, they have the added benefit of avoiding problems of embezzlement and corruption.

(1) See section 9.9 Glossary.

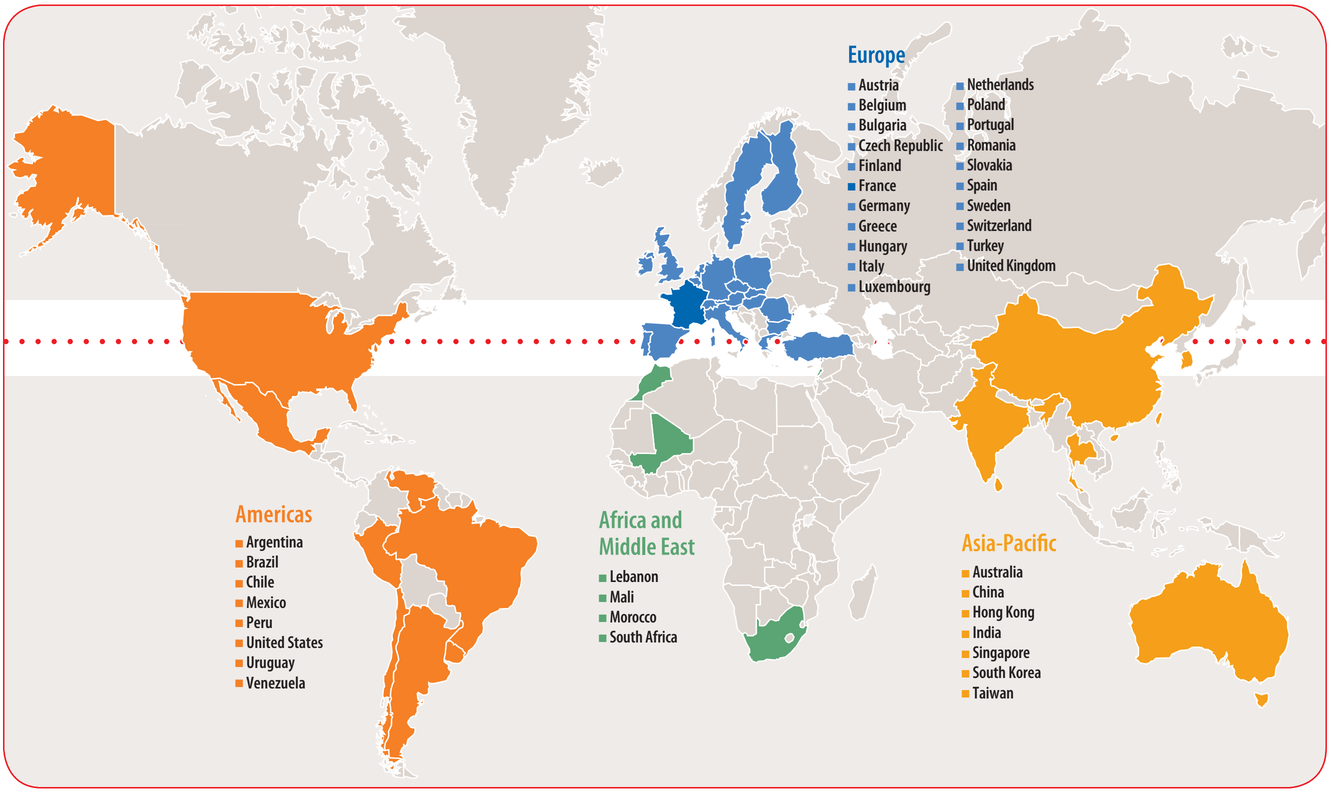
1.1.4 THE WORLD'S LEADING PREPAID SERVICES GROUP

1.1.4.1. Operations in 40 countries, balanced between developed and emerging markets

Since its formation, Edenred has steadily expanded its geographic presence and it now has operations in 40 countries on five continents.

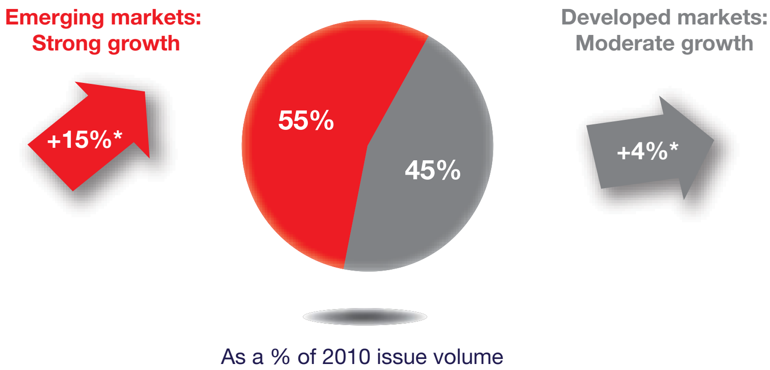
In most of these countries, Edenred created the market by impelling the passage of legislation enabling the introduction of employee benefits solutions. The broad geographic footprint and the expertise in supporting public authorities in creating a favorable legislative framework represent solid foundations for developing the capabilities and implementing the growth strategy.

The map below shows Edenred's global presence at the end of 2010.



Edenred has a balanced presence in developed markets, which accounted for 45% of issue volume in 2010, as well as in rapidly expanding emerging markets, which represented 55% of the total and constitute important future growth drivers.

GROWING WEIGHT OF EMERGING MARKETS



** Like-for-like growth.*

1.1.4.2. World leader position

Edenred is the world's leading employee benefits group [1]. Nevertheless, in each of our host countries we are faced with competition from players that are much smaller than Edenred but have considerable clout in the local market. Some competitors, such as Sodexo and Chèque Déjeuner, are present in several countries. In our three main markets – France, Italy and Brazil – we are the market leader.

The expense management market is served by a variety of different groups. Banks, financial institutions (American Express), travel agencies (Carlson Wagonlit Travel) and expense management software companies may offer products that compete with those of prepaid services specialists. Within this market, Edenred ranks no. 1 in Latin America in the fuel card segment with the flagship Ticket Car product, which represented issue volume of €1.1 billion in 2010. The competitors are the oil companies, at international level, and multinational prepaid fuel card groups which are generally present in a specific region (for example, Fleetcor and Wright Express in the United States and DKV Euro Service in Europe).

Lastly, Edenred is Europe's leading incentive and rewards group, with issue volume of €538 million in 2010. This fiercely competitive market is served by a very wide variety of specialist companies, most of which operate only at local level. They include marketing agencies, motivation consultants, companies specialized in specific incentive products (such as gift packs, incentive travel and motivational gifts) and specialist retailers that offer closed loop gift cards and vouchers. These companies compete with incentive and rewards prepaid service groups in certain specific market segments.

Edenred also operates worldwide in the public social program market. This market is served by local and multinational companies that offer prepaid solutions or software solutions for the implementation of public policies in the areas of social protection, culture, education, sport and professional training.

Other companies operate in market segments that develop locally. For example, the mature North American prepaid services market has seen strong growth in the BtoC segment. Financial institutions (such as Citi Prepaid Services and Posteitaliane) and program managers (such as Green Dot and NetSpend) offer prepaid cards that can be used in major retail chains through private payment networks such as Blackhawk.

Our position as the leading expert in managing dedicated funds is a core strength that will drive our growth strategy, thanks in particular to:

- The resulting economies of scale, which allow us to fully leverage growth in our issue volume.
- Our credibility among public authorities, who turn to us for support in the areas of employee benefits and public social programs.
- Our broad client base and our marketing expertise.
- Our network of affiliated merchants and the skill-sets we use to create and deploy new products that will further boost their revenues, leveraging our specific expertise in managing dedicated funds in filtered-loop networks.

(1) Source for all information about the Group's position: Edenred estimates.

1.2. Milestones

1.2.1. THREE CORE PHASES IN THE GROUP'S DEVELOPMENT

1.2.1.1. From an original idea to an effective business model

The original meal voucher concept was launched in the United Kingdom in 1954. In 1962, the Jacques Borel International Group set up a new company, Crédit-Repas, and created *Ticket Restaurant*®, France's first meal voucher. Five years later, legislation was adopted creating a legal regime for meal vouchers in France (government order no. 67-830 dated September 27, 1967).

In the 1970s, the *Ticket Restaurant*® formula was exported to Brazil, Italy, Belgium, Germany and Spain.

1.2.1.2. From a regional presence to a position as world leader in the food-related employee benefits market

In 1982, Jacques Borel International – already the world's leading meal voucher issuer with 165 million *Ticket Restaurant*® vouchers distributed per year in eight countries – was acquired by Novotel SIEH. The following year, Novotel SIEH-Jacques Borel International was renamed Accor. In 1984, the daily number of voucher users worldwide topped one million.

In the 1980s and 1990s, the Group embarked on a strategy to diversify the service offer, starting in Mexico with the creation of the *Ticket Alimentación* food voucher in 1983 and the Ticket Essence gasoline voucher in 1988. The period also saw the launch of the *Childcare Voucher* in the United Kingdom in 1989 and the *Eldercare Voucher* in Sweden in 1993. In 1995, the *Ticket Service* (for people in financial difficulty), *Ticket Culture* and *Ticket Cleanway* vouchers were introduced in France. In 1998, the *Wellness Gutscheines* healthcare voucher was introduced in Austria.

During this period, the Group also continued to expand internationally, setting up operations in Argentina in 1988, Venezuela in 1990, Turkey in 1992, the Czech Republic, Austria and Luxembourg in 1993, Hungary, Slovakia and Uruguay in 1994, Greece in 1996, the Netherlands, Poland and India in 1997 and Romania in 1998.

1.2.1.3. Diversification of the employee benefits offer and innovation in other markets

In the period 2000 to 2010, the Group kept up the pace of organic growth, entering the Chinese market with the launch of a restaurant smart card in 2000, and the Peruvian market. It also made a series of acquisitions, including Dicasa (Mexico) in 2003, Hungastro (Romania) and WiredCommute (United States) in 2005, Serial (Italy), RID (India) and Calicado (Germany) in 2006. In Brazil, the Group expanded its presence in 2006 by buying out its 50% partner in Ticket Serviços Brasil, one of the leading players in the local market representing some 4 million users per day.

1.2.2. ACQUISITIONS

In the last four years, the Group has completed several strategic acquisitions:

- In January 2007, it acquired Autocupón, Mexico's second largest fuel card issuer.
- In March 2007, it became France's leading gift card and voucher group by acquiring Kadéos, a specialist in closed-loop and open-loop gift solutions for businesses and consumers.
- In June 2007, the acquisition of Surf Gold, Asia's leading marketing services company, gave the Group access to a client portfolio that includes some of the region's largest companies and to Surf Gold's incentive and loyalty program management platforms.
- In September 2007, Edenred acquired PrePay Technologies Ltd, the UK leader in prepaid cards. Following an agreement with MasterCard Europe in February 2009, the company was renamed PrePay Solutions (67%-owned by Edenred).
- In January 2008, a 62% interest was acquired in Motivano UK, the country's leading online employee benefit management company.
- In October 2009, the Group acquired Exit Group, the Czech Republic's fourth largest meal voucher issuer.
- In December 2010, Euroticket, Romania's fourth largest meal and gift voucher issuer, joined the Group.
- Lastly, after the year-end in January 2011, the Group completed the acquisition of Italy's RistoChef, ranked seventh in the meal voucher market.

1.3. Strategic vision, investment strategy and outlook

1.3.1. ROBUST GROWTH FUNDAMENTALS

The markets where Edenred is a benchmark player offer strong potential for increased sales of all products. The changes that are rapidly transforming today's societies have created new needs that are driving the markets' present and future growth. Socio-demographic trends – including population shifts to urban areas, ageing populations and longer life expectancies in Western countries, improved living standards, the growing contribution of the service sector to the global economy and the increasing proportion of women in the workforce – are driving rapidly expanding demand for human services. With their growing commitment to corporate social responsibility, companies are increasingly looking for low-cost solutions to retain their employees and offer them more attractive, more personalized benefits that foster a healthy work life balance. At the same time, governments and local authorities are trying to limit the shadow economy, better control the distribution of assistance to improve constituents' purchasing power, and promote balanced and healthy diets.

1.3.2. A NEW STRATEGY TO INCREASE THE GROUP'S LONG-TERM GROWTH POTENTIAL WHILE ENSURING THAT PROFITS CONTINUE TO RISE IN THE SHORT-TERM

1.3.2.1. 2010, the launch year

On June 29, 2010, the Extraordinary General Meeting of Accor shareholders approved the demerger of the Hospitality and Services businesses, leading to the creation of Edenred, a pure player in prepaid services that is now listed on the Paris stock exchange.

Following this decision, in 2010 Edenred laid the groundwork for a new long-term growth strategy, organized in three phases – Win 2010, Conquer 2012 and Invent 2016.

The membership of the Board of Directors reflects Edenred's international profile and enhances its expertise in new technologies, human resources management and innovation. A new management team has been appointed with a focus on networked processes and local engagement and empowerment. Edenred's pioneering spirit is embodied in the EDEN corporate project that is supported by the Group's roughly 6,000 employees. The name "EDEN" comes from the initials of the project's French slogan — "Entreprendre Différemment ENsemble" — which has been translated as "Moving Forward Differently Together." It is the basis of the Edenred corporate brand, which symbolizes the creation of a specific, federating corporate identity.

The new strategy has led to the redefinition of Edenred's corporate offering around three types of solutions for managing *employee benefits, expense management* processes and *incentive and rewards* programs. Edenred also offers a range of solutions for public sector clients, to help them manage their *social programs*.

1.3.2.2. "Conquer 2012"

Edenred has developed a two-pronged strategy to meet our "Conquer 2012" objective. The Company intends to speed issue volume growth in its core business by systematically deploying our skills, while accelerating the digital transition in order to increase the business's long-term growth potential.

Focus on issue volume growth in our core business

Edenred is maintaining our issue volume growth guidance of 6% to 14% per year, focusing on four organic drivers. The Company also plan to implement a selective acquisition strategy, representing the fifth driver.

Increasing entry rates in existing markets: 2% to 5% per year

The entry rate is defined as the ratio between the number of beneficiaries of a service voucher and the eligible active population, which depends on the applicable regulations in the country concerned. Entry rates are still low in most of our key host countries, indicating that there is still plenty of room for growth.

Edenred will seek to increase entry rates throughout its markets, by four main methods: adapting sales and marketing networks to the size of our clients; diversifying media to suit products and client needs; creating differentiating solutions; and organizing the sales force on a multi-product basis.

In 2011, we expect to leverage strong growth in Latin American markets and improved trends in Western Europe, where unemployment rates are stabilizing. However, the economic environment in Central and Eastern Europe is expected to remain difficult.

Creating new products and more broadly deploying existing products: 2% to 4% per year

Since the introduction of *Ticket Restaurant®* in France in 1962, we have developed many *employee benefits* products as well as *expense management, incentive and rewards* and *public social program* products.

Food-related employee benefits products currently account for 78% of issue volume, but the long-term objective is to reduce this proportion to less than 50%.

Innovation is one of the cornerstones of our strategy to grow issue volume. Products launched in the second half of 2010 that will contribute fully to issue volume this year include the first expense management cards deployed in Spain and Italy and the innovative gift solutions introduced in the United Kingdom (Compliments Green cards) and India (Ticket Compliments Holiday voucher).

In **Mexico**, the January 2011 Law on Food Aid for Workers paves the way for the introduction of *Ticket Restaurant®* meal vouchers in a market that could potentially represent 750,000 to 1 million beneficiaries by 2016. The Group is already ranked no. 1 in the *Ticket Alimentación* food voucher market in Mexico, with a 22% share.

In **India**, Edenred is involved in a social program with the Madhya Pradesh regional government to secure the distribution of dedicated funds to families in need. The program is aimed at 5 million families – a total of 30 million beneficiaries – and represents managed volume estimated at €800 million over five years. Edenred will be the distribution system “processor”, responsible for printing and distributing food vouchers and authorizing their payment, while the Madhya Pradesh State will be responsible for issuing vouchers and managing the float.

Extending the Group’s geographic footprint: 1% to 2% per year

Geographic expansion increases issue volume while at the same time spreading country risk, thereby limiting our exposure to local economic cycles and political events.

Edenred intends to implement its growth strategy by entering new geographic markets, either starting from scratch or acquiring local companies that have already built up a similar business. We are currently considering 10 to 15 countries and hope to set up operations in 6 to 8 of them by 2016. This growth driver will make a significant contribution within three years.

The choice of new host countries is based on the following criteria:

- Growth and development potential in line with our objectives.
- A stable political and social environment.
- An expanding economy.
- Clear evidence of a potential market for each product.

Increasing product face value: 1% to 3% per year

The tax ceiling on employee benefits products tends to increase as prices and incomes rise, either automatically through the application of an indexation formula, or by decision of the public authorities.

Edenred lobbies clients and the public authorities to raise voucher face values to keep pace with inflation and salaries, particularly in Latin America and other emerging markets that together account for over 50% of issue volume. In some of our markets, the average face value of vouchers ordered by customers is significantly below the maximum face value that is tax deductible. This represents a substantial source of potential growth.

Carry out targeted acquisitions

Edenred intends to pursue a selective acquisitions strategy in order to speed growth in issue volume and expand our market share in Latin America, Europe and the Asia-Pacific region. Targets will be selected based on:

- Their exclusive focus on the BtoB market, and
- Their presence in markets offering potential for strong growth in cash flows.

The acquisitions will be financed in strict compliance with our aim of maintaining a robust financial position, with stock-for-stock deals being one option.

In line with this targeted acquisitions strategy, Edenred has recently made two acquisitions – one in late 2010 and the other in early 2011 – that will be quickly accretive to earnings and enable us to consolidate our leadership in existing markets.

With the €5.5 million purchase of Euroticket, Romania’s fourth-largest issuer of meal and gift vouchers, we firmed up our leadership in the country, where we now hold a nearly 40% market share.

The acquisition of RistoChef, Italy’s seventh-largest provider of meal vouchers, enabled us to strength our leadership in the country, with a market share of more than 40%. The transaction was based on an enterprise value of €12 million.

A faster shift to digital solutions

Since the 1960s, we have developed unique expertise in managing prepaid solutions involving all types of media. Our innovation culture builds on our experience in this area.

Market growth is being supported by the migration toward electronic media, which parallels the gradual worldwide decline in cash and check transactions and a corresponding increase in electronic payment.

The shift to paperless solutions will speed market growth by facilitating the creation of increasing numbers of more sophisticated products, because we will be able to mine data about consumer spending habits that make it easier to target beneficiaries or affiliated merchants. In addition, paperless solutions allow more secure and more timely control and monitoring of social programs involving payments by the State and public authorities, corporate business expenses and payments to affiliated merchants.

Edenred intends to step up the pace of digital transition in 2011 to meet a new goal of generating **50% of issue volume through paperless solutions by 2012**, versus an earlier target date of 2016.

During the accelerated digital transition phase (2011-2012), as well as the ongoing costs of the paper-based solutions, the Company will incur digital start-up costs and new recurring digital costs. Edenred expects the resulting increase in operating expenses to be in the region of €10 million to €15 million per year during this period.

However, over the **longer term**, the digital transition will prove cost-effective, **supporting our objective of reporting an operating flow-through ratio (1) of more than 50% in 2013**. Our experience in Brazil with the transition from paper vouchers to the Ticket Alimentação card is a clear illustration of the benefits:

- **stable ratio between operating revenue and issue volume**. The type of medium (paper voucher or card) has no impact on the main components of operating revenue (client and merchant fees), and paperless solutions create new sources of revenue that offset the reduction in income from lost and expired products resulting from the digital transition;
- **a 5% to 10% reduction in costs**. Production and logistics costs – which account for about 30% of the cost base – are some 60% lower for paperless solutions compared with vouchers. However, these solutions also generate new recurring expenses, such as data acquisition and processing costs, and the cost of operating a card user hotline. As a result, based on comparable volumes, the net cost saving is around 8%;
- **a 10% to 15% reduction in the float holding period**. The effect of this is offset by **an increase in the amount of the float**. For example, by streamlining distribution logistics, the digital transition enabled Edenred Brazil to target a broader client base, leading to an increase in the entry rate and higher issue volumes.

The transition to paperless solutions is a strategic priority for Edenred that will create new opportunities. This technological shift will provide benefits for all stakeholders, by optimizing processes for clients and affiliates with solutions that are fast and easy for beneficiaries to use. It will also enable us to ensure that public authorities can more effectively monitor and trace the use of dedicated funds.

The digital transition will accelerate in 2011 to meet a new goal of generating 50% of issue volume through paperless solutions by 2012, versus an earlier target date of 2016.

During the accelerated digital transition phase (2011-2012), as well as the ongoing costs of the paper-based solutions, we will incur digital start-up costs and new recurring digital costs. We expect the resulting increase in operating expenses to be in the region of €10 million to €15 million per year during this period. However, over the longer term, the digital transition will prove cost-effective, as demonstrated in Brazil by the transition from paper vouchers to the Ticket Alimentação card. As a result, beginning in 2013, we are aiming for an operating flow-through ratio (1) of more than 50%.

As regards recurring investments (which include investments in new product development, estimated at €1 million to €2 million per product, and new geographical markets, for around €2 million to €3 million per country), the digital transition should not require any major expenditure and we are therefore holding firm to our objective of an annual budget of €30 million to €40 million per year.

The Company has already set up two electronic transaction authorization platforms in Europe and Latin America. These in-house platforms represent a key link in the prepaid solution electronic value chain, allowing us to design the marketing and technological aspects of the programs in line with client specifications (including the ability to extensively customize the programs' authorization parameters, particularly for filtered and closed loop networks) and also to directly control transaction authorizations and the management of reimbursements to affiliated merchants:

- PrePay Solutions (a UK joint venture that is 67%-owned by Edenred and 33% by MasterCard Europe) positions us among the leaders in the European electronic prepaid solutions market. The platform offers its solutions not only to Edenred but also to external clients such as banks and retail chains.
- The WATTS platform in Brazil currently manages the local *Ticket Restaurant®*, *Ticket Alimentação* and *Ticket Car* card programs. Its paperless solutions are currently being deployed in other Latin American countries based on this platform. For example, in 2009, *Ticket Restaurant Electrónico* and *Ticket Car* solutions managed by the WATTS platform were launched in Chile, and more recently, electronic migration has been completed for the Ticket Car in Mexico, Argentina and Peru, and for the *Ticket Alimentación Electrónico* in Venezuela. The WATTS platform's functional scope is particularly broad, allowing it to manage not only standard programs similar to those for debit cards and prepaid cards, but also more complex programs involving not only financial authorizations but also many control functions that are specific to fleet management (*Ticket Car*) and expense management processes. It therefore allows us to keep traditional prepaid card management processes in-house, while strengthening our control over the management of these products (particularly transaction authorizations and merchant reimbursements) and developing more complex solutions for buoyant markets such as expense management. In this way, we enjoy a clear competitive advantage over traditional bank card managers.

(1) Operating flow-through ratio: ratio between the like-for-like change in operating EBIT and the like-for-like change in operating revenue.

1.3.3. OBJECTIVES OF THE NEW STRATEGY

Edenred's strategy is designed to deliver strong growth in issue volume and cash flows. This is why we consider that our key performance indicators are like-for-like growth in issue volume and in funds from operations before non-recurring items (FFO).

The management incentive plans set up in August 2010 (see section 5.4.1.2 of this Registration Document, page 84) consist of performance stock options and performance shares whose vesting conditions are based on these new indicators.

1.3.3.1. Issue volume growth target

Issue volume corresponds to the face value of prepaid service vouchers issued by the Group during the period and the amount loaded on prepaid cards. The Group is responsible for collecting the related funds and for investing them pending reimbursement.

By deploying our four organic growth drivers, we aim to generate normalized growth [(1)] in issue volume of 6% to 14% per year over the medium term.

By comparison, average annual growth in issue volume was 10.7% over the period 2003-2010, including a like-for-like increase of 10.0% in 2010 alone.

1.3.3.2. FFO growth target

Funds from operations before non-recurring items (FFO) is calculated as follows:

- EBITDA
- Net financial expense
- Income tax expense
- Elimination of non-cash revenue and expenses included in EBITDA
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes.

Our business model generates high levels of FFO.

The issue volume growth target translates into normalized growth in FFO of more than 10% a year.

This compares with average annual growth of 23.6% over the period 2003-2010. In 2010, FFO increased by 15.1% like-for-like.

1.3.3.3. Other Group performance indicators

The Group's other key performance indicators are presented in the pro forma consolidated financial statements (see section 6.2.1.6 of this Registration Document, page 106).

1.4. Regulatory environment

1.4.1. INCOME TAX AND PAYROLL TAX RULES

1.4.1.1. Overview

Employee benefits are exempted from income tax and/or payroll taxes as part of government strategies to encourage their use as an instrument of social policy.

To avoid illegitimate use of the tax benefits, strict rules govern the allocation and use of these products, particularly regarding the employer's contribution and role, the eligible beneficiaries and how the benefits may be used.

In some countries, companies have to be licensed to operate in the employee benefits market, while in others no authorization is required. However, even in countries with a licensing system, the barriers to entry are fairly low and consist mainly of meeting certain financial strength criteria.

Companies that want to operate in the employee benefits market may also be subject to regulations governing the investment of the float (corresponding to the cash received from customers for prepaid services that has not yet been reimbursed to affiliated merchants). This is the case, for example, in France and Romania (see section 2.1.1.5 of this Registration Document, page 27).

The regulatory environment is illustrated in the following sub-sections by a description of the legislation applicable to meal vouchers in France and Brazil.

(1) Normalized growth means the level of growth that the Group believes it can achieve in an economic environment in which there is no increase in unemployment. It is calculated on a like-for-like basis (i.e. based on a comparable scope of consolidation and at constant exchange rates).

1.4.1.2. Regime applicable in France

Rules governing the allocation and use of meal vouchers

The rules governing the allocation of meal vouchers are as follows:

- The vouchers may only be allocated to employees of the company concerned.
- Since 2002, civil servants may be given meal vouchers if their place of work has no staff restaurant and they are unable to take advantage of alternative solutions set up with public or private foodservice providers.
- Meal vouchers qualify as employee benefits; consequently, all employees of the company must be allocated vouchers with the same face value. However, an employer may allocate meal vouchers to selected employees provided that the selection criteria are non-discriminatory and that all other employees receive an equivalent benefit.
- Meal vouchers must be allocated on the basis of one voucher per day worked.
- The legislation does not set any minimum or maximum amount, leaving employers free to set the face value of the vouchers allocated to employees. However, in practice, the face value is limited by the caps on the employer's financial contributions, particularly that applicable to the payroll tax exemption.

Rules also apply to the use of meal vouchers by employees, as follows:

- The vouchers may only be used by the employee to whom they are allocated (the employee's name must appear on the back of each voucher).
- They may not be used beyond their period of validity, i.e. after the end of the calendar year of issue. However, employees may exchange unused vouchers for new vouchers in the first two weeks of January. The employer can then obtain reimbursement of these unused vouchers, net of the issuer's commission (provided that the vouchers are returned within 30 days).
- Employees may use only one voucher to pay for their restaurant meal or the purchase of a ready-meal or, since 2010, dairy products or fruit and vegetables (including fruit and vegetables that require further preparation) and merchants are not allowed to give any money back. In practice, however, two vouchers are generally accepted.
- Meal vouchers may only be used on working days and not on Sundays or bank holidays, unless an exception is recorded directly on the voucher by the employer.
- Meal vouchers may only be used in a specific area corresponding to the *département* where their place of work is located and neighboring *départements*, unless an exception is recorded directly on the voucher by the employer.

Meal vouchers can be accepted by restaurants and fastfood outlets, equivalent retailers accredited by the Commission Nationale des Tickets-Restaurants (CNTR), and greengrocers, provided that they sell ready-meals or fruit and vegetables (ready to eat or requiring further preparation).

Income tax and payroll tax benefits for the employer

Meal vouchers are financed jointly by the employer (or in some cases the Works Council) and the employee. The employer's contribution (plus – for the calculation of the ceilings below - any Works Council contribution) cannot represent less than 50% or more than 60% of the vouchers' face value. If these limits are not respected, the employer's contribution will not qualify for exemption from payroll tax, income tax and social security contributions.

The employer's contribution is exempt from social security contributions provided that it does not exceed a certain amount that is adjusted each year in the same proportions as the upper limit for the first personal income tax band. This exemption ceiling was €5.21 per voucher in 2010 and was raised to €5.29 per voucher on January 1, 2011. The employer is naturally free to contribute more than this amount provided that the 50% and 60% minimum and maximum limits are adhered to. However, in this case, the fraction of the contribution in excess of the exemption ceiling will be added back for the purpose of calculating the basis of assessment of social security contributions.

Tax benefits for employees

Meal vouchers represent tax-free income for the employee, as the portion of the face value paid by the employer within the legal limits (between 50% and 60% of the face value up to the current exemption ceiling) is not subject to personal income tax.

However, to qualify for the exemption, the employee must comply with the applicable regulations particularly regarding the use of the vouchers.

1.4.1.3. Regime applicable in Brazil

There are two types of food-related vouchers in Brazil, meal vouchers (*vale refeição*) and food vouchers (*vale alimentação*). Meal vouchers can only be used in restaurants and fastfood outlets, while food vouchers may be used in supermarkets and grocery stores. The two types of vouchers cannot be substituted for each other and merchants are not allowed to give any money back on them.

Companies that want to give meal vouchers to their employees have to register with the Brazilian Labor Ministry. They can decide to give the vouchers only to selected employees, provided that their lowest-paid employees are included. They cannot reduce the number of vouchers allocated to an employee or suspend the allocation as a disciplinary measure.

As in France, part of the vouchers' face value is financed by the employer and part by the employee. The employee's contribution cannot exceed 20% of the face value and in practice employers generally finance the total amount. Meal vouchers are totally tax-exempt for both the employer and the employee. In addition to being exempt from payroll taxes, which in Brazil can represent up to 100% of the gross salary, the employer's contribution is exempt from corporate income tax up to the equivalent of 5% of the tax due for each tax year.

1.4.2. OTHER REGULATIONS

The issuance of e-money is regulated by European directives 2000/46/EC of September 18, 2000 (the "**E-Money Directive**") and 2009/110/EC of September 16, 2009 (the "**New E-Money Directive**"). Directive 2000/46/EC defines e-money as monetary value as represented by a claim on the issuer which is (i) stored on an electronic device; (ii) issued on receipt of funds of an amount not less in value than the monetary value issued; (iii) accepted as means of payment by undertakings other than the issuer. This definition has been amended slightly in Directive 2009/110/EC of September 16, 2009, which states that e-money means "electronically, including magnetically, stored monetary value as represented by a claim on the issuer which is issued on receipt of funds for the purpose of making payment transactions, and which is accepted by a natural or legal person other than the electronic money issuer."

This New E-money Directive also states that it is not intended to apply to "monetary value stored on specific pre-paid instruments, designed to address precise needs that can be used only in a limited way," particularly because these instruments can only be used to purchase "a limited range of goods or services, regardless of the geographical location of the point of sale." It specifically excludes "meal vouchers or vouchers for services (such as vouchers for childcare, or vouchers for staff to carry out household tasks), which are subject to a specific tax or labor legal framework designed to promote the use of such instruments."

This means that the Group's paperless service vouchers should not be qualified as e-money, either because they can only be used within a limited network of service providers or for a limited range of goods or services, or because they are subject to a specific tax or labor legal framework designed to promote their use.

However, when the directive comes into effect (on April 30, 2011), European member states may consider that certain general purpose paperless vouchers constitute e-money, which can only be issued by licensed institutions subject to specific capital adequacy rules.

In this case, the Group would use its PrePay Solutions subsidiary to continue offering products that, under EU regulations, can only be issued by companies duly licensed by the supervisory authority in the country concerned.

PrePay Solutions is licensed by the UK's Financial Services Authority (FSA) to issue e-money and can therefore issue prepaid cards and products qualified as e-money based on the definitions in the E-Money Directive and the New E-Money Directive (such as UUB cards in the United Kingdom). As a licensed e-money issuer, PrePay Solutions benefits from the single licensing system allowing it to offer these regulated products in all European countries simply by filing a request with the FSA. It already has authorizations for 20 European countries and could rapidly expand its activities to the whole of the European Union.

Edenred monitors changes in regulations governing e-commerce and the protection of personal data, to ensure that its information systems and procedures remain in compliance with these regulations.

1.5. Contractual relationships

1.5.1. CONTRACTUAL RELATIONSHIPS WITH CLIENTS

Master contracts are signed with major accounts that generate significant issue volumes organizing business relations with these clients.

The master contracts are generally signed following a call for bids and may cover one of several of the client's facilities or subsidiaries. They are usually for periods of 1 to 3 years. The contracts specify the commission rate to be billed to the client and the frequency of billings and payments. It is rare for them to include an exclusivity clause.

For small and medium-sized enterprises and micro-enterprises with limited needs that require greater ordering flexibility, contractual relations are generally based on order forms containing Edenred's general conditions of sale.

1.5.2. CONTRACTUAL RELATIONSHIPS WITH AFFILIATED MERCHANTS

Affiliation contracts are signed by the Edenred subsidiary concerned with the local merchant network, on a product-by-product basis.

The contracts stipulate the terms of reimbursement of the vouchers and the commission terms. Affiliation contracts concern nearly all of the products sold by Edenred.

1.5.3. CONTRACTUAL RELATIONSHIPS WITH SUPPLIERS AND SERVICE PROVIDERS

Relations between Edenred or its subsidiaries and external suppliers or service providers are governed by standard contracts. Close attention is paid to services that may lead to the creation of intellectual property rights, in order to ensure that the rights of Edenred and its subsidiaries are clearly established and appropriately protected.

Edenred uses many suppliers and is not dependent on any single company. Its biggest supply contract is a master agreement with Stralfors covering paper purchases. In each country, the production centers may choose to purchase their paper either from Stralfors or from local suppliers. The master agreement is used mainly in France and in some other European countries, whereas local suppliers are generally used in Latin America. The Group's other main purchases are of plastic cards (with magnetic strips and computer chips), specialist printing equipment and transport services.

1.6. Intellectual property

Edenred's intellectual property mainly consists of its portfolio of brands and domain names, which are managed by a dedicated legal team. *Ticket Restaurant*® and the names of the other products and services offered by Edenred are registered trademarks that are the property of the Edenred Group.

Controls over compliance with the rules governing the acquisition of intellectual property rights are executed by contract managers, as explained in section 1.5.3 of this Registration Document, and by administrative teams, through the normal registration process.

A surveillance system has been set up to effectively combat attempts to fraudulently use Edenred's brands and domain names.

Edenred also opposes any use of its protected trademarks as generic names.

1.7. Real estate rights

Most of the Group's offices are leased. The Group does not expect to encounter any problems in renewing the leases.

Financial Review

2

2.1. Results of operations

2.1.1. CONSOLIDATED RESULTS

2.1.1.1. Introduction

The Group has grown steadily in recent years by expanding its geographical coverage, creating new products and rolling out existing ones, increasing entry rates and face values in existing markets and making targeted acquisitions to speed growth in issue volume as well as to build market share.

Sustained growth in issue volume has automatically driven up funds from operations before non-recurring items. Given the nature of the Group's business, growth has been achieved without tying up substantial financial resources, as routine capital expenditure needs are by definition very limited and working capital requirement is systematically negative.

One of the business's defining features is its high level of diversification, in terms of both products and geographical markets. This characteristic has helped to maintain a consistently strong overall pattern of growth, despite the fact that some products may underperform in certain geographic markets from time to time. Organized by country or by region to provide local responses to customer needs, the Group's sales forces act swiftly to reverse any such fall in demand for a given product, in order to optimize the deployment of all of the Group's products in their territory.

2010 pro forma [(1)] financial highlights

(in € millions)	2009	2010	% change (reported)	% change (like-for-like)
Issue volume	**12,407**	**13,875**	**+11.8%**	**+10.0%**
Revenue, of which:	**902**	**965**	**+7.0%**	**+3.9%**
Operating revenue	808	885	+9.6%	+6.3%
Financial revenue	94	80	-14.8%	-16.8%
Operating expenses, including depreciation, amortization and provisions	(575)	(637)		
EBIT, of which:	**327**	**328**	**+0.4%**	**+2.8%**
Operating EBIT	233	248	+6.5%	+10.7%
Financial EBIT	94	80	-14.8%	-16.8%
Operating profit before tax and non-recurring items	223	266	+19.4%	n.a.
Recurring profit after tax	141	165	+17.0%	n.a.

EBIT corresponds to total revenue (operating and financial) less operating expenses, depreciation, amortization and provisions.

It is broken down between operating EBIT (EBIT excluding financial revenue) and financial EBIT (corresponding to financial revenue).

Operating expenses correspond to the operating expenses, depreciation, amortization and provisions presented in detail in the notes to the consolidated financial statements.

2.1.1.2. Method used to prepare the pro forma financial statements

The pro forma financial statements for 2009 and 2010 have been prepared on the basis of:

- The consolidated financial statements of the Services business for the years ended December 31, 2009 and 2010, and
- Certain assumptions that have been applied in order to present the results and financial position that would have been reported if the asset contribution-demerger had taken place on January 1, 2007 and if Edenred had operated as a separate, self-managing listed group as from that date.

The Auditors have issued a report on their audit of the consolidated financial statements and a report on their review of the pro forma information. These reports are presented on pages 98 and 99 of this Registration Document.

Tables reconciling Edenred's historical combined financial statements to the pro forma financial statements are presented in the notes to the pro forma consolidated financial statements (see pages 110 to 120).

In preparing the pro forma financial statements, the Group applied certain assumptions that include a certain number of items described in the notes to the pro forma consolidated financial statements (see page 107).

(1) See section 2.1.1.2 Method used to prepare the pro forma financial statements.

By definition, pro forma financial statements address a hypothetical situation and are not necessarily representative of the financial position or performance that would have been reported if the asset contribution-demerger had taken place before the actual date. Similarly, they do not purport to be indicative of Edenred's financial position or performance at any future date or in any future period.

In the following discussion of the Group's financial results, all amounts are based on the pro forma consolidated financial statements unless otherwise specified.

2.1.1.3. Analysis of consolidated financial results

Issue volume

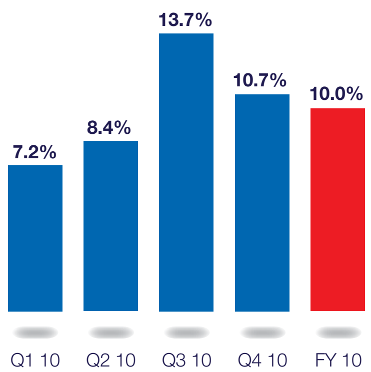
Issue volume amounted to €13,875 million in 2010, up 10.0% like-for-like. The reported increase was 11.8%, lifted by the 1.4% positive currency effect for the year.

This growth reflected the combined impact of robust expansion in Latin America, with a 19.6% like-for-like gain over the year, and a more mixed situation in Europe (up 2.6% like-for-like). In Western Europe, for example, business is starting to benefit from the stabilization in unemployment rates since the third quarter, but operations in Eastern Europe continue to suffer from a difficult economic environment.

Growth in issue volume by region was as follows:

Region *(in € millions)*	**Year**		**% change**	
	2009	**2010**	**Reported**	**Like-for-like**
France	2,570	2,564	-0.2%	-0.2%
Rest of Europe	4,372	4,679	7.0%	4.2%
Latin America and Caribbean	5,111	6,185	21.0%	19.6%
Rest of the world	354	446	25.8%	16.5%
TOTAL	**12,407**	**13,875**	**11.8%**	**10.0%**

Quarterly like-for-like changes in issue volume were as follows:



Issue volume rose 10.7% like-for-like in the fourth quarter. Growth was driven by robust expansion in Latin America, with European operations being impacted by major shifts in the product mix.

In France, the very slight like-for-like increase in fourth-quarter issue volume reflected the good performance by the *Ticket Restaurant®* business, up 3.8% like-for-like in the fourth quarter versus 3.2% in the first nine months. The Incentives & Rewards business, however, saw a 5.2% like-for-like decline, impacted by the 34.0% fourth-quarter drop in *Kadéos* BtoC card issue volume.

In the Rest of Europe, the *Ticket Restaurant®* business enjoyed a similarly positive trend, attesting to the fact that salaried employment is starting to stabilize in most countries. Meal voucher issue volume rose by 5.9% in the fourth quarter, versus 3.2% in the first nine months.

The Incentive & Rewards business, which represented 7% of the region's fourth-quarter issue volume versus 3% in the first nine months, declined by 24.7% like-for-like during the period after contracting 16.5% over the first nine months. The final quarter accounted for more than 45% of the business's 2010 issue volume in the region.

Lastly, the fourth quarter saw the end of *Ticket EcoCheque*'s ramp-up period, with the result that issue volume in Belgium rose by 5.1% like-for-like during the period, compared with 23.9% over the first nine months.

In Latin America, issue volume growth picked up in the fourth quarter, to 27.2% like-for-like from 17.3% in the first nine months, reflecting the region's vigorous economic growth, particularly in Brazil, and a favorable basis of comparison. The period's strong growth was also shaped by successful sales of "Navideños" Christmas products in Mexico. Excluding these products, issue volume in Latin America would have risen by 22.9% like-for-like in the fourth quarter.

Revenue

Total 2010 revenue came to €965 million, up 3.9% like-for-like and 7.0% as reported. Reported growth reflected the 0.9% positive impact of changes in scope of consolidation and a 2.3% positive currency effect, of which a positive 4.5% due to the Brazilian real and a negative 4.3% due to the Venezuelan bolivar.

Revenue breaks down as follows by origin:

(in € millions)	2009	2010	% change (reported)	% change (like-for-like)
Operating revenue generated by issue volume	661	729	+10.4%	+7.0%
Other operating revenue	147	156	+5.8%	+3.0%
Operating revenue	**808**	**885**	**+9.6%**	**+6.3%**
Financial revenue	**94**	**80**	**+14.8%**	**-16.8%**
TOTAL REVENUE	**902**	**965**	**+7.0%**	**+3.9%**

Operating revenue

Operating revenue totaled €885 million in 2010, representing an increase of 6.3% like-for-like, of which 4.2% in the first half and 8.2% in the second. The reported increase was 9.6%, after taking into account:

- the 0.9% positive impact of changes in scope of consolidation;
- the 2.4% positive currency effect, of which a negative 4.5% due to the Venezuelan bolivar and a positive 4.7% due to the Brazilian real:

In the fourth-quarter alone, operating revenue rose 13.4% on a reported basis, versus 8.1% in the first nine months of the year, due to:

- a 7.1% like-for-like increase, versus 5.9% over the first nine months;
- a 10.5% positive currency effect, versus a 0.7% negative effect in the first nine months, reflecting the 3.4% impact of the rise in the Brazilian real against the euro and the 4.6% impact of the favorable basis of comparison for the Venezuelan bolivar, due to the recognition in fourth-quarter 2009 of the total third and fourth quarter 2009 effects of the currency's devaluation.

Like-for-like growth	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010
France	+4.2%	+1.9%	+8.6%	+6.1%	+5.1%
Rest of Europe	+0.3%	-1.4%	+3.6%	+2.0%	+1.2%
Latin America	+9.1%	+11.7%	+16.6%	+16.3%	+13.4%
Rest of the world	-6.8%	-0.6%	-3.3%	+1.6%	-2.3%
TOTAL	**+3.8%**	**+4.5%**	**+9.5%**	**+7.1%**	**+6.3%**

(a) Operating revenue for the year in France: €146 million

In France, operating revenue increased by 5.1% like-for-like in 2010 and by 6.1% in the fourth quarter alone.

This good performance was led by the strong momentum in the *Ticket Restaurant*® business observed since the start of the year and maintained in the fourth quarter (up 12.0% like-for-like). Incentives & Rewards products, on the other hand, experienced weaker demand during the period.

(b) Operating revenue for the year in the Rest of Europe: €316 million

In the Rest of Europe, operating revenue increased by 1.2% like-for-like in 2010, with the improving trend continuing into the fourth quarter (up 2.0% versus 0.7% in the first nine months).

In Belgium, operating revenue rose 16.0% like-for-like in 2010. As expected, *Ticket EcoCheque*'s contribution was very limited in the fourth quarter after a particularly significant showing in the first nine months, which enabled the business to deliver 16 points of the country's 21.3% growth. At the same time, *Ticket Restaurant*® enjoyed a 6.2% like-for-like increase during the quarter, compared with 6.7% over the first nine months.

In the United Kingdom, like-for-like growth of 6.3% in the fourth quarter (4.4% like-for-like for the year) was driven by sustained demand for *Childcare Vouchers*.

In Italy, operating revenue ended the year up 0.9% like-for-like, with a 12.0% gain in the fourth quarter indicating a sharp improvement in the trend line. *Ticket Restaurant*® customer and merchant fees increased by 8.7% like-for-like during the period, after declining 8.5% over the first nine months. The termination of the low-fee CONSIP contract had only a negligible impact on operating revenue. Final-quarter figures were also lifted by the successful launch of new products in the Public Social Programs and Incentives & Rewards segments.

In Romania, which continued to suffer from a tough economic environment, operating revenue fell by a further 38.4% in the fourth quarter, after declines of 33.7% in the third quarter and 27.7% in the first half.

(c) Operating revenue for the year in Latin America: €358 million

In Latin America, operating revenue rose 13.4% like-for-like in 2010. Growth remained robust in the fourth quarter, with a gain of 16.3% like-for-like after 12.6% in the first nine months, reflecting both the strength of the local economies and favorable prior-year comparatives.

Helped by a favorable basis of comparison, operating revenue in Brazil rose 15.9% like-for-like in the fourth quarter, versus 9.8% in the first nine months. The *Ticket Restaurante®/Ticket Alimentação* meal and food voucher business and the Expense Management business benefited from the country's strong economic expansion, delivering like-for-like growth in operating revenue of respectively 18.1% and 15.7% in the fourth quarter, versus 10.7% and 7.9% in the first nine months.

In addition, operations in Hispanic Latin America enjoyed a 17.8% increase in operating revenue during the period, versus 16.0% in the first nine months, led by sustained strong performances across every product line, from meal vouchers to Expense Management products. In Mexico, the shift in the product mix stemming from the "Navideños" Christmas promotional offers had much more of an impact on issue volume than operating revenue, which rose 12.6% in the fourth quarter, versus 9.9% in the first nine months.

Financial revenue

Financial revenue ended 2010 down 16.8% like-for-like at €80 million. However, the decline was only 6.3% in the second half (compared with the previously announced target of 10%), thanks to its near stability in the fourth quarter (down 0.3% like-for-like).

In Brazil, the last two quarters of the year saw an upturn in interest rates and a significant increase in the local float [(1)]. As a result, in Latin America, the fourth quarter confirmed the upward trend in financial revenue that emerged in the third quarter, with a 12.0% like-for-like increase building on the previous 2.5% rise (after a 16.4% decline in the second quarter and a 38.7% drop in the first).

In Europe, performance is starting to benefit from a more favorable basis of comparison, with financial revenue declining by 2.3% in France and 6.7% in the rest of Europe in the fourth quarter, versus respectively 25.1% and 19.5% in the first nine months.

Like-for-like growth	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010
France	-27.9%	-28.3%	-17.9%	-2.3%	-20.3%
Rest of Europe	-20.3%	-19.0%	-19.1%	-6.7%	-16.5%
Latin America	-38.7%	-16.4%	+2.5%	-12.0%	-14.8%
Rest of the world	-30.1%	-11.5%	-4.7%	-5.8%	-13.8%
TOTAL	**-29.5%**	**-20.4%**	**-11.6%**	**-0.3%**	**-16.8%**

EBIT

Analysis of EBIT

EBIT for 2010 stood at €328 million, at the high end of the €310 million to €330 million target range.

Operating EBIT (which excludes financial revenue) rose by a strong 10.7% like-for-like. The operating flow-through ratio [(2)] stood at 49%.

Operating EBIT by region

In France, operating EBIT totaled €30 million, an increase of 64.9% as reported and 74.4% like-for-like. EBIT margin excluding financial revenue [(3)] rose by 0.5 points to 1.2%, led by a strong sales performance and effective management of operating costs.

In the Rest of Europe, operating EBIT came to €97 million, down 4.3% as reported and 5.7% like-for-like. The decline was due to the difficult economic conditions prevailing in most Eastern European countries and the competitive pressures observed last year in Italy and Romania. EBIT margin for the region excluding financial revenue contracted by 0.2 points to 2.1% for the year.

(1) Float: see note 23 to the pro forma financial statements, page 166.

(2) Operating flow-through ratio: ratio between the like-for-like change in operating EBIT and the like-for-like change in operating revenue.

(3) EBIT margin excluding financial revenue: operating EBIT expressed as a percentage of issue volume.

In Latin America, operating EBIT amounted to €139 million, up by a strong 8.9% as reported and 13.5% like-for-like. EBIT margin excluding financial revenue was 0.3 points lower at 2.2%, impacted by the negative currency effect related to the Venezuelan bolivar. Excluding Venezuela, there was no change year on year.

In all, operating EBIT as a percentage of operating revenue came to 28.0% as reported in 2010, compared with 28.8% the previous year. The decline was mainly due to a negative currency effect. Like-for-like, the margin rate improved by a strong 1.2 points.

Financial EBIT

Financial EBIT - corresponding to financial revenue - amounted to €80 million, a 16.8% like-for-like decline that was due to lower interest rates worldwide.

Net financial expense

Net financial expense totaled €62 million. In September 2010, Edenred issued €800 million worth of 3.625% 7-year bonds to refinance part of its existing debt.

Net financial expense corresponds to interest received and paid on investments and debt measured at amortized cost.

Finance costs for the first half of the year were determined based on the assumptions used to prepare the pro forma financial statements (see section 2.1.1.2 Method Used to Prepare the Pro Forma Financial Statements and section 6.2.1.7 Basis of Preparation of the Pro Forma Financial Statements).

Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items totaled €266 million in 2010 versus €223 million the previous year, a decline of 19.4% on a reported basis.

Income tax expense

Income tax expense increased to €89 million in 2010 from €62 million the previous year. The effective tax rate on recurring profit was 34.6%, compared with 33.6% in 2009.

Recurring profit after tax amounted to €165 million, versus €141 million in 2009, a 17.0% increase.

Net profit

After deducting (i) non-recurring costs of €100 million, mainly demerger costs (€44 million) and impairment losses (€43 million), (ii) income tax expense (€89 million), and (iii) minority interests (€9 million), net profit, Group share came to €68 million in 2010, following a loss of €57 million the previous year.

2.1.1.4. Dividend and payout ratio

	2009	2010	% change 2010 vs. 2009
Recurring profit after tax (1) *(in € millions)*	**141**	**165**	**+17%**
Weighted average shares outstanding *(in millions)*	225	226	n.a.
Recurring profit after tax per share *(in €)*	0.63	0.73	+16%
Ordinary dividend per share *(in €)*	**n.a.**	**0.50** (2)	**n.a.**
Ordinary dividend payout *(in € millions)*	**n.a.**	**113**	**n.a.**
Payout ratio (3)	**n.a.**	**68%**	**n.a.**

(1) Recurring profit after tax = Operating profit before tax and non-recurring items less tax on recurring items, less minority interests.

(2) To be recommended at the Annual Shareholders' Meeting on May 13, 2011.

(3) Based on recurring profit after tax.

2.1.1.5. Liquidity and financial resources

Cash flows

in € millions	2009	2010
Net cash from/(used in) operating activities	282	332
Net cash from/(used in) non-recurring transactions	(146)	(75)
Net cash from/(used in) investing activities	(54)	(55)
Net cash from/(used in) financing activities	(35)	(12)
Effect of changes in foreign exchange rates	(37)	78
Net increase/(decrease) in cash and cash equivalents	**10**	**268**
Cash and cash equivalents at beginning of period	1,212	1,222
Cash and cash equivalents at end of period	1,222	1,490
Net increase/(decrease) in cash and cash equivalents	**10**	**268**

Net cash from operating activities corresponds to funds from operations before non-recurring items, plus the change in working capital (i.e. the non-recurring increase in negative working capital requirement) less the increase in restricted cash. Restricted cash, in the amount of €631 million at December 31, 2010 versus €565 million at December 31, 2009, corresponds mainly to service voucher funds in France (€551 million), the United Kingdom (€38 million) and Romania (€34 million) that are subject to specific regulations in these countries. Due to the restrictions on the use of these funds, increases in the funds are recorded as a deduction from net cash from operating activities.

Funds from operations before non-recurring items (FFO)

Funds from operations before non-recurring items (FFO) amounted to €213 million, versus €184 million in 2009, representing a like-for-like increase of 15.1%, in line with the Group's mid-term guidance of more than 10% annual growth. Growth in FFO is analyzed in section 2.1.1.6 Pro forma Key Ratios and Indicators of this Registration Document.

Working capital requirement

The following table sets out the items that make up working capital requirement, excluding restricted cash.

in € millions	December 31, 2009	December 31, 2010	Δ Change
Inventory	13	12	(1)
Trade receivables	894	951	57
Other receivables	248	316	68
Working capital assets	**1,155**	**1,279**	**124**
Trade payables	140	76	(64)
Other payables	164	174	10
Vouchers in circulation	2,883	3,278	395
Working capital liabilities	**3,187**	**3,528**	**341**
***Float* (net working capital)**	**2,032**	**2,249**	**217**

The float (net working capital) at December 31, 2010 was up €217 million compared with December 31, 2009.

Debt

Net debt

Net debt at December 31, 2010 stood at €25 million, down sharply from €303 million one year earlier. The ratio of adjusted funds from operations to adjusted net debt came to 57%, higher than required for a strong investment grade rating [(1)].

in € millions	December 31, 2009	December 31, 2010
Other long-term debt	1,515	1,499
Short-term debt	10	17
Bank overdrafts	41	66
Debt	**1,566**	**1,582**
Marketable securities	(1,222)	(1,480)
Cash and cash equivalents	(41)	(77)
Current financial assets	**(1,263)**	**(1,557)**
NET DEBT	**303**	**25**

Other long-term debt mainly comprises:

- €694 million in bank borrowings repayable over the period June 2013 to June 2015.
- €794 million in 3.625% 7-year bonds due October 6, 2017.

Marketable securities consist mainly of €1,356 million in money market investments ad €121 million in negotiable debt securities and government bonds.

Unlevered free cash flow

Unlevered free cash flow [(2)] generated over the year totaled €287 million.

in € millions	2009	2010
EBIT	**327**	**328**
Elimination of financial revenue from unrestricted cash [(1)]	(72)	(66)
Adjusted EBIT	**255**	**262**
Normalized tax rate	33.6%	34.6%
Tax on adjusted EBIT	**(86)**	**(91)**
Elimination of depreciation and amortization	**36**	**29**
Recurring capital expenditure	**(30)**	**(32)**
Decrease/(increase) in working capital requirement	**111**	**161**
Decrease/(increase) in restricted cash	**(13)**	**(42)**
UNLEVERED FREE CASH FLOW	**273**	**287**

(1) See note 3.B to the pro forma consolidated financial statements, page 136.

Equity

In the pro forma financial statements, equity represents a negative amount of €1,061 million at December 31, 2010 and €1,204 million at December 31, 2009. This is due to the recognition at historical cost of the assets contributed or sold to Edenred by Accor through the asset contribution-demerger transaction. It has no impact on the Group's refinancing capacity, the underlying strength of its financial position or its dividend paying ability.

For additional information, see the notes to the pro forma consolidated financial statements at December 31, 2010, page 150.

(1) The ratio of adjusted funds from operations to adjusted net debt, determined by the Standard & Poor's method, must be at least 30% to maintain a Strong Investment Grade rating.

(2) Unlevered free cash flow is an indicator of the Company's cash-generating capacity.

Off-balance sheet commitments

Off-balance sheet commitments at December 31, 2010 amounted to €86 million versus €90 million at December 31, 2009. See note 27 to the pro forma consolidated financial statements for more details.

2.1.1.6. Management ratios

Pro forma key ratios and indicators

	2008	2009	2010
Like-for-like growth in issue volume	+13.5%	+5.7%	+10.0%
Total net margin (EBIT/issue volume)	2.9%	2.6%	2.4%
EBIT margin excluding financial revenue (EBIT – financial revenue/issue volume)	1.9%	1.9%	1.8%
Like-for-like growth in FFO (1)	23.7%	13.2%	15.1%
Unlevered free cash flow *(in € million)* (2)	283	273	287
Adjusted FFO/adjusted net debt (3)	36.9%	32.3%	57.3%

(1) Growth in FFO is calculated as follows:

In € millions	2008	2009	2010
+ EBIT	396	363	357
-- Net financial expense	(87)	(104)	(62)
-- Income tax paid	(83)	(77)	(91)
-Non-cash income and expenses included in EBIT	9	3	10
-Cancellation of financial provisions, provisions for taxes and tax on non-recurring items	(18)	(1)	(1)
= Funds from operations before non-recurring items (FFO)	**217**	**184**	**213**
Increase in funds from operations before non-recurring items	30.7%	-15.2%	15.8%
Like-for-like increase in funds from operations before non-recurring items	23.7%	13.2%	15.1%

(2) For more information about unlevered free cash flow, see section 2.1.1.5 of this Registration Document, page 28.

(3) The adjusted FFO/adjusted net debt ratio is calculated as follows:

(in € millions)	2008	2009	2010
Net debt (cash) at December 31	323	303	25
Standard & Poor's adjustment: 20% of cash and cash equivalents and marketable securities	245	253	311
Capitalization of rents and pensions	64	64	64
Adjusted net debt (cash)	**632**	**620**	**400**
Funds from operations before non-recurring items (FFO)	217	184	213
Standard *& Poor's adjustment*: Capitalization of rents and pensions	16	16	16
Adjusted FFO	**233**	**200**	**229**
Adjusted FFO/adjusted net debt	**36.9%**	**32.3%**	**57.3%**

The adjusted FFO/adjusted net debt ratio is above 30%.

2.1.1.7. Material contracts

During 2010, no contract representing a material obligation or commitment for the Group was signed in connection with the Group's external growth operations.

2.1.2. FORESEEABLE DEVELOPMENTS

The outlook for 2011 is described in section 1.3 Strategic Vision, Investment Strategy and Outlook of this Registration Document.

2.1.3. MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties that may affect the Group in 2011 are described in section 3 Risk Factors, page 36 of this Registration Document.

The financial terms of the loans obtained on June 23, 2010 are based on the Group's strong investment grade rating from Standard & Poor's. The loan agreements do not contain any rating triggers.

The September 28, 2010 €800 million 7-year bond issue does not give rise to any rating risk because it was assigned a specific rating at the time of issue in line with standard market practice.

2.1.4. MAIN RELATED-PARTY TRANSACTIONS

The main related-party transactions are presented in detail in note 29 to the pro forma consolidated financial statements.

2.1.5. RESEARCH AND DEVELOPMENT ACTIVITIES

None.

2.1.6. SUBSEQUENT EVENTS

Subsequent events are presented in note 32 to the pro forma consolidated financial statements.

2.2. Management report for the Edenred parent company

DESCRIPTION OF THE BUSINESS

Edenred SA has been in operation since June 29, 2010, when it acquired Accor SA's services businesses, mainly based on service vouchers, in the employee and public benefits market and the prepaid services market through the asset contribution and demerger transaction.

Edenred SA owns a portfolio of brands, including *Ticket Restaurant*®, *Ticket Alimentaçao*, *Ticket CESU*, *Ticket Compliment*, *ChildcareVouchers Ticket EcoCheque*, and earns revenues from licensing these brands.

The Company also provides services to other members of the Group in the area of prepaid services, staff secondment, cash management, IT services and advisory services. These services are billed on arm's length terms, as a percentage of the subsidiaries' revenues and/or profits or as a flat fee or on a per-service basis.

As the Group holding company, Edenred SA also manages a portfolio of equity interests, collects dividends from subsidiaries and drives the Group's development.

2010 RESULTS

The Company reported 2010 revenue of €18 million, including all royalties and service fees earned in the normal course of business, for the period from July to December 2010.

Service fees correspond to mutual costs, IT services, payroll costs for seconded employees, and loan guarantee fees billed to subsidiaries.

Analysis of Edenred SA revenue

(in € millions)	2009	2010	% of total
Brand royalties	**-**	**7**	**39%**
Service fees			
• Mutual costs	-	8	44%
• IT services	-	2	11%
• Other	-	1	6%
TOTAL	**-**	**18**	**100%**

EBIT

Other revenues, reversals of depreciation, amortization and provisions and expense transfers together totaled €12 million in 2010.

EBIT for the year was a negative €56 million.

Operating expenses for the year amounted to €86 million.

External charges came to €67 million, including costs associated with the asset contribution-demerger.

Payroll costs stood at €11 million.

Depreciation, amortization and impairment of fixed assets was €0.5 million.

Charges to provisions for length-of-service awards payable to employees on retirement stood at €2 million.

Net financial income

Net financial income for the year amounted to €148 million.

Movements on financial positions, mainly provisions for impairment of shares in subsidiaries, represented a net expense of €66 million. The main financial provisions booked in 2010 concerned shares in Accentiv' Kadeos for €43 million and Royal Images Direct Marketing for €5 million, and a provision for currency risks on Cestaticket Accor Services for €5 million.

Dividend income for the year totaled €217 million, including €139 million from Saminvest, €47 million from Edenred France and €10 million from Edenred Participations.

Recurring profit before tax

Recurring profit before tax amounted to €97 million.

Non-recurring items

Non-recurring items represented net income of €60 million in 2010, consisting mainly of the profit on the sale of Saminvest shares to Edenred France.

Net profit

The Company reported a tax loss of €55 million for 2010 and therefore, the income statement does not include any income tax expense for the year. No French group relief system was in place in 2010. A French tax group will be set up effective January 1, 2011.

Net profit for the year amounted to €151,712,747.

Non-deductible provisions for liabilities and charges and non-deductible expense accruals recorded in the balance sheet at December 31, 2010 totaled €22 million.

The recommended ordinary dividend for 2010 has been set at €0.50 per share.

Edenred SA did not pay a dividend in any of the last three years.

Details of the positions and directorships held by executive directors and of their compensation are provided in section 5 Corporate Governance, on page 84 of this Registration Document.

INFORMATION ON SUPPLIER PAYMENTS

Edenred SA trade payables analyzed by due date

(in € millions)		Invoices receivable	Less than 30 days	In 30-60 days	More than 60 days
2009	Trade payables	-	-	-	-
	Supplier invoices, receivable	-	-	-	-
	TOTAL	**-**	**-**	**-**	**-**
2010	Trade payables	-	-	9	-
	Supplier invoices, receivable	6	-	-	-
	TOTAL	**6**	**-**	**9**	**-**

2010 BUSINESS REVIEW

2010 saw the demerger of Accor's hotels and services businesses, leading to the creation of Edenred, the world's leading prepaid service voucher group.

The asset contribution and demerger was carried out on June 29, 2010, in line with the terms of the agreement dated April 19, 2010. The transaction was governed by the legal rules applicable to demergers and the assets were contributed at their book value (see note 24 to the condensed financial statements on page 254).

Transactions in Edenred SA shares

In 2010, Edenred SA did not hold any of its own shares.

The Company's ownership structure is described in section 7.3.1 of this Registration Document, page 269.

Financing

Edenred SA set up its financing on June 23, 2010, comprising:

- A €900 million 5-year term loan in a club deal with a group of lenders. The loan is repayable in three annual installments, the first of which is due on June 30, 2013.
- A €600 million one-year bridge-to-bonds term loan (club deal).
- Confirmed multicurrency bilateral lines for a total of €628 million, of which 84% due in four years (in mid-2014).

The €1,500 million proceeds from the club deals were used by Edenred to repay the debt on its current account with the Accor Group arising from the pre-demerger restructuring operations, ahead of the Shareholders' Meetings at which the asset contribution-demerger was approved.

- On September 28, 2010, the Group placed €800 million worth of 3.625% 7-year bonds due October 6, 2017 with European institutional investors. The issue enabled Edenred to enhance the Group's liquidity, diversify its sources of financing and extend the average maturity of its debt.
- The proceeds were used on October 7, 2010 to repay €800 million in debt, as follows:
  - The €600 million bridge-to-bonds term loan.
  - €200 million of the €900 million term loan.

The first repayment on the term loan will be made no later than June 30, 2013 for €98 million and will be followed by the two final installments of €298 million each, due on June 30, 2014 and 2015.

At December 31, 2010, the Company's total debt amounted to €1,500 million.

The bilateral lines, which are intended for general corporate purposes, had not been drawn down as of December 31, 2010.

The Company has set up a €250 million hedging program comprising interest rate swaps and collars to protect against the impact of interest rate fluctuations on its variable rate debt.

RELATIONS WITH SUBSIDIARIES

Edenred SA holds direct interests of 50% and over in 14 companies. The most significant interests, in terms of value, are as follows:

- **ASH** (€447,471,000) is a French holding company.

  In 2010 it had no revenue. Its net profit for the year amounted to €4,241,000.
- **Edenred France** (€411,768,000) is a French company that issues *Ticket Restaurant®* meal vouchers and other prepaid services products to customers in France.

In 2010, it had revenues of €96,870,000 versus €85,630,000 in 2009 and net profit of €29,432,000 versus €16,875,000.

During 2010, Edenred France paid dividends of €46,625,000 to Edenred SA.

- **Accentiv' Kadeos** (€218,760,000) is a French company that produces, issues and markets gift vouchers.

  In 2010, it had revenues of €78,515,000 versus €66,600,000 in 2009 and net profit of €3,715,000 versus a net loss of €5,900,000 the previous year.
- **Edenred Participations** (€46,038,000) is a French holding company.

In 2010 it had no revenue. Its net profit for the year amounted to €4,413,000.

During 2010, Edenred Participations paid dividends of €9,949,000 to Edenred SA.

The table below presents subsidiaries whose carrying amount in Edenred SA's balance sheet exceeds 1% of the Company's share capital.

Subsidiaries and affiliates	Currency	% interest
Subsidiaries and affiliates with a carrying amount in excess of 1% of Edenred SA's capital		
Subsidiaries (at least 50%-owned by Edenred SA)		
a) French subsidiaries		
Accentiv' Kadéos 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	98.30%
Accentiv' Travel 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	98.30%
Edenred France 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	98.30%
Edenred Participations SAS 166-168 Bld Gabriel Peri 92240 Malakoff	EUR	100.00%
Accor Service Formation 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	98.32%
EAP France 1, rue Mozart 92110 Clichy La Garenne	EUR	99.38%
ASH 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	100.00%
b) Foreign subsidiaries		
Edenred Australia Pty Ltd (Australia)	AUD	78.30%
Royal Image Direct Marketing Pty (India)	INR	98.30%
Edenred Shanghai (China)	CNY	98.30%
Edenred (India) PVT Ltd (India)	INR	94.22%
Edenred Pte Ltd (Singapore)	SGD	98.30%
Cestaticket Accor Services C.A. (Venezuela)	VEF	55.30%
Accor Venezuela (Venezuela)	VEF	100.00%

The controlling interests were acquired in 2010 at the time of the asset contribution-demerger.

The other subsidiaries and affiliates are presented in note 24 to the Company financial statements - Subsidiaries and affiliates, page 254.

RATIOS

None.

RISK FACTORS

Risk factors are described in section 3, page 36, of this Registration Document.

RESEARCH AND DEVELOPMENT

None.

SUBSEQUENT EVENTS

There have been no significant events since December 31, 2010.

Risk Factors 3

3.1. Legal risks

CHANGE IN THE LAWS OR REGULATIONS APPLICABLE TO PRODUCTS QUALIFYING FOR A SPECIFIC TAX REGIME

Certain Group products are governed by national regulations designed to create a tax environment that will encourage their development. The products concerned are mainly Employee Benefits products, particularly *Ticket Restaurant®* meal vouchers and *Ticket Alimentación* food vouchers. In 2010, Employee Benefits products accounted for around 87% of the Group's issue volume, with France, Italy and Brazil representing the three main markets.

These laws and/or regulations may change in ways that are unfavorable to the Group. Recently, certain governments faced with ballooning budget deficits have scaled back the tax or social benefits attached to these products. These types of policies, which are often dictated by economic conditions, may continue in the future. As the products' tax appeal is one of the factors behind their growth and profitability, any unfavorable change in the regulatory or legislative environment may lead to a decline in related issue volume.

See section 1.4 of this Registration Document for more information about the regulations applicable to the Group, including sections 1.4.1.2 and 1.4.1.3 which describe the regulatory environments in France and in Brazil.

CHANGE IN THE LEGISLATIVE ENVIRONMENT FOR CERTAIN GROUP PRODUCTS

Some Group products are regulated in the various countries where they are sold. The transition to paperless solutions – with electronic products expected to account for 50% of issue volume by the end of 2012 – may lead to an increase in the number of regulated products.

The regulatory environment is changing in some countries, often in a political climate that is conducive to the introduction of greater restrictions and improved protections for beneficiaries of these products. New regulations governing gift cards and other payment cards, for example, generally impose stricter rules concerning the information to be given to clients and beneficiaries when the cards are sold, the level of fees and commissions billed to clients and the treatment of unused balances on expired cards (in some countries, the issuer is required to refund all or part of the balance to the client). In addition, the Group's businesses are subject to data protection and data security laws.

Regulatory obstacles may limit the Group's ability to grow its businesses. The obstacles may be unexpected and require the deployment of significant resources and investments, which may have an adverse effect on the Group's results of operations and financial position.

PROTECTION OF THE GROUP'S BRANDS

The Group's success lies partly in its portfolio of recognized brands, such as *Ticket Restaurant®* and *Ticket Alimentación*. The names of the Group's products have been registered in some countries, but not in all the countries where the Group currently has operations or may have operations in the future. If third parties already use similar brands in some countries, they may challenge the Group's right to register its own brands. If another company with protected rights over a Group brand were to succeed in preventing Edenred from using the brand in certain markets, this could adversely affect Edenred's ability to deploy its products in new geographic markets and oblige the Group to invest substantial resources in establishing new or alternative brands. The methods available to the Group to protect its brands and other intellectual property rights in its host countries may not guarantee that these rights are totally protected. In addition, the level of protection afforded by the laws of some countries is less than that available in Europe and North America.

3.2. External risks

ECONOMIC RISKS

The Group's results depend in part on economic conditions in its main host countries. Although Edenred's business is less sensitive to economic cycles than others, adverse economic conditions would nevertheless have a direct impact on its issue volume and, consequently, on its results of operations. An economic downturn leading to corporate bankruptcies and plant closures would have the effect of reducing the Group's client base, while an increase in unemployment rates would have the effect of reducing, for each client, the number of beneficiaries of the Group's products. In addition, increases in the face value of the vouchers issued by the Group are influenced by inflation rates. Lastly, the Group's financial revenue (i.e. the interest received on the float resulting from the timing difference between the payment by clients of the vouchers' face value and their reimbursement to the merchants) depends on (i) the volume of vouchers issued and, consequently, the economic factors described above, and (ii) market interest rates (see section 3.3 Interest Rate Risks of this Registration Document).

The various countries of the world are recovering at different rates from the global economic crisis. With its strong presence in Latin America, the Group has benefited from the region's vigorous economic growth. However, trends in Europe have been uneven. Western European economies are improving, helped by the stabilization of unemployment rates observed since the middle of last year, but economies in Eastern Europe are still not showing any signs of recovery.

The Group operates in forty different countries, helping to diversify its exposure to economic risks.

COMPETITION RISKS

The Group's businesses are exposed to competition from a handful of international groups as well as from smaller local competitors (see section 1.1.4.2 for a description of the Group's main competitors). Competitive pressures may drive down fee rates in some countries whose economies are struggling (such as Italy and Romania), resulting in contracts not being renewed or making it more difficult to win new contracts. If the Group is unable to effectively withstand these competitive pressures, it may lose market share or experience a decline in business or margins.

In countries where Edenred has strengthened its leadership position, certain competitors or commercial partners may be tempted to claim that the Group has used this position to bypass or distort market rules. In France, the competition authorities are currently examining a complaint lodged by a competitor of Accentiv' Kadéos concerning the duration of the exclusive agreements with certain partner retailers for the acceptance and distribution of certain Group vouchers and cards. During their initial assessment of the complaint, the competition authorities identified certain areas of concern. On December 24, 2010, Accentiv' Kadéos and Edenred presented to the competition authorities a set of proposed undertakings designed to fully address these concerns. It is not possible at this stage to predict the outcome of this complaint.

RISK OF NEW ENTRANTS JOINING THE MARKET

One or several markets may be penetrated by new entrants. These may be new companies, or existing companies that are changing their positioning in one or several markets.

RISKS RELATED TO PARTNERSHIPS AND OTHER STRATEGIC AGREEMENTS

In the course of its business, Edenred may use partners' technologies, IT applications or networks, particularly for its paperless solutions. Any disagreement concerning the renewal of any such partnership or user licenses may have an adverse effect on the Group's business.

Similarly, agreements have been signed with affiliated merchants to permit the use and/or sale of prepaid vouchers and cards. The non-renewal of any of these partnerships may have an adverse effect on issue volume and revenues from the solutions concerned.

To attenuate the potential impact of this type of disagreement, a specific department has been set up to manage the Group's strategic partnerships and monitor developments involving the competition.

RISKS ASSOCIATED WITH INTERNATIONAL ACTIVITIES

The Group operates throughout the world. Its host countries include emerging markets, particularly in Latin America and – to a lesser extent – Central Europe. In 2010, emerging markets accounted for around 55% of the Group's total issue volume.

Its international operations expose the Group to numerous risks, arising for example from:

- Unexpected or arbitrary changes in tax rules or other regulations.
- Restrictions on the repatriation of profits.
- Nationalizations without adequate compensation.
- Changes in exchange rates.
- Corruption in certain countries.
- Inadequate protection of computerized data.
- Political or economic changes in a specific region or country.

If one or several of these risks were to occur, this could have a material adverse effect on the Group's results of operations and financial position.

3.3. Market risks

A variety of interest rate and currency instruments, including swaps, caps and forward purchases and sales of foreign currencies, are used to manage and hedge interest rate and currency risks arising in the normal course of business. The related policies are designed to meet three core objectives: security, liquidity and cost-effectiveness. They are implemented at Group level by the Corporate Treasury and Financing Department, which reports to the Vice President, Finance, Information Systems and Legal Affairs, who is a member of the Executive Committee. The instruments are used to support Group investment, financing and hedging policies, to help manage debt and to minimize the risks on business transactions. The Group is equipped with computer applications (Titan Treasury Front to Back) that allow it to track fixed/variable rate exposures and exposures by currency for borrowings and short-term investments, and to produce management reporting schedules and IFRS 7 schedules using flow data supplied by Reuters and Bloomberg.

3.3.1. CURRENCY RISKS

The Group is exposed to currency risks on the translation into euros in the consolidated financial statements of issue volumes, revenues, EBIT and balance sheet items generated in each country outside the euro zone. This foreign currency translation risk is not hedged.

A 10% change in the exchange rates of the main currencies would have the following impact on consolidated EBIT: Brazil (BRL) €10.7 million; Venezuela (VEF) €3.3 million and Mexico (MXP) €1.9 million. The impact of changes in exchange rates on the 2010 consolidated financial statements is described in section 2 of this Registration Document.

A significant proportion of the Group's service voucher issue volume is generated in countries where the functional currency is different from the Group's reporting currency (the euro). Group policy consists of investing the cash generated by these activities in the currency of the country where the vouchers are issued.

Actual cash flows between countries whose currency is not the euro consist mainly of dividends paid by subsidiaries to their parent company. These cash flows may be exposed to changes in exchange rates between the original currency and the euro. At December 31, 2010, the Company did not hold any currency hedges of capital flows. These cash flows may be hedged against currency risks in the future, particularly through forward currency purchases.

Forward sales (mainly currency swaps) amounted to €300 million at December 31, 2010 and forward purchases stood at €4 million, compared with a fair value of €3 million. All of these instruments expire in 2011 (see note 18 C.1 to the consolidated financial statements on currency hedge page 212).

3.3.2. INTEREST RATE RISKS

Fluctuations in interest rates have a direct impact on the Group's financial revenue. With the float amounting to €2,249 million at December 31, 2010 (see note 23 A to the pro forma financial statements, presented in section 6.2.1 of this Registration Document, page 211 and 212), a 100-basis point average increase or decrease in rates over 12 months would have an impact of around €22 million on financial revenue.

Consolidated debt includes both fixed and variable rate borrowings, with 99% of the total denominated in euros. Target breakdowns between fixed and variable rate debt are determined separately for each currency, giving due regard to anticipated trends in interest rates and to changes in the composition of debt as a result of new borrowings and the repayment of existing borrowings. At December 31, 2010, 70% of total debt was at fixed rates of interest and 30% at variable rates, after taking into account the effect of hedges. (see note 18 B to the consolidated financial statements, pages 211 and 212). The target breakdowns are reviewed at regular intervals and new targets are set for future periods by senior management. The related financing strategy is implemented by the Corporate Treasury and Financing Department.

The most commonly used instruments are interest rate swaps, caps and floors. They are contracted with banks rated investment grade based on the model recommended by the French Banking Federation.

In conclusion, Edenred does not conduct any trading transactions and has no plans to engage in this type of activity. Neither Edenred SA nor the Group has any open currency or interest rate positions that would be likely to expose the Group to significant risks.

As of December 31, 2010, Edenred had interest rate hedges on a notional amount of €250 million to cover its €700 million variable-rate term loan. The hedging instruments used by the Group are interest rate swaps (where Edenred is the fixed rate borrower and the 3-month Euribor lender) and collars (purchased caps and sold floors, where Edenred is the fixed rate borrower and the 3-month Euribor lender).

An analysis of the sensitivity of the Group's consolidated debt of €1,497 million at December 31, 2010 (see note 18.A to the pro forma consolidated financial statements) shows that a 100-basis point change in interest rates would have the following impacts:

Sensitivity of debt to changes in interest rates (in € millions)	100-bps decrease in rates	100-bps increase in rates
Change in finance costs before hedging (1)	**-4.6**	**4.6**
Change in impact of hedges on finance costs	**-6.6**	**6.2**
o/w impact on equity of interest rate hedges	*-6.1*	*5.9*
o/w impact on profit of interest rate hedges (2)	*-0.5*	*0.3*
Change in finance costs after hedging (1) + (2)	**-5.0**	**4.8**

3.3.3. CREDIT AND/OR COUNTERPARTY RISKS

The Group is exposed to credit risks on the investment of available cash with financial institutions. Default by one of these institutions or a deterioration in its financial position could result in financial losses for Edenred.

Edenred reduces its exposure to counterparty risks by:

- Dealing only with leading counterparties and factoring in country risks;
- Using a wide range of counterparties;
- Setting exposure limits by counterparty; and
- Using a monthly reporting procedure to track the concentration of credit risk and the credit quality of the various counterparties (based on credit ratings issued by rating agencies for financial institutions).

The Group diversifies its exposure to financial counterparties by investing available cash with a variety of leading financial institutions. Over 80% of investments are with institutions rated investment grade.

At December 31, 2010, its maximum exposure to a single financial counterparty represented less than 15% of the total funds invested at that date.

Group policy consists of investing available cash in the currency in which its products are issued. The Group is therefore exposed to country risks that could arise, in particular, in the event of a financial crisis affecting one or more of its host countries.

A significant proportion of the Group's available cash is invested with the holding company under the worldwide cash pooling system. Under this system, the subsidiaries' available cash is transferred to the holding company in all cases where this is allowed under local law or the law governing the business concerned, and where economic conditions permit. Pooling available cash helps to reduce the Group's exposure to counterparty risks on the leading financial institutions with which the funds are invested, through regular centralized monitoring of these funds.

3.3.4. LIQUIDITY RISKS

Liquidity risks are managed at Group level by the Corporate Treasury and Financing Department through a cash-pooling system. Under this system, the cash surpluses of Group entities are used to cover the cash shortfalls of other entities, and only the net cash requirement is financed through borrowings on the financial market.

Financing policies are designed to ensure that Edenred has immediate access – at the lowest possible cost – to the cash it requires to finance corporate projects, meet short-term cash needs and fund expansion.

The Group has access to undrawn confirmed medium-term lines of credit from a leading bank to meet its short-term financing needs (see the following notes to the consolidated financial statements: note 2 Significant Events, note A.3 Debt, page 133, and note 18.A, page 211).

At December 31, 2010, these undrawn confirmed lines of credit totaled €628 million, of which €528 million expire in June 2014.

Available cash is invested in instruments that can be purchased, sold or closed out within a maximum of five business days.

These instruments consist for the most part of fixed-rate bank time deposits, interest-bearing demand deposits and money market securities, mainly retail certificates of deposit.

3.4. Operational risks

CLIENT RISKS

Edenred's exposure to client default is limited and it is not dependent on any single client:

- Statistical dispersion of issue volume is high, with no client billed in 2010 representing more than 1% of issue volume.
- Trade receivables correspond to several tens of thousands of accounts.

RISK OF VOUCHER FORGERY AND THEFT

The distribution of forged vouchers and voucher theft expose the Group to several risks. The Group may be asked to accept forged or stolen vouchers presented by affiliated merchants for reimbursement. Even if the incidence of forgeries and theft remains very low, steps are being taken to accelerate the migration from paper to paperless solutions as explained below. In addition, the Group has a policy of purchasing insurance coverage of theft risk, as explained in section 3.7.

MIGRATION FROM PAPER TO PAPERLESS SOLUTIONS

The Group is developing electronic media (card, Internet, mobile) for its various products. The migration from paper to paperless solutions [1] provides an opportunity to increase issue volume and to sell value-added services, while reducing the risk of voucher theft. However, it is not without its risks. The migration may drive down the average holding period of the float, i.e. the period between the sale of the products and their reimbursement. Payments for electronic products frequently transit through third-party networks (mainly banking networks), which deduct fees and can set restrictive rules. However, migration to paperless solutions drives up issue volume, and the experience in managing these solutions that has been gained in Brazil in recent years shows that the increase in the float resulting from higher issue volumes more than offsets the effect of the shorter float holding period.

INFORMATION SYSTEMS RISKS

In the normal course of business, the Group and/or its service providers use a certain number of IT tools and information systems, in particular to manage paperless products and for prepaid program management (see section 1.3.2.2 of this Registration Document). The Group and/or its service providers have back-up systems for these databases. However, if any of these information systems were to fail and the databases and their back-ups were to be destroyed or damaged for whatever reason, this could disrupt the Group's business operations.

(1) See part 1.3.2.2 page 14.

ENVIRONMENTAL RISKS

Due to the nature of its business, Edenred is not exposed to any significant direct environmental risks. For more information about the Group's environmental footprint, see section 4.2.3 Environment.

3.5. Risks associated with the Group's growth strategy and organization structure

RISKS ASSOCIATED WITH THE GROUP'S GROWTH STRATEGY

Penetration of new geographic markets

The Group's ability to pursue its geographic expansion strategy is affected by certain restrictions and uncertainties, concerning in particular the future regulatory and political environment over which it has no control. The successful development of a program in a new country depends in part on the existence of an appropriate tax regime, which in turn may depend on specific legislation being adopted. The Group may invest resources in preparing its entry in a new market without any assurance that an appropriate tax regime will be established.

Succeeding in a new market also entails setting up a network of affiliated merchants to make the product attractive for both clients and beneficiaries. The Group may incur start-up losses due to the absence of economies of scale during the early years. Once the Group has opened up a market, its market share may be eroded by the entry of new players that benefit indirectly from its investment and do not have to incur the same costs or risks.

Risks associated with the Group's acquisition strategy

The Group's growth strategy is based in part on external growth, mainly through acquisitions. It may not be possible to identify credible targets or to close deals at the right time and the right price.

In addition, to obtain anti-trust approval for acquisitions in one or several jurisdictions, the Group may have to accept certain conditions such as the requirement to sell certain assets or business units.

There are a number of risks associated with acquisition strategies: (i) the business plan assumptions underlying the valuation of the target may prove to be wrong, particularly those concerning future synergies and estimates of market demand; (ii) the Group may not be successful in integrating the acquired company, its technologies, product ranges and employees; (iii) the Group may be unable to retain certain key employees or clients of the acquired company; and (iv) the Group may have to take on additional debt to finance the acquisitions. Consequently, the benefits of current or future acquisitions may not be obtained within the forecast period or may fall short of expectations or adversely affect the Group's financial position.

RISKS ASSOCIATED WITH THE GROUP'S ORGANIZATION STRUCTURE

Intangible assets

Goodwill and other intangible assets are tested annually for impairment. Net intangible assets carried in the pro forma consolidated balance sheet at December 31, 2010 amounted to €96 million. Goodwill at that date totaled €551 million. The Group believes that the 2010 pro forma consolidated financial statements present fairly all of its assets and liabilities and its financial position. However, inherently unforeseeable events may occur in the future that result in certain intangible assets being impaired. Intangible assets represent a significant component of the Group's total assets and any material impairments may have an adverse effect on its results of operations for the year in which the impairment is recognized.

Tax risks

As an international group, Edenred is subject to the tax laws of a large number of countries and conducts its business in compliance with various national regulations. The tax rules in force in the Group's various host countries do not always provide clear solutions that are not open to interpretation. As a result, the Group's organization structure, the way it conducts business and the applicable tax regime may be based on its own interpretation of local tax rules. As of the date of this Registration Document, no tax audits are in progress that could result in the Group's interpretation of these rules being challenged. However, there is no guarantee that its interpretations will not be challenged by local tax administrations in the future.

Rating risks

The loan agreement for the €700 million term loan does not include any rating trigger, nor does it provide for any increase in the credit spread if the Group's rating is downgraded due to an adverse change in its consolidated net debt/EBITDA ratio. In addition, if the consolidated net debt/EBITDA ratio exceeds the limit set in the loan agreement, this does not constitute a default event.

The September 28, 2010 €800 million 7-year bond issue does not give rise to any rating risk because it was assigned a specific rating at the time of issue in line with standard market practice.

In line with its financial strategy to maintain a strong investment grade rating, at December 31, 2010 Edenred's adjusted FFO/adjusted net debt ratio was above the level set by the rating agencies to qualify for this type of rating (see note on "Key ratios and indicators" in the pro forma consolidated financial statements.

3.6. Legal and arbitration proceedings

Information about legal or arbitration proceedings in progress, pending or threatened that may have, or have had in the recent past, significant effects on the Group's financial position, business or results of operations is provided in note 26 to the pro forma consolidated financial statements. As regards the dispute concerning the acquisition of Business Value Challenge, Accentiv'Kadeos gave a commitment to one of the vendor groups to reimburse any costs and expenses that might be incurred if the sale of the shares were to be challenged. However, Accentiv'Kadeos believes that it could not be called on to honor this commitment, as the necessary conditions for it to be valid have not been met. As a result, in December 2010, the company initiated a procedure to have the commitment declared legally null and void.

To the best of the Company's knowledge, in the last twelve months, there have not been any governmental, legal or arbitration proceedings (including any pending proceedings) that may have, or have had in the recent past, significant effects on the financial position or profitability of the Company and/or the Group and, to the best of the Company's knowledge, no such proceedings are threatened [(1)].

The method used to provide for or recognize liabilities complies with the applicable accounting standards (see note 1 to the pro forma financial statements, page 122).

Provisions for litigation are recorded on receipt by the Group of a notice of claim or summons, based on an assessment of the related risk made by the Group and its advisors. They are presented in note 21 to the pro forma consolidated financial statements, page 160.

Edenred has not entered into any material off-balance sheet commitments other than those disclosed in note 27 to the pro forma consolidated financial statements, page 169.

3.7. Risks transferred to the insurance market

Following the demerger, Edenred's operational risks were transferred to the insurance market through business-specific insurance programs that protect its businesses and assets in all host countries. They consist of international programs that set common standards for the transfer of risks to insurers and pool purchases of cover by Group entities.

To diversify counterparty risks associated with these programs, they are spread between around a dozen insurers, none of which covers more than 30% of the total capacity transferred to the insurance market. All of the insurers used by the Group currently have an insurer financial strength rating higher than A- from Standard & Poor's.

A worldwide liability insurance program covers the losses caused to third parties by Edenred's business, with a maximum insured amount of €50 million per claim and per insurance year.

Property and casualty insurance programs cover damage to the assets used in the business, including machines, furniture and buildings, as well as the cost of business interruption following an incident such as a fire, flood or plane crash. The individual sites purchase local property and casualty and business interruption cover in addition to that provided by the international program. The maximum insured amount is €150 million per claim and per site. Edenred has around 180 sites in 40 countries.

A group-wide policy transfers to the insurance market part of the risk of fraud and embezzlement by third parties, with or without complicity on the part of Edenred employees.

All compulsory insurance cover has been taken out in the Group's host countries.

The Group is preparing the coordination and placement – through a Group-wide program – of insurance cover for the risk of voucher theft during transport. The first step in the process is to identify the policies purchased locally and to analyze local loss ratios for this class of risk. The Group is deploying the same strategy to transfer the risk of theft of vouchers held in safes.

(1) See External risks part 3.2.

Corporate social responsibility

4

4.1. Human Resources

INTRODUCTION

People and their relational skills are a core component of Edenred's winning strategy and the most valuable asset of a company that has enjoyed continuous growth for more than 40 years, first as a division of Accor and now as an independent business.

In becoming the world leader in prepaid corporate services, Edenred has demonstrated a strong entrepreneurial spirit and the ability to inspire a team of courageous employees committed to delivering superior performance.

Through constant innovation to proactively meet customer needs, the Group has built on its flagship *Ticket Restaurant®* meal vouchers and gradually extended its lineup of services and solutions in three key human resources processes: making life easier for employees and constituents, enhancing their well-being and improving the performance of companies and other organizations.

The demerger from Accor and the creation of a new identity in 2010 marked an important milestone for Edenred's 6,000 employees, who played a leading role in transforming their organization, in just a few months, from a subsidiary to a company.

The human resources aspects of the demerger were integrated far upstream in the process to give new impetus to Edenred's strategic vision, as defined in the EDEN corporate project. The name "EDEN" comes from the initials of the project's French slogan — "Entreprendre Différemment ENsemble" — which has been translated as "Moving Forward Differently Together." Launched by the Edenred Executive Committee and led by the countries managing directors and human resources managers, the Talents workstream ensured that employees received appropriate support throughout the demerger and that the new company's HR management processes were efficiently deployed.

Inspired by the values that underpin Edenred's corporate culture — entrepreneurial spirit, innovation, performance, simplicity and sharing — employees were the prime movers in successfully transitioning their company to independence. Today, empowered by the Edenred Spirit, they are the driving force behind the Group's strategy to Conquer 2012, as they demonstrate the philosophy shared by every employee in 40 countries around the world: "doing simple things exceptionally well."

Deploying this action philosophy is one of the core functions of Edenred's human resources programs, which are designed to meet three key objectives: develop skills and capabilities, enhance motivation and engagement, and focus on networked processes while improving synchronization between local and global teams.

4.1.1. HUMAN RESOURCES IN FIGURES

Key Figures

As of December 31, 2010, Edenred employed 6,097 people around the world, compared with 6,104 a year earlier and 5,826 at December 31, 2008.

Workforce indicators are based on the average number of employees for the year.

Figures are based on full-scope data, which cover:

- Full and part-time employees with permanent, fixed-term or apprenticeship contracts.
- Total headcount of Edenred subsidiaries.

Workforce by region at December 31, 2010

Holding	France	Europe (excl. France)	Latin America and Mexico	Rest of the world
2%	15%	31%	37%	15%

Human resources data at December 31, 2010

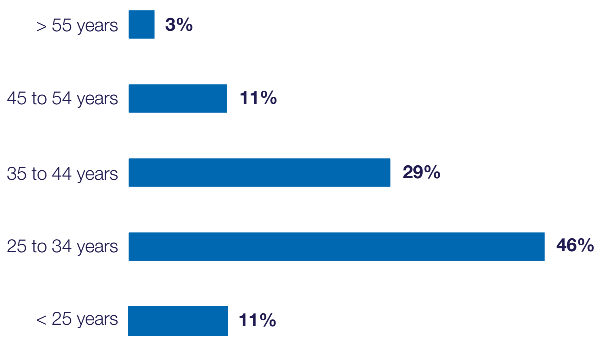
	Holding	France	Rest of Europe	Latin America and Mexico	Rest of the world	Total 2008	Total 2009	Total 2010
Number of employees [1]	116	888	1,914	2,284	895	5,826	6,104	**6,097**
% women	47%	60%	58%	49%	45%	54%	54%	**53%**
% men	53%	40%	42%	51%	55%	46%	46%	**47%**
% under permanent contracts	97%	88%	93%	92%	80%	89%	91%	**90%**
% women	46%	61%	58%	49%	43%	52%	54%	**53%**
% men	54%	39%	42%	51%	57%	48%	46%	**47%**
Management								
% of total workforce [2]	66%	26%	18%	18%	20%	21%	19%	**20%**
% women	43%	55%	46%	38%	44%	44%	45%	**45%**
% men	57%	45%	54%	62%	56%	56%	55%	**55%**
Training								
Training expenditure as a % of total payroll	1.1%	1.3%	2.3%	4.2%	2.0%	4.0%	2.3%	**2.5%**
Number of days of training	127	686	3,823	7,985	2,923	23,601	16,904	**15,544**
Number of days of training for managers [3]	83	414	1,124	2,411	767	n.a.	n.a.	**4,799**
Number of days of training for non-managers [3]	44	272	2,699	5,574	2,156	n.a.	n.a.	**10,745**
Number of employees having attended at least one training course	37	323	1,414	2,107	662	4,364	3,977	**4,543**
Number of managers having attended at least one training course	25	157	287	373	184	899	970	**1,026**
Number of non-managers having attended at least one training course	12	166	1,127	1,734	478	3 465	3,007	**3,517**
Occupational accidents								
Lost-time incident frequency rate (LTIF) [4]	5,5	1,8	4,4	3,2	1,2	3,4	4,3	**3,2**
Number of fatal accidents in the workplace	0	0	0	0	0	0	0	0

(1) Average number of employees on payroll.
(2) A manager is defined as an employee who manages a team and/or has a high level of expertise.
(3) New indicator.
(4) Number of lost-time incidents (as defined by local legislation) per million hours worked.

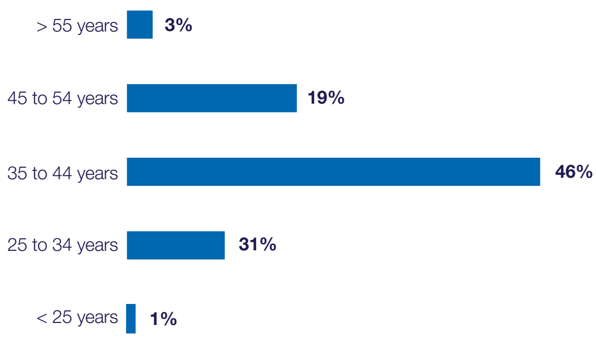
Summary of human resources data for France

Employees	**Dec. 31, 2010**
Total number of employees	888
Compensation	
Total gross payroll	€30 million
Employer payroll taxes	€14 million
Training	
Training expenditure as a percentage of total payroll	1.3%
Average duration of training undertaken	2.1 days

EMPLOYEES BY AGE AT DECEMBER 31, 2010

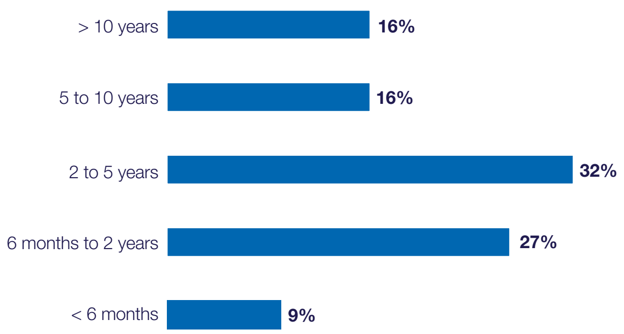


MANAGERS BY AGE AT DECEMBER 31, 2010



57% of all employees and 32% of managers were under 35 at year-end 2010.

EMPLOYEES BY SENIORITY AT DECEMBER 31, 2010



4.1.2. KEY HUMAN RESOURCES MANAGEMENT PRINCIPLES

As part of the demerger process and creation of a new identity, a Corporate Human Resources Department was set up in 2010. One of its first tasks was to manage the human resources aspects of the demerger by:

- Supporting the creation of Edenred SA's headquarters, which involved the transfer of 125 employees from Accor to Edenred (of which 31 transfers from the hotels business) and the recruitment of 20 new employees.
- Implementing human resources management tools, such as the payroll system for Edenred SA employees and a careers website.

By establishing Edenred's initial human resources management procedures, the new Corporate Human Resources Department has laid the foundation for policies dedicated entirely to fostering personal growth, supporting business performance and placing people squarely at the heart of the transformation process.

Objectives

As an integral part of the EDEN "Moving Forward Differently Together" project, human resources policies are designed to support the Group's strategic vision by instilling a common language and culture in its 6,097 employees.

These policies are focused on three objectives:

- **Support the development and improvement of the employee skills** needed to meet the Group's new challenges: transitioning successfully to paperless solutions and stepping up development of new products and penetration of new markets.
- **Enhance employee motivation and pride in working** for their new company, by leveraging the strength of Edenred's traditionally strong corporate culture and the deployment of the Edenred Spirit, which puts customers first and makes everyone's job more meaningful.
- **Step up the implementation of networked processes and the sharing of knowledge and expertise**, which will drive excellence and help us to prepare for the future.

Expression in five human resources programs

The action philosophy underpinning Edenred's human resources policies is expressed through five human resources programs implemented in 2010. Deployed globally and adapted locally in each of the Group's 40 host countries, the programs concern the following processes.

- **Hiring and mobility** are a key transformation challenges. New talents are needed is to ensure a successful transition to digital solutions, meet product development and geographic market penetration objectives, and deliver customer-driven innovations.
  - The Group has identified 45 to 70 positions for which experienced people will have to be hired by 2014.
  - Increasing the national and cultural diversity of teams at headquarters and in the field remains a key criterion in hiring policies. To guarantee Edenred's long-term viability in its markets and ensure effective market intelligence, employees are strongly encouraged to share best practices and promote local employees to international positions.
- A strong emphasis has always been placed on **training**, which **is considered a critical investment** because it enhances employees' personal growth while enabling the Group to prepare for the future and embrace new challenges through ongoing skills development. Applying the principle that "every employee attends at least one training course per year" is a priority for 2011.
- **Common career management guidelines and processes** are considered critical to grooming the executives and managers of tomorrow, detecting and promoting high-potentials and carefully managing mobility.

  In 2010, for example, the following resources were developed and shared worldwide:
  - Job grading classification principles for all Group management positions.
  - The performance appraisal grid for managers and the list of ten key management skills, based on the Edenred Spirit.
  - Recruitment and mobility guidelines, informed by a commitment to making teams more international in order to enhance market intimacy and firmly anchor the new brand in each geography.
  - The processes for identifying and tracking high-potential talent, which should enable us to identify 40 top-performing managers with the capabilities needed to move up the corporate ladder.
  - Succession plans, initially for the 120 top and senior executives and then for all managers.
- **Employee motivation and reward policies** are aligned with Edenred's strategic vision, so as to offer regularly benchmarked employment packages and retain our employees. This objective is reflected in a compensation system for every employee based on the recognition of both individual and company performance. Edenred also takes to heart its commitment to helping to improve employee well-being, by offering all of its employees worldwide an extensive range of health insurance, post-retirement and other benefits.
- **Edenred is a great place to work**, as seen in the growing number of units earning "Best Place to Work"-type recognition, which attests to the commitment of its employees, the quality of its work-life and its positive work-life balance.
  - 48% of employees in 10 countries already work in an accredited environment.
  - By 2016, all of the subsidiaries are expected to be engaged in an accreditation process. This objective, which is strongly supported by management, means paying particular attention to managing recognition and employee relations processes, surveying employee opinion and tracking certain key indicators, such as turnover and absenteeism.

Networked collaborative processes

Local implementation of the Group's human resources policies is being supported by two key principles: management's intense commitment to HR as part of the EDEN project and the sharp focus on global networking.

- The Talent project

  The manager-related aspects of Edenred's transformation strategy are being addressed through the Talents workstream, a component of the EDEN process. Overseen by two Executive Committee members (the zone managing director and the Vice President, Human Resources), Talents workstream brings together line managers (country managing directors) and representatives from country human resources departments and the support functions. Its goal is to propose a strategic vision for Edenred's human resources policies and to enhance and clarify the recommendations submitted to the Executive Committee.

  In 2010, the project focused primarily on the key principles of Edenred's new HR policies (recruitment process, training, performance appraisals, mobility and recognition) and on the Edenred Spirit, the heart and distinctive feature of Edenred's strategic vision.

- Working collaboratively around the world

  To ensure maximum consistency between global HR policies and their local implementation, the Corporate Human Resources Department emphasizes the use of collaborative systems with the network of HR managers and country managing directors.

  Network members meet annually for workshops on such issues as high-potentials, training, compensation, local certification and diversity. Their findings and recommendations help to support the discussions led by the Talents workstream.

4.1.3. 2010 HIGHLIGHTS

Employment and training

A direct consequence of Edenred's transformation strategy, the hiring and onboarding of new talent is a priority aspect of the Group's human resources policies.

Educational partnerships, apprenticeship programs, job fairs and role-playing hiring techniques

To meet its short and medium-term growth objectives, Edenred strives to enhance awareness of its professions via an enterprising, proactive hiring policy applied in all its host countries. In this way, it is raising its profile as an independent company, bringing in young employees and attracting the most talented marketing, technology and development professionals.

The first step was taken on June 29, 2010, right after the demerger, when a careers site accessible in 40 countries was posted on the Group intranet and in the human resources section of the corporate website (www.edenred.com).

Educational partnerships

In recent years, Edenred has been involved in partnerships with local universities and education ministries, in a commitment to bringing the business and academic worlds closer together and to fulfilling its mission of supporting its fellow citizens. These partnerships also give young people access to their first jobs, regardless of their level of education.

Several educational partnerships were forged in 2010 between Edenred's country organizations and local universities, business schools, technology institutes and government institutions:

- in some countries, such as **Turkey, Venezuela, Mexico** (National University of Mexico, Monterrey Technological Institute) and the **United States**, the agreements provide for internships. **Edenred USA**, for example, offers internships in marketing, technology and finance to students from two French business schools, HEC and INSA Lyon, and is looking into the possibility of forming local partnerships with Bentley University and the Worcester Polytechnic Institute;
- in emerging markets like **Brazil**, where only the wealthy can afford the high cost of a private university, Edenred provides financial support for employees wishing to continue their studies at six partner universities: BI International, FGV Alpha-Strong, FMU, Instituição Educacional Professor Pasquale Cascino, Mackenzie University, and Universidade de Mogi das Cruzes (UMC) in Mogi das Cruzes and São Paolo (Campus Villa-Lobos);
- australian subsidiary **Davidson Trahaire Corpsych** works closely with several university psychology departments, producing studies and helping students with their research projects.

Job fairs

Another way to facilitate the recruitment process is by participating in job fairs, which offer a valuable opportunity to meet potential candidates and raise awareness of the new brand. In 2010, for example, all of the country organizations massively stepped up their presence at local fairs, while in France, the Corporate Human Resources Department launched a program to participate in fairs organized by such business schools as Audencia, Celsa, Edhec and ESCP to heighten visibility of the new Edenred employer brand.

Apprenticeship programs

Country organizations are strongly encouraged to implement apprenticeship programs, which are an important source of new employees. Local policies are designed to offer young people the opportunity to discover the business world, while supporting them throughout the process. Very frequently, if not systematically, these programs lead to participants being hired under permanent contracts.

- In 2009, Edenred Brazil's internship program was recognized as one of the best in the country by the Center for School-to-Work Transition.
- Human resources teams have also developed a "young citizen" program in partnership with São Paulo state to help young people from disadvantaged backgrounds enter the workforce after a six-month fixed-term contract.

Role-playing hiring techniques

To optimize the effectiveness of the recruitment process, a variety of new techniques are being used to assess candidates' skills and determine how well they match with the Group's needs. In 2010, as part of an agreement with the national employment agency, **Edenred France** introduced an innovative hiring technique based on role-playing, particularly for sales positions. By allowing candidates to demonstrate their skills in real-world situations, role-playing allows the employer to look beyond official qualifications and experience.

Training and skills development

The second priority objective of Edenred's human resources strategy is training and skills development, which play a significant role in day-to-day operations. Each region and/or country organization has a structured training plan, designed to meet the objectives of both the EDEN project and the growth strategy, and tailored to the local situation.

Principle

In every country, training policies reflect the same commitment to aligning global training solutions with local needs. While maintaining a core foundation based on Edenred's values, general knowledge of the company, the EDEN corporate project, the transformation project and the Edenred Spirit, training programs are adapted to the needs of each job family and designed to help front-line teams to meet both their short and long-term objectives.

To implement training policies tailored to the needs of its target audiences, the skills required for each job must first be defined and each employee's existing capabilities identified. This type of upstream analysis, which guarantees the effectiveness of any training program, is systematically carried out in every country through skills assessment tests.

Skills assessments

An integral part of Edenred's management practices, skill assessments are conducted in each country at least once a year for all employees, regardless of their job level. They ensure that Edenred has the critical skills necessary to drive its assertive growth strategy and guides employees in planning their career development.

Training programs

To put into practice the principle that "every employee attends at least one training course per year," each performance appraisal includes recommendations for training, in line with the employee's personal growth objectives and his or her unit's needs.

In 2010, training expenditure represented 2.5% of total payroll, up 0.2 points over 2009.

- Global training programs are designed to support the Group's strategic objectives and align employee skills with the challenges of the transformation process.
  - **Implementation of digital transition methodology**: Designed for country managing directors, support function executives and developers, this course supports the deployment of digital solutions in every region. By the end of 2010, it had been attended by 170 employees in 25 countries.
  - **Programs for young high-potentials**: Launched in 2009, these programs intended for high-potentials and future managers have already been attended by 70 employees in 25 countries.
- Locally, training is considered as an essential investment by all of our subsidiaries. In some countries, like the United Kingdom, this objective led to the drafting in 2010 of a "formal commitment to training," which is displayed in company offices and posted on the intranet. In the case of Edenred UK, the declaration emphasizes each employee's right to training and the key role he or she plays in the career development and mobility opportunities offered by the company.

  In **Mexico**, 418 employees benefited from a total of 1,238 days of training in 2010.

  All of the training initiatives undertaken locally reflect Edenred's global human resources management priorities, as shaped by the following objectives:
  - **share the Edenred Spirit and corporate values**: To instill in every employee a common language and culture based the EDEN project, many subsidiaries introduced training sessions in 2010 to integrate new hires and present the corporate project,
  - **enhance technological and marketing expertise**: Several countries have developed programs to prepare local employees for the challenge of implementing new technologies and penetrating new markets. Each one is tailored to certain specific needs identified by the department to support implementation of the transformation strategy.

    In addition, language training is offered to encourage greater international sharing and cooperation,
  - **improve the quality of management**, the cornerstone of the Group's transformation and deployment of the Edenred Spirit. Several programs have been developed to strengthen key management skills, particularly in the areas of project management, leadership and communication techniques. In **Mexico**, the "Managers in Action" program was attended by 250 participants. In **Brazil**, 85 initiatives have been implemented to improve managers' professional skills, in such areas as coaching, leadership and project management.

Mobility and promoting from within

Supporting personal growth

Edenred strongly encourages internal mobility as a way of furthering the career development of its employees and enhancing the sense of corporate community. Mobility can mean changing job tracks within the same unit or transferring to a different country.

The rules and procedures are defined by the Corporate Human Resources Department and shared with all of the country organizations, which adapt them to their local situation. **Edenred Romania**, for example, has prepared an internal recruitment charter that guarantees employees the same chance of being hired as outside candidates.

In every country, open positions are offered to internal candidates first, provided that the requisite skills are available. All employees have access to the careers site via the Group intranet.

International mobility

The dominant feature of career management at Edenred, international mobility is also one of the prerequisites for moving up the corporate ladder. Sharing expertise, instilling a common culture and collaborating in networks depend on the ability of each employee to embrace other cultures and understand other business environments. By facilitating skills transfers, international mobility also helps to promote the Edenred Spirit and Edenred's corporate values.

Local managers prepare for promotion to positions in other countries by getting involved in international projects or immersed in other cultures during regular visits.

Workplace well-being

Improving employee well-being is one of Edenred's core missions and a cornerstone of its cultural foundation. It is also a powerful performance driver and a major focus of the Group's human resources strategy, which aims to make Edenred an employer of choice.

Workplace well-being certification

Locally, Edenred's commitment to employee well-being is reflected in the certification earned by its country organizations. Indeed, today, 48% of employees in 10 countries already work in an accredited environment, attesting to the quality of Edenred's work-life and the commitment of its employees. Impelled by the Executive Committee, all of the subsidiaries are expected to be engaged in a local accreditation process by 2016.

"Best Workplaces" by the Great Place to Work Institute

Seven country organizations have been recognized as "Best Workplaces" by the Great Place to Work Institute, a management consultancy operating in 40 countries that has been conducting employee surveys at Edenred units, particularly in Latin America, for several years. Employee well-being is assessed on the basis of three key criteria: trust, pride and camaraderie. Because it is based on employee opinions, recognition as a "Best Workplace" is a clear sign that employees appreciate their company.

- **Edenred Spain** was named on the "Best Workplaces 2009" list for companies with 50 to 100 employees, ranking 9th out of the 50 companies cited. This follows on from the subsidiary's certification in 2008 as a family-friendly workplace.
- **Edenred Uruguay** continues to make progress, ranking 12th in 2007, 5th in 2008, 3rd in 2009 and first in 2010.
- **Edenred Brazil** has been included on the "Best Workplaces" list for 13 years.
- **Edenred Mexico** completed the "Best Workplace" assessment process and topped the list of "Great Places to Work for Women."
- **Edenred Venezuela and Edenred Argentina** have completed the assessment process.
- **Edenred Chile** appeared on the "Best Workplaces" list for the first time in 2010.

Other certifications, standards and initiatives

- **Edenred United Kingdom and Edenred Greece** have earned the "Investors in People" label. Managed by a UK firm and deployed in 30 countries worldwide, the label is awarded after a thorough audit of a company's management practices. Edenred United Kingdom also participates regularly in the Sunday Times' "Best companies to work for in the UK" survey, which is based on employee satisfaction surveys and human resources practices. In 2010, Edenred was awarded "Ones to Watch" status in the "Best Companies helping to make the world a better workplace" ranking.
- **Edenred Italy** has been certified in compliance with SA8000, an international social accountability standard for decent working conditions.
- **Edenred Peru** is a founding member of the *Asociación de Buenos Empleadores*, where companies exchange best practices to improve quality of life at work.

Employee pride

For 40 years, pride in their company has been the glue cementing Edenred's relationships with its employees, who embrace its core values of entrepreneurial spirit, performance, sharing, innovation and simplicity.

With the creation of Edenred and the launch of the EDEN project, instilling a shared culture and deploying the Edenred Spirit has become a major challenge. Engaging employees in a common goal that gives meaning to their work has been identified by the Executive Committee as a key priority.

- **Globally, in 2010 the foundations were laid for a new recognition system** that will honor employees who have helped to make Edenred a preferred partner for its stakeholders by doing simple things exceptionally well, a key principle of the Edenred Spirit.

- **Regionally and locally, such as in Latin America**, employee recognition programs have been in place for several years. By celebrating individual and team achievements, they are helping to improve customer relations, drive innovation and foster internal cooperation.

When Edenred's new name was unveiled on June 8, 2010, a campaign of internal events was deployed in 40 countries worldwide, involving all employees. This global campaign was later relayed on a website dedicated exclusively to the announcement that "We are all Edenred".

To support the deployment of the EDEN project and explain the different stages in Edenred's strategy, units are encouraged to organize open houses, information breakfasts and other events to foster communication between teams and facilitate the sharing of information and experience.

Employee surveys

Edenred is particularly diligent in tracking how employees perceive their work-life and what they expect of their employer. To discern the reality on the ground, a variety of surveys have been developed in recent years, whose findings and corresponding pathways to improvement are integrated into each country's action plan.

Specific surveys will be carried out in 2011 and 2012 to assess employee buy-in of the transformation process and understanding of the EDEN project.

Health

Health initiatives are undertaken by the country organizations in line with the policy of addressing issues that are of particular concern to local health authorities. They focus on several key areas:

- screening and prevention:

  free medical checkups are regularly offered to employees in many countries, such as **Germany, the Netherlands, Italy and China**. In 2010, Edenred **Hungary** launched a campaign to raise awareness among its 115 employees about the risks associated with bad eating habits;
- work-life balance:

  enjoying a healthy work-life balance is a major aspiration of employees in many companies, in every industry and every country. At Edenred, this balance is encouraged by real-world solutions, such as the following initiatives undertaken in 2010: a project dedicated to "Mums and Dads" in **Italy**, a program to help young mothers return to work in **Hungary**, a Ticket Junior childcare voucher for employees in **Austria**, and the *Viva Melhor* health platform set up by Edenred **Brazil**, which is part of the general employee health care benefits system. In other countries, like **Romania** and **Uruguay**, special days are organized for employees' children, while **Edenred Slovakia** has implemented programs for working mothers;
- other countries offer flexible working hours (**United States**) or part-time work. Edenred **Sweden**, for example, encourages employees with young children to reduce their work hours, while Edenred **India** has shortened its workweek from six days to five.

Compensation and benefits

Compensation

Principles

To attract, motivate and retain talent in nearly 40 countries worldwide, Edenred has introduced a global compensation policy that recognizes skills and performance while respecting the principles of fairness and non-discrimination.

Tailored to local practices and legislation, compensation policies are supported, where possible, by local market salary surveys conducted by specialized consultants.

Structure

Compensation includes a fixed salary that reflects the skills required to do the job and, for managers at all levels, an incentive bonus that recognizes their contribution to the company's growth, based on their fulfillment of both personal and company objectives.

Incentive plan

The first long-term incentive plan, composed of stock options and performance shares, was launched in summer 2010, for 455 managers in 39 countries.

Benefits

Health insurance, post-retirement and other benefits

In a commitment to employee health, safety and well-being, Edenred pays particular attention to the insurance benefits offered to employees around the world.

In 2010, a worldwide audit was undertaken by consultancy Mercer to provide an overview of the death, disability, health and post-retirement benefits in place across the organization. It found that these risks are covered in most of the Group's host countries.

With mandatory cover varying significantly from one country to the next, each unit selects the level of additional cover it wishes to provide in line with the local situation, as well as the unit's growth plan and its funding capabilities.

Expatriate employees may be covered by a special international insurance plan in addition to the local system, depending on the country and the level of local benefits. This ensures the same level of protection as in the expatriate's home country, particularly in terms of post-retirement benefits, while respecting the principle of fairness with regard to local employees.

Products and services

Employees are the first to benefit from Edenred's products and services. Depending on the solutions offered in their country of employment and local legislation, they receive benefits that make their lives easier (*Ticket Restaurant*®, *Ticket CESU*®, *Ticket Alimentación*®, *Ticket Car*®, *Childcare Voucher*®, etc.) as well as incentives and rewards (*Ticket Kadéos*®, *Ticket Compliments*®, etc.).

In the **United Kingdom**, the e-flex system allows Edenred employees to select the benefits that best suit their needs. A similar system, called Benefity Café, has been set up in the **Czech Republic**.

Profit-sharing and employee savings plans

Employees in France are covered by the Group non-discretionary profit-sharing agreement as well as discretionary profit-sharing agreements negotiated in each subsidiary.

Profit-shares received under these agreements may be invested in the Group Employee Savings Plan. Employees may also invest their own funds in the plan, with their contribution matched by the company according to predefined rules. These contributions may be made either the traditional way, by sending in a payment form, or by using the *Ticket Tesorus Epargne*® system.

Funds paid into the Employee Savings Plan are subject to a lock-up period, during which they are invested in any of five corporate mutual funds. These funds carry varying risk/reward combinations, offering participants a range of investment options depending on their capital, their investment horizon, their investment objective and their tolerance of risk.

Retirement savings plans can also be set up locally to supplement mandatory pension systems, with the local unit matching employee contributions. This is notably the case in **Brazil, the Czech Republic** and **Romania**.

Social dialogue

A commitment to creating and nurturing employee representative organizations

The demerger of Accor into two separate companies and the creation of Edenred resulted in a contribution of assets to Edenred. The transaction primarily involved the transfer to Edenred SA of shares in Accor SA subsidiaries that were involved in the services business or held interests in other companies involved in this business.

These subsidiaries therefore ceased to be direct or indirect subsidiaries of Accor SA and became direct or indirect subsidiaries of Edenred SA. However, only ownership of the shares was transferred, so the demerger did not have any particular impact on the existence or operation of the subsidiaries' employee representative organizations.

On the other hand, to structure and strengthen social dialogue, elections were held in October 2010 to designate employee representatives for the newly created Edenred SA. The elections proved a successful first step in the construction of a social dialogue process within the Group.

Today, this process is in place to address every issue of common interest related to the Group's business and employee relations policies. It covers the full range of negotiation and consultation procedures, as well as the simple exchange of information between employee representatives and management. Nevertheless, Edenred, which was created less than a year ago, needs to further consolidate its employee representative organizations. In particular, to comply with European Union legislation on informing and consulting employees, a European Works Council or an employee information and consultation procedure will have to be set up in pan-European subsidiaries.

Collective bargaining remains the preferred means of fostering social progress and improving employee working conditions.

Collective agreements

The social dialogue process has already enabled the signature of three agreements concerning Edenred SA and its subsidiaries in France, covering non-discretionary profit-sharing, supplementary insurance coverage and the Group Employee Savings Plan.

Management will meet with employee representatives throughout the year, at local and Group level, to discuss and possibly sign new agreements on such issues as the disabled, older employees, diversity, equal opportunity, psychosocial risks and work-life balance. Employee representatives will also participate in Group discussions on i) identifying the skills that will need to be upgraded and developed to support corporate strategy and ii) preparing for foreseeable economic, demographic and technological trends. In this way, social dialogue will contribute to both employee job security and the company's business growth.

Diversity

Edenred is committed to combating all forms of discrimination

An integral part of Edenred's corporate culture, the principles of diversity and respect for individual differences are embraced in local operations and regularly assessed through employee surveys.

Edenred ensures that differences are consistently respected at every level of the organization.

- The founding principle of **Edenred Brazil**'s employer charter is: "Edenred Brazil makes no distinction based on race, appearance, religion, gender, socio-economic background, nationality or other criteria. On the contrary, we encourage the recruitment of people our customers can identify with." Every year, the subsidiary conducts an opinion survey to identify potential areas of improvement with regard to diversity practices.
- **Edenred Italy** was among the first companies to sign the equal opportunity charter (*Carta per le pari opportunità e l'uguaglianza sul lavoro*) developed jointly by the Labor Ministry and the Equal Opportunity Minister. Supported voluntarily by companies of all sizes, the charter expresses each participant's pledge to promote an innovative corporate culture and a human resources policy, without discrimination or prejudice.

- Edenred's commitment to diversity can also be seen in the number of different nationalities represented within the same team. **Edenred Germany**, for example, employs around 100 people from 14 different nationalities, while in the **United States**, 12 different languages are spoken by the subsidiary's 46 employees.
- **Edenred France** organized anti-discrimination training sessions for recruitment teams in 2009-2010.

Integrating people with disabilities

The integration of people with disabilities is a challenge being met by all subsidiaries. Initiatives are being undertaken locally to provide practical solutions to the issues of integrating and maintaining disabled people in the workforce and facilitating their personal development.

- As a responsible corporate citizen, Edenred **Belgium** is firmly committed to integrating the disabled into its various departments. The subsidiary also took the needs of disabled people into account in planning for the shift to paperless solutions. The Management Committee ensures that particular attention is paid to meeting the needs of the disabled, and the subsidiary uses sign language interpreters and psychologists whenever necessary.
- Edenred **United Kingdom** regularly organizes disability awareness training sessions for employees.
- Edenred **Romania** uses sheltered workshops to organize training sessions, particularly for language classes.

Gender equality in the workplace

At end-2010, women accounted for 53% of employees worldwide and 60% in France.

The gender balance was also respected in the three previous years, with women accounting for 52% of employees in 2007 and 54% in 2008 and 2009.

Edenred actively promotes gender equality in the workplace, paying particular attention to the roles attributed to women within the company. It encourages women to take on key positions and in some cases facilitates flexible working hours for working mothers. Women accounted for 44% of managers in 2008 and 45% in 2009 and 2010.

Trends that emerged in certain countries are becoming more widespread:

- Edenred **Italy** was among the first companies to sign the equal opportunity charter developed jointly by the Labor Ministry and the Equal Opportunity Minister. Women account for 55% of employees at Edenred Italy, and 43% of managers, including three members of the Management Committee.
- Edenred **Mexico** topped the list of "Great Places to Work For Women" published by the Great Place to Work Institute and *Mujer Ejecutiva* magazine in October 2009 and 2010. The list honors companies with a human resources policy that promotes and encourages women in the workplace. The percentage of women in management positions at the subsidiary rose by 10% in 2010.

4.1.4. SUMMARY TABLES OF EMPLOYEE DATA - FRANCE

The Consolidated Corporate Report for France concerns 426 employees in service at December 31, 2010, irrespective of the type of employment contract.

In compliance with French legislation, the Report consolidates data from the 2010 corporate reports prepared by French subsidiaries that are at least 50%-owned and that have at least 300 employees.

	2010
Number of Employees	
Total number of employees [(1)]	426
Percentage of women	54%
Percentage of men	46%
Employees by age	
Under 25	7%
25 to 34 years	48%
35 to 44 years	27%
45 to 54 years	14%
Over 55	4%
Employees by seniority	
Under 6 months	13%
6 months to 2 years	13%
2 to 5 years	34%
More than 5 years	40%
Number of full-time employees under permanent contracts	380
Number of part-time employees under permanent contracts	15
Number of employees under fixed-term contracts	31
Non-French employees working in France (as a % of total employees)	4%
Hiring	
Number of persons hired under permanent contracts	57
Percentage of women	46%
Percentage of men	54%
Number of persons hired under fixed-term contracts	79
Number of people under 25 hired	48
Compensation	
2008 discretionary profit-shares paid in 2009	
Number of beneficiaries [(2)]	448
Average gross amount per beneficiary *(in €)*	1,294.64
2008 non-discretionary profit-shares paid in 2009	
Special employee profit sharing reserve, net *(in €)*	137,739.31
Number of beneficiaries [(2)]	444
Average net amount per beneficiary *(in €)*	**310**
Health and Safety Conditions	
Number of meetings of Health, Safety and Working Conditions Committees	3
Number of employees receiving onsite safety training	82
Employee Relations	
Collective agreements signed in 2010	3
Total hours used for employee delegate activities	13
Number of meetings with employee representatives	13

(1) All employees on the payroll at December 31, regardless of the type of employment contract.

(2) Among employees who worked at least three months in the year.

4.2. Our commitment to corporate social responsibility

INTRODUCTION

Edenred's core business is to make life easier for its fellow citizens, enhance employee well-being in the workplace and encourage people to eat a proper meal at lunchtime. By reconciling the needs of day-to-day living with the quest for well-being, these missions flow seamlessly into the Group's sustainable development objectives.

By inventing the *Ticket Restaurant*® meal voucher in the 1960s, Edenred helped to spread the practice of taking a lunch break to all employees, regardless of category. Today, it is a key partner for companies of all sizes that wish to encourage their employees to eat a proper meal during their workday.

In recent years, as obesity has become a growing problem in developing countries, the Group decided to take advantage of its unique position among customers, affiliates and beneficiaries to relay public health messages promoting a balanced diet. Today, nutrition is a global challenge, particularly in poor communities, and weighs heavily on health care costs, causing concern for governments worldwide.

As part of the demerger from Accor and the creation of a new identity, Edenred intends to sustain its commitment to corporate social responsibility issues in its areas of competency. That's why a stakeholder consultation process was launched in 2010 to define the Group's strategic CSR objectives. As a result of this process, Edenred decided to strengthen its commitment to promoting public health by launching a global program in 2011 aimed at improving eating practices worldwide.

Equally aware of its responsibility with regard to day-to-day operations, Edenred is also firmly committed to limiting its environmental impact and to deepening its roots in local communities.

The information presented below details the Group's various initiatives and achievements in the area of corporate social responsibility.

SCOPE OF REPORTING

Unless otherwise indicated, the scope of reporting includes the corporate headquarters and all of the consolidated subsidiaries.

Information is reported by geographical region, as follows:

- France;
- Rest of Europe;
- Latin America;
- Asia;
- United States.

Cross-reference table reconciling NRE Act requirements and registration document disclosures

NRE Act no. 2002-211 of February 20, 2002	Registration document disclosures	
1. Consumption of water, raw materials and energy, including any measures taken to improve energy efficiency and the use of renewable resources, land use conditions, atmospheric emissions and discharges into water and soil that seriously affect the environment (a list of which shall be determined by order of the ministers responsible for the environment and industry), noise and odor pollution and waste	4.2.3.1	Environmental report
2. Measures taken to limit impacts on the biological balance, natural habitats and endangered animal and plant species	4.2.3 4.2.3.3	Environment Raising employee awareness
3. Environmental assessment or certification programs	4.2.3.2	Environmental certification
4. Any measures taken to ensure the organization's compliance with applicable legislation	4.2.3	Environment
5. Expenditure incurred to forestall the environmental consequences of the company's operations	4.2.3.6	Environmental expenditure
6. The existence within the company of internal environmental management units, related employee training and information, the resources devoted to reducing environmental risks and the organization set up to respond to accidental pollution emergencies having consequences beyond the company and its entities	4.2.3 4.2.3.3	Environment Raising employee awareness
7. The amount of provisions and guarantees set aside for environmental risks, unless such disclosures are likely to cause serious harm to the company's interests in any pending litigation	4.2.3.7	Provisions and guarantees for environmental risks
8. The amount of compensation paid during the year in execution of any court rulings on environmental matters and action taken to repair any environmental damages	4.2.3.8	Penalties paid following a court ruling on environmental claims
9. Detailed information about the objectives that the company sets for its foreign subsidiaries in relation to points 1 to 6 above.	4.2.3.9	Objectives assigned to foreign subsidiaries
10. Corporate philanthropy and community outreach	4.2.4	A responsible corporate citizen

4.2.1. THE CORPORATE SOCIAL RESPONSIBILITY POLICY

4.2.1.1. Organization of the corporate social responsibility policy

2010 marks the determination to unite all corporate social responsability (CSR) actions into one CSR project at Group level.

In 2010, our teams were assertively mobilized around a Group-level corporate social responsibility (CSR) process.

The project is designed to ensure that all key personnel are involved in developing innovative, sustainable programs that meet the needs of all Edenred's stakeholders.

This project is supported at the highest level of management, with CSR targets being defined by a dedicated steering committee set up at the request of Jacques Stern and the Executive Committee.

Corporate social responsibility processes are defined by the Corporate Social Responsibility Department, which reports to the Corporate Communications, Investor Relations and Corporate Social Responsibility Department. The Corporate Social Responsibility Department also coordinates cross-functional initiatives with the units concerned, such as human resources, purchasing, marketing, legal affairs and technical services.

Starting in 2008, a CSR correspondent network was set up in each host country, with some country organizations also creating CSR committees. Today, the network is implementing Edenred's CSR policies and leading local action plans, while enabling sharing of the best practices that everyone is expected to apply across the CSR spectrum.

The network is comprised of line managers who have been assigned CSR responsibilities.

Key figures:

The country correspondent network includes 63 members, who may be analyzed as follows:

- 56% are marketing, business development and sales managers;
- 24% are human resources officers;
- 8% are country chief executives.

The rest work in other corporate functions.

4.2.1.2. Procedures and governance

At the Executive Committee's request, a CSR Steering Committee was set up shortly after the demerger to define a corporate social responsibility process for Edenred. It is directly supervised by Eliane Rouyer Chevalier, the Executive Committee member in charge of corporate social responsibility, and by one of the regional chief executives.

Its nine members include line managers, such as country chief executives and product segment managers, and support function managers, such as the Vice Presidents, Corporate Human Resources, Institutional Relations and Corporate Social Responsibility. Their role is to recommend strategic objectives and priorities for CSR policy. The committee has met on a monthly basis since its creation and reports directly to the Executive Committee on its progress.

4.2.1.3 Situational assessment

To successfully implement the CSR Steering Committee's recommendations, the CSR Department surveyed the existing situation in more than 90% of host countries, with a focus on three main issues:

- the importance of corporate social responsibility challenges in each country;
- existing projects and initiatives;
- expectations and needs.

Typical findings included:

- 75% of respondents said that corporate social responsibility was or should be part of their operating strategy;
- 97% felt that CSR was an important motivating factor for employees;
- 167 corporate social responsibility projects or initiatives were already in place in 2009;
- 39% of projects concerned local development;
- 32% of projects concerned the environment.

Key figures:

- Nine-member CSR Steering Committee.
- 90% of countries surveyed to assess the local situation.
- A presentation to Group management every six months to track progress in performance and in defining the CSR strategy.

Commitments:

- Edenred pledges to communicate extensively with its employees in 2011 on the various facets of its corporate social responsibility strategy and to ensure that local action plans are deployed to execute it.

4.2.2. WELL-BEING AND HEALTH

According to the World Health Organization, at least 2.6 million people die each year as a result of being overweight or obese. One billion adults are overweight and more than 300 million are obese. The WHO now believes that obesity is a global epidemic. Once associated with high-income countries, obesity is now also found in low- and middle-income countries.

Governments, international partners, civil society, non-governmental organizations and the private sector all have vital roles to play in helping to prevent obesity. Edenred is doing its part by deploying two programs to promote balanced nutrition among its affiliated restaurants, corporate customers, beneficiaries and employees.

This initiative was launched in the spirit of the European Charter on Counteracting Obesity, which was signed by the Ministers and delegates attending the WHO European Ministerial Conference on Counteracting Obesity held in Istanbul in 2006. It also follows on from the International Labor Organization's 2005 publication of *Food at Work*, a study to which Edenred contributed its first-hand experience. It emphasized the importance of food to employee health and productivity, and made recommendations to governments, employers and unions.

4.2.2.1. Nutritional Balance

Since 2005, the "Nutritional Balance" program has been deployed to promote healthy eating habits among *Ticket Restaurant*® users, by enabling them to easily identify menu items at affiliated restaurants that meet the criteria of a varied and balanced diet.

Represented by the "Gustino" mascot, the program was developed in partnership with expert nutritionists, local public partners and restaurant industry representatives, whose involvement ensures the initiative's validity. The breadth of the *Ticket Restaurant*® affiliate network, coupled with Edenred's ability to touch the lives of millions of users every day, has made it possible to move eating habits in a more balanced direction. The program both influences menu preparation and raises consumer awareness of nutritional issues.

The Gustino program has been deployed in 13 countries worldwide.

4.2.2.2. The European Fighting Obesity through Offer and Demand (FOOD) project

Eager to deepen its commitment by leveraging the advice of political, economic, social and medical experts, Edenred participated in a call for proposals issued by the European Commission in 2008 as part of the Second Program of Community Action in the Field of Health initiated by the Directorate General for Health and Consumers. The challenge was to propose solutions for fighting obesity and unequal access to a balanced diet.

This initiative led to Edenred's involvement in the Fighting Obesity through Offer and Demand (FOOD) project, which aims to improve the nutritional quality of restaurant food and make it easier for informed consumers to choose, by offering keys to understanding. It serves as the standard bearer for the Group's public health and social policy approach.

The members of the FOOD Consortium are unified by a common interest: to promote a balanced diet by acting on both supply (offer) and demand.

The FOOD project's main objectives are to:

- positively influence the lifestyle and habits of European consumers;
- improve the nutritional quality of restaurant food.

Launched on January 20, 2009, the two-year FOOD project mobilized more than 25 public and private partners in France, Belgium, Spain, Italy, the Czech Republic and Sweden, as follows:

- Belgium: The Ministry of Health, through the National Food and Health Plan (PNNS), and the Haute École Lucia de Brouckère – Center for Information and Research on Food Intolerance and Hygiene (HeLDB-CIRIHA);
- Spain: The Ministry of Health, through the Spanish Agency for Food Safety and Nutrition (AESAN) and the Mediterranean Diet Foundation (FDM);
- France: The Paul Bocuse Institute;
- Italy: The University of Perugia;
- The Czech Republic: The Czech Obesity Research Association;
- Sweden: The Karolinska Institute.

Since 2009, a large number of resources and communication initiatives have been deployed to raise awareness among employees and restaurateurs. For example:

- a roadshow organized for the official launch. Presented on a bus that circulated in business districts and near restaurants, the show attracted a total of 3,000 visitors;
- a dedicated international website;
- a blog;
- a Facebook page;
- an online game available in seven languages on the FOOD website.

Key figures

- Six host countries participated in the FOOD project in 2010.
- A healthy eating questionnaire was sent to 52,000 employees and 5,000 restaurants.
- 25 public partners are supporting the project.
- 3.8 million employees and 95,000 restaurants have been informed of the FOOD principles.
- 1,750 restaurants in the six countries participating in the project belong to the FOOD network.

The main results of the FOOD project (survey findings, evaluation of resources and practices, etc.) will be presented at a conference in Brussels in May 2011 and published in a document presenting the 28 months of the project. At the final presentation, the FOOD Consortium will review the results of the project over the period and launch the next steps. Edenred is committed to supporting the FOOD project's deployment beyond the six European pilot countries.

4.2.2.3. The fight against HIV/AIDS

While stepped-up prevention programs have improved the HIV/AIDS situation, the epidemic is still raging and the fight against HIV/AIDS remains a critical health priority around the world. The number of people living with HIV continued to increase in 2009, reaching an estimated total of 33.3 million worldwide. On the occasion of World AIDS Day 2008 and 2009, 29 countries were involved in setting up a variety of prevention campaigns, ranging from awareness-raising conferences to screening tests.

Best practices in 2010

Edenred India

As in previous years, Edenred India renewed its commitment to raising HIV/AIDS awareness. Following on from the national "Pin on a Million Hopes" campaign launched in 2008 and the "Act-HIV" workplace program deployed in 2009, Edenred India debuted a new HIV/AIDS initiative called "Batao Bachao" on World AIDS Day, December 1, 2010.

Focused on disseminating information and preventing the disease, the Batao Bachao campaign's baseline is: "Spread awareness. Save lives." A dedicated website has been set up to build awareness among employees, customers and partners.

In 2008, Edenred was selected to participate in the India-Country Coordinating Mechanism (CCM), a public/private consortium set up to combat HIV/AIDS, tuberculosis and malaria. The consortium coordinates allocation of Global Fund resources to local programs that fight these three diseases. Working alongside NGOs, government representatives and four other companies, Edenred is contributing to the process of defining and implementing practical initiatives that counteract these epidemics in India.

Edenred Brazil

HIV/AIDS prevention has been one of Edenred Brazil's priorities since 2007. Every year, a large number of campaigns for both employees and the local community are organized by the CIPA Workplace Accident Prevention Committee, whose members include a psychologist, a physician, a nutritionist and a physical trainer.

On December 1, 2010, in honor of World AIDS Day, information booklets were distributed to the subsidiary's 1,300 employees. Among them, 700 attended a presentation on transmission risks in the workplace and prevention methods. They were also informed of the measures taken by the company to support employees living with HIV.

Brochures were also transcribed in braille for visually impaired employees and donated to three institutes for the blind located in São Paulo.

4.2.3. ENVIRONMENT

4.2.3.1. Environmental Report

Scope of reporting

Environmental stewardship is a priority focus of Edenred's sustainable development process. Even though its business has little impact on the environment, the Group is committed to reducing this footprint and improving its environmental performance in every host country.

The information presented in this section concerns 14 countries: Belgium, Brazil, the Czech Republic, France, Hungary, Italy, Mexico, Romania, Slovakia, Spain, Sweden, Turkey, the United Kingdom and Venezuela. Country data is consolidated annually by the Corporate Social Responsibility Department.

The scope of environmental reporting covers all main subsidiaries, which together represent 94.4% of total emissions.

Energy

The table below shows the total amount of energy used worldwide and by region.

Energy consumption *(in kWh)*	France	Rest of Europe	Latin America	2008 Total	2009 Total	2010 Total
Electricity	1,102,163	3,916,926	4,211,291	9,127,089	8,979,766	9,230,380
Natural gas	218 586	1 128 009	4 999	1 787 567	1 721 634	1 351 594
Fuel oil	0	0	60,771	7,310	7,358	60,771
Urban heating	0	0	0	0	0	0
TOTAL	**1,320,749**	**5,044,935**	**4,277,061**	**10,921,966**	**10,708,757**	**10,642,745**

Best practices in 2010

On Earth Day 2010, Edenred Italy and Edenred Slovakia organized a major campaign to raise employee awareness about energy-saving practices. As part of the campaign, brochures were distributed providing practical recommendations for reducing energy use.

Water

The table below shows the total volume of water used worldwide and by region.

Water use *(in cubic meters)*	France	Rest of Europe	Latin America	2008 Total	2009 Total	2010 Total
Total	6,141	10,188	26,753	47,483	44,934	43,082

Edenred's offices, most of which are located in cities, are generally connected to municipal sewage systems.

Best practices in 2010

In Singapore, on World Water Day, Edenred's teams participated in Run for Water, a race organized to raise public awareness about the importance of water resources.

Paper

The table below shows the total volume of paper used worldwide and by region. Paper-use data is available as from 2009.

Paper use *(in tonnes)*	France	Rest of Europe	Latin America	2009 Total	2010 Total
Vouchers	298	1,046	470	2,062	1,814
Brochures	36	78	62	211	176
Office paper	21	62	30	139	113
TOTAL	**355**	**1,185**	**562**	**2,412**	**2,103**

The production of paper vouchers is a major aspect of Edenred's business. One of Edenred's environmental priorities is to limit paper consumption and reduce the impact on forests by using eco-design techniques and environmental paper. Edenred Brazil, for example, has printed its *Ticket Restaurant*® meal vouchers on recycled paper since 2007, helping to save 400 trees a month. In addition, *Ticket Restaurant*® vouchers are now provided in a new format, thereby reducing paper use by 45 tonnes per year.

Waste

The following table shows the total tonnage of waste produced worldwide and by region.

Waste *(in tonnes)*	France	Rest of Europe	Latin America	2008 Total	2009 Total	2010 Total
Total	1,274	1,033	307	2,144	2,666	2,615

Best practices in 2010

In every host country, employees are regularly informed of best practices for limiting office waste.

In Argentina, a recycling program has been set up requiring employees to sort their waste into separate containers for refuse and recyclables. Different bins have been provided for disposing of paper, cardboard, plastic and metal.

In Peru, Edenred participated in a Ministry of the Environment paper-recycling campaign called "*Recíclame: cumple tu papel*". As part of this campaign, employees visited a recycling plant and workshops that create products containing recycled paper.

Greenhouse gas emissions

Greenhouse gas emissions are calculated based on the energy use data provided above, as follows:

- direct emissions correspond to the natural gas and fuel oil burned in Group facilities;
- indirect emissions concern electricity used by these units, as well as the heat and air conditioning supplied by urban heating and cooling networks.

Greenhouse gas emissions *(in tonnes of CO_2 equivalent)*	France	Rest of Europe	Latin America	2008 Total	2009 Total	2010 Total
Direct	40	207	17	329	317	263
Indirect	94	1,467	1,265	2,506	2,514	2,826
TOTAL	**134**	**1 674**	**1,282**	**2,835**	**2,831**	**3,089**

Best practices in 2010

Edenred Brazil joined with 30 other leading companies in 2009 to create the Companies for the Climate working group, which is exploring ways of reducing carbon emissions. The subsidiary has also initiated a process to calculate the carbon footprint of its meal voucher business in 2011, training some 15 employees in techniques to measure voucher-related greenhouse gas emissions.

Wastewater

Edenred's activities generate wastewater whose content is similar to household wastewater. Its offices, most of which are located in cities, are generally connected to municipal sewage systems.

Soil contamination

Edenred's activities do not contaminate the soil.

Noise pollution and odors

As Edenred's activities generate very little noise pollution or odors, no related measures have been taken.

4.2.3.2. Environmental certification

Operations in France and the Netherlands are certified to ISO 14001 standards. In 2005, Edenred France was the first meal voucher issuer to earn such certification, one of whose main criteria is compliance with applicable regulations.

For the seventh consecutive year, Edenred Mexico earned Empresa Socialmente Responsable (ESR) certification, which is awarded to socially responsible companies in Mexico and other parts of Latin America. Environmental management practices are included in the certification criteria.

Best practices in 2010

Edenred United Kingdom obtained ISO 14001 certification for all of its sites in 2010.

4.2.3.3. Raising employee awareness

Because most of Edenred's environment impact comes from office energy and resource use, raising employee awareness is a priority focus of its environmental policy. To facilitate this process, a dedicated intranet platform has been built to educate employees about the environment and other facets of Edenred's CSR strategy.

In addition, environmental awareness campaigns are organized locally throughout the year.

Best practices in 2010

Since November 2007 in the United Kingdom, a group of volunteers known as "The Green Team" has participated several times a year in such environmental conservation initiatives as river cleanups and tree plantings, organized in partnership with the Thames21 environmental charity.

Environment Charter

For several years now, Edenred's environmental management systems have been based on Accor's Environment Charter. In 2011, a new version of the Charter will be prepared to better represent the challenges specific to Edenred's operations.

Earth Day

Each year on Earth Day, employees participate in various programs designed to benefit the planet and its inhabitants. In 2010, a total of 29 country organizations participated in Earth Day events.

4.2.3.4. Raising awareness among affiliates, customers and beneficiaries

Although its environmental footprint is small, Edenred is acutely aware of the challenges facing its affiliates, customers and beneficiaries. Because it plays a pivotal role in the stakeholder relationship process, it is ideally positioned to nurture constructive dialogue with them, understand their needs and help them implement actions in favor of the environment.

Best practices in 2010

- For affiliates: Introduced in France through the Ticket Clean Way® prepaid uniform aftercare card, the "Eco-Pressing" sustainable dry cleaning program encourages affiliates as well as the entire dry cleaning industry to reduce their environmental footprint, improve their practices and thereby meet increasingly strict compliance standards.
- For customers and beneficiaries: In Brazil, Ticket Car launched the Ticket Carbon Control in 2009, to enable corporate customers to calculate their vehicle fleet exhaust emissions. The new solution provides accurate, detailed data on the CO_2 emitted by the fuel burned in their cars.

4.2.3.5. Product innovation

New product development consistently integrates environmental and social issues, in a commitment to addressing the concerns of modern society. In two recent examples:

- *Ticket EcoCheque®* was created in 2009 at the request of the Belgian government, to promote environmentally responsible products and services and enhance beneficiaries' purchasing power. Since its launch, the voucher has enabled nearly 700,000 users to purchase products through a network of merchants offering eco-friendly solutions;
- this year, Edenred United Kingdom launched *Ticket Compliments®* Green, a solution that enables companies to offer their employees an incentives and rewards program that is also environmentally gentle. In particular, to limit its environmental impact, the voucher is exclusively available online.

4.2.3.6. Environmental expenditure

The environmental budget of Edenred's subsidiaries amounted to €146,004 in 2010. Most of these funds were dedicated to organizing Earth Day on April 22, during which employees developed environmental protection action plans.

The scope of reporting for these expenditures includes the 14 main subsidiaries, as well as the environmental budget of the Corporate CSR Department.

4.2.3.7. Provisions and guarantees for environmental risks

No material provisions or guarantees were set aside in 2010 for environmental risks.

4.2.3.8. Penalties paid following a court ruling on environmental claims

Edenred was not subject to any court rulings on environmental claims in 2010.

4.2.3.9. Objectives assigned to foreign subsidiaries

The environmental policy applies to all facilities outside France that are directly operated by Edenred and its subsidiaries.

4.2.4. A RESPONSIBLE CORPORATE CITIZEN

Edenred pursues sponsorship programs through long-term partnerships designed to help the needy. The keystones of this community outreach commitment are locally involved employees who embody Edenred's values. They take part in a wide range of local actions, such as donating equipment to non-profit organizations, providing technical and logistics support, and undertaking social welfare programs. These programs are decentralized and primarily concern local initiatives tailored to the needs of each community.

4.2.4.1. Eden for All

On December 10, 2010, employees played an important role in Edenred's international day of action, "Eden for All: We Care, We Share". For this occasion, they were encouraged to make a donation to a partner non-profit association or NGO, or to volunteer their time to one or several outreach projects. The first global manifestation of Edenred's commitment to corporate citizenship, "Eden for All" is a sustainable commitment that will be repeated each year.

In all, 31 country organizations participated in the event. Below are a few examples of their contribution:

- Edenred Chile helped to renovate a daycare center for underprivileged children for local non-profit Jardín Infantil Hueñi Trai, by contributing to both gardening and paint work;
- Edenred Czech Republic organized a food drive on behalf of a local food bank;
- Edenred Lebanon donated Christmas presents through Sesobel, a Lebanese non-profit that cares for disabled children;
- Edenred Mexico involved employees in the Telethon Food Fair, a sports competition fundraiser;
- Edenred France organized a drive to collect *Ticket Restaurant®* meal vouchers, clothing, toiletries and food in cooperation with the French Red Cross, its partner for nearly eight years;
- in addition to the traditional *Ticket Restaurant®* meal voucher collection drive for the Restos du Coeur free meals program, Edenred Belgium employees participated in the "Shoe Box" initiative, which involves filling boxes with presents and personalizing them to give to homeless individuals in the Brussels region.

4.2.4.2. Local initiatives

Ticket Restaurant® collection drive

In France, *Ticket Restaurant®* has been involved in the "Tickets Solidaires" meal program for the past eight years. For every meal voucher donated, four meals are distributed to the needy by the Red Cross, whose meal assistance program is shaped by a commitment to providing humanitarian aid to the needy, while empowering them to become self-sufficient as soon as possible. This involves locating and protecting vulnerable people, preventing them from sinking deeper into poverty, and assisting and guiding them back into the social community.

Key figures:

The *Ticket Restaurant®* – French Red Cross initiative:

- 480,000 companies and 1.2 million users each year for the past eight years.
- €924,000 raised since 2003.
- €161,442 raised in the 2008-2009 season.

In Belgium, Edenred takes part in a *Ticket Restaurant®* meal voucher collection campaign on behalf of Restos du Cœur, a meals for the needy program. In 2010, the campaign raised nearly €30,000, which was donated to Belgium's food bank federation.

Emergency relief

Following last year's catastrophic earthquake in Haiti, Edenred companies in France, Spain, Sweden, Greece and other countries helped the Red Cross to raise emergency relief funds for the island's victims.

Fee donations

Following the launch of the Ticket CESU Handicap human services voucher in France, Ticket CESU took its commitment to the next level by donating a portion of its service fees to Fondation de France to fund projects that help to integrate disabled individuals into society.

Employee involvement

In Venezuela, employees regularly participate in community outreach projects. A group of volunteers called “Yo Soy Voluntario” visits hospitals several times a year to bring a little comfort to child and elderly patients. Employees receive special training from a psychologist to prepare them for these visits.

Ethical index

In recognition of its commitment to corporate social responsibility, Edenred has been included this year in the FTSE4Good international index. The FTSE4Good Index series has been designed to objectively measure the performance of companies that meet globally recognized corporate responsibility standards. It is published by the same company as the FTSE equity indices. Of the 305 European companies included in the FTSE4Good, only 45 are French. Edenred’s inclusion in the index is a strong incentive for the Group to pursue its socially responsible policies.

FTSE4Good

Corporate Governance

5

5.1. Administrative, management and supervisory bodies

5.1.1. MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

5.1.1.1. Membership of the Board of Directors

Since the June 29, 2010 Shareholders' Meeting, the Board of Directors has been comprised of the following members:

The directors whose names are followed by an asterisk (*) are independent directors.

Jean-Paul Bailly*, Chairman of the French Post Office (Groupe La Poste)

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011.
- A graduate of École Polytechnique and the Massachusetts Institute of Technology, Jean-Paul Bailly held various positions with the Paris Transit Authority (RATP), including Manager of the Paris Metro and RER suburban rail system, Human Resources Director, Deputy Chief Executive Officer and then Chairman and Chief Executive Officer. Appointed Chairman of the French Post Office (Groupe La Poste) in 2002, Mr. Bailly has also been Chairman of the Supervisory Board of La Banque Postale since 2006.

Sébastien Bazin, Principal, Managing Director Europe of Colony Capital

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2013.
- Sébastien Bazin holds a Master of Science in Management from Université Paris Sorbonne. Before joining Colony Capital in 1997, he served as Vice President of PaineWebber's mergers and acquisitions group in London and New York, as a Director of Hottinguer Rivaud Finances and lastly as Group Managing Director and General Manager of Immobilière Hôtelière. He has been Managing Director Europe of Colony Capital since 1999.

Anne Bouverot*, Executive Vice President, Mobile Services, France Telecom

- Director since June 29, 2010. Her term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2012.
- A graduate of École Normale Supérieure and of Télécom Paris, Anne Bouverot was Vice President, Global Bid Management at Global One from 1996 to 2002. In August 2004, she became Chief of Staff for the Chief Executive Officer of Orange Group and then, in November 2006, Executive Vice President, International Business Development, at France Telecom Since March 2009, Ms. Bouverot has been Executive Vice President, Mobile Services at France Telecom. She has also been a Director of Groupama SA since October 2008.

Philippe Citerne*, former Chief Operating Officer of Société Générale

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2012.
- After graduating from École Centrale de Paris and holding a number of positions in the French Finance Ministry, Philippe Citerne joined Société Générale in 1979, where he served as Vice President of Economic Research, Vice President Finance and Vice President Human Relations, prior to becoming Director, Deputy Chief Executive Officer and Chief Operating Officer from 1997 to April 2009. He is the Vice-Chairman of the Board of Directors of Accor.

Gabriele Galateri di Genola*, Chairman of Telecom Italia SpA

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2013.
- Gabriele Galateri di Genola, who has an MBA from Columbia University, held various positions at Saint-Gobain, then at Fiat beginning in 1977. He was appointed Chief Executive Officer of Ifil in 1986 and Chief Executive Officer and General Manager of IFI in 1993. He was Chairman of Mediobanca until June 2007 and has served as Chairman of Telecom Italia since December 2007.

Françoise Gri*, Chairman of Manpower France

- Director since June 29, 2010. Her term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2012.
- A graduate of Ensimag, Françoise Gri joined the IBM group in 1981. She was appointed Director of the e-business solutions Marketing and Sales division of IBM EMEA in 1996, and then Director of Commercial Operations for IBM EMEA in 2000. After serving as Chairman and Chief Executive Officer of IBM France from 2001 to 2007, Ms. Gri has been Chairman of Manpower France since March 2007.

Roberto Lima*, Chairman and Chief Executive Officer of Vivo S.A. and Vivo Participações S.A.

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2012.
- Roberto Lima has an MBA from Fundação Getúlio Vargas University and a masters degree in Strategic Planning from Institut Supérieur des Affaires – Groupe HEC. He held various management positions in information technology and finance with Rhodia and Saint Gobain before joining Accor where, over a period of 17 years, he successively held the positions of Treasury Manager, Chief Financial Officer and Executive Vice President. From 1999 to 2005, Mr. Lima was the Chairman and Chief Executive Officer of the Credicard group in Brazil. Since July 2005, he has been the Chairman and Chief Executive Officer of Vivo Participaçoes S.A. and of Vivo S.A., Brazil's largest mobile operator.

Bertrand Meheut*, Chairman of the Canal+ Group Executive Board

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011.

- A graduate of École des Mines de Paris, Bertrand Meheut spent most of his career with Rhône-Poulenc and later Aventis CropScience, serving as Deputy Chief Operating Officer, Europe, in charge of corporate services for the Agro division, and then successively as Chief Executive Officer of the German subsidiary, Deputy Chief Executive Officer of Rhône-Poulenc Agro and Executive Vice President and Chief Operating Officer Europe. Following the merger of Rhône-Poulenc and Hoechst to form Aventis, Mr. Meheut was appointed Chief Executive Officer of Aventis CropScience. He joined Canal+ Group in 2002 and is currently Chairman of its Executive Board.

Virginie Morgon, member of the Eurazeo Executive Board

- Director since June 29, 2010. Her term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011.
- Virginie Morgon graduated from Institut d'Études Politiques de Paris and holds a master's degree in economics and management from Bocconi University in Milan. A member of the Eurazeo Executive Board since January 2008, she co-leads the investment team. After working as an investment banker in New York and London and then Paris from 1991 to 2000, she was a senior partner of Lazard Frères et Cie, Paris, from 2001 to 2007.

Nadra Moussalem, Principal, Colony Capital Europe and Managing Director of Colony Capital SAS

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011.
- A graduate of École Centrale de Lyon, Nadra Moussalem joined Colony Capital in 2000 where he is currently a Principal of Colony Capital Europe responsible for the identification, evaluation, consummation and management of new European investments.

Patrick Sayer, Chairman of the Executive Board of Eurazeo

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2013.
- A graduate of École Polytechnique and École des Mines de Paris, Patrick Sayer was a senior partner at Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co in New York. He participated in the creation of Fonds Partenaires from 1989 to 1993 and later helped redefine the investment strategy of Gaz et Eaux, which was subsequently renamed Eurazeo. He has been Chairman of Eurazeo's Executive Board since May 2002.

Jacques Stern, Chairman and Chief Executive Officer of Edenred

- Chairman of the Board and Chief Executive Officer since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2013.
- A graduate of École Supérieure de Commerce de Lille and a certified public accountant, Jacques Stern began his career as an auditor with Price Waterhouse. He joined Accor in 1992 as head of the Consolidation department and then held various other finance positions before becoming Finance Director in 2003. In March 2005, he became member of the Accor Management Board in charge of Finance.

  In 2006, Mr. Stern was appointed Chief Financial Officer, Executive Vice President in charge of Purchasing & Information Systems, and Member of the Executive Committee. In 2009, he became Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development, Information Systems and Purchasing.

  On December 15, 2009, he was appointed Deputy Chief Executive Officer in charge of Accor Services and Finance.

  On June 29, 2010, he was named Chairman and Chief Executive Officer of the Edenred Group (formerly Accor Services).

The Board's membership reflects Edenred's global scope, with representatives from the Group's three major host countries, France, Italy and Brazil. Through their expertise in such areas as new technologies, human resources and innovation, the Board members will support the Group in implementing its growth strategy.

Seven directors are deemed to be independent, based on the independence criteria set forth in the April 2010 AFEP/MEDEF Corporate Governance Code. Philippe Citerne has been appointed as Vice-Chairman of the Board and will serve as the preferred contact for shareholders not represented on the Board.

Three of the 12 directors (25%) are women, a proportion in line with AFEP/MEDEF recommendations of April 19, 2010 concerning gender balance on corporate boards, and with Act 2011-103 of January 27, 2011.

To the best of the Company's knowledge, in the last five years no director or officer has (i) been convicted of any fraudulent offence; (ii) been a member of the administrative, management or supervisory body of a company that has been declared bankrupt, or placed in liquidation or receivership; (iii) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities; or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer. No director or officer has any service contract with the Company or any of its subsidiaries, providing for benefits upon termination of said contract.

5.1.1.2. Members of the Executive Committee

The members of the Executive Committee are:

Jacques Stern

Chairman and Chief Executive Officer

Jean-Louis Claveau

Chief Operating Officer, Hispanic Latin America and North America

Laurent Delmas

Chief Operating Officer, France

Philippe Dufour

Vice President, Strategy & Development

Arnaud Erulin

Chief Operating Officer, Central Europe and Scandinavia

Graziella Gavezotti

Chief Operating Officer, Italy

Loïc Jenouvrier

Vice President, Finance, Information Systems and Legal Affairs

Philippe Maurette

Vice President, Human Resources

Oswaldo Melantonio Filho

Chief Operating Officer, Brazil

Laurent Pellet

Chief Operating Officer, Southern Europe and South Africa

Bernard Rongvaux

Chief Operating Officer, Northern Europe, Middle East and Africa

Eliane Rouyer-Chevalier

Vice President, Corporate Communication, Investor Relations and Corporate Social Responsibility

5.1.1.3. Other directorships and positions held by the members of the Board of Directors

The following details of other directorships and positions held by members of the Board of Directors are based on the information provided to the Company by the individuals concerned.

Jean-Paul Bailly (number of Edenred shares: 600)

Directorships and positions held as of December 31, 2010:

Chairman and Chief Executive Officer of the French Post Office (Groupe La Poste).

Permanent representative of La Poste on the Board of Directors of GeoPost.

Permanent representative of La Poste on the Board of Directors of Sofipost.

Chairman of the Supervisory Board of La Banque Postale.

Director of Sopassure.

Member of the Supervisory Board of La Banque Postale Asset Management.

Director of CNP Assurances.

Permanent representative of La Poste on the Board of Directors of Poste Immo.

Permanent representative of La Poste on the Board of Directors of SF 12.

Permanent representative of La Poste on the Board of Directors of Xelian.

Director of GDF Suez, representing the French State.

Director of Accor, Edenred.

Directorships and positions held in the last five years:

Permanent representative of La Poste on the Board of Directors of SF 12.

Director of Systar.

Permanent representative of La Poste on the Board of Directors of SF2.

Legal Manager of Financière Systra.

Permanent representative of La Poste on the Board of Directors of Groupement des Commerçants du Grand Var intercompany partnership.

Sébastien Bazin (number of Edenred shares: 1,000)

Directorships and positions held as of December 31, 2010:

France:

Chairman and Chief Executive Officer of Société d'Exploitation Sports et Evénements.

Chairman and Chief Executive Officer of Holding Sports et Evénements.

Chairman of the Supervisory Board of Paris Saint Germain Football.

Director of Accor, Edenred, Moonscoop IP and Carrefour.

Member of the Supervisory Board of ANF (Les Ateliers du Nord de la France).

Chairman of Colwine SAS, Colfilm SAS, Bazeo Europe SAS, Colony Capital SAS.

Chief Executive Officer of Toulouse Canceropole and ColSpa SAS.

Legal Manager of CC Europe Invest.

Managing Partner of SCI Nina.

Permanent representative of Colony Capital SAS as Chairman of the Board of ColSpa SAS.

Belgium:

Chairman of RSI SA.

Luxembourg:

Chief Executive Officer of Sisters SA.

Switzerland

Legal Manager of La Tour SARL.

Director of La Tour Réseau de Soins SA.

Director of Permanence Médicale de la Clinique de Carouge.

Directorships and positions held in the last five years:

Vice-Chairman of the Supervisory Board of Groupe Lucien Barrière.

Vice-Chairman of the Supervisory Board of Buffalo Grill.

Chairman of the Board of Directors of Paris Saint Germain Football.

Chairman of the Board of Directors of Chateau Lascombes.

Chairman and Chief Executive Officer of Lucia

Legal Manager of Colony Le Chalet EURL, Colony Santa Maria SNC, Colony Santa Maria EURL, Colony Pinta SNC, Immobilière Lucia & Cie, Lucia 92 & Cie, Immobiloisir Serre Chevalier and Colmassy SARL.

Chairman of Colbison SAS, SAIP, SAS Spazio, Coladria SAS, Front de Seine Participations, SHAF SAS, Financière Baltimore SAS, SAS Baltimore, Financière Le Parc SAS, SAS Le Parc, SAS ABC Hotels, SAS Défense CB3, ColEven SAS and Lucia Investissement SAS.

Anne Bouverot (number of Edenred shares: 500)

Directorships and positions held as of December 31, 2010:

Director of Orange SA.

Member of the Board of Directors of the GSM Association.

Director of Groupama SA, member of the Audit Committee of the Board of Directors.

Directorships and positions held in the last five years:

Chairman of France Telecom North America.

Member of the France Telecom Scientific Advisory Board.

Philippe Citerne (number of Edenred shares: 500)

Directorships and positions held as of December 31, 2010:

France:

Chairman of Telecom & Management SudParis.

Chairman of Systèmes Technologiques d'Échanges et de Traitement (STET).

Director of Accor, Sopra Group and Rexecode (economic research institute), Edenred.

Directorships and positions held in the last five years:

France:

Chief Operating Officer of Société Générale.

Director of Grosvenor Continental Europe.

Member of the Supervisory Board of Sopra Group.

Permanent representative of Société Générale on the Supervisory Board of Accor.

United States:

Director of TCW.

United Kingdom:

Director of SG Hambros Bank Ltd Management.

Russia:

Director of Rosbank.

Gabriele Galateri di Genola (number of Edenred shares: 500)

Directorships and positions held as of December 31, 2010:

Brazil:

Director of Tim Participações SA.

Chairman of Tim Brasil Serviços e Participações S.A. (since February 12, 2010).

France:

Director of Edenred.

Italy:

Chairman of Telecom Italia S.p.A.

Chairman of the Board of Directors of Istituto Italiano di Tecnologia.

Director of Accor Hospitality Italia Sri, Fiera Di Genova S.p.A, Banca Esperia S.p.A, Banca CARIGE, Italmobiliare S.p.A, Banca Cassa Di Risparmio Di Savigliano, UTET S.p.A, Azimut-Benetti S.p.A, Istituto Europeo Di Oncologia and Accademia Nazionale di Santa Cecilia.

Directorships and positions held in the last five years:

Germany:

Member of the Central Advisory Board of Commerzbank (until June 2009).

Brazil:

Chairman of Tim Participações SA (until January 19, 2009).

France:

Director of Worms & Cie.

Member of the Supervisory Board of Accor.

Director of Accor (until June 29, 2010).

Italy:

Chairman of Mediobanca S.p.A., Business Solutions S.p.A., Ciao Web Sri, Emittente Titoli S.p.A, Fiat Auto S.p.A.

Vice Chairman and Chief Executive Officer of Egidio Galbani S.p.A.

Director of Alpitour Italia S.p.A., Atlanet S.p.A., Birra Peroni Industriale S.p.A., IFI S.p.A., La Rinascente S.p.A., Siemens Italia, Toro Assicurazioni S.p.A. Chief Executive Officer of Fiat S.p.A. and Ifil S.p.A.

Director and member of the Executive Committee of SanPaolo IMI SpA. *Consigliere Accomandatario* of Giovanni Agnelli & C. Sapaz.

Permanent representative of Mediobanca, member of the Gemina S.p.A. and GIM S.p.A. shareholders' pacts.

Chairman of the Centra Cardiologico Monzino and Istituto Europeo di Oncologia (until January 25, 2008).

Director of Pirelli & C. S.p.A. (until April 29, 2008).

Member of the Pirelli & C. S.p.A. shareholders' pacts (until April 6, 2010).

Vice Chairman of RCS Mediagroup (until April 28, 2009).

Vice Chairman of Assicurazioni Generali S.p.A. (until April 24, 2010).

Luxembourg:

Director of SanPaolo IMI Investments.

Director of Exor Group.

Chief Executive Officer of Eurofind S.A.

Netherlands:

Chairman of Fiat Auto Holding B.V. and Iveco N.V.

Director of CNH Global N.V. and New Holding For Turism B.V.

Director of Ferrari S.p.A.

United Kingdom:

Director of Arjo Wiggins Appleton.

Member of the International Advisory Board of Morgan Stanley.

Switzerland:

Vice-Chairman of IHF Internationale Holding Fiat S.A.

Director of San Faustin N.V. (until October 11, 2010).

Françoise Gri (number of Edenred shares: 1,947)

Directorships and positions held as of December 31, 2010:

Chairman of Manpower France.

Executive Vice President, Manpower Inc.

Member of the Supervisory Board of Rexel.

Member of the Medef Ethics Committee.

Member of the Advisory Council of the Institut de l'Entreprise.

Member of the Board of Directors of École Centrale de Paris.

Directorships and positions held in the last five years:

Chairman and Chief Executive Officer of IBM France.

Member of the Board of Directors of STX.

Vice Chairman of Fondation Agir Contre l'Exclusion.

Roberto Lima (number of Edenred shares: 1,000)

Directorships and positions held as of December 31, 2010:

Chairman and Chief Executive Officer of Vivo Participações S.A.

Chairman and Chief Executive Officer of Vivo S.A.

Chairman and Chief Executive Officer of Portelcom Participações S.A.

Chairman and Chief Executive Officer of Ptelecom Brasil S.A.

Chairman and Chief Executive Officer of TBS Celular Participações Ltda.

Directorships and positions held in the last five years:

Chairman and Chief Executive Officer of Telemig Celular Participações S.A. (until November 2009).

Chairman and Chief Executive Officer of Telemig Celular S.A. (until June 2010).

Bertrand Meheut (number of Edenred shares: 500)

Directorships and positions held as of December 31, 2010:

Chairman of the Management Board of Canal+ France.

Member of the Management Board of Vivendi.

Chairman of the Executive Board of Groupe Canal+.

Chairman of the Board of Directors of Canal+.

Chairman of the Supervisory Board of StudioCanal.

Permanent representative of Canal+ France as Managing Partner of Kiosque.

Member of the Management Board of Canal Overseas.

Permanent representative of Groupe Canal+ as joint Legal Manager of Canal+ Editions.

Permanent representative of Groupe Canal+ on the Board of Directors of Sport+

Chairman of Canal+ Regie.

Member of the Board of Directors of Accor, Aquarelle, Edenred and Cinémathèque.

Directorships and positions held in the last five years:

Chairman and Chief Executive Officer of Canal+.

Chairman of the Board of Directors of Canal+ Distribution, StudioCanal, Holding Sports & Evénements.

Permanent representative of Canal+ as Legal Manager of NPA Production.

Director of Multithématiques, PSG Football, CanalSatellite.

Chairman of Canal+ Active.

Permanent representative of Canal+ as Legal Manager of Société d'Exploitation d'un Service d'Exploitation (S.E.S.I.).

Director of SFR (until May 5, 2010).

Chairman of Kiosque Sport.

Chairman of the Board of Directors of Canal+ International Development.

Permanent representative of Canal+ on the Board of Directors of Canal+ Finance.

Chairman of the Management Board of Canal+ Regie.

Virginie Morgon (number of Edenred shares: 500)

Directorships and positions held as of December 31, 2010:

Germany:

Chairman of the Supervisory Board of Apcoa Parking AG.

Chairman of the Advisory Board of Apcoa Parking Holdings GmbH.

Managing Director of Apcoa Group GmbH.

France:

Member of the Executive Board of Eurazeo.

Chief Executive Officer of LH Apcoa.

Permanent representative of Eurazeo on the Board of Directors of LT Participations.

Director of Accor and Edenred.

Member of the Board of Directors of the Women's Forum for the Economy & Society (WEFCOS).

Italy:

Chairman of the Board of Directors of Broletto 1 S.r.l.

Legal Manager of Euraleo.

Legal Manager of Intercos S.p.A.

Directorships and positions held in the last five years:

Vice Chairman of the Advisory Board of Apcoa Parking Holdings GmbH (Germany)

Chairman of the Supervisory Board of the B&B Hotels Group.

Senior Partner of Lazard Frères & Cie.

Member of the Board of Directors of Club L-Femmes Forum.

Nadra Moussalem (number of Edenred shares: 500)

Directorships and positions held as of December 31, 2010:

Luxembourg:

Legal Manager of Cedar Trust SARL.

Director of Sisters Soparfi SA.

Directorships and positions held in the last five years:

Member of the Management Committee of Front de Seine Participations SAS.

Patrick Sayer (number of Edenred shares: 500)

Directorships and positions held as of December 31, 2010:

Germany:

Member of the Advisory Board of Apcoa Parking Holdings GmbH.

France:

Chairman of the Executive Board of Eurazeo.

Vice-Chairman of the Supervisory Board of ANF Immobilier.

Chairman of the Board of Directors of Europcar Group.

Director of Holdelis.

Chief Executive Officer of Legendre Holding 19, Immobilière Bingen and Legendre Holding 8

Legal Manager of Investco 3d Bingen (non-trading company).

Chairman of Eurazeo Capital Investissement (formerly Eurazeo Partners SAS).

Vice-Chairman of the Supervisory Board of Rexel SA.

Director of Accor and Edenred.

Member of the Supervisory Board of SASP Paris-Saint Germain Football.

Italy:

Director of Gruppo Banca Leonardo.

United Kingdom:

Director of Colyzeo Investment Advisors (United Kingdom).

Directorships and positions held in the last five years:

Legal Manager of Euraleo S.r.l. (Italy)

Permanent representative of ColAce SARL on the Supervisory Board of Groupe Lucien Barrière.

Chairman of the Board of Directors of Legendre Holding 18.

Chairman, Vice Chairman and member of the Supervisory Board of the B&B Hotels Group.

Chairman of the Supervisory Board of the Fraikin Group.

Chairman of the Board of Directors of BlueBirds Participations SA (Luxembourg).

Director of Rexel Distribution SA, Eutelsat SA, Eutelsat Communications, Ipsos, RedBirds Participations SA (Luxembourg), Rexel SA (formerly Ray Holding SAS), Ray Acquisition SAS and SASP Paris-Saint Germain Football.

Chief Executive Officer of Legendre Holding 11.

Member of the Supervisory Board of Presses Universitaires de France.

Chairman of Association Francaise des Investisseurs en Capital (AFIC).

Member of the Board of Lazard LLC (United States).

Managing Partner of Partena.

Legal Manager of Investco 1 Bingen (non-trading company).

Chairman of the Advisory Board of Apcoa Parking Holdings GmbH (formerly Perpetuum Beteiligungsgesellschaft mbH) (Germany).

Chairman of the Supervisory Board of Apcoa Parking AG (formerly AE Holding AG) (Germany).

Jacques Stern (number of Edenred shares: 14,591)

Directorships and positions held as of December 31, 2010:

France:

Chairman and Chief Executive Officer of Edenred (formerly New Services Holding).

Member of the Supervisory Committee of Lyeurope SAS.

Italy:

Director of Edenred Italia S.r.l. (formerly Accor Services Italia S.r.l.)

Directorships and positions held in the last five years:

France:

Deputy Chief Executive Officer of Accor (2010).

Chairman and Chief Executive Officer of ASM (2010).

Chairman of Accor Services Participations SAS (now Edenred Participations) (2010) and IBL (2010).

Permanent representative of Accor as Chairman of ASH (2010).

Legal Manager of Sodetis (2010).

Member of the Management Board of Accor (2006).

Director of Club Méditerranée (2008).

Permanent representative of Accor on the Supervisory Board of Groupe Lucien Barrière (2009), then member of the Supervisory Board of Groupe Lucien Barrière (2010).

Permanent representative of Accor on the Board of Directors of Accor.com (2010), Société Française de Participations et d'Investissements Européens (2010) and Devimco (2010).

Permanent representative of IBL on the Board of Directors of Société de Participation et d'Investissements de Motels (2010).

Permanent representative of Saminvest on the Board of Directors of Accor.com (2009).

Permanent representative of Soparac on the Board of Directors of Go Voyages (2007).

Permanent representative of Spif on the Board of Directors of Sogepar (2006).

Austria:

Member of the Supervisory Board of Accor Austria AG (2007).

Belgium:

Director of Accor Hotels Belgium (2006).

Managing Director of Accordination (2008).

Permanent representative of Soparac on the Board of Directors of Edenred Belgium (formerly Accor TRB) (2010).

Brazil

Director of Hotelaria Accor Brasil (2009).

Director of Ticket Servicos (2008).

United States:

Chairman of IBL, LLC (2010).

Director of Carousel Hotel Corporation (2009), Red Roof Inn (2009), Accor Lodging North America, Inc. (2010) and Accor North America, Inc. (2010).

Italy:

Director of Accor Hospitality Italia S.r.l. (2009), Scapa Italia S.r.l. (2007), Accor Partepazioni Italia S.r.l. (2010).

Switzerland:

Chairman of Sodenos (2010).

5.1.2. PRACTICES OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

5.1.2.1. Practices and powers of the Board of Directors

Membership of the Board of Directors (Article 12 of the bylaws)

The Company is administered by the Board of Directors with at least three and no more than eighteen members, except where otherwise permitted pursuant to the law, particularly following a merger.

The age limit for holding office as a director is 75. Directors who reach the age of 75 are automatically required to resign at the close of the first Shareholders Meeting held after their 75th birthday.

In addition, no more than one third of the Board members may be aged over 70.

These age limits also apply to the permanent representatives of corporate directors.

If, as a result of a director reaching the age of 70, the one-third proportion referred to above is exceeded, the oldest director will automatically be required to resign with immediate effect.

Directors are elected on the basis prescribed by law by ordinary resolution of the Shareholders Meeting, for a four-year term. They may be re-elected.

Exceptionally, shareholders may decide to elect one or more directors for a term of less than four years so that Board members retire by rotation.

If one or more seats on the Board become vacant, the Board of Directors may provisionally appoint directors to fill said seats, subject to ratification at the next Ordinary Shareholders Meeting, on the basis prescribed by law.

A decision by shareholders not to ratify the appointment would not invalidate the Board's decisions and actions during the period up to said Meeting.

Directors are appointed by the Board to fill a vacant seat for the remainder of the previous director's term.

For as long as the Company's shares are traded on a regulated market, each director is required to hold 500 registered Edenred shares.

Powers of the Board of Directors (Article 13 of the bylaws)

The Board of Directors decides the Company's strategy and oversees its implementation. It examines all issues relating to the efficient conduct of the business and makes all decisions concerning the Company, within the limits of the corporate purpose and except for those decisions that, by law, can only be made by shareholders in General Meeting.

In addition to those matters which, by law, require the Board's prior authorization, the Board of Directors' bylaws list the decisions of the Chief Executive Officer or the Chief Operating Officers that can only be made with the Board's authorization (see section 5.1.2.2 of this Registration Document).

The Board of Directors may decide to issue bonds in accordance with the provisions of the law, and may give a one-year authorization to one or several of its members, or to the Chief Executive Officer or, with the latter's agreement, to one or more Chief Operating Officers, to carry out bond issues and set the related terms and conditions on the Board's behalf.

The Board of Directors may assign specific permanent or temporary responsibilities to one or more of its members or to any person outside the Board.

It may decide to set up committees tasked with examining issues submitted to them by the Board or its Chairman. These committees report to the Board, which decides on their membership and terms of reference. On June 29, 2010, the Board set up an Audit and Risks Committee, a Commitments Committee and a Compensation and Appointments Committee (see section 5.1.2.5 of this Registration Document).

Quorum and majority (Article 15 of the bylaws)

The Board of Directors can validly conduct business provided that at least half of its members are present.

Directors who participate in meetings by videoconference or any other appropriate telecommunication system on the basis allowed by the applicable laws and regulations may be taken into account in the calculation of the quorum and voting majority, by decision of the Board.

Directors may give proxy to another director, in writing, to represent them at a Board meeting, provided that no director may represent more than one fellow director at any given meeting.

Decisions of the Board are made by a majority vote of the directors present or represented.

In the case of a split decision, the Chairman has the casting vote.

Decisions of the Board of Directors (Article 15 of the bylaws)

The Board of Directors meets as frequently as necessary in the Company's interest. Meetings are called by the Chairman and are held at the Company's headquarters or at any other venue specified by the Chairman.

Meetings may be called by any method, including orally, by the Chairman, or by the Board Secretary at the Chairman's request.

Meetings may also be held at the request of at least one-third of the directors or the Chief Executive Officer, to discuss a specific agenda.

If the Chairman is unable to fulfill his duties, meetings may be called by the director appointed as acting Chairman or by the Vice Chairman (or one of the Vice Chairmen) or by the Chief Executive Officer if he sits on the Board.

Meetings are chaired by the Chairman of the Board or, in his absence, by the Vice Chairman (or one of the Vice Chairmen) or by any other director designated by the Board.

The Chief Executive Officer, the Chief Operating Officer, other members of management, the Auditors or any other person with specific knowledge of the matters concerned may be invited by the Chairman to attend all or part of a Board meeting.

Directors and all other persons invited to attend Board meetings are required to treat all information disclosed during the meeting as strictly confidential and generally act with discretion.

5.1.2.2. Board of Directors' bylaws

At its meeting on June 29, 2010, the Board of Directors adopted bylaws describing its procedures and practices. These bylaws are in addition to the legal and regulatory provisions applicable to boards of directors and the relevant provisions of the Company's bylaws. They specify the Board's organizational and operational framework, as well as the powers and responsibilities of the Board and the Committees of the Board (see section 5.1.2.5 Committees of the Board of Directors for a description of these committees).

Independent directors (Article 1 of the Board of Directors' bylaws)

At least half of the members of the Board of Directors are independent based on the criteria set forth in the AFEP/MEDEF Corporate Governance Code for listed companies dated April 2010.

Every year, the Board of Directors assesses each director's independence in relation to these criteria. The conclusions of the assessment are disclosed to shareholders and the public in the Annual Report.

Board meetings (Article 2 of the Board of Directors' bylaws)

The Board of Directors generally holds at least five meetings a year, including one to review the budget and one to conduct a strategic review of the Group's operations. The proposed dates of each year's meetings are sent to the directors no later than November 30 of the previous year. Meetings are called by mail, e-mail or fax or verbally by the Secretary to the Board.

Part of at least one meeting a year is devoted to assessing the Board's efficiency and effectiveness, in order to identify possible areas for improvement. In addition, the Board of Directors conducts a formal self-assessment at least once every three years.

For the purpose of calculating the quorum and voting majority, directors who take part in meetings by any method that allows them to be identified and to take an active part in the discussion are considered as being physically present, in accordance with the applicable laws and regulations.

Information given to the Board (Article 3 of the Board of Directors' bylaws)

The directors are provided with all the information they consider necessary to fulfill their duties.

Before each meeting, directors are sent a meeting file containing background information on all agenda items that need to be examined in advance, unless this is impossible for confidentiality or practical reasons.

In addition, the directors are kept regularly informed between meetings of all significant events and transactions in the life of the Group. In particular, they receive copies of all press releases issued by the Company and a periodic summary of financial analysts' research reports on the Group and, when necessary, the actual reports.

The Board is informed at least once a year of the Group's strategy and main policies in the areas of human resources, organization and information systems, and discusses these strategies and policies at periodic intervals. The Board is also informed on a regular basis of the Company's financial communications strategy.

The directors can ask the Chairman and Chief Executive Officer for copies of any additional documents that they consider necessary to make an informed contribution to Board discussions. The Chairman and Chief Executive Officer may ask the Board for its opinion before supplying the documents concerned.

The directors can ask the Chairman and Chief Executive Officer to arrange for them to meet with members of senior management, with or without the executive directors being present.

Restrictions on senior management's powers (Article 4 of the Board of Directors' bylaws)

In addition to the matters requiring the Board's prior authorization under the law, particularly Articles L.225-35 and L.225-38 of France's Commercial Code, the Board has decided to impose the same requirement for the following:

- approval of the annual budget;
- financial commitments (defined as commitments related to the purchase or sale of assets or majority or minority interests, direct investments, lease commitments, loans or advances to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and commitments to participate in share issues by such entities) in excess of €50 million. However, the Chairman and Chief Executive Officer may contract bank loans for up to €250 million without the Board's specific prior authorization, provided that the loan fits in with the Group's Board-approved financing strategy;
- transactions affecting the Group's strategy or business scope;
- share buybacks in excess of €1 billion in any given year;
- bond issues governed by Article L.228-40 of France's Commercial Code for an amount in excess of €1 billion.

Vice Chairman of the Board of Directors (Article 5 of the Board of Directors' bylaws)

Article 14 of the Company's bylaws allows for the appointment by the Board of one or two Vice Chairmen to lead Board meetings in the Chairman's absence.

Article 5 of the Board of Directors' bylaws states that the Vice Chairman or Vice Chairmen are selected from among the independent directors and appointed for their term as director.

In addition to the role vested in him or her by the Company bylaws, the Vice-Chairman acts as the preferred contact for the other independent directors. Whenever necessary and at least once a year, he or she organizes and leads a meeting reserved exclusively for independent directors to allow them to discuss certain issues outside full Board meetings.

The Vice-Chairman also ensures that requests from shareholders not represented on the Board are answered, makes him or herself available to hear their comments and suggestions and, where possible, answers their questions after consulting the Chairman and Chief Executive Officer. The Board of Directors is informed by the Vice Chairman about all of his or her contacts with shareholders.

5.1.2.3. Chairman of the Board of Directors

Appointment of the Chairman of the Board of Directors (Article 14 of the bylaws)

The Board of Directors elects one of its members to service as Chairman, for the duration of his or her term as director. The Chairman may be re-elected to this position.

The age limit for holding office as Chairman is 70. If the Chairman reaches the age of 70 during his or her term, he or she is considered as having automatically resigned from this position at the close of the first Shareholders Meeting held after his or her 70th birthday.

Role and responsibilities of the Chairman of the Board of Directors (Article 14 of the bylaws)

The Chairman's role and responsibilities are specified in the applicable laws and the Company's bylaws.

He or she chairs meetings of the Board of Directors, organizes and leads the work of the Board, and reports to shareholders on the Board's work at General Meetings.

He or she also ensures that the Company's administrative, management and supervisory bodies function efficiently and that the directors are in a position to fulfill their duties.

The Chairman chairs Shareholders Meetings and prepares the reports to shareholders required by law. The Board of Directors may decide to combine the functions of Chairman and Chief Executive Officer, either when the Chairman is appointed or subsequently, in which case the Chairman is concerned by the provisions of the law and the Company's bylaws applicable to the Chief Executive Officer.

5.1.2.4. Executive Management

Organization of executive management (Article 17 of the bylaws)

In accordance with the law, the Company is managed by and under the responsibility of the Chairman and Chief Executive Officer or by a Chief Executive Officer appointed by the Board.

The decision to separate or combine the positions of Chairman and Chief Executive Officer is made by a majority vote of the directors present or represented at the relevant Board meeting.

At the Board's discretion, this decision may apply until such time as the Board decides otherwise, by a majority vote of the directors present or represented at the meeting.

If the Chairman of the Board is also the Chief Executive Officer, the following provisions of the bylaws apply to the Chairman.

Appointment of the Chief Executive Officer (Article 18 of the bylaws)

The Chief Executive Officer is appointed by the Board of Directors (unless the decision has been made to combine the positions of Chairman and Chief Executive Officer). If he or she is also a member of the Board, his or her appointment as Chief Executive Officer may not exceed his or her term as director. The Chief Executive Officer's compensation is decided by the Board, as well as any restrictions on his or her powers.

The age limit for holding office as a Chief Executive Officer is 65. If the Chief Executive Officer reaches the age of 65 during his or her term, he or she is considered as having automatically resigned from this position at the close of the first Shareholders Meeting held after his or her 65th birthday.

Powers of the Chief Executive Officer (Article 18 of the bylaws)

The Chief Executive Officer has the broadest powers to act in all circumstances in the Company's name, within the limits of the corporate purpose and except for those powers that the law specifically attributes to the Shareholders Meeting or the Board of Directors.

He or she represents the Company in its dealings with third parties.

The actions of the Chief Executive Officer are binding on the Company, even when they fall outside the corporate purpose, unless the Company can prove that the third party knew or, under the circumstances, could not fail to be aware that this was the case. The fact that the bylaws have been published does not constitute adequate proof.

The Chief Executive Officer may be authorized by the Board to issue guarantees on the Company's behalf, up to a maximum amount specified by the Board. Any such authorization may not be given for a period of more than one year, whatever the duration of the guaranteed commitments.

The Chief Executive Officer and the Chief Operating Officers may delegate their authority to any persons of their choice, with or without the right of substitution, subject to the restrictions provided for by law.

Chief Operating Officers (Article 19 of the bylaws)

The Board of Directors may appoint up to five Chief Operating Officers to assist the Chief Executive Officer, at the latter's request.

The age limit for holding office as a Chief Operating Officer is 65. If a Chief Operating Officer reaches the age of 65 during his or her term, he or she is considered as having automatically resigned from this position at the close of the first Shareholders Meeting held after his or her 65th birthday.

The extent and duration of the Chief Operating Officers' powers is determined by the Board of Directors in agreement with the Chief Executive Officer.

However, in their dealings with third parties, the Chief Operating Officers have the same powers as the Chief Executive Officer.

If the position of Chief Executive Officer becomes vacant for whatever reason, the Chief Operating Officers continue to fulfill their duties and responsibilities until a new Chief Executive Officer is appointed, unless the Board of Directors decides otherwise.

5.1.2.5. Committees of the Board of Directors

The Board of Directors may decide to set up committees tasked with examining issues submitted to them by the Board or its Chairman. These committees report to the Board, which decides on their membership and terms of reference. There are currently three committees of the Board – the Audit and Risks Committee, the Commitments Committee and the Compensation and Appointments Committee. Their rules of procedure are included in the Board of Directors' bylaws.

Audit and Risks Committee

Members

The members of the Audit and Risks Committee are Philippe Citerne, Jean-Paul Bailly, Anne Bouverot, Virginie Morgon and Nadra Moussalem.

It is chaired by Philippe Citerne, who is an independent director.

All of its members have expert knowledge of financial and accounting matters and three of the five are considered by the Board as being independent directors.

Terms of reference

The Audit and Risks Committee is responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure. To this end, the Committee:

- reviews the interim and annual consolidated financial statements and the annual financial statements of the Company, prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;
- reviews the scope of consolidation and the reasons for excluding any entities;
- assesses the Group's risk exposures and material off-balance sheet commitments, as well as the effectiveness of the risk management system, and receives a copy of the Vice President, Finance's detailed report on these matters;
- obtains assurance concerning the effectiveness of the Group's system of internal control by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the internal audit program and of the results of the internal audits carried out since the last presentation;
- reviews the external Auditors' audit plan and the results of their audits. Receives a copy of the Auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the Auditors' appointment is due to expire, oversees the auditor selection procedure and reviews the proposals submitted by the various candidates, expresses an opinion on the proposed

fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of auditor;

- validates the categories of additional audit-related work that the Auditors and the members of their networks may be asked to perform in accordance with the applicable laws and regulations;
- is informed, at the end of each year, of the fees paid by Group companies to the Auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees, as well as on its assessment of the Auditors' level of independence.

Meetings

The Audit and Risks Committee meets at least three times a year. One meeting – attended by the Head of Internal Audit – is devoted to reviewing the effectiveness of the internal control system.

The Committee may make enquiries of the Auditors without the executive directors and/or the Vice President, Finance, being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meeting are issued by the Committee Chairman and include the meeting agenda.

Meetings to review the interim and annual financial statements are held at least three days prior to the Board meeting called to approve the financial statements.

The members of the Audit and Risks Committee receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group. The Chairman and Chief Executive Officer, the Vice President, Finance, and the Auditors have a standing invitation to attend Audit and Risks Committee meetings.

Commitments Committee

Members

The Commitments Committee is made up of Jean-Paul Bailly, Sébastien Bazin, Roberto Lima, Bertrand Meheut and Patrick Sayer.

The Chairman is Sébastien Bazin.

Terms of reference

The Commitments Committee is responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- any transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base (mainly entry in a new business or withdrawal from an existing business), whatever the amount of the commitment;
- mergers, demergers or asset transfers;
- changes to the Company's corporate purpose;
- any immediate or deferred financial commitments representing more than €50 million per transaction. "Financial commitments" are defined as:
  - acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value,
  - direct investments, for example for the creation of a business or expenditure on technological developments,
  - lease commitments, measured on the basis of the market value of the leased asset,
  - loans or advances to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and commitments to participate in share issues by such entities,
  - bilateral or syndicated borrowings equal to or in excess of €250 million.

Meetings

Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman or the Chairman and Chief Executive Officer.

The Committee's recommendations must be endorsed by the Board of Directors before the related commitments are entered into by the Group.

Compensation and Appointments Committee

Members

The Compensation and Appointments Committee comprises Gabriele Galateri di Genola, Sébastien Bazin, Philippe Citerne, Françoise Gri and Patrick Sayer.

It is chaired by Gabriele Galateri di Genola, who is an independent director.

Terms of reference

The Compensation and Appointments Committee's role is to prepare the Board of Directors' decisions concerning executive directors' compensation and the Group's policy with respect to stock option plans (and, if applicable, performance share plans). It also participates in preparing senior management succession plans.

To this end, the Committee:

- Appointments
  - makes recommendations, in liaison with the Chairman and Chief Executive Officer, regarding senior management succession plans and the selection of candidates for election as executive directors. In selecting possible directors, the Committee takes into consideration the need for balance in the Board's membership and ensures that each candidate not only has the required capabilities but is also in a position to devote sufficient time to the Board's business. The objective is for directors to have the range of experience and skills necessary to enable the Board to carry out its duties effectively with the required objectivity and independence vis-à-vis both senior management and any given shareholder or group of shareholders,

- Is informed of the succession plan concerning members of the Group's Executive Committee;
- Compensation
  - examines executive directors' short-term compensation (salary and bonus), medium- and long-term incentives such as performance shares and stock options, pension arrangements and all other in-kind benefits, and makes recommendations on these issues,
  - defines and implements the rules for setting executive directors' bonuses, while ensuring that the rules are consistent with the annual appraisal of executive directors' performance and with the Group's medium-term strategy,
  - expresses an opinion to the Board regarding the general stock option and performance share policy and the plans proposed by the Chairman and Chief Executive Officer. Expresses an opinion on the compensation policy for members of the Group Executive Committee and reviews the policy's consistency,
  - issues a recommendation to the Board on the overall amount of directors' fees to be submitted to shareholders for approval. It makes proposals to the Board concerning the fee allocation rules and the individual amounts to be paid to each director based on their attendance at Board meetings and, where applicable, meetings of Committees of the Board,
  - reviews the policy regarding employee share issues and any such issues proposed by the Chairman and Chief Executive Officer,
  - reviews liability insurance cover taken out by the Company on behalf of executive directors,
  - approves the information provided to shareholders in the Annual Report regarding i) executive directors' compensation; ii) the principles and methods used to set such compensation; and iii) the grant of stock options to executive directors and the exercise of such options.

Meetings

The Compensation and Appointments Committee holds at least two meetings per year. Calls to meetings are issued by the Committee Chairman and include the meeting agenda.

5.1.2.6. Director's charter

To comply with the best practices of corporate governance, on June 29, 2010 the Company's Board of Directors adopted a Director's Charter that applies to all directors, irrespective of whether they meet the independence criteria set out in the AFEP/MEDEF Corporate Governance Code of April 2010.

Duty of due care

Directors must carry out their duties as they see fit in the best interests of the Company. They must be committed to constantly improving their knowledge of the Group and its businesses, and they have a duty of vigilance which includes warning of any problems of which they may become aware. They must devote the necessary time and attention to their duties as a director, making every effort to attend all meetings of the Committees to which they belong, meetings of the Board of Directors and Shareholders Meetings.

In addition to complying with the legal and regulatory provisions related to multiple directorships, each director is responsible for ascertaining whether his/her duties as a director of the Company are compatible with the directorships or positions that he/she holds in other companies in particular as regards the workload. Each director is required to disclose periodically to the Company the directorships that he/she holds in any other company in order to enable the Company to comply with its statutory disclosure obligations in this regard.

Duty of information

Directors have a duty to request the information that they consider necessary to carry out their duties from the Company's management via the Chairman and Chief Executive Officer or the Board Secretary. They can ask the Chairman and Chief Executive Officer to arrange meetings for them with members of the Group's senior management, to be held with or without the Chairman and Chief Executive Officer being present.

When a new director takes up office, the Board Secretary provides him/her with an information pack containing the Company's bylaws, the Board of Directors' bylaws, the Director's Charter as well as the principal laws and regulations dealing with directors' responsibilities.

Directors may ask the Board Secretary at any time for explanations of the scope of these laws and regulations and their resulting rights and obligations.

Directors' independence and conflicts of interests

Directors are expected to demonstrate a high level of independence in all circumstances, in terms of their analyses, judgments, decisions and actions.

They agree not to solicit or accept any benefit that would be likely to affect their independence.

Any director that is directly or indirectly in a position of a conflict of interest – even potentially – with respect to the interest of the company because of the positions that he/she holds, and/or any interests that he/she has elsewhere, must inform the Chairman and Chief Executive Officer or any individual designated by the Chairman and Chief Executive Officer. A director in a position of a conflict of interest may not take part in the discussion of the matter concerned or the related vote and may therefore be asked to leave the room while the discussion and vote are taking place.

When they are first elected and every year thereafter, no later than January 31, directors are required to disclose in writing all ties that they have with Group companies, their managers, suppliers, customers, partners or competitors. The disclosure document is sent to the Chairman and Chief Executive Officer with a copy to the Board Secretary.

Duty of discretion and confidentiality

Directors have a general duty of discretion and confidentiality in the interest of the Company. To that end, they undertake to treat as strictly confidential all non-public information to which they have access, as well as all matters discussed during meetings of the Board and any of its Committees of which they are members, the opinions expressed and the votes cast during the meetings.

In addition, except for the Chief Executive Officer and Chief Operating Officer, who are called upon to act as the Company's spokesperson, directors are required to liaise with the Chairman and Chief Executive Officer before engaging in any communications with the media on subjects that concern or may affect the Group, the Company, or its corporate governance structures.

Trading in Company securities by the directors

Directors have access to inside information which, if made public, could affect the price of the Company's shares or any other securities issued by the Company. Consequently, in accordance with the applicable laws and regulations, directors must not:

- use inside information to trade in the Company's securities either directly or through an intermediary;
- knowingly allow a third party to carry out transactions in the Company's securities based on inside information;
- disclose inside information to third parties, deliberately or through indiscretion.

In addition, without prejudice to the laws and regulations on insider trading, periods known as "negative windows" are determined each year, during which directors may not trade in the Company's shares or any other securities issued by the Company (including exercising stock options), either directly or through an intermediary, even via the trading of derivatives. The negative windows correspond to (i) the 30 calendar days preceding the date of publication of the annual and interim consolidated financial statements, the day of publication and the following day, and (ii) the 15 calendar days preceding the date of publication of quarterly revenue figures, the day of publication and the following day.

Directors are given details of the negative windows each year by the Board Secretary. In addition, they are notified immediately by the Board Secretary of any specific negative windows that will apply due to financial or strategic transactions planned by the Group.

Directors may not hedge the risks of losses on their Company shares or stock options.

Each director is responsible for reporting to the French securities regulator (Autorité des Marchés Financiers) and to the Company (through the Board Secretary) any transactions in the Company's shares or any other securities issued by the Company carried out by him/her or any persons closely associated with him/her.

Directors may consult the Board Secretary at any time regarding the implications of the negative windows system and the conditions of its application to any specific case.

5.1.2.7. Secretary to the Board of Directors

Pursuant to the Company's Bylaws, the Board of Directors names a Secretary who need not be a director.

The Board Secretary call members to meetings of the Board of Directors when requested to do so by the Chairman and Chief Executive Officer and draws up the minutes of Board meetings, which are then submitted to the Board for approval. He/she sends the meeting files to directors according to the procedure described in Article 3 of the Board of Directors' bylaws and generally responds to requests from directors for information about their rights and obligations, the Board's practices or the life of the Company.

His/her duties also include obtaining up-to-date copies of the documents disclosing directors' potential conflicts of interest, as provided for in Article 3 of the Director's Charter.

Lastly, the Board Secretary attends the meetings of the Board Committees as needed, at the request of the Chairman and Chief Executive Officer or the Committee Chairmen, and may also be given the task of sending meeting files to the Committee members.

Philippe Rélland-Bernard was named Secretary to the Board at the Board meeting of June 29, 2010.

5.1.2.8. Directors' fees

On the recommendation of the Compensation and Appointments Committee, the Board of Directors allocates the annual amount of directors' fees awarded by the Shareholders Meeting based in particular on each director's attendance rate at Board meetings and meetings of any Committee of which he or she is a member.

Allocation is based on the following principles:

- the duties of Vice-Chairman of the Board of Directors are compensated with a fixed portion of a flat amount defined by the Board of Directors;
- the duties of Committee Chairman are compensated with a fixed portion of a flat amount defined by the Board of Directors for each Committee;
- the duties of Committee member are compensated with a fixed portion of a flat amount defined by the Board of Directors and with a variable portion based on attendance at meetings, which will not exceed the amount of the fixed portion;
- half of the available balance of the directors' fees is allocated equally between all of the directors and any non-voting directors. The other half is allocated based on the number of Board meetings attended by each director (and non-voting director, if any) during the previous year;
- directors who also hold the position of Chairman of the Board, Chairman and Chief Executive Officer, Chief Executive Officer or Chief Operating Officer do not receive any directors' fees;
- directors' fees are paid within three months of the fiscal year-end.

5.2. Shareholders Meetings

5.2.1. NOTICE OF MEETING (ARTICLE 23 OF THE BYLAWS)

Shareholders Meetings are called as provided for by law.

In accordance with the applicable regulations, all shareholders are entitled to attend and take part in Shareholders Meetings in person or by proxy, whatever the number of shares held. The shares must be registered in the name of the bank or broker that manages the shareholder's securities account in accordance with Article L.228-1, paragraph 7, of France's Commercial Code (or, if the shares are not traded on a regulated market, in the shareholder's name) in the Company's share register no later than midnight Paris time on the fourth business day preceding the Shareholders Meeting. If the shares are held in bearer form (and are traded on a regulated market), they must be recorded in a bearer share account kept by one of the accredited intermediaries mentioned in Article L.542-1, paragraphs 2 to 7, of France's Monetary and Financial Code, by the same deadline. These formalities must be carried out in compliance with the applicable laws and regulations.

The recording of bearer shares in an account kept by an accredited intermediary is evidenced by an *attestation de participation* to be issued by the intermediary in accordance with the applicable laws and regulations.

Shareholders Meetings take place at the Company's registered office or at any other venue specified in the notice of meeting.

5.2.2. CONDUCT OF SHAREHOLDERS MEETINGS (ARTICLE 24 OF THE BYLAWS)

All shareholders have the right to attend or be represented at Shareholders Meetings on the basis specified by law.

They may vote by post in accordance with Article L.225-107 of France's Commercial Code. The proxy/postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with the applicable laws and regulations.

The Board may decide, when the Meeting is called, to include in the calculation of the quorum and voting majority, shareholders who are participating by videoconference or by any other telecommunications medium that allows them to be identified, in accordance with the laws and regulations that determine the acceptable types of media and the conditions for their application.

Electronic signatures of proxy/postal voting forms by shareholders or their legal representative must be:

- secure signatures complying with the applicable laws and regulations, or
- registered by the shareholder with a unique username and password on the Company's dedicated website, if one exists, in accordance with the applicable laws and regulations. This electronic signature process will be considered as a reliable process of identifying shareholders and matching them with their votes/proxies within the meaning of the first sentence of the second paragraph of Article 1316-4 of France's Civil Code.

Shareholders Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director designated by the Board. Otherwise, the meeting elects its own Chairman.

The function of Scrutineer of the Meeting is fulfilled by the two shareholders present at the Meeting who represent the largest number of voting rights and who consent to take on the role. The Bureau thus formed names a Secretary, who may or may not be a shareholder.

An attendance register is kept, pursuant to the law.

Copies or excerpts of the Meeting minutes may be certified by the Chairman of the Board of Directors, the Chairman of the meeting, or the meeting Secretary.

Ordinary and Extraordinary Shareholders Meetings fulfilling the relevant quorum and voting majority requirements exercise the powers vested in them by law.

5.3. Corporate governance

The Group's system of corporate governance is based on the AFEP/ MEDEF Corporate Governance Code for listed companies published in October 2003, as amended by AFEP/MEDEF recommendations dated October 6, 2008 and April 19, 2010. The only exception to the Code concerns the principle that executive directors should not also have an employment contract. The Chairman and Chief Executive Officer continues to have an employment contract with the company for the reasons explained in section 5.4 Executive Directors' Compensation, of this Registration Document.

5.4. Executive directors' compensation, directors' and managers' interests

5.4.1. EXECUTIVE DIRECTORS' COMPENSATION AND POTENTIAL COMMITMENTS TOWARDS EXECUTIVE DIRECTORS

Chairman and Chief Executive Officer's employment contract

In addition to being an executive director since 2009, the Chairman and Chief Executive Officer has an employment contract signed with Accor SA in 1992 and transferred to Edenred on June 29, 2010 at the time of the Services division asset contribution-demerger.

The Board of Directors decided that applying the AFEP/MEDEF recommendation of terminating the Chairman and Chief Executive Officer's employment contract when he took up this position would deprive him of the rights he had accumulated during his time with the Group, particularly his seniority-based rights. In line with the recommendation of the Compensation and Appointments Committee, the Board therefore decided to maintain Jacques Stern's employment contract and suspend it for the duration of his term as Chairman and Chief Executive Officer.

At its meeting on June 29, 2010, the Board of Directors authorized the signature of an addendum to Mr. Stern's employment contract, providing for the payment of a termination benefit corresponding to the sum of the severance pay attributable to him by law and under the collective bargaining agreement based on his 18 years' service as an employee of the Group. The addendum also states that if Mr. Stern were to leave the Group, resulting in the termination of his employment contract, his cumulative rights to (i) termination benefits (other than statutory severance pay) under his employment contract and (ii) compensation for loss of office as Chairman and Chief Executive Officer would be capped at an amount equal to two years' compensation as Chairman and Chief Executive Officer, in line with AFEP/MEDEF recommendations.

At its meeting on February 23, 2011, the Board of Directors also authorized the signature of a second addendum to Mr. Stern's employment contract, providing for the payment of a special termination benefit if his employment contract were to be terminated by the Company within six months of a decision by the Board not to renew his appointment as Chairman and Chief Executive Officer. This special termination benefit would be in addition to the severance pay attributable to him by law and under the collective bargaining agreement, provided that the sum of these benefits did not exceed the equivalent of two years' average compensation (including bonuses) paid to him as Chairman and Chief Executive Officer. The special termination benefit would be payable only if at least three of the five performance criteria applicable for the determination of his compensation for loss of office as Chairman and Chief Executive Officer (as decided at the Board meetings of June 29 and August 24, 2010) were to be met. In addition, the reductions applicable to the compensation for loss of office if only two, one or none of the performance criteria were to be met would also apply to the special termination benefit.

Chairman and Chief Executive Officer's compensation

The Chairman and Chief Executive Officer's compensation complies with the April 2010 version of the AFEP/MEDEF Corporate Governance Code for listed companies.

It is set by the Board of Directors based on a recommendation by the Compensation and Nominations Committee.

At its meeting of June 29, 2010, the Board set the Chairman and Chief Executive Officer's gross annual salary at €625,000.

The Board also set the criteria for determining the Chairman and Chief Executive Officer's 2010 bonus.

Depending on his performance in relation to various objectives for the year, the bonus may range from 0% to 100% of his salary, rising to up to 150% if the objectives are exceeded. Performance criteria include quantitative objectives as well as qualitative objectives related for example to the deployment of the Group's strategy worldwide and to the Chairman and Chief Executive Officer's management skills.

In line with a recommendation by the Compensation and Appointments Committee, the Board of Directors decided that the Chairman and Chief Executive Officer would not receive any directors' fees.

Compensation for loss of office payable to the Chairman and Chief Executive Officer

At its meeting of June 29, 2010, the Board of Directors of Edenred authorized the following commitment to be made to Chairman and Chief Executive Officer Jacques Stern regarding compensation for loss of office.

Jacques Stern will be entitled to compensation for loss of office in the event that his appointment as Chairman of the Board or as Chief Executive Officer is terminated, other than as a result of professional misconduct, or is not renewed.

No compensation for loss of office will be payable if, within twelve months of his departure, Jacques Stern becomes eligible for a basic State pension and, consequently, for pension benefits under the Company's supplementary pension plan.

- The compensation payable will not exceed the equivalent of two years' total gross annual compensation as Chairman and Chief Executive Officer, defined as: his annual salary as of the date when his appointment as Chairman and Chief Executive Officer ends, plus
- the average annual bonus received or receivable for his last two years as Chairman and Chief Executive Officer prior to his appointment ending.

The compensation for loss of office as defined above will be subject to certain performance criteria, including:

- like-for-like growth in issue volume compared with the previous year;
- like-for-like growth in operating revenue compared with the previous year;
- operating revenue/issue volume margin of at least 5%;
- like-for-like growth in free cash flow [(1)] compared with the previous year;
- increase in the Company's share price at least equal to 85% of the increase in the NYSE Euronext Paris SBF 120 index over the Reference Period or, if the index falls over the Reference Period, decline in the Company's share price of no more than 125% of that of the index over the Reference Period.

Performance in meeting each of these five criteria will be measured over the three years (including 2010 as the case may be) preceding the year in which the Chairman and Chief Executive Officer's appointment is terminated (the "Reference Period"). Each of the first four criteria will be deemed to have been met if the related objective is achieved for at least two of the three years in the Reference Period (or a single year if the appointment is terminated before three full years have passed, including 2010 as the case may be).

Payment of the maximum compensation for loss of office will depend on at least three of these five performance criteria being met, as observed by the Board of Directors on the basis prescribed by the laws in force when the Chairman and Chief Executive Officer's appointment is terminated. If only two of the criteria are met, 75% of the maximum compensation for loss of office will be paid; if only one of the criteria is met, 50% of the maximum compensation will be paid; and if no criterion is met, no compensation will be paid.

The compensation payable to Jacques Stern will be reduced, if necessary, so that the sum of (i) the compensation for loss of office and (ii) the termination benefit payable under his employment contract (excluding statutory severance pay) does not exceed the equivalent of two years' gross annual compensation as Chairman and Chief Executive Officer as described above.

The Board of Directors also decided that, in the event that his appointment is terminated in one of the circumstances described above, Jacques Stern will retain the benefit of all of the stock options and performance shares initially allocated to him under plans in force when his appointment is terminated, provided that the performance conditions attached to the options or performance shares are met.

This commitment authorized by the Board will be submitted to shareholders for approval at the next Shareholders Meeting.

Unemployment insurance

The Company has taken out private unemployment insurance for the Chairman and Chief Executive Officer under a plan set up by the Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC). After participating in the plan for 12 months, the Chairman and Chief Executive Officer may opt for a 24-month benefit period. He is covered by the GSC's "Formule 70" plan entitling him to benefits equal to 70% of his taxable professional income, capped at eight times the ceiling for calculating Social Security contributions (€276,960 for 2010).

Death/disability insurance and supplementary pension benefits

The Chairman and Chief Executive Officer is covered by a death/disability insurance plan set up for employees, which has been extended to include executive directors.

He also participates in the Group's top-hat pension plan set up for certain senior executives, which comprises a defined contribution plan ("Article 83" plan) and a defined benefit plan ("Article 39" plan).

- under the defined contribution plan, the Company pays an annual contribution representing up to 5% of five times the annual ceiling for calculating Social Security contributions;
- under the defined benefit plan, the Company is committed to paying an annuity to plan participants when they retire, provided that they are still on the Company's payroll at that date. Potential supplementary pension benefits are calculated by applying different percentages to the various tranches of the participants' reference compensation by year of participation, corresponding on average to 2% of gross annual compensation;

(1) Funds from operations. See page 106 part 6.2.1.6.

- the overall replacement rate represented by all benefits paid under compulsory plans and Edenred supplementary pension plans is capped at 35% of the average reference compensation for the three best years out of the executive's last ten years before retirement;
- to qualify for benefits under the plan, executives must end their career with the Group, have participated in the plan for at least five years and completed at least fifteen years' service with the Group. The pension payable under the top-hat plan is reduced by the amount of the pension payable under the defined contribution plan referred to above;
- if the executive leaves the Group before being eligible to claim pension benefits under the general plan, he or she forfeits the right to benefits under the defined benefit top-hat plan but retains the right to benefits under the defined contribution plan.

Table 1 – Commitments given to executive directors

Executive Directors	Employment contract	Supplementary pension benefits	Compensation or benefit payable in the case of appointment to a new position, termination/removal from office or transfer	Non-compete indemnity
Jacques Stern				
Current term: from June 29, 2010 until the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2013.	Yes (suspended since June 29, 2010)	Yes	Yes	No

Table 2 – Compensation and benefits paid to corporate officers *(in €)*

		2009	2010 (Accor)	2010 (Edenred)
Compensation for the year		1,206,704	612,491	1,135,756
Including:	Salary	580,303	300,000	312,639
	Incentive bonus	400,007	-	785,104
	Exceptional bonus	200,000	300,000	-
	Directors' fees	19,218	8,903*	-
	Benefits-in-kind	7,176	3,588	3,588
	Vacation pay under the employment contract			34,425
Value of stock options granted during the year		144,500	-	628,634
Value of performance shares granted during the year		151,625	-	747,357
TOTAL		**1,502,829**	**612,491**	**2,511,747**

* *Corresponding to directors' fees pad by Groupe Lucien Barrière to Jacques Stern as permanent representative of Accor on the Groupe Lucien Barrière Supervisory Board.*

5.4.1.1. Directors' fees

The Shareholders Meeting of May 10, 2010 set the total annual fees payable to directors for 2010 at €500,000. No directors' fees were paid by Edenred SA during 2010.

On the recommendation of the Compensation and Appointments Committee, at its meeting on February 23, 2011 the Board of Directors allocated the annual amount of directors' fees awarded by the Shareholders Meeting based in particular on each director's attendance rate at Board meetings and meetings of any Committee of which he or she was a member.

The total directors' fees were allocated among the members of the Board of Directors on the following basis:

- no fees were allocated to the Chairman and Chief Executive Officer;
- a fixed fee of €10,000 was allocated to the Vice Chairman of the Board;
- the members of the Board Committees each received a fixed fee of €5,000 and the Chairmen of the Committees of the Board each received an additional €6,500;
- in addition, the Chairmen and other members of the Committees of the Board received a fee of €1,900 for each meeting attended during the year (including by videoconference);
- lastly, all Board members received a fixed fee of €12,840 each plus a fee of €1,605 for each meeting attended during the year (including by videoconference).

The following table shows the directors' fees paid to members of the Board of Directors by Edenred SA for 2010 [(1)].

Board of Directors	Fees payable for 2010	Fees paid in 2010
Jean-Paul Bailly [(2)]	19,930	N/A
Sébastien Bazin [(3)]	25,040	N/A
Anne Bouverot	19,890	N/A
Philippe Citerne	38,840	N/A
Gabriele Galateri di Genola	24,290	N/A
Françoise Gri	20,185	N/A
Virginie Morgon [(4)]	19,890	N/A
Bertrand Meheut	16,090	N/A
Nadra Moussalem [(3)]	19,890	N/A
Roberto Oliveira de Lima	14,485	N/A
Patrick Sayer [(4)]	23,140	N/A

(2) The fees shown in the table are paid to La Poste.
(3) The fees shown in the table are paid to Colony Capital.
(4) The fees shown in the table are paid to Eurazeo.

5.4.1.2. Directors' and Managers' Interests

2010 stock option plans

Using the authorization given at the Shareholders Meeting of May 10, 2010, a total of 4,235,000 stock options were granted to 455 grantees, representing 1.84% dilution. The option exercise price of €13.69 corresponds to the average of the closing prices quoted for Edenred shares over the twenty trading days preceding the grant date (August 6, 2010). The options have an eight-year life and are exercisable as from the fifth year.

Under the terms of the May 10, 2010 shareholder authorization, the number of options granted may not be exercisable for shares representing more than 7% of the Company's share capital as determined immediately after the asset contribution.

A total of 240,000 options were granted to the Chairman and Chief Executive Officer, in line with the decision of the Board of Directors on June 29, 2010 based on the recommendation of the Compensation and Appointments Committee. No performance shares were granted to any of the other executive directors. Executive directors and members of the Executive Committee who receive stock options are banned by the Company from hedging the related equity risk.

(1) Non-executive directors do not receive any compensation other than directors' fees.

Stock option plans

Grant date	Total options granted	Options granted to executive directors	Options granted to the top 10 grantees	Total number of grantees	Starting date of exercise period	End of exercise period	Exercise price *(in €)*	Number of options canceled	Options outstanding at Dec. 31, 2010
Aug. 6, 2010 (1)	4,235,500	240,000	915,000	455	Aug. 7, 2014	Aug. 6, 2018	13.69	27,000	4,208,500

(1) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of June 29, 2010.

Stock options granted to executive directors during 2010

Name	Grant date	Type of options	Value based on method used in the consolidated accounts *(in €)*	Number of options	Exercise price *(in €)*	Exercise period
Jacques Stern	Aug. 6, 2010	Options on new shares	628,634 (1)	240,000	13.69	From Aug. 7, 2014 to Aug. 6, 2018

(1) Stock options are measured at their theoretical value at the grant date determined using the Black & Scholes option pricing model, in accordance with AFEP/MEDEF guidelines set out in the Corporate Governance Code for Listed Companies, rather than at the value of the compensation received. Stock options are forfeited if the grantee leaves the Group before the start of the exercise period.

The 240,000 options granted to the Chairman and Chief Executive Officer on August 6, 2010 represent 0.001% of the Company's capital as determined immediately after the asset contribution on July 2, 2010.

Shares representing 40% of the net gain realized on exercise of the options must be held in registered form by the Chairman and Chief Executive Officer for as long as he remains in office.

Depending on the number of Edenred shares held when the first options are exercised, the number of shares concerned by this restriction may be reduced in line with the spirit of the AFEP/MEDEF recommendations of October 2008 and April 2010.

Based on the recommendation of the Compensation and Appointments Committee, the Board of Directors decided not to attach any performance conditions to the stock options granted to executive directors as recommended by AFEP/MEDEF, as the Company also has a performance share plan and Edenred's stock market performance constitutes in itself a condition for exercising the options.

Stock options granted to and exercised by the top ten grantees other than executive directors during 2010

	Number of options
Options granted in 2010 to the ten employees other than executive directors who received the largest number of options	915,000

2010 performance share plan

A performance share plan was set up pursuant to the authorization given by the Shareholders Meeting of May 10, 2010. The 912,875 shares granted under this plan, to 260 grantees in some forty countries, represent 0.40% dilution.

Performance shares granted to French tax residents are subject to a three-year vesting period followed by a two-year lock-up and shares granted to residents of other countries are subject to a five-year vesting period without any lock-up.

The performance objectives, measured year-on-year over three years, are as follows:

- in 2010 = Consolidated EBIT and like-for-like growth in issue volume;
- in 2011 and 2012 = like-for-like growth in issue volume and funds from operations (FFO).

Under the terms of the May 10, 2010 shareholder authorization, the number of performance shares granted may not represent more than 4% of the Company's share capital as determined immediately after the asset contribution.

2010 performance share plan

Grant date	Total number of shares granted	Performance shares granted to executive directors	Performance shares granted to the top 10 grantees	Total number of grantees	Vesting date	End of the lock-up period [(3)]	Number of shares canceled	Performance conditions
Aug. 6, 2010 [(1)]	912,875	60,000	228,750	260	Aug. 7, 2013 or Aug. 7, 2015 [(2)]	Aug. 7, 2015	5,250	In 2010 = Consolidated EBIT and like-for-like growth in issue volume In 2011 and 2012 = like-for-like growth in issue volume and funds from operations (FFO)

(1) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of June 29, 2010.
(2) August 7, 2013 for French tax residents and August 7, 2015 for non-residents.
(3) Only concerns French tax residents.

Performance shares granted to executive directors during 2010

Name	Grant date	Number of shares	Value based on method used in the consolidated accounts *(in €)*	Vesting date	End of lock-up period	Performance conditions
Jacques Stern	Aug. 6, 2010	60,000	747,357 [(1)]	Aug. 7, 2013	Aug. 7, 2015	In 2010 = Consolidated EBIT and like-for-like growth in issue volume In 2011 and 2012 = like-for-like growth in issue volume and funds from operations (FFO)

(1) Performance shares are measured at their theoretical value at the grant date determined using the Black & Scholes option pricing model, in accordance with AFEP/MEDEF guidelines set out in the Corporate Governance Code for Listed Companies, rather than at the value of the compensation received. Performance shares are forfeited if the grantee leaves the Group before the vesting date or if the performance conditions are not met.

Performance shares granted to the top ten grantees other than executive directors during 2010

	Number of shares
Performance shares granted in 2010 to the ten employees other than executive directors who received the largest number of shares	228,750

A total of 60,000 performance shares were granted to the Chairman and Chief Executive Officer, in line with the decision of the Board of Directors on June 29, 2010 based on the recommendation of the Compensation and Appointments Committee. The shares are subject to the same performance conditions as for the other grantees. No performance shares were granted to any of the other executive directors.

The 60,000 performance shares granted to the Chairman and Chief Executive Officer in 2010 represent 0.00026% of the Company's capital as determined immediately after the asset contribution on July 2, 2010.

Executive directors and members of the Executive Committee who receive performance shares are banned by the Company from hedging the related equity risk.

Fifteen percent of the performance shares granted on August 6, 2010 must be held in registered form for as long as the Chairman and Chief Executive Officer remains in office. Depending on the number of Edenred shares held when the two-year lock-up period applicable to all the performance shares expires, the number of shares concerned by this requirement may be reduced in line with the spirit of the AFEP/MEDEF recommendations of October 2008 and April 2010.

5.4.2. STATUTORY AND DISCRETIONARY PROFIT-SHARING PLANS

5.4.2.1. Statutory profit-sharing

The profit-sharing agreement set up by Accor on September 29, 1997 stated that any company that ceased to be a direct or indirect subsidiary of Accor would be excluded from the agreement as of the first day of the year in which it ceased to be part of the Group.

A new Group profit-sharing agreement was therefore signed on November 15, 2010 covering the employees of Edenred SA and all of its French subsidiary.

5.4.2.2. Discretionary profit-sharing

In accordance with Articles L.3311-11 *et seq.* of France's Labor Code, a discretionary profit-sharing plan has been set up for employees, governed by the applicable laws and regulations and by specific internal agreements.

The discretionary profit-sharing plan covers all employees of the various Edenred companies in France, under separate agreements set up on a company-by-company basis.

5.5. Report of the Chairman of the Board of Directors to the Annual Shareholders Meeting on the preparation and organization of Board of Directors' meetings and internal control procedures

This report to shareholders for the year ended December 31, 2010 on the preparation and organization of Board of Directors' meetings and on internal control procedures has been drawn up in compliance with Article L.225-37 of France's Commercial Code.

The report was approved by the Board of Directors on February 23, 2011. It is based on the document entitled "The Internal Control System Reference Framework" issued by the Working Group set up by French securities regulator Autorité des Marchés Financiers. The following description of the Company's internal control procedures is organized in line with the template provided in the Reference Framework.

Edenred complies with the April 2010 AFEP/MEDEF Corporate Governance Code for Listed Companies, except for the recommendation that the Chairman and Chief Executive Officer should not have an employment contract. The reasons for this exception are explained in the section Executive Directors' Compensation. The April 2010 consolidated version of the Corporate Governance Code is available on request from AFEP and MEDEF and from the Company's headquarters.

5.5.1. ORGANIZATION AND PROCEDURES OF THE BOARD OF DIRECTORS

The framework for the preparation and organization of Board meetings results from French company law and the related regulations, from the Company's bylaws and also from the Board of Directors' bylaws which also describe the procedures of the Committees of the Board (see the section Board of Directors' Bylaws in this Registration Document).

For details of the membership of the Board of Directors, application of the principle of balanced gender representation on corporate boards, and the criteria used to assess directors' independence, see the sections Members of the Administrative and Management Bodies and Practices of the Administrative and Management Bodies of this Registration Document.

Each Board member is required to comply with the Director's Charter, which is also presented in this Registration Document.

The Board of Directors met four times in the period between its creation on June 29, 2010 and the year-end. Calls to meeting were sent by e-mail and by mail, with the agenda, generally ten days before the meeting date. The directors received all necessary information to enable them to fulfill their duties. Background information about agenda items was sent to them sufficiently well in advance (generally eight days ahead of the meeting) to allow them to make an informed contribution to the Board's discussions. In the period between two meetings, directors were kept regularly informed of significant events and transactions involving the Group and were sent copies of all press releases issued by the Company.

The Board meetings lasted three hours on average, except for a special meeting held to discuss the Group's strategy which lasted eight hours. The attendance rate was around 92%.

During the various meetings, the Board approved the interim and annual financial statements, as well as the Group's financial communication processes, reviewed the budget, prepared the Annual Shareholders Meeting and approved the resolutions to be tabled at the meeting. Part of each meeting was devoted to discussing the Group's business, strategy, results and cash position.

As the Board was set up in the middle of the year, the decision was made not to perform any assessment of its procedures and practices during 2010, but to wait until 2011 to conduct this exercise.

Board discussions and decisions in some areas are prepared by specialized Board Committees made up of directors appointed by the Board for the duration of their term as director. These Committees examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They report regularly to the Board on their work, and inform the Board of their observations, opinions, proposals or recommendations.

To assist them in their work, the Board Committees may commission technical reports from Company management or external consultants. In both cases, the Chairman and Chief Executive Officer is notified in advance. The Committees may also arrange meetings with members of Company management responsible for the areas under review, without any executive directors being present. In this case also, the Chairman and Chief Executive Officer is informed in advance.

Since June 29, 2010 the Board has had three standing committees:

- the Audit and Risks Committee;
- the Commitments Committee;
- the Compensation and Appointments Committee.

The Board can also set up one or several special committees. No special committees were created in 2010.

Each Committee is chaired by one of its members, designated by the Board.

The Committee Chairman appoints a person (who need not be a Committee member) to act as secretary.

The Chairman of each Committee may ask for the Committee to be consulted on any matters falling within its terms of reference that have not been referred to it.

Each Committee is required to periodically review its rules of procedure and propose to the Board any changes that are considered necessary.

The Board Committees do not have any decision-making authority.

The **Audit and Risks Committee** met twice during the second half of 2010, to prepare the Board's review and approval of the annual financial statements of the Company, the interim and annual consolidated financial statements and the annual budget, in line with its terms of reference as set out in the Board of Directors' bylaws. Audit and Risks Committee meetings are attended not only by its members but also by the Chairman and Chief Executive Officer, the Vice President, Finance, Information Systems and Legal Affairs, and the Auditors. The Board Secretary, the head of Group Management Control, the head of Group Internal Audit and the head of Group Information Systems Audit may also be invited to attend.

The Audit and Risks Committee has between three and five members with the expert knowledge of financial and accounting matters needed to fulfill the Committee's duties. At least two-thirds of the members, including the Committee Chairman, are independent directors.

Audit and Risks Committee meetings in 2010 lasted on average two and a half hours. The attendance rate was 100%.

The **Commitments Committee** is responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- any transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base;
- any mergers, demergers or significant asset transfers;
- ahanges to the Company's corporate purpose;
- ainancial commitments in excess of €50 million per transaction;
- bilateral or syndicated borrowings equal to or in excess of €250 million;
- transactions involving the Company's shares carried out in application of Article L.225-209 of France's Commercial Code which exceed one million shares per transaction and a cumulative two million shares per year.

No meetings of the Commitments Committee were held in the second half of 2010 as no financial commitments falling within its terms of reference were planned during the period.

The **Compensation and Appointments Committee** met three times in the second half of 2010, to draw up recommendations to the Board on executive directors' [1] compensation, in line with its terms of reference as set out in the Board of Directors' bylaws. During these meetings, the Committee also examined the terms and conditions of the August 6, 2010 stock option and performance share plans.

The compensation and benefits paid to executive directors are decided by the Board of Directors, based on the recommendation of the Compensation and Appointments Committee. See the section "Management Compensation" of this Registration Document for details, which includes a description of the policies for determining management compensation and the directors' fees payable to the members of the Board, as well as a summary of directors' transactions in Edenred shares, and of directors' and employees' interests in the Company's capital (presentations of stock option plans, performance share plans, statutory and discretionary profit-sharing plans).

(1) See part 5.5.4 about internal control procedures.

The Compensation and Appointments Committee has between three and five members. A majority of these members, including the Committee Chairman, must be independent directors.

Meetings of the Compensation and Appointments Committee in 2010 lasted an average of one and a half hours. The attendance rate was 94%.

Calls to meetings of the Committees of the Board are issued by the Committee Chairman and include the meeting agenda.

5.5.2. CONDITIONS AND PROCEDURES FOR PARTICIPATING IN SHAREHOLDERS MEETINGS

The conditions and procedures for participating in Shareholders Meetings are set out in Article 24 of the Company's bylaws.

A summary is provided in the section Capital and Ownership Structure of this Registration Document.

5.5.3. RESTRICTIONS ON THE POWERS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

As allowed by French law and the Company's bylaws, the Board of Directors decided not to separate the positions of Chairman of the Board of Directors and Chief Executive Officer.

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations.

In addition, the Board of Directors:

a) approves the annual budget and financing plan and the business plan presented by the Chairman and Chief Executive Officer;

b) reviews and approves the Group's overall strategy, at least once a year, in accordance with Article 2 of the Board's Bylaws;

c) authorizes in advance the following decisions:

- any and all immediate or deferred financial commitments representing more than €50 million per transaction. "Financial commitments" are defined as:
  - any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value,
  - any and all direct investments, for example for the creation of a business or expenditure on technological developments,
  - lease commitments, measured on the basis of the market value of the leased asset,
  - any and all loans or advances to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities,
  - any and all bilateral or syndicated bank loans for amounts over €250 million per year, the Chairman and Chief Executive Officer being authorized to obtain bank loans of up to €250 million per year without obtaining prior approval from the Board of Directors, provided that such commitment is consistent and undertaken in accordance with the annual Group financing policy as previously approved by the Board of Directors. In this case, the Chairman and Chief Executive Officer informs the Board of Directors of the transactions after they have been completed. The Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed,
- any and all transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base (mainly entry in a new business or withdrawal from an existing business), whatever the amount of the commitment,
- any and all transactions involving the Company's shares carried out in application of Article L.225-209 of France's Commercial Code which exceed one million shares per transaction and a cumulative two million shares per year;

d) sets, each year, the total amount up to which the Chairman is authorized to issue guarantees, bonds and endorsements, which may not exceed €250 million per year, with the Chairman and Chief Executive Officer being required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization;

e) sets, each year, the total amount of bond issues that can be undertaken by the Chairman and Chief Executive Officer pursuant to Article L.228-40 of France's Commercial Code, which may not exceed €250 million per year;

f) discusses and decides on any proposed changes to the Group's management structure and reviews information about the main organizational changes.

5.5.4. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

5.5.4.1. Internal control definition and objectives

The Group observes the highest standards in terms of internal control and financial information. Internal control is a process defined and implemented by the Board of Directors, management and employees to provide reasonable assurance regarding the achievement of objectives in the following areas:

- application of the instructions and directional guidelines fixed by Executive Management.
- compliance with the applicable laws and regulations, and adherence to the Group's corporate values.
- prevention and control of operational risks, financial risks and the risks of error or fraud.
- optimization of internal processes to guarantee operational efficiency and efficient use of resources.
- production of high quality, fairly stated accounting, financial and management information.

To fulfill each of these objectives, the Group has defined and implemented the main principles of internal control, based to a large extent on the Internal Control Framework defined in the 1992 report of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and on the Internal Control Reference Framework issued by the AMF, as last updated in July 2010.

These principles are underpinned by:

- management policies that foster the development of an internal control culture and promote integrity.
- the identification and analysis of risk factors that may prevent the Group from meeting its objectives.
- an organization and procedures designed to ensure that the strategies defined by Executive Management are implemented.
- periodic reviews of control activities to seek out potential areas of improvement.
- procedures for the communication of information about internal control.

By helping to anticipate and control the risks involved in not meeting the objectives the Company has set for itself, the internal control system plays a key role in conducting and monitoring its various activities. However, internal control cannot provide an absolute guarantee that the Company's objectives will be met.

One of the objectives of the internal control system is therefore to anticipate and control the risks arising in the course of the Company's business, as well as the risk of errors or fraud, particularly in the areas of accounting and finance. However, as stated in the AMF's Internal Control Reference Framework, internal control procedures cannot provide an absolute guarantee that the Company's objectives will be met, no matter how well the system is designed or how well the procedures are applied.

The following description of the Company's internal control systems was prepared based on the AMF's Internal Control Reference Framework and its application guide.

5.5.4.2. Summary description of internal control procedures

The internal control system described below covers the parent company and all of its consolidated subsidiaries, which are responsible for implementing the instructions and directional guidelines fixed by Executive Management, including internal control objectives. Each subsidiary's internal control system includes both the procedures defined at Group level and business-specific procedures that take account of the subsidiary's organization, culture, risk factors and specific operating environment. As the parent company, Edenred SA is responsible for ensuring that adequate internal controls exist and are applied, in particular to the accounting and financial procedures of the subsidiaries included in the scope of consolidation.

5.5.4.3. Main participants in the system of internal control

Internal control procedures are part of the policies defined by the Board of Directors and are implemented under the direct responsibility of the heads of the operating divisions and corporate functions. Internal control is everyone's responsibility, from corporate officers to front-line employees.

The main structures responsible for overseeing the internal control system are as follows:

Executive Management

In accordance with the law and the Company's Bylaws, the Chairman and Chief Executive Officer represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances. The situations where exercise of the Chairman and Chief Executive Officer's powers is subject to the prior approval of the Board of Directors are described in section 3 of this report.

For the purpose of carrying out his duties, the Chairman and Chief Executive Officer has set up an **Executive Committee** comprising representatives from all of the operating divisions and corporate functions. The Executive Committee members are:

Representing the regions and countries:

- Chief Operating Officer, Hispanic Latin America and North America;
- Chief Operating Officer, France;
- Chief Operating Officer, Central Europe and Scandinavia;
- Chief Operating Officer, Italy;
- Chief Operating Officer, Brazil;
- Chief Operating Officer, Southern Europe and South Africa;
- Chief Operating Officer, Northern Europe, Middle East and Africa.

Representing the corporate functions:

- Vice President, Strategy & Development;
- Vice President, Finance, Information Systems and Legal Affairs;
- Vice President, Human Resources;

- Vice President, Corporate Communication, Investor Relations and Corporate Social Responsibility.

The Chief Operating Officer for the Asia-Pacific Region and the Chief Executive Officer of the PrePay Solutions joint venture with MasterCard report directly to the Chairman and Chief Executive Officer.

Group Finance

The Vice President, Finance, Information Systems and Legal Affairs is responsible for implementing the Group's financial policies, in particular by communicating to the subsidiaries the accounting principles and standards used to prepare the consolidated financial statements.

Group Finance is organized around the following departments:

- Legal Affairs, including the Tax, Risk Management and Insurance units;
- Group Treasury, Financing and Credit Management;
- Group Management Control, responsible for overseeing the following units:
  - Consolidation,
  - Financial Control,
  - Group Accounting,
  - Accounting Principles and Standards,
  - Group Financial Information Systems;
- Corporate Finance, Mergers and Acquisitions;
- Internal Audit;
- Information Systems, responsible for overseeing the following units:
  - Systems Security,
  - Information Systems Audit.

The regional financial controllers report directly to the Vice President, Finance, Information Systems and Legal Affairs.

Group Finance maintains regular contact with the external Auditors, who audit the financial statements of the Company and the Group in accordance with the applicable laws and regulations.

Group Internal Audit and Group Information Systems Audit

Reporting to the Vice President, Finance, Information Systems and Legal Affairs, the Group Internal Audit department is one of the cornerstones of the internal control system, responsible for helping to develop internal control tools and standards, and for performing audits based on the annual audit program approved by the Audit and Risks Committee of the Board of Directors.

Internal audit is defined in professional standards as "an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

The Internal Audit department's procedures are fully aligned with this definition.

The role of the internal auditors is to assess whether all of the Group's facilities and business processes comply with internal rules and procedures, detect any cases of non-compliance with the applicable laws and obtain assurance that the Group's assets are adequately protected. They also assess the efficiency of the Group's business processes and ensure that appropriate measures are in place to prevent and control operational risks.

Group Internal Audit coordinates its audit plans with the external Auditors' work plans. In 2010, Group Internal Audit had a staff of six auditors plus the department manager.

The Group Information Systems Audit department, which also reports to the Vice President, Finance, Information Systems and Legal Affairs, comprises one auditor and one manager in 2010. A further two auditors are due to be hired in 2011.

Legal Affairs, Risk Management, Tax and Insurance

Group Legal Affairs is responsible for ensuring that the Group complies with all applicable laws and regulations in all of its host countries, protecting the Group's assets and businesses as a whole and defending the interests of the Group, as well as the professional interests of its directors and employees.

It contributes to internal control in three main areas:

- by drafting and updating standard contracts and contract templates for the most common transactions (purchases of goods and services, general conditions of sale, product claims, etc.), along with procedures for their use;
- by making proposals to the Executive Committee regarding the rules to be applied for delegations of authority and for the distribution and protection of confidential information, introducing these rules and monitoring their correct application;
- by selecting external legal advisors, monitoring their services and performance, and tracking their billings in liaison with the management control department.

The Legal Affairs department's Insurance unit is tasked with purchasing adequate insurance cover for the Group's risk exposures. The Group determines its insurance policy on a global, consolidated basis as well as on a local basis. Global insurance programs have been set up with pools of leading insurers and specific additional cover is purchased locally when required.

The Group Risk Manager in charge of the Insurance unit is responsible for mapping the Group's major risks with input from the Internal Audit and Information Systems Audit teams.

The Group Tax Department's responsibilities in the area of internal control are to ensure that the Group fulfills its obligations and complies with the applicable tax rules. They include:

- identifying the Group's risk exposures and implementing policies and procedures to address and attenuate tax risks;
- monitoring material tax disputes and tax audits of Group entities;
- aligning the tax practices of the various Group entities and checking with the Group's tax advisors that major transactions comply with the applicable tax laws;
- selecting tax advisors for all Edenred geographies, monitoring their services and related billings.

Group Treasury and Financing

This department is responsible for the tracking, security, transparency and efficiency of the Group's cash management and financing transactions. Its activities include:

- managing financial resources to preserve the Group's liquidity position, in agreement with the Vice President, Finance;
- managing cash positions;
- quantifying and hedging financial risks (particularly currency and interest rate risks);
- managing banking relationships;
- supporting subsidiaries in their management choices and assisting executive management in arranging financing for new projects.

Group Financial Control

Group Financial Control is responsible for producing monthly, quarterly and annual consolidated income statements. The items in the income statements of the subsidiaries and the corporate functions are tracked and analyzed by means of physical and financial indicators, which are compared at monthly intervals with the budget and prior year actual results. The department also produces the data for the Group's published quarterly revenue reports.

This work serves as the basis for the preparation and transmission to the Executive Committee of management reports, supported by variance analyses and analyses of material trends identified from the subsidiaries' monthly management reporting packages.

The Executive Committee attaches considerable importance to the Group's planning process, leading to the preparation of the annual budget that rolls down the Group's strategy into operational action plans. It is the responsibility of Group Financial Control to issue appropriate instructions and guidelines for the teams involved in preparing the budgets.

It coordinates the planning and budget control system, which is backed by an instruction manual describing the management rules to be applied by all entities, as well as the budgeting, forecasting and management reporting procedures.

Consolidation

The consolidation process consists of consolidating Group companies at the level of the ultimate parent company, Edenred S.A., which owns all of these companies either directly or indirectly. Each consolidated subsidiary produces a consolidation package in accordance with Group accounting policies and IFRSs, based on accounting data generated by their local information systems.

The Consolidation department issues instructions prior to each period-end, setting out the reporting deadlines and describing any changes in standards, rules or principles that will apply for the first time. It also provides regular training on consolidation tools and standards. On receipt of the packages, the Consolidation department performs the customary checks and controls before launching the consolidation process. The package reviews are an opportunity to check the accounting treatment applied to recognize and measure significant, unusual and non-recurring transactions.

To help improve the quality of financial information reported by consolidated subsidiaries, the Chief Executive Officer and the Finance Director of each consolidated or non-consolidated subsidiary is required to issue to the Group a representation letter at each half-yearly and annual close, certifying that (i) the financial statements comply with Group accounting policies and principles, (ii) internal controls over the preparation and processing of the financial statements are effective and (iii) there have been no irregularities involving employees or management. The subsidiaries' management also provide additional human resources information for the calculation of pension obligations, as well as comments on material events for the period and a description of any items that - individually or cumulatively - have a material impact on the understanding and measurement of the subsidiary's financial statements.

The Consolidation department also produces the financial statements and notes published in the Group's annual reports.

Group Financial Information Systems

The Group's accounting and financial information system is designed to ensure the security, reliability, timely availability and traceability of information.

It is based on a reporting and consolidation system that covers all of the Group's operations, thereby ensuring consistency of accounting data at company and Group levels. A specifically designed user manual has been prepared and issued to the employees concerned, in order to guarantee that the systems are correctly used and that the information obtained is appropriate and relevant.

The Group has also set up processes to ensure the security of the accounting and financial information system, as well as the integrity of the data involved. These include regular back-ups and programmed controls that trigger warnings in the event of incorrect data entries.

The accounting and financial information system is regularly updated to keep pace with changes in the Group's specific needs.

The network and all centralized applications are tested periodically to ensure that they are adequately protected against intrusion risk, and regular security audits are also performed.

5.5.4.4. Internal communication of information and procedures related to accounting and financial information

The Group ensures that relevant information is communicated in a timely manner to all persons concerned by the system of internal control so that they can perform their duties in accordance with the Group's standards. To this end, a set of procedures describing best practices and reporting processes has been circulated internally.

Internal controls over accounting and financial information are designed to provide assurance that (i) the financial information produced by consolidated subsidiaries is reliable, (ii) the financial information published by the Group is fairly stated and complies with the true and fair view principle and (iii) adequate safeguards are in place to protect against the risk of errors, inaccuracies or omissions in the Group's financial statements. Edenred refers to the AMF's Internal Control Reference Framework and the guide to its application to internal controls over accounting and financial information.

Corporate values and principles

The Group's internal control system forms part of the corporate values expressed by the Board of Directors and Executive Management and communicated to all employees. Rules of conduct and integrity have been drawn up covering the areas of employee behavior and relations with customers, shareholders, business partners and competitors.

The Internal Audit Charter aims to provide a Group-level cross-functional view of internal audit resources and methodologies, as well as the methods used to communicate the results of internal audits. It defines the framework for internal audit activities within the Group, based on the professional guidelines issued by IFACI and other bodies which require internal auditors to observe the highest ethical standards. The Internal Audit Charter is signed by the Group's Chairman and Chief Executive Officer, the Vice President, Finance, Information Systems and Legal Affairs, the Director of Group Internal Audit, and the members of the Executive Committee whose names and responsibilities are presented in section 5.1.1.2 of this Registration Document.

Procedure manuals and accounting principles

A Finance Manual is issued to all Group Finance Departments, describing the closing process for the monthly management accounts and setting out the Group's charts of accounts, consolidation principles, accounting standards and policies. The Manual also includes the Treasury Charter, which describes cash management procedures, the principles to be followed concerning the holding of payment instruments and the approval of expenditures, as well as the role and organization of cash pooling systems.

In addition, a presentation of International Accounting Standards/International Financial Reporting Standards has been prepared by the Group Management Control Department and made available to all Group employees concerned.

Lastly, consolidation instructions detailing the financial reporting schedule and specific adjustments to be made to the subsidiaries' local financial statements are issued every six months to various Finance Directors and consolidation teams, and are archived on the Finance Intranet.

The subsidiaries' consolidation packages, including adjustments to comply with Group policies, are prepared by the local accounting teams using as a reference the Group Finance Manual which describes the accounting recognition and measurement rules. The manual presents the basic concepts applied for the preparation of the financial statements, such as the going concern, accounting period and reliability concepts. It is regularly updated to reflect changes in French laws and regulations governing the preparation of consolidated financial statements.

The Finance Manual also describes in detail Group principles for the recognition, measurement and presentation of the main financial statement items, including:

- descriptions and definitions of income statement items, and the consistency tests to be performed such as the tax proof;
- rules governing the recognition and presentation of balance sheet and off-balance sheet items;
- rules governing the measurement of certain items based on estimates;
- accounting and reporting principles for intra-group transactions.

Reporting procedure

Group Financial Control is responsible for overseeing the reporting procedure specified in the Finance Manual. This procedure requires local teams to submit monthly reporting packages comprising an analysis of key business indicators and the main components of income, in the format prescribed by the Group. All reporting data submitted by local subsidiaries must be analyzable both by nature and by function.

The reporting procedure is designed to provide a detailed analysis of monthly changes in consolidated financial and operating results, to support resource allocation decisions and measure the efficiency of the various organizations. Reported data are compared to the budget and to prior year actuals, to detect any emerging trends or unexplained variances.

Internal audit reports

A draft report is prepared after each internal audit, setting out the auditors' observations, identified risks and related recommendations. This report is sent to the management of the audited entity, which prepares an action plan when required. A summarized version of this draft report may also be sent on request to the members of the Executive Committee.

The final report, which includes the corrective action plan prepared by the audited entity, is then sent to the managers in charge of overseeing operational and financial matters for the entity concerned.

The Audit and Risks Committee receives a half-yearly summary of the internal audits carried out during the period, including a status report on the annual audit plan, an assessment of the quality of internal control in the audited entities, the internal auditors' main observations, and action plans decided on by the parties concerned.

5.5.4.5. Identifying and analyzing risks

The Group identifies and analyzes the key risks that, if they occurred, would affect its ability to fulfill its objectives. It takes the appropriate measures to limit the probability of these risks occurring and the consequences if they do.

Identifying risks

The Group is exposed to a number of risks in the normal course of business.

These risks, together with the related control procedures, are described in the Risk Factors section of this Registration Document. They include liquidity risks, counterparty risks, currency and interest rate risks, business risks, legal risks (including litigation and arbitration risks). The Risk Factors section also includes a description of the Group's insurance policy.

Internal control procedures are implemented under the direct responsibility of the heads of the operating divisions and corporate functions and Group Internal Audit, and form part of an ongoing process of identifying, assessing and managing risks.

In line with this overall process the Group has developed internal control self-assessments, based on analyzing the internal control risks inherent in each business and identifying key control issues.

Internal control self-assessments

The Group places considerable emphasis on preparing, issuing and monitoring internal control self-assessment procedures alongside existing internal control standards and processes. The self-assessment procedures are implemented by all Edenred subsidiaries that sell prepaid vouchers and cards.

Data obtained from the internal control self-assessment process are periodically centralized at country level, with the assistance of the internal auditors. The results are analyzed by Group Internal Audit, which prepares an annual executive summary for the Group Executive Committee and the Audit and Risks Committee.

Internal audit programs for units where the self-assessment system has been deployed include a quantitative measurement, via a rating system, of the gap between the self-assessment and the internal auditors' assessment of the level of internal control. By analyzing these gaps, it is possible to evaluate the quality of the self-assessment procedures implemented by the unit manager.

Risk mapping

Internal control risk maps are prepared based on the results of internal audits and above-mentioned self-assessments. These maps, which highlight issues that require priority action, are included in the relevant internal audit reports and are periodically presented in summary form to the Executive Committee and the Audit and Risks Committee.

A mapping system covering all internal and external risk factors is in the process of being developed by the Risk Management unit, assisted by Group Internal Audit and Group Information Systems Audit. The system will provide data in a standard form concerning each entity's perceived level of risk exposure, to be used to prepare any necessary action plans.

The Risk Management unit of the Legal Department will support the operating divisions in implementing the corrective measures in order to mitigate the major identified risks.

Risk management

The Risk Management unit of the Legal Department is responsible for implementing procedures in association with the Executive Committee that anticipate and appropriately address the Group's risk exposures, with the support of the operating divisions and corporate functions.

The unit's approach consists of (i) developing tools to monitor risk trends and prioritize the Group's main risks, and (ii) devising a risk prevention strategy aimed at reducing the frequency and seriousness of identified risks.

The Insurance unit, which is part of the Risk Management unit, is responsible for financing Group risks, in particular by setting up appropriate insurance cover.

Information systems security

The Information Systems Security department advises and assists Group management in defining its IT security policy. It is also responsible for ensuring that the policy is properly implemented and applied, by identifying, organizing, coordinating and leading security programs, prevention programs and corrective measures in all of the Group's host countries.

5.5.4.6. Control activities

To improve control of identified risks, the Group has set up control procedures that comply with its standards and cover both operating and financial information processes.

Preparing and controlling the consolidated financial statements

The consolidated financial statements are prepared by the Consolidation department of Group Finance based on information reported by the subsidiaries' Chief Executive Officers and Finance Directors. The format of the consolidation packages is determined by the Group.

The subsidiaries are responsible for the information contained in their consolidation packages and are required to make formal representations to Group Finance about the fairness of reporting data and its conformity with Group accounting standards and policies.

The Consolidation department carries out systematic controls of the consolidation packages submitted by the subsidiaries. A detailed schedule for reviewing the packages has been prepared and sent to the employees concerned.

In connection with their audit of the consolidated financial statements, the Auditors review the consolidation packages transmitted by the subsidiaries included in the scope of their audit. Group Internal Audit also reviews from time to time the proper application of Group accounting standards and policies by the subsidiaries, and reports to Group Finance any issues identified during the review.

The consolidated financial statements are examined by the Vice President, Finance, Information Systems and Legal Affairs prior to their review by the Audit and Risks Committee in preparation for approval by the Board of Directors.

Group Internal Audit assignments

Group Internal Audit carries out its audit assignments based on an audit program validated by the Executive Committee and the Audit and Risks Committees. The main types of assignments, as described in the Internal Audit Charter, are as follows:

- **operations audits**, which are aimed at evaluating the reliability and effectiveness of the operating entities' internal control systems, as well as ensuring that they comply with Group standards. These audits mainly include checking that the internal control self-assessments have been properly and regularly performed by the operating entities. Comparing the results of the internal audits with the results of the self-assessments serves to close the internal control loop;
- **organizational and procedural audits**, which are aimed at helping the divisions to optimize and adapt their procedures and operating processes, notably when rolling out cross-functional projects that lead to a change in organization structures;
- **specific audits**. Review assignments are referred to as specific audits when they comply with the professional standards applicable to internal auditors and fall within their remit. They can concern issues applicable to one or more operating units or to a particular country, function or process.

Internal audit plans are determined based on the internal control risk map and self-assessment questionnaires. The objective is for each entity to be audited at least once every three or four years.

The duration of each internal audit depends on the context, but they generally involve three auditors spending two weeks on-site. A report is drawn up at the end of each audit, describing the organization of each process and the auditors' recommendations. Copies of the report are given to the audited entity, the manager responsible for the entity, the members of the Executive Committee and the Chairman and Chief Executive Officer.

Measures are taken by the management of the audited entities to eliminate the identified internal control weaknesses and make any necessary improvements. Where necessary, the internal auditors perform a follow-up visit within the next twelve months, to check that the action plans have been duly implemented.

The head of Group Internal Audit prepares half-yearly and yearly summaries of the internal audits carried out during the year for presentation to the Executive Committee and to the Audit and Risks Committee, which checks that the department has the necessary resources and makes any observations or recommendations that it considers necessary.

Group Information Systems Audit assignments

The Group Information Systems Audit team, which reports to the Vice President, Finance, Information Systems and Legal Affairs, conducts audits throughout the Group. The main types of audit are as follows:

- **IT function audits**, which are performed to ensure that best practices are applied in relation to the organization and management of the audited entities' information systems;
- **audits of applications and processes**, which are aimed at ensuring that the manual and automated checks in place provide an appropriate level of internal control in view of the operations covered by the applications concerned;
- **project management audits**, which are designed to validate the implementation of best project management practices;
- **acquisition audits**, which are conducted as part of the decision-making process for Group acquisitions when the target's business has highly technological components. Their scope depends on the underlying objectives of the acquisition, but their general aim is to identify any risks relating to the Group's ability to maintain and develop the target's information systems;
- **IT security audits**, which help to ensure the security of the Group's technological platforms. They are primarily performed by the Information Systems Security Department, which reports to Group Information Systems but they may also fall within the scope of assignments carried out by Information Systems Internal Audit.

5.5.4.7. Monitoring internal control

Internal control procedures are regularly reviewed to ensure that they are appropriate and aligned with the Group's objectives, particularly in view of the risks specific to each business and the costs of performing the controls.

The main structures responsible for overseeing the internal control system are as follows:

The Audit and Risks Committee

The Board of Directors' bylaws define the Audit and Risks Committee's membership, terms of reference and procedures. The Audit and Risks Committee is responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure. To this end, the Committee:

- reviews the interim and annual consolidated financial statements and the annual financial statements of the Company, prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;
- reviews the scope of consolidation and the reasons for excluding any entities;
- reviews the Group's risk management policy and ensures that adequate systems are in place;
- assesses the Group's risk exposures and material off-balance sheet commitments, and receives a copy of the Vice President, Finance's detailed report on these matters;
- obtains assurance concerning the effectiveness of the Group's system of internal control, by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the internal audit program and of the results of the internal audits carried out since the last presentation;
- reviews the external Auditors' audit plan and the results of their audits. It receives a copy of the Auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the Auditors' appointment is due to expire, oversees the auditor selection procedure and reviews the proposals submitted by the various candidates, expresses an opinion on the proposed fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of auditor;
- validates the categories of additional audit-related work that the Auditors and the members of their networks may be asked to perform in accordance with the applicable laws and regulations;
- is informed, at the end of each year, of the fees paid by Group companies to the Auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees, as well as on its assessment of the Auditors' level of independence.

The Audit and Risks Committee has between three and five members with the expert knowledge of financial and accounting matters needed to fulfill the Committee's duties. At least two-thirds of the members, including the Committee Chairman, are independent directors. It is chaired by an independent director.

The Audit and Risks Committee meets at least three times a year. One meeting – attended by the Heads of Group Internal Audit and Group Information Systems Audit – is devoted to reviewing the effectiveness of the internal control system.

The Committee may make enquiries of the Auditors without the executive directors and/or the Vice President, Finance, being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meeting are issued by the Committee Chairman and include the meeting agenda. Meetings to review the interim and annual financial statements are held at least three days prior to the Board meeting called to approve the financial statements. The members of the Audit and Risks Committee receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group.

The Chairman and Chief Executive Officer, the Vice President, Finance, and the Auditors have a standing invitation to attend Audit and Risks Committee meetings.

5.6. Auditors' report on Chairman's report to the Annual Shareholders Meeting

Auditors' report drawn up in application of Article L.225-235 of France's Commercial Code on the Chairman's Report

Year ended December 31, 2010

This is a free translation into English of the original Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers.

To the shareholders

In our capacity as Auditors of Edenred and in accordance with the requirements of Article L.225-235 of France's Commercial Code, we present below our report on the report prepared by the Chairman of Edenred's Board of Directors in application of Article L.225-37 of the Commercial Code for the year ended December 31, 2010.

The Chairman of the Board of Directors is required to draw up and submit to the Board for approval a report that i) describes the internal control and risk management procedures set up within the Company and ii) discloses the other information required under Article L.225-37 of the Commercial Code, notably regarding corporate governance principles.

Our responsibility is to:

- report to shareholders our comments on the information contained in the Chairman's report concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information; and
- provide a statement confirming that the Chairman's report includes the other information required under Article L.225-37 of the Commercial Code, although we are not responsible for verifying the accuracy of said information.

We performed our procedures in accordance with professional guidelines applicable in France.

Information concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information

Professional guidelines require us to perform procedures to assess the fairness of the information set out in the Chairman's report concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information. These procedures included:

- examining the internal control and risk management procedures related to the preparation and processing of accounting and financial data underlying the information presented in the Chairman's report, as well as existing documentation;
- acquiring an understanding of the work performed in order to prepare this information and existing documentation;
- determining whether any major internal control weaknesses concerning the preparation and processing of accounting and financial information that we may have identified as part of our audit are appropriately disclosed in the Chairman's report.

Based on procedures performed, we have no matters to report concerning the information provided on the Company's internal control and risk management procedures related to the preparation and processing of accounting and financial information, as contained in the report of the Chairman of the Board of Directors prepared in accordance with Article L.225-37 of the Commercial Code.

Other information

We confirm that the report of the Chairman of the Board of Directors contains the other information required under Article L.225-37 of the Commercial Code.

Neuilly-sur-Seine and Paris, March 10, 2011

The Auditors

DELOITTE & ASSOCIÉS	DIDIER KLING & ASSOCIÉS
David Dupont-Noël	Didier Kling

Financial statements

6

6.1. Auditors' reports on the pro forma and consolidated financial statements

6.1.1. AUDITORS' REPORT ON THE PRO FORMA FINANCIAL STATEMENTS

Auditors' report on the pro forma financial statements

Year ended December 31, 2010

This is a free translation into English of the original Auditors' Report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Chairman and Chief Executive Officer

In our capacity as Auditors of Edenred and as required by European Commission Regulation (EC) 809/2004, we have prepared this report on the pro forma consolidated financial statements of the Edenred Group for the year ended December 31, 2010 (the "pro forma financial statements") included in the section entitled "Pro Forma Financial Statements and Notes" of the 2010 Registration Document.

These pro forma financial statements have been prepared for the sole purpose of illustrating the effect that the demerger of the Accor Group's Services business would have had on the Edenred Group's historical financial information for the year ended December 31, 2010 if the demerger had been carried out on January 1, 2008. By definition, pro forma financial information addresses a hypothetical situation and is not necessarily representative of the financial position or performance that would have been reported if the transaction or event had taken place before the actual or planned date.

These pro forma financial statements have been prepared under your responsibility in accordance with the provisions of European Commission Regulation (EC) 809/2004 dealing with pro forma financial information, based on the historical financial information for the year ended December 31, 2010.

Our role, based on our procedures, is to express an opinion in the terms required by Annex II, point 7, of European Commission Regulation (EC) 809/2004 as to whether the pro forma financial information has been properly compiled on the basis stated and whether that basis is consistent with Edenred's accounting policies.

We performed the procedures that we considered necessary under the professional guidelines applicable in France to this type of engagement. These procedures consisted mainly of obtaining assurance that the basis used to prepare the pro forma financial statements was consistent with the source documents as described in the note to the pro forma financial statements entitled "Basis of preparation of the pro forma financial statements", reviewing the audit evidence supporting the pro forma adjustments and making enquiries of Edenred's management to obtain the information and explanations that we considered necessary. They did not include reviewing the underlying financial information used to prepare the pro forma financial statements.

In our opinion:

- the pro forma financial statements have been properly compiled on the basis described in the note entitled "Basis of preparation of the pro forma financial statements";
- this basis is consistent with the Edenred Group's accounting policies.

This report has been issued solely for the filing of the Registration Document with the AMF and for any public offer in France and in other European Union countries in which a prospectus comprising a registration document approved by the AMF would be required, and may not be used for any other purpose.

Paris and Neuilly-sur-Seine, March 10, 2011

The Auditors

DIDIER KLING & ASSOCIÉS	**DELOITTE & ASSOCIÉS**
Didier Kling	David Dupont-Noël

6.1.2. AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Auditors' report on the consolidated financial statements

Year ended December 31, 2010

This is a free translation into English of the original Auditors' Report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders

In accordance with our appointment as Auditors at the Annual General Meeting, we hereby report to you for the year ended December 31, 2010 on:

- the audit of the accompanying consolidated financial statements of Edenred;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of companies in accordance with IFRSs as adopted by the European Union.

II. Justification of our assessments

Pursuant to the provisions of Article L.823-9 of France's Commercial Code governing the justification of our assessments, we draw your attention to the following:

- the note to the consolidated financial statements entitled "Basis of preparation" describes the method used to prepare the Group's first consolidated financial statements and comparative data. In particular, the note describes how IFRSs were applied to account for the acquisitions of "Services" entities from the Accor Group between January 1, 2008 and June 30, 2010 to create the Edenred Group. We verified the appropriateness of these accounting policies and methods and of the related information given in the notes to the consolidated financial statements;
- goodwill and intangible assets with an indefinite life are tested for impairment at least once a year and whenever there is an indication that their recoverable amount may be less than their carrying amount. The impairment testing method is described in note 1.E.4 to the consolidated financial statements entitled "Recoverable amount of assets". We reviewed the methods applied to implement these tests and the overall consistency of the related assumptions.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. Specific verification

As required by law, we also verified the information presented in the Group management report in accordance with the professional standards applicable in France. We have no comment to make as to the fair presentation of this information or its consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, March 10, 2011

The Auditors

DIDIER KLING & ASSOCIÉS
Didier Kling

DELOITTE & ASSOCIÉS
David Dupont-Noël

6.2. Pro forma and consolidated financial statements and notes

6.2.1. PRO FORMA FINANCIAL STATEMENTS AND NOTES

6.2.1.1 Pro forma income statement

(in € millions)	Notes	2008	2009	2010
Issue volume	3	**12,696**	**12,407**	**13,875**
Operating revenue		817	808	885
Financial revenue		129	94	80
Total revenue	3	**946**	**902**	**965**
Operating expenses	4	(550)	(539)	(608)
Depreciation, amortization and provision expense	5	(31)	(36)	(29)
EBIT	6	**365**	**327**	**328**
Net financial expense	7	(87)	(104)	(62)
Operating profit before tax and non-recurring items		**278**	**223**	**266**
Non-recurring income and expenses, net	8	(15)	(211)	(100)
Operating profit before tax		**263**	**12**	**166**
Income tax expense	9	(86)	(62)	(89)
NET PROFIT		**177**	**(50)**	**77**
Net Profit, Group Share		**152**	**(57)**	**68**
Net Profit, Minority interests	16	25	7	9
Weighted average number of shares outstanding *(in thousands)*	1.U	225,458	225,458	225,897
Earnings per share *(in €)*	1.U	**0.67**	**(0.25)**	**0.30**
Diluted earnings per share *(in €)*	1.U	0.67	(0.25)	0.30
Operating profit before non-recurring items (1)		**161**	**141**	**165**
Earnings per share before non-recurring items *(in €)*		0.71	0.63	0.73

(1) The operating profit before non-recurring items has been recalculated for the year 2008 and the year 2009 to take in account the tax situation of 2010 due to the demerger.

6.1.1.2 Pro forma statement of comprehensive income

(in € millions)	Notes	2008	2009	2010
Net profit		**177**	**(50)**	**77**
Currency translation adjustment		(56)	66	99
Actuarial gains and losses on defined benefit plans		(2)	(2)	(1)
Other comprehensive income, net of tax	17	**(58)**	**64**	**98**
TOTAL COMPREHENSIVE INCOME		**119**	**14**	**175**
Comprehensive income, Group share		**92**	**8**	**166**
Comprehensive income, Minority interests		27	6	9

6.2.1.3 Pro forma balance sheet

Assets

(in € millions)	Notes	2008	2009	2010
Goodwill	10	**645**	**557**	**551**
Intangible assets	11	**110**	**99**	**96**
Property, plant and equipment	12	**37**	**37**	**40**
Other non-current financial assets		4	3	5
NON-CURRENT FINANCIAL ASSETS		**4**	**3**	**5**
Deferred tax assets	9	24	28	28
TOTAL NON-CURRENT ASSETS		**820**	**724**	**720**
Trade receivables	13	846	894	951
Inventories and other receivables and accruals	13	253	261	328
Restricted cash	23	441	565	631
Short-term loans	18 & 19	3	-	-
Marketable securities	18 & 19	1,179	1,222	1,480
Cash	18 & 19	45	41	77
TOTAL CURRENT ASSETS		**2,767**	**2,983**	**3,467**
TOTAL ASSETS		**3,587**	**3,707**	**4,187**

Equity and liabilities

(in € millions)	Notes	2008	2009	2010
Issued capital		451	451	452
Consolidated retained earnings		(1,708)	(1,611)	(1,694)
Cumulative compensation costs – share – based payments		4	6	6
Cumulative fair value adjustments to financial instruments	15	-	-	-
Cumulative actuarial gains (losses) on defined benefit plans		1	(1)	-
Currency translation reserve		(59)	8	107
Net profit, Group share		152	(57)	68
Shareholders' equity, group share		**(1,159)**	**(1,204)**	**(1,061)**
Minority interests	16	22	17	17
Total equity		**(1,137)**	**(1,187)**	**(1,044)**
Other long-term financial debt	18 & 19	1,534	1,515	1,499
Deferred tax liabilities	9	66	62	72
Long-term provisions	21	12	16	18
TOTAL NON-CURRENT LIABILITIES		**475**	**406**	**545**
Short-term provisions	21	21	63	31
Short-term financial debt	18 & 19	4	10	17
Vouchers in circulation	23	2,587	2,883	3,278
Trade payables	13	196	140	76
Other payables and income tax payable	13	292	164	174
Bank overdrafts	18 & 19	12	41	66
TOTAL CURRENT LIABILITIES		**3,112**	**3,301**	**3,642**
TOTAL EQUITY AND LIABILITIES		**3,587**	**3,707**	**4,187**

6.2.1.4 Pro forma statement of cash flows

(in € millions)	Notes	2008	2009	2010
+ EBITDA		396	363	357
- Net financial expenses	7	(87)	(104)	(62)
- Income tax paid		(83)	(77)	(91)
- Elimination of non-cash revenue and expenses included in EBITDA		9	3	10
- Elimination of provision movements included in net financial expense, income tax expense		(18)	(1)	(1)
= Funds from operations	22	**217**	**184**	**213**
+ Decrease (increase) in working capital	23	154	111	161
+ Recurring decrease (increase) in restricted cash	23	(49)	(13)	(42)
= Net cash from operating activities		**322**	**282**	**332**
+ Non-recurring gains (losses) (including restructuring costs)		(17)	(32)	(52)
+ Non-recurring decrease (increase) in restricted cash [(1)]	23	-	(114)	(23)
= Net cash from (used in) operating activities including non-recurring transactions (A)		**305**	**136**	**257**
- Recurring expenditure	24	(24)	(30)	(32)
- Development expenditure	24	(23)	(41)	(29)
+ Proceeds from disposals of assets		2	17	6
= Net cash from (used in) investing activities (B)		**(45)**	**(54)**	**(55)**
+ Minority interests in share issues by subsidiaries		(1)	7	2
- Dividends paid		(175)	(165)	(5)
+ Increase (Decrease) in debt		**121**	**341**	**1**
+ Technical demerger impact		(5)	(4)	-
+ Impact on equity of transfers between the Hospitality and Services businesses		127	92	(17)
+ Impact on short-term debt of transfers between the Hospitality and Services businesses		(204)	(306)	7
= Impact of the demerger and inter-business transfers		**(82)**	**(218)**	**(10)**
= Net cash from (used in) financing activities (C)		**(137)**	**(35)**	**(12)**
- Effect of changes in foreign exchange rates (D)		**(23)**	**(37)**	**78**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	19	**100**	**10**	**268**
+ Cash and cash equivalents at beginning of period		1,112	1,212	1,222
- Cash and cash equivalents at end of period		1,212	1,222	1,490
= NET CHANGE IN CASH AND CASH EQUIVALENTS	19	**100**	**10**	**268**

(1) Reclassification from cash and cash equivalents to restricted cash.

6.2.1.5 Changes in pro forma equity

(in € millions)	Currency translation reserve [1]	Cumulative actuarial gains (losses) on defined benefit plans	Cumulative compensation costs - share based payments	Retained earnings and profit for the period	Transactions with Accor [2]	External changes in consolidation scope [3]	Shareholders equity	Minority interests	Transactions with Accor [2]	Total minority interests	Total equity
January 1, 2008	**(1)**	**3**	**2**	**(1,481)**	**(9)**	**273**	**(1,213)**	**11**	**(1)**	**10**	**(1,203)**
Issue of share capital											
• in cash	-	-	-	-	-	-	**-**	(1)	-	**(1)**	**(1)**
Dividends paid [4]	-	-	-	(162)	-	-	**(162)**	(14)	-	**(14)**	**(176)**
Effect of changes in combination scope	-	-	-	-	127	(5)	**122**	1	(1)	**-**	**122**
Compensation costs for the period – share-based payments	-	-	2	-	-	-	**2**	-	-	**-**	**2**
Other comprehensive income	(58)	(2)	-	-	-	-	**(60)**	2	-	**2**	**(58)**
Net profit for the period	-	-	-	152	-	-	**152**	25	-	**25**	**177**
TOTAL COMPREHENSIVE INCOME	**(58)**	**(2)**	**-**	**152**	**-**	**-**	**92**	**27**	**-**	**27**	**119**
December 31, 2008	**(59)**	**1**	**4**	**(1,491)**	**118**	**268**	**(1,159)**	**24**	**(2)**	**22**	**(1,137)**
Issue of share capital											
• in cash	-	-	-	-	-	-	**-**	7	**-**	**7**	**7**
Dividends paid [4]	-	-	-	(143)	-	-	**(143)**	(22)	-	**(22)**	**(165)**
Effect of changes in combination scope	-	-	-	-	92	(4)	**88**	8	(4)	**4**	**92**
Compensation costs for the period – share-based payments	-	-	2	-	-	-	**2**	-	-	**-**	**2**
Other comprehensive income	67	(2)	-	-	-	-	**65**	(1)	-	**(1)**	**64**
Net profit for the period	-	-	-	(57)	-	-	**(57)**	7	-	**7**	**(50)**
TOTAL COMPREHENSIVE INCOME	**67**	**(2)**	**-**	**(57)**	**-**	**-**	**8**	**6**	**-**	**6**	**14**
December 31, 2009	**8**	**(1)**	**6**	**(1,691)**	**210**	**264**	**(1,204)**	**23**	**(6)**	**17**	**(1,187)**
Issue of share capital											
• in cash	-	-	-	-	-	-	**-**	2	-	**2**	**2**
Dividends paid	-	-	-	-	-	-	**-**	(5)	-	**(5)**	**(5)**
Effect of changes in consolidation scope [3]	-	2	(6)	-	257	(282)	**(29)**	4	(6)	**(2)**	**(31)**
Compensation costs for the period – share-based payments	-	-	6	-	-	-	**6**	-	-	**-**	**6**
Other comprehensive income	99	(1)	-	-	-	-	**98**	(4)	-	**(4)**	**94**
Net profit for the period	-	-	-	68	-	-	**68**	9	-	**9**	**77**
TOTAL COMPREHENSIVE INCOME	**99**	**(1)**	**-**	**68**	**-**	**-**	**166**	**5**	**-**	**5**	**171**
DECEMBER 31, 2010	**107**	**-**	**6**	**(1,623)**	**467**	**(18)**	**(1,061)**	**29**	**(12)**	**17**	**(1,044)**

(1) The €99 million favorable net exchange difference on foreign operations between December 31, 2009 and December 31, 2010 is mainly due to the appreciation of the Brazilian real (€89 million positive impact), the Mexican peso (€4 million positive impact), the Swedish kronor (€4 million positive impact) and the Australian dollar (€2 million positive impact) against the euro.

(2) Transactions with Accor.

These correspond for the most part to the impact of acquiring Edenred entities previously owned by Accor. The accounting treatment of these transactions is described in the paragraph "Companies owned by Accor entities as of January 1, 2008" of the consolidated financial statements' "Basis of Preparation" note.

(3) External changes in consolidation scope.

In 2009, these are mainly prepaid services companies acquired by Accor. The accounting treatment of these transactions is described in the paragraph "Acquisitions" of the consolidated financial statements "Basis of Preparation" note.

In 2010, this impact was reclassified in "Transactions with Accor".

(4) Dividends paid.

This corresponds to dividends paid by Edenred to Accor.

Year-end euro exchange rates used to translate foreign operations in the consolidated financial statements were as follows:

	GBP	BRL	MXN	ARS	SEK	VEF	USD
December 2008	0.95	3.24	19.23	4.81	10.87	2.99	1.39
December 2009	0.89	2.51	18.92	5.47	10.25	6.19	1.44
December 2010	0.86	2.22	16.55	5.31	8.97	7.08	1.34
Dec. 2010 vs Dec. 2009	+3.3%	+13.1%	+14.3%	+3.1%	+14.3%	(12.6)%	+7.5%

6.2.1.6 Key ratios and indicators pro forma

	Notes	2008	2009	2010
Like-for-like growth in issue volume		+13.5%	+5.7%	+10.0%
Total net margin		2.9%	2.6%	2.4%
EBIT/Issue volume				
Net operating margin		1.9%	1.9%	1.8%
(EBIT-net financial expenses)/Issue volume				
Like-for-like growth in Funds from Operations	(a)	23.7%	13.2%	15.1%
Unlevered free cash flow	(b)	283	273	287
Adjusted Funds from Operations / Adjusted net debt	(c)	36.9%	32.3%	57.3%

Note (a): Growth in funds from operations is calculated as follows:

(in € millions)	Notes	2008	2009	2010
+ EBITDA		396	363	357
- Net financial expense	7	(87)	(104)	(62)
- Income tax expense		(83)	(77)	(91)
- Elimination of non-cash revenue and expenses included in EBITDA		9	3	10
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		(18)	(1)	(1)
Funds from Operations		**217**	**184**	**213**
Growth in Funds from Operations		30.7%	(15.2)%	15.8%
Like-for-like growth in Funds from Operations		23.7%	13.2%	15.1%

Note (b): Unlevered free cash flow is calculated as follows:

	Note	2008 (*)	2009 (*)	2010
EBIT	6	**365**	**327**	**328**
Elimination of financial revenue from unrestricted float	3	(110)	(72)	(66)
Adjusted EBIT		**255**	**255**	**262**
Standard tax rate	9	33.1%	33.6%	34.6%
Tax on adjusted EBIT		**(84)**	**(86)**	**(91)**
Elimination of depreciation, amortization and provision expense	5	**31**	**36**	**29**
Recurring expenditure	23	**(24)**	**(30)**	**(32)**
Decrease / (Increase) in working capital	22.1	**154**	**111**	**161**
Recurring decrease / (increase) in restricted cash	22.2	**(49)**	**(13)**	**(42)**
UNLEVERED FREE CASH FLOW (*)		**283**	**273**	**287**
Net debt at end of period	18	**(323)**	**(303)**	**(25)**

(*) The Unlevered free cash flow has been recalculated for the year 2008 and the year 2009 (see Normative tax rate - Note 9.C.) to take in account the tax situation of 2010 due to the demerger.

Note (c): Adjusted Funds from Operations / Adjusted net debt:

(in € millions)	Notes	2008	2009	2010
Net Debt / (cash) at period end	19	323	303	25
Standard & Poors adjustement: 20% of Treasury and current financial assets		245	253	311
Capitalization of rents and pensions		64	64	64
Net Debt / (cash) adjusted		**632**	**620**	**400**
Funds from operations	22	217	184	213
Standard & Poors adjustement: capitalization of rents and pensions		16	16	16
Adjusted Funds from Operations		**233**	**200**	**229**
ADJUSTED FUNDS FROM OPERATIONS / ADJUSTED NET DEBT		**36.9%**	**32.3%**	**57.3%**

6.2.1.7 Basis of preparation of pro forma financial statements

The Edenred group did not exist as a separate legal entity prior to the legal restructuring operations and the asset contribution completed on June 29, 2010. Consequently, in connection with the listing of the Edenred shares, in order to present an economic view of the Edenred business as a whole, combined financial statements have been prepared for the years 2008, 2009 and 2010 based on the financial statements of companies historically included in the consolidated financial statements of Accor.

The comparative information (for the years 2008 and 2009) included in the consolidated financial statements for the period from January 1 to December 31, 2010 has therefore been prepared based on the Edenred group's combined financial statements, with the information for these three periods constituting the Edenred group's consolidated financial statements at December 31, 2010.

Pro forma financial statements have also been prepared for the period from January 1 to 31 December, 2010, based on Edenred's consolidated financial statements for the period. They include comparative pro forma information for the years 2008 and 2009, prepared on the basis of Edenred's combined financial statements for those periods.

These pro forma financial statements are intended to simulate the effect that the demerger from Accor would have had on Edenred's balance sheet, income statement, statement of cash flows and statement of changes in equity if it had taken place on January 1, 2007 and if Edenred had operated as a separate, self-managing listed group from that date.

The pro forma financial information is provided for illustrative purposes only. It is not necessarily representative of the financial position or performance that would have been reported if the demerger had taken place before the actual date. Similarly, it does not purport to be indicative of Edenred's financial position or performance at any future date or in any future period.

The paragraphs below detail the bases of preparation of the pro forma financial statements for the years 2008, 2009 and 2010, and this until the legal creation of the group Edenred on June 29, 2010.

Main pro forma adjustments

The pro forma adjustments described below are based on accounting conventions that, by definition, are simulations performed by applying the described method and conventions. The pro forma financial information cannot and should not be considered as representative of the results, financial position, liquid resources and performance that would have been reported by Edenred if it had operated as a separate, self-managing listed group as from January 1, 2007. Edenred decided to make the pro forma adjustments that it considered necessary in order to provide the best possible indication of the impact that creating a separate group would have had on the combined financial statements for the years 2008, 2009 and 2010.

Edenred's combined financial statements for the years 2008, 2009 and 2010 include the expenses directly allocable to Edenred based on the cost allocation keys and inter-entity billing arrangements applied during these periods within Accor. These expenses are not necessarily indicative of the costs that Edenred would have incurred if it had operated as a separate, self-managing listed group during these periods.

a) Pro forma adjustments to the income statements

The pro forma income statements for the three periods presented include estimates by Edenred based on the combined financial statements for the years 2008, 2009 and 2010 of the additional recurring costs that Edenred would have incurred if it had operated as a separate, self-managing listed group as from January 1, 2007. These additional costs have been estimated on a full-year basis and taken into account for the following amounts:

- €85 million before tax (€60 million after tax) in 2008;
- €89 million before tax (€68 million after tax) in 2009;
- €39 million before tax (€29 million after tax) in first-half, 2010. No equivalent pro forma adjustment was recorded in the second half of 2010 as Edenred became a separate, self-managing listed Group on June 29, 2010, and the loans were disbursed on June 23, 2010 (see Note 2.A. 3).

These additional recurring costs include:

- borrowing costs for the debt allocated to Edenred as part of the reallocation of Accor debt (see below b. Pro forma adjustments to the balance sheets).These borrowing costs recognized in the income statement and the borrowing costs for existing debt carried in the combined financial statements, have been calculated using the same standard interest rate of 4.35% considered as being representative of the rate that would have been obtained by Edenred from its lenders in each of the three periods presented.

  The additional finance costs arising from the allocation of borrowing costs are estimated at approximately €77 million for the year 2008, €84 million for the year 2009 and €37 million for the first half 2010;

- the additional costs of setting up the new organization, including the cost of a certain number of corporate functions that are taken over in full by Edenred. These functions were performed at the level of Accor and are therefore not reflected in Edenred's combined financial statements for the years 2008 and 2009 and for the first half 2010.

  They include:

  - support services, mainly in the areas of accounting, consolidation, reporting, internal, external and financial communications, internal audit, cash management, legal and tax affairs and human resources,
  - the creation of a Board of Directors for the new company and the related costs.

  The additional costs generated by the new organization are estimated at approximately €8 million for the year 2008, €5 million for the year 2009 and €2 million for the first half 2010.

  They have been determined on the basis of internal estimates that take account of corporate costs already recognized in the combined financial statements. These additional costs, which increased steadily over the three periods presented, have been deducted from the pro forma adjustments recorded in each of these periods;

- the expenses that will be generated from the billing of costs and fees by Accor to Edenred under the service agreements that the two groups signed.

  Based on internal estimates, the expense from these billings is expected to amount to €(0.8) million for every year.

  No account has been taken of any additional costs resulting from the loss of economies of scale (such as higher purchasing costs...);

- the tax savings generated by the pro forma adjustments described above for each period, estimated at the tax rate in force in the country concerned.

  The reduction in income tax expense arising from the pro forma adjustments is estimated at approximately €25 million for the year 2008, €21 million for the year 2009 and €10 million for the first half 2010.

  No account has been taken of any tax costs that may result from the exit of Edenred entities from the French tax group, or of any tax savings that may arise from the creation of new local tax groups within Edenred.

These pro forma adjustments have been prepared on the basis of estimates and assumptions determined by Group management and therefore cannot and do not reflect the results of future negotiations. Moreover, they cannot and do not take into account the effects of any subsequent decisions by the Group's administrative, management or supervisory bodies concerning share-based payments or components of management compensation. As a result, these additional recurring costs are not necessarily representative of the costs that would have been incurred in 2008, 2009 and 2010 based on the specific trading and market conditions prevailing in each of these periods.

b) Pro forma adjustments to the balance sheets

1. Net debt

The pro forma balance sheets for the years 2008 and 2009 include the net debt allocated to Edenred as part of the reallocation of Accor's debt, based on the amount thereof at December 31, 2009. The amount of €2,143 million at January 1, 2008 has been included on an identical basis in pro forma net debt for the years 2008 and 2009.

The combined financial statements for the years 2008 and 2009 include existing debt, which takes into account the impact on debt of the legal restructuring done by Accor in favor of Edenred during the year 2008 (€306 million), and the year 2009 (€392 million).

The adjustments to net debt (between the combined and the pro forma financial statements) allocated to Edenred in the pro forma financial statements for the years 2008 and 2009 amounted to €1,837 million at December 31, 2008 and €1,445 million at December 31, 2009. No adjustments to net debt remained at December 31, 2010 as all the legal restructuring transactions had been completed at that date.

All of the debt allocation entries have been recorded by adjusting equity. The finance costs generated by this additional debt have been recorded in the pro forma income statements for these years also by adjusting equity.

Pro forma adjustments to debt break down as follows:

(in € millions)	2008	2009	2010
Bonds	600	600	
Other long-term financial debt	900	900	
Long-term finance lease liabilities	-	-	-
Short-term financial debt	(453)	(631)	
Bank overdrafts	1	-	-
TOTAL DEBT	**1,048**	**869**	**-**
Short-term loans	1,338	1,044	
Marketable securities	(549)	(468)	
Cash	-	-	-
Short-term receivables on disposals of assets	-	-	-
CURRENT FINANCIAL ASSETS	**789**	**576**	**-**
TOTAL PRO FORMA ADJUSTMENTS	**1,837**	**1,445**	**-**

For the years 2008 and 2009, Edenred's pro forma net debt, corresponding to its historical net debt and the pro forma adjustments, amounted to €323 million at December 31, 2008 and €303 million at December 31, 2009.

At December 31, 2010, Edenred's net debt (historical combined and pro forma) amounted to €25 million.

(in € millions)	2008 (*)	2009 (*)	2010
Consolidated net debt	**(1,514)**	**(1,142)**	**25**
Pro forma adjustments	1,837	1,445	-
PRO FORMA NET DEBT	**323**	**303**	**25**

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation).

The pro forma balance sheets for the three periods presented include the tax savings generated by the pro forma adjustments described above for each period, estimated at the tax rate in force in the country concerned.

2. Equity

In the pro forma financial statements, equity represents a negative amount of €1,137 million at December 31, 2008, €1,187 million at December 31, 2009 and €1,044 million at December 31, 2010. This is due to the recognition of assets contributed or sold by Accor in Contribution-Demerger transactions at their historical cost.

None of the legal restructuring operations, whether consisting of asset contributions or sales by Accor in favor of Edenred, qualify as business combinations under IFRS 3. Whatever the legal method used to create the Edenred group, the transactions will not change the Edenred's scope as defined in the consolidated financial statements. Consequently, the contributions are analyzed as an internal restructuring of Edenred without any effect on the Edenred's consolidated financial statements, to the extent that all the contributed entities were already included in the scope of the consolidated financial statements.

Similarly, the legal sale transactions between Accor and Edenred do not constitute acquisitions by Edenred, because all of the sold entities were included in the scope of the Edenred combined financial statements prior to the legal sale transactions.

However, in the Edenred 's accounts, the sales lead to an outflow of cash to the shareholder, Accor, without any benefit being received in return. The cash outflow should therefore be recognized when it occurs as a distribution of reserves by Edenred, giving rise to a reduction in equity.

6.2.1.8 Reconciliation of the consolidated financial statements to the pro forma financial statements

Income statements

At December 31, 2008

(in € millions)	**Historical consolidated income statements December 2008 (*)**	**Pro forma adjustments**	**Pro forma income statements December 2008**
Issue volume	**12,696**	**-**	**12,696**
Operating revenue	817	-	817
Financial revenue	129	-	129
Total revenue	**946**	**-**	**946**
Operating expenses	(542)	(8)	(550)
Depreciation, amortization and provision expense	(31)	-	(31)
EBIT	**373**	**(8)**	**365**
Net financial expense	(10)	(77)	(87)
Operating profit before tax and non-recurring items	**363**	**(85)**	**278**
Non-recurring income and expenses, net	(15)	-	(15)
Operating profit before tax	**348**	**(85)**	**263**
Income tax expense	(111)	25	(86)
NET PROFIT	**237**	**(60)**	**177**
Net Profit, Group Share	**212**	**(60)**	**152**
Net Profit, Minority interests	25	-	25
Weighted average number of shares outstanding *(in thousands)*	225,458	-	225,458
Earnings per share *(in €)*	**0.94**	**(0.27)**	**0.67**
Diluted earnings per share *(in €)*	0.94	(0.27)	0.67
Operating profit before non-recurring items (1)	**221**	**(60)**	**161**
Earnings per share before non-recurring items *(in €)*	0.98	(0.27)	0.71

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)

(1) The operating profit before non-recurring items has been recalculated for the year 2008 and the year 2009 to take in account the tax situation of 2010 due to the demerger.

At December 31, 2009

(in € millions)	Historical consolidated income statements December 2009 (*)	Pro forma adjustments	Pro forma income statements December 2009
Issue volume	**12,407**	**-**	**12,407**
Operating revenue	808	-	808
Financial revenue	94	-	94
Total revenue	**902**	**-**	**902**
Operating expenses	(534)	(5)	(539)
Depreciation, amortization and provision expense	(36)	-	(36)
EBIT	**332**	**(5)**	**327**
Net financial expense	(20)	(84)	(104)
Operating profit before tax and non-recurring items	**312**	**(89)**	**223**
Non-recurring income and expenses, net	(211)	-	(211)
Operating profit before tax	**101**	**(89)**	**12**
Income tax expense	(83)	21	(62)
NET PROFIT	**18**	**(68)**	**(50)**
Net Profit, Group Share	**11**	**(68)**	**(57)**
Net Profit, Minority interests	7	-	7
Weighted average number of shares outstanding *(in thousands)*	225,458	,	225,458
Earnings per share *(in €)*	**0.05**	**(0.30)**	**(0.25)**
Diluted earnings per share *(in €)*	0.05	(0.30)	(0.25)
Operating profit before non-recurring items (1)	**209**	**(68)**	**141**
Earnings per share before non-recurring items *(in €)*	0.93	(0.30)	0.63

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)

(1) The operating profit before non-recurring items has been recalculated for the year 2008 and the year 2009 to take in account the tax situation of 2010 due to the demerger.

At December 31, 2010

(in € millions)	Historical consolidated income statements December 2010	Pro forma adjustments	Pro forma income statements December 2010
Issue volume	**13,875**	**-**	**13,875**
Operating revenue	885	-	885
Financial revenue	80	-	80
Total revenue	**965**	**-**	**965**
Operating expenses	(606)	(2)	(608)
Depreciation, amortization and provision expense	(29)	-	(29)
EBIT	**330**	**(2)**	**328**
Net financial expense	(25)	(37)	(62)
Operating profit before tax and non-recurring items	**305**	**(39)**	**266**
Non-recurring income and expenses, net	(100)	-	(100)
Operating profit before tax	**205**	**(39)**	**166**
Income tax expense	(99)	10	(89)
NET PROFIT	**106**	**(29)**	**77**
Net Profit, Group Share	**97**	**(29)**	**68**
Net Profit, Minority interests	9	-	9
Weighted average number of shares outstanding *(in thousands)*	225,897	,	225,897
Earnings per share *(in €)*	**0.43**	**(0.13)**	**0.30**
Diluted earnings per share *(in €)*	0.43	(0.13)	0.30
Operating profit before non-recurring items	**194**	**(29)**	**165**
Earnings per share before non-recurring items *(in €)*	0.86	(0.13)	0.73

Statements of comprehensive income

At December 31, 2008

(in € millions)	Historical consolidated statement of comprehensive income December 2008 (*)	Pro forma adjustments	Pro forma statement of comprehensive income December 2008
NET PROFIT	**237**	**(60)**	**177**
Currency translation adjustment	(56)	-	(56)
Actuarial gains and losses on defined benefit plans	(2)	-	(2)
Other comprehensive income, net of tax	**(58)**	**-**	**(58)**
TOTAL COMPREHENSIVE INCOME	**179**	**(60)**	**119**
Comprehensive income, Group share	**152**	**(60)**	**92**
Comprehensive income, Minority interests	27	-	27

(*) *The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation).*

At December 31, 2009

(in € millions)	Historical consolidated statement of comprehensive income December 2009 (*)	Pro forma adjustments	Pro forma statement of comprehensive income December 2009
NET PROFIT	**18**	**(68)**	**(50)**
Currency translation adjustment	66	-	66
Actuarial gains and losses on defined benefit plans	(2)	-	(2)
Other comprehensive income, net of tax	**64**	**-**	**64**
TOTAL COMPREHENSIVE INCOME	**82**	**(68)**	**14**
Comprehensive income, Group share	**76**	**(68)**	**8**
Comprehensive income, Minority interests	6	-	6

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation).

At December 31, 2010

(in € millions)	Historical consolidated statement of comprehensive income December 2010	Pro forma adjustments	Pro forma statement of comprehensive income December 2010
NET PROFIT	**106**	**(29)**	**77**
Currency translation adjustment	99	-	**99**
Actuarial gains and losses on defined benefit plans	(1)	-	**(1)**
Other comprehensive income, net of tax	**98**	**-**	**98**
TOTAL COMPREHENSIVE INCOME	**204**	**(29)**	**175**
Comprehensive income, Group share	**195**	**(29)**	**166**
Comprehensive income, Minority interests	**9**	-	**9**

Balance sheets

At December 31, 2008

Assets *(in € millions)*	Historical consolidated balance sheet December, 2008 (*)	Pro forma adjustments	Pro forma consolidated balance sheet December, 2008
Goodwill	**645**	**-**	**645**
Intangible assets	**110**	**-**	**110**
Property, plant and equipment	**37**	**-**	**37**
Other non-current financial assets	4	-	4
NON-CURRENT FINANCIAL ASSETS	**4**	**-**	**4**
Deferred tax assets	19	5	24
TOTAL NON-CURRENT ASSETS	**815**	**5**	**820**
Trade receivables	846	-	846
Inventories and other receivables and accruals	243	10	253
Restricted cash	441	-	441
Short-term loans	1,341	(1,338)	3
Marketable securities	630	549	1,179
Cash	45	-	45
TOTAL CURRENT ASSETS	**3,546**	**(779)**	**2,767**
TOTAL ASSETS	**4,361**	**(774)**	**3,587**

Equity and liabilities *(in € millions)*	Historical consolidated balance sheet December, 2008 (*)	Pro forma adjustments	Pro forma consolidated balance sheet December, 2008
Issued capital	-	451	451
Consolidated retained earnings	509	(2,217)	(1,708)
Cumulative compensation costs - share-based payments	4	-	4
Cumulative fair value adjustments to financial instruments	-	-	-
Cumulative actuarial gains (losses) on defined benefit plans	1	-	1
Currency translation reserve	(59)	-	(59)
Net profit, Group share	212	(60)	152
Shareholders' equity, Group share	**667**	**(1,826)**	**(1,159)**
Minority interests	24	(2)	22
Total equity	**691**	**(1,828)**	**(1,137)**
Other long-term financial debt	34	1,500	1,534
Deferred tax liabilities	66	-	66
Long-term provisions	12	-	12
TOTAL NON-CURRENT LIABILITIES	**803**	**(328)**	**475**
Short-term provisions	17	4	21
Short-term financial debt	457	(453)	4
Vouchers in circulation	2,587	-	2,587
Trade payables	196	-	196
Other payables and income tax payable	290	2	292
Bank overdrafts	11	1	12
TOTAL CURRENT LIABILITIES	**3,558**	**(446)**	**3,112**
TOTAL EQUITY AND LIABILITIES	**4,361**	**(774)**	**3,587**

(*) *The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation).*

At December 31, 2009

Assets *(in € millions)*	Historical consolidated balance sheet December, 2009 (*)	Pro forma adjustments	Pro forma consolidated balance sheet December, 2009
Goodwill	**557**	**-**	**557**
Intangible assets	**99**	**-**	**99**
Property, plant and equipment	**37**	**-**	**37**
Other non-current financial assets	3	-	3
NON-CURRENT FINANCIAL ASSETS	**3**	**-**	**3**
Deferred tax assets	24	4	28
TOTAL NON-CURRENT ASSETS	**720**	**4**	**724**
Trade receivables	894	-	894
Inventories and other receivables and accruals	251	10	261
Restricted cash	565	-	565
Short-term loans	1,044	(1,044)	-
Marketable securities	754	468	1,222
Cash	41	-	41
TOTAL CURRENT ASSETS	**3,549**	**(566)**	**2,983**
TOTAL ASSETS	**4,269**	**(562)**	**3,707**

Equity and liabilities *(in € millions)*	Historical consolidated balance sheet December, 2009 (*)	Pro forma adjustments	Pro forma consolidated balance sheet December, 2009
Issued capital	-	451	451
Consolidated retained earnings	207	(1,818)	(1,611)
Cumulative compensation costs - share-based payments	6	-	6
Cumulative fair value adjustments to financial instruments	-	-	-
Cumulative actuarial gains (losses) on defined benefit plans	(1)	-	(1)
Currency translation reserve	8	-	8
Net profit, Group share	11	(68)	(57)
Shareholders' equity, Group share	**231**	**(1,435)**	**(1,204)**
Minority interests	19	(2)	17
Total equity	**250**	**(1,437)**	**(1,187)**
Other long-term financial debt	15	1,500	1,515
Deferred tax liabilities	62	-	62
Long-term provisions	16	-	16
TOTAL NON-CURRENT LIABILITIES	**343**	**63**	**406**
Short-term provisions	59	4	63
Short-term financial debt	641	(631)	10
Vouchers in circulation	2,883	-	2,883
Trade payables	140	-	140
Other payables and income tax payable	162	2	164
Bank overdrafts	41	-	41
TOTAL CURRENT LIABILITIES	**3,926**	**(625)**	**3,301**
TOTAL EQUITY AND LIABILITIES	**4,269**	**(562)**	**3,707**

(*) *The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation).*

At December 31, 2010

Assets *(in € millions)*	Historical consolidated balance sheet December, 2010	Pro forma adjustments	Pro forma consolidated balance sheet December, 2010
Goodwill	**551**	**-**	**551**
Intangible assets	**96**	**-**	**96**
Property, plant and equipment	**40**	**-**	**40**
Other non-current financial assets	5	-	5
NON-CURRENT FINANCIAL ASSETS	**5**	**-**	**5**
Deferred tax assets	28	-	28
TOTAL NON-CURRENT ASSETS	**720**	**-**	**720**
Trade receivables	951	-	951
Inventories and other receivables and accruals	328	-	328
Restricted cash	631	-	631
Short-term loans	-	-	-
Marketable securities	1,480	-	1,480
Cash	77	-	77
TOTAL CURRENT ASSETS	**3,467**	**-**	**3,467**
TOTAL ASSETS	**4,187**	**-**	**4,187**

Equity and liabilities *(in € millions)*	Historical consolidated balance sheet December, 2010	Pro forma adjustments	Pro forma consolidated balance sheet December, 2010
Issued capital	452	-	452
Consolidated retained earnings	(1,723)	29	(1,694)
Cumulative compensation costs - share-based payments	6	-	6
Cumulative fair value adjustments to financial instruments	-	-	-
Cumulative actuarial gains (losses) on defined benefit plans	-	-	-
Currency translation reserve	107	-	107
Net profit, Group share	97	(29)	68
Shareholders' equity, Group share	**(1,061)**	**-**	**(1,061)**
Minority interests	17	-	17
Total equity	**(1,044)**	**-**	**(1,044)**
Other long-term financial debt	1,499	-	1,499
Deferred tax liabilities	72	-	72
Long-term provisions	18	-	18
TOTAL NON-CURRENT LIABILITIES	**545**	**-**	**545**
Short-term provisions	31	-	31
Short-term financial debt	17	-	17
Vouchers in circulation	3,278	-	3,278
Trade payables	76	-	76
Other payables and income tax payable	174	-	174
Bank overdrafts	66	-	66
TOTAL CURRENT LIABILITIES	**3,642**	**-**	**3,642**
TOTAL EQUITY AND LIABILITIES	**4,187**	**-**	**4,187**

Statements of cash flows

At December 31, 2008

(in € millions)	Historical consolidated balance sheet December, 2008 (*)	Retraitements pro forma	Pro forma consolidated balance sheet December, 2008
+ EBITDA	404	(8)	396
- Net financial expenses	(10)	(77)	(87)
- Income tax paid	(109)	26	(83)
- Elimination of non-cash revenue and expenses included in EBITDA	9	-	9
- Elimination of provision movements included in net financial expense, income tax expense	(18)	-	(18)
= Funds from operations	**276**	**(59)**	**217**
+ Decrease (increase) in working capital	154	-	154
+ Recurring decrease (increase) in restricted cash	(49)	-	(49)
= Net cash from operating activities	**381**	**(59)**	**322**
+ Non-recurring gains (losses) (including restructuring costs)	(17)	-	(17)
+ Non-recurring decrease (increase) in restricted cash (1)	-	-	-
= Net cash from (used in) operating activities including non-recurring transactions (A)	**364**	**(59)**	**305**
- Recurring expenditure	(24)	-	(24)
- Development expenditure	(23)	-	(23)
+ Proceeds from disposals of assets	2	-	2
= Net cash from (used in) investing activities (B)	**(45)**	**-**	**(45)**
+ Minority interests in share issues by subsidiaries	(1)	-	(1)
- Dividends paid	(176)	1	(175)
+ Increase (Decrease) in debt	**121**	**-**	**121**
+ Technical demerger impact	(5)	-	(5)
+ Impact on equity of transfers between the Hospitality and Services businesses	(240)	367	127
+ Impact on short-term debt of transfers between the Hospitality and Services businesses	(11)	(193)	(204)
= Impact of the demerger and inter-business transfers	**(256)**	**174**	**(82)**
= Net cash from (used in) financing activities (C)	**(312)**	**175**	**(137)**
- Effect of changes in foreign exchange rates (D)	**(19)**	**(4)**	**(23)**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	**(12)**	**112**	**100**
+ Cash and cash equivalents at beginning of period	676	436	1,112
- Cash and cash equivalents at end of period	664	548	1,212
= NET CHANGE IN CASH AND CASH EQUIVALENTS	**(12)**	**112**	**100**

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation).

(1) Reclassification from cash and cash equivalents to restricted cash.

At December 31, 2009

(in € millions)	Historical consolidated balance sheet December, 2009 (*)	Retraitements pro forma	Pro forma consolidated balance sheet December, 2009
+ EBITDA	368	(5)	363
- Net financial expenses	(20)	(84)	(104)
- Income tax paid	(98)	21	(77)
- Elimination of non-cash revenue and expenses included in EBITDA	3	-	3
- Elimination of provision movements included in net financial expense, income tax expense	(1)	-	(1)
= Funds from operations	**252**	**(68)**	**184**
+ Decrease (increase) in working capital	111	-	111
+ Recurring decrease (increase) in restricted cash	(13)	-	(13)
= Net cash from operating activities	**350**	**(68)**	**282**
+ Non-recurring gains (losses) (including restructuring costs)	(32)	-	(32)
+ Non-recurring decrease (increase) in restricted cash [(1)]	(114)	-	(114)
= Net cash from (used in) operating activities including non-recurring transactions (A)	**204**	**(68)**	**136**
- Recurring expenditure	(30)	-	(30)
- Development expenditure	(41)	-	(41)
+ Proceeds from disposals of assets	17	-	17
= Net cash from (used in) investing activities (B)	**(54)**	**-**	**(54)**
+ Minority interests in share issues by subsidiaries	7	-	7
- Dividends paid	(165)	-	(165)
+ Increase (Decrease) in debt	**341**	**-**	**341**
+ Technical demerger impact	(4)	-	(4)
+ Impact on equity of transfers between the Hospitality and Services businesses	(367)	459	92
+ Impact on short-term debt of transfers between the Hospitality and Services businesses	166	(472)	(306)
= Impact of the demerger and inter-business transfers	**(205)**	**(13)**	**(218)**
= Net cash from (used in) financing activities (C)	**(22)**	**(13)**	**(35)**
- Effect of changes in foreign exchange rates (D)	**(38)**	**1**	**(37)**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	**90**	**(80)**	**10**
+ Cash and cash equivalents at beginning of period	664	548	1,212
- Cash and cash equivalents at end of period	754	468	1,222
= NET CHANGE IN CASH AND CASH EQUIVALENTS	**90**	**(80)**	**10**

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation).

(1) Reclassification from cash and cash equivalents to restricted cash.

At December 31, 2010

(in € millions)	Historical consolidated balance sheet December, 2010	Retraitements pro forma	Pro forma consolidated balance sheet December, 2010
+ EBITDA	359	(2)	357
- Net financial expenses	(25)	(37)	(62)
- Income tax paid	(101)	10	(91)
- Elimination of non-cash revenue and expenses included in EBITDA	10	-	10
- Elimination of provision movements included in net financial expense, income tax expense	(1)	-	(1)
= Funds from operations	**242**	**(29)**	**213**
+ Decrease (increase) in working capital	161	-	161
+ Recurring decrease (increase) in restricted cash	(42)	-	(42)
= Net cash from operating activities	**361**	**(29)**	**332**
+ Non-recurring gains (losses) (including restructuring costs)	(52)	-	(52)
+ Non-recurring decrease (increase) in restricted cash [1]	(23)	-	(23)
= Net cash from (used in) operating activities including non-recurring transactions (A)	**286**	**(29)**	**257**
- Recurring expenditure	(32)	-	(32)
- Development expenditure	(29)	-	(29)
+ Proceeds from disposals of assets	6	-	6
= Net cash from (used in) investing activities (B)	**(55)**	**-**	**(55)**
+ Minority interests in share issues by subsidiaries	2	-	2
- Dividends paid	(5)	-	(5)
+ Increase (Decrease) in debt	**1,975**	**(1,974)**	**1**
+ Technical demerger impact	-	-	-
+ Impact on equity of transfers between the Hospitality and Services businesses	(1,483)	1,466	(17)
+ Impact on short-term debt of transfers between the Hospitality and Services businesses	(62)	69	7
= Impact of the demerger and inter-business transfers	**(1,545)**	**1,535**	**(10)**
= Net cash from (used in) financing activities (C)	**427**	**(439)**	**(12)**
- Effect of changes in foreign exchange rates (D)	**78**	**-**	**78**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	**736**	**(468)**	**268**
+ Cash and cash equivalents at beginning of period	754	468	1,222
- Cash and cash equivalents at end of period	1,490	-	1,490
= NET CHANGE IN CASH AND CASH EQUIVALENTS	**736**	**(468)**	**268**

(1) Reclassification from cash and cash equivalents to restricted cash.

Changes in equity

At December 31, 2008

	Total Equity January 1st, 2008	Total comprehensive Income	Effect of changes in consolidation scope	Dividends paid	Other	Total Equity December 31, 2008
Changes in Historical Consolidated Equity (*)	**932**	**179**	**(245)**	**(176)**	**1**	**691**
Pro forma adjustments	(2,135)	(60)	367	-	-	(1,828)
CHANGES IN PRO FORMA EQUITY	**(1,203)**	**119**	**122**	**(176)**	**1**	**(1,137)**

(*) *The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)*

At December 31, 2009

	Total Equity January 1st, 2009	Total comprehensive Income	Effect of changes in consolidation scope	Dividends paid	Other	Total Equity December, 2009
Changes in Historical Consolidated Equity (*)	**691**	**82**	**(367)**	**(165)**	**9**	**250**
Pro forma adjustments	(1,828)	(68)	459	-	-	(1,437)
CHANGES IN PRO FORMA EQUITY	**(1,137)**	**14**	**92**	**(165)**	**9**	**(1,187)**

(*) *The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation).*

At December 31, 2010

	Total Equity January 1st, 2010	Total comprehensive Income	Effect of changes in consolidation scope	Dividends paid	Other	Total Equity December 31, 2010
Changes in Historical Consolidated Equity	**250**	**200**	**(1,497)**	**(5)**	**8**	**(1,044)**
Pro forma adjustments	(1,437)	(29)	1,466	-	-	-
CHANGES IN PRO FORMA EQUITY	**(1,187)**	**171**	**(31)**	**(5)**	**8**	**(1,044)**

6.2.1.9 Notes to the pro forma financial statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The pro forma financial statements have been prepared in a format that is compatible with the accounting policies and methods that Edenred applies in its consolidated financial statements at December 31, 2010.

General framework

As required by European Commission regulation 1606/2002/EC dated July 19, 2002 (downloadable from the European Commission's website http://ec.europa.eu/internal_market/accounting/ias/index_en.htm), the "Basis of Preparation" note above, which should be read in conjunction with the same note on the consolidated financial statements at December 31, 2010, describes how the International Financial Reporting Standards (IFRSs) adopted by the European Union have been applied for the preparation of the pro forma financial statements at December 31, 2010. These pro forma financial statements include comparative financial information for the years 2008 and 2009, prepared in accordance with the same principles and conventions and the same standards.

Account should be taken of the options selected by Edenred upon first-time adoption of IFRSs at December 31, 2009 in line with IFRS 1 - First-Time Adoption of International Financial Reporting Standards.

When, as in the case of Edenred, a subsidiary becomes a first-time adopter after its parent, IFRS 1 stipulates that the carrying amounts of its assets and liabilities should be the same in both its own opening IFRS balance sheet and in its parent's consolidated balance sheet (except for adjustments for consolidation procedures).

Alternatively, the subsidiary may measure all its assets and liabilities based on its own date of transition to IFRSs. In this latter case, the options applied by the subsidiary under IFRS 1 may be different from those applied by its parent.

Edenred has chosen to prepare its opening IFRS financial statements based on the carrying amounts of its assets and liabilities in Accor's consolidated balance sheet (except for adjustments for consolidation procedures). Consequently, Edenred has selected the same options under IFRS 1 as those applied by Accor.

The following transitional provisions of IFRS 1 have been applied on first-time adoption of IFRSs:

- **business combinations**: business combinations recorded prior to January 1, 2004 – the date of Accor's transition to IFRSs – have not been restated;
- **cumulative translation differences**: Edenred's cumulative translation differences were reset to zero by adjusting retained earnings in Accor's opening balance sheet at the IFRS transition date. Consequently, the translation reserve included in equity corresponds to cumulative translation differences for the period from January 1, 2004;
- **financial instruments**: Edenred's financial instruments were designated as either financial assets at fair value through profit or loss or available-for-sale financial assets at the date of Accor's transition to IFRSs.

The following exemptions from other IFRSs were not applied in the opening balance sheet at the IFRS transition date:

- property, plant and equipment and intangible assets were not measured at fair value at the transition date;
- IFRS 2 was not applied to equity instruments granted before November 7, 2002 or to equity instruments granted after November 7, 2002 that had not vested at January 1, 2005.

Currently applicable standards, amendments and interpretations

At December 31, 2010, the accounting standards and interpretations adopted by the European Union were the same as the International Financial Reporting Standards (including IFRSs, IASs and SIC and IFRIC Interpretations) published by the International Accounting Standards Board ("IASB") and applicable at that date, with the exception of:

- IAS 39, which was only partially adopted;
- amendment to IFRS 1 "Additional Exemptions for First-time Adopters".

These differences between the standards and interpretations published by the IASB and those adopted by the European Union do not affect Edenred's financial statements because application of IAS 39 and the amendment to IFRS 1 will have no impact on the Group's financial statements when they are adopted by the European Union and become applicable by the Group.

Consequently, Edenred's financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

The following new standards, amendments to or revisions of existing standards and interpretations had been adopted by the European Union and were applicable from January 1, 2010:

- amendment to IAS 39 – Eligible Hedged Items: the amendment states in particular that the time value of money should not be taken into account in a hedging relationship and that inflation can be designated as a hedged item only when certain conditions are met. The amendment had no impact on the Group's hedge accounting;
- IFRS 1 (revised) – First-time Adoption of International Financial Reporting Standards: this standard concerns companies adopting IFRS for the first time and the revision therefore had no impact on the financial statements for the periods presented;
- amendment to IFRS 2 – Group Cash-Settled Share-Based Payment Transactions: the amendment clarifies how an individual subsidiary in a group should account for cash-settled share-based payment arrangements in its own financial statements. It had no impact on the financial statements for the periods presented;
- IFRS 3 (revised) – Business Combinations and IAS 27 (revised) – Consolidated and Separate Financial Statements: these revised standards, which are applicable prospectively, concern business combinations and changes in percentage ownership occurring on or after January 1, 2010. Adoption of these two revised standards led the Group to alter its accounting treatment of business combinations and transactions with non-controlling interests carried out on or after that date. The changes are as follows:
  - transactions with non-controlling interests are now accounted for as transactions between owners and thus as equity transactions,
  - for each business combination, IFRS 3 (revised) offers the option of measuring any non-controlling interest in the acquiree either at fair value or as the non-controlling interest's proportionate share

  of acquiree's identifiable net assets (with no change possible later in the event of an additional interest being acquired that does not transfer control),
  - costs related to business combinations are recognized directly as expenses,
  - changes in ownership interest resulting in loss of control trigger remeasurement of the residual holding at fair value.

  Adoption of this revised standard had no effect on the financial statements for the periods presented;
- improvements to IFRSs (April 2009): application of the amendments to standards had no effect on the financial statements for the periods presented;
- IFRIC 12 – Service Concession Arrangements: as Edenred is not involved in service concession arrangements, adoption of this interpretation had no effect on the financial statements for the periods presented;
- IFRIC 15 – Agreements for the Construction of Real Estate: adoption of this interpretation had no effect on the financial statements for the periods presented;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation: this interpretation, which is applicable prospectively, clarifies certain principles governing hedges of net investments in foreign operations:
  - hedge accounting may only be applied to foreign exchange differences between functional currencies for an amount less than the carrying amount of the net investment and only one hedging relationship may be designated,
  - the hedging instrument(s) may be held by any entity within the Group,
  - the gain or loss on the hedging instrument accounted for in equity is reclassified to profit or loss on disposal of the investment,

  Adoption of this interpretation had no effect on the financial statements for the periods presented;
- IFRIC 17 – Distributions of Non-cash Assets to Owners: adoption of this interpretation had no effect on the financial statements for the periods presented;
- IFRIC 18 – Transfers of Assets from Customers: adoption of this interpretation had no effect on the financial statements for the periods presented.

Assessment of the potential impact on the consolidated financial statements of future standards, amendments to existing standards and interpretations of existing standards.

Edenred elected not to early adopt the following standards, amendments and interpretations adopted or in the process of being adopted by the European Union at December 31, 2010 and applicable after that date:

		Application date (period beginning on or after)	Estimate of the possible impact on Edenred's consolidated financial statements in the period of initial application
Amendment to IAS 32	Classification of rights issues	February 1, 2010	These standards are currently not expected to have a material impact on the consolidated financial statements
Amendment to IFRIC 14	Prepayments of a Minimum Funding Requirement	January 1, 2011	
Amendment to IFRS 1	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	July 1, 2010	
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010	
IAS 24 (revised)	Related Party Disclosures	January 1, 2011	
IFRS 9	Financial instruments: Classification and Measurement	January 1, 2013	

Preparation of the financial statements

The financial statements of consolidated companies prepared in accordance with local accounting principles have been restated to conform to Group policies prior to consolidation. All consolidated companies have a December 31 year-end.

The preparation of financial statements implies the use of estimates and assumptions that can affect the reported amount of certain assets and liabilities, income and expenses, as well as the information disclosed in the notes to the financial statements. Edenred's management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and the current economic situation. Reported amounts in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments made by management in preparing the financial statements relate to the following items:

- the valuation of the goodwill and the acquired intangible assets (see Note 1.C. , Note 10 and Note 11);
- the estimation of the recoverable amount of assets (see Note 1.E.4, Note 10, Note 11 and Note 12);
- the provisions and post employment benefits (see Note 1.K. , Note 1.L. , Note 21 and Note 26);
- the deferred taxes (see Note 1.N. and Note 9.E.);
- the share-based payments (see Note 1.O. and Note 14);
- the financial instruments (see Note 1.Q. , Note 18, Note 19 and Note 20).

When a specific transaction is not covered by any standards or interpretations, management uses its judgment in developing and applying an accounting policy that results in the production of relevant and reliable information. As a result, the financial statements provide a true and fair view of the Group's financial position, financial performance and cash flows and reflect the economic substance of transactions.

Management of the Group's capital structure

The Group's main capital management objective is to maintain a satisfactory credit rating and robust capital ratios in order to facilitate business operations and maximize shareholder value.

Its capital structure is optimized to keep pace with changes in economic conditions by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management policies and procedures were unchanged for all the three periods presented.

The main accounting policies and methods are presented below.

A. Consolidation methods

The companies over which the Group exercises exclusive de *jure* or de *facto* control, directly or indirectly, are fully consolidated.

Companies controlled and operated jointly by Edenred and a limited number of partners under a contractual agreement are proportionally consolidated.

Companies over which the Group exercises significant influence are accounted for by the equity method. Significant influence is considered as being exercised when the Group owns between 20% and 50% of the voting rights.

In accordance with IAS 27 – Consolidated and Separate Financial Statements, potential voting rights held by the Group that are currently exercisable or convertible (call options) are taken into account to determine the existence of control over the company concerned. However, no account is taken of potential rights that cannot be exercised until the occurrence of a future event.

B. Business combinations

Since January 1, 2010, following the adoption of IFRS (revised) – Business Combinations and IAS 27 (revised) – Consolidated and Separate Financial Statements, the Group has accounted for business combinations and changes in percentage ownership in accordance with the new standards, in line with the accounting policies described above.

C. Goodwill

In the year following the acquisition of a consolidated company, fair value adjustments are made to the identifiable assets and liabilities acquired. For this purpose, fair values are determined in the new subsidiary's local currency.

In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate.

C.1. Positive goodwill

Goodwill, representing the excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date, is recognized in assets under "Goodwill". Goodwill mainly results from the expected synergies and other benefits arising from the business combination.

In accordance with IFRS 3 (revised), which is applicable to business combinations carried out on or after January 1, 2010, each time it acquires a less than 100% interest in an entity, the Group must choose whether to measure the non-controlling interest at fair value or as the non-controlling interest's proportionate share of the acquiree's identifiable net assets (with no change possible later in the event of an additional interest being acquired that does not transfer control). If the business is measured at its total fair value including non-controlling interests, goodwill attributable to non-controlling interests is also recognized.

Goodwill arising on the acquisition of associates – corresponding to companies over which the Group exercises significant influence – is included in the carrying amount of the associate concerned.

Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is reported separately.

In accordance with IFRS 3 – Business Combinations, goodwill is not amortized but is tested for impairment at least once a year and more frequently if there is any indication that it may be impaired. The methods used to test goodwill for impairment are described in Note 1.E. 4. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in profit.

C.2. Negative goodwill

Negative goodwill, representing the excess of the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date over the cost of the business combination, is recognized immediately in profit.

D. Foreign currency translation

The presentation currency is the euro.

The balance sheets of foreign subsidiaries are translated into euros at the exchange rate on the balance sheet date (closing exchange rate), and their income statements are translated at the average rate for the period. Differences arising from translation are recorded as a separate component of equity and recognized in profit on disposal of the business.

E. Non-current assets

E.1. Intangible assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, in accordance with IAS 38 – Intangible Assets.

The Group's main brands are considered as having indefinite useful lives and are therefore not amortized. Their carrying amount is reviewed at least once a year and more frequently if there is any indication that they may be impaired. If their recoverable amount determined according to the criteria applied at the acquisition date is less than their carrying amount, an impairment loss is recognized (see Note 1.E. 4).

Other intangible assets (software, licenses and contractual customer relationships) are considered as having finite useful lives. They are amortized on a straight-line basis over their useful lives, as follows:

- licenses: life of the license;
- contractual customer relationships: 3 to 15 years;
- software: 2 to 7 years.

Identifiable intangible assets recognized in a business combination are initially recognized at amounts determined by independent valuations, performed using relevant criteria for the business concerned that can be applied for the subsequent measurement of the assets. Identifiable brands are measured based on multiple criteria, taking into account both brand equity and their contribution to profit. Contractual customer relationships are measured based on the cost of acquiring new customers.

E.2. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16 – Property, Plant and Equipment.

Assets under construction are measured at cost less any accumulated impairment losses. They are depreciated from the date when they are put in service.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, determined by the components method, from the date when they are put in service. The main depreciation periods applied are as follows:

- building improvements, fixtures and fittings: 5 to 15 years;
- equipment and furniture: 4 to 7 years.

E.3. Other non-current financial assets

Investments in non-consolidated companies are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Gains and losses arising from remeasurement at fair value are recognized directly in equity (under "Cumulative fair value adjustments to financial instruments") and are reclassified to the income statement when the investment is sold. In the case of a significant or prolonged decline in value, an irreversible impairment loss is recognized in profit.

An impairment test is performed whenever there is objective evidence indicating that an investment's recoverable amount may be less than its carrying amount. Possible indications of impairment include a fall in the share price if the investee is listed, evidence of serious financial difficulties, observable data indicating a measurable decline in estimated cash flows, or information about significant changes in the economic, financial or political environment with an adverse effect on the investee. Whenever there is an indication that an investment may be impaired, an impairment test is performed by comparing the investment's recoverable amount to its carrying amount. Recoverable amount is estimated using the methods described in Note 1.E. 4.

E.4. Recoverable amount of assets

In accordance with IAS 36 – Impairment of Assets, the carrying amounts of property, plant and equipment, intangible assets and goodwill are tested for impairment when there is any indication that they may be impaired. Assets with an indefinite useful life – corresponding solely to goodwill and brands – are tested at least once a year.

Indications of impairment

Indications of impairment are as follows:

- a 15% drop in like-for-like operating revenue, or
- a 20% drop in like-for-like EBITDA.

Cash-generating Units

Impairment tests are performed individually for each asset except when an asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case, it is included in a cash-generating unit (CGU) and impairment tests are performed at the level of the CGU.

Goodwill is tested for impairment at the level of the CGU to which it belongs. CGUs include not only goodwill but also all the related property, plant and equipment and intangible assets. CGUs defined for goodwill impairment testing purposes are identified by country and by business segment for the main countries. Exceptionally, for countries that generate revenues of less than €50 million, they are identified by country only. Each identified CGU is tested for impairment at least once a year.

Assets that are not allocated to a CGU are tested individually.

Methods used to determine recoverable amounts

Impairment tests consist of comparing the carrying amount of an asset or CGU with its recoverable amount.

Goodwill and property, plant and equipment

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. The recoverable amount of all the assets or CGUs is determined by comparing the results obtained by two methods, the EBITDA multiples method (fair value approach) and the discounted cash flows method (value in use approach).

a) Valuation by the EBITDA multiples method

The EBITDA multiples method is considered to be the best method of calculating fair value less costs to sell, representing the best estimate of the price at which a CGU or an asset could be sold on the market on the valuation date.

The method consists of calculating the CGU's or the asset's average EBITDA for the last two years and applying a multiple based on the CGU's or the asset's geographic location and the specific country risk.

The multiples applied correspond to the average transaction multiples observed on the market.

If the recoverable amount is less than the carrying amount, it is recalculated using the discounted cash flows method.

b) Valuation by the discounted cash flows method

The projection period is limited to five years, unless the use of a longer period is justified such as at the bottom of the economic cycle. Cash flows are discounted at a rate corresponding to the year-end weighted average cost of capital. The perpetuity growth rate is aligned with the economic outlook in each of the countries concerned. For 2010, a rate of 2% was used.

In addition, all goodwill in excess of €10 million is tested for impairment each year by the discounted cash flows method.

Intangible assets not included in a CGU (other than goodwill)

The recoverable amount of intangible assets is determined solely by the discounted cash flows method (described above), due to the absence of an active market and comparable transactions.

Measurement of impairment losses

If the recoverable amount is less than the carrying amount, an impairment loss is recognized in an amount corresponding to the lower of the impairments calculated by the EBITDA multiples and discounted cash flows methods. Impairment losses are recognized in the income statement under "Non-recurring income and expenses" (see Note 1.T. 9).

Reversal of impairment losses

In accordance with IAS 36 – Impairment of Assets, impairment losses on goodwill as well as on intangible assets with a finite useful life, such as licenses and software, are irreversible. Impairment losses on property, plant and equipment and on intangible assets with an indefinite useful life, such as brands, are reversible in the case of a change in estimates used to determine their recoverable amount.

F. Inventories

Inventories are measured at the lower of cost and net realizable value, in accordance with IAS 2 – Inventories. Cost is determined by the weighted average cost method.

G. Receivables

Trade and other receivables are initially recognized at fair value. They are subsequently measured at amortized cost, net of any impairment losses recorded in the income statement. An impairment loss is recognized when the total amount receivable is not recoverable in accordance with the originally agreed terms.

H. Restricted cash

Restricted cash corresponds to service voucher reserve funds. These funds, which are equal to the face value of service vouchers in circulation, are subject to specific regulations in some countries such as France for the products *Ticket Restaurant*® and *Ticket CESU*®, United Kingdom and Romania. In particular, use of the funds is restricted and they must be clearly segregated from the Group's other cash. The funds remain Edenred's property and are invested in interest-bearing financial instruments.

I. Prepaid expenses

Prepaid expenses correspond to expenses paid during the period that relate to subsequent periods. They are reported in the balance sheet under "Other receivables and accruals.

J. Employee benefit expense

Employee benefit expense includes all amounts paid or payable to employees, including profit-sharing and the cost of share-based payments.

K. Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognized when the Group has a present obligation (legal, contractual or implicit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined based on the best estimate of the expenditure required to settle the obligation.

Provisions for restructuring costs are recorded when the Group has a detailed formal plan for the restructuring and the plan's main features have been announced to those affected by it.

Provisions for losses due to voucher theft are calculated for reported thefts based on a percentage of the stolen vouchers' aggregate face value corresponding to the Group's best estimate of the proportion of those vouchers that will be cashed in.

L. Pensions and other post-employment benefits

The Group operates various supplementary pension, length-of-service award and other post-employment benefit plans in accordance with the laws and practices of the countries where it operates.

These plans are either defined contribution or defined benefit plans.

Under defined contribution plans, the Group pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions to these plans are recognized immediately as an expense.

For defined benefit plans, the Group's obligation is determined in accordance with IAS 19 – Employee Benefits.

The Group's obligation is determined by the projected unit credit method based on actuarial assumptions related to future salary levels, retirement age, mortality, staff turnover and discount rates. These assumptions take into account the macroeconomic situation and other specific circumstances in each country.

Pension and other retirement benefit obligations recognized in the balance sheet correspond to the discounted present value of the defined benefit obligation less the fair value of plan assets. Any surpluses, corresponding to the excess of the fair value of plan assets over the projected benefit obligation, are recognized only when they represent the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity.

The net defined benefit obligation is recognized in the balance sheet under "Long-term provisions".

M. Translation of foreign currency transactions

Foreign currency transactions are recognized and measured in accordance with IAS 21 – Effects of Changes in Foreign Exchange Rates. As prescribed by this standard, each Group entity translates foreign currency transactions into its functional currency at the exchange rate on the transaction date.

Foreign currency receivables and payables are translated into euros at the exchange rate on the balance sheet date (closing exchange rate). Foreign currency financial liabilities measured at fair value are translated at the exchange rate on the valuation date. Gains and losses arising from translation are recognized in "Other financial income and expenses, net", except for gains and losses on financial liabilities measured at fair value which are recognized in equity.

N. Taxes

The income tax is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

In accordance with IAS 12 – Income Taxes, deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base using the liability method. This method consists of adjusting deferred taxes at each period-end, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The effects of changes in tax rates (and tax laws) are recognized in the income statement for the period in which the change is announced.

Deferred taxes are recognized for all temporary differences, except when the difference arises from the initial recognition of non-deductible goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable profit.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates and joint ventures except when:

- the Group is able to control the timing of the reversal of the temporary difference, and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for ordinary and evergreen tax loss carryforwards only when it is probable that the asset will be recovered in the foreseeable future.

Deferred taxes are normally recognized in the income statement. However, when the underlying transaction is recognized in equity, the related deferred tax is also recorded in equity.

Since January 1, 2010, adjustments to deferred tax assets acquired in a business combination are recognized in profit or loss without a corresponding adjustment to goodwill.

In accordance with IAS 12, deferred taxes are not discounted.

In France, the "taxe professionnelle" local business tax has been replaced in the 2010 Finance Act by the "Contribution Economique Territoriale" tax (CET). The CET comprises two separate taxes, as follows:

- a tax assessed on the rental value of real estate ("CFE"). Similar to the "taxe professionnelle", it fulfills the criteria for recognition as an operating expense;
- a tax assessed on the value added by the business ("CVAE"), which has some of the characteristics of a tax on income, as defined in IAS 12.

In a press release dated January 14, 2010, France's National Accounting Board, the Conseil National de la Comptabilité, stated that each business should exercise its own judgment to determine the accounting classification of the CVAE.

After analyzing the CVAE, Edenred decided that it had the characteristics of a tax on income. This change had no material impact on the consolidated financial statements.

O. Share-based payments

O.1. Stock option plans

IFRS 2 "Share-based Payment" applies to the stock option plan set up by the Board of Directors on August 6, 2010. This plan does not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the end of the vesting period.

The fair value of services received as consideration for the stock options is measured by reference to the fair value of the options at the grant date. The fair value of the options is determined using the Black & Scholes option pricing model. The grant date is defined as the date when the plan's terms and conditions are communicated to Group employees: it corresponds to the date on which the Board of Directors approved the plan.

The fair value of the options is recognized on a straight-line basis over the vesting period for the relevant plan. The cost is included in employee benefit expense, with a corresponding adjustment to equity. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to equity.

O.2. Performance share plans

IFRS 2 "Share-based Payment" also applies to the performance share plan set up by the Board of Directors on August 6, 2010.

The measurement and recognition principles are the same as those applied to stock option plans.

The number of performance shares is reviewed annually based on changes in the probability of the performance objectives being met.

P. Service vouchers in circulation

Service vouchers in circulation are recognized as short-term liabilities at face value.

Q. Financial instruments

Financial assets and liabilities are recognized and measured in accordance with IAS 39 – Financial Instruments, Recognition and Measurement, and its amendments.

Financial assets and liabilities are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Q.1. Financial assets

Financial assets are classified between the three main categories defined in IAS 39, as follows:

- "loans and receivables" mainly comprise time deposits and loans to non-consolidated companies. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss – corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. It may be reversed if the recoverable amount increases in a subsequent period;
- "held-to-maturity investments" mainly comprise bonds and other marketable securities intended to be held to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss – corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. It may be reversed if the recoverable amount increases in a subsequent period.

  For these two categories, initial fair value is equivalent to acquisition cost, because no material transaction costs are incurred;
- "available-for-sale financial assets" mainly comprise investments in non-consolidated companies, mutual fund units and money market securities. These assets are measured at fair value, with changes in fair value recognized in equity. The fair value of listed securities corresponds to market price (level 1 valuation technique) and that of mutual funds corresponds to their published net asset value (level 1 valuation technique). For unlisted securities, fair value is estimated based on the most appropriate criteria applicable to each

individual investment using valuation techniques that are not based on observable data (level 3 valuation technique). Securities that are not traded on an active market, for which fair value cannot be reliably estimated, are carried in the balance sheet at historical cost plus any transaction expenses. When there is objective evidence of a significant or prolonged decline in value, the cumulative unrealized loss recorded in equity is reclassified to the income statement.

Q.2. Bank borrowings

Interest-bearing drawdowns on lines of credit and bank overdrafts are recognized for the amounts received, net of direct drawdown costs.

Q.3. Other financial liabilities

Other financial liabilities are measured at amortized cost. Amortized cost is determined by the effective interest method, taking into account the costs of the issue and any issue or redemption premiums.

R. Cash and cash equivalents

Cash and cash equivalents include bank balances, and short-term investments in money market instruments. These instruments generally have initial maturities of three months or less, or are readily convertible into known amounts of cash; their exposure to changes in value is minimal.

S. Put options granted by Edenred

IAS 32 – Financial Instruments: Disclosures and Presentation requires that the value of the financial commitment represented by put options granted by Edenred to minority shareholders of subsidiaries, be recognized as a debt. The difference between the debt and the related minority interests in the balance sheet, corresponding to the portion of the subsidiary's net assets represented by the shares underlying the put, is recognized as goodwill. When the exercise price is equal to the fair value of the shares, the amount of the debt is determined based on a multiple of the EBITDA reflected in the subsidiary's 5-year business plan and is discounted.

For put options granted before January 1, 2010, changes in the debt arising from business plan adjustments are recognized in goodwill. Discounting adjustments are recognized in financial expense.

For put options granted on or after January 1, 2010, changes in the debt are treated as reclassifications in equity and therefore have no impact on profit, in accordance with IAS 27 (revised).

T. Presentation of the income statement and the statement of cash flows

T.1. Issue volume

Issue volume corresponds to the face value of prepaid vouchers issued during the period plus the amount loaded on prepaid cards.

It is tracked for all vouchers and cards in circulation that are managed by Edenred.

T.2. Operating revenue

In accordance with IAS 18 – Revenue, operating revenue corresponds to the value of goods and services sold in the ordinary course of business by fully and proportionally consolidated companies.

It is measured at the fair value of the consideration received or receivable, net of all discounts and rebates, VAT and other sales taxes, in compliance with IAS 18.

Operating revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. If there is significant uncertainty about the collectibility of revenue, it is not recognized until the uncertainty is removed.

There are two types of operating revenue:

T.2.1. Operating revenue generated by issue volume

Operating revenue generated by issue volume corresponds to operating revenue generated by prepaid vouchers managed by Edenred.

For all of these products, recognized revenue comprises:

- commissions received from client companies on the sale of prepaid vouchers and cards and all related amounts billed to clients such as delivery costs, card sales and voucher customization costs. These amounts are recognized in revenue when the prepaid vouchers and cards are issued and delivered to clients;
- affiliate contributions ("Network fees"), corresponding to the margin deducted from the amount reimbursed to the affiliate that provides the service, and any related billings such as up-front payments, monthly subscription fees and electronic payment terminal sales or rentals. These contributions and billings are recognized in revenue when the vouchers or cards are issued to the extent that the processing transaction cannot be dissociated from the issuance transaction, and an accrual is booked for the future processing costs;
- profits on vouchers and cards that expire without being reimbursed. To take into account commercial practices in each country (refunds of expired service vouchers and other commercial gestures), these profits are recognized gradually once the vouchers have expired;

- Revenue from advertisements printed on vouchers and cards. This revenue is recognized on the billing date to the advertiser.

T.2.2. Other operating revenue

Other operating revenue corresponds essentially to revenue from value-added services such as incentive programs, human services and event-related services. The corresponding revenue is the amount billed to the client and is recognized on delivery of the solutions.

T.3. Financial revenue

This is interest generated by investing cash over the period between the vouchers' issue date and reimbursement date.

The interest represents a component of operating revenue and as such is included in the determination of revenue.

T.4. EBITDA

EBITDA includes operating revenue and expenses and rental expense.

T.5. Depreciation, amortization and provisions

Depreciation, amortization and provision expenses reflect the operating costs of holding assets.

T.6. EBIT

EBIT corresponds to EBITDA after the operating costs of holding mainly non-tangible assets. It is used as the benchmark for determining senior management and other executive compensation, as it reflects the economic performance of the business.

It is also the basis for calculating operating margin (EBIT/Issue volume ratio).

T.7. Net financial expense

This item includes:

- interest expense or income on borrowings, other financial liabilities and loans and receivables;
- exchange gains and losses on financial transactions;
- movements on financial provisions.

T.8. Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items corresponds to the results of operations of the Group's businesses less the related financing cost. Net financial expense represents an integral part of operating profit before tax and non-recurring items, as it contributes to the performance indicator used by Edenred in its investor communications.

T.9. Non-recurring income and expenses

Non-recurring income and expenses include:

- restructuring costs, corresponding to all the costs incurred in connection with restructuring operations;
- impairment losses recorded in accordance with IAS 36 – Impairment of Assets;
- gains and losses on disposals of fixed assets, non-operating provision movements and other non-operating gains and losses.

The transactions concerned are not directly related to the management of continuing operations.

T.10. Operating profit before tax

Operating profit before tax corresponds to profit after income and expenses that are unusual in terms of their amount and frequency that do not relate directly to the Group's ordinary activities.

T.11. Operating profit before non-recurring items

Operating profit before non-recurring items corresponds to operating profit before tax and non-recurring items less income tax on recurring income for the period. It is stated net of minority interests.

T.12. Statement of cash flows

The statement of cash flows is presented on the same basis as the management reporting schedules used internally to manage the business. It shows cash flows from operating, investing and financing activities.

Cash flows from operating activities include:

- funds from ordinary activities, before non-recurring items (the definition of non-recurring items is the same as that applied in note T.9) and after changes in deferred taxes and gains and losses on disposals of assets;
- cash received and paid on non-recurring transactions;
- changes in working capital.

Cash flows from investing activities comprise:

- recurring expenditure to maintain in a good state of repair operating assets held at January 1 of each year;
- development expenditure, including the fixed assets and working capital of newly consolidated subsidiaries and additions to fixed assets of existing subsidiaries;
- proceeds from disposals of assets.

Cash flows from financing activities include:

- changes in equity;
- changes in debt;
- dividend payments.

U. Earnings per share

U.1. Net earnings per share

Basic earnings per share are calculated by dividing net profit (Group share) by the weighted average number of shares outstanding during the year.

The average number of outstanding shares used to calculate earnings per share for the three periods presented was determined as follows:

- for 2008 and 2009, it corresponds to the average number of outstanding Accor shares for these periods, because of the exchange ratio of one Edenred share for each Accor share applied to determine the consideration for the contributed assets;
- for 2010, it corresponds to the average number of outstanding Edenred shares for the period since the Group became a separate legal entity on June 29, 2010.

U.2. Diluted earnings per share

At December 31, 2010, the Company's share capital was made up of 225,897,396 ordinary shares. The average number of ordinary shares outstanding during 2010 was also 225,897,396.

In addition, stock options representing 4,235,500 ordinary shares (see Note 14.A.) and 912,875 performance shares (see Note 14.B.) were granted to employees. Conversion of all of these potential shares would have the effect of increasing the number of shares outstanding to 231,045,771.

Diluted earnings per share are based on the average number of outstanding shares that is adjusted with the effect of the potential ordinary shares.

Based on the above number of potential shares and the average Edenred share price calculated from July 2, 2010 to December 31, 2010 (€15.21), the diluted weighted average number of shares outstanding in 2010 was 226,171,141. Diluted earnings per share were therefore calculated as follows:

(in € millions)	**Dec. 2010**
Net profit, Group share	68
Weighted average number of ordinary shares *(in thousands)*	225,897
Number of shares resulting from the exercise of stock options *(in thousands)*	-
Number of shares resulting from performance shares grants *(in thousands)*	274
Fully diluted weighted average number of shares *(in thousands)*	226,171
DILUTED EARNINGS PER SHARE *(in euros)*	**0.30**

V. Segment information

Edenred operates in four separate geographic segments, as follows:

- France;
- rest of Europe;
- Latin America & Caribbean;
- rest of the world.

Items that are not specific to a geographic segment are included in the "Worldwide structures" segment.

Each geographic segment represents a strategic business serving different markets. The internal reporting structure for each geographic segment is organized and administered separately. Group management monitors results and performance on a segment-by-segment basis. Similarly, decisions about resource allocation are made separately for each geographic segment.

Based on this organization, the Group considers that its four geographic segments meet the definition of operating segments under IFRS 8, as the segment information presented is based on the internal reporting system used by management to assess the performance of the different segments. The performance indicators used by management are as follows:

- issue volume;
- revenue;
- EBIT.

An analysis of these indicators by operating segment is presented in the following notes:

- Note 3 for issue volume;
- Note 3 for revenue;
- Note 6 for EBIT.

Balance sheets by geographic segment are presented in Note 25.

W. Dividend distribution

A resolution will be proposed at the Edenred Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2010 to pay a dividend of €0.50 per share, totaling €112.9 million.

Subject to approval by the Shareholders' Meeting, this dividend will be paid out during the first half of 2011. This dividend is not recognized under liabilities in the financial statements at December 31, 2010 as these financial statements are presented before dividend allocation.

X. Other information

Current assets and liabilities are assets and liabilities that the Group expects to recover or settle:

- in the normal course of business; or
- within twelve months of the period-end.

Y. Information about Edenred S.A.

Registered name: Edenred S.A.

Registered office: Immeuble Colombus, 166-180 Boulevard Gabriel Péri, 92245 Malakoff - France

Société anonyme with a Board of Directors. Share capital: €451,794,792

Registered in Nanterre: R.C.S. 493 322 978

NAF code: 6420Z

The Board of Directors of Edenred approved these financial statements for publication on February 23, 2011.

NOTE 2 SIGNIFICANT EVENTS AND CHANGES IN THE CONSOLIDATION SCOPE

A. Creation of the group by separating the hotel and services businesses

At the Extraordinary Meeting held on June 29, 2010, Accor shareholders approved by a very large majority the Edenred asset contribution-demerger and the allocation of Edenred shares to Accor shareholders.

The vote followed the share and business transfers undertaken after the demerger plan was announced in August 2009 and the establishment of a financing structure for the new Group.

A.1. Accor Services renamed Edenred

On June 8, 2010, Accor Services announced that it was changing its name to Edenred. This new name was inspired by the Group's Eden corporate project. The name "Eden" comes from the initials of the project's French slogan "Entreprendre Différemment ENsemble," which has been translated as "Moving Forward Differently Together." Introduced in January 2010 and deployed by the Group's 6,000 employees, the project is underpinned by five core values: entrepreneurial spirit, innovation, performance, simplicity and sharing. "Eden" also means "paradise" in eight languages, reflecting the sense of well-being that Edenred's solutions instill in individuals and organizations.

"Red" refers to the red ball that identifies the products successfully developed by the Group for nearly 50 years. It also means "network" in Spanish, signifying the ties that bind private and public sector customers, employees, citizens, affiliates and government authorities.

A.2. Reorganization of businesses and equity holdings

The Services business was generally carried out by dedicated subsidiaries within Accor. As of January 1, 2010, only two companies (in Argentina and Switzerland) operated in both the Hotel and Services businesses. These operations were separated in each of these countries during the first quarter of 2010:

- in Argentina, by spinning off the Argentine company's Hotel business;
- in Switzerland, through the sale by Accor Gestion Hôtelière and Services SA of its Services business to a new company set up for this purpose, AS Suisse SA.

The separation of the Hotel and Services businesses also entailed transferring certain equity interests in Services companies, either because they were held through companies that were involved in Hotel operations, or in order to optimize the post-demerger organization of Edenred and Accor.

The main transactions consisted of:

- the sale by the holding company for Accor's Italian businesses of its interest in the Italian Services subsidiary to Accor Services France (42.28%), to the Spanish Services subsidiary (11.38%) and to the Belgian Services subsidiary (44.64%);
- the sale by the holding company for Accor's UK businesses of its interest in the UK Services subsidiary to the Italian Services subsidiary;
- the contribution by the holding company for Accor's Belgian businesses of its 39.25% interest in the Brazilian Services holding company to the Belgian Services subsidiary, followed by the sale of the Belgian Services subsidiary to a French holding company ("ASH") that will subsequently be contributed to the Company;
- the purchase by ASH of the interest in the US Services subsidiary held by the holding company for Accor's US businesses, and of the interest in the Australian Services subsidiary held by the holding company for the Australian business;
- the sale by Accor of its interest in two Swedish Services companies to the main Swedish Services subsidiary, and of its interest in the Uruguayan Services subsidiary to the Belgian Services subsidiary; and
- the transfer to the Italian Services subsidiary of certain interests held by the Belgian Services subsidiary (corresponding to operations in Romania, Slovakia and Turkey).

The transfer transactions were carried out through sales and contributions.

A.3. Debt: external financing arrangements and "strong investment grade" rating for Edenred

On June 23, 2010, as previously announced, the Group obtained:

- a €900 million 5-year term loan (club deal), repayable in three annual installments from June 30, 2013;
- a €600 million one-year bridge-to-bonds facility (club deal);
- confirmed multicurrency bilateral lines for a total of €640 million.

The €1,500 million proceeds from the club deals were used by Edenred to repay the debt on its current account with Accor arising from the pre-demerger restructuring operations, ahead of the shareholders' meetings at which the Contribution-Demerger was approved.

On September 28, 2010, the Group placed €800 million worth of 3.625% 7-year bonds due October 6, 2017 with European institutional investors.

These issues enable Edenred to enhance its liquidity, diversify its sources of financing in addition to bank loans and extend the average maturity of its debt.

The proceeds were used on October 6, 2010 to repay €800 million in debt, as follows:

- the total €600 million bridge-to-bonds facility, in line with the Group's repayment commitments;
- €200 million from the €900 million term loan. The remaining €700 million is repayable in installments in June 2013 (€100 million), June 2014 (€300 million) and June 2015 (€300 million).

At December 31, 2010, the amounts available under undrawn confirmed lines of credit reached €634 million, of which €528 million expire in June 2014. These facilities are for general corporate purposes.

The 5-year term loan and the bilateral lines pay interest at a variable rate, with a spread that depends on Edenred's consolidated net debt/ EBITDA ratio.

The Group has set up a €250 million hedging program comprising interest rate swaps and collars to protect against the impact of interest rate fluctuations on its variable rate debt.

On June 9, 2010, Standard & Poor's announced that it had assigned Edenred a BBB+/A-2 Outlook Stable rating.

This "strong investment grade" rating is in line with the objective set by the Group when preparing the demerger project.

A.4. Listing of Edenred shares on the NYSE Euronext Paris stock exchange

Rights to the Edenred shares were exercised and the shares were delivered on July 2, 2010, following approval of the demerger by the Extraordinary Meeting of Accor shareholders. The new shares were listed and traded on NYSE Euronext Paris as from that date. Each Accor shareholder received one Edenred share for each Accor share held.

Edenred was floated through the direct listing of the 225,897,396 shares making up the Company's issued capital. The shares (par value of €2 each) were issued and listed at a price of €11.40 per share, determined by reference to the closing price quoted for Accor shares on July 1, 2010.

They were included temporarily in the CAC 40 index on the first day of trading and have been included in the SBF 120 index since July 5, 2010.

B. Organic growth and acquisitions

Since 2008, Edenred has expanded its business base through the following acquisitions and strategic partnerships:

B.1. 2008 acquisitions

In January 2008, Edenred acquired 80% of **Quasar**, a German reward and loyalty program operator, for €10 million in cash. The difference between the cost of the business combination and the net assets acquired amounted to €9 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships" and €1 million under "brands". Quasar reported €11 million in revenue in 2008.

B.2. 2009 acquisitions and strategic partnerships

On February 9, 2009, Edenred and MasterCard announced a strategic alliance resulting in the creation of a new company, **PrePay Solutions**. Edenred is the majority shareholder with 67%, while MasterCard Europe holds a 33% stake in the joint venture. The creation of PrePay Solutions was underpinned by PrePay Technologies, a UK market leader in prepaid cards that was acquired by Edenred in 2007.

The new company combines the prepaid and electronic payments expertise of both organizations. PrePay Solutions markets prepaid card-based solutions that enable public and private organizations to reduce costs and enhance efficiency.

In October 2009, Edenred acquired **Exit Group**, the fourth largest provider of meal vouchers in the Czech Republic, and its eight customer lists. With their strong synergies in terms of geographic coverage and customer bases, Edenred Czech Republic and Exit Group have combined to make Edenred a market leader in this high potential region. The transaction was completed at a price of €15 million (including €12 million for the meal-voucher business and €3 million for the customer lists) paid in cash, plus €1 million in contingent consideration due in 2010. The difference between the cost of the business combination and the net assets acquired amounted to €11 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships". Exit Group generated €3 million in revenue in 2009.

B.3. 2010 acquisitions and strategic partnerships

In May 2010, Edenred raised its interest in **ACE** to 100% by acquiring BPCE's 40% stake for €4 million.

In accordance with IFRS 3 (revised), the buyout of minority interests did not lead to any increase in goodwill as the company was already controlled exclusively by Edenred.

In December 2010, Edenred acquired the business of **Euroticket**, Romania's fourth-largest provider of meal and gift vouchers. With more than 3,000 customers and a nearly 5% market share, Euroticket issued €53 million worth of vouchers in 2009. The transaction has enabled Edenred to consolidate its leadership position in Romania, where it now serves close to 40% of the market.

The transaction was completed at a price of €4.5 million, paid in cash, plus estimated contingent consideration of €1 million payable in 2011. Based on initial analyses, the total cost has been temporarily allocated to "contractual customer relationships".

C. Treatment of Venezuela in the consolidated financial statements

On January 8, 2010, the Venezuelan monetary authorities devalued the Bolivar Fuerte (VEF), leading to an increase in the fixed exchange rate against the US dollar to VEF 4.30 from VEF 2.15 pre-devaluation.

During 2009, the official authorization to convert their Bolivar Fuertes into dollars at the official exchange rate was withdrawn from Edenred's local subsidiaries.

At December 31, 2009, the Group decided to translate the contributions of its Venezuelan subsidiaries at the rate expected to apply when the local currency is repatriated, namely the post-devaluation exchange rate announced on January 8, 2010 by the Venezuelan authorities. The negative impact on profit before tax and non-recurring items came to €39 million. It can be analyzed as follows:

(in € millions)	Dec. 2009 Before devaluation	Venezuela impact first-half 2009	Venezuela impact second-half 2009	Dec. 2009 Reported
Total revenue	**927**	-	**(25)**	**902**
Operating expenses	(582)	-	8	(574)
EBIT	**345**	-	**(18)**	**327**
Net financial expense	(79)	-	(2)	(81)
Exchange loss	(3)	(20)	-	(23)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**263**	**(20)**	**(19)**	**223**

During 2010, the parallel currency market was eliminated and the SITME system was introduced to facilitate imports. The SITME rate (VEF 5.30 for USD 1) is currently the least favorable fixed, regulated exchange rate. It was used by the Group to translate the financial statements of its Venezuelan subsidiaries at December 31, 2010.

NOTE 3 ANALYSIS OF ISSUE VOLUME AND TOTAL REVENUE BY GEOGRAPHIC SEGMENT

A. Issue volume

(in € millions)	2008	2009	2010
France	2,391	2,570	2,564
Rest of Europe	4,332	4,372	4,679
Latin America & Caribbean	5,624	5,111	6,185
Rest of the world	349	354	446
Worldwide Structures	-	-	-
TOTAL ISSUE VOLUME	**12,696**	**12,407**	**13,875**

Issue volume for December 2010 reached €13,875 million, compared with €12,407 million for the same period of 2009, representing an increase of €1,467 million.

This increase breaks down as follows:

	2010 vs 2009	
	€m	*%*
Organic growth	+1,237	+10.0%
Changes in consolidation scope	+59	+0.5%
Currency effect	+171	+1.4%
TOTAL CHANGE	**+1,467**	**+11.8%**

Change in issue volume by geographic segment:

	2010 vs 2009 reported	2010 vs 2009 Like-for-like	
	€m	*€m*	*%*
France	(6)	(6)	(0.2)%
Rest of Europe	+307	+184	+4.2%
Latin America & Caribbean	+1,074	+1,000	+19.6%
Rest of the world	+92	+59	+16.5%
Worldwide Structures	-	-	-
GROUP TOTAL	**+1,467**	**+1,237**	**+10.0%**

B. Total revenue

Total revenue breaks down as follows:

(in € millions)	2008	2009	2010
Operating revenue generated by issue volume	673	661	729
Other operating revenue	144	147	156
Operating revenue	**817**	**808**	**885**
Financial revenue/unrestricted cash	110	72	66
Financial revenue/restricted cash	19	22	14
Financial revenue	**129**	**94**	**80**
TOTAL REVENUE	**946**	**902**	**965**

Total revenue by geographic segment:

(in € millions)	2008	2009	2010
France	168	168	165
Rest of Europe	346	335	347
Latin America & Caribbean	367	337	386
Rest of the world	63	62	68
Worldwide Structures (1)	2	-	-
TOTAL REVENUE	**946**	**902**	**965**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

Total revenue for December 2010 amounted to €965 million, compared with €902 million for the same period of 2009, representing an increase of €63 million.

This increase breaks down as follows:

	2010 vs 2009	
	€m	*%*
Organic growth	+35	+3.9%
Changes in consolidation scope	+8	+0.9%
Currency effect	+21	+2.3%
TOTAL CHANGE	**+63**	**+7.0%**

Change in total revenue by geographic segment:

	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	*€m*	*%*
France	(3)	+3	+1.5%
Rest of Europe	+11	(2)	(0.8)%
Latin America & Caribbean	+49	+36	+10.8%
Rest of the world	+6	(2)	(2.8)%
Worldwide Structures	-	-	-
GROUP TOTAL	**+63**	**+35**	**3.9%**

C. Operating revenue by geographic segment

(in € millions)	2008	2009	2010
France	138	144	146
Rest of Europe	302	299	316
Latin America & Caribbean	316	306	358
Rest of the world	59	59	65
Worldwide Structures (1)	2	-	-
TOTAL OPERATING REVENUE	**817**	**808**	**885**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

Operating revenue for December 2010 reached €885 million, compared with €808 million for the same period of 2009, representing an increase of €77 million.

This increase breaks down as follows:

	2010 vs 2009	
	€m	*%*
Organic growth	+51	+6.3%
Changes in consolidation scope	+7	+0.9%
Currency effect	+20	+2.4%
TOTAL CHANGE	**+77**	**+9.6%**

Change in operating revenue by geographic segment:

	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	*€m*	*%*
France	+2	+7	+5.1%
Rest of Europe	+17	+4	+1.2%
Latin America & Caribbean	+52	+41	+13.4%
Rest of the world	+6	(1)	(2.3)%
Worldwide Structures	-	-	-
GROUP TOTAL	**+77**	**+51**	**+6.3%**

C.1. Operating revenue generated by issue volume by geographic segment

(in € millions)	2008	2009	2010
France	102	112	117
Rest of Europe	251	243	248
Latin America & Caribbean	295	283	341
Rest of the world	25	23	23
Worldwide Structures	-	-	-
OPERATING REVENUE GENERATED BY ISSUE VOLUME	**673**	**661**	**729**

C.2. Other operating revenue by geographic segment

(in € millions)	2008	2009	2010
France	36	32	29
Rest of Europe	51	56	68
Latin America & Caribbean	21	23	17
Rest of the world	34	36	42
Worldwide Structures (1)	2	-	-
OTHER OPERATING REVENUE	**144**	**147**	**156**

(1) Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

D. Financial revenue by geographic segment

(in € millions)	2008	2009	2010
France	30	24	19
Rest of Europe	44	36	31
Latin America & Caribbean	51	31	27
Rest of the world	4	3	3
Worldwide Structures	-	-	-
TOTAL FINANCIAL REVENUE	**129**	**94**	**80**

Financial revenue for December 2010 reached €80 million, compared with €94 million for the same period of 2009, representing a decrease of €14 million.

This decrease breaks down as follows:

	2010 vs 2009	
	€m	*%*
Organic growth	(16)	(16.8)%
Changes in consolidation scope	+1	+0.5%
Currency effect	+1	+1.5%
TOTAL CHANGE	**(14)**	**(14.8)%**

Change in financial revenue by geographic segment:

	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	*€m*	*%*
France	(5)	(5)	(20.3)%
Rest of Europe	(5)	(6)	(16.5)%
Latin America & Caribbean	(4)	(5)	(14.8)%
Rest of the world	(0)	(0)	(13.8)%
Worldwide Structures	-	-	-
GROUP TOTAL	**(14)**	**(16)**	**(16.8)%**

NOTE 4 OPERATING EXPENSES

(in € millions)	2008	2009	2010
Employee benefits expense [1]	(249)	(248)	(274)
Other operating expenses [2]	(301)	(291)	(334)
TOTAL OPERATING EXPENSES [3]	**(550)**	**(539)**	**(608)**

(1) *Average employee benefit expense per full-time equivalent employee is presented below:*

Full-time equivalent employees	2008	2009	2010
Full-time equivalent employees (FTE) (*)	5,723	5,835	6,087
Average employee benefits expense per FTE *(€ thousands)*	(44)	(43)	(45)

(*) *Full-time equivalent employees are calculated based on the ratio between the number of hours worked during the period and the total legal working hours for the period. For proportionally consolidated companies, employee numbers are prorated based on the Group's interest in the company's capital.*

(2) *Other operating expenses consist mainly of production, supply chain, information systems, marketing, advertising and promotional costs as well as various fee payments. They also include rental expenses for €19 million in December 2010.*

(3) *As December 31, 2010 the currency effect impact the operating expenses for €23 million.*

NOTE 5 DEPRECIATION, AMORTIZATION, AND PROVISION EXPENSES

Depreciation, amortization and provision expenses can be analyzed as follows:

(in € millions)	2008	2009	2010
Amortization	(32)	(33)	(32)
Provisions and depreciation	1	(3)	3
TOTAL	**(31)**	**(36)**	**(29)**

NOTE 6 EBIT BY GEOGRAPHIC SEGMENT

(in € millions)	2008	2009	2010
France	50	42	49
Rest of Europe	167	138	128
Latin America & Caribbean	168	159	166
Rest of the world	13	12	10
Worldwide Structures [1]	(33)	(24)	(25)
TOTAL EBIT	**365**	**327**	**328**

(1) *"Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.*

EBIT for 2010 reached €328 million compared with €327 million for the previous year, representing an increase of €+1 million.

The increase breaks down as follows:

	2010 vs 2009	
(in € millions)	*€m*	*%*
Organic growth (*)	+9	+2.8%
Changes in consolidation scope	(5)	(1.5)%
Currency effect	(3)	(1.0)%
TOTAL CHANGE	**+1**	**+0.4%**

(*) *Including the impact of lower financial revenue for (€16) million.*

Change in EBIT by geographic segment:

	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
(in € millions)	*€m*	*€m*	*%*
France	+7	+9	+21.2%
Rest of Europe	(10)	(12)	(8.5)%
Latin America & Caribbean	+7	+12	+7.9%
Rest of the world	(2)	(3)	(27.7)%
Worldwide Structures	(1)	+3	+11.6%
GROUP TOTAL	**+1**	**+9**	**+2.8%**

NOTE 7 NET FINANCIAL EXPENSE

(in € millions)	2008	2009	2010
Finance costs, net (1)	(87)	(81)	(62)
Other financial income and expenses, net (2)	-	(23)	-
NET FINANCIAL EXPENSE	**(87)**	**(104)**	**(62)**

(1) *Finance costs, net correspond to interest on loans, receivables and debt measured at amortized cost. The total corresponds in full to interest paid or received during the period.*

(2) *Other financial income and expenses consist solely of exchange gains and losses, mainly on foreign currency debt measured at amortized cost and on various dividend and capital flows in foreign currencies. In 2009, the total corresponds mainly to exchange losses arising from the devaluation of the Venezuelan currency recorded at December 31, 2009 (see Note 2.C.).*

NOTE 8 NON-RECURRING INCOME AND EXPENSES

Non-recurring income and expenses can be analyzed as follows:

(in € millions)	2008	2009	2010
Movements on restructuring provisions	3	(1)	4
Restructuring costs	(7)	(14)	(11)
Restructuring costs	**(4)**	**(15)**	**(7)**
Impairment of goodwill	(2)	(120)	(32)
Impairment of intangible assets	-	(18)	(11)
Total impairment losses	**(2)**	**(138)**	**(43)**
Other capital gains or losses	-	-	1
Provision movements	1	(41)	(9)
Non-recurring gains and losses, net	(10)	(17)	(42)
Other non-recurring income and expenses, net	**(9)**	**(58)**	**(50)**
TOTAL NON-RECURRING INCOME AND EXPENSE, NET	**(15)**	**(211)**	**(100)**

A. Restructuring costs

Restructuring costs in 2009 and 2010 correspond mainly to Group reorganization costs, including the cost of the voluntary separation program announced in June 2009.

B. Impairment losses

In 2009, impairment losses resulted mainly from reviews of the recoverable amount of Kadéos goodwill and intangible assets (impairment losses of €83 million and €17 million respectively) and a business in the United States (€16 million).

In 2010, the review of the goodwill and intangible assets has led to a complementary impairment of Kadéos for €24 million and €5 million, respectively as well as €6 million for Edenred Employee Benefits.

Sensitivity analysis

At December 31, 2010, a 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2010 by €8 million. A 100-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2010 by approximately €15 million.

C. Other non-recurring income and expenses

Other non-recurring income and expenses were as follows:

- in 2009, a €32 million loss arising from the devaluation of the Bolivar Fuerte and impairment losses on receivables and exchange losses for a total of €19 million;
- in 2010, mainly demerger costs for €44 million.

NOTE 9 INCOME TAX

A. Income tax expense for the period

(in € millions)	2008	2009	2010
Current taxes	(83)	(77)	(91)
SUB-TOTAL: CURRENT TAXES	**(83)**	**(77)**	**(91)**
Deferred taxes on temporary differences arising or reversing during the period	(4)	15	2
Deferred taxes arising from changes in tax rates or rules	1	-	-
SUB-TOTAL: DEFERRED TAXES	**(3)**	**15**	**2**
TOTAL INCOME TAX EXPENSE	**(86)**	**(62)**	**(89)**

B. Tax proof

(in € millions)		2008	2009	2010
Operating profit before tax	**(A)**	**263**	**12**	**166**
Non-deductible impairment losses		(13)	125	-
Elimination of intercompany capital gains		-	-	-
Other		4	8	20
TOTAL PERMANENT DIFFERENCES (NON-DEDUCTIBLE EXPENSE)	**(B)**	**(9)**	**133**	**20**
Untaxed profit and profit taxed at a reduced rate	**(C)**	**12**	**29**	**12**
Profit taxable at the standard rate	**(D) = (A) + (B) + (C)**	**266**	**174**	**198**
Standard tax rate in France	**(E)**	**34.43%**	**34.43%**	**34.43%**
Theoretical tax at standard rate	**(F) = (D) X (E)**	**(92)**	**(60)**	**(68)**
Adjustments for:				
• Differences in foreign tax rates		16	6	11
• Unrecognized tax losses for the period		(3)	(3)	(26)
• Utilization of tax loss carryforwards		-	1	3
• Effect of changes in future tax rates		1	-	-
• Other items		(8)	(6)	(8)
TOTAL ADJUSTMENTS	**(G)**	**6**	**(2)**	**(20)**
Actual tax at standard rate	**(H) = (F) + (G)**	**(86)**	**(62)**	**(88)**
Tax at reduced rate	**(I)**	**-**	**-**	**(1)**
INCOME TAX EXPENSE	**(J) = (H) + (I)**	**(86)**	**(62)**	**(89)**

C. Normative tax rate

	2008	2009	2010
Operating profit before tax	263	12	166
Non-reccurring income and expenses, net	15	211	100
Operating profit before tax and non-recurring items	**278**	**223**	**266**
Income tax expense	(86)	(62)	(89)
Tax adjustement related to the non-recurring income and expenses	(6)	(13)	(3)
Normative Income tax expense	**(92)**	**(75)**	**(92)**
NORMATIVE TAX RATE	**33.1%**	**33.6%**	**34.6%**

D. Details of recognized deferred tax assets and liabilities

(in € millions)	2008	2009	2010
Temporary differences between taxable and book profit of the individual entities	17	14	15
Temporary differences arising from consolidation adjustments	7	13	13
Recognized deferred tax assets on tax loss carryforwards	-	1	-
SUB-TOTAL: DEFERRED TAX ASSETS	**24**	**28**	**28**
Temporary differences between taxable and book profit of the individual entities	1	1	2
Temporary differences arising from consolidation adjustments	65	61	70
SUB-TOTAL: DEFERRED TAX LIABILITIES	**66**	**62**	**72**
NET DEFERRED TAX ASSET (LIABILITY)	**(42)**	**(34)**	**(44)**

E. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2010 amounted to €50 million (December 31, 2009: €24 million).

At December 31, 2010 unrecognized deferred tax assets corresponded to tax losses in the amount of €50 million, including €3 million expiring in 2011, €4 million in 2015 and beyond and €43 million in evergreen losses.

NOTE 10 GOODWILL

(in € millions)	2008	2009	2010
Goodwill	645	666	679
Less accumulated impairment losses	-	(109)	(128)
GOODWILL, NET	**645**	**557**	**551**

(in € millions)	2008	2009	2010
Brazil	122	159	180
France (Ticket Cadeau)	181	115	91
United Kingdom	83	70	61
Romania	37	37	36
Italy	33	36	37
Mexico	31	31	34
Sweden	19	17	19
Australia	11	13	14
USA	33	13	12
Czech Republic	2	13	12
Germany	14	10	12
Asia	19	13	13
Other (individually representing less than €10 million)	60	30	30
GOODWILL, NET	**645**	**557**	**551**

Changes in the carrying amount of goodwill during the periods presented were as follows:

(in € millions)	Notes	2008	2009	2010
Net goodwill at beginning of period		**680**	**645**	**557**
Goodwill recognized on acquisitions for the period and other increases		**25**	**23**	**3**
• Asia (Surfgold)		-	-	-
• Germany (Quasar acquisition)		8	-	3
• Czech Republic	2.B.2	-	9	1
• Brazil		(1)	1	1
• United Kingdom (Motivano acquisition)		7	-	-
• Other acquisitions		11	13	(2)
Goodwill written off on disposals for the period		**(4)**	**(11)**	**(2)**
Impairment losses	8.B	**(2)**	**(120)**	**(32)**
Translation adjustments		**(35)**	**39**	**29**
Minority puts recognized/remeasured during the period and other		**(19)**	**(19)**	**(4)**
NET GOODWILL AT PERIOD-END		**645**	**557**	**551**

As December 31, 2010, the cumulated impairement related to the goodwill of Kadéos and Commuter check services in the United States, amounts respectivly €105 million and €17 million.

NOTE 11 INTANGIBLE ASSETS

(in € millions)	2008	2009	2010
Cost			
Kadéos brand [1]	19	19	19
Other brands	17	18	20
Contractual customer relationships [2]	49	54	63
Licenses and software	76	96	114
Other	32	42	41
TOTAL COST	**193**	**229**	**257**
Accumulated amortization and impairment losses			
Brands	(3)	(4)	(5)
Contractual customer relationships	(11)	(30)	(42)
Licenses and software	(58)	(72)	(85)
Other	(11)	(24)	(29)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(83)**	**(130)**	**(161)**
INTANGIBLE ASSETS, NET	**110**	**99**	**96**

(1) The Kadéos brand was recognized following the acquisition of this company in March 2007.
(2) Of which €19 million corresponding to Kadéos customer lists, totally depreciated at the end of 2010.

Changes in the carrying amount of intangible assets over the period were as follows:

(in € millions)	2008	2009	2010
Net intangible assets at beginning of period	**101**	**110**	**99**
Additions	1	5	5
Internally-generated assets	9	14	18
Intangible assets of newly-consolidated companies	7	2	-
Amortization for the period	(22)	(23)	(21)
Impairment losses for the period (*)	-	(18)	(11)
Disposals	-	3	-
Translation adjustment	(9)	5	5
Reclassifications	23	1	1
NET INTANGIBLE ASSETS AT END OF PERIOD	**110**	**99**	**96**

(*) For 2009 and 2010, see Note 8.

The following intangible assets are considered as having an indefinite useful life:

(in € millions)	2008	2009	2010
Kadéos brand	19	19	19
Rikskuponger brand	6	6	7
Tintelingen brand	2	2	2
Prepay brand	2	2	2
Other brands	4	4	4
INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES	**33**	**33**	**34**

Most brands have been qualified as having an indefinite useful life because the Group considers that there is no foreseeable limit to the period in which they can be used.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

(in € millions)	2008	2009	2010
Land	7	4	3
Buildings	5	3	3
Fixtures	15	17	20
Equipment and furniture	76	78	87
Assets under construction	-	1	1
Cost	**103**	**103**	**114**

(in € millions)	2008	2009	2010
Buildings	(2)	(1)	(1)
Fixtures	(9)	(8)	(10)
Equipment and furniture	(55)	(57)	(63)
Accumulated depreciation	(66)	(66)	(74)
Accumulated impairment losses	-	-	-
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	**(66)**	**(66)**	**(74)**

(in € millions)	2008	2009	2010
Land	7	4	3
Buildings	3	2	2
Fixtures	6	9	10
Equipment and furniture	21	21	24
Assets under construction	-	1	1
PROPERTY, PLANT AND EQUIPMENT, NET	**37**	**37**	**40**

Changes in the carrying amount of property, plant and equipment during the period were as follows:

(in € millions)	2008	2009	2010
Net property, plant and equipment at begining of period	**29**	**37**	**37**
Property, plant and equipment of newly consolidated companies	-	1	-
Additions	15	16	14
Disposals	(1)	(4)	(1)
Depreciation for the period	(10)	(11)	(11)
Impairment losses for the period	-	-	-
Translation adjustment	(3)	(2)	1
Reclassifications	7	-	-
NET PROPERTY, PLAND AND EQUIPMENT AT END OF PERIOD	**37**	**37**	**40**

NOTE 13 RECEIVABLES AND PAYABLES

A. Trade receivables and related provisions

(in € millions)	2008	2009	2010
Gross	868	920	977
Provisions	(22)	(26)	(26)
TRADE RECEIVABLES, NET	**846**	**894**	**951**

Provisions for impairment in value of trade receivables correspond to numerous separate provisions, none of which are material. Past-due receivables are tracked individually and regular estimates are made of potential losses in order to increase the related provisions if and when required. Past-due receivables not covered by provisions are not material.

B. Details of inventories, other receivables and accruals

(in € millions)	2008	2009	2010
Inventories	11	14	12
Recoverable VAT	123	92	169
Employee advances and prepaid payroll taxes	2	3	3
Other prepaid and recoverable taxes	2	3	10
Other receivables	110	143	127
Other prepaid expenses	6	8	10
Gross	**254**	**263**	**331**
Provisions	**(1)**	**(2)**	**(3)**
INVENTORIES AND OTHER RECEIVABLES AND ACCRUALS, NET	**253**	**261**	**328**

C. Details of other payables and accruals

(in € millions)	2008	2009	2010
VAT payable	90	23	16
Wages and salaries and payroll taxes payable	43	43	50
Other taxes payable	69	33	23
Other payables	82	53	65
Deferred income	8	12	20
OTHER PAYABLES AND ACCRUALS	**292**	**164**	**174**

D. Receivables and payables by maturity

(in € millions)	Due within 1 year	Due in 1 to 5 years	Beyond 5 years	2010
Inventories	12	-	-	12
Trade receivables	977	-	-	977
Recoverable VAT	152	17	-	169
Employee advances and prepaid payroll taxes	3	-	-	3
Other prepaid and recoverable taxes	10	-	-	10
Other receivables	127	-	-	127
Current assets	**1,281**	**17**	**-**	**1,298**
Trade payables	76	-	-	76
VAT payable	16	-	-	16
Wages and salaries and payroll taxes payable	50	-	-	50
Other taxes payable	23	-	-	23
Other payables	65	-	-	65
Current liabilities	**230**	**-**	**-**	**230**

NOTE 14 POTENTIAL ORDINARY SHARES

Edenred's Board of Directors decided to set up a long-term incentive plan for the Group's key managers with effect on August 6, 2010.

The two-part plan comprises a stock option plan and a performance share plan.

A. Stock option plan

A.1. Main characteristics

The main characteristics of the current stock option plan at December 31, 2010 are summarized in the table below:

	Plan 1
Date of shareholder authorization	May 10, 2010
Grant date by the Board of Directors	August 6, 2010
Duration of the plan	8 years
Starting date of the exercise period	August 7, 2014
Expiry date of the exercise period	August 6, 2018
Expected life of the options	7.7 years
Exercise price	€13.69
Number of grantees at the grant date	455
Number of options at the grant date	4,235,500

A.2. Change in outstanding stock options

Changes in outstanding stock options during 2010 are as follows:

	December, 31 2010	
	Number of options	Weighted average exercise price
Options outstanding at beginning of period		
Options granted	4,235,500	-
Options cancelled or expired	(27 000)	-
Options exercised	-	-
Options outstanding at end of period	**4,208,500**	**-**
Options exercisable at end of period	**-**	-

A.3. Fair value of the stock option plan

The fair value of the options at the grant date has been determined using the Black & Scholes option-pricing model. The main data and assumptions used for the fair value calculations are as follows:

	Plan 1
Grant date by the Board of Directors	August 6, 2010
Data at the grant date	
Number of options	4,235,500
Edenred share price	€13.45
Exercise price	€13.69
Duration of the plan	8 years
Expected volatility	27.2%
Risk-free interest rate	1.79%
Expected dividend yield	2.55%
Option fair value	**€2.62**
Plan fair value	**€11.1m**

Maturities of stock options

The Group has decided to base the assumed exercise dates of stock options on observed exercise dates under previous plans in the Accor Group. The schedule that is applied is as follows:

- 35% of options exercised after 4 years;
- 20% after 5 years;
- 35% after 6 years;
- 5% after 7 years;
- 5% after 8 years.

Maturities of stock options correspond to the options' expected lives.

Share price volatility

The volatility rate is based on historical volatility for the first five months since Edenred was first listed, excluding the first trading month (July 2010) which has been considered as atypical.

However, as the options have an eight-year life the Group also calculated the historical volatility over eight years for three companies operating in the same business segment. Average volatility for these companies was consistent with the rate used for Edenred.

Risk-free interest rate

The risk-free interest rate is the implied yield available on zero-coupon issues by the French Government at the grant date.

Expected dividend yield

The expected dividend yield reflects management's stated dividend policy.

Cost of share-based payments recognized in the accounts

The total cost of share-based payments granted to Edenred employees amounted to €2.7 million at December 31, 2010. This amount has been recognized in employee benefit expense with a corresponding adjustment to equity.

B. Performance share plan

B.1. Main characteristics

A performance share plan was set up pursuant to the authorization given by the Shareholders' Meeting of May 10, 2010. A total of 912,875 shares have been granted under this plan to 260 grantees in some forty countries.

Performance shares granted to French tax residents are subject to a three-year vesting period followed by a two-year lock-up and shares granted to residents of other countries are subject to a five-year vesting period without any lock-up.

The 912,875 shares originally granted under the plan will vest on August 7, 2013 provided that the performance objectives specified in the plan for 2010, 2011 and 2012 are met.

Grantees will receive one third of the initial grant in each of the years in which the related performance objectives are met. If only one of the two performance objectives is met, they will receive one-sixth of the initial grant.

The proportion will be reduced or increased in each of the three years based on actual performance in relation to the objectives, with a limit of 1.5 times the initial grant for the year concerned.

As of August 7, 2013, once performance in relation to the three years' objectives has been assessed, the shares received as explained above will vest, provided that the total number of vested shares will not exceed 100% of the initial grant.

The performance objectives, measured year-on-year over three years, are as follows:

- in 2010 = Consolidated EBIT and like-for-like growth in issue volume;
- in 2011 and 2012 = like-for-like growth in issue volume and funds from operations.

B.2. Fair value of the performance share plan

The fair value of the performance shares is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity. It amounted to €11 million at December 31, 2010 for a unit fair value of €12.02 and €3.8 million was recognized in the financial statements at that date.

At December 31, 2010

Both performance objectives were met in 2010.

NOTE 15 CUMULATIVE FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS

During the three periods presented, no fair value adjustments to available-for-sale financial assets were recognized in equity and no cumulative fair value adjustments were reclassified from equity to the income statement.

NOTE 16 MINORITY INTERESTS

(in € millions)	
At December 31, 2007	**10**
Minority interests in profit for the period	25
Dividends paid to minority interests	(14)
Issue of share capital	(1)
Translation adjustment	2
Changes in consolidation scope	-
At December 31, 2008	**22**
Minority interests in profit for the period	7
Dividends paid to minority interests	(22)
Issue of share capital	7
Translation adjustment	(1)
Changes in consolidation scope	4
At December 31, 2009	**17**
Minority interests in profit for the period	9
Dividends paid to minority interests	(5)
Issue of share capital	2
Translation adjustment	(4)
Changes in consolidation scope	(2)
AT DECEMBER 31, 2010	**17**

NOTE 17 OTHER COMPREHENSIVE INCOME AFTER TAX

Other comprehensive income after tax can be analyzed as follows:

	2008			2009			2010		
(in € millions)	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax
Currency translation adjustment	(56)	-	(56)	66	-	66	99	-	99
Actuarial gains and losses on defined benefit plans	(2)	-	(2)	(2)	-	(2)	(1)	-	(1)
TOTAL OTHER COMPREHENSIVE INCOME	**(58)**	**-**	**(58)**	**64**	**-**	**64**	**98**	**-**	**98**

There were no reclassifications from other comprehensive income to the income statement in any of the three periods presented.

NOTE 18 DEBT BY CURRENCY AND MATURITY

A. Long and short-term financial debt

Long and short-term debt at December 31, 2010 breaks down as follows:

(in € millions)	2008	Effective rate 2008%	2009	Effective rate 2009%	2010	Effective rate 2010%
Long and short-term debt [(1)]	**1,051**	**4.34**	**880**	**4.35**	**1,497**	**3.13**
Deposits	5		6		9	
Purchase commitments	28		9		2	
Bank overdrafts and other short-term financial liabilities	466		671		74	
LONG AND SHORT-TERM DEBT AND OTHER FINANCIAL LIABILITIES	**1,550**		**1,566**		**1,582**	

(1) As of December 31, 2010, equivalent of €1,483 million of euro, equivalent of €7 million in INR, equivalent of €4 million in ZAR and equivalent of €3 million in other currencies.

The breakdown between long and short-term financial debt at December 31, 2010 is different from that for the other periods presented due to the new loan obtained by the Group (Term loan) on June 23, 2010 and the bond loan of October 06, 2010 (see Note 2.A. 3). These new loans had the effect of changing the maturity profile of financial debt presented in Note 18.B. 1 below.

(in € millions)	2008	2009	2010
Long-term debt and other financial liabilities [(1)]	1,534	1,515	1,499
Short-term debt and other financial liabilities [(2)]	16	51	83
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	**1,550**	**1,566**	**1,582**

(1) As of December 31, 2010, the Long-term debt includes €793 million of bond loan until October 2017 and bank loans of €694 million repayable between June 2013 and June 2015.

(2) Short-term financial debt consists mainly of bank overdrafts of €66 million and short terms credit facilities which amount €10 million.

B. Maturities of financial debt

B.1. Maturities of financial debt analysis

At December 31, 2010 maturities of financial debt are as follows:

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
Due within 1 year [(1)]	16	51	83
Due in 1 to 2 years	12	10	11
Due in 2 to 3 years	8	-	98
Due in 3 to 4 years	8	302	298
Due in 4 to 5 years	301	300	298
Due in 5 to 6 years	300	300	-
Due beyond 6 years	905	603	794
TOTAL DEBT	**1,550**	**1,566**	**1,582**

(1) As of December 31, 2010, debts in local currencies due within 1 year are equivalent to €14 million. Those debts expiring in one year includes €66 million of bank overdrafts which are to compare with €73 million of cash in the balance sheet assets.

Debt and short-term investments denominated in foreign currencies have been translated into euros at the rate on the balance sheet date.

In this presentation, all derivative instruments have been classified as short-term. Debt and short-term investments denominated in foreign currencies have been translated into euros at the rate on the balance sheet date. Interest rate and currency hedges are analyzed by maturity in Note 18.C. on financial instruments.

At December 31, 2010, Edenred had undrawn long-term confirmed lines of credit totaling €628 million, expiring at various dates between July 1, 2012 and June 30, 2014.

B.2. Long and short-term debt before and after hedging

At December 31, 2010, total debt without hedging breaks down as follows before hedging transactions:

(in € millions)	Amount	Rate	% of total debt
EUR	1,487	3.00%	99%
Other currencies	10	5.78%	1%
TOTAL DEBT	**1,497**	**3.02%**	**100%**

Long and short-term financial debt after currency and interest rate hedging breaks down as follows at December 31, 2010:

(in € millions)	Amount	Rate	% of total debt
EUR	1,483	3.10%	99%
Other currencies	14	6.46%	1%
TOTAL DEBT	**1,497**	**3.13%**	**100%**

B.3. Long and short-term debt by interest rate after hedging

(in € millions)	Amount	Rate	% of total debt
Fixed rate debt	1,041	3.46%	70%
Variable rate debt	456	2.36%	30%
TOTAL DEBT	**1,497**	**3.13%**	**100%**

C. Financial instruments

C.1. Currency hedges

For each currency, the notional amount corresponds to the amount of currency sold or purchased forward. Fair value corresponds to the difference between the amount of the currency sold (purchased) and the amount of the currency purchased (sold), converted in both cases at the period-end forward exchange rate.

All currency transactions carried out by the Group, as listed below, are hedging transactions. They consist of designated hedges of intra-group loans and borrowings in foreign currencies and correspond to documented fair value hedging relationships.

At December 31, 2010, currency derivatives had an aggregate positive fair value of €3 million, as follows:

Forward purchases and currency swaps *(in € millions)*	**Expiring in 2011**	**Expiring in 2012**	**December 31, 2010 Notional amount**	**December 31, 2010 Fair Value**
GBP	102	-	102	(2)
SEK	88	-	88	3
MXN	37	-	37	1
HUF	41	-	41	1
CZK	31	-	31	-
Other	1	-	1	-
Forward purchases	**300**	**-**	**300**	**3**
Forward sales and currency swaps *(in € millions)*	**Expiring in 2011**	**Expiring in 2012**	**December 31, 2010 Notional amount**	**December 31, 2010 Fair Value**
SEK	-	-	-	-
USD	-	-	-	-
ZAR	4	-	4	-
Forward sales	**4**	**-**	**4**	**-**
Total currency hedges	**304**	**-**	**304**	**3**

C.2. Interest rate hedges

In July 2010, a €250 million program was set up, including swaps where Edenred is the fixed rate borrower and collars.

(in € millions)	**Expiring 2011**	**Expiring 2012**	**Expiring 2013**	**Expiring 2014 and beyond**	**December 31, 2010 Notional amount**	**December 31, 2010 Fair value**
EUR: Fixed-rate borrower swaps and collar			83	167	250	1
TOTAL RATE HEDGES			**83**	**167**	**250**	**1**

C.3. Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2010 were as follows:

(in € millions)	December 31, 2010 Fair value	December 31, 2010 Carrying amount
Total debt	**1,630**	**1,582**
Bonds	841	793
Long-term bank debts	694	694
Other debts	29	29
Bank overdrafts	66	66
Current financial assets	**(1,557)**	**(1,557)**
Marketable securities [(2)]	(1,480)	(1,480)
Cash	(73)	(73)
Derivatives [(1)]	(4)	(4)
NET DEBT	**73**	**25**

(1) The fair value of forward foreign exchange contracts, currency swaps and interest rate swaps was assessed based on the market prices that Edenred would have to pay or would receive to unwind the contracts (level 2 valuation technique).

(2) Marketable securities break down as follows:

(in € millions)	December 31, 2010 Fair value	December 31, 2010 Carrying amount
Bonds and other negociable debt securities [(1)]	(121)	(121)
Money market securities	(1,358)	(1,358)
Mutual fund units in cash in less than three months (*) [(2)]	(1)	(1)
Other	-	-
TOTAL MARKETABLE SECURITIES	**(1,480)**	**(1,480)**

(*) The fair value of mutual fund units corresponds to their published net asset value (level 1 valuation technique).

(1) Held-to-maturity investments.

(2) Held-for-sale financial assets.

D. Scheduled payments of financial liabilities

At December 31, 2010, the scheduled payments of financial liabilities were as follows:

		Cash flow < 1 an		Cash flow between 1 year and 5 years		Cash flow > 5 years	
(in € millions)	Amount	Interest flow	Notional Amount	Interest flow	Notional Amount	Interest flow	Notional Amount
Bonds	793	29	-	116	-	51	793
Bank borrowings	704	18	10	72	694	-	-
SUB-TOTAL LONG AND SHORT TERM DEBT	**1,497**	**47**	**10**	**188**	**694**	**51**	**793**
Bank overdrafts (*)	66	-	66	-	-	-	-
Derivatives	-	1	-	(1)	-	-	-
TOTAL	**1,563**	**48**	**76**	**187**	**694**	**51**	**793**

(*) Those bank overdrafts of €66 million must be analyzed related to the €73 million of cash in the balance sheet assets.

The financial debts do not include any particular mention (particularly covenants) which significantly can change the terms.

Future cash flows relating to interest are calculated using market interest rates at December 31, 2010. Variable rates are estimated by reference to forecast rates and fixed rates are known in advance. Future cash flows represented by debt repayments are estimated based on the assumption that the facilities will not be rolled over at maturity.

NOTE 19 NET DEBT AND NET CASH

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
Other long-term debt	1,534	1,515	1,499
Short-term financial debt	4	10	17
Bank overdrafts	12	41	66
Total debt	**1,550**	**1,566**	**1,582**
Short-term loans	(3)	-	-
Marketable securities [1]	(1,179)	(1,222)	(1,480)
Cash	(45)	(41)	(73)
Derivatives	-	-	(4)
Current financial assets	**(1,227)**	**(1,263)**	**(1,557)**
NET DEBT	**323**	**303**	**25**

(1) See Note 18.C.

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
Net debt at beginning of period	**429**	**323**	**303**
Increase (decrease) in long-term debt	(13)	(19)	(16)
Increase (decrease) in short-term debt	2	6	6
Decrease (increase) in short-term loans	5	3	-
Decrease (increase) in cash and cash equivalents	(100)	(10)	(268)
Changes for the period	**(106)**	**(20)**	**(278)**
NET DEBT AT END OF PERIOD	**323**	**303**	**25**

The following table reconciles cash and cash equivalents in the balance sheet to cash and cash equivalents in the pro forma statement of cash flows:

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
Cash and cash equivalents in the balance sheet	**1,224**	**1,263**	**1,556**
Bank overdrafts	(12)	(41)	(66)
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	**1,212**	**1,222**	**1,490**

NOTE 20 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES UNDER IFRS 7

At December 31, 2008 financial assets and liabilities broke down as follows by category:

(in € millions)	Balance sheet category							Fair value			
	Cash and cash equivalents	Restricted cash	Marketable securities	Loans	Other non-current financial assets	Trade receivables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Available-for-sale financial assets							**2**				**2**
Mutual fund units	-	-	2	-	-	-	2	2	-	-	2
Financial assets at fair value through profit or loss	-	-	-	-	-	-	**-**	-	-	-	**-**
Currency derivatives	-	-	-	-	-	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-	-
Total financial assets at December 31, 2008	**-**	**-**	**2**	**-**	**-**	**-**	**2**	**2**	**-**	**-**	**2**

(in € millions)	Balance sheet category					Fair value				
	Bank overdrafts	Marketable securities	Loans	Other non-current financial assets	Trade payables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Financial liabilities at fair value						-				-
Currency derivatives	-	-	-	-	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-
Total financial liabilities at December 31, 2008	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

At December 31, 2009 financial assets and liabilities broke down as follows by category:

(in € millions)	Balance sheet category							Fair value			
	Cash and cash equivalents	Restricted cash	Marketable securities	Loans	Other non-current financial assets	Trade receivables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Available-for-sale financial assets							**2**				**2**
Mutual fund units	-	-	2	-	-	-	2	2	-	-	2
Financial assets at fair value through profit or loss							**-**				**-**
Currency derivatives	-	-	-	-	-	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-	-
Total financial assets at December 31, 2009	**-**	**-**	**2**	**-**	**-**	**-**	**2**	**2**	**-**	**-**	**2**

(in € millions)	Balance sheet category						Fair value			
	Bank overdrafts	Marketable securities	Loans	Other non-current financial assets	Trade payables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Financial liabilities at fair value						-				-
Currency derivatives	-	-	-	-	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-
Total financial liabilities at December 31, 2009	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

At December 31, 2010 financial assets and liabilities broke down as follows by category:

(in € millions)	Balance sheet category							Fair value			
	Cash and cash equivalents	Restricted cash	Marketable securities	Loans	Other non-current financial assets	Trade receivables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Available-for-sale financial assets							**1**				**1**
Mutual fund units	-	-	1	-	-	-	1	1	-	-	1
	-	-	-	-	-	-	**-**	-	-	-	**-**
Financial assets at fair value through profit or loss							4				4
Currency derivatives	3	-	-	-	-	-	3	-	3	-	3
Interest rate derivatives	**1**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**1**	**-**	**1**
Total financial assets at December 31, 2010	**4**	**-**	**1**	**-**	**-**	**-**	**5**	**1**	**4**	**-**	**5**

(in € millions)	Balance sheet category						Fair value			
	Bank overdrafts	Marketable securities	Loans	Other non-current financial assets	Trade payables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Financial liabilities at fair value						-				-
Currency derivatives	-	-	-	-	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-
Total financial liabilities at December 31, 2010	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(*) The fair value hierarchy comprises the following levels:
- level 1: fair value assessed by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2: fair value assessed by reference to quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- level 3: fair value assessed by reference to inputs related to the asset or liability that are not based on market data (unobservable inputs).

The methods used to assess the fair value of mutual fund units and bonds are described in Note 18.

No assets were transferred between fair value assessment levels over the presented periods.

Interest rates and currency rates sensibility analyses are presented in the section 3 of the registration document.

NOTE 21 PROVISIONS

A. Provisions at December 31, 2010

Movements in long-term provisions between January 1, 2010 and December 31, 2010 can be analyzed as follows:

(in € millions)	December 31, 2009	Impact on equity (*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope (*)	December 31, 2010
Provisions for pensions and loyalty bonuses	16	1	2	(1)	(1)	1	-	18
Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	**16**	**1**	**2**	**(1)**	**(1)**	**1**	**-**	**18**

(*) See Note 21.B. 3.

Movements in short-term provisions between January 1, 2010 and December 31, 2010 can be analyzed as follows:

(in € millions)	December 31, 2009	Impact on equity (*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope (*)	December 31, 2010
Tax provisions	1	-	-	-	-	-	(1)	-
Restructuring provisions	9	-	4	(7)	(1)	1	-	6
Provisions for claims and litigation and other contingencies	53	-	13	(2)	(2)	-	(37)	25
TOTAL SHORT-TERM PROVISIONS	**63**	**-**	**17**	**(9)**	**(3)**	**1**	**(38)**	**31**

At December 31, 2009, short-term provisions for claims and litigation and others mainly included a contingency provision in Venezuela (see Note 8).

Net provision expense - corresponding to increases in provisions less reversals of utilized and unutilized provisions set up in prior periods - is reported under the following income statement captions:

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
EBIT	(2)	-	-
Net financial expense	-	-	-
Restructuring costs and impairment losses	(4)	41	5
Income tax expense	(22)	-	-
TOTAL	**(28)**	**41**	**5**

B. Provisions for pensions and other post-employment benefits

B.1. Description of the plans

Group employees receive various short-term benefits (paid vacation, paid sick leave and profit-shares) and long-term benefits (long-service awards, long-term disability benefits, loyalty bonuses and seniority bonuses), as well as various post-employment benefits provided under defined contribution and defined benefit plans (length-of-service awards payable on retirement, pension benefits).

Short-term benefit obligations are recognized in the balance sheets of the Group entities concerned.

Post-employment benefits are provided under either defined contribution or defined benefit plans.

B.1.1. Defined contribution plans

Obligations under these plans are funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The external organization is responsible for all benefit payments and the Group has no liability beyond the payment of contributions. Examples of defined contribution plans include the government-sponsored basic pension and supplementary pension (ARRCO/AGIRC) schemes in France and defined contribution pension schemes in other countries.

Contributions to these plans are recognized in the period to which they relate.

B.1.2. Defined benefit plans

Benefit obligations under the Group's defined benefit plans are generally funded by plan assets, with any unfunded portion recognized as a liability at the balance sheet date.

The defined benefit obligation (DBO) is determined by the projected unit credit method, based on actuarial assumptions concerning future salary levels, retirement age, mortality rates, staff turnover rates and the discount rate. These assumptions take into account the macro-economic situation and other specific circumstances in each host country.

Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity, in accordance with Group accounting policy.

At Edenred, the main post-employment defined benefit plans concern:

- length-of-service awards in France:
  - these are lump-sum payments made to employees on retirement. They are determined by reference to the employee's years of service and final salary,
  - the calculation is based on parameters defined by Corporate Finance and Human Resources in November of each year,
  - the related obligation is covered by a provision;
- length-of-service awards in Italy:
  - these are lump-sum payments made to employees when they retire, resign or are laid off. They are determined by reference to the employee's years of service and final salary,
  - the related obligation is covered by a provision;
- pensions: the main defined benefit pension plans are for employees in the United Kingdom (34% of the obligation at December 31, 2010), in France and the Worldwide Structures (36% of the obligation at December 31, 2010), in Belgium (15% of the obligation at December 31, 2010) and in Italy (10% of the obligation at December 31, 2010). Pension benefit obligations are determined by reference to employees' years of service and final salary. They are funded by payments to external organizations that are legally separate from Edenred.

B.2. Actuarial assumptions

Actuarial valuations are based on a certain number of long-term parameters supplied by the Group, which are reviewed each year.

		Rest of Europe				
2009	**France**	**United Kingdom**	**Belgium**	**Italy**	**Worldwide Structures**	**Rest of the world**
Retirement age	65 ans	65 ans	65 ans	65 ans	65 ans	55-65 ans
Rate of futur salary increase	3.0%	3.0%	3.0%	2.5%-3.5%	3%-4%	2%-10%
Payroll tax rate	46%	13%	36%	29%	46%	9%-45%
Discount rate	5.00%	5.60%	5.00%	5.00%	5.00%	4%-8.68%
Expected return on 2009 plan assets	2.20%-4.5%	5.5%	4.5%	N/A	4.5%	N/A
Expected return on 2010 plan assets	2.20%-4.5%	5.5%	4.5%	N/A	4.5%	N/A

2010	France	Rest of Europe: United Kingdom	Rest of Europe: Belgium	Rest of Europe: Italy	Worldwide Structures	Rest of the world
Retirement age	65 ans	65 ans	60 ans	65 ans	65 ans	55-65 ans
Rate of futur salary increase	3.0%	3.0%	3.0%	2.5%-3.5%	3%-4%	2%-10%
Payroll tax rate	46.0%	12.8%	36.0%	29.0%	46.0%	9%-45%
Discount rate	4.5%	5.50%	4.5%	4.5%	4.5%	4%-8.68%
Expected return on 2010 plan assets	2.20%-4.5%	5.75%	4.5%	N/A	4.5%	N/A
Expected return on 2011 plan assets	2.20%-4.5%	5.75%	4.5%	N/A	4.5%	N/A

The assumptions concerning the expected return on plan assets and the discount rate applied to calculate the present value of benefit obligations were determined based on the recommendations of independent experts. The discount rate was based on an analysis of investment grade corporate bond yields in each region. The calculation method was designed to obtain a discount rate that was appropriate in light of the timing of cash flows under the plan.

Edenred's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly of the classes of assets held in insurers' general portfolios managed according to conservative investment strategies. As a result, the expected long-term return on plan assets is estimated on the basis of the guaranteed yield offered by the insurance companies, ranging from 3.00% to 3.25% depending on the country, plus a spread of 100 to 125 basis points. This method takes into account the techniques used by insurance companies to smooth investment yields and ensures that yield assumptions are reasonable (i.e. below the rates of AA-rated corporate bonds).

B.3. Funded status of post-employment defined benefit plans and long-term employee benefits

The method used by the Group is the Projected Unit Credit method.

At December 31, 2010

(in € millions)	Pension plans	Other defined benefit plans (*)	Total
Present value of funded obligation	18	-	18
Fair value of plan assets	(8)	-	(8)
Excess of benefit obligation/(plan assets)	**10**	**-**	**10**
Present value of unfunded obligation	-	8	8
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**10**	**8**	**18**

(*) Including lenght-of-service awards and loyalty bonuses.

At December 31, 2009

(in € millions)	Pension plans	Other defined benefit plans (*)	Total
Present value of funded obligation	14	-	14
Fair value of plan assets	(6)	-	(6)
Excess of benefit obligation/(plan assets)	**8**	**-**	**8**
Present value of unfunded obligation	-	8	8
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**8**	**8**	**16**

(*) Including lenght-of-service awards and loyalty bonuses.

Funded status of post-employment defined benefit plans by region

	Pension plans									
	2010							2010	2010	2009
		Rest of Europe								
(in € millions)	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total	Total
Projected benefit obligation at beginning of period	**2**	**7**	**3**	**2**	**5**	**1**	**19**	**2**	**21**	**17**
Service costs	-	-	-	-	1	-	1	-	1	1
Interest costs	-	-	-	-	-	-	1	-	1	1
Employee contributions	-	-	-	-	-	-	-	-	-	-
Past service costs	(1)	-	-	-	-	-	(1)	-	(1)	-
Curtailments and settlements	-	-	-	-	-	(1)	(1)	-	(1)	-
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	-	-	(1)
Acturial (gains) losses	-	-	-	-	1	-	2	-	2	2
Total translation adjustment	-	-	-	-	-	-	-	-	1	1
Total other	-	-	-	-	(1)	-	-	-	-	-
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	**1**	**7**	**3**	**2**	**7**	**1**	**22**	**3**	**25**	**21**

(in € millions)	France	Rest of Europe United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2010	Total 2009
Fair value of plan assets at beginning of period	**-**	**4**	**2**	**-**	**(1)**	**-**	**6**	**-**	**6**	**5**
Actual return on plan assets	-	-	-	-	-	-	-	-	-	-
Employer contributions	-	-	-	-	-	-	1	-	1	1
Employee contributions	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	-	-	-
Settlements	-	-	-	-	-	-	-	-	-	-
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Total translation adjustment	-	-	-	-	-	-	-	-	-	-
Total other	-	-	-	-	-	1	1	-	1	-
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**-**	**5**	**2**	**-**	**(1)**	**1**	**8**	**-**	**8**	**6**

(in € millions)	France	Rest of Europe United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2010	Total 2009
Plan deficit at beginning of period	**2**	**2**	**1**	**2**	**5**	**1**	**14**	**2**	**16**	**12**
Provision at end of period	**2**	**2**	**1**	**2**	**7**	**1**	**15**	**3**	**18**	**16**
Past service costs not recognized	(1)	-	-	-	-	-	(1)	-	(1)	-
Surplus booking in assets	-	-	-	-	-	(1)	(1)	-	(1)	-
PLAN DEFICIT AT END OF PERIOD	**1**	**2**	**1**	**2**	**7**	**(0)**	**14**	**3**	**17**	**16**

(in € millions)	France	Rest of Europe United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2010	Total 2009
Service costs	-	-	-	-	1	-	1	1	2	1
Interest costs	-	-	-	-	-	-	1	-	1	1
Expected return on plan assets	-	-	-	-	-	-	-	-	-	-
Amortization of past service costs	-	-	-	-	-	-	-	-	-	-
Curtailments and settlements	-	-	-	-	-	(1)	(1)	-	(1)	-
Amortization of actuarial gains and losses for post-employment defined benefit plans	-	-	-	-	-	-	-	-	-	-
COST FOR THE PERIOD	**-**	**-**	**-**	**-**	**1**	**-**	**1**	**1**	**2**	**1**
Actuarial gains and losses recognized in equity	**-**	**-**	**-**	**-**	**1**	**-**	**1**	**-**	**1**	**3**

Changes in pension liabilities between January 1, 2009 and December 31, 2010

(in € millions)	Amount
Liability at January 1, 2009	**12**
Cost for the year	1
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	3
Effect of changes in consolidation scope	-
Translation adjustment	1
Other	-
Liability at December 31, 2009	**16**
Cost for the year	2
Benefits paid	(2)
Actuarial gains and losses for the period recognized in equity	1
Effect of changes in consolidation scope	-
Translation adjustment	1
LIABILITY AT DECEMBER 31, 2010	**18**

Actuarial gains and losses arising from changes in assumptions and experience adjustments

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
Projected benefit obligation			
Actuarial gains and losses - experience adjustments	-	(1)	-
Actuarial gains and losses - changes in assumptions	2	3	1
Fair value of plan assets			
Actuarial gains and losses - experience adjustments	1	-	-

Details of plan assets

Detail of plan assets	United Kingdom	Belgium	Worldwide Structures
Equities	55%	15%-25%	15%-25%
Bonds	26%	75%-80%	75%-80%
Other	19%	0%-5%	0%-5%

Sensitivity analysis

At December 31, 2009, a 0.5-point increase (decrease) in the discount rate would lead to a €0.4 million decrease (increase) in the projected benefit obligation. The impact on the cost for the year would not be material.

At December 31, 2010, a 0.5-point increase (decrease) in the discount rate would lead to a €0.8 million decrease (increase) in the projected benefit obligation. The impact on the cost for the year would not be material.

NOTE 22 RECONCILIATION OF FUNDS FROM OPERATIONS

in € millions	Dec. 2008	Dec. 2009	Dec. 2010
Net profit, Group Share	152	(57)	68
Minority interests	25	7	9
Depreciation, amortization and provision expense	37	36	31
Deferred taxes	3	(15)	(2)
Change in financial provisions	(21)	1	1
Expenses related to share-based payments	2	2	7
Non cash impact of the other non-recurring income and expense	1	179	52
FUNDS FROM OPERATIONS INCLUDING NON-RECURRING ITEMS	**199**	**153**	**166**
(Gains) losses on disposals of assets, net	1	(1)	(1)
(Gains) losses on non-recurring transactions (including restructuring costs)	17	32	48
Funds from operations	**217**	**184**	**213**

NOTE 23 WORKING CAPITAL, SERVICE VOUCHERS IN CIRCULATION AND RESTRICTED CASH

A. Net change in working capital and service vouchers in circulation

in € millions	Dec. 2009	Dec. 2010	Change Dec. 2009/ Dec. 2010
Inventories	13	12	(1)
Trade receivables	894	951	57
Other receivables and accruals	248	316	68
Working capital items - assets	**1,155**	**1,279**	**124**
Trade receivables	140	76	(64)
Other payables	164	174	10
Vouchers in circulation	2,883	3,278	395
Working capital items - liabilities	**3,187**	**3,528**	**341**
FLOAT (WORKING CAPITAL)	**2,032**	**2,249**	**217**

December 31, 2009 Working capital	**2,032**
Change in working capital (1)	161
Development Expenditure	-
Disposals	(1)
Translation adjustment	27
Reclassifications	30
Net change in working capital	**217**
DECEMBER 31, 2010 WORKING CAPITAL	**2,249**

(1) See statement of cash flows.

B. Net change in restricted cash

Restricted cash corresponds mainly to service voucher reserve funds which use is regulated. The countries concerned are France (€551 million), United Kingdom (€38 million) and Romania (€34 million).

December 31, 2009 Restricted cash	**565**
Like-for-like change for the period [(1)]	42
Reclassification from cash and cash equivalents to restricted cash [(1)]	23
Translation adjustment	1
Net change in restricted cash	**66**
DECEMBER 31, 2010 RESTRICTED CASH	**631**

(1) See statement of cash flows.

NOTE 24 CAPITAL EXPENDITURE

Capital expenditure in the last three periods breaks down as follows:

(in € millions)	2008	2009	2010
Recurring expenditure	24	30	32
Development expenditure	23	41	29
TOTAL CAPITAL EXPENDITURE	**47**	**71**	**61**

NOTE 25 BALANCE SHEETS BY GEOGRAPHIC SEGMENT

At December 31, 2009

(in € millions)	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total
Goodwill	115	193	203	40	6	**557**
Intangible assets	28	48	14	8	1	**99**
Property, plant and equipment	6	12	15	3	1	**37**
Financial assets	1	1	-	1	-	**3**
Other non-current assets	-	-	11	(1)	18	**28**
Total non-current assets	**150**	**254**	**243**	**51**	**26**	**724**
Total current assets	**794**	**540**	**919**	**102**	**628**	**2,983**
TOTAL ASSETS	**944**	**794**	**1,162**	**153**	**654**	**3,707**
Total equity	**(178)**	**(1,216)**	**394**	**41**	**(228)**	**(1,187)**
Other non-current liabilities	**17**	**724**	**8**	**3**	**842**	**1,593**
Total non-current liabilities	**(161)**	**(493)**	**402**	**44**	**614**	**406**
Total current liabilities	**1,105**	**1,287**	**760**	**109**	**40**	**3,301**
TOTAL EQUITY AND LIABILITIES	**944**	**794**	**1,162**	**153**	**654**	**3,707**

At December 31, 2010

(in € millions)	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total
Goodwill	91	189	231	40	-	**551**
Intangible assets	22	51	17	3	3	**96**
Property, plant and equipment	8	12	15	4	1	**40**
Financial assets	1	1	-	3	-	**5**
Other non-current assets	1	13	5	2	7	**28**
Total non-current assets	**123**	**266**	**268**	**52**	**11**	**720**
Total current assets	**773**	**696**	**1,284**	**130**	**584**	**3,467**
TOTAL ASSETS	**896**	**962**	**1,552**	**182**	**595**	**4,187**
Total equity	**148**	**(1,058)**	**486**	**39**	**(659)**	**(1,044)**
Other non-current liabilities	**12**	**59**	**21**	**2**	**1,495**	**1,589**
Total non-current liabilities	**160**	**(999)**	**507**	**41**	**836**	**545**
Total current liabilities	**736**	**1,961**	**1,045**	**141**	**(241)**	**3,642**
TOTAL EQUITY AND LIABILITIES	**896**	**962**	**1,552**	**182**	**595**	**4,187**

NOTE 26 CLAIMS AND LITIGATION

A. Tax audit

Following a tax audit of Accor Services France's 2003 and 2004 accounts, the tax authorities imposed various fines on the Group concerning VAT payments and failure to produce a schedule tracking capital gains qualifying for rollover relief.

After the tax authorities issued a notice to pay the fines – which reached €21.8 million – the Group settled this amount in April 2008, but also lodged an appeal in September 2009, claiming that the tax authorities' position was without merit. The appeal was rejected by the tax authorities on October 14, 2009.

On December 10, 2009, the Group applied to the Montreuil Administrative Tribunal for a ruling on the matter.

The application was rejected on December 2, 2010. Edenred France intends to appeal this decision before the Versailles Administrative Court of Appeal.

B. Other claims and litigation

In France, Accentiv' Kadeos is involved in a dispute concerning the agreements signed when it acquired Business Value Challenge in December 2005. It is also involved in a dispute with Fnac, a member of its gift solution acceptance and distribution network, as a result of Fnac's alleged failure to fulfill certain contractual obligations particularly in terms of exclusivity.

The fact that Kadeos gift cards are the only cards accepted by a banner such as Fnac may be considered as a unique selling proposition for Kadeos

The Group is also involved or may be involved in the future in various claims or legal proceedings in the normal course of business. As of the date of this report, to the best of the Company's knowledge, there are no claims or legal proceedings in progress, pending or threatened against the Company or its subsidiaries that could have a significant effect on the Group's business, results or financial position.

NOTE 27 OFF-BALANCE SHEET COMMITMENTS

A. Off-balance sheet commitments given

Off-balance sheet commitments given amount to €86 million at December 31, 2010 and €90 million at December 31, 2009.

The December 31, 2010 amount breaks down as follows:

- voucher sale guarantees given to public sector entities in Italy for a total of €84 million, including €32 million expiring in less than one year, €21 million expiring in 1 to 5 years and €31 million expiring beyond 5 years (€88 million at December 31, 2009);
- bid bonds issued in Spain for €1 million (€1 million at December 31, 2009);
- bank bonds issued in Brazil for €1 million (expiring within one year), expiring in 1 to 5 years.

To the best of the Group's knowledge and in accordance with generally accepted accounting principles, no commitments given have been omitted from the above list.

B. Off-balance sheet commitments received

There is no off-balance sheet commitments received at December 31, 2010.

NOTE 28 ADDITIONAL INFORMATION ABOUT JOINTLY-CONTROLLED ENTITIES

At the end of each of the three periods presented, Edenred held shares in nine jointly-controlled entities for which the current and non-current assets and liabilities, income and expenses attributable to the Group represented individually less than €6 million.

Those jointly-controlled entities, taken as a whole, show assets less than €1 million and income and expenses respectively less than €13 million and €12 million.

The companies concerned are:

- AS-GES;
- Workplace Benefits;
- EAR Ireland;
- Employee Advisory R.L.;
- BEA;
- Fidetel;
- Advantage 24;
- Network Servisleri AS;
- WPB Canada.

NOTE 29 RELATED PARTY TRANSACTIONS

For the purpose of applying IAS 24, the Group has identified the following related parties:

- all fully or proportionally consolidated companies;
- all members of the Executive Committee and the members of their direct families;
- all companies in which a member of the Executive Committee holds material voting rights;
- Accor S.A.

All fully or proportionally consolidated companies.

Relations between the parent company and its subsidiaries and joint ventures are presented in Note 28. Transactions between the parent company and its subsidiaries constitute related party transactions that are eliminated in consolidation. Hence, they are not disclosed in these notes. However, transactions between the parent company and its joint ventures were not material in the periods presented.

Members of the Executive Committee

Transactions with members of the Executive Committee are disclosed in full in Note 30.

Companies in which a member of the Executive Committee of Edenred holds material voting rights

None

Accor S.A.

Transactions with Accor S.A. during each of the three periods presented were as follows:

		Transaction amount			Receivables			Payables			Off-balance sheet commitments		
(in € millions)	Type of transaction	Dec. 2008	Dec. 2009	Dec. 2010	Dec. 2008	Dec. 2009	Dec. 2010	Dec. 2008	Dec. 2009	Dec. 2010	Dec. 2008	Dec. 2009	Dec. 2010
ACCOR SA	Inter-entity billings	(25)	(20)	(47)	10	2	-	39	55	1	-	-	-
	Loans	-	-	-	-	-	-	-	-	-	-	-	-
	Dividends	-	-	-	-	-	-	-	-	-	-	-	-

NOTE 30 COMPENSATION PAID TO CORPORATE OFFICERS

	December 31, 2008	December 31, 2009	December 31, 2010
(in € millions)	Expense	Expense	Expense
Short-term benefits	5	4	9
Post-employment benefits	-	-	1
Other long-term benefits	-	-	-
Termination benefits	-	1	-
Share-based payments	1	1	2
TOTAL COMPENSATION	**6**	**6**	**12**

On February 24, 2010, an Executive Committee was created for the Group. The 12-member Committee includes executives in charge of operations or operational support functions.

NOTE 31 AUDITORS' FEES

The table below shows the total fees billed by the Auditors that were recognized in the income statement for the periods presented.

	Deloitte & Associés				Cabinet Didier Kling & Associés			
	Amount without VAT		%		Amount without VAT		%	
(in € millions)	2009	2010	2009	2010	2009	2010	2009	2010
Audit								
Statutory audit, certification, consolidated and individual financial statements audit								
• Issuer		(0.4)		17%		(0.2)		67%
• Fully consolidated subsidiaries	(1.7)	(1.8)	85%	75%				
Other work and services directly related to the statutory audit								
• Issuer		(0.1)		4%		(0.1)		33%
• Fully consolidated subsidiaries	(0.2)		10%					
SUB-TOTAL	**(1.9)**	**(2.3)**	**95%**	**96%**	**-**	**(0.3)**	**-**	**100%**
Other services provided by the network to the fully consolidated subsidiaries								
• Legal, tax and social matters	-	-	2%	-				
• Other	(0.1)	(0.1)	3%	4%				
SUB-TOTAL	**(0.1)**	**(0.1)**	**5%**	**4%**	**-**	**-**	**-**	**-**
TOTAL	**(2.0)**	**(2.4)**	**100%**	**100%**	**-**	**(0.3)**	**-**	**100%**

NOTE 32 SUBSEQUENT EVENTS

A. Acquisition of RistoChef in Italy

On January 13, 2011, Edenred announced the acquisition of RistoChef, Italy's seventh-largest provider of meal vouchers. With more than 1,800 customers and a nearly 3% market share, RistoChef, a wholly-owned subsidiary of the Elior group, generated an estimated issue volume of around €70 million in 2010.

This transaction enables Edenred to consolidate its leadership position in Italy, with more than 40% market share.

Based on an enterprise value of €12 million, the transaction is expected to close in the coming weeks. It will be neutral to net earnings in 2011, but accretive in 2012.

NOTE 33 MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2010

The main consolidated subsidiaries are presented below:

EDENRED

FRANCE

Edenred France	France	IG	100.00%
Accentiv'Kadeos	France	IG	100.00%
EAP France	France	IG	100.00%
Accentiv' Travel	France	IG	100.00%
Servicarte	France	IG	96.13%
AS Formation	France	IG	100.00%
AS-GES	France	IP	50.00%
Fidetel	France	IP	50.00%
BEA	France	IP	50.00%

WORLDWIDE STRUCTURES

ASH*	France	IG	100.00%
ASM*	France	IG	100.00%
Saminvest*	France	IG	100.00%
Edenred Participations*	France	IG	100.00%

IG: fully consolidated
IP: consolidated using the proportional method
MEE: accounted for by the equity method
* Holding

REST OF EUROPE

Accor Services Austria	Austria	IG	100.00%
Award Services	Belgium	IG	100.00%
Edenred Belgium	Belgium	IG	100.00%
Luncheck	Belgium	IG	99.99%
Edenred Bulgaria	Bulgaria	IG	97.00%
Edenred CZ	Czech Republic	IG	100.00%
Delicard Oy	Finland	IG	100.00%
Edenred Deutschland	Germany	IG	100.00%
Edenred Incentives & Rewards Deutschland	Germany	IG	100.00%
Edenred Vouchers Deutschland	Germany	IG	100.00%
AS Grece	Greece	IG	51.00%
Corporate Insurance Broker Hungary	Hungary	IG	56.00%
Broker Hongrie	Hungary	IG	56.00%
E Lunch	Italia	IG	100.00%
Edenred Italie	Italia	IG	100.00%
EAR Ireland	Ireland	IP	45.35%
Edenred Liban	Liban	IG	80.00%
TR Luxembourg	Luxembourg	IG	98.00%
Edenred Mali	Mali	IG	75.00%
Edenred Maroc	Marroco	IG	51.00%
Soltis BV*	Netherlands	IG	88.91%
AS Netherland	Netherlands	IG	100.00%
Tintelingen	Netherlands	IG	100.00%
Lunch Company	Poland	IG	83.49%
Edenred Portugal	Portugal	IG	100.00%
Edenred Roumanie	Romania	IG	94.83 %
Edenred Slovakia	Slovakia	IG	100.00%
Edenred Espagne	Spain	IG	100.00%
Rikskuponger	Sweden	IG	100.00%
Delicard AB	Sweden	IG	100.00%
In-Action	Sweden	IG	100.00%
Delicard Group AB*	Sweden	IG	100.00%
Edenred Suisse	Switzerland	IG	100.00%
Académie AS Turquie TRY	Turkey	IG	100.00%
Edenred Turkey	Turkey	IG	99.97%
Network Servisleri AS	Turkey	IP	49.98%
Accentiv' Turkey	Turkey	IG	99.97%
Edenred UK	United Kingdom	IG	100.00%
Edenred Incentives & Motivation	United Kingdom	IG	100.00%
Employee Advisory Resource	United Kingdom	IP	45.35%
Edenred Employee Benefits UK	United Kingdom	IG	66.06%
Prepay	United Kingdom	IG	66.67%
Clean Way Limited	United Kingdom	IG	100.00%
LV Catering	United Kingdom	IG	100.00%
ChildCare Vouchers	United Kingdom	IG	98.50%
Edenred Travel UK	United Kingdom	IG	100.00%
Capital Incentive Performance*	United Kingdom	IG	99.78%

NORTH AMERICA

Workplace Options Canada	Canada	IP	45.35%
AS North America	United States	IG	100.00%
Workplace Benefits	United States	IP	45.35%
Advantage 24	United States	IP	45.35%
Wirecommute	United States	IG	100.00%
Commuter Check Services Corporation	United States	IG	100.00%

LATIN AMERICA AND CARIBBEAN

AS Argentina	Argentina	IG	100.00%
Soporte Servicios*	Argentina	IG	100.00%
Accentiv' Brésil	Brazil	IG	55.00%
GLOG Servicos De Gestao de distribuicao	Brazil	IG	99.99%
Ticket Servicios Brésil	Brazil	IG	100.00%
Incentive House	Brazil	IG	100.00%
Edenred Servicios Participacoes*	Brazil	IG	100.00%
Siège Local Edenred*	Brazil	IG	100.00%
Accentiv' Brésil Mimetica	Brazil	IG	55.00%
AS Chile	Chile	IG	74.35%
AS Colombia	Colombia	IG	100.00%
Accor Servicios Empresariales	Mexico	IG	100.00%
Servicios Accor	Mexico	IG	100.00%
Asesoria Mex	Mexico	IG	100.00%
Servicios y Prestationes	Mexico	IG	100.00%
Sedesa	Mexico	MEE	20.00%
Multibonos y Servicios	Mexico	IG	100.00%
AS Panama	Panama	IG	100.00%
Edenred Peru	Peru	IG	67.00%
Luncheon Tickets	Uruguay	IG	100.00%
Uniticket	Uruguay	IG	100.00%
Westwell Group*	Uruguay	IG	100.00%
Cestaticket AS	Venezuela	IG	57.00%
Accor Venezuela VEF	Venezuela	IG	100.00%

OTHER COUNTRIES

Edenred Australia	Australia	IG	100.00%
Davidson & Trahaire	Australia	IG	100.00%
Catalyst Reabilitation Australia	Australia	IG	100.00%
Corpsych	Australia	IG	100.00%
Accentiv Shanghai Company	China	IG	100.00%
Beijing Yagao Meal Service	China	IG	88.75%
Shanghai Yagao Meal Service	China	IG	100.00%
Accor Corporate Services Shangai	China	IG	100.00%
Accor Services Chengdu	China	IG	51.00%
Accor Services Wuxi	China	IG	70.00%
Surfgold Beijing	China	IG	100.00%
Edenred Hong-Kong	Hong Kong	IG	100.00%
Surfgold India	India	IG	100.00%
Royal Image Direct	India	IG	100.00%
Expert Mauritius*	India	IG	100.00%
SRI Ganesh Hosp.*	India	IG	100.00%
Edenred India	India	IG	100.00%
Edenred Korea	Korea	IG	100.00%
Edenred Singapour	Singapor	IG	100.00%
Edenred South Africa	South Africa	IG	74.00 %
Surfgold Taiwan	Taiwan	IG	100.00%

6.2.2 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

6.2.2.1 Consolidated income statement

(in € millions)	Notes	2008 (*)	2009 (*)	2010
Issue volume	3	**12,696**	**12,407**	**13,875**
Operating revenue		817	808	885
Financial revenue		129	94	80
Total revenue	3	**946**	**902**	**965**
Operating expenses	4	(542)	(534)	(606)
Depreciation, amortization and provision expense	5	(31)	(36)	(29)
EBIT	6	**373**	**332**	**330**
Net financial expense	7	(10)	(20)	(25)
Operating profit before tax and non-recurring items		**363**	**312**	**305**
Non-recurring income and expenses, net	8	(15)	(211)	(100)
Operating profit before tax		**348**	**101**	**205**
Income tax expense	9	(111)	(83)	(99)
NET profit		**237**	**18**	**106**
Net Profit, Group Share		**212**	**11**	**97**
Net Profit, Minority interests	16	25	7	9
Weighted average number of shares outstanding *(in thousands)*	1.U	225,458	225,458	225,897
Earnings per share *(in €)*	1.U	**0.94**	**0.05**	**0.43**
Diluted earnings per share *(in €)*	1.U	0.94	0.05	0.43
Operating profit before non-recurring items		**227**	**222**	**194**
Earnings per share before non-recurring items *(in €)*		1.01	0.98	0.86

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred Group's combined financial statements (see Basis of preparation).

6.2.2.2 Consolidated statement of comprehensive income

(in € millions)	Notes	2008 (*)	2009 (*)	2010
Net profit		**237**	**18**	**106**
Currency translation adjustment		(56)	66	99
Actuarial gains and losses on defined benefit plans		(2)	(2)	(1)
Other comprehensive income, net of tax	17	**(58)**	**64**	**98**
TOTAL COMPREHENSIVE INCOME		**179**	**82**	**204**
Comprehensive income, Group share		**152**	**76**	**195**
Comprehensive income, Minority interests		27	6	9

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred Group's combined financial statements (see Basis of preparation).

6.2.2.3 Consolidated balance sheet

Assets

(in € millions)	Notes	2008 (*)	2009 (*)	2010
Goodwill	10	**645**	**557**	**551**
Intangible assets	11	**110**	**99**	**96**
Property, plant and equipment	12	**37**	**37**	**40**
Other non-current financial assets		4	3	5
NON-CURRENT FINANCIAL ASSETS		**4**	**3**	**5**
Deferred tax assets	9	19	24	28
TOTAL NON-CURRENT ASSETS		**815**	**720**	**720**
Trade receivables	13	846	894	951
Inventories and other receivables and accruals	13	243	251	328
Restricted cash	23	441	565	631
Short-term loans	18 & 19	1,341	1,044	-
Marketable securities	18 & 19	630	754	1,480
Cash	18 & 19	45	41	77
TOTAL CURRENT ASSETS		**3,546**	**3,549**	**3,467**
TOTAL ASSETS		**4,361**	**4,269**	**4,187**

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred Group's combined financial statements (see Basis of preparation).

Equity and Liabilities

(in € millions)	Notes	2008 (*)	2009 (*)	2010
Issued capital				452
Consolidated retained earnings		509	207	(1,723)
Cumulative compensation costs - share-based payments		4	6	6
Cumulative fair value adjustments to financial instruments	15	-	-	-
Cumulative actuarial gains (losses) on defined benefit plans		1	(1)	-
Currency translation reserve		(59)	8	107
Net profit, Group share		212	11	97
Shareholders' equity, Group share		**667**	**231**	**(1,061)**
Minority interests	16	24	19	17
Total equity		**691**	**250**	**(1,044)**
Other Long-term financial debt	18 & 19	34	15	1,499
Deferred tax liabilities	9	66	62	72
Long-term provisions	21	12	16	18
TOTAL NON-CURRENT LIABILITIES		**803**	**343**	**545**
Short-term provisions	21	17	59	31
Short-term financial debt	18 & 19	457	641	17
Vouchers in circulation	23	2,587	2,883	3,278
Trade payables	13	196	140	76
Other payables and income tax payable	13	290	162	174
Bank overdrafts	18 & 19	11	41	66
TOTAL CURRENT LIABILITIES		**3,558**	**3,926**	**3,642**
TOTAL EQUITY AND LIABILITIES		**4,361**	**4,269**	**4,187**

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred Group's combined financial statements (see Basis of preparation).

6.2.2.4 Consolidated statement of cash flows

(in € millions)	Notes	2008 (*)	2009 (*)	2010
+ EBITDA		404	368	359
- Net financial expenses	7	(10)	(20)	(25)
- Income tax paid		(109)	(98)	(101)
- Elimination of non-cash revenue and expenses included in EBITDA		9	3	10
- Elimination of provision movements included in net financial expense, income tax expense		(18)	(1)	(1)
= Funds from operations	22	**276**	**252**	**242**
+ Decrease (increase) in working capital	23	154	111	161
+ Recurring decrease (increase) in restricted cash	23	(49)	(13)	(42)
= Net cash from operating activities		**381**	**350**	**361**
+ Non-recurring gains (losses) (including restructuring costs)		(17)	(32)	(52)
+ Non-recurring decrease (increase) in restricted cash [(1)]	23	-	(114)	(23)
= Net cash from (used in) operating activities including non-recurring transactions (A)		**364**	**204**	**286**
- Recurring expenditure	24	(24)	(30)	(32)
- Development expenditure	24	(23)	(41)	(29)
+ Proceeds from disposals of assets		2	17	6
= Net cash from (used in) investing activities (B)		**(45)**	**(54)**	**(55)**
+ Minority interests in share issues by subsidiaries		(1)	7	2
- Dividends paid		(176)	(165)	(5)
+ Increase (Decrease) in debt		**121**	**341**	**1,975**
+ Technical demerger impact		(5)	(4)	-
+ Impact on equity of transfers between the Hospitality and Services businesses		(240)	(367)	(1,483)
+ Impact on short-term debt of transfers between the Hospitality and Services businesses		(11)	166	(62)
= Impact of the demerger and inter-business transfers		**(256)**	**(205)**	**(1,545)**
= Net cash from (used in) financing activities (C)		**(312)**	**(22)**	**427**
- Effect of changes in foreign exchange rates (D)		**(19)**	**(38)**	**78**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	19	**(12)**	**90**	**736**
+ Cash and cash equivalents at beginning of period		676	664	754
- Cash and cash equivalents at end of period		664	754	1,490
= NET CHANGE IN CASH AND CASH EQUIVALENTS	19	**(12)**	**90**	**736**

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred Group's combined financial statements (see Basis of preparation).

(1) Reclassification from cash and cash equivalents to restricted cash.

6.2.2.5 Changes in consolidated equity

(in € millions)	Currency translation reserve [(1)]	Cumulative actuarial gains (losses) on defined benefit plans	Cumulative compensation costs - share based payments	Retained earnings and profit for the period	Transactions with Accor [(2)]	External changes in consolidation scope [(3)]	Shareholders equity	Minority interests	Transactions with Accor [(2)]	Total minority interests	Total equity
January 1, 2008 (*)	**(1)**	**3**	**2**	**723**	**(80)**	**273**	**920**	**13**	**(1)**	**12**	**932**
Issue of share capital											
• in cash	-	-	-	-	-	-	-	(1)	-	(1)	(1)
Dividends paid [(4)]	-	-	-	(162)	-	-	(162)	(14)	-	(14)	(176)
Effect of changes in combination scope	-	-	-	-	(240)	(5)	(245)	1	(1)	-	(245)
Compensation costs for the period share-based payments	-	-	2	-	-	-	2	-	-	-	2
Other comprehensive income	(58)	(2)	-	-	-	-	(60)	2	-	2	(58)
Net profit for the period	-	-	-	212	-	-	212	25	-	25	237
TOTAL COMPREHENSIVE INCOME	**(58)**	**(2)**	**-**	**212**	**-**	**-**	**152**	**27**	**-**	**27**	**179**
December 31, 2008 (*)	**(59)**	**1**	**4**	**773**	**(320)**	**268**	**667**	**26**	**(2)**	**24**	**691**
Issue of share capital											
• in cash	-	-	-	-	-	-	-	7	-	7	7
Dividends paid [(4)]	-	-	-	(143)	-	-	(143)	(22)	-	(22)	(165)
Effect of changes in combination scope	-	-	-	-	(367)	(4)	(371)	8	(4)	4	(367)
Compensation costs for the period share-based payments	-	-	2	-	-	-	2	-	-	-	2
Other comprehensive income	67	(2)	-	-	-	-	65	(1)	-	(1)	64
Net profit for the period	-	-	-	11	-	-	11	7	-	7	18
TOTAL COMPREHENSIVE INCOME	**67**	**(2)**	**-**	**11**	**-**	**-**	**76**	**6**	**-**	**6**	**82**
December 31, 2009 (*)	**8**	**(1)**	**6**	**641**	**(687)**	**264**	**231**	**25**	**(6)**	**19**	**250**
Issue of share capital											
• in cash	-	-	-	-	-	-	-	2	-	2	2
Dividends paid	-	-	-	-	-	-	-	(5)	-	(5)	(5)
Effect of changes in consolidation scope [(3)]	-	2	(6)	-	(1,207)	(282)	(1,493)	4	(8)	(4)	(1,497)
Compensation costs for the period share-based payments	-	-	6	-	-	-	6	-	-	-	6
Other comprehensive income	99	(1)	-	-	-	-	98	(4)	-	(4)	94
Net profit for the period	-	-	-	97	-	-	97	9	-	9	106
TOTAL COMPREHENSIVE INCOME	**99**	**(1)**	**-**	**97**	**-**	**-**	**195**	**5**	**-**	**5**	**200**
DECEMBER 31, 2010	**107**	**-**	**6**	**738**	**(1,894)**	**(18)**	**(1,061)**	**31**	**(14)**	**17**	**(1,044)**

(*) The comparative information for the year 2008 and the year 2009 has been prepared based on the Edenred Group's combined financial statements (see Basis of preparation).

(1) The €99 million favorable net exchange difference on foreign operations between December 31, 2009 and December 31, 2010 is mainly due to appreciation of the Brazilian real (€89 million positive impact), the Mexican peso (€4 million positive impact), the Swedish krona (€4 million positive impact) and the Australian dollar (€2 million positive impact) against the euro.

(2) Transactions with Accor.
These correspond for the most part to the impact of acquiring Edenred entities previously owned by Accor. The accounting treatment of these transactions is described in the paragraph "Companies owned by Accor entities as of January 1, 2008" of the "Basis of Preparation" note.

(3) External changes in consolidation scope.
In 2009, these are mainly prepaid services companies acquired by Accor. The accounting treatment of these transactions is described in the paragraph "Acquisitions" of the "Basis of Preparation" note.
In 2010, this impact was reclassified in "Transactions with Accor".

(4) Dividends paid.
This corresponds to dividends paid by Edenred to Accor.

Year-end euro exchange rates used to translate foreign operations in the financial statements were as follows:

	GBP	BRL	MXN	ARS	SEK	VEF	USD
December 2008	0.95	3.24	19.23	4.81	10.87	2.99	1.39
December 2009	0.89	2.51	18.92	5.47	10.25	6.19	1.44
December 2010	0.86	2.22	16.55	5.31	8.97	7.08	1.34
Dec. 2010 vs Dec. 2009	+3.3%	+13.1%	+14.3%	+3.1%	+14.3%	(12.6)%	+7.5%

6.2.2.6 Notes to the consolidated financial statements

Basis of preparation

In 2009, Accor initiated a major strategic project involving the demerger of its two core businesses, Hospitality and Services. As part of this process:

- on August 26, 2009, the Board of Directors approved the recommendation made by Gilles Pélisson, Chairman and Chief Executive Officer, to conduct a review of the potential benefits of demerging the two businesses into two self-managing companies, each with their own strategy and resources for growth;
- on December 15, 2009, based on the review conducted by senior management, the Board of Directors concluded that the project would offer real benefits; and
- on February 23rd and May 11, 2010, the Board approved the process for demerging the businesses and creating two new listed companies, Accor Hospitality and Edenred, without any capital ties between them. The demerger was effected through the contribution by Accor to Edenred of its entire prepaid services business and the allocation by Accor to its shareholders of the Edenred shares received in payment for the contributed business, on the basis of one Edenred share per Accor share.

The demerger was approved at the Shareholders' Meeting of June 29, 2010.

The asset contribution was effective June 29, 2010 and Edenred shares have been trading on NYSE Euronext Paris since July 2, 2010.

As the Edenred businesses did not exist as a separate legal entity prior to the Shareholders' Meeting of June 29, 2010, a certain number of shareholdings were transferred between holding companies within Accor prior to Edenred's stock market listing to permit the creation of a stand-alone organization.

As the holding companies were subsidiaries of Accor, the transfers did not modify Accor's direct or indirect interests in the companies concerned. These business combinations between companies under common control did not fall within the scope of application of IFRS 3 – Business Combinations and were therefore accounted for at the net book value of these companies' assets and liabilities in Accor's consolidated financial statements.

The Edenred Group did not exist as a separate legal entity prior to the legal restructuring operations and the asset contribution completed on June 29, 2010. Consequently, in connection with the listing of the Edenred shares, in order to present an economic view of the Edenred business as a whole, combined financial statements have been prepared for the years 2008, 2009 and 2010 based on the financial statements of companies historically included in the consolidated financial statements of Accor.

IFRSs do not include any guidance on preparing combined financial statements and the combination principles and conventions described below are therefore based primarily on section VI of France's Comité de la Réglementation Comptable standard CRC 99-02. This section (Basis of preparation) describes how the IFRSs adopted by the European Union have been applied to prepare the combined financial statements.

The comparative information (for the years 2008 and 2009) included in the consolidated financial statements for the period from January 1 to December 31, 2010 has therefore been prepared based on the Edenred Group's combined financial statements, with the information for these three periods constituting the Edenred Group's consolidated financial statements at December 31, 2010.

These consolidated financial statements are not necessarily indicative of the consolidated financial statements that would have been prepared if Edenred had been created at an earlier date than the actual creation date.

The paragraphs below detail the bases of preparation of the combined financial statements for the years 2008, 2009 and 2010, and this until the legal creation of the Group Edenred on June 29, 2010.

Scope of consolidation

The consolidated financial statements include the companies owned directly or indirectly by Edenred entities and companies owned by Accor Hospitality entities that operate in the services sector. Following the same logic, companies owned by Edenred entities that do not operate in the services sector have been excluded from the scope of consolidation.

Some companies – mainly in Argentina and Switzerland – were engaged in both Edenred businesses and Accor Hospitality businesses during the period presented. In order to combine only their Edenred operations, the other businesses were carved out of the individual financial statements of the companies concerned.

The method used to allocate their prepaid services operations to Edenred was as follows:

- assets and liabilities corresponding to the Edenred business were identified and recognized in the financial statements by adjusting equity;
- income and expenses were allocated by reference to existing cost accounting data that was already analyzed by operating activity, with the amounts directly attributable to the Edenred business identified separately. Certain items of income and expense not directly attributable to the Edenred business (mainly general and administrative expenses) that were recorded in a Services reporting entity by Accor, were analyzed in detail and allocated on a basis consistent with the assumptions used to allocate assets and liabilities to each business. The expenses do not include the additional corporate costs that Edenred incurs as an independent listed group and that are reflected in the pro forma accounts;
- Edenred cash flows were also analyzed on a basis consistent with the assumptions used to allocate assets and liabilities to each business.

Income tax expense

French prepaid services subsidiaries were members of the tax group set up by Accor under French group relief rules (Article 223-A of the General Tax Code). Under the group relief agreement between the tax group members, Accor was not required to repay to the other tax group members any tax benefits derived from the use of their tax losses generated up to December 31, 2009.

The same applied to certain international subsidiaries included in local tax groups set up between Edenred and Accor Hospitality entities.

As a result, current and deferred taxes were determined without taking into account the effects of any tax consolidations within Accor or any future tax consolidations that may be performed at the level of the Edenred group.

Transactions between Edenred entities and other Accor entities

All balances arising from routine transactions between Edenred entities and other Accor entities have been presented in the consolidated balance sheets as receivables from and payables to third parties outside the consolidated group.

All loans and borrowings between Edenred entities and other Accor entities have been presented in the consolidated balance sheet as financial assets and liabilities.

Equity

The consolidated financial statements include the financial statements of companies that did not have any capital ties at January 1, 2008 and exclude the financial statements of companies owned by Edenred entities as of January 1, 2008 that were not engaged in prepaid services operations at that date. The adjustments were recorded as follows in the consolidated financial statements.

Acquisitions

Companies owned by Accor entities as of January 1, 2008

Acquisitions of Services companies not owned by Edenred entities were all treated as having been carried out on January 1, 2008. They were recognized in the opening balance sheet at that date at their value on initial recognition in Accor's financial statements by increasing consolidated equity. As a result, any goodwill recorded on their acquisition by Accor was recognized in full in the consolidated financial statements.

Companies acquired by Edenred from Accor between January 1, 2008 and June 30, 2010

The price paid by Edenred for companies that were acquired from Accor between January 1, 2008 and June 30, 2010 and already included in the opening balance sheet was treated as an exceptional dividend payment to Accor and recorded as a deduction from equity on the acquisition date.

Post-January 1, 2008 acquisitions

Acquisitions of prepaid services companies were considered as having been carried out by Edenred at the original date of acquisition by Accor. They were treated as an exceptional contribution by Accor to Edenred and recognized by adjusting equity, in accordance with the principles applied to entities historically owned by Accor entities as described above.

Recognition of dividends

Certain Edenred companies not historically owned by Edenred entities paid dividends to Accor Hospitality entities between January 1, 2008 and June 30, 2010. These dividend payments have been maintained in the consolidated financial statements and treated as distributions by Edenred recognized as deductions from equity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General framework

As required by European Commission regulation 1606/2002/EC dated July 19, 2002 (downloadable from the European Commission's website http://ec.europa.eu/internal_market/accounting/ias/index_en.htm), the "Basis of Preparation" note above, describes how the International Financial Reporting Standards (IFRSs) adopted by the European Union have been applied for the preparation of the consolidated financial statements at December 31, 2010. These financial statements include comparative financial information for the years 2008 and 2009, prepared in accordance with the same principles and conventions and the same standards.

Account should be taken of the options selected by Edenred upon first-time adoption of IFRSs at December 31, 2009 in line with IFRS 1 - First-Time Adoption of International Financial Reporting Standards.

When, as in the case of Edenred, a subsidiary becomes a first-time adopter after its parent, IFRS 1 stipulates that the carrying amounts of its assets and liabilities should be the same in both its own opening IFRS balance sheet and in its parent's consolidated balance sheet (except for adjustments for consolidation procedures).

Alternatively, the subsidiary may measure all its assets and liabilities based on its own date of transition to IFRSs. In this latter case, the options applied by the subsidiary under IFRS 1 may be different from those applied by its parent.

Edenred has chosen to prepare its opening IFRS financial statements based on the carrying amounts of its assets and liabilities in Accor's consolidated balance sheet (except for adjustments for consolidation procedures). Consequently, Edenred has selected the same options under IFRS 1 as those applied by Accor.

The following transitional provisions of IFRS 1 have been applied on first-time adoption of IFRSs:

- **business combinations**: business combinations recorded prior to January 1, 2004 – the date of Accor's transition to IFRSs – have not been restated;

- **cumulative translation differences**: Edenred's cumulative translation differences were reset to zero by adjusting retained earnings in Accor's opening balance sheet at the IFRS transition date. Consequently, the translation reserve included in equity corresponds to cumulative translation differences for the period from January 1, 2004;
- **financial instruments**: Edenred's financial instruments were designated as either financial assets at fair value through profit or loss or available-for-sale financial assets at the date of Accor's transition to IFRSs.

The following exemptions from other IFRSs were not applied in the opening balance sheet at the IFRS transition date:

- property, plant and equipment and intangible assets were not measured at fair value at the transition date;
- IFRS 2 was not applied to equity instruments granted before November 7, 2002 or to equity instruments granted after November 7, 2002 that had not vested at January 1, 2005.

Currently applicable standards, amendments and interpretations

At December 31, 2010 the accounting standards and interpretations adopted by the European Union were the same as the International Financial Reporting Standards (including IFRSs, IASs and SIC and IFRIC Interpretations) published by the International Accounting Standards Board ("IASB") and applicable at that date, with the exception of:

- IAS 39, which was only partially adopted;
- amendment to IFRS 1 "Additional Exemptions for First-time Adopters".

These differences between the standards and interpretations published by the IASB and those adopted by the European Union do not affect Edenred's financial statements because application of IAS 39 and the amendment to IFRS 1 will have no impact on the Group's financial statements when they are adopted by the European Union and become applicable by the Group.

Consequently, Edenred's financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

The following new standards, amendments to or revisions of existing standards and interpretations had been adopted by the European Union and were applicable from January 1, 2010:

- amendment to IAS 39 – Eligible Hedged Items: the amendment states in particular that the time value of money should not be taken into account in a hedging relationship and that inflation can be designated as a hedged item only when certain conditions are met. The amendment had no impact on the Group's hedge accounting;
- IFRS 1 (revised) – First-time Adoption of International Financial Reporting Standards: this standard concerns companies adopting IFRS for the first time and the revision therefore had no impact on the financial statements for the periods presented;
- amendment to IFRS 2 – Group Cash-Settled Share-Based Payment Transactions: the amendment clarifies how an individual subsidiary in a group should account for cash-settled share-based payment arrangements in its own financial statements. It had no impact on the financial statements for the periods presented;
- IFRS 3 (revised) – Business Combinations and IAS 27 (revised) – Consolidated and Separate Financial Statements: these revised standards, which are applicable prospectively, concern business combinations and changes in percentage ownership occurring on or after January 1, 2010. Adoption of these two revised standards led the Group to alter its accounting treatment of business combinations and transactions with non-controlling interests carried out on or after that date. The changes are as follows:
  - transactions with non-controlling interests are now accounted for as transactions between owners and thus as equity transactions,
  - for each business combination, IFRS 3 (revised) offers the option of measuring any non-controlling interest in the acquiree either at fair value or as the non-controlling interest's proportionate share of acquiree's identifiable net assets (with no change possible later in the event of an additional interest being acquired that does not transfer control),
  - costs related to business combinations are recognized directly as expenses,
  - changes in ownership interest resulting in loss of control trigger remeasurement of the residual holding at fair value.

  Adoption of this revised standard had no effect on the financial statements for the periods presented;
- improvements to IFRSs (April 2009): application of the amendments to standards had no effect on the financial statements for the periods presented;
- IFRIC 12 – Service Concession Arrangements: as Edenred is not involved in service concession arrangements, adoption of this interpretation had no effect on the financial statements for the periods presented;
- IFRIC 15 – Agreements for the Construction of Real Estate: adoption of this interpretation had no effect on the financial statements for the periods presented;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation: this interpretation, which is applicable prospectively, clarifies certain principles governing hedges of net investments in foreign operations:
  - hedge accounting may only be applied to foreign exchange differences between functional currencies for an amount less than the carrying amount of the net investment and only one hedging relationship may be designated,
  - the hedging instrument (s) may be held by any entity within the Group,
  - the gain or loss on the hedging instrument accounted for in equity is reclassified to profit or loss on disposal of the investment.

  Adoption of this interpretation had no effect on the financial statements for the periods presented;
- IFRIC 17 – Distributions of Non-cash Assets to Owners: adoption of this interpretation had no effect on the financial statements for the periods presented;
- IFRIC 18 – Transfers of Assets from Customers: adoption of this interpretation had no effect on the financial statements for the periods presented.

Assessment of the potential impact on the consolidated financial statements of future standards, amendments to existing standards and interpretations of existing standards.

Edenred elected not to early adopt the following standards, amendments and interpretations adopted or in the process of being adopted by the European Union at December 31, 2010 and applicable after that date:

		Application date (period beginning on or after)	Estimate of the possible impact on Edenred's consolidated financial statements in the period of initial application
Amendment to IAS 32	Classification of rights issues	February 1, 2010	These standards are currently not expected to have a material impact on the consolidated financial statements.
Amendment to IFRIC 14	Prepayments of a Minimum Funding Requirement	January 1, 2011	
Amendment to IFRS 1	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	July 1, 2010	
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010	
IAS 24 (revised)	Party Disclosures	January 1, 2011	
IFRS 9	Financial instruments: Classification and Measurement	January 1, 2013	

Preparation of the financial statements

The financial statements of consolidated companies prepared in accordance with local accounting principles have been restated to conform to Group policies prior to consolidation. All consolidated companies have a December 31st year-end.

The preparation of financial statements implies the use of estimates and assumptions that can affect the reported amount of certain assets and liabilities, income and expenses, as well as the information disclosed in the notes to the financial statements. Edenred's management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and the current economic situation. Reported amounts in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments made by management in preparing the financial statements relate to the following items:

- the valuation of the goodwill and the acquired intangible assets (see Note 1.C., Note 10 and Note 11);
- the estimation of the recoverable amount of assets (see Note 1.E.4, Note 10, Note 11 and Note 12);
- the provisions and post employment benefits (see Note 1.K., Note 1.L., Note 21 and Note 26)
- the deferred taxes (see Note 1.N. and Note 9.E);
- the share-based payments (see Note 1.O. and Note 14);
- the financial instruments (see Note 1.Q., Note 18, Note 19 and Note 20).

When a specific transaction is not covered by any standards or interpretations, management uses its judgment in developing and applying an accounting policy that results in the production of relevant and reliable information. As a result, the financial statements provide a true and fair view of the Group's financial position, financial performance and cash flows and reflect the economic substance of transactions.

Management of the Group's capital structure

The Group's main capital management objective is to maintain a satisfactory credit rating and robust capital ratios in order to facilitate business operations and maximize shareholder value.

Its capital structure is optimized to keep pace with changes in economic conditions by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management policies and procedures were unchanged for all the three periods presented.

The main accounting policies and methods are presented below.

A. Consolidation methods

The companies over which the Group exercises exclusive *de jure* or *de facto* control, directly or indirectly, are fully consolidated.

Companies controlled and operated jointly by Edenred and a limited number of partners under a contractual agreement are proportionally consolidated.

Companies over which the Group exercises significant influence are accounted for by the equity method. Significant influence is considered as being exercised when the Group owns between 20% and 50% of the voting rights.

In accordance with IAS 27 – Consolidated and Separate Financial Statements, potential voting rights held by the Group that are currently exercisable or convertible (call options) are taken into account to determine the existence of control over the company concerned. However, no account is taken of potential rights that cannot be exercised until the occurrence of a future event.

B. Business combinations

Since January 1, 2010, following the adoption of IFRS (revised) – Business Combinations and IAS 27 (revised) – Consolidated and Separate Financial Statements, the Group has accounted for business combinations and changes in percentage ownership in accordance with the new standards, in line with the accounting policies described above.

C. Goodwill

In the year following the acquisition of a consolidated company, fair value adjustments are made to the identifiable assets and liabilities acquired. For this purpose, fair values are determined in the new subsidiary's local currency.

In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate.

C.1. Positive goodwill

Goodwill, representing the excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date, is recognized in assets under "goodwill". Goodwill mainly results from the expected synergies and other benefits arising from the business combination.

In accordance with IFRS 3 (revised), which is applicable to business combinations carried out on or after January 1, 2010, each time it acquires a less than 100% interest in an entity, the Group must choose whether to measure the non-controlling interest at fair value or as the non-controlling interest's proportionate share of the acquiree's identifiable net assets (with no change possible later in the event of an additional interest being acquired that does not transfer control). If the business is measured at its total fair value including non-controlling interests, goodwill attributable to non-controlling interests is also recognized.

Goodwill arising on the acquisition of associates – corresponding to companies over which the Group exercises significant influence – is included in the carrying amount of the associate concerned.

Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is reported separately.

In accordance with IFRS 3 – Business Combinations, goodwill is not amortized but is tested for impairment at least once a year and more frequently if there is any indication that it may be impaired. The methods used to test goodwill for impairment are described in Note 1.E.4. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in profit.

C.2. Negative goodwill

Negative goodwill, representing the excess of the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date over the cost of the business combination, is recognized immediately in profit.

D. Foreign currency translation

The presentation currency is the euro.

The balance sheets of foreign subsidiaries are translated into euros at the exchange rate on the balance sheet date (closing exchange rate), and their income statements are translated at the average rate for the period. Differences arising from translation are recorded as a separate component of equity and recognized in profit on disposal of the business.

E. Non-current assets

E. 1. Intangible assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, in accordance with IAS 38 – Intangible Assets.

The Group's main brands are considered as having indefinite useful lives and are therefore not amortized. Their carrying amount is reviewed at least once a year and more frequently if there is any indication that they may be impaired. If their recoverable amount determined according to the criteria applied at the acquisition date is less than their carrying amount, an impairment loss is recognized (see Note 1.E.4).

Other intangible assets (software, licenses and contractual customer relationships) are considered as having finite useful lives. They are amortized on a straight-line basis over their useful lives, as follows:

- licenses: life of the license;
- contractual customer relationships: 3 to 15 years;
- software: 2 to 7 years.

Identifiable intangible assets recognized in a business combination are initially recognized at amounts determined by independent valuations, performed using relevant criteria for the business concerned that can be applied for the subsequent measurement of the assets. Identifiable brands are measured based on multiple criteria, taking into account both brand equity and their contribution to profit. Contractual customer relationships are measured based on the cost of acquiring new customers.

E. 2. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16 – Property, Plant and Equipment.

Assets under construction are measured at cost less any accumulated impairment losses. They are depreciated from the date when they are put in service.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, determined by the components method, from the date when they are put in service. The main depreciation periods applied are as follows:

- building improvements, fixtures and fittings: 5 to 15 years;
- equipment and furniture: 4 to 7 years.

E. 3. Other non-current financial assets

Investments in non-consolidated companies are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Gains and losses arising from remeasurement at fair value are recognized directly in equity (under "Cumulative fair value adjustments to financial instruments") and are reclassified to the income statement when the investment is sold. In the case of a significant or prolonged decline in value, an irreversible impairment loss is recognized in profit.

An impairment test is performed whenever there is objective evidence indicating that an investment's recoverable amount may be less than its carrying amount. Possible indications of impairment include a fall in the share price if the investee is listed, evidence of serious financial difficulties, observable data indicating a measurable decline in estimated cash flows, or information about significant changes in the economic, financial or political environment with an adverse effect on the investee. Whenever there is an indication that an investment may be impaired, an impairment test is performed by comparing the investment's recoverable amount to its carrying amount. Recoverable amount is estimated using the methods described in Note 1.E.4.

E. 4. Recoverable amount of assets

In accordance with IAS 36 – Impairment of Assets, the carrying amounts of property, plant and equipment, intangible assets and goodwill are tested for impairment when there is any indication that they may be impaired. Assets with an indefinite useful life – corresponding solely to goodwill and brands – are tested at least once a year.

Indications of impairment

Indications of impairment are as follows:

- a 15% drop in like-for-like operating revenue; or
- a 20% drop in like-for-like EBITDA.

Cash-generating Units

Impairment tests are performed individually for each asset except when an asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case, it is included in a cash-generating unit (CGU) and impairment tests are performed at the level of the CGU.

Goodwill is tested for impairment at the level of the CGU to which it belongs. CGUs include not only goodwill but also all the related property, plant and equipment and intangible assets. CGUs defined for goodwill impairment testing purposes are identified by country and by business segment for the main countries. Exceptionally, for countries that generate revenues of less than €50 million, they are identified by country only. Each identified CGU is tested for impairment at least once a year.

Assets that are not allocated to a CGU are tested individually.

Methods used to determine recoverable amounts

Impairment tests consist of comparing the carrying amount of an asset or CGU with its recoverable amount.

Goodwill and property, plant and equipment

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. The recoverable amount of all the assets or CGUs is determined by comparing the results obtained by two methods, the EBITDA multiples method (fair value approach) and the discounted cash flows method (value in use approach).

a) Valuation by the EBITDA multiples method

The EBITDA multiples method is considered to be the best method of calculating fair value less costs to sell, representing the best estimate of the price at which a CGU or an asset could be sold on the market on the valuation date.

The method consists of calculating the CGU's or the asset's average EBITDA for the last two years and applying a multiple based on the CGU's or the asset's geographic location and the specific country risk.

The multiples applied correspond to the average transaction multiples observed on the market.

If the recoverable amount is less than the carrying amount, it is recalculated using the discounted cash flows method.

b) Valuation by the discounted cash flows method

The projection period is limited to five years, unless the use of a longer period is justified such as at the bottom of the economic cycle. Cash flows are discounted at a rate corresponding to the year-end weighted average cost of capital. The perpetuity growth rate is aligned with the economic outlook in each of the countries concerned. For 2010, a rate of 2% was used.

In addition, all goodwill in excess of €10 million is tested for impairment each year by the discounted cash flows method.

Intangible assets not included in a CGU (other than goodwill)

The recoverable amount of intangible assets is determined solely by the discounted cash flows method (described above), due to the absence of an active market and comparable transactions.

Measurement of impairment losses

If the recoverable amount is less than the carrying amount, an impairment loss is recognized in an amount corresponding to the lower of the impairments calculated by the EBITDA multiples and discounted cash flows methods. Impairment losses are recognized in the income statement under "Non-recurring income and expenses" (see Note 1.T.9).

Reversal of impairment losses

In accordance with IAS 36 – Impairment of Assets, impairment losses on goodwill as well as on intangible assets with a finite useful life, such as licenses and software, are irreversible. Impairment losses on property, plant and equipment and on intangible assets with an indefinite useful life, such as brands, are reversible in the case of a change in estimates used to determine their recoverable amount.

F. Inventories

Inventories are measured at the lower of cost and net realizable value, in accordance with IAS 2 – Inventories. Cost is determined by the weighted average cost method.

G. Receivables

Trade and other receivables are initially recognized at fair value. They are subsequently measured at amortized cost, net of any impairment losses recorded in the income statement. An impairment loss is recognized when the total amount receivable is not recoverable in accordance with the originally agreed terms.

H. Restricted cash

Restricted cash corresponds to service voucher reserve funds. These funds, which are equal to the face value of service vouchers in circulation, are subject to specific regulations in some countries (such as France for the products *Ticket Restaurant*® and *Ticket CESU*®, United Kingdom and Romania). In particular, use of the funds is restricted and they must be clearly segregated from the Group's other cash. The funds remain Edenred's property and are invested in interest-bearing financial instruments.

I. Prepaid expenses

Prepaid expenses correspond to expenses paid during the period that relate to subsequent periods. They are reported in the balance sheet under "Other receivables and accruals".

J. Employee benefit expense

Employee benefit expense includes all amounts paid or payable to employees, including profit-sharing and the cost of share-based payments.

K. Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognized when the Group has a present obligation (legal, contractual or implicit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined based on the best estimate of the expenditure required to settle the obligation.

Provisions for restructuring costs are recorded when the Group has a detailed formal plan for the restructuring and the plan's main features have been announced to those affected by it.

Provisions for losses due to voucher theft are calculated for reported thefts based on a percentage of the stolen vouchers' aggregate face value corresponding to the Group's best estimate of the proportion of those vouchers that will be cashed in.

L. Pensions and other post-employment benefits

The Group operates various supplementary pension, length-of-service award and other post-employment benefit plans in accordance with the laws and practices of the countries where it operates.

These plans are either defined contribution or defined benefit plans.

Under defined contribution plans, the Group pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions to these plans are recognized immediately as an expense.

For defined benefit plans, the Group's obligation is determined in accordance with IAS 19 – Employee Benefits.

The Group's obligation is determined by the projected unit credit method based on actuarial assumptions related to future salary levels, retirement age, mortality, staff turnover and discount rates. These assumptions take into account the macroeconomic situation and other specific circumstances in each country.

Pension and other retirement benefit obligations recognized in the balance sheet correspond to the discounted present value of the defined benefit obligation less the fair value of plan assets. Any surpluses, corresponding to the excess of the fair value of plan assets over the projected benefit obligation, are recognized only when they represent the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity.

The net defined benefit obligation is recognized in the balance sheet under “Long-term provisions”.

M. Translation of foreign currency transactions

Foreign currency transactions are recognized and measured in accordance with IAS 21 – Effects of Changes in Foreign Exchange Rates. As prescribed by this standard, each Group entity translates foreign currency transactions into its functional currency at the exchange rate on the transaction date.

Foreign currency receivables and payables are translated into euros at the exchange rate on the balance sheet date (closing exchange rate). Foreign currency financial liabilities measured at fair value are translated at the exchange rate on the valuation date. Gains and losses arising from translation are recognized in “Other financial income and expenses, net”, except for gains and losses on financial liabilities measured at fair value which are recognized in equity.

N. Taxes

The income tax is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

In accordance with IAS 12 – Income Taxes, deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base using the liability method. This method consists of adjusting deferred taxes at each period-end, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The effects of changes in tax rates (and tax laws) are recognized in the income statement for the period in which the change is announced.

Deferred taxes are recognized for all temporary differences, except when the difference arises from the initial recognition of non-deductible goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable profit.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates and joint ventures except when:

- the Group is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for ordinary and evergreen tax loss carryforwards only when it is probable that the asset will be recovered in the foreseeable future.

Deferred taxes are normally recognized in the income statement. However, when the underlying transaction is recognized in equity, the related deferred tax is also recorded in equity.

Since January 1, 2010, adjustments to deferred tax assets acquired in a business combination are recognized in profit or loss without a corresponding adjustment to goodwill.

In accordance with IAS 12, deferred taxes are not discounted.

In France, the “taxe professionnelle” local business tax has been replaced in the 2010 Finance Act by the “Contribution Economique Territoriale” tax (CET). The CET comprises two separate taxes, as follows:

- a tax assessed on the rental value of real estate (“CFE”). Similar to the “taxe professionnelle”, it fulfills the criteria for recognition as an operating expense;
- a tax assessed on the value added by the business (“CVAE”), which has some of the characteristics of a tax on income, as defined in IAS 12.

In a press release dated January 14, 2010, France’s National Accounting Board, the Conseil National de la Comptabilité, stated that each business should exercise its own judgment to determine the accounting classification of the CVAE.

After analyzing the CVAE, Edenred decided that it had the characteristics of a tax on income. This change had no material impact on the consolidated financial statements.

O. Share-based payments

O. 1. Stock option plans

IFRS 2 “Share-based Payment” applies to the stock option plan set up by the Board of Directors on August 6, 2010. This plan does not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the end of the vesting period.

The fair value of services received as consideration for the stock options is measured by reference to the fair value of the options at the grant date. The fair value of the options is determined using the Black & Scholes option pricing model. The grant date is defined as the date when the plan’s terms and conditions are communicated to Group employees: it corresponds to the date on which the Board of Directors approved the plan.

The fair value of the options is recognized on a straight-line basis over the vesting period for the relevant plan. The cost is included in employee benefit expense, with a corresponding adjustment to equity. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to equity.

O. 2. Performance share plans

IFRS 2 “Share-based Payment” also applies to the performance share plan set up by the Board of Directors on August 6, 2010.

The measurement and recognition principles are the same as those applied to stock option plans.

The number of performance shares is reviewed annually based on changes in the probability of the performance objectives being met.

P. Service vouchers in circulation

Service vouchers in circulation are recognized as short-term liabilities at face value.

Q. Financial instruments

Financial assets and liabilities are recognized and measured in accordance with IAS 39 – Financial Instruments, Recognition and Measurement, and its amendments.

Financial assets and liabilities are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Q. 1. Financial assets

Financial assets are classified between the three main categories defined in IAS 39, as follows:

- “loans and receivables” mainly comprise time deposits and loans to non-consolidated companies. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss – corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. It may be reversed if the recoverable amount increases in a subsequent period;
- “held-to-maturity investments” mainly comprise bonds and other marketable securities intended to be held to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss – corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. It may be reversed if the recoverable amount increases in a subsequent period;
- for these two categories, initial fair value is equivalent to acquisition cost, because no material transaction costs are incurred;
- “available-for-sale financial assets” mainly comprise investments in non-consolidated companies, mutual fund units and money market securities. These assets are measured at fair value, with changes in fair value recognized in equity. The fair value of listed securities corresponds to market price (level 1 valuation technique) and that of mutual funds corresponds to their published net asset value (level 1 valuation technique). For unlisted securities, fair value is estimated based on the most appropriate criteria applicable to each individual investment using valuation techniques that are not based on observable data (level 3 valuation technique). Securities that are not traded on an active market, for which fair value cannot be reliably estimated, are carried in the balance sheet at historical cost plus any transaction expenses. When there is objective evidence of a significant or prolonged decline in value, the cumulative unrealized loss recorded in equity is reclassified to the income statement.

Q. 2. Bank borrowings

Interest-bearing drawdowns on lines of credit and bank overdrafts are recognized for the amounts received, net of direct drawdown costs.

Q. 3. Other financial liabilities

Other financial liabilities are measured at amortized cost. Amortized cost is determined by the effective interest method, taking into account the costs of the issue and any issue or redemption premiums.

R. Cash and cash equivalents

Cash and cash equivalents include bank balances, and short-term investments in money market instruments. These instruments generally have initial maturities of three months or less, or are readily convertible into known amounts of cash; their exposure to changes in value is minimal.

S. Put options granted by Edenred

IAS 32 – Financial Instruments: Disclosures and Presentation requires that the value of the financial commitment represented by put options granted by Edenred to minority shareholders of subsidiaries, be recognized as a debt. The difference between the debt and the related minority interests in the balance sheet, corresponding to the portion of the subsidiary’s net assets represented by the shares underlying the put, is recognized as goodwill. When the exercise price is equal to the fair value of the shares, the amount of the debt is determined based on a multiple of the EBITDA reflected in the subsidiary’s 5-year business plan and is discounted.

For put options granted before January 1, 2010, changes in the debt arising from business plan adjustments are recognized in goodwill. Discounting adjustments are recognized in financial expense.

For put options granted on or after January 1, 2010, changes in the debt are treated as reclassifications in equity and therefore have no impact on profit, in accordance with IAS 27 (revised).

T. Presentation of the income statement and the statement of cash flows

T. 1. Issue volume

Issue volume corresponds to the face value of prepaid vouchers issued during the period plus the amount loaded on prepaid cards.

It is tracked for all vouchers and cards in circulation that are managed by Edenred.

T. 2. Operating revenue

In accordance with IAS 18 – Revenue, operating revenue corresponds to the value of goods and services sold in the ordinary course of business by fully and proportionally consolidated companies.

It is measured at the fair value of the consideration received or receivable, net of all discounts and rebates, VAT and other sales taxes, in compliance with IAS 18.

Operating revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. If there is significant uncertainty about the collectibility of revenue, it is not recognized until the uncertainty is removed.

There are two types of operating revenue:

T. 2. 1. Operating revenue generated by issue volume

Operating revenue generated by issue volume corresponds to operating revenue generated by prepaid vouchers managed by Edenred.

For all of these products, recognized revenue comprises:

- commissions received from client companies on the sale of prepaid vouchers and cards and all related amounts billed to clients such as delivery costs, card sales and voucher customization costs. These amounts are recognized in revenue when the prepaid vouchers and cards are issued and delivered to clients;
- affiliate contributions (“Network fees”), corresponding to the margin deducted from the amount reimbursed to the affiliate that provides the service, and any related billings such as up-front payments, monthly subscription fees and electronic payment terminal sales or rentals. These contributions and billings are recognized in revenue when the vouchers or cards are issued to the extent that the processing transaction cannot be dissociated from the issuance transaction, and an accrual is booked for the future processing costs;
- profits on vouchers and cards that expire without being reimbursed. To take into account commercial practices in each country (refunds of expired service vouchers and other commercial gestures), these profits are recognized gradually once the vouchers have expired;
- revenue from advertisements printed on vouchers and cards. This revenue is recognized on the billing date to the advertiser.

T. 2. 2. Other operating revenue

Other operating revenue corresponds essentially to revenue from value-added services such as incentive programs, human services and event-related services. The corresponding revenue is the amount billed to the client and is recognized on delivery of the solutions.

T. 3. Financial revenue

This is interest generated by investing cash over the period between the vouchers’ issue date and reimbursement date.

The interest represents a component of operating revenue and as such is included in the determination of revenue.

T. 4. EBITDA

EBITDA includes operating revenue and expenses and rental expense.

T. 5. Depreciation, amortization and provisions

Depreciation, amortization and provision expenses reflect the operating costs of holding assets.

T. 6. EBIT

EBIT corresponds to EBITDA after the operating costs of holding mainly non-tangible assets. It is used as the benchmark for determining senior management and other executive compensation, as it reflects the economic performance of the business.

It is also the basis for calculating operating margin (EBIT/Issue volume ratio).

T. 7. Net financial expense

This item includes:

- interest expense or income on borrowings, other financial liabilities and loans and receivables;
- exchange gains and losses on financial transactions;
- movements on financial provisions.

T. 8. Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items corresponds to the results of operations of the Group’s businesses less the related financing cost. Net financial expense represents an integral part of operating profit before tax and non-recurring items, as it contributes to the performance indicator used by Edenred in its investor communications.

T. 9. Non-recurring income and expenses

Non-recurring income and expenses include:

- restructuring costs, corresponding to all the costs incurred in connection with restructuring operations;
- impairment losses recorded in accordance with IAS 36 – Impairment of Assets;
- gains and losses on disposals of fixed assets, non-operating provision movements and other non-operating gains and losses.

The transactions concerned are not directly related to the management of continuing operations.

T. 10. Operating profit before tax

Operating profit before tax corresponds to profit after income and expenses that are unusual in terms of their amount and frequency that do not relate directly to the Group's ordinary activities.

T. 11. Operating profit before non-recurring items

Operating profit before non-recurring items corresponds to operating profit before tax and non-recurring items less income tax on recurring income for the period. It is stated net of minority interests.

T. 12. Statement of cash flows

The statement of cash flows is presented on the same basis as the management reporting schedules used internally to manage the business. It shows cash flows from operating, investing and financing activities.

Cash flows from operating activities include:

- funds from ordinary activities, before non-recurring items (the definition of non-recurring items is the same as that applied in note T.9) and after changes in deferred taxes and gains and losses on disposals of assets;
- cash received and paid on non-recurring transactions;
- changes in working capital.

Cash flows from investing activities comprise:

- recurring expenditure to maintain in a good state of repair operating assets held at January 1 of each year;
- development expenditure, including the fixed assets and working capital of newly consolidated subsidiaries and additions to fixed assets of existing subsidiaries;
- proceeds from disposals of assets.

Cash flows from financing activities include:

- changes in equity;
- changes in debt;
- dividend payments.

U. Earnings per share

U. 1. NET EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net profit (Group share) by the weighted average number of shares outstanding during the year.

The average number of outstanding shares used to calculate earnings per share for the three periods presented was determined as follows:

- for 2008 and 2009, it corresponds to the average number of outstanding Accor shares for these periods, because of the exchange ratio of one Edenred share for each Accor share applied to determine the consideration for the contributed assets;
- for 2010, it corresponds to the average number of outstanding Edenred shares for the period since the Group became a separate legal entity on June 29, 2010.

U. 2. Diluted earnings per share

At December 31, 2010, the Company's share capital was made up of 225,897,396 ordinary shares. The average number of ordinary shares outstanding during 2010 was also 225,897,396.

In addition, stock options representing 4,235,500 ordinary shares (see Note 14.A.) and 912,875 performance shares (see Note 14.B.) were granted to employees. Conversion of all of these potential shares would have the effect of increasing the number of shares outstanding to 231,045,771.

Diluted earnings per share are based on the average number of outstanding shares that is adjusted with the effect of the potential ordinary shares.

Based on the above number of potential shares and the average Edenred share price calculated from July 2, 2010 to December 31, 2010 (€15.21), the diluted weighted average number of shares outstanding in 2010 was 226,171,141. Diluted earnings per share were therefore calculated as follows:

(in € millions)	Dec. 2010
Net profit, Group share	97
Weighted average number of ordinary shares *(in thousands)*	225,897
Number of shares resulting from the exercise of stock options *(in thousands)*	-
Number of shares resulting from performance shares grants *(in thousands)*	274
Fully diluted weighted average number of shares *(in thousands)*	226,171
DILUTED EARNINGS PER SHARE *(in euros)*	**0.43**

V. Segment information

Edenred operates in four separate geographic segments, as follows:

- France;
- rest of Europe;
- Latin America & Caribbean;
- rest of the world.

Items that are not specific to a geographic segment are included in the "Worldwide structures" segment.

Each geographic segment represents a strategic business serving different markets. The internal reporting structure for each geographic segment is organized and administered separately. Group management monitors results and performance on a segment-by-segment basis. Similarly, decisions about resource allocation are made separately for each geographic segment.

Based on this organization, the Group considers that its four geographic segments meet the definition of operating segments under IFRS 8, as the segment information presented is based on the internal reporting system used by management to assess the performance of the different segments. The performance indicators used by management are as follows:

- issue volume;
- revenue;
- EBIT.

An analysis of these indicators by operating segment is presented in the following notes:

- Note 3 for issue volume;
- Note 3 for revenue;
- Note 6 for EBIT.

Balance sheets by geographic segment are presented in Note 25.

W. Dividend distribution

A resolution will be proposed at the Edenred Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2010 to pay a dividend of €0.50 per share, totaling €112.9 million.

Subject to approval by the Shareholders' Meeting, this dividend will be paid out during the first half of 2011. This dividend is not recognized under liabilities in the financial statements at December 31, 2010 as these financial statements are presented before dividend allocation.

X. Other information

Current assets and liabilities are assets and liabilities that the Group expects to recover or settle:

- in the normal course of business; or
- within twelve months of the period-end.

Y. Information about Edenred S.A.

Registered name: Edenred S.A.

Registered office: Immeuble Colombus, 166-180 Boulevard Gabriel Péri, 92245 Malakoff - France

Société anonyme with a Board of Directors. Share capital: €451,794,792

Registered in Nanterre: R.C.S. 493 322,978

NAF code: 6420Z

The Board of Directors of Edenred approved these financial statements for publication on February 23, 2011.

NOTE 2. SIGNIFICANT EVENTS AND CHANGES IN THE CONSOLIDATION SCOPE

A. Creation of the Group by separating the hotel and services businesses

At the Extraordinary Meeting held on June 29, 2010, Accor shareholders approved by a very large majority the Edenred asset contribution-demerger and the allocation of Edenred shares to Accor shareholders.

The vote followed the share and business transfers undertaken after the demerger plan was announced in August 2009 and the establishment of a financing structure for the new Group.

A.1. Accor Services renamed Edenred

On June 8, 2010, Accor Services announced that it was changing its name to Edenred. This new name was inspired by the Group's Eden corporate project. The name "Eden" comes from the initials of the project's French slogan "Entreprendre Différemment ENsemble," which has been translated as "Moving Forward Differently Together." Introduced in January 2010 and deployed by the Group's 6,000 employees, the project is underpinned by five core values: entrepreneurial spirit, innovation, performance, simplicity and sharing. "Eden" also means "paradise" in eight languages, reflecting the sense of well-being that Edenred's solutions instill in individuals and organizations.

"Red" refers to the red ball that identifies the products successfully developed by the Group for nearly 50 years. It also means "network" in Spanish, signifying the ties that bind private and public sector customers, employees, citizens, affiliates and government authorities.

A.2. Reorganization of businesses and equity holdings

The Services business was generally carried out by dedicated subsidiaries within Accor. As of January 1, 2010, only two companies (in Argentina and Switzerland) operated in both the Hotel and Services businesses. These operations were separated in each of these countries during the first quarter of 2010:

- in Argentina, by spinning off the Argentine company's Hotel business;
- in Switzerland, through the sale by Accor Gestion Hôtelière and Services SA of its Services business to a new company set up for this purpose, AS Suisse SA.

The separation of the Hotel and Services businesses also entailed transferring certain equity interests in Services companies, either because they were held through companies that were involved in Hotel operations, or in order to optimize the post-demerger organization of Edenred and Accor.

The main transactions consisted of:

- the sale by the holding company for Accor's Italian businesses of its interest in the Italian Services subsidiary to Accor Services France (42.28%), to the Spanish Services subsidiary (11.38%) and to the Belgian Services subsidiary (44.64%);
- the sale by the holding company for Accor's UK businesses of its interest in the UK Services subsidiary to the Italian Services subsidiary;
- the contribution by the holding company for Accor's Belgian businesses of its 39.25% interest in the Brazilian Services holding company to the Belgian Services subsidiary, followed by the sale of the Belgian Services subsidiary to a French holding company ("ASH") that will subsequently be contributed to the Company;
- the purchase by ASH of the interest in the US Services subsidiary held by the holding company for Accor's US businesses, and of the interest in the Australian Services subsidiary held by the holding company for the Australian business;
- the sale by Accor of its interest in two Swedish Services companies to the main Swedish Services subsidiary, and of its interest in the Uruguayan Services subsidiary to the Belgian Services subsidiary; and
- the transfer to the Italian Services subsidiary of certain interests held by the Belgian Services subsidiary (corresponding to operations in Romania, Slovakia and Turkey).

The transfer transactions were carried out through sales and contributions.

A.3. Debt: external financing arrangements and "strong investment grade" rating for Edenred

On June 23, 2010, as previously announced, the Group obtained:

- a €900 million 5-year term loan (club deal), repayable in three annual installments from June 30, 2013;
- a €600 million one-year bridge-to-bonds facility (club deal);
- confirmed multicurrency bilateral lines for a total of €640 million.

The €1,500 million proceeds from the club deals were used by Edenred to repay the debt on its current account with Accor arising from the pre-demerger restructuring operations, ahead of the Shareholders' Meetings at which the Contribution-Demerger was approved.

On September 28, 2010, the Group placed €800 million worth of 3.625% 7-year bonds due October 6, 2017 with European institutional investors.

These issues enable Edenred to enhance its liquidity, diversify its sources of financing in addition to bank loans and extend the average maturity of its debt.

The proceeds were used on October 6, 2010 to repay €800 million in debt, as follows:

- the total €600 million bridge-to-bonds facility, in line with the Group's repayment commitments;
- €200 million from the €900 million term loan. The remaining €700 million is repayable in installments in June 2013 (€100 million), June 2014 (€300 million) and June 2015 (€300 million).

At December 31, 2010, the amounts available under undrawn confirmed lines of credit reached €634 million, of which €528 million expire in June 2014. These facilities are for general corporate purposes.

The 5-year term loan and the bilateral lines pay interest at a variable rate, with a spread that depends on Edenred's consolidated net debt/EBITDA ratio.

The Group has set up a €250 million hedging program comprising interest rate swaps and collars to protect against the impact of interest rate fluctuations on its variable rate debt.

On June 9, 2010, Standard & Poor's announced that it had assigned Edenred a BBB+/A-2 Outlook Stable rating.

This "strong investment grade" rating is in line with the objective set by the Group when preparing the demerger project.

A.4. Listing of Edenred shares on the NYSE Euronext Paris stock exchange

Rights to the Edenred shares were exercised and the shares were delivered on July 2, 2010, following approval of the demerger by the Extraordinary Meeting of Accor shareholders. The new shares were listed and traded on NYSE Euronext Paris as from that date. Each Accor shareholder received one Edenred share for each Accor share held.

Edenred was floated through the direct listing of the 225,897,396 shares making up the Company's issued capital. The shares (par value of €2 each) were issued and listed at a price of €11.40 per share, determined by reference to the closing price quoted for Accor shares on July 1, 2010.

They were included temporarily in the CAC 40 index on the first day of trading and have been included in the SBF 120 index since July 5, 2010.

B. Organic growth and acquisitions

Since 2008, Edenred has expanded its business base through the following acquisitions and strategic partnerships:

B.1. 2008 acquisitions

In January 2008, Edenred acquired 80% of **Quasar**, a German reward and loyalty program operator, for €10 million in cash. The difference between the cost of the business combination and the net assets acquired amounted to €9 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships" and €1 million under "brands". Quasar reported €11 million in revenue in 2008.

B.2. 2009 acquisitions and strategic partnerships

On February 9, 2009, Edenred and MasterCard announced a strategic alliance resulting in the creation of a new company, **PrePay Solutions**. Edenred is the majority shareholder with 67%, while MasterCard Europe holds a 33% stake in the joint venture. The creation of PrePay Solutions was underpinned by PrePay Technologies, a UK market leader in prepaid cards that was acquired by Edenred in 2007.

The new company combines the prepaid and electronic payments expertise of both organizations. PrePay Solutions markets prepaid card-based solutions that enable public and private organizations to reduce costs and enhance efficiency.

In October 2009, Edenred acquired **Exit Group**, the fourth largest provider of meal vouchers in the Czech Republic, and its eight customer lists. With their strong synergies in terms of geographic coverage and customer bases, Edenred Czech Republic and Exit Group have combined to make Edenred a market leader in this high potential region. The transaction was completed at a price of €15 million (including €12 million for the meal-voucher business and €3 million for the customer lists) paid in cash, plus €1 million in contingent consideration due in 2010. The difference between the cost of the business combination and the net assets acquired amounted to €11 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships". Exit Group generated €3 million in revenue in 2009.

B.3. 2010 acquisitions and strategic partnerships

In May 2010, Edenred raised its interest in **ACE** to 100% by acquiring BPCE's 40% stake for €4 million.

In accordance with IFRS 3 (revised), the buyout of minority interests did not lead to any increase in goodwill as the company was already controlled exclusively by Edenred.

In December 2010, Edenred acquired the business of Euroticket, Romania's fourth-largest provider of meal and gift vouchers. With more than 3,000 customers and a nearly 5% market share, Euroticket issued €53 million worth of vouchers in 2009. The transaction has enabled Edenred to consolidate its leadership position in Romania, where it now serves close to 40% of the market.

The transaction was completed at a price of €4.5 million, paid in cash, plus estimated contingent consideration of €1 million payable in 2011. Based on initial analyses, the total cost has been temporarily allocated to "contractual customer relationships".

C. Treatment of Venezuela in the consolidated financial statements

On January 8, 2010, the Venezuelan monetary authorities devalued the Bolivar Fuerte (VEF), leading to an increase in the fixed exchange rate against the US dollar to VEF 4.30 from VEF 2.15 pre-devaluation.

During 2009, the official authorization to convert their Bolivar Fuertes into dollars at the official exchange rate was withdrawn from Edenred's local subsidiaries.

At December 31, 2009, the Group decided to translate the contributions of its Venezuelan subsidiaries at the rate expected to apply when the local currency is repatriated, namely the post-devaluation exchange rate announced on January 8, 2010 by the Venezuelan authorities. The negative impact on profit before tax and non-recurring items came to €39 million.

It can be analyzed as follows:

(in € millions)	Dec. 2009 Before devaluation	Venezuela impact first-half 2009	Venezuela impact second-half 2009	Dec. 2009 Reported
Total revenue	**927**		**(25)**	**902**
Operating expenses	(577)		8	(569)
EBIT	**350**		**(18)**	**332**
Net financial expense	5		(2)	3
Exchange loss	(3)	(20)	-	(23)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**352**	**(20)**	**(19)**	**312**

During 2010, the parallel currency market was eliminated and the SITME system was introduced to facilitate imports. The SITME rate (VEF 5.30 for USD 1) is currently the least favorable fixed, regulated exchange rate. It was used by the Group to translate the financial statements of its Venezuelan subsidiaries at December 31, 2010.

NOTE 3. ANALYSIS OF ISSUE VOLUME AND TOTAL REVENUE BY GEOGRAPHIC SEGMENT

A. Issue volume

(in € millions)	2008	2009	2010
France	2,391	2,570	2,564
Rest of Europe	4,332	4,372	4,679
Latin America & Caribbean	5,624	5,111	6,185
Rest of the world	349	354	446
Worldwide Structures	-	-	-
TOTAL ISSUE VOLUME	**12,696**	**12,407**	**13,875**

Issue volume for December 2010 reached €13,875 million, compared with €12,407 million for the same period of 2009, representing an increase of €1,467 million.

This increase breaks down as follows:

	2010 vs 2009	
	€m	*%*
Organic growth	+1,237	+10.0%
Changes in consolidation scope	+59	+0.5%
Currency effect	+171	+1.4%
TOTAL CHANGE	**+1,467**	**+11.8%**

Change in issue volume by geographic segment:

	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	*€m*	*%*
France	(6)	(6)	(0.2)%
Rest of Europe	+307	+184	+4.2%
Latin America & Caribbean	+1,074	+1,000	+19.6%
Rest of the world	+92	+59	+16.5%
Worldwide Structures	-	-	-
GROUP TOTAL	**+1,467**	**+1,237**	**+10.0%**

B. Total revenue

Total revenue breaks down as follows:

(in € millions)	2008	2009	2010
Operating revenue generated by issue volume	673	661	729
Other operating revenue	144	147	156
Operating revenue	**817**	**808**	**885**
Financial revenue/unrestricted cash	110	72	66
Financial revenue/restricted cash	19	22	14
Financial revenue	**129**	**94**	**80**
TOTAL REVENUE	**946**	**902**	**965**

Total revenue by geographic segment:

(in € millions)	2008	2009	2010
France	168	168	165
Rest of Europe	346	335	347
Latin America & Caribbean	367	337	386
Rest of the world	63	62	68
Worldwide Structures (1)	2	-	-
TOTAL REVENUE	**946**	**902**	**965**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

Total revenue for December 2010 amounted to €965 million, compared with €902 million for the same period of 2009, representing an increase of €63 million.

This increase breaks down as follows:

	2010 vs 2009	
	€m	*%*
Organic growth	+35	+3.9%
Changes in consolidation scope	+8	+0.9%
Currency effect	+21	+2.3%
TOTAL CHANGE	**+63**	**+7.0%**

Change in total revenue by geographic segment:

	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	*€m*	*%*
France	(3)	+3	+1.5%
Rest of Europe	+11	(2)	(0.8)%
Latin America & Caribbean	+49	+36	+10.8%
Rest of the world	+6	(2)	(2.8)%
Worldwide Structures	-	-	-
GROUP TOTAL	**+63**	**+35**	**3.9%**

C. Operating revenue by geographic segment

(in € millions)	2008	2009	2010
France	138	144	146
Rest of Europe	302	299	316
Latin America & Caribbean	316	306	358
Rest of the world	59	59	65
Worldwide Structures [(1)]	2	-	-
TOTAL OPERATING REVENUE	**817**	**808**	**885**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

Operating revenue for December 2010 reached €885 million, compared with €808 million for the same period of 2009, representing an increase of €77 million.

This increase breaks down as follows:

	2010 vs 2009	
	€m	*%*
Organic growth	+51	+6.3%
Changes in consolidation scope	+7	+0.9%
Currency effect	+20	+2.4%
TOTAL CHANGE	**+77**	**+9.6%**

Change in operating revenue by geographic segment:

	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	*€m*	*%*
France	+2	+7	+5.1%
Rest of Europe	+17	+4	+1.2%
Latin America & Caribbean	+52	+41	+13.4%
Rest of the world	+6	(1)	(2.3)%
Worldwide Structures	-	-	-
GROUP TOTAL	**+77**	**+51**	**+6.3%**

C.1. Operating revenue generated by issue volume by geographic segment

(in € millions)	2008	2009	2010
France	102	112	117
Rest of Europe	251	243	248
Latin America & Caribbean	295	283	341
Rest of the world	25	23	23
Worldwide Structures	-	-	-
OPERATING REVENUE GENERATED BY ISSUE VOLUME	**673**	**661**	**729**

C.2. Other operating revenue by geographic segment

(in € millions)	2008	2009	2010
France	36	32	29
Rest of Europe	51	56	68
Latin America & Caribbean	21	23	17
Rest of the world	34	36	42
Worldwide Structures [(1)]	2	-	-
OTHER OPERATING REVENUE	**144**	**147**	**156**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

D. Financial revenue by geographic segment

(in € millions)	2008	2009	2010
France	30	24	19
Rest of Europe	44	36	31
Latin America & Caribbean	51	31	27
Rest of the world	4	3	3
Worldwide Structures	-	-	-
TOTAL FINANCIAL REVENUE	**129**	**94**	**80**

Financial revenue for December 2010 reached €80 million, compared with €94 million for the same period of 2009, representing a decrease of €14 million.

This decrease breaks down as follows:

	2010 vs 2009	
	€m	*%*
Organic growth	(16)	(16.8)%
Changes in consolidation scope	+1	+0.5%
Currency effect	+1	+1.5%
TOTAL CHANGE	**(14)**	**(14.8)%**

Change in financial revenue by geographic segment:

	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	*€m*	*%*
France	(5)	(5)	(20.3)%
Rest of Europe	(5)	(6)	(16.5)%
Latin America & Caribbean	(4)	(5)	(14.8)%
Rest of the world	-	-	(13.8)%
Worldwide Structures	-	-	-
GROUP TOTAL	**(14)**	**(16)**	**(16.8)%**

NOTE 4. OPERATING EXPENSES

(in € millions)	2008	2009	2010
Employee benefits expense (1)	(245)	(246)	(273)
Other operating expenses (2)	(297)	(288)	(333)
TOTAL OPERATING EXPENSES (3)	**(542)**	**(534)**	**(606)**

(1) Average employee benefit expense per full-time equivalent employee is presented below:

Full-time equivalent employees	2008	2009	2010
Full-time equivalent employees (FTE) (*)	5,659	5,771	6,087
Average employee benefits expense per FTE *(€ thousands)*	(43)	(43)	(45)

(*) Full-time equivalent employees are calculated based on the ratio between the number of hours worked during the period and the total legal working hours for the period. For proportionally consolidated companies, employee numbers are prorated based on the Group's interest in the company's capital.

(2) Other operating expenses consist mainly of production, supply chain, information systems, marketing, advertising and promotional costs as well as various fee payments. They also include rental expenses for €19 million in December 2010.

(3) As December 31, 2010 the currency effect impact the operating expenses for €23 million.

NOTE 5. DEPRECIATION, AMORTIZATION AND PROVISION EXPENSES

Depreciation, amortization and provision expenses can be analyzed as follows:

(in € millions)	2008	2009	2010
Amortization	(32)	(33)	(32)
Provisions and depreciation	1	(3)	3
TOTAL	**(31)**	**(36)**	**(29)**

NOTE 6. EBIT BY GEOGRAPHIC SEGMENT

(in € millions)	2008	2009	2010
France	50	42	48
Rest of Europe	167	138	129
Latin America & Caribbean	168	159	166
Rest of the world	13	12	10
Worldwide Structures [(1)]	(25)	(19)	(23)
TOTAL EBIT	**373**	**332**	**330**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

EBIT for December 2010 reached €330 million compared with €332 million the same period of 2009, representing a decrease of €2 million.

The decrease breaks down as follows:

	2010 vs 2009	
(in € millions)	*€m*	*%*
Organic growth (*)	+6	+1.6%
Changes in consolidation scope	(5)	(1.4)%
Currency effect	(3)	(1.0)%
TOTAL CHANGE	**(2)**	**(0.9)%**

(*) Including the impact of lower financial revenue for (€16) million.

Change in EBIT by geographic segment:

	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
(in € millions)	*€m*	*€m*	*%*
France	+6	+8	+18.8%
Rest of Europe	(9)	(12)	(8.5)%
Latin America & Caribbean	+7	+13	+7.9%
Rest of the world	(2)	(3)	(27.7)%
Worldwide Structures	(4)	-	(1.4)%
GROUP TOTAL	**(2)**	**+6**	**+1.6%**

NOTE 7. NET FINANCIAL EXPENSE

(in € millions)	2008	2009	2010
Finance costs, net [(1)]	(10)	3	(25)
Other financial income and expenses, net [(2)]	-	(23)	-
NET FINANCIAL EXPENSE	**(10)**	**(20)**	**(25)**

(1) Finance costs, net correspond to interest on loans, receivables and debt measured at amortized cost. The total corresponds in full to interest paid or received during the period.

(2) Other financial income and expenses include exchange gains and losses only, mainly on foreign currency debt measured at amortized cost and on various dividend and capital flows in foreign currencies. In 2009, the total corresponds mainly to exchange losses arising from the devaluation of the Venezuelan currency recorded at December 31, 2009 (see Note 2.C.).

NOTE 8. NON-RECURRING INCOME AND EXPENSES

Non-recurring income and expenses can be analyzed as follows:

(in € millions)	2008	2009	2010
Movements on restructuring provisions	3	(1)	4
Restructuring costs	(7)	(14)	(11)
Restructuring costs	**(4)**	**(15)**	**(7)**
Impairment of goodwill	(2)	(120)	(32)
Impairment of intangible assets	-	(18)	(11)
Total impairment losses	**(2)**	**(138)**	**(43)**
Other capital gains or losses	-	-	1
Provision movements	1	(41)	(9)
Non-recurring gains and losses, net	(10)	(17)	(42)
Other non-recurring income and expenses, net	**(9)**	**(58)**	**(50)**
TOTAL NON-RECURRING INCOME AND EXPENSE, NET	**(15)**	**(211)**	**(100)**

A. Restructuring costs

Restructuring costs in 2009 and 2010 correspond mainly to Group reorganization costs, including the cost of the voluntary separation program announced in June 2009.

B. Impairment losses

In 2009, impairment losses resulted mainly from reviews of the recoverable amount of Kadéos goodwill and intangible assets (impairment losses of €83 million and €17 million respectively) and a business in the United States (€16 million).

In 2010, the review of the goodwill and intangible assets has led to a complementary impairment of Kadéos for €24 million and €5 million, respectively as well as €6 million for Edenred Employee Benefits.

Sensitivity analysis

At December 31, 2010, a 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2010 by €8 million. A 100-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2010 by approximately €15 million.

C. Other non-recurring income and expenses

Other non-recurring income and expenses were as follows:

- in 2009, a €32 million loss arising from the devaluation of the Bolivar Fuerte and impairment losses on receivables and exchange losses for a total of €19 million;
- in 2010, mainly demerger costs for €44 million.

NOTE 9. INCOME TAX

A. Income tax expense for the period

(in € millions)	2008	2009	2010
Current taxes	(108)	(98)	(101)
SUB-TOTAL: CURRENT TAXES	**(108)**	**(98)**	**(101)**
Deferred taxes on temporary differences arising or reversing during the period	(4)	15	2
Deferred taxes arising from changes in tax rates or rules	1	-	-
SUB-TOTAL: DEFERRED TAXES	**(3)**	**15**	**2**
TOTAL INCOME TAX EXPENSE	**(111)**	**(83)**	**(99)**

B. Tax proof

(in € millions)	2008	2009	2010
Operating profit before tax (a)	**348**	**101**	**205**
Non-deductible impairment losses	(13)	125	-
Elimination of intercompany capital gains	-	-	-
Other	4	8	20
TOTAL PERMANENT DIFFERENCES (NON-DEDUCTIBLE EXPENSE) (b)	**(9)**	**133**	**20**
Untaxed profit and profit taxed at a reduced rate (c)	**12**	**29**	**12**
Profit taxable at the standard rate (d) = (a) + (b) + (c)	**351**	**263**	**237**
Standard tax rate in France (e)	**34.43%**	**34.43%**	**34.43%**
Theoretical tax at standard rate (f) = (d) x (e)	**(121)**	**(91)**	**(82)**
Adjustments for:			
• Differences in foreign tax rates	18	15	11
• Unrecognized tax losses for the period	(3)	(3)	(26)
• Utilization of tax loss carryforwards	-	1	3
• Effect of changes in future tax rates	1	-	-
• Other items	(6)	(5)	(4)
TOTAL ADJUSTMENTS (g)	**10**	**8**	**(16)**
Actual tax at standard rate (h) = (f) + (g)	**(111)**	**(83)**	**(98)**
Tax at reduced rate (i)	**-**	**-**	**(1)**
INCOME TAX EXPENSE (j) = (h) + (i)	**(111)**	**(83)**	**(99)**

C. Normative tax rate

	2008	2009	2010
Operating profit before tax	348	101	205
Non-reccurring income and expenses, net	15	211	100
Operating profit before tax and non-recurring items	**363**	**312**	**305**
Income tax expense	(111)	(83)	(99)
Tax adjustement related to the non-recurring income and expenses	(6)	(13)	(3)
Standard Group Income tax expense	**(117)**	**(96)**	**(102)**
STANDARD INCOME TAX	**32.2%**	**30.8%**	**33.4%**

D. Details of recognized deferred tax assets and liabilities

(in € millions)	2008	2009	2010
Temporary differences between taxable and book profit of the individual entities	12	11	15
Temporary differences arising from consolidation adjustments	7	13	13
Recognized deferred tax assets on tax loss carryforwards	-	-	-
SUB-TOTAL: DEFERRED TAX ASSETS	**19**	**24**	**28**
Temporary differences between taxable and book profit of the individual entities	1	1	2
Temporary differences arising from consolidation adjustments	65	61	70
SUB-TOTAL: DEFERRED TAX LIABILITIES	**66**	**62**	**72**
NET DEFERRED TAX ASSET (LIABILITY)	**(47)**	**(38)**	**(44)**

E. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2010 amounted to €50 million (December 31, 2009: €24 million).

At December 31, 2010 unrecognized deferred tax assets corresponded to tax losses in the amount of €50 million, including €3 million expiring in 2011, €4 million in 2015 and beyond and €43 million in evergreen losses.

NOTE 10. GOODWILL

(in € millions)	2008	2009	2010
Goodwill	645	666	679
Less accumulated impairment losses	-	(109)	(128)
GOODWILL, NET	**645**	**557**	**551**

(in € millions)	2008	2009	2010
Brazil	122	159	180
France (Ticket Cadeau)	181	115	91
United Kingdom	83	70	61
Romania	37	37	36
Italy	33	36	37
Mexico	31	31	34
Sweden	19	17	19
Australia	11	13	14
USA	33	13	12
Czech Republic	2	13	12
Germany	14	10	12
Asia	19	13	13
Other (individually representing less than €10 million)	60	30	30
GOODWILL, NET	**645**	**557**	**551**

Changes in the carrying amount of goodwill during the periods presented were as follows:

(in € millions)	Notes	2008	2009	2010
Net goodwill at beginning of period		**680**	**645**	**557**
Goodwill recognized on acquisitions for the period and other increases		**25**	**23**	**3**
• Asia (Surfgold)		-	-	-
• Germany (Quasar acquisition)		8	-	3
• Czech Republic	2.B.2	-	9	1
• Brazil		(1)	1	1
• United Kingdom (Motivano acquisition)		7	-	-
• Other acquisitions		11	13	(2)
Goodwill written off on disposals for the period		**(4)**	**(11)**	**(2)**
Impairment losses	8.B	**(2)**	**(120)**	**(32)**
Translation adjustments		**(35)**	**39**	**29**
Minority puts recognized/remeasured during the period and other		**(19)**	**(19)**	**(4)**
NET GOODWILL AT PERIOD-END		**645**	**557**	**551**

As December 31, 2010, the cumulated impairement related to the goodwill of Kadéos and Commuter check services in the United States, amounts respectivly €105 million and €17 million.

NOTE 11. INTANGIBLE ASSETS

(in € millions)	2008	2009	2010
Cost			
Kadéos brand [1]	19	19	19
Other brands	17	18	20
Contractual customer relationships [2]	49	54	63
Licenses and software	76	96	114
Other	32	42	41
TOTAL COST	**193**	**229**	**257**
Accumulated amortization and impairment losses			
Brands	(3)	(4)	(5)
Contractual customer relationships	(11)	(30)	(42)
Licenses and software	(58)	(72)	(85)
Other	(11)	(24)	(29)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(83)**	**(130)**	**(161)**
INTANGIBLE ASSETS, NET	**110**	**99**	**96**

(1) *The Kadéos brand was recognized following the acquisition of this company in March 2007.*
(2) *Of which €19 million corresponding to Kadéos customer lists, totally depreciated at the end of 2010.*

Changes in the carrying amount of intangible assets over the period were as follows:

(in € millions)	2008	2009	2010
Net intangible assets at beginning of period	**101**	**110**	**99**
Additions	1	5	5
Internally-generated assets	9	14	18
Intangible assets of newly-consolidated companies	7	2	-
Amortization for the period	(22)	(23)	(21)
Impairment losses for the period (*)	-	(18)	(11)
Disposals	-	3	-
Translation adjustment	(9)	5	5
Reclassifications	23	1	1
NET INTANGIBLE ASSETS AT END OF PERIOD	**110**	**99**	**96**

(*) *For 2009 and 2010, see Note 8.*

The following intangible assets are considered as having an indefinite useful life:

(in € millions)	2008	2009	2010
Kadéos brand	19	19	19
Rikskuponger brand	6	6	7
Tintelingen brand	2	2	2
Prepay brand	2	2	2
Other brands	4	4	4
INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES	**33**	**33**	**34**

Most brands have been qualified as having an indefinite useful life because the Group considers that there is no foreseeable limit to the period in which they can be used.

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

(in € millions)	2008	2009	2010
Land	7	4	3
Buildings	5	3	3
Fixtures	15	17	20
Equipment and furniture	76	78	87
Assets under construction	-	1	1
Cost	**103**	**103**	**114**

(in € millions)	2008	2009	2010
Buildings	(2)	(1)	(1)
Fixtures	(9)	(8)	(10)
Equipment and furniture	(55)	(57)	(63)
ACCUMULATED DEPRECIATION	**(66)**	**(66)**	**(74)**
ACCUMULATED IMPAIRMENT LOSSES	**-**	**-**	**-**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	**(66)**	**(66)**	**(74)**

(in € millions)	2008	2009	2010
Land	7	4	3
Buildings	3	2	2
Fixtures	6	9	10
Equipment and furniture	21	21	24
Assets under construction	-	1	1
PROPERTY, PLANT AND EQUIPMENT, NET	**37**	**37**	**40**

Changes in the carrying amount of property, plant and equipment during the period were as follows:

(in € millions)	2008	2009	2010
Net property, plant and equipment at begining of period	**29**	**37**	**37**
Property, plant and equipment of newly consolidated companies	-	1	-
Additions	15	16	14
Disposals	(1)	(4)	(1)
Depreciation for the period	(10)	(11)	(11)
Impairment losses for the period	-	-	-
Translation adjustment	(3)	(2)	1
Reclassifications	7	-	-
NET PROPERTY, PLAND AND EQUIPMENT AT END OF PERIOD	**37**	**37**	**40**

NOTE 13. RECEIVABLES AND PAYABLES

A. Trade receivables and related provisions

(in € millions)	2008	2009	2010
Gross	867	919	977
Provisions	(21)	(25)	(26)
TRADE RECEIVABLES, NET	**846**	**894**	**951**

Provisions for impairment in value of trade receivables correspond to numerous separate provisions, none of which are material. Past-due receivables are tracked individually and regular estimates are made of potential losses in order to increase the related provisions if and when required. Past-due receivables not covered by provisions are not material.

B. Details of inventories, other receivables and accruals

(in € millions)	2008	2009	2010
Inventories	11	14	12
Recoverable VAT	123	92	169
Employee advances and prepaid payroll taxes	2	3	3
Other prepaid and recoverable taxes	2	3	10
Other receivables	100	133	127
Other prepaid expenses	6	8	10
Gross	**244**	**253**	**331**
Provisions	**(1)**	**(2)**	**(3)**
INVENTORIES AND OTHER RECEIVABLES AND ACCRUALS, NET	**243**	**251**	**328**

C. Details of other payables and accruals

(in € millions)	2008	2009	2010
VAT payable	90	23	16
Wages and salaries and payroll taxes payable	43	43	50
Other taxes payable	68	32	23
Other payables	81	52	65
Deferred income	8	12	20
OTHER PAYABLES AND ACCRUALS	**290**	**162**	**174**

D. Receivables and payables by maturity

(in € millions)	Due within 1 year	Due in 1 to 5 years	Beyond 5 years	2010
Inventories	12	-	-	12
Trade receivables	977	-	-	977
Recoverable VAT	152	17	-	169
Employee advances and prepaid payroll taxes	3	-	-	3
Other prepaid and recoverable taxes	10	-	-	10
Other receivables	127	-	-	127
Current assets	**1,281**	**17**	**-**	**1,298**
Trade payables	76	-	-	76
VAT payable	16	-	-	16
Wages and salaries and payroll taxes payable	50	-	-	50
Other taxes payable	23	-	-	23
Other payables	65	-	-	65
Current liabilities	**230**	**-**	**-**	**230**

NOTE 14. POTENTIAL ORDINARY SHARES

Edenred's Board of Directors decided to set up a long-term incentive plan for the Group's key managers with effect on August 6, 2010.

The two-part plan comprises a stock option plan and a performance share plan.

A. Stock option plan

A.1. Main characteristics

The main characteristics of the current stock option plan at December 31, 2010 are summarized in the table below:

	Plan 1
Date of shareholder authorization	May 10, 2010
Grant date by the Board of Directors	August 6, 2010
Duration of the plan	8 years
Starting date of the exercise period	August 7, 2014
Expiry date of the exercise period	August 6, 2018
Expected life of the options	7.7 years
Exercise price	€13.69
Number of grantees at the grant date	455
Number of options at the grant date	4,235,500

A.2. Change in outstanding stock options

Changes in outstanding stock options during 2010 are as follows:

	December, 31 2010	
	Number of options	Weighted average exercise price
Options outstanding at beginning of period		
Options granted	4,235,500	
Options cancelled or expired	(27,000)	
Options exercised	-	
Options outstanding at end of period	**4,208,500**	**-**
Options exercisable at end of period	**-**	

A.3. Fair value of the stock option plan

The fair value of the options at the grant date has been determined using the Black & Scholes option' pricing model. The main data and assumptions used for the fair value calculations are as follows:

	Plan 1
Grant date by the Board of Directors	August 6, 2010
Data at the grant date	
Number of options	4,235,500
Edenred share price	€13.45
Exercise price	€13.69
Duration of the plan	8 years
Expected volatility	27.2%
Risk-free interest rate	1.79%
Expected dividend yield	2.55%
Option fair value	**€2.62**
Plan fair value	**€11.1m**

Maturities of stock options

The Group has decided to base the assumed exercise dates of stock options on observed exercise dates under previous plans in the Accor Group. The schedule that is applied is as follows:

- 35% of options exercised after 4 years;
- 20% after 5 years;
- 35% after 6 years;
- 5% after 7 years;
- 5% after 8 years.

Maturities of stock options correspond to the options' expected lives.

Share price volatility

The volatility rate is based on historical volatility for the first five months since Edenred was first listed, excluding the first trading month (July 2010) which has been considered as atypical.

However, as the options have an eight-year life the Group also calculated the historical volatility over eight years for three companies operating in the same business segment. Average volatility for these companies was consistent with the rate used for Edenred.

Risk-free interest rate

The risk-free interest rate is the implied yield available on zero-coupon issues by the French Government at the grant date.

Expected dividend yield

The expected dividend yield reflects management's stated dividend policy.

Cost of share-based payments recognized in the accounts

The total cost of share-based payments granted to Edenred employees amounted to €2.7 million at December 31, 2010. This amount has been recognized in employee benefit expense with a corresponding adjustment to equity.

B. Performance share plan

B.1. Main characteristics

A performance share plan was set up pursuant to the authorization given by the Shareholders' Meeting of May 10, 2010. A total of 912,875 shares have been granted under this plan to 260 grantees in some forty countries.

Performance shares granted to French tax residents are subject to a three-year vesting period followed by a two-year lock-up and shares granted to residents of other countries are subject to a five-year vesting period without any lock-up.

The 912,875 shares originally granted under the plan will vest on August 7, 2013 provided that the performance objectives specified in the plan for 2010, 2011 and 2012 are met.

Grantees will receive one third of the initial grant in each of the years in which the related performance objectives are met. If only one of the two performance objectives is met, they will receive one-sixth of the initial grant.

The proportion will be reduced or increased in each of the three years based on actual performance in relation to the objectives, with a limit of 1.5 times the initial grant for the year concerned.

As of August 7, 2013, once performance in relation to the three years' objectives has been assessed, the shares received as explained above will vest, provided that the total number of vested shares will not exceed 100% of the initial grant.

The performance objectives, measured year-on-year over three years, are as follows:

- in 2010 = Consolidated EBIT and like-for-like growth in issue volume;
- in 2011 and 2012 = like-for-like growth in issue volume and funds from operations.

B.2. Fair value of the performance share plan

The fair value of the performance shares is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity. It amounted to €11 million at December 31, 2010 for a unit fair value of €12.02 and €3.8 million was recognized in the financial statements at that date.

Both performance objectives were met in 2010.

NOTE 15. CUMULATIVE FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS

During the three periods presented, no fair value adjustments to available-for-sale financial assets were recognized in equity and no cumulative fair value adjustments were reclassified from equity to the income statement.

NOTE 16. MINORITY INTERESTS

(in € millions)	
At December 31, 2007	**12**
Minority interests in profit for the period	25
Dividends paid to minority interests	(14)
Issue of share capital	(1)
Translation adjustment	2
Changes in consolidation scope	-
At December 31, 2008	**24**
Minority interests in profit for the period	7
Dividends paid to minority interests	(22)
Issue of share capital	7
Translation adjustment	(1)
Changes in consolidation scope	4
At December 31, 2009	**19**
Minority interests in profit for the period	9
Dividends paid to minority interests	(5)
Issue of share capital	2
Translation adjustment	(4)
Changes in consolidation scope	(4)
AT DECEMBER 31, 2010	**17**

NOTE 17. OTHER COMPREHENSIVE INCOME AFTER TAX

Other comprehensive income after tax can be analyzed as follows:

	2008			2009			2010		
(in € millions)	**After tax**	**Tax**	**After tax**	**Before tax**	**Tax**	**Before tax**	**Before tax**	**Tax**	**After tax**
Currency translation adjustment	(56)	-	(56)	66	-	66	99	-	99
Actuarial gains and losses on defined benefit plans	(2)	-	(2)	(2)	-	(2)	(1)	-	(1)
TOTAL OTHER COMPREHENSIVE INCOME	**(58)**	**-**	**(58)**	**64**	**-**	**64**	**98**	**-**	**98**

There were no reclassifications from other comprehensive income to the income statement in any of the three periods presented.

NOTE 18. DEBT BY CURRENCY AND MATURITY

A. Long and short-term financial debt

Long and short-term debt at December 31, 2010 breaks down as follows:

(in € millions)	2008	Effective rate 2008 %	2009	Effective rate 2009 %	2010	Effective rate 2010 %
Long and short-term debt (1)	**4**	**4.74**	**11**	**5.98**	**1,497**	**3.13**
Deposits	5		6		9	
Purchase commitments	28		9		2	
Bank overdrafts and other short-term financial liabilities	465		671		74	
LONG AND SHORT-TERM DEBT AND OTHER FINANCIAL LIABILITIES	**502**		**697**		**1,582**	

(1) As of December 31, 2010, equivalent of €1,483 million of euro, equivalent of €7 million in INR, equivalent of €4 million in ZAR and equivalent of €3 million in other currencies.

The breakdown between long and short-term financial debt at December 31, 2010 is different from that for the other periods presented due to the new loan obtained by the Group (Term loan) on June 23, 2010 and the bond loan of October 06, 2010 (see Note 2.A.3). These new loans had the effect of changing the maturity profile of financial debt presented in Note 18.B.1 below.

(in € millions)	2008	2009	2010
Long-term debt and other financial liabilities (1)	34	15	1,499
Short-term debt and other financial liabilities (2)	468	682	83
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	**502**	**697**	**1,582**

(1) As of December 31, 2010, the long-term financial debt includes €793 million of bond loan until October 2017 and bank loans of €694 million repayable between June 2013 and June 2015.

(2) Short-term financial debt consists mainly of bank overdrafts of €66 million and short terms credit facilities which amount €10 million.

B. Maturities of financial debt

B.1. Maturities of financial debt analysis

At December 31, 2010 maturities of financial debt are as follows:

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
Due within 1 year (1)	468	682	83
Due in 1 to 2 years	12	10	11
Due in 2 to 3 years	8	-	98
Due in 3 to 4 years	8	2	298
Due in 4 to 5 years	1	-	298
Due in 5 to 6 years	-	-	-
Due beyond 6 years	5	3	794
TOTAL DEBT	**1,582**	**697**	**1,582**

(1) As of December 31, 2010, debts in local currencies due within 1 year are equivalent to €14 million. Those debts expiring in one year includes €66 million of bank overdrafts which are to compare with €73 million of cash in the balance sheet assets.

Debt and short-term investments denominated in foreign currencies have been translated into euros at the rate on the balance sheet date.

In this presentation, all derivative instruments have been classified as short-term. Debt and short-term investments denominated in foreign currencies have been translated into euros at the rate on the balance sheet date. Interest rate and currency hedges are analyzed by maturity in Note 18.C. on financial instruments.

At December 31, 2010, Edenred had undrawn long-term confirmed lines of credit totaling €628 million, expiring at various dates between July 1, 2012 and June 30, 2014.

B.2. Long and short-term debt before and after hedging

At December 31, 2010, total debt without hedging breaks down as follows before hedging transactions:

(in € millions)	Amount	Rate	% of total debt
EUR	1,487	3.00%	99%
Other currencies	10	5.78%	1%
TOTAL DEBT	**1,497**	**3.02%**	**100%**

Long and short-term debt after currency and interest rate hedging breaks down as follows at December 31, 2010:

(in € millions)	Amount	Rate	% of total debt
EUR	1,483	3.10%	99%
Other currencies	14	6.46%	1%
TOTAL DEBT	**1,497**	**3.13%**	**100%**

B.3. Long and short-term debt by interest rate after hedging

(in € millions)	Amount	Rate	% of total debt
Fixed rate debt	1,041	3.46%	70%
Variable rate debt	456	2.36%	30%
TOTAL DEBT	**1,497**	**3.13%**	**100%**

C. Financial instruments

C.1. Currency hedges

For each currency, the notional amount corresponds to the amount of currency sold or purchased forward. Fair value corresponds to the difference between the amount of the currency sold (purchased) and the amount of the currency purchased (sold), converted in both cases at the period-end forward exchange rate.

All currency transactions carried out by the Group, as listed below, are hedging transactions. They consist of designated hedges of intra-group loans and borrowings in foreign currencies and correspond to documented fair value hedging relationships.

At December 31, 2010, currency derivatives had an aggregate positive fair value of €3 million, as follows:

Forward purchases and currency swaps *(in € millions)*	Expiring in 2011	Expiring in 2012	December 31, 2010 Notional amount	December 31, 2010 Fair Value
GBP	102	-	102	(2)
SEK	88	-	88	3
MXN	37	-	37	1
HUF	41	-	41	1
CZK	31	-	31	-
Other	1	-	1	-
Forward purchases	**300**	**-**	**300**	**3**

Forward sales and currency swaps *(in € millions)*	Expiring in 2011	Expiring in 2012	December 31, 2010 Notional amount	December 31, 2010 Fair Value
SEK	-	-	-	-
USD	-	-	-	-
ZAR	4	-	4	-
Forward sales	**4**	**-**	**4**	**-**
Total currency hedges	**304**	**-**	**304**	**3**

C.2. Interest rate hedges

In July 2010, a €250 million program was set up, including swaps where Edenred is the fixed rate borrower and collars.

(in € millions)	Expiring 2011	Expiring 2012	Expiring 2013	Expiring 2014 and beyond	December 31, 2010 Notional amount	December 31, 2010 Fair value
EUR: Fixed-rate borrower swaps and collar			83	167	250	1
Total rate hedges			**83**	**167**	**250**	**1**

C.3. Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2010 were as follows:

(in € millions)	December 31, 2010 Fair value	December 31, 2010 Carrying amount
Total debt:	**1,630**	**1,582**
Bonds	841	793
Long-term bank debts	694	694
Other debts	29	29
Bank overdrafts	66	66
Current financial assets:	**(1,557)**	**(1,557)**
Marketable securities (2)	(1,480)	(1,480)
Cash	(73)	(73)
Derivatives (1)	(4)	(4)
NET DEBT	**73**	**25**

(1) The fair value of forward foreign exchange contracts, currency swaps and interest rate swaps was assessed based on the market prices that Edenred would have to pay or would receive to unwind the contracts (level 2 valuation technique).

(2) Marketable securities break down as follows:

(in € millions)	December 31, 2010 Fair value	December 31, 2010 Carrying amount
Bonds and other negociable debt securities [1]	(121)	(121)
Money market securities	(1,358)	(1,358)
Mutual fund units in cash in less than three months (*) [2]	(1)	(1)
Other	-	-
TOTAL MARKETABLE SECURITIES	**(1,480)**	**(1,480)**

(*) He fair value of mutual fund units corresponds to their published net asset value (level 1 valuation technique)
(1) Held-to-maturity investments.
(2) Held-for-sale financial assets.

D. Scheduled payments of financial liabilities

At December 31, 2010, the scheduled payments of financial liabilities were as follows:

		Cash flow < 1 an		Cash flow between 1 year and 5 years		Cash flow > 5 years	
(in € millions)	Amount	Interest flow	Notional Amount	Interest flow	Notional Amount	Interest flow	Notional Amount
Bonds	793	29		116		51	793
Bank borrowings	704	18	10	72	694	-	-
SUB-TOTAL LONG AND SHORT TERM DEBT	**1,497**	**47**	**10**	**188**	**694**	**51**	**793**
Bank overdrafts (*)	66	-	66	-	-	-	-
Derivatives	-	1	-	(1)	-	-	-
TOTAL	**1,563**	**48**	**76**	**187**	**694**	**51**	**793**

(*) Those bank overdrafts of €66 million must be analyzed related to the €73 million of cash in the balance sheet assets.

The financial debts do not include any particular mention (particularly covenants) which significantly can change the terms.

Future cash flows relating to interest are calculated using market interest rates at December 31, 2010. Variable rates are estimated by reference to forecast rates and fixed rates are known in advance. Future cash flows represented by debt repayments are estimated based on the assumption that the facilities will not be rolled over at maturity.

NOTE 19. NET DEBT AND NET CASH

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
Other long-term debt	34	15	1,499
Short-term financial debt	457	641	17
Bank overdrafts	11	41	66
Total debt	**502**	**697**	**1,582**
Short-term loans	(1,341)	(1,044)	-
Marketable securities [1]	(630)	(754)	(1,480)
Cash	(45)	(41)	(73)
Derivatives	-	-	(4)
Current financial assets	**(2,016)**	**(1,839)**	**(1,557)**
NET DEBT	**(1,514)**	**(1,142)**	**25**

(1) See Note 18.C.

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
Net debt at beginning of period	**(1,714)**	**(1,514)**	**(1,142)**
Increase (decrease) in long-term debt	(13)	(18)	1,484
Increase (decrease) in short-term debt	320	185	(624)
Decrease (increase) in short-term loans	(120)	297	1,043
Decrease (increase) in cash and cash equivalents	13	(92)	(736)
Changes for the period	**200**	**372**	**1,167**
NET DEBT AT END OF PERIOD	**(1,514)**	**(1,142)**	**25**

The following table reconciles cash and cash equivalents in the balance sheet to cash and cash equivalents in the statement of cash flows:

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
Cash and cash equivalents in the balance sheet	**675**	**795**	**1,556**
Bank overdrafts	(11)	(41)	(66)
Cash and cash equivalents in the statement of cash flows	**664**	**754**	**1,490**

NOTE 20. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES UNDER IFRS 7

At December 31, 2008 financial assets and liabilities broke down as follows by category:

	Balance sheet category							Fair value			
(in € millions)	Cash and cash equivalents	Restricted cash	Marketable securities	Loans	Other non-current financial assets	Trade receivables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Available-for-sale financial assets							**2**				**2**
Mutual fund units	-	-	2	-	-	-	2	2	-	-	2
Financial assets at fair value through profit or loss	-	-	-	-	-	-	**-**	-	-	-	**-**
Currency derivatives	-	-	-	-	-	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-	-
Total financial assets at December 31, 2008	**-**	**-**	**2**	**-**	**-**	**-**	**2**	**2**	**-**	**-**	**2**

	Balance sheet category						Fair value			
(in € millions)	Bank overdrafts	Marketable securities	Loans	Other non-current financial assets	Trade payables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Financial liabilities at fair value						**-**				**-**
Currency derivatives	-	-	-	-	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-
Total financial liabilities at December 31, 2008	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

At December 31, 2009 financial assets and liabilities broke down as follows by category:

	Balance sheet category							Fair value			
(in € millions)	Cash and cash equivalents	Restricted cash	Marketable securities	Loans	Other non-current financial assets	Trade receivables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Available-for-sale financial assets							**2**				**2**
Mutual fund units	-	-	2	-	-	-	2	2	-	-	2
Financial assets at fair value through profit or loss							**-**				**-**
Currency derivatives	-	-	-	-	-	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-	-
Total financial assets at December 31, 2009	**-**	**-**	**2**	**-**	**-**	**-**	**2**	**2**	**-**	**-**	**2**

	Balance sheet category						Fair value			
(in € millions)	Bank overdrafts	Marketable securities	Loans	Other non-current financial assets	Trade payables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Financial liabilities at fair value						**-**				**-**
Currency derivatives	-	-	-	-	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-
Total financial liabilities at December 31, 2009	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

At December 31, 2010 financial assets and liabilities broke down as follows by category:

	Balance sheet category							Fair value			
(in € millions)	Cash and cash equivalents	Restricted cash	Marketable securities	Loans	Other non-current financial assets	Trade receivables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Available-for-sale financial assets							**1**				**1**
Mutual fund units	-	-	1	-	-	-	1	1	-	-	1
Financial assets at fair value through profit or loss							**4**				**4**
Currency derivatives	3	-	-	-	-	-	3	-	3	-	3
Interest rate derivatives	1	-	-	-	-	-	1	-	1	-	1
Total financial assets at December 31, 2010	**4**	**-**	**1**	**-**	**-**	**-**	**5**	**1**	**4**	**-**	**5**

	Balance sheet category						Fair value			
(in € millions)	Bank overdrafts	Marketable securities	Loans	Other non-current financial assets	Trade payables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
Financial liabilities at fair value						**-**				**-**
Currency derivatives	-	-	-	-	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-
Total financial liabilities at December 31, 2010	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(*) The fair value hierarchy comprises the following levels:

- level 1: fair value assessed by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;

- level 2: fair value assessed by reference to quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

- level 3: fair value assessed by reference to inputs related to the asset or liability that are not based on market data (unobservable inputs).

The methods used to assess the fair value of mutual fund units and bonds are described in Note 18.

No assets were transferred between fair value assessment levels over the presented periods.

Interest rates and currency rates sensibility analyses are presented in the section 3 of the registration document.

NOTE 21. PROVISIONS

A. Provisions at December 31, 2010.

Movements in long-term provisions between January 1, 2010 and December 31, 2010 can be analyzed as follows:

(in € millions)	Dec 31, 2009	Impact on equity (*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope (*)	December 31, 2010
Provisions for pensions and loyalty bonuses	16	1	2	(1)	(1)	1	-	16
Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	**16**	**1**	**2**	**(1)**	**(1)**	**1**	**-**	**16**

(*) See Note 21.B.3.

Movements in short-term provisions between January 1, 2010 and December 31, 2010 can be analyzed as follows:

(in € millions)	Dec 31, 2009	Impact on equity (*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope (*)	December 31, 2010
Tax provisions	-	-	-	-	-	-	-	-
Restructuring provisions	9	-	4	(7)	(1)	1	-	6
Provisions for claims and litigation and other contingencies	50	-	13	(2)	(2)	-	(34)	25
TOTAL SHORT-TERM PROVISIONS	**59**	**-**	**17**	**(9)**	**(3)**	**1**	**(34)**	**31**

(*) See Note 21.B.3.

At December 31, 2009, short-term provisions for claims and litigation and others mainly included a contingency provision in Venezuela (see Note 8).

Net provision expense - corresponding to increases in provisions less reversals of utilized and unutilized provisions set up in prior periods - is reported under the following income statement captions:

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
EBIT	(1)	-	-
Net financial expense	-	-	-
Restructuring costs and impairment losses	(4)	41	5
Income tax expense	(22)	-	-
TOTAL	**(27)**	**41**	**5**

B. Provisions for pensions and other post-employment benefits

B.1. Description of the plans

Group employees receive various short-term benefits (paid vacation, paid sick leave and profit-shares) and long-term benefits (long-service awards, long-term disability benefits, loyalty bonuses and seniority bonuses), as well as various post-employment benefits provided under defined contribution and defined benefit plans (length-of-service awards payable on retirement, pension benefits).

Short-term benefit obligations are recognized in the balance sheets of the Group entities concerned.

Post-employment benefits are provided under either defined contribution or defined benefit plans.

B. 1. 1. Defined contribution plans

Obligations under these plans are funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The external organization is responsible for all benefit payments and the Group has no liability beyond the payment of contributions. Examples of defined contribution plans include the government-sponsored basic pension and supplementary pension (ARRCO/AGIRC) schemes in France and defined contribution pension schemes in other countries.

Contributions to these plans are recognized in the period to which they relate.

B. 1. 2. Defined benefit plans

Benefit obligations under the Group's defined benefit plans are generally funded by plan assets, with any unfunded portion recognized as a liability at the balance sheet date.

The defined benefit obligation (DBO) is determined by the projected unit credit method, based on actuarial assumptions concerning future salary levels, retirement age, mortality rates, staff turnover rates and the discount rate. These assumptions take into account the macro-economic situation and other specific circumstances in each host country.

Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity, in accordance with Group accounting policy.

At Edenred, the main post-employment defined benefit plans concern:

- length-of-service awards in France:
  - these are lump-sum payments made to employees on retirement. They are determined by reference to the employee's years of service and final salary,
  - the calculation is based on parameters defined by Corporate Finance and Human Resources in November of each year,
  - the related obligation is covered by a provision;
- length-of-service awards in Italy:
  - these are lump-sum payments made to employees when they retire, resign or are laid off. They are determined by reference to the employee's years of service and final salary,
  - the related obligation is covered by a provision;
- pensions: the main defined benefit pension plans are for employees in the United Kingdom (34% of the obligation at December 31, 2010), in France and the Worldwide Structures (36% of the obligation at December 31, 2010), in Belgium (15% of the obligation at December 31, 2010) and in Italy (10% of the obligation at December 31, 2010). Pension benefit obligations are determined by reference to employees' years of service and final salary. They are funded by payments to external organizations that are legally separate from Edenred.

B.2. Actuarial assumptions

Actuarial valuations are based on a certain number of long-term parameters supplied by the Group, which are reviewed each year.

		Rest of Europe				
2009	**France**	**United Kingdom**	**Belgium**	**Italy**	**Worldwide Structures**	**Rest of the world**
Retirement age	65 ans	65 ans	65 ans	65 ans	65 ans	55-65 ans
Rate of futur salary increase	3.0%	3.0%	3.0%	2.5%-3.5%	3%-4%	2%-10%
Payroll tax rate	46%	13%	36%	29%	46%	9%-45%
Discount rate	5.00%	5.60%	5.00%	5.00%	5.00%	4%-8.68%
Expected return on 2009 plan assets	2.20%-4.5%	5.5%	4.5%	N/A	4.5%	N/A
Expected return on 2010 plan assets	2.20%-4.5%	5.5%	4.5%	N/A	4.5%	N/A

2010	France	Rest of Europe: United Kingdom	Rest of Europe: Belgium	Rest of Europe: Italy	Worldwide Structures	Rest of the world
Retirement age	65 ans	65 ans	60 ans	65 ans	65 ans	55-65 ans
Rate of futur salary increase	3.0%	3.0%	3.0%	2.5%-3.5%	3%-4%	2%-10%
Payroll tax rate	46.0%	12.8%	36.0%	29.0%	46.0%	9%-45%
Discount rate	4.5%	5.50%	4.5%	4.5%	4.5%	4%-8.68%
Expected return on 2010 plan assets	2.20%-4.5%	5.75%	4.5%	N/A	4.5%	N/A
Expected return on 2011 plan assets	2.20%-4.5%	5.75%	4.5%	N/A	4.5%	N/A

The assumptions concerning the expected return on plan assets and the discount rate applied to calculate the present value of benefit obligations were determined based on the recommendations of independent experts. The discount rate was based on an analysis of investment grade corporate bond yields in each region. The calculation method was designed to obtain a discount rate that was appropriate in light of the timing of cash flows under the plan.

Edenred's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly of the classes of assets held in insurers' general portfolios managed according to conservative investment strategies. As a result, the expected long-term return on plan assets is estimated on the basis of the guaranteed yield offered by the insurance companies, ranging from 3.00% to 3.25% depending on the country, plus a spread of 100 to 125 basis points. This method takes into account the techniques used by insurance companies to smooth investment yields and ensures that yield assumptions are reasonable (i.e. below the rates of AA-rated corporate bonds).

B.3. Funded status of post-employment defined benefit plans and long-term employee benefits

The method used by the Group is the Projected Unit Credit method.

At December 31, 2010

(in € millions)	Pension plans	Other defined benefit plans (*)	Total
Present value of funded obligation	18	-	18
Fair value of plan assets	(8)	-	(8)
Excess of benefit obligation/(plan assets)	**10**	**-**	**10**
Present value of unfunded obligation	-	8	8
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**10**	**8**	**18**

(*) Including lenght-of-service awards and loyalty bonuses.

At December 31, 2009

(in € millions)	Pension plans	Other defined benefit plans (*)	Total
Present value of funded obligation	14	-	14
Fair value of plan assets	(6)	-	(6)
Excess of benefit obligation/(plan assets)	**8**	**-**	**8**
Present value of unfunded obligation	-	8	8
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**8**	**8**	**16**

(*) Including lenght-of-service awards and loyalty bonuses.

Funded status of post-employment defined benefit plans by region

	Pension plans									
	2010							2010	2010	2009
		Rest of Europe								
(in € millions)	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2010	Total 2009
Projected benefit obligation at beginning of period	**2**	**7**	**3**	**2**	**5**	**1**	**19**	**2**	**21**	**17**
Service costs	-	-	-	-	1	-	1	-	1	1
Interest costs	-	-	-	-	-	-	1	-	1	1
Employee contributions	-	-	-	-	-	-	-	-	-	-
Past service costs	(1)	-	-	-	-	-	(1)	-	(1)	-
Curtailments and settlements	-	-	-	-	-	(1)	(1)	-	(1)	-
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	-	-	(1)
Acturial (gains) losses	-	-	-	-	1	-	2	-	2	2
Total translation adjustment	-	-	-	-	-	-	-	-	1	1
Total other	-	-	-	-	(1)	-	-	-	-	-
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	**1**	**7**	**3**	**2**	**7**	**1**	**22**	**3**	**25**	**21**

		Rest of Europe								
(in € millions)	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2010	Total 2009
Fair value of plan assets at beginning of period	**-**	**4**	**2**	**-**	**(1)**	**-**	**6**	**-**	**6**	**5**
Actual return on plan assets	-	-	-	-	-	-	-	-	-	-
Employer contributions	-	-	-	-	-	-	1	-	1	1
Employee contributions	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	-	-	-
Settlements	-	-	-	-	-	-	-	-	-	-
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Total translation adjustment	-	-	-	-	-	-	-	-	-	-
Total other	-	-	-	-	-	1	1	-	1	-
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**-**	**5**	**2**	**-**	**(1)**	**1**	**8**	**-**	**8**	**6**

		Rest of Europe								
(in € millions)	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2010	Total 2009
Plan deficit at beginning of period	**2**	**2**	**1**	**2**	**5**	**1**	**14**	**2**	**16**	**12**
Provision at end of period	**2**	**2**	**1**	**2**	**7**	**1**	**15**	**3**	**18**	**16**
Past service costs not recognized	(1)	-	-	-	-	-	(1)	-	(1)	-
Surplus booking in assets	-	-	-	-	-	(1)	(1)	-	(1)	-
PLAN DEFICIT AT END OF PERIOD	**1**	**2**	**1**	**2**	**7**	**-**	**14**	**3**	**17**	**16**

		Rest of Europe								
(in € millions)	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2010	Total 2009
Service costs	-	-	-	-	1	-	1	1	2	1
Interest costs	-	-	-	-	-	-	1	-	1	1
Expected return on plan assets	-	-	-	-	-	-	-	-	-	-
Amortization of past service costs	-	-	-	-	-	-	-	-	-	-
Curtailments and settlements	-	-	-	-	-	(1)	(1)	-	(1)	-
Amortization of actuarial gains and losses for post-employment defined benefit plans	-	-	-	-	-	-	-	-	-	-
COST FOR THE PERIOD	**-**	**-**	**-**	**-**	**1**	**-**	**1**	**1**	**2**	**1**
Actuarial gains and losses recognized in equity	**-**	**-**	**-**	**-**	**1**	**-**	**1**	**-**	**1**	**3**

Changes in pension liabilities between January 1, 2009 and December 31, 2010

(in € millions)	Amount
Liability at January 1, 2009	**12**
Cost for the year	1
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	3
Effect of changes in consolidation scope	-
Translation adjustment	1
Other	-
Liability at December 31, 2009	**16**
Cost for the year	2
Benefits paid	(2)
Actuarial gains and losses for the period recognized in equity	1
Effect of changes in consolidation scope	-
Translation adjustment	1
LIABILITY AT DECEMBER 31, 2010	**18**

Actuarial gains and losses arising from changes in assumptions and experience adjustments

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
Projected benefit obligation			
Actuarial gains and losses - experience adjustments	-	(1)	-
Actuarial gains and losses - changes in assumptions	2	3	1
Fair value of plan assets			
Actuarial gains and losses - experience adjustments	1	-	-

Details of plan assets

Detail of plan assets	United Kingdom	Belgium	Worldwide Structures
Equities	55%	15%-25%	15%-25%
Bonds	26%	75%-80%	75%-80%
Other	19%	0%-5%	0%-5%

Sensitivity analysis

At December 31, 2009, a 0.5-point increase (decrease) in the discount rate would lead to a €0.4 million decrease (increase) in the projected benefit obligation. The impact on the cost for the year would not be material.

At December 31, 2010, a 0.5-point increase (decrease) in the discount rate would lead to a €0.8 million decrease (increase) in the projected benefit obligation. The impact on the cost for the year would not be material.

NOTE 22. RECONCILIATION OF FUNDS FROM OPERATIONS

(in € millions)	Dec. 2008	Dec. 2009	Dec. 2010
Net profit, Group Share	212	11	97
Minority interests	25	7	9
Depreciation, amortization and provision expense	37	36	31
Deferred taxes	3	(15)	(2)
Change in financial provisions	(21)	1	1
Expenses related to share-based payments	2	2	7
Non cash impact of the other non-recurring income and expense	1	179	52
Funds from operations including non-recurring items	**259**	**221**	**195**
(Gains) losses on disposals of assets, net	-	(1)	(1)
(Gains) losses on non-recurring transactions (including restructuring costs)	17	32	48
Funds from operations	**276**	**252**	**242**

NOTE 23. WORKING CAPITAL, SERVICE VOUCHERS IN CIRCULATION AND RESTRICTED CASH

A. Net change in working capital and service vouchers in circulation

(in € millions)	Dec. 2009	Dec. 2010	Change Dec. 2009/Dec. 2010
Inventories	13	12	(1)
Trade receivables	894	951	57
Other receivables and accruals	238	316	78
Working capital items - assets	**1,145**	**1,279**	**134**
Trade receivables	140	76	(64)
Other payables	162	174	12
Vouchers in circulation	2,883	3,278	395
Working capital items - liabilities	**3,185**	**3,528**	**343**
FLOAT (WORKING CAPITAL)	**2,040**	**2,249**	**209**

December 31, 2009 Working capital	**2,040**
Change in working capital (1)	161
Development Expenditure	-
Disposals	(1)
Translation adjustment	27
Reclassifications	22
Net change in working capital	**209**
DECEMBER 31, 2010 WORKING CAPITAL	**2,249**

(1) See statement of cash flows.

B. Net change in restricted cash

Restricted cash corresponds mainly to service voucher reserve funds which use is regulated. The countries concerned are France (€551 million), United Kingdom (€38 million) and Romania (€34 million).

December 31, 2009 Restricted cash	**565**
Like-for-like change for the period (1)	42
Reclassification from cash and cash equivalents to restricted cash (1)	23
Translation adjustment	1
Net change in restricted cash	**66**
DECEMBER 31, 2010 RESTRICTED CASH	**631**

(1) See statement of cash flows.

NOTE 24. CAPITAL EXPENDITURE

Capital expenditure in the last three periods breaks down as follows:

(in € millions)	2008	2009	2010
Recurring expenditure	24	30	32
Development expenditure	23	41	29
TOTAL CAPITAL EXPENDITURE	**47**	**71**	**61**

NOTE 25. BALANCE SHEETS BY GEOGRAPHIC SEGMENT

At December 31, 2009

(in € millions)	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total
Goodwill	115	193	203	40	6	557
Intangible assets	28	48	14	8	1	99
Property, plant and equipment	6	12	15	3	1	37
Financial assets	1	1	-	1	-	3
Other non-current assets	-	-	-	-	24	24
Total non-current assets	**150**	**254**	**232**	**52**	**32**	**720**
Total current assets	**1,169**	**1,262**	**933**	**112**	**73**	**3,549**
TOTAL ASSETS	**1,319**	**1,516**	**1,165**	**164**	**105**	**4,269**
Total equity	**194**	**(396)**	**404**	**35**	**13**	**250**
Other non-current liabilities	**17**	**51**	**2**	**3**	**20**	**93**
Total non-current liabilities	**211**	**(345)**	**406**	**38**	**33**	**343**
TOTAL CURRENT LIABILITIES	**1,108**	**1,861**	**759**	**126**	**72**	**3,926**
TOTAL EQUITY AND LIABILITIES	**1,319**	**1,516**	**1,165**	**164**	**105**	**4,269**

At December 31, 2010

(in € millions)	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total
Goodwill	91	189	231	40	-	**551**
Intangible assets	22	51	17	3	3	**96**
Property, plant and equipment	8	12	15	4	1	**40**
Financial assets	1	1	-	3	-	**5**
Other non-current assets	1	13	5	2	7	**28**
Total non-current assets	**123**	**266**	**268**	**52**	**11**	**720**
Total current assets	**773**	**696**	**1,284**	**130**	**584**	**3,467**
TOTAL ASSETS	**896**	**962**	**1,552**	**182**	**595**	**4,187**
Total equity	**148**	**(1,058)**	**486**	**39**	**(659)**	**(1,044)**
Other non-current liabilities	**12**	**59**	**21**	**2**	**1,495**	**1,589**
Total non-current liabilities	**160**	**(999)**	**507**	**41**	**836**	**545**
Total current liabilities	**736**	**1,961**	**1,045**	**141**	**(241)**	**3,642**
TOTAL EQUITY AND LIABILITIES	**896**	**962**	**1,552**	**182**	**595**	**4,187**

NOTE 26. CLAIMS AND LITIGATION

A. Tax audit

Following a tax audit of Accor Services France's 2003 and 2004 accounts, the tax authorities imposed various fines on the Group concerning VAT payments and failure to produce a schedule tracking capital gains qualifying for rollover relief.

After the tax authorities issued a notice to pay the fines – which reached €21.8 million – the Group settled this amount in April 2008, but also lodged an appeal in September 2009, claiming that the tax authorities' position was without merit. The appeal was rejected by the tax authorities on October 14, 2009.

On December 10, 2009, the Group applied to the Montreuil Administrative Tribunal for a ruling on the matter.

The application was rejected on December 2, 2010. Edenred France intends to appeal this decision before the Versailles Administrative Court of Appeal.

B. Other claims and litigation

In France, Accentiv' Kadeos is involved in a dispute concerning the agreements signed when it acquired Business Value Challenge in December 2005. It is also involved in a dispute with Fnac, a member of its gift solution acceptance and distribution network, as a result of Fnac's alleged failure to fulfill certain contractual obligations particularly in terms of exclusivity. The fact that Kadéos gift cards are the only cards accepted by a banner such as Fnac may be considered as a unique selling proposition for Kadéos.

The Group is also involved or may be involved in the future in various claims or legal proceedings in the normal course of business. As of the date of this report, to the best of the Company's knowledge, there are no claims or legal proceedings in progress, pending or threatened against the Company or its subsidiaries that could have a significant effect on the Group's business, results or financial position.

NOTE 27. OFF-BALANCE SHEET COMMITMENTS

A. Off-balance sheet commitments given

Off-balance sheet commitments given amount to €86 million at December 31, 2010 and €90 million at December 31, 2009.

The December 31, 2010 amount breaks down as follows:

- voucher sale guarantees given to public sector entities in Italy for a total of €84 million, including €32 million expiring in less than one year, €21 million expiring in 1 to 5 years and €31 million expiring beyond 5 years (€88 million at December 31, 2009);
- bid bonds issued in Spain for €1 million (€1 million at December 31, 2009);
- bank bonds issued in Brazil for €1 million (expiring within one year), expiring in 1 to 5 years.

To the best of the Group's knowledge and in accordance with generally accepted accounting principles, no commitments given have been omitted from the above list.

B. Off-balance sheet commitments received

There is no off-balance sheet commitments received at December 31, 2010.

NOTE 28. ADDITIONAL INFORMATION ABOUT JOINTLY-CONTROLLED ENTITIES

At the end of each of the three periods presented, Edenred held shares in nine jointly-controlled entities for which the current and non-current assets and liabilities, income and expenses attributable to the Group represented individually less than €6 million.

Those jointly-controlled entities, taken as a whole, show assets less than €1 million and income and expenses respectively less than €13 million and €12 million.

The companies concerned are:

- AS-GES;
- Workplace Benefits;
- EAR Ireland;
- Employee Advisory R.L.;
- BEA;
- Fidetel;
- Advantage 24;
- Network Servisleri AS;
- WPB Canada.

NOTE 29. RELATED PARTY TRANSACTIONS

For the purpose of applying IAS 24, the Group has identified the following related parties:

- all fully or proportionally consolidated companies;
- all members of the Executive Committee and the members of their direct families;
- all companies in which a member of the Executive Committee holds material voting rights;
- Accor S.A..

All fully or proportionally consolidated companies

Relations between the parent company and its subsidiaries and joint ventures are presented in Note 28. Transactions between the parent company and its subsidiaries constitute related party transactions that are eliminated in consolidation. Hence, they are not disclosed in these notes. However, transactions between the parent company and its joint ventures were not material in the periods presented.

Members of the Executive Committee

Transactions with members of the Executive Committee are disclosed in full in Note 30.

Companies in which a member of the Executive Committee of Edenred holds material voting rights

None.

Accor S.A.

Transactions with Accor S.A. during each of the three periods presented were as follows:

(in € millions)	Type of transaction	Transaction amount			Receivables			Payables			Off-balance sheet commitments		
		Dec. 2008	Dec. 2009	Dec. 2010	Dec. 2008	Dec. 2009	Dec. 2010	Dec. 2008	Dec. 2009	Dec. 2010	Dec. 2008	Dec. 2009	Dec. 2010
ACCOR SA	Inter-entity billings	(25)	(20)	(47)	10	2	-	39	55	1	-	-	-
	Loans	(8)	(10)	(8)	1,338	1,043	-	453	631	-	-	-	-
	Dividends	-	-	-	-	-	-	-	-	-	-	-	-

NOTE 30. COMPENSATION PAID TO CORPORATE OFFICERS

	December 31, 2008	December 31, 2009	December 31, 2010
(in € millions)	Expense	Expense	Expense
Short-term benefits	5	4	9
Post-employment benefits	-	-	1
Other long-term benefits	-	-	-
Termination benefits	-	1	-
Share-based payments	1	1	2
TOTAL COMPENSATION	**6**	**6**	**12**

On February 24, 2010, an Executive Committee was created for the Group. The 12-member Committee includes executives in charge of operations or operational support functions.

NOTE 31. AUDITORS' FEES

The table below shows the total fees billed by the Auditors that were recognized in the income statement for the periods presented.

	Deloitte & Associés				Cabinet Didier Kling & Associés			
	Amount without VAT		%		Amount without VAT		%	
(in € millions)	2009	2010	2009	2010	2009	2010	2009	2010
Audit								
Statutory audit, certification, consolidated and individual financial statements audit								
• Issuer		(0.4)		17%		(0.2)		67%
• Fully consolidated subsidiaries	(1.7)	(1.8)	85%	75%				
Other work and services directly related to the statutory audit								
• Issuer		(0.1)		4%		(0.1)		33%
• Fully consolidated subsidiaries	(0.2)		10%					
SUB-TOTAL	**(1.9)**	**(2.3)**	**95%**	**96%**	**-**	**(0.3)**	**-**	**100%**
Other services provided by the network to the fully consolidated subsidiaries								
• Legal, tax and social matters	-	-	2%	-				
• Other	(0.1)	(0.1)	3%	4%				
SUB-TOTAL	**(0.1)**	**(0.1)**	**5%**	**4%**	**-**	**-**	**-**	**-**
TOTAL	**(2.0)**	**(2.4)**	**100%**	**100%**	**-**	**(0.3)**	**-**	**100%**

NOTE 32. SUBSEQUENT EVENTS

A. Acquisition of RistoChef in Italy

On January 13, 2011, Edenred announced the acquisition of RistoChef, Italy's seventh-largest provider of meal vouchers. With more than 1,800 customers and a nearly 3% market share, RistoChef, a wholly-owned subsidiary of the Elior group, generated an estimated issue volume of around €70 million in 2010. This transaction enables Edenred to consolidate its leadership position in Italy, with more than 40% market share.

Based on an enterprise value of €12 million, the transaction is expected to close in the coming weeks. It will be neutral to net earnings in 2011, but accretive in 2012.

NOTE 33. MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2010

The main consolidated subsidiaries are presented below:

EDENRED

FRANCE

Edenred France	France	IG	100.00%
Accentiv'Kadeos	France	IG	100.00%
EAP France	France	IG	100.00%
Accentiv' Travel	France	IG	100.00%
Servicarte	France	IG	96.13%
AS Formation	France	IG	100.00%
AS-GES	France	IP	50.00%
Fidetel	France	IP	50.00%
BEA	France	IP	50.00%

WORLDWIDE STRUCTURES

ASH*	France	IG	100.00%
ASM*	France	IG	100.00%
Saminvest*	France	IG	100.00%
Edenred Participations*	France	IG	100.00%

IG: fully consolidated
IP: consolidated using the proportional method
MEE: accounted for by the equity method
* Holding

REST OF EUROPE

Accor Services Austria	Austria	IG	100.00%
Award Services	Belgium	IG	100.00%
Edenred Belgium	Belgium	IG	100.00%
Luncheck	Belgium	IG	99.99%
Edenred Bulgaria	Bulgaria	IG	97.00%
Edenred CZ	Czech Republic	IG	100.00%
Delicard Oy	Finland	IG	100.00%
Edenred Deutschland	Germany	IG	100.00%
Edenred Incentives & Rewards Deutschland	Germany	IG	100.00%
Edenred Vouchers Deutschland	Germany	IG	100.00%
AS Grece	Greece	IG	51.00%
Corporate Insurance Broker Hungary	Hungary	IG	56.00%
Broker Hongrie	Hungary	IG	56.00%
E Lunch	Italia	IG	100.00%
Edenred Italie	Italia	IG	100.00%
EAR Ireland	Ireland	IP	45.35%
Edenred Liban	Liban	IG	80.00%
TR Luxembourg	Luxembourg	IG	98.00%
Edenred Mali	Mali	IG	75.00%
Edenred Maroc	Marroco	IG	51.00%
Soltis BV*	Netherlands	IG	88.91%
AS Netherland	Netherlands	IG	100.00%
Tintelingen	Netherlands	IG	100.00%
Lunch Company	Poland	IG	83.49%
Edenred Portugal	Portugal	IG	100.00%
Edenred Roumanie	Romania	IG	94.83 %
Edenred Slovakia	Slovakia	IG	100.00%
Edenred Espagne	Spain	IG	100.00%
Rikskuponger	Sweden	IG	100.00%
Delicard AB	Sweden	IG	100.00%
In-Action	Sweden	IG	100.00%
Delicard Group AB*	Sweden	IG	100.00%
Edenred Suisse	Switzerland	IG	100.00%
Académie AS Turquie TRY	Turkey	IG	100.00%
Edenred Turkey	Turkey	IG	99.97%
Network Servisleri AS	Turkey	IP	49.98%
Accentiv' Turkey	Turkey	IG	99.97%
Edenred UK	United Kingdom	IG	100.00%
Edenred Incentives & Motivation	United Kingdom	IG	100.00%
Employee Advisory Resource	United Kingdom	IP	45.35%
Edenred Employee Benefits UK	United Kingdom	IG	66.06%
Prepay	United Kingdom	IG	66.67%
Clean Way Limited	United Kingdom	IG	100.00%
LV Catering	United Kingdom	IG	100.00%
ChildCare Vouchers	United Kingdom	IG	98.50%
Edenred Travel UK	United Kingdom	IG	100.00%
Capital Incentive Performance*	United Kingdom	IG	99.78%

NORTH AMERICA

Workplace Options Canada	Canada	IP	45.35%
AS North America	United States	IG	100.00%
Workplace Benefits	United States	IP	45.35%
Advantage 24	United States	IP	45.35%
Wirecommute	United States	IG	100.00%
Commuter Check Services Corporation	United States	IG	100.00%

LATIN AMERICA AND CARIBBEAN

AS Argentina	Argentina	IG	100.00%
Soporte Servicios*	Argentina	IG	100.00%
Accentiv' Brésil	Brazil	IG	55.00%
GLOG Servicos De Gestao de distribuicao	Brazil	IG	99.99%
Ticket Servicios Brésil	Brazil	IG	100.00%
Incentive House	Brazil	IG	100.00%
Edenred Servicios Participacoes*	Brazil	IG	100.00%
Siège Local Edenred*	Brazil	IG	100.00%
Accentiv' Brésil Mimetica	Brazil	IG	55.00%
AS Chile	Chile	IG	74.35%
AS Colombia	Colombia	IG	100.00%
Accor Servicios Empresariales	Mexico	IG	100.00%
Servicios Accor	Mexico	IG	100.00%
Asesoria Mex	Mexico	IG	100.00%
Servicios y Prestationes	Mexico	IG	100.00%
Sedesa	Mexico	MEE	20.00%
Multibonos y Servicios	Mexico	IG	100.00%
AS Panama	Panama	IG	100.00%
Edenred Peru	Peru	IG	67.00%
Luncheon Tickets	Uruguay	IG	100.00%
Uniticket	Uruguay	IG	100.00%
Westwell Group*	Uruguay	IG	100.00%
Cestaticket AS	Venezuela	IG	57.00%
Accor Venezuela VEF	Venezuela	IG	100.00%

OTHER COUNTRIES

Edenred Australia	Australia	IG	100.00%
Davidson & Trahaire	Australia	IG	100.00%
Catalyst Reabilitation Australia	Australia	IG	100.00%
Corpsych	Australia	IG	100.00%
Accentiv Shanghai Company	China	IG	100.00%
Beijing Yagao Meal Service	China	IG	88.75%
Shanghai Yagao Meal Service	China	IG	100.00%
Accor Corporate Services Shangai	China	IG	100.00%
Accor Services Chengdu	China	IG	51.00%
Accor Services Wuxi	China	IG	70.00%
Surfgold Beijing	China	IG	100.00%
Edenred Hong-Kong	Hong Kong	IG	100.00%
Surfgold India	India	IG	100.00%
Royal Image Direct	India	IG	100.00%
Expert Mauritius*	India	IG	100.00%
SRI Ganesh Hosp.*	India	IG	100.00%
Edenred India	India	IG	100.00%
Edenred Korea	Korea	IG	100.00%
Edenred Singapour	Singapor	IG	100.00%
Edenred South Africa	South Africa	IG	74.00 %
Surfgold Taiwan	Taiwan	IG	100.00%

6.3 Auditors' report on the financial statements

This is a free translation into English of the original Auditors' Report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2010

To the Shareholders

In accordance with our appointment as Auditors at the Annual General Meeting, we hereby report to you for the year ended December 31, 2010 on:

- the audit of the accompanying financial statements of Edenred;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of December 31, 2010 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

II. Justification of our assessments

Pursuant to the provisions of Article L.823-9 of France's Commercial Code governing the justification of our assessments, we draw your attention to the following:

As explained in the note to the financial statements entitled "Significant events", the Company received contributed assets constituting a self-managing business from Accor SA. We obtained assurance that the transaction complied with the terms of the asset contribution-demerger agreement dated April 19, 2010 and that its accounting treatment was appropriate.

The contributed equity interests were valued in accordance with the accounting methods described in note 1.2 to the financial statements, entitled "Summary of significant accounting policies – Investments". We verified that these accounting methods were appropriate and assessed the underlying assumptions.

These assessments were performed as part of our audit approach for the financial statements taken as a whole and contributed to the formation of our opinion expressed in the first part of this report.

III. Specific verifications and disclosures

We have also performed the specific verifications required by law, in accordance with professional guidelines applicable in France.

We have no comment to make as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and the documents addressed to the shareholders with respect to the financial position and the financial statements.

We verified that the disclosures made in application of Article L.225-102 of the Commercial Code on executive directors' compensation and benefits and the commitments given to executive directors by the Company were consistent with the financial statements or with the data used to prepare the financial statements, as well as with any information obtained by Edenred SA from any company that controls it or that it controls. Based on these procedures, we certify that these disclosures are accurate and fairly stated.

Pursuant to the law, we have verified that the management report contains the appropriate disclosures concerning the acquisition of minority and controlling interests, and the identity of shareholders (percentage of voting rights).

Neuilly-sur-Seine and Paris, March 10, 2011

The Auditors

DIDIER KLING & ASSOCIÉS	**DELOITTE & ASSOCIÉS**
Didier Kling	David Dupont-Noël

6.4 Parent company financial statements and notes

6.4.1 BALANCE SHEET AT DECEMBER 31, 2010

Assets

(in € millions)	Notes	December 31, 2009	December 31, 2010
Fixed assets			
Intangible assets			
Licenses, trademarks and rights of use	(2-3)		1
Other intangible assets	(2-3)		1
Total intangible assets		**-**	**2**
Property and equipment			
Machinery and equipment			
Other property and equipment	(2-3)		1
Assets under construction			
Total property and equipment		**-**	**1**
Investments			
Shares in subsidiaries and affiliates	(2-6-7-17-24)		1,048
Loans and advances to subsidiaries and affiliates	(2-5-7-11-16-17)		2,089
Other investments			
Total investments		**-**	**3,137**
TOTAL FIXED ASSETS		**-**	**3,140**
Current assets			
Inventories		**-**	**-**
Prepayments to suppliers			
Receivables			
Trade receivables	(4-7-11-16-17)		8
Other receivables	(4-7-16-17)		138
Cash and cash equivalents			
Marketable securities	(8-11)		482
Cash	(11)		25
TOTAL CURRENT ASSETS		**-**	**653**
Accruals and other assets			
Prepaid expenses	(9-16)		1
Deferred charges	(9)		11
Bond redemption premiums	(9)		2
Conversion differences	(10)		18
TOTAL ACCRUALS AND OTHER ASSETS		**-**	**32**
TOTAL ASSETS	(1)	**-**	**3,825**

Liabilities and Shareholders' Equity

(in € millions)	Notes	December 31, 2009	December 31, 2010
Shareholders' equity			
Share capital	(13)		452
Additional paid-in capital	(13)		602
Legal reserve	(13)		45
Untaxed reserves			
Other reserves			
Retained earnings			
Net profit for the year	(13)		152
Untaxed provisions			
TOTAL SHAREHOLDERS' EQUITY		**-**	**1,251**
Provisions			
Provisions for contingencies	(7)		26
Provisions for charges	(7)		8
TOTAL PROVISIONS		**-**	**34**
Liabilities			
Bonds	(12-15)		807
Bank borrowings	(12-15)		706
Other borrowings	(12-15)		1,001
Trade payables	(12-15)		9
Accrued taxes and payroll costs	(12-15)		8
Due to suppliers of fixed assets	(15)		1
Other liabilities	(12-15)		1
TOTAL LIABILITIES		**-**	**2,533**
Accruals and other liabilities			
Deferred income			
Conversion differences	(10)		7
TOTAL ACCRUALS AND OTHER LIABILITIES		**-**	**7**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	(1)	**-**	**3,825**

6.4.2 INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

(in € millions)	Notes	2009	2010
Operating revenue			
Sales of goods and services			18
Net revenue	**(18)**	**-**	**18**
Own work capitalized			
Reversals of depreciation, amortization and provisions and expense transfers	(9)		12
Other income			
TOTAL OPERATING INCOME		**-**	**30**
Operating expenses			
Purchases of goods for resale		-	-
Purchases of raw materials and supplies		-	-
Other purchases and external charges			67
Taxes other than on income			1
Wages and salaries			7
Payroll taxes			4
Depreciation, amortization and provision expense:			
Depreciation and amortization of fixed assets	(3)		1
Additions to provisions for impairment of fixed assets			
Additions to provisions for impairment of current assets			4
Additions to provisions for contingencies and charges			2
Other expenses			
TOTAL OPERATING EXPENSES		**-**	**86**
Operating loss		**-**	**(56)**
Joint ventures			
share of profits from non-managed joint ventures and transferred losses of managed joint ventures		-	-
share of losses of non-managed joint ventures and transferred profits from managed joint ventures			-
Financial income			
Income from investments in subsidiaries and affiliates	(17)		248
Income from investment securities and long-term loans			
Other interest income	(17)		6
Financial provision reversals and expense transfers			3
Foreign exchange gains			
TOTAL FINANCIAL INCOME		**-**	**257**
Financial expenses			
Additions to financial amortization and provisions			66
Interest expense	(17)		43
Foreign exchange losses			
TOTAL FINANCIAL EXPENSES		**-**	**109**
NET FINANCIAL INCOME	(20)	**-**	**148**
Recurring profit before tax		**-**	**92**
Non-recurring income			
Non-recurring income on revenue transactions			-
Non-recurring income on capital transactions			62
Non-recurring provision reversals and expense transfers			1
TOTAL NON-RECURRING INCOME		**-**	**63**

(in € millions)	Notes	2009	2010
Non-recurring expenses			
Non-recurring expense on revenue transactions			
Non-recurring expense on capital transactions			1
Non-recurring additions to depreciation, amortization and provisions			2
TOTAL NON-RECURRING EXPENSES		**-**	**3**
Net non-recurring income	**(21)**	**-**	**60**
Income tax	(22)		
TOTAL INCOME		**-**	**350**
TOTAL EXPENSES		**-**	**198**
NET PROFIT		**-**	**152**

The financial statements of Edenred SA have been prepared in accordance with French generally accepted accounting principles and the Plan Comptable Général statutory chart of accounts. All amounts are stated in millions of euros unless otherwise specified.

The notes below relate to the balance sheet at December 31, 2010 before appropriation of profit for the year, which shows total assets of €3,825 million, and to the 2010 income statement, which shows net profit for the year of €152 million.

The financial statements cover the 12-month period from January 1 to December 31, 2010.

Edenred SA›s individual financial statements are included in the consolidated financial statements of the Edenred Group.

The preparation of financial statements requires the use of estimates and assumptions that can affect the carrying amount of certain assets and liabilities, income and expenses, and the information disclosed in the notes to the financial statements. Management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and the current economic situation. Items in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments made by management in the preparation of these financial statements concern the valuation and useful lives of intangible assets, property and equipment, and investments, as well as the amount of provisions for claims, litigation and contingencies and the assumptions underlying the calculation of pension obligations.

The main assumptions applied by the Company are presented in the relevant notes to the financial statements.

Significant events

During 2010, the demerger of the Accor Group's hospitality and services businesses was completed, leading to the creation of Edenred, the world's leading prepaid service voucher group.

On April 9, 2010, the Company changed its legal form, becoming a *société anonyme.*

On June 29, 2010, the asset contribution by Accor SA to New Services Holding was completed, in accordance with the terms of the asset contribution-demerger agreement of April 19, 2010.

The transaction was carried out under the legal rules applicable to demergers and the assets were contributed at their net book value.

As well as approving the asset contribution, the Shareholders Meeting of June 29, 2010 voted to change the Company's name from New Services Holding to Edenred.

On June 23, 2010, Edenred SA set up its debt facilities, comprising:

- A €900 million 5-year term loan from a group of lenders (club deal), repayable in three annual installments starting on June 30, 2013;
- A €600 million one-year bridge-to-bonds facility from a group of lenders (club deal);
- Confirmed multicurrency bilateral lines for a total of €628 million, of which 84% expiring in five years (i.e. in mid-2015).

The €1,500 million proceeds from the club deals were used by Edenred to repay the debt on its current account with the Accor Group arising from the pre-demerger restructuring operations, ahead of the shareholders meetings at which the Asset Contribution-Demerger was approved.

On September 28, 2010, Edenred SA placed €800 million worth of 3.625% 7-year bonds due October 6, 2017 with European institutional investors. This issue enabled Edenred to enhance its liquidity, diversify its sources of financing and extend the average maturity of its debt.

The proceeds were used on October 6, 2010 to repay €800 million in debt, as follows:

- The €600 million bridge-to-bonds facility and €200 million of the €900 million term loan.

A further €100 million repayment will be made on the term loan no later than June 30, 2013 and the balance will be paid in two €300 million installments on June 30, 2014 and 2015.

Following these transactions, at December 31, 2010 the Company had total debt of €1,500 million.

The bilateral lines are intended for general corporate purposes. They had not been drawn down as of December 31, 2010.

The Group has set up a €250 million hedging program comprising interest rate swaps and collars to protect against the impact of interest rate fluctuations on its variable rate debt.

6.4.3 NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepaid in accordance with the accounting standards contained in the 1999 Plan Comptable General, as approved by the government order of June 22, 1999, and all of the rules issued by the CRC since that date. There were no changes in accounting methods in 2010 compared with the previous year.

The significant accounting policies used are as follows:

1.1 Intangible assets and property and equipment

Intangible assets and property and equipment are stated at cost (including incidental expenses) or contributed value.

They are amortized or depreciated on a straight-line basis over their estimated useful lives, as follows:

- software is amortized over two to five years;
- licenses are amortized over three to five years;
- office and computer equipment are depreciated over three to ten years.

1.2 Investments

Shares in subsidiaries and affiliates are stated at cost or contributed value. Transaction costs on these assets are recorded in the income statement.

At each year-end, the Company determines whether there are any indications that the investments are impaired. The main indications are:

- below-budget performance;
- a steep fall in revenue or profit.

Where necessary, investments are written down to their present value, corresponding to the higher of fair value and value in use. Value in use takes into account the investee's current and forecast earning's performance and the value of the Company's share of net assets. When a business plan has been drawn up for impairment tests carried out for the consolidated financial statements, enterprise value is used.

An impairment loss is recognized if value in use is less than cost.

Additional provisions may be recorded to write down loans and advances to the investee and, where necessary, a provision for contingencies is also recorded to cover the Company's share of the investee's negative net worth.

Impairment losses may be reversed in subsequent periods if the investee›s financial position improves, provided that this does not have the effect of increasing the carrying amount to above cost.

1.3 Receivables

Receivables are stated at nominal value. They are written down when it is probable that their carrying amount will not be recovered in full.

1.4 Marketable securities

Marketable securities are stated at the lower of cost and market value.

1.5 Revenue

Revenue corresponds to fees and other service revenues generated in the ordinary course of business. Brand licensing fees are calculated as a percentage of issue volume and revenue. Service revenues correspond to fees for the secondment of staff and for loan guarantees billed to service subsidiaries.

1.6 Provisions

In accordance with standard CRC 2000-06 on liabilities, a provision is recorded when the Company has an obligation towards a third party that can be reliably estimated and is probable of giving rise to an outflow of economic resources, without any inflow of economic resources of at least an equivalent value being expected.

A provision is recorded for the Company's liability for length-of-service awards payable to managers and employees on retirement, based on their vested rights at the balance sheet date, in accordance with CNC recommendation 2003 R-01.

The provision is determined by the projected unit credit method and includes payroll taxes.

Actuarial gains and losses on retirement benefit obligations are recognized directly in the income statement.

1.7 Borrowings

Debt issuance costs are initially recognized in deferred charges and are amortized over the life of the debt by the effective interest method. Debt issue premiums are also amortized over the life of the debt.

1.8 Foreign currency transactions

Income and expenses in foreign currencies are converted into euros at the exchange rate prevailing on the transaction date.

Foreign currency receivables, payables and cash balances are converted at the year-end rate.

Conversion differences are recognized in assets or liabilities.

A provision is recorded for conversion losses that are not hedged.

1.9 Currency risks

Currency risks arising on the conversion of euro cash reserves into foreign currencies to meet part of the financing needs of foreign subsidiaries are hedged by swaps with the same maturities as the loans to subsidiaries

1.10 Stock option and performance share plans

The Company applies standard CRC 2008-15 of December 4, 2008 on the accounting treatment of performance share plans. This standard requires a liability to be recognized when it is probable that obligations under performance share plans will be satisfied by allocating existing shares, covering the amount of the probable outflow of economic resources.

As the Company's obligations under its performance share plans will be satisfied by issuing new shares, no liability has been recorded in the financial statements at December 31, 2010.

NOTE 2. FIXED ASSETS AT DECEMBER 31, 2010

(in € millions)	Cost at January 1, 2010	Acquisitions and inter-item transfers [3]	Retirements and≈disposals and inter-item transfers	Other	Cost at December 31, 2010
Intangible assets					
Trademarks and rights of use		-	-		-
Licenses and software		14			14
Other intangible assets					-
Prepayments		1			1
TOTAL INTANGIBLE ASSETS	**-**	**15**	**-**	**-**	**15**
Property and equipment					
Machinery and equipment					-
Other property equipment [1]		2			2
Assets under construction					-
Prepayments					-
TOTAL PROPERTY AND EQUIPMENT	**-**	**2**	**-**	**-**	**2**
Investments					
Shares in subsidiaries and affiliates [1]		1,265	(1)		1,264
Loans and advances to subsidiaries and ffiliates [2]		2,103		(12)	2,091
Other investment securities					-
Other loans					-
Other investments					-
TOTAL INVESTMENTS	**-**	**3,368**	**(1)**	**(12)**	**3,355**
TOTAL FIXED ASSETS	**-**	**3,385**	**(1)**	**(12)**	**3,372**

(1) See note 6 for details.
(2) See note 5 for details.
(3) Of which a €1,303 million increase related to the asset contribution-demerger.

NOTE 3. DEPRECIATION AND AMORTIZATION

((in € millions))	At January 1, 2010	Increase	Decrease	At December 31, 2010
Intangible assets				
Trademarks	-	-	-	-
Licenses and software				-
Other intangible assets	-	13	-	13
TOTAL AMORTIZATION	**-**	**13**	**-**	**13**
Property and equipment				
Machinery and equipment				-
Other property and equipment		1		1
TOTAL DEPRECIATION	**-**	**1**	**-**	**1**
TOTAL	**-**	**14** (1)	**-**	**14**

(1) Of which a €13 million increase related to the asset contribution-demerger.

NOTE 4. RECEIVABLES (1) AT DECEMBER 31, 2010

(in € millions)	At December 31, 2009 Cost	At December 31, 2010 Cost
Prepayments to suppliers		
Trade receivables		8
Other receivables	-	**202**
Supplier-related receivables		
Recoverable VAT and other taxes		9
Current accounts with subsidiaries		191
Other		2
TOTAL	**-**	**210**

(1) Including prepayments to suppliers.

NOTE 5. LOANS AND ADVANCES TO SUBSIDIARIES AND AFFILIATES

(in € millions)	At January 1, 2010 Net	Increase	Decrease	Other	At December 31, 2010 Net
Edenred Espana		100			100
Accor TRB Holding		715			715
ASF Holding		372			372
AS Italia		505			505
ASH		368			368
Accor On Voucher & Card Services		4			4
Cestaticket Venezuela		39		(12)	27
TOTAL	**-**	**2,103** [1]	**-**	**(12)** [2]	**2,091**

(1) *Of which a €25 million increase (€13 million net) related to the asset contribution-demerger.*

(2) *"Other" movements correspond to the effect of the fall in the Venezuelan bolivar on the euro amount of dividends and interest receivable from Edenred's Venezuelan subsidiary.*

NOTE 6. CHANGE IN INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

	Business acquisitions and purchases of newly issued shares		Disposals		At December 31, 2010			
Company	**Number of shares**	**Amount** *(in € millions)*	**Number of shares**	**Amount** *(in € millions)*	**Number of shares**	**Amount** *(in € millions)*	**% interest**	**Provisions** *(in € millions)*
Servicarte SAS	37,770	1			37,770	1	94.43%	
Accentiv' Kadéos	2,107,673	219			2,107,673	219	98.30%	148
Accentiv'Travel	1,572,800	14			1,572,800	14	98.30%	11
Edenred France SAS	23,839,995	412			23,839,995	412	98.30%	
Edenred Participations SAS	393,613	46			393,613	46	100.00%	
AS-GES (ex Servepar)	3,043	1			3,043	1	25.36%	1
Accor Services Formation	37,422	7			37,422	7	98.32%	7
EAP France SAS [1]	1,095,272	9	(613,776)		481,496	9	99.38%	9
ASH	27,966,937	447			27,966,937	447	100.00%	
Saminvest	19,997	3	(2,000)	(1)	17,997	2	89.99%	
Edenred Austria GmbH (Austria)	15,410	2			15,410	2	98.30%	1
Edenred Portugal LDA	372,642	4			372,642	4	98.30%	2
Edenred Deutschland GmbH (Germany)	2,921,476	2			2,921,476	2	98.30%	
Edenred Espana SA (Spain)	88,989	2			88,989	2	98.30%	
Edenred Bulgaria ad (Bulgaria)	32,325	2			32,325	2	95.30%	1
Edenred Australia Pty Ltd (Australia)	11,745,008	7			11,745,008	7	78.30%	
Westwell Group SA (Uruguay)	1,832,351	2			1,832,351	2	98.30%	
Edenred Peru SA (Peru)	3,815,941	1			3,815,941	1	65.86%	1
Accor Services Panama sa	1,228,750	1			1,228,750	1	98.30%	1
Royal Image Direct Marketing PTY (India)	2,051,521	7			2,051,521	7	98.30%	5
Edenred Maroc SAS	55,165	1			55,165	1	50.15%	
Shanghai Yagao Meal Service Card Company (China)	8,109,750	6			8,109,750	6	98.30%	6

Company	Business acquisitions and purchases of newly issued shares		Disposals		At December 31, 2010			Provisions
	Number of shares	Amount *(in € millions)*	Number of shares	Amount *(in € millions)*	Number of shares	Amount *(in € millions)*	% interest	*(in € millions)*
Beijing Yagao Meal Service Card Company (China)	1,749,500	2			1,749,500	2	87.48%	2
Edenred (India) Pvt Ltd (India)	20,456,326	7			20,456,326	7	94.22%	2
Edenred Pte Ltd (Singapore)	6,283,484	15			6,283,484	15	98.30%	2
Edenred s.a.l (Lebanon)	2,544,747	2			2,544,747	2	78.30%	2
Accentiv' Shanghai Company (China)	650,000	1			650,000	1	100.00%	
Academie Accor Services Yönetim Ve Egitim Danismanligi A.S.	7,860				7,860	-	98.25%	1
Servicios Empresariales De Colombia S.A.	2,078,770	2			2,078,770	2	95.00%	2
Luncheon Vouchers Ltd (Venezuela)	2	1	(2)	(1)		-		
Cestaticket Services C.A. (Venezuela)	3,318,000	11			3,318,000	11	55.30%	
Accor Venezuela	3,885,514	25			3,885,514	25	100.00%	11
Edenred Brasil Participações SA (Brazil)	198,669	1			198,669	1	7.04%	
Edenred Suisse SA	800	1			800	1	100.00%	
Accor Services Polska Sp Zo.o. (Poland)	175,409	2			175,409	2	81.79%	1
TOTAL	**130,692,931**	**1,266** (2)	**(615,778)**	**(2)**	**130,077,153**	**1,264**		**216**

(1) The decrease in the number of shares resulted from a capital increase followed by a capital reduction to write off a current account advance.

(2) Including a €1,263 million increase related to the asset contribution-demerger.

NOTE 7. PROVISIONS AND ASSET IMPAIRMENTS AT DECEMBER 31, 2010

			Decrease		
(in € millions)	At Jan. 1, 2010	Increase	Surplus provisions	Utilized provisions	At Dec. 31, 2010
Untaxed provisions					
Excess tax depreciation				-	-
TOTAL UNTAXED PROVISIONS	**-**	**-**	**-**	**-**	**-**
Provisions for contingencies					
Claims and litigation			-	-	-
Foreign exchange losses		18	(1)	-	17
Other [1]		10	(1)		9
TOTAL PROVISIONS FOR CONTINGENCIES	**-**	**28**	**(2)**	**-**	**26**
Provisions for charges [2]					
Pensions and other post-retirement benefit obligations		8			8
Taxes					-
Other					-
TOTAL PROVISIONS FOR CHARGES	**-**	**8**	**-**	**-**	**8**
TOTAL PROVISIONS	**-**	**36**	**(2)**	**-**	**34**
Impairments [3]					
Intangible assets				-	-
Property and equipment				-	-
Investments [*] [4]		220	(1)	(1)	218
Trade receivables				-	-
Other receivables [*]		63			63
TOTAL IMPAIRMENTS	**-**	**283**	**(1)**	**(1)**	**281**
TOTAL	**-**	**319 [5]**	**(3)**	**(1)**	**315**

Income statement impact of movements in provisions	Increase	Decrease
Operating income and expenses	5	
Financial income and expenses	66	3
Non-recurring income and expenses	2	1
Movements with no income-statement impact		
TOTAL	**73**	**4**

(*) Recorded in accordance with the accounting policy described in Note 1c.

(1) Other provisions for contingencies correspond mainly to provisions for risks related to subsidiaries for €10 million.

Movements in this item primarily reflect i) additions to provisions for risks related to subsidiaries in an amount of €7 million and ii) reversals of provisions for risks related to subsidiaries amounting to €1 million.

Provisions for charges correspond to provisions for pensions and other post-retirement benefits the amount of €8 million.

(3) Asset impairments mainly concern shares in subsidiaries and affiliates, including Accentiv 'Kadéos (€148 million), Accentiv'Travel (€11 million), Accor Venezuela (€11 million), EAP France (€9 million), Accor Services Formation (€7 million) and Shanghai Yagao Meal (€6 million).

Additions to these provisions in 2010 included €52 million set aside for shares in subsidiaries and affiliates and €2 million for loans to subsidiaries. They mainly concerned Accentiv 'Kadéos for €43 million and Royal Image Direct for €5 million.

(4) Including €2 million in impairments of loans and advances to subsidiaries and affiliates.

(5) Of which a €247 million increase related to the asset contribution-demerger.

Pension benefit obligations and underlying actuarial assumptions

	End 2010
Discount rate	4.5%
Mortality tables	tgh tgf 2005
Rate of future salary increases	3%
Retirement age	65 years
Voluntary or compulsory retirement	Voluntary
Payroll tax rate	46%

Provisions for pensions and other post-retirement benefit obligations at Dec. 31, 2009

	End 2010
Service cost	0.3
Effect of asset contribution-demerger	5.9
Interest cost	0.1
Actuarial (gains)/losses	1.3
Other movements	
Provisions for pensions and other post-retirement benefit obligations at Dec. 31, 2010	7.6

NOTE 8. MARKETABLE SECURITIES PORTFOLIO

(in € millions)	December 31, 2009 Cost	December 31, 2010 Cost
Term deposits		295
Term accounts		75
Retail certificates of deposit		110
Accrued interest		2
TOTAL	**-**	**482**

The value of term deposits and accounts and retail certificates of deposit remains unchanged until maturity.

NOTE 9. ACCRUALS AND OTHER ASSETS/LIABILITIES AT DECEMBER 31, 2010

(in € millions)	January 1, 2010 Net	Increase	Decrease	December 31, 2010 Net
Deferred charges [1]				
Debt issuance costs		7	(1)	6
Bond issuance costs		5		5
TOTAL	**-**	**12**	**(1)**	**11**
Bond issue premiums				
Issue premiums	-	2		2
TOTAL	**-**	**2**	**-**	**2**
Prepaid expenses				
IT maintenance fees – Insurance premiums – Other fees		1		1
TOTAL	**-**	**1**	**-**	**1**

(1) Debt issuance costs are recognized in the balance sheet by means of an operating expense transfer.

NOTE 10. CONVERSION DIFFERENCES

(in € millions)	At 31 December 2009	At 31 December 2010
Conversion differences in assets		
Decrease in receivables [1]		15
Increase in payables [2]		3
TOTAL	**-**	**18**
Conversion differences in liabilities		
Increase in receivables [2]		5
Decrease in payables [2]		2
TOTAL	**-**	**7**

(1) Mainly conversion losses on dividends and interest receivable from subsidiaries in Venezuela.

(2) Corresponding to the conversion of borrowings from and loans to foreign subsidiaries, cash balances and currency swaps.

NOTE 11. ACCRUED INCOME

Accrued income is included in the following balance sheet items *(in € millions)*	At 31 December 2009	At 31 December 2010
Loans and advances to subsidiaries and affiliates		27
Trade receivables		
Marketable securities		2
Cash		1
TOTAL	**-**	**30**

NOTE 12. ACCRUED EXPENSES

Accrued expenses are included in the following balance sheet items *(in € millions)*	At 31 December 2009	At 31 December 2010
Bonds		7
Bank borrowings		
Other borrowings		7
Trade payables		7
Accrued taxes and payroll costs		6
Other payables		
TOTAL	**-**	**27**

NOTE 13. CHANGES IN SHAREHOLDERS' EQUITY

(in € millions)	At December 31, 2009	Appropriation of 2009 net profit	Capital increase/ reduction [(2)]	Other	2010 net profit	At December 31, 2010
Number of shares making up the Company's capital [(1)]	18,500		225,878,896			225,897,396
Share capital			452			452
Additional paid-in capital			602			602
Legal reserve			45			45
Untaxed reserves						-
Other reserves						-
Retained earnings						-
Net profit/(loss) for the year					152	152
Untaxed provisions						-
TOTAL SHAREHOLDERS' EQUITY	**-**	**-**	**1,099**	**-**	**152**	**1,251**

(1) *Par value of €2.*

(2) *Shares with an aggregate par value of €452 million issued in payment for the €1,099 million in assets contributed by Accor shareholders on June 29, 2010*

The legal reserve was increased to 10% of the new capital by transferring the required amount from the share premium.

NOTE 14. STOCK OPTION AND PERFORMANCE SHARE PLANS

Stock option plan	2010 Plan
Grant date	August 7, 2010
Vesting date	August 7, 2014
Expiry date	August 7, 2018
Exercise price *(in €)*	13.69
Value used for calculating the 10% contribution sociale surtax *(in €)*	2.62
Vesting conditions	Continued presence within the Group as of August 6, 2014 (except in the specific circumstances provided for in the plan rules)
Number of options granted at the plan launch	4,235,500
Number of options outstanding at December 31, 2010	-
Number of options granted in 2010	4,235,500
Number of options exercised since the plan launch	-
Number of options cancelled since the plan launch	27,000

Performance share plans	2010 Plan
Grant date	August 7, 2010
Vesting date	August 7, 2013 or August 7, 2015 (1)
Value used for calculating the 10% contribution sociale surtax *(in €)*	12.46
Vesting conditions	1/3 based on 2010 EBIT and issue volume targets 1/3 based on 2011 FFO and issue volume targets 1/3 based on 2012 FFO and issue volume targets
Number of performance shares granted at the plan launch	912,875
Number of performance shares outstanding at December 31, 2010	0
Number of performance shares granted in 2010	912,875
Number of performance shares exercised in 2010	0
Number of performance shares cancelled in 2010	0
Number of performance shares exercised since the plan launch	0
Number of performance shares cancelled since the plan launch	5,250
Potential number of new shares to be issued if performance conditions met	907,625

(1) August 7, 2013 for performance shares granted to French tax residents and August 7, 2015 for performance shares granted to non-residents.

NOTE 15. MATURITIES OF DEBT AND PAYABLES AT DECEMBER 31, 2010

(in millions of euros)	Total	Due within 1 year	Due in 1-5 years	Due beyond 5 years
Borrowings				
Bonds [1]	807	7		800
Bank borrowings [1]	706	6	700	
Other borrowings [2] [3]	1,001	730	271	-
Operating payables				
Trade payables [3]	9	9	-	-
Miscellaneous payables				-
Accrued taxes and payroll costs [3]	8	8	-	-
Due to suppliers of fixed assets [3]	1	1	-	-
Other payables [3]	1	1	-	-
Deferred income [3]			-	-
TOTAL	**2,533**	**762**	**971**	**800**

(1) *New borrowings for the year amounted to €2,335 million (including €1,535 million in bank borrowings and €800 million in bond issues). Borrowings repaid during the year amounted to €835 million.*

(2) *Current account advances and borrowings from subsidiaries.*

(3) *Breakdown by currency:*

CZK	31
EUR	689
GBP	99
HUF	56
MXN	37
SEK	90
Other currencies	18
TOTAL	**1,020**

NOTE 16. MATURITIES OF RECEIVABLES AT DECEMBER 31, 2010

(in millions of euros)	Total	Due within 1 year	Due beyond 1 year
Receivables included in fixed assets			
Loans and advances to subsidiaries and affiliates (1)	2,091	31	2,060
Other loans (1)			
Other investments (1)			-
Receivables included in current assets			
Trade receivables (1)	8		-
Other receivables (1)	202		-
Accrued expenses	1		-
TOTAL	**2,302**	**31**	**2,060**

(1) Breakdown by currency:

VEF	27
EUR	2,262
ZAR	4
SGD	1
SEK	8
TOTAL	**2,302**

NOTE 17. RELATED PARTY TRANSACTIONS (1)

(in € millions)	2009	2010
Assets		
Shares in subsidiaries and affiliates		1,264
Loans and advances to subsidiaries and affiliates		2,091
Other investment securities		
Trade receivables		8
Other receivables		191
Liabilities		
Other borrowings		1,001
Trade payables		3
Income and expenses		
Income from investments in subsidiaries and affiliates		248
Other financial income		1
Financial expenses		18

(1) Companies that are fully consolidated in the Edenred Group consolidated financial statements are deemed to be related parties.

NOTE 18. BREAKDOWN OF NET REVENUE

(in € millions)	2009	2010
France		4
TOTAL FRANCE	**-**	**4**
International		14
TOTAL INTERNATIONAL	**-**	**14**
TOTAL NET REVENUE	**-**	**18**

2010 revenue corresponds to six months' activities, for the period from July 1 to December 31.

NOTE 19. MANAGEMENT COMPENSATION AND EMPLOYEE INFORMATION

Compensation paid to members of the Company's administrative and supervisory bodies

(in € millions)	2009	2010
Members of the Executive Committee (excluding payroll taxes) and the Board of Directors	-	2
Number of employees		
Employee category		
Managers		142
Supervisors		19
Administrative staff		-
Apprentices		-
TOTAL	**-**	**161**

The Company had 161 employees at December 31, 2010, including 4 employees seconded to subsidiaries.

Statutory training entitlement

In accordance with Recommendation 2004F issued by the Urgent Issues Task Force of the French National Accounting Board, Edenred did not set aside any provisions relating to employees› statutory training entitlement in its 2010 financial statements.

At December 31, 2010, Edenred employees had accumulated a total of 7,158 training hours under this entitlement.

NOTE 20. NET FINANCIAL INCOME

(in € millions)	2009	2010
Income from investments in subsidiaries and affiliates	**-**	**248**
Dividends received from subsidiaries		217
Interest received on intragroup loans and receivables		31
Other interest income	**-**	**6**
Interest income on current accounts		1
Interest income on interest rate and currency swaps		3
Other		2
Reversals of provisions for financial items	**-**	**3**
Reversals of provisions for impairment of shares in subsidiaries and affiliates		2
Reversals of provisions for impairment of other receivables		
Reversals of provisions for contingencies and charges		1
Foreign exchange gains		
Financial income	**-**	**257**
Interest expense	**-**	**(43)**
Interest paid on bonds		(7)
Interest paid on bank borrowings		(12)
Interest paid on other borrowings		(1)
Interest paid on current accounts		(7)
Interest paid on loans from subsidiaries		(16)
Amortization and provisions - financial assets	**-**	**(66)**
Additions to provisions for impairment of shares in subsidiaries and affiliates		(52)
Additions to provisions for impairment of loans		(2)
Additions to provisions for impairment of current assets		(2)
Amortization of bond issue premiums		
Additions to provisions for contingencies and charges		(10)
Foreign exchange losses		
Financial expenses	**-**	**(109)**
NET FINANCIAL INCOME	**-**	**148**

NOTE 21. NON-RECURRING INCOME AND EXPENSES

In 2010, total non-recurring items represented net income of €60 million before tax, breaking down as follows:

(in € millions)	2009	2010
Gains (losses) on disposals of intangible assets and property and equipment		
Gains (losses) on disposals and liquidations of investments		62 (1)
Provision expense		(2)
NET NON-RECURRING INCOME	**-**	**60**

(1) Corresponding mainly to a capital gain on the sale of 2,000 Saminvest shares to Edenred France.

NOTE 22. INCOME TAX AND CONSOLIDATION

A) Income tax expense of Edenred SA

Edenred SA reported a tax loss for the year of €55 million, that is available solely for offset against the Company's own taxable profit.

Potential deferred taxes arising from deductible and taxable temporary differences, including tax loss carryforwards, represented a net asset of €26 million at December 31, 2010.

B) Consolidation

Edenred SA is the consolidating entity for the Edenred Group.

NOTE 23. OFF-BALANCE SHEET COMMITMENTS GIVEN AND RECEIVED

Off-balance sheet commitments

Off-balance sheet commitments given at December 31, 2010 break down as follows:

(in € millions)	Within 1 year	1 to 5 years	Beyond 5 years	December 31, 2009	December 31, 2010
Total renovation commitments		-	-		
Guarantees given [(1)]	8				8
Guarantees for bank borrowings [(2)]	12				12
TOTAL GUARANTEE COMMITMENTS	**20**	**-**	**-**		**20**

(1) Corresponding bonds given to banks on behalf of subsidiaries.

(2) Corresponding to a guarantee for a bank loan given on behalf of a subsidiary.

Hedging instruments

Currency hedges

The following tables analyze the notional amount of currency hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2010:

Forward sales and currency swaps *(in € millions)*	Expiring in 2011	December 31, 2010 Notional amount
ZAR	4	4
FORWARD SALES	**4**	**4**

Forward purchases and currency swaps *(in € millions)*	Expiring in 2011	December 31, 2010 Notional amount
GBP	102	102
SEK	88	88
HUF	41	41
MXN	37	37
Other	31	31
Forward purchases	**299**	**299**
TOTAL CURRENCY HEDGES	**303**	**303**

For each currency, the notional amount corresponds to the amount of currency sold or purchased forward. Fair value corresponds to the difference between the amount of the currency sold (purchased) and the amount of the currency purchased (sold), converted in both cases at the period-end forward exchange rate.

All the currency instruments listed above are used for hedging purposes. Most are designated and documented fair value hedges of intra-group loans and borrowings that qualify for hedge accounting.

At December 31, 2010, currency instruments had a positive fair value of €2.6 million.

Interest rate hedges

The following tables analyze the notional amount of interest rate hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2010:

(in € millions)	2010 Notional	2011	2012	Beyond
Interest rate swaps where Edenred is the fixed rate borrower	75			150
EUR Euribor/Fixed rate				
Interest rate collars where Edenred is the fixed rate borrower				100
Interest rate hedges	75	-	-	250

The notional amount corresponds to the amount covered by the interest rate hedge. Fair value represents the amount that would be receivable or payable if the positions were unwound on the market.

All the interest rate instruments listed above are used for hedging purposes.

At December 31, 2010, currency instruments had a positive fair value of €1 million.

NOTE 24. MAIN SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2010

		(in thousands of local currency units)			Carrying amount of shares		
Filiales et participations	Currency	Share capital	Reserves	Percent interest	Cost	Net	Provisions
A - Subsidiaries and affiliates with a balance sheet value in excess of 1% of Edenred SA's capital							
1- Subsidiaries (at least 50%-owned)							
a) French affiliates							
Accentiv' Kadéos 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	17,153	35,119	98.30%	218,760	70,836	147,924
Accentiv' Travel 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	2,400	(74)	98.30%	14,183	2,890	11,293
Edenred France 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	388,037	37,672	98.30%	411,768	411,768	-
Edenred Participations SAS 166-168 Bld Gabriel Peri 92240 Malakoff	EUR	14,760	4,905	100.00%	46,038	46,038	-
Accor Service Formation 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	190	(3,248)	98.32%	7,362	-	7,362
EAP France 1, rue Mozart 92110 Clichy La Garenne	EUR	969	(119)	99.38%	8,580	-	8,580
ASH 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	447,471	4,237	100.00%	447,471	447,471	-
b) Foreign affiliates							
Edenred Australia Pty Ltd (Australia)	AUD	15,000	6,947	78.30%	7,101	7,101	-
Royal Image Direct Marketing Pty (India) [1]	INR	5,863	88,531	98.30%	6,765	1,683	5,082
Edenred Shanghai (China)	CNY	63,066	(92,122)	98.30%	6,290	-	6,290
Edenred (India) PVT Ltd (India) [1]	INR	217,113	(171,376)	94.22%	6,570	4,366	2,204
Edenred Pte Ltd (Singapore)	SGD	6,392	(5,633)	98.30%	14,521	12,733	1,788
Cestaticket Accor Services C.A. (Venezuela) [3]	VEF	6,000	180,868	55.30%	11,101	11,101	-
Accor Venezuela (Venezuela)	VEF	77,710	12,781	100.00%	24,851	14,095	10,756
2 - Affiliates (10 to 50%-owned)							
a) French affiliates							
b) Foreign affiliates							
3 - Others (less than 10%-owned)							

(in thousands of euros)

Oustanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue (local currency)	Last reported revenue	Last reported profit/(loss)	Last reported profit/(loss) (local currency)	Dividendes received by Edenred SA during the year	Average 2010 exchange rate
-	-		78,515		3,715	-	1.00000
-			806		(101)	-	1.00000
430,596	-		96,870		29,432	46,625	1.00000
32,438	-		-		4,413	9,949	1.00000
3,686	-		708		(1,502)	-	1.00000
-	-		3,507		(119)	-	1.00000
369,584	-		-		4,241	-	1.00000
-	-	-	-	(20)	(14)	-	1.44420
-	-	103,244	1,704	4,253	70	-	60.6048
-	-	2,378	265	(12,064)	(1,343)	-	8.98140
-	11,733	243,351	4,015	23,469	387	-	60.6048
746	-	5,003	2,764	(1,559)	(861)	-	1.81000
-	-	354,757	50,442	141,895	20,176	12,835	7.03300
-	-	-	-	2,360	336	-	7.03300

Filiales et participations	Currency	Share capital (in thousands of local currency units)	Reserves (in thousands of local currency units)	Percent interest	Cost (Carrying amount of shares)	Net (Carrying amount of shares)	Provisions
B - Investments in companies with a balance sheet value of less than 1% of Edenred SA's capital							
a) French subsidiaries							
Servicarte 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	610	2,669	94.43%	1,169	1,169	-
AS-GES 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	1,200	(420)	25.36%	1,034	84	950
Fidetel SNC 562, Avenue du Parc de l'Île 92000 Nanterre [2]	EUR	1	4	50.00%	1	1	-
ASM 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	100	(12)	99.90%	100	100	-
Saminvest 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	3,060	1,246	89.99%	2,264	2,264	-
Activitiz 4 bis rue Saint Saveur 75002 PARIS [1]	EUR	49	(20)	9.89%	250	-	250
b) Foreign subsidiaries							
Soltis BV Weena 695 3013 AM Rotterdam (Netherland)	EUR	140	(94)	88.91%	286	36	250
Edenred Austria GmbH Am Euro Platz 1, A-1120 Wien (Austria)	EUR	1,600	123	98.30%	1,589	997	592
Edenred Portugal Lda (Portugal)	EUR	379	250	98.30%	3,637	1,861	1,776
Edenred Deutschland GmbH (Germany)	EUR	1,520	2,109	98.30%	2,347	2,347	-
Edenred España SA (Spain)	EUR	544	5,440	98.30%	1,593	1,593	-
Servicios y Prestaci (Mexico)	MXN	3	(6,378)	77.50%	128	-	128
Corporate Insurance Boker Magyarorszag KFT (Hungary)	HUF	50,000	(21,177)	56.00%	105	55	50
Edenred Bulgaria ad (Bulgaria)	BGN	3,392	(363)	95.30%	2,436	1,136	1,300
Westwell Group SA (Uruguay)	USD	1,864	1,650	98.30%	2,171	2,171	-
Edenred Peru SA (Peru)	PEN	2,669	(3,087)	65.86%	909	-	909
Accor Services Panama SA	PAB	1,250	1,425	98.30%	1,007	-	1,007
Edenred South Africa (Proprietary) Ltd (South Africa)	ZAR	5,000	(32,309)	72.30%	414	-	414
Edenred Morocco SAS (Morocco)	MAD	11,000	(15,192)	50.15%	488	128	360
Edenred BeijinG (China)	CNY	16,440	(6,698)	87.48%	1,855	400	1,455
Edenred s.a.l (Lebanon)	LBP	3,250,000	(3,626,988)	78.30%	1,539	-	1,539

(in thousands of euros)

Oustanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue (local currency)	Last reported revenue	Last reported profit/(loss)	Last reported profit/(loss) (local currency)	Dividendes received by Edenred SA during the year	Average 2010 exchange rate
-	-		9,994		2,331	1,190	1.00000
-	-		2,170		447	-	1.00000
-	-		314		4	-	1.00000
-	-		-		(8)	-	1.00000
12,451	-		-		70,940	139,107	1.00000
	-		665		(202)	-	1.00000
-	-		-		14	-	1.00000
-	-		1,200		259	-	1.00000
-	-		3,878		15	196	1.00000
4,186	-		5,482		(791)	-	1.00000
101,586	-		15,483		4,096	4,482	1.00000
-	-	-	-	(2,067)	(123)	-	16.7580
-	-	-	-	1,733	6	-	275.410
-	-	2,232	1,141	332	170	-	1.95580
-	-	-	-	1,019	768	2,900	1.3269
-	-	3,724	993	417	111	-	3.74850
-	-	-	-	(4)	(3)	-	1.32690
4,053	-	19,832	2,042	(8,059)	(830)	-	9.71380
-	-	1,865	167	(4,068)	(365)	-	11.1602
-	-	11,947	1,330	(2,142)	(238)	-	8.98140
-	-	868,472	435	(143,446)	(72)	-	1994.52

		(in thousands of local currency units)			Carrying amount of shares		
Filiales et participations	**Currency**	**Share capital**	**Reserves**	**Percent interest**	**Cost**	**Net**	**Provisions**
Accentiv' Shanghai Company (China)	CNY	7,041	(3,233)	100.00%	650	650	-
Académie Accor Services Yönetim Ve Egitim Danismanl (Turkey)	TRY	822	(1,134)	98.25%	428	-	428
Servicios Empresariales de Colombia S.A. (Columbia)	COP	218,818	924,890	95.00%	2,077	536	1,541
Edenred Suisse SA	CHF	800	(155)	100.00%	547	547	-
Ticket Servicos SA (Brazil)	BRL	36,501	208,177	0.11%	230	230	-
Edenred Participaçôes SA (Brazil)	BRL	482,634	198,689	7.04%	1,328	1,328	-
Accor Services Polska Sp Zo.o. (Poland)	PLN	10,723	(12,971)	81.79%	1,777	455	1,322
C - Other (less than 10%-owned)							
1 - Subsidiaries (at least 10%-owned)							
a) French subsidiaries (aggregate)					1,154,162	979,003	175,159
b) Foreign subsidiaries (aggregate)					77,199	51,079	26,120
2 - Other investments (less than 10%-owned)							
a) French subsidiaries (aggregate)					4,818	3,618	1,200
b) Foreign subsidiaries (aggregate)					27,541	14,470	13,071
TOTAL (NOTE 24)					**1,263,720**	**1,048,170**	**215,550**

(1) Balance sheet at March 31,2010.

(2) Balance sheet at December 31, 2009.

(3) Dividends accrued during the period but not received as of December 31, 2010.

(in thousands of euros)

Oustanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue (local currency)	Last reported revenue	Last reported profit/(loss)	Last reported profit/(loss) (local currency)	Dividendes received by Edenred SA during the year	Average 2010 exchange rate
-	-	13,750	1,531	1,583	176	-	8.98140
-	-	-	-	(45)	(23)	-	1.99770
-	-	-	-	(127,913)	(51)	-	2519.50
-	-	447	323	(155)	(112)	-	1.38210
-	-	458,812	196,460	191,875	82,159	-	2.33540
-	-	10	4	188,805	80,845	-	2.33540
-	-	1,464	366	(1,064)	(266)	-	3.99500
836,304	-					56,574	
746	11,733					12,835	
12,451	-					140,297	
109,825	-					7,578	
959,326	**11,733**					**217,284**	

NOTE 25. FIVE-YEAR FINANCIAL SUMMARY

Description *(in € millions)*	**2006**	**2007**	**2008**	**2009**	**2010**
1 - Capital at December 31					
Share capital	-	-	-	-	452
Number of shares in issue	370	370	370	370	225,897,396
Number of convertible bonds				-	-
2 - Results of operations					
Net revenues	-	-	-	-	18
Profit/(loss) before tax, depreciation, amortization and provision expense	-	-	-	-	222
Income tax	-	-	-	-	-
Net profit/(loss)	-	-	-	-	152
Total dividend	-	-	-	-	113 (1)
3 - Per share data *(in €)*					
Earnings/(loss) per share after tax, before depreciation, amortization and provision expense	(5.14)	(5.59)	(10.75)	(10.77)	0.98
Earnings/(loss) per share	(5.14)	(5.59)	(10.75)	(10.77)	0.67
Dividend per share	-	-	-	-	0.50 (1)
4 - Employee information					
Number of employees	-	-	-	-	136 (2)
Total payroll					(5)
Total benefits					(4)

(1) Recommended 2010 dividend based on 225,897,396 shares.
(2) Average employees at December 31, 2010.

Capital and ownership structure

7

7.1. Information about the Company

7.1.1. COMPANY NAME

The Company's name is Edenred.

7.1.2. REGISTRATION DETAILS AND APE CODE

The Company is registered in Nanterre under no. 493 322 978. Its APE business identifier code is 6420Z.

7.1.3. INCORPORATION DATE AND TERM

The Company was incorporated on December 14, 2006 for a 99-year term as a *société par actions simplifiée*. It was converted into a *société anonyme* on April 9, 2010.

7.1.4. REGISTERED OFFICE, LEGAL FORM AND GOVERNING LAW

The Company's registered office is at 166 to 180 boulevard Gabriel Péri, 92240 Malakoff, France.

Phone: +33 1 74 31 75 00.

The Company is a *société anonyme* with a Board of Directors governed by the laws of France, mainly the provisions of the *Code de Commerce* (Commercial Code).

7.1.5. CORPORATE PURPOSE

The Company's corporate purpose is to engage in the following activities, in France and abroad, for its own account and on behalf of third parties:

- the design, development, promotion, marketing and management of paper and paperless service vouchers and, more generally, of all employee and public benefits, incentive and rewards, and expense management services;
- the development, promotion and operation of any and all information systems needed to support the development and implementation of the voucher and other activities described above, including related consulting services, and the management of associated financial transactions;
- the provision of consulting services, analyses and expertise in assessing the administrative, technical and financial resources needed to develop and implement service voucher policies and policies related to the above activities;
- the acquisition, by any method, of interests in any and all companies and ventures in France or abroad that have a similar or related purpose;
- the deployment of all public relations and communication initiatives related to the above service activities, including the organization of symposia, seminars, meetings, conventions, shows and events;
- the provision of short, medium and long-term financing and cash management services for subsidiaries and sister companies. To this end, the Company may (i) obtain any and all loans in France or abroad, in euros or in foreign currencies, (ii) make loans and advances in euros or in foreign currencies, and (iii) carry out any and all treasury, short-term investment and hedging transactions;
- generally, the carrying out of any and all commercial, industrial, financial, securities and real estate transactions related directly or indirectly to the corporate purpose and all similar or related purposes or that facilitate the fulfillment of said purpose.

To fulfill its corporate purpose, the Company may carry out actions or transactions of any type and size and in any location, including the creation of new companies, the acquisition of shares or rights in existing companies, through a capital increase or otherwise, a company acquisition or a merger, that (i) contribute or may contribute to, or facilitate or may facilitate the conduct of the activities defined above or (ii) directly or indirectly preserve the commercial, industrial or financial interests of the Company, its subsidiaries or its business partners.

7.2. Information about the Company's shares

7.2.1. DESCRIPTION OF THE COMPANY'S SHARES

7.2.1.1. Type, class and listing – ISIN code

At December 31, 2010, the Company's capital was made up of 225,897,396 shares with a par value of €2 each, all fully paid.

The 225,897,396 shares are ordinary shares with rights to all distributions of interim and final dividends, reserves or equivalent amounts.

All of the shares are listed on NYSE Euronext Paris (compartment A) under ISIN code FR0010908533 (ticker symbol: EDEN). Edenred is included in the CACNext20 index.

7.2.1.2. Governing law and competent courts

The Company's shares are governed by the laws of France.

The courts of the district where the Company has its registered office have jurisdiction over disputes where the Company is defendant. In disputes where the Company is plaintiff, the court of jurisdiction will be designated depending on the type of dispute, unless otherwise specified in France's Civil Procedure Code.

7.2.1.3. Form of the shares and procedures for recognizing ownership

The Company's shares may be held in registered or bearer form, at the choice of the shareholder.

In application of Article L.211-3 of France's Monetary and Financial Code, ownership of the Company's shares is not evidenced by certificates but by an entry in a securities account kept by the Company or an authorized intermediary. The rights of shareholders are evidenced by an entry in their name in the books kept by:

- The Company's registrar, Société Générale (32 rue du Champ-de-Tir, BP 81236 - 44312 Nantes Cedex 3, France), for registered shares;
- A bank or broker chosen by the shareholder and recognized by the Company's registrar, Société Générale (32 rue du Champ-de-Tir, BP 81236 - 44312 Nantes Cedex 3, France), for registered shares;
- A bank or broker chosen by the shareholder, for bearer shares.

Settlement/delivery of transactions in the Company's shares is carried out through Euroclear France, as central securities depository.

Shares are transferred by book entry and the transfer of title results from their being recorded in the buyer's securities account, in accordance with Articles L.211-15 and L.211-17 of France's Monetary and Financial Code.

Securities services are provided by the Company's registrar, Société Générale (32 rue du Champ-de-Tir, BP 81236 - 44312 Nantes Cedex 3, France).

7.2.1.4. Rights attached to the Company's shares

From the time of issue, the Company's shares are subject to all of the provisions of the Company's bylaws, as adopted by the Shareholders Meeting of June 29, 2010. Based on current French law and the Company's bylaws, the main rights attached to the shares are as follows:

Dividend rights

Each year, 5% of profit for the year, less any losses brought forward from prior years, is transferred to the legal reserve until such time as the legal reserve represents one-tenth of the share capital. The process resumes if the legal reserve subsequently falls to below one-tenth of the share capital for whatever reason.

The balance, plus any retained earnings brought forward from prior years, is available for distribution to shareholders in the form of dividends, in accordance with the applicable laws and regulations.

The Annual Shareholders Meeting called to approve the financial statements may decide to pay a dividend to all shareholders.

The Shareholders Meeting may decide to offer shareholders the option of reinvesting all or part of any interim or final dividend in shares of the Company, in accordance with the applicable laws and regulations. Dividends not claimed within five years of the payment date will be time-barred and will be paid over to the French State.

The Shareholders Meeting may decide, before paying a dividend, to deduct from distributable profit any amounts that it thinks fit to be credited to retained earnings or to one or more general or special reserve accounts to be used for any purposes decided by shareholders.

The Shareholders Meeting may also decide to distribute unrestricted reserves, as allowed by law, in which case the related resolution will specify the reserve accounts from which the dividend is to be deducted.

However, except in the case of a capital reduction, no such distribution may be made to shareholders if the Company's equity represents less than the sum of its share capital and restricted reserves, or would represent less than that amount as a result of the distribution.

Dividends paid to non-residents are subject to French withholding tax (see section 7.2.1.8 of this Registration Document).

New shares are issued cum rights and rank *pari passu* with existing shares. They carry rights to all interim and final dividends and all distributions of reserves or equivalent amounts decided after their issue.

Voting rights

The voting rights attached to shares are proportionate to the portion of capital they represent. All shares have the same par value and therefore one voting right is attached to each share.

However, as allowed by Article 24 of the Company's bylaws, shares registered in the name of the same holder for at least two years have double voting rights.

In the case of a share issue paid up by capitalizing reserves, profits or additional paid-in capital, the new shares allocated in respect of shares with double voting rights also have double voting rights from the time of issue.

Registered shares converted into bearer shares or sold to a different shareholder lose their double voting rights. However, transfers through inheritance, liquidation of marital assets, or an *inter vivos* transfer to a spouse or to a relative in the ascending or descending line do not result in the loss of double voting rights or a break in the qualifying period. The merger of the Company has no impact on double voting rights, provided that the bylaws of the surviving company allow for their exercise.

Article 24 of the Company's bylaws stipulate that voting rights attached to shares held by beneficial and non-beneficial owners are exercisable at Ordinary and Extraordinary Shareholders Meetings by the beneficial owner, except that the non-beneficial owner may also vote in his or her own name when the resolution requires a unanimous vote of all of the shareholders.

Pre-emptive right to subscribe for securities in the same category

Under current French law, shareholders have a pre-emptive right to subscribe for any new shares issued for cash (including shares issued upon exercise of rights), proportionately to their stake in the Company's capital.

The Shareholders Meeting that decides or authorizes a share issue may decide to cancel shareholders' pre-emptive right for the entire issue or for one or several tranches of the issue, in which case the Meeting may decide as an alternative to set a fixed period during which shareholders may subscribe on a priority basis. For issues offered to the public or that are the subject of a private placement governed by Article L.411-2-II of France's Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders, the issue price must be determined in compliance with Article L.225-136 of the Commercial Code. Any such issues may not represent more than 20% of the capital per year.

The Shareholders Meeting may decide to restrict participation in a share issue to certain named persons or to certain categories of persons with specified characteristics, in accordance with Article L.225-138 of the Commercial Code.

The Shareholders Meeting that decides or authorizes a share issue may also decide to restrict participation to the shareholders of another company that is the target of a public stock-for-stock offer initiated by Edenred in application of Article L.225-148 of the Commercial Code. Shares issued in payment for contributed assets are subject to the specific procedure provided for in Article L.225-147 of the Commercial Code.

During the subscription period, the pre-emptive rights may be stripped from the underlying shares and traded separately. Alternatively, they may be sold with and on the same terms as the underlying shares. Shareholders may individually waive their pre-emptive subscription rights in application of Articles L.225-132 and L.228-91 of the Commercial Code.

Right to a share of the Company's profits

Shareholders are entitled to a share of the Company's profits on the basis defined in Articles L.232-10 *et seq.* of the Commercial Code.

Right to a share of any liquidation surplus

Shares in all classes entitle their holders to a share of the company's net assets and, if applicable, the liquidation surplus equal to the portion of the share capital that they represent, taking into account any returns of capital and any unpaid portion of the par value.

From the Company's point of view, all shares are indivisible.

Buyback clause – conversion clause

The bylaws do not include any share buyback or conversion clauses.

Identification of shareholders

The Company uses all methods provided by French legislation to obtain information about the identity of holders of current or future rights to vote at Shareholders Meetings.

Disclosure thresholds

Any shareholder, acting alone or in concert with other shareholders, that becomes the owner of (or ceases to own) a number of shares representing a percentage of the capital or voting rights corresponding to a statutory disclosure threshold is required to notify the Company on the basis required by the applicable laws and regulations. Failure to comply with this obligation will expose the shareholder to the sanctions provided for in the applicable laws and regulations.

In addition, any shareholder or any group of shareholders acting alone or in concert, that acquires or raises its interest to 1% of the capital or voting rights is required to disclose its interest to the Company by registered letter with return receipt requested sent to the head office, within four trading days of the transaction date or the signature of any agreement resulting in the disclosure threshold being crossed, whatever the date on which the shares are recorded in the holder's account. The notification must include details of the total number of shares and/or share equivalents held and the number of voting rights held.

The same disclosure rules will apply to any increase in a shareholder's interest by any multiple of 0.5% of the capital or voting rights beyond 1% and to any reduction in a shareholder's interest by any multiple of 1% of the capital or voting rights. In the case of failure to comply with the applicable disclosure rules, at the request of one or several shareholders representing at least 3% of the Company's capital or voting rights, as duly recorded in the minutes of the Shareholders Meeting, the undisclosed shares will be stripped of voting rights at all Shareholders Meetings held in the two years following the date when the omission is remedied.

In addition, as well as making the statutory disclosures, any shareholder or group of shareholders acting in concert, that becomes the owner of a number of shares representing more than one-twentieth of the Company's capital or voting rights, is required to include in its disclosure to the Company details of its intentions regarding the shares over the next twelve months, covering in particular the information referred to in Article L.233-7 VII, paragraph 2, of the Commercial Code.

At the end of each successive twelve-month period following the initial disclosure, if the shareholder continues to hold a number of shares representing more than one-twentieth of the Company's capital or voting rights, it is required to notify the Company of its intentions for the following twelve months.

The Company will have the right to inform the public and shareholders of the said shareholder's disclosed intentions, or of the shareholder's failure to comply with this requirement.

For the application of the above disclosure provisions of the bylaws, disclosable interests include the shares or voting rights referred to in Article L.233-91 of the Commercial Code.

7.2.1.5. Restrictions on the sale of the shares

The bylaws do not include any restrictions on the sale of the Company's shares. A detailed description of the commitments given by the Company and some of its shareholders is provided in section 7.2.1.10 of this Registration Document.

7.2.1.6. French regulations governing public tender offers

The Company is subject to French laws and regulations governing compulsory public tender offers, public buyout offers and squeeze-out procedures.

Compulsory public tender offers

The situations in which a public tender offer must be made for all of the shares and share equivalents of a Company listed on a regulated market are specified in Article L.433-3 of the Monetary and Financial Code and Articles 234-1 *et seq.* of the AMF's General Rules.

Public buyout offer and squeeze-out procedure

The procedure for filing a buyout offer and the compulsory buyout of minority shareholders in a company whose shares are listed on a regulated market is specified in Article L.433-4 of the Monetary and Financial Code, and Articles 236-1 *et seq.* (public buyout offer) and 237-1 *et seq.* (squeeze-out procedure following a public tender or buyout offer) of the AMF's General Rules.

7.2.1.7. Public offer for the Company's shares made during the current or previous financial year

No public offer for the Company's shares has been made during the current or previous financial year.

The following items could have an impact in the event of a public tender offer for the Company's shares (information disclosed in application of Article L.225-100-3 of the French Commercial Code):

- **capital structure:** see section 7.3.1 of this Registration Document which presents the capital structure and ownership of voting rights, including the percentage of the capital and voting rights held by ColTime, ColDay and Legendre Holding 19, which have together signed a shareholders' pact;
- **agreements providing for the payment of compensation for loss of office or other termination benefits to members of the Board of Directors or to employees if they stand down, resign, are removed from office or terminated other than for gross misconduct or if their employment ends due to a change of control**: see section 5.4 of this Registration Document;
- **employee share ownership system:** in accordance with Article L.214-40 of the French Monetary and Financial Code, the decision to tender to a public purchase or exchange offer Edenred shares held in a corporate mutual fund set up in connection with an employee share ownership system is made by the fund's Supervisory Board;
- **long-term financing** – bonds and bank borrowings for a total of €1,500 million excluding accrued interest could become immediately repayable in the event of a change of control, by decision of any individual lender bank or bond holder. (Article 4 c – Redemption at the option of the Bond Holders – of the Prospectus for the bond issue dated October 4, 2010 and Clause 7.3 – Mandatory prepayment on change of control – of the Term Loan agreement dated June 23, 2010.)

7.2.1.8. Tax regime applicable to the Company's shares

This section outlines the rules governing French withholding tax applicable to the Company's dividends, based on current French legislation. It does not take into account the effects of any international tax treaties that may apply to individual shareholders. Shareholders are encouraged to seek advice from their tax adviser concerning their specific situation. Shareholders that are not resident in France for tax purposes are required to also comply with the tax rules in force in their country of residence. French tax residents are required to comply with applicable French tax laws.

(a) Withholding tax

In principle, dividends paid by the Company are subject to withholding tax deducted by the paying agent, when the shareholder's tax domicile or headquarters is located outside France. Except as specified below, withholding tax is deducted at the rate of (i) 19% from January 1, 2011 when the shareholder is an individual and is resident in a member State of the European Union or a European Economic Area country that has signed a tax treaty with France that includes a clause providing for administrative assistance in combatting tax fraud and evasion, and (ii) 25% in all other cases.

The withholding tax may be reduced or cancelled in application of international tax treaties or of Article 119ter of France's General Tax Code which applies in some circumstances to corporate shareholders resident in the European Union.

However, the Company's dividends will be subject to 50% withholding tax, whatever the shareholder's tax residence (unless an international tax treaty applies that provides for a lower rate), if they are paid outside France to an "uncooperative country or territory" within the meaning of Article 238-0 A of the General Tax Code. The list of uncooperative countries and territories is published by ministerial order and updated annually.

Shareholders concerned by these rules are encouraged to see advice from their tax adviser, in order to determine whether the new legislation on uncooperative countries and territories applies to them and/or whether they qualify for withholding tax relief or exemption. Shareholders are also invited to seek advice about the procedure to be followed to apply international tax treaty provisions, in particular as provided for in the Instruction dated February 25, 2005 (BOI 4 J-1-05) which describes the "standard" and "simplified" procedures for claiming withholding tax relief or exemption.

(b) *Prélèvements sociaux*

Dividends paid to individuals resident in France are also subject to *prélèvements sociaux* social welfare levies that are withheld at source and treated as a component of personal income tax.

Shareholders concerned by these levies are encouraged to seek advice from their tax adviser about personal income tax rules.

7.2.1.9 Liquidity contract

None.

7.2.1.10 Lock-up commitment

On May 4, 2008, an agreement [1] was signed by Colony Capital (represented by ColTime [2] and ColDay [3]) and Eurazeo (represented by Legendre Holding 19 [4]), acting in concert in accordance with the agreement regarding their investment in Accor, which they had signed on January 27, 2008. Details of the agreement were disclosed to the AMF and published on the AMF website on May 13, 2008. The AMF notice concerning the Accor shareholders' pact was issued under reference D&I AMF 208C0875 on May 13, 2008.

On December 18, 2009, an addendum to the agreement was signed following the Accor Board of Directors' approval of the potential benefits of demerging the Group's Hotels and Prepaid Services businesses to create two separate listed companies. As explained in a joint statement issued by Colony Capital and Eurazeo on December 15, 2009, the purpose of the addendum, which would apply provided that the separation of the two Accor businesses was completed, was (i) to extend the provisions of the May 2008 shareholders' agreement between them to the shares of the two companies, until May 4, 2013, and (ii) to extend under such shareholders' agreement the lock-up undertaking on their shares in Accor and in the Prepaid Services entity (Edenred), until January 1, 2012. The AMF notice concerning this addendum dated December 18, 2009 was issued under reference D&I AMF 210C0606 on July 7, 2010.

As a result of the agreement, as amended on December 18, 2009, Colony Capital and Eurazeo cannot sell their Edenred shares until January 1, 2012 at the earliest, except in connection with a public tender offer initiated by an external bidder or one of the two partners. This prohibition does not apply to ColTime in order for Colony to fulfill its fiduciary duties towards its investors.

(1) For more information about shareholders' pacts, see section 7.3.1.

(2) ColTime SARL is owned by the Colony Investors VI, L.P. and Colyzeo Investors L.P. investment funds, which are both managed by investment company Colony Capital, LLC.

(3) ColDay SARL is owned by the Colony Investors VIII, L.P. and Colyzeo Investors II, L.P. investment funds, which are both managed by investment company Colony Capital, LLC.

(4) Owned by Eurazeo SA.

7.2.2. SHARE BUYBACK PROGRAM

Authorization granted by the Annual Shareholders Meeting of May 10, 2010

The Shareholders Meeting of May 10, 2010 gave the Board of Directors an eighteen-month authorization to trade in the Company's shares on the stock market.

Under the terms of the authorization, the shares may be purchased at a premium of no more than 50% to the volume-weighted average price quoted for the Company's shares over the first 20 days of trading on NYSE Euronext Paris. This maximum price would be adjusted in the event of a corporate action, such as a share issue paid up by capitalizing reserves or a stock-split or reverse stock-split.

The number of shares bought back under the program is capped at the lower of 22,500,000 shares or 10% of the Company's capital and voting rights as determined after the contribution by Accor SA of all the assets, rights and obligations of the Services business operated by Accor SA in France.

The authorization may be used to purchase, sell or transfer shares for the following purposes:

- for cancellation, in connection with a capital reduction decided or authorized by the Company's shareholders in an Extraordinary Meeting;
- for allocation (i) upon exercise of stock options granted under plans governed by Articles L.225-177 *et seq.* of the Commercial Code, or (ii) to members of an employee stock ownership plan governed by Articles L.3332-1 *et seq.* of the Labor Code, or (iii) to recipients of share grants made under plans governed by Articles L.225-197-1 *et seq.* of the Commercial Code;
- for allocation on conversion, redemption, exchange or exercise of share equivalents;
- for delivery at a later date in payment or exchange for assets, in a merger, demerger or asset contribution, in which case the delivered shares may not represent more than 5% of the capital;
- to make a market in the Company's shares under a liquidity contract that complies with the code of ethics recognized by the Autorité des Marchés Financiers.

The program may also be used for any other purpose currently authorized or that may be authorized at a future date under the applicable laws or regulations, provided that the Company issues a press release notifying shareholders of said use.

7.2.2.1. Implementation of the share buyback program in 2010

The authorization granted by shareholders on May 10, 2010 was not used during the year and at year-end, Edenred did not hold any shares in treasury.

For more information, refer to the special report on the share buyback program authorized on May 10, 2010 and the description of the share buyback program submitted for approval at the May 10, 2010 Shareholders Meeting below.

7.2.2.2. Special report on the share buyback program authorized by the Shareholders Meeting of May 10, 2010

This special report has been prepared in application of Article L.225-209 of the Commercial Code to inform shareholders about transactions carried out under the buyback program. No shares of Edenred SA stock were purchased in 2010 under the authorization granted by the Shareholders Meeting of May 10, 2010.

7.2.2.3. Summary of Edenred share transactions carried out by the company

Pursuant to Instruction 2005-06 issued by the French securities regulator (AMF) on February 22, 2005, transactions carried out by the Company in its own shares between May 13, 2010 and December 31, 2010 are summarized below.

- percentage of capital held by the Company directly and indirectly: 0% at December 31, 2010;
- number of shares canceled over the last twenty-four months: none;
- number of shares held in treasury: none at December 31, 2010.

7.2.3. FINANCIAL AUTHORIZATIONS

At the Shareholders Meeting of May 10, 2010, shareholders gave the Board of Directors the following authorizations:

Type of authorization	Date of authorization	Nominal amount authorized	Duration and expiry date	Utilization in 2010
Corporate action				
Issue of shares and compound securities	Shareholders Meeting of May 10, 2010 4th, 5th, 6th, 7th, 8th and 9th resolutions	(par value)	26 months – July 10, 2012	
• With pre-emptive subscription rights		€225 million		
• Without pre-emptive subscription rights		€112.5 million		
• Share issue in connection with a stock-for-stock offer		€90 million		
• Share issue in payment for contributed assets		10% of the share capital		
• Increase in the amount of any issues that are oversubscribed		15% of the amount of the initial issue		
Issuance of new shares by capitalizing reserves, retained earnings or additional paid-in capital		€225 million		
Employee share issue	Shareholders Meeting of May 10, 2010 10th resolution	2% of the post-asset contribution capital	26 months – July 10, 2012	
Stock option and performance share plans				
Stock option plans	Shareholders Meeting of May 10, 2010 11th resolution	7% of the post-asset contribution capital	38 months – July 10, 2013	Board meeting of June 29, 2010 4,235,000 stock options
Performance share plans	Shareholders meeting of May 13, 2008 12th resolution	4% of the post-asset contribution capital	38 months – July 10, 2013	Board meeting of June 29, 2010 912,875 performance shares

7.2.4. SHARE EQUIVALENTS

Stock options

At December 31, 2010, a total of 9,485,318 stock options were outstanding.

Exercise of all of these options would lead to the issuance of 4,235,500 shares representing 1.87% of the Company's capital at December 31, 2010.

7.2.5. SHARES NOT REPRESENTING CAPITAL

The Company has not issued any shares not representing capital. There are no other potential ordinary shares.

7.2.6. CHANGES IN CAPITAL

Changes in capital over the past five years

Year	Changes in capital over the pas five years	Amount of the change in capital *(in €)*		New capital *(in €)*	New number of shares
		Par value	Premium		
2006	Initial capital	37,000		37,000	370
2010	Capital reduction	11,900		25,100	251
	Issue of shares	11,900	100	37,000	370
	50-for-1 stock-split	37,000		37,000	18,500
	Shares issued in payment for assets contributed by Accor SA	451,757,792	647,427,593.63	451,794,792	225,897,396

7.3. Ownership structure

7.3.1. OWNERSHIP OF SHARES AND VOTING RIGHTS

At December 31, 2010, the Company's capital consisted of 225,897,396 shares and the same number of voting rights, all of which were exercisable.

The Company's ownership structure at December 31, 2010 was as follows:

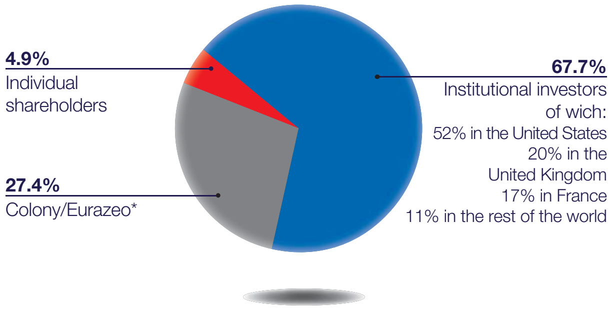
	Number of shares and voting rights	% capital	% voting rights
Shareholders acting in concert (1)	61,844,245	27.38%	27.38%
Morgan Stanley Investment Management	19,944,400	8.83%	8.83%
Southeastern Asset Management	14,799,800	6.55%	6.55%
Other institutional investors	118,204,697	52.33%	52.33%
Individual shareholders	11,104,254	4.91%	4.91%
TOTAL	**225,897,396**	**100.00%**	**100.00%**

Sources: Euroclear France, Edenred share register, additional survey and disclosures made to the Autorité des Marchés Financiers.

(1) The members of the shareholders' pact, who vote in concert, are ColTime (Colony Capital, LLC), which holds 13,276,085 shares and voting rights, ColDay (Colony Capital, LLC), with 25,506,869 shares and voting rights, and Legendre Holding 19 (controlled by Eurazeo), with 23,061,291 shares and voting rights.

The Company had 3,330 registered shareholders at December 31, 2010, representing 2.64% of the Company's capital and voting rights.

The shareholder base at December 31, 2010 was as follows:



The free float represents 72.6%

** ColTime (Colony Capital. LLC), ColDay (Colony Capital, LLC) and Legendre Holding 19 (controlled by Eurazeo) acting in concert under the terms of a shareholders' pact.*

During the year, the following registered intermediaries and fund managers notified the Autorité des Marchés Financiers of changes in their interests, in accordance with disclosure threshold rules:

Registered intermediary or fund manager	Disclosure date	AMF reference number	Increase or decrease in interest	Number of shares held	% capital	Number of voting rights	% voting rights
Southeastern Asset Management	July 2, 2010	210C0598	Increase	14,600,878	6.46%	14,600,878	6.46%
Franklin Resources, Inc.	July 7, 2010	210C0618	Increase	12,904,219	5.71%	12,904,219	5.71%
Morgan Stanley	July 8, 2010	210C0620	Increase	14,102,853	6.24%	14,102,853	6.24%
Caisse des Dépôts et Consignations/Fonds Stratégique d'Investissement	July 8, 2010	210C0621	Increase	19,549,639	8.65%	19,549,639	8.65%
Franklin Resources, Inc.	August 27, 2010	210C0850	Decrease	11,253,997	4.98%	11,253,997	4.98%
Franklin Resources, Inc.	September 3, 2010	210C0868	Increase	11,381,568	5.04%	11,381,568	5.04%
Franklin Resources, Inc.	September 29, 2010	210C0979	Decrease	11,086,640	4.91%	11,086,640	4.91%
Caisse des Dépôts et Consignations/Fonds Stratégique d'Investissement	October 11, 2010	210C1048	Decrease	2,884,974	1.28%	2,884,974	1.28%

As the Group was only created in 2010, no table of changes in ownership structure over the last three years is presented.

At December 31, 2010 Edenred did not hold any treasury shares.

Shareholders' pacts

Apart from the shareholders' pact described below, the Company is not aware of any other agreements between shareholders relating to its shares.

On May 4, 2008, a shareholders' pact was entered into between Colony Capital (represented by ColTime [(1)] and ColDay [(2)]) and Eurazeo (represented by Legendre Holding 19 [(3)]), acting in concert in accordance with the shareholders' pact regarding their investment in Accor, which they had signed on January 27, 2008.

On December 18, 2009, an addendum to the shareholders' pact was signed following approval by Accor's Board of Directors of the potential benefits of demerging the Hotels and Prepaid Services businesses to create two separate listed companies. The purpose of the addendum, which came into effect on completion of the demerger, was i) to extend the provisions of the May 2008 pact to the shares of the two new companies until May 4, 2013 and ii) to extend until January 1, 2012 the signatories' undertaking not to sell their shares in Accor and in the new Services company.

The main clauses of the pact are as follows:

- undertaking to vote in the same way on strategic decisions at Board of Directors' meetings;
- undertaking to vote in the same way at Accor Shareholders Meetings;
- agreement that the parties should have equal representation on Accor's Board;
- undertaking whereby, if either party breaches the voting agreement, it will offer to sell its shares to the other party at a price equal to 80% of the lower of (i) the volume weighted average price quoted for the shares over the 20 trading days preceding the breach, and (ii) the closing share price on the day of the breach. This offer must be made and taken up within a month of the date of breach;
- undertaking by each party not to sell its Accor shares for a period of two years, except in connection with a public offer initiated by a third party or by one of the two members of the pact [(4)];
- undertaking not to enter into any purchase or other agreement with a third party that would result in the concert group raising its interest to above one third of Accor's capital and/or voting rights;
- in the event that one of the parties decides to sell its shares to an identified purchaser, right of first refusal for the other party, exercisable within ten days following notification of the intention to sell at the price proposed by the selling shareholder;
- requirement for each party to give the other party four days' notice if they decide to sell their shares on the market to unidentified purchasers;
- in the event that one of the parties sells its shares, right for the other party to sell the same proportion of shares, exercisable within ten days following the related notification;
- in the event that the two parties' existing shareholdings are equal, obligation for either party that decides to purchase additional shares to propose the acquisition of the same number of shares to the other party;
- priority share purchase right for the party holding the least number of shares. However, ColDay may freely purchase shares enabling it to raise its interest to 11% of Accor's capital and Eurazeo may freely acquire shares enabling it to raise its interest to 10% of the capital.

In the case of a public tender offer initiated by a third party, if one of the two parties does not wish to tender its shares and the other party does, right for the party that does not want to participate to purchase the other party's shares at the offer price (or the price of any improved offer or counter-bid).

In the event of a public offer initiated by one of the parties, in which the other party does not wish to participate, right for either of the parties to terminate the concert arrangement. If the party not participating in the offer wishes to sell its Accor shares, right for the initiator of the offer to acquire said shares before filing the offer, at the offer price (or the price of any improved offer or counter-bid).

The shareholders' pact has a five-year term, after which the concert arrangement may be terminated with 30 days' notice. However, it may be terminated in advance if either of the parties breaches its obligations or announces an intention to acquire a number of additional shares that would raise the concert group's interest to above the capital and/or voting rights threshold beyond which the group would be required to launch a public tender offer. The two-year lock-up period applicable to both parties' investments will remain in force even if the pact is terminated due to breach of one of its clauses. In addition, between the third and fifth year either party may terminate the pact subject to three months' notice. It will also be terminated if either of the parties reduces its interest in Accor to below 5% of the Company's capital.

The demerger of the Hotels and Services business, that took place on July 2, 2010 through the capital contribution and the distribution to Accor shareholders of one Edenred share for each Accor share held as of July 1, 2010, extended the provisions of the above pacts to the partners in their new capacity as Edenred shareholders. The extension was disclosed to the Autorité des Marchés Financiers by the partners on July 7, 2010 (AMF reference no. 210C0606).

Voting rights of the main shareholders

As of December 31, 2010, each Edenred share entitled its holder to one vote.

(1) ColTime SARL is controlled by the Colony Investors VI, L.P. and Colyzeo Investors L.P. investment funds that are managed by Colony Capital, LLC, an investment company.

(2) ColDay SARL is controlled by Colony Investors VIII, L.P. and Colyzeo Investors II, L.P. investment funds that are managed by Colony Capital, LLC, an investment company.

(3) Controlled by Eurazeo SA.

(4) This ban does not apply to ColTime to fulfill Colony's fiduciary obligations towards investors.

Agreements that may lead to a change of control

None.

7.3.2. DIVIDENDS

Year	Shares outstanding at December 31	Dividend for the year *(in euros)* – Net	Dividend for the year *(in euros)* – Total	Paid on	Share price *(in euros)* – High	Share price *(in euros)* – Low	Share price *(in euros)* – Year-end	Yield based on year-end price
2010	225,897,396	0.50 (1)	0.50 (1)	(2)	19.01	11.40	17.71	2.82%

(1) To be recommended at the Annual Shareholders Meeting on May 13, 2011.

(2) To be recommended at the Annual Shareholders Meeting on May 13, 2011 for payment on May 31, 2011.

No interim dividend was paid in 2010. Dividends are paid by Euroclear France.

Dividends not claimed within five years from the date of payment are forfeited, as provided for by law.

At the Annual Meeting of May 13, 2011, the Board of Directors will recommend setting the 2010 dividend at €0.50 per share, payable in cash.

7.4. Market for Edenred securities

MARKET FOR EDENRED SHARES

Edenred shares are traded on the NYSE Euronext Paris stock exchange (Compartment A) and are included in the CAC Next 20 index. They are also included in the following stock market indices: SBF 120, SBF 250, CAC High Dividend, CAC All-Share, Euronext 100 and MSCI Standard Index Europe.

On March 21, 2011, Edenred joined the CAC Large 60 index presented in NYSE Euronext's press release dated February 3, 2011, consisting of stocks in the CAC 40 and CAC Next 20 indices.

The shares were initially listed at a reference price of €11.40. On the first day of trading (July 2, 2010), the shares opened at €13 and closed at €14.80.

On December 31, 2010, the shares closed at €17.71 and the Company's market capitalization stood at €4.0 billion.

EDENRED SHARE PRICES AND TRADING VOLUMES (ISIN: FR0010908533)

(in euros)	Average closing price	High	Low	Trading volume
2010				
July	13.77	14.93	11.40	37,311,108
August	13.49	14.02	13.00	9,037,968
September	14.25	14.90	13.45	13,354,294
October	15.21	16.05	14.50	12,972,303
November	16.33	17.26	15.09	9,203,685
December	18.17	19.01	16.84	7,755,630
2011				
January	18.43	19.92	17.40	9,572,301
February	18.25	19.56	16.81	9,055,669

Source: NYSE Euronext.

SHAREHOLDER SERVICES

Shareholder services are provided by:

Société Générale

32, rue du Champ-de-Tir

BP 81236

44312 Nantes Cedex 3

France.

8 Annual Shareholders' Meeting

8.1. Presentation of proposed resolutions

8.1.1. APPROVAL OF THE FINANCIAL STATEMENTS AND APPROPRIATION OF PROFIT

The purpose of the **first resolution** is to approve the consolidated financial statements of Edenred for the year ended December 31, 2010 which show net profit of €68,133,000.

The purpose of the **second resolution** is to approve the parent company financial statements of Edenred for the year ended December 31, 2010 which show net profit of €151,712,747.

In the **third resolution**, shareholders are invited to appropriate net profit and to approve payment of a dividend of €0.50 per share for 2010, payable from May 31, 2011.

8.1.2. APPROVAL OF RELATED PARTY AGREEMENTS AND COMMITMENTS

In the **fourth to ninth** resolutions, shareholders are requested to approve the related-party agreements and commitments governed by Articles L.225-38 et seq. of the French Commercial Code that were authorized by the Board of Directors in 2010 and the first quarter of 2011, as described in the Auditors' special report.

In line with the principles of good corporate governance, the Board of Directors has decided to ask shareholders to vote separately on each related party agreement and commitment.

The **fourth resolution** concerns agreements entered into with Accor SA on June 29 and 30, 2010 as part of the demerger of its hotels and services businesses, in order to enable Edenred to benefit from services provided by Accor SA while gaining autonomy in the short term. These agreements are as follows:

- an IT services agreement signed with Accor SA on June 29, 2010 under which Accor SA will continue to provide specific advisory and support services and carry out IT projects;
- a license agreement for the use of Grand Back accounting software developed by Accor SA;
- a license agreement for the use of financial and management reporting systems, including consolidation, budget and quarterly revenue reporting applications;
- a cash management services and license agreement covering the supply, maintenance, support and operation of Front-to-Back-Office management software, used to manage and analyze market transactions, intragroup loans and related transfers, investments of available cash and borrowings.

The **fifth to ninth resolutions** concern the situation of the Chairman and Chief Executive Officer.

In the **fifth resolution** shareholders are asked to approve two addenda to the employment contract of Jacques Stern, Chairman and Chief Executive Officer of Edenred. The Board considered that if it followed the recommendations contained in the AFEP/MEDEF Corporate Governance Code and terminated Jacques Stern's employment contract as soon as he took up his position as Chairman and Chief Executive Officer, this would deprive him of the rights he has built up during his career with Accor since 1992, particularly concerning seniority. Consequently, at its June 29, 2010 meeting, the Board approved the recommendation of the Compensation and Appointments Committee and decided to maintain Mr. Stern's employment contract but to suspend it for the duration of his term as Chairman and Chief Executive Officer. Also acting on the recommendation of the Compensation and Appointments Committee, the Board decided to amend his employment contract through an initial addendum providing for the payment of a termination benefit corresponding to the sum of the severance pay attributable to him by law and under the collective bargaining agreement based on his 18 years' service as an employee of the Group. The addendum also states that if Mr. Stern were to leave the Group, resulting in the termination of his employment contract, his cumulative rights to (i) termination benefits (other than statutory severance pay) under his employment contract and (ii) compensation for loss of office as Chairman and Chief Executive Officer would be capped at an amount equal to two years' compensation as Chairman and Chief Executive Officer, in line with AFEP/MEDEF recommendations.

A second addendum provides for the payment of a special termination benefit if his employment contract were to be terminated within six months of a decision by the Board not to renew his appointment as Chairman and Chief Executive Officer. This special termination benefit would be in addition to the severance pay attributable to him by law and under the collective bargaining agreement, provided that the sum of these benefits did not exceed the equivalent of two years' average compensation (including bonuses) paid to him as Chairman and Chief Executive Officer. It would be payable only if at least three of the five performance criteria applicable for the determination of his compensation for loss of office as Chairman and Chief Executive Officer were to be met. In addition, the reductions applicable to the compensation for loss of office if only two, one or none of the performance criteria were to be met would also apply to the special termination benefit.

In the **sixth resolution** shareholders are invited to approve the compensation for loss of office that would be payable in the event of termination of Jacques Stern's duties as Chairman and Chief Executive Officer. Mr. Stern would be entitled to compensation for loss of office in the event that his appointment as Chairman of the Board or as Chief Executive Officer were to be terminated, other than as a result of professional misconduct, or was not renewed.

No compensation for loss of office would be payable if, within twelve months of his departure, he became eligible for a basic State pension and, consequently, for pension benefits under the Company's supplementary pension plan.

The compensation payable would not exceed the equivalent of two years' total gross annual compensation as Chairman and Chief Executive Officer, defined as:

- his annual salary as of the date when his appointment as Chairman and Chief Executive Officer ended, plus
- the average annual bonus received or receivable for his last two years as Chairman and Chief Executive Officer prior to his appointment ending.

The compensation for loss of office as defined above would be subject to certain performance criteria, including:

- like-for-like growth in issue volume compared with the previous year;
- like-for-like growth in operating revenue compared with the previous year;
- operating revenue/issue volume margin of at least 5%;
- like-for-like growth in free cash flow[1] funds from operations. See page 15 compared with the previous year;
- increase in the Company's share price at least equal to 85% of the increase in the NYSE Euronext Paris SBF 120 index over the Reference Period or, if the index fell over the Reference Period, decline in the Company's share price of no more than 125% of that of the index over the Reference Period.

Performance in meeting each of these five criteria would be measured over the three years (including 2010 as the case may be) preceding the year in which his appointment as Chairman and Chief Executive Officer was terminated (the "Reference Period"). Each of the first four criteria would be deemed to have been met if the related objective was achieved for at least two of the three years in the Reference Period (or a single year if the appointment was terminated before three full years had passed, including 2010 as the case may be).

Payment of the maximum compensation for loss of office would depend on at least three of these five performance criteria being met, as observed by the Board of Directors on the basis prescribed by the laws in force when his appointment as Chairman and Chief Executive Officer was terminated. If only two of the criteria were met, 75% of the maximum compensation for loss of office would be paid; if only one of the criteria was met, 50% of the maximum compensation would be paid; and if no criterion were met, no compensation would be paid.

The compensation payable to Mr. Stern would be reduced, if necessary, so that the sum of (i) the compensation for loss of office and (ii) the termination benefit payable under his employment contract (excluding statutory severance pay) did not exceed the equivalent of two years' gross annual compensation as Chairman and Chief Executive Officer as described above.

The purpose of the **seventh resolution** is for shareholders to approve a private unemployment insurance policy for Jacques Stern, Chairman and Chief Executive Officer, to be purchased from Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC). This policy is being proposed because in France, executive directors are not eligible for unemployment benefits under the government-sponsored Unedic scheme. Benefits under the private unemployment insurance plan would be payable after twelve months' continuous participation in the plan, as from the 31st unbroken day of unemployment. After participating in the plan for 12 months, Mr. Stern may opt for a 24-month benefit period. He is covered by the GSC's "Formule 70" plan entitling him to benefits equal to 70% of his taxable professional income, capped at eight times the ceiling for calculating Social Security contributions (€276,960 for 2010).

In the **eighth resolution** shareholders are invited to approve the decision to include the Chairman and Chief Executive Officer in the supplementary health insurance plan set up for the Company's employees. Two group policies have been purchased, one with Uniprevoyance covering health, death, disability and invalidity risks, and the other with Malakoff (through Cgam) covering long-term care risks.

The **ninth resolution** concerns Mr. Stern's participation in the Edenred defined contribution and defined benefit pension plans on the same basis as certain senior executives of the Company. Under the defined benefit plan, the Company is committed to paying an annuity to plan participants when they retire, provided that they are still on the Company's payroll at that date. In the case of executive directors, the pension benefit is equal to 2% of their gross annual compensation per year of participation in the plan, less the amount of benefits received under the defined contribution plan.

(1) Funds from operations. See page 15.

8.1.3. AUTHORIZATIONS GIVEN TO THE BOARD OF DIRECTORS

The purpose of the **tenth resolution** is to authorize the Board of Directors to trade in Edenred shares on the Company's behalf, subject to compliance with the applicable laws. This authorization is being sought for a period of eighteen months from the date of the Meeting and will supersede the authorization given in the tenth resolution of the May 10, 2010 Annual Meeting.

The resolution specifies the purposes for which the shares could be bought back under the program. The authorization could not be used while a takeover bid for the Company was in progress.

The maximum purchase price under this authorization is €30 and the minimum sale price is €15. The Company would not be authorized to purchase more than 22,589,739 shares (i.e. 10% of the total shares outstanding at February 23, 2011), representing a maximum total investment of €677,692,170.

The authorization granted by shareholders on May 10, 2010 was not used during the year.

In the **eleventh resolution** shareholders are invited to authorize the Board of Directors to cancel all or some of the shares bought back pursuant to the **tenth resolution** and to reduce the capital accordingly. The number of shares canceled in any given 24-month period would not exceed 10% of the total shares outstanding.

The authorization is being sought for a period of 18 months and is the subject of a report issued by the Auditors. It will supersede the authorization given in the third resolution of the May 10, 2010 Annual Meeting.

The authorization granted by shareholders on May 10, 2010 was not used during the year.

8.1.4. POWERS TO CARRY OUT FORMALITIES

In the **twelfth resolution**, shareholders are asked to give full powers to the bearer of an original, extract or copy of the minutes of the Meeting to carry out any and all filing and other formalities required by law.

8.2. Ordinary resolutions

The text of the resolutions approved by the Board of Directors for presentation to shareholders on February 23, 2011 is as follows:

FIRST RESOLUTION (APPROVAL OF THE 2010 CONSOLIDATED FINANCIAL STATEMENTS)

Having considered (i) the Board of Directors' management report, included in the Group management report in accordance with Article L.233-26 of the Commercial Code, and (ii) the Auditors' report on the consolidated financial statements, the shareholders approve the consolidated financial statements for the year ended December 31, 2010 as presented, as well as the transactions reflected in said financial statements, which show net profit for the year of €68,133 thousand, or described in the Group management report.

SECOND RESOLUTION (APPROVAL OF THE 2010 PARENT COMPANY FINANCIAL STATEMENTS)

Having considered the parent company financial statements for the year ended December 31, 2010, the Board of Directors' management report and the Auditors' report on the parent company financial statements, the shareholders approve the financial statements of the parent company for the year ended December 31, 2010 as well as all the transactions reflected in said financial statements, which show net profit for the year of €151,712,747, or described in said reports.

The shareholders place on record (i) the report of the Chairman of the Board of Directors on the Board's membership structure and practices and the Company's internal control and risk management procedures and (ii) the Auditors' report on the Chairman's report.

In application of Article 223 *quater* of the French Tax Code, the shareholders also place on record that the aggregate amount of costs and expenses referred to in Article 39 para. 4 of said Code amounted to €23,205 for 2010, and that no tax was incurred thereon.

THIRD RESOLUTION (APPROPRIATION OF PROFIT FOR THE YEAR ENDED DECEMBER 31, 2010 AND DIVIDEND PAYMENT)

Having noted that the Company recorded net profit of €151,712,747 in 2010, the shareholders resolve, in accordance with the Board of Directors' recommendation, to appropriate this amount as follows:

(in €)

• Net profit for the year:	151,712,747
• Deficit brought forward from prior year:	(29)
• Profit available for distribution:	151,712,718
• Dividends:	112,948,698
• Retained earnings:	38,764,020

The dividend per share will amount to €0.50 and will be payable from May 31, 2011.

The shareholders resolve that dividends on shares held in treasury or that are cancelled before the payment date will be allocated to the "Retained earnings" account.

As provided for in Article 158-3-2 of the French Tax Code, shareholders who are resident for tax purposes in France will qualify for the 40% tax relief on the whole amount of their dividend, unless they have elected to be taxed at the flat rate of 19% (plus *prélèvement sociaux* surtaxes) in application of Article 117 *quater* of said Code.

After appropriation of net profit for the year, the Company's equity amounts to €1,250,935,203.

No dividend was paid for 2007, 2008 or 2009.

FOURTH RESOLUTION (APPROVAL OF RELATED-PARTY AGREEMENTS ENTERED INTO WITH ACCOR SA DURING THE YEAR)

Having considered the Auditors' special report on related-party agreements and commitments governed by Articles L.225-38 *et seq.* of the Commercial Code and noted the Auditors' conclusions, the shareholders approve (i) the IT services agreement, (ii) the service and license agreements relating to the Grand Back accounting system and Accor SA's financial reporting systems signed with Accor SA on June 29, 2010, and (iii) the cash management services agreement signed with Accor SA on June 30, 2010.

FIFTH RESOLUTION (APPROVAL OF ADDENDA TO JACQUES STERN'S EMPLOYMENT CONTRACT SIGNED IN 2010)

Having considered the Auditors' special report on related-party agreements and commitments governed by Articles L.225-38 *et seq*. of the Commercial Code and noted the Auditors' conclusions, the shareholders approve the two addenda to Jacques Stern's employment contract signed on June 29, 2010 and February 23, 2011 respectively.

SIXTH RESOLUTION (APPROVAL OF A RELATED-PARTY AGREEMENT CONCERNING COMPENSATION FOR LOSS OF OFFICE PAYABLE TO JACQUES STERN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER)

Having considered the Auditors' special report on related-party agreements and commitments governed by Articles L.225-38 *et seq.* of the Commercial Code and noted the Auditors' conclusions, the shareholders approve the agreement entered into with Jacques Stern on June 29, 2010 and amended on December 14, 2010 concerning the payment of compensation for loss of office.

SEVENTH RESOLUTION (APPROVAL OF A RELATED-PARTY AGREEMENT CONCERNING PRIVATE UNEMPLOYMENT INSURANCE FOR JACQUES STERN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER)

Having considered the Auditors' special report on related-party agreements and commitments governed by Articles L.225-38 *et seq.* of the Commercial Code and noted the Auditors' conclusions, the shareholders approve the agreement entered into on November 1, 2010 with Jacques Stern concerning private unemployment insurance cover purchased on his behalf.

EIGHTH RESOLUTION (APPROVAL OF A RELATED-PARTY AGREEMENT CONCERNING THE INCLUSION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN THE SUPPLEMENTARY HEALTH INSURANCE PLAN FOR THE COMPANY'S EMPLOYEES)

Having considered the Auditors' special report on related-party agreements and commitments governed by Articles L.225-38 *et seq.* of the Commercial Code and noted the Auditors' conclusions, the shareholders approve the agreement entered into on July 1, 2010 with Jacques Stern for the purpose of including him, in his capacity as Chairman and Chief Executive Officer, in the supplementary health insurance plan set up for the Company's employees.

NINTH RESOLUTION (APPROVAL OF A RELATED-PARTY AGREEMENT CONCERNING THE INCLUSION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN THE EDENRED SUPPLEMENTARY PENSION PLAN ON THE SAME BASIS AS CERTAIN SENIOR EXECUTIVES OF THE COMPANY)

Having considered the Auditors' special report on related-party agreements and commitments governed by Articles L.225-38 *et seq.* of the Commercial Code and noted the Auditors' conclusions, the shareholders approve the agreement entered into on July 1, 2010 with Jacques Stern for the purpose of including him, in his capacity as Chairman and Chief Executive Officer, in the Edenred supplementary pension plan on the same basis as certain senior executives of the Company.

TENTH RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO TRADE IN THE COMPANY'S SHARES)

Having considered the report of the Board of Directors, the shareholders authorize the Board to purchase, sell, or transfer the Company's shares pursuant to Articles L.225-209 *et seq.* of the Commercial Code, using practices approved by the Autorité des Marchés Financiers and subject to the conditions set out below.

The shareholders resolve that the Board of Directors may use this authorization for the following purposes:

- to purchase shares for cancellation in connection with a capital reduction decided or authorized by shareholders in an Extraordinary Meeting;
- to purchase shares for allocation on exercise of stock options granted under plans governed by Articles L.225-177 *et seq.* of the Commercial Code, or to members of an employee stock ownership plan governed by Articles L.3332-1 *et seq.* of the Labor Code or to recipients of stock grants made under plans governed by Articles L.225-197-1 *et seq.* of said Code;
- to purchase shares for allocation on conversion, redemption, exchange or exercise of share equivalents;
- to purchase shares representing up to 5% of the Company's capital to be held in treasury for subsequent remittance in exchange or payment in connection with external growth or restructuring transactions, including a merger, demerger, or asset contribution, in accordance with market practices approved by the Autorité des Marchés Financiers;
- to make a market in the Company's shares under a liquidity contract that complies with the code of ethics recognized by the Autorité des Marchés Financiers.

The program may also be used for any other purpose currently authorized or that may be authorized at a future date under the applicable laws or regulations, provided that the Company notifies shareholders of said use by means of a press release.

The shares may not be bought back at a price of more than €30 per share and may not be sold at a price of less than €15 per share. However, the minimum price will not apply to shares sold upon exercise of stock options (or allocated to employees in the form of stock grants). In such cases, the sale price or consideration will be determined in accordance with the provisions of the plan concerned. The maximum purchase price and the minimum sale price may be adjusted to reflect the impact of any corporate actions.

In application of Article L.225-209 of the Commercial Code, the maximum number of shares that may be acquired under this authorization is set at 22,589,739, corresponding to a total investment of no more than €677,692,170 based on the maximum purchase price of €30 per share authorized above.

The shareholders resolve that (i) the purchase, sale or transfer of shares may be effected and settled by any method allowed under the laws and regulations in force at the transaction date, in one or several transactions, on the market or over-the-counter, including through the use of options, derivatives – particularly, the purchase or sale of call and put options – or securities carrying rights to Company shares, and that (ii) the entire buyback program may be implemented through a block trade.

The shareholders give full powers to the Board of Directors – which may be delegated as provided for by law – to use this authorization, including to place any and all buy and sell orders, enter into any and all contracts, notably for the keeping of registers of share purchases and sales, make any and all filings with the regulatory authorities, and generally do whatever is necessary.

The shareholders cancel, with immediate effect, the authorization given in the second resolution of the Annual Meeting of May 10, 2010 and resolve that this authorization shall be valid for a period of 18 months from the date of this Meeting.

8.3. Extraordinary resolution

ELEVENTH RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO REDUCE THE COMPANY'S CAPITAL BY CANCELING SHARES)

Having considered the report of the Board of Directors and the Auditors' report on capital reductions carried out by canceling shares, in accordance with Articles L.225-209 et seq. of the Commercial Code, the shareholders:

1. authorize the Board of Directors to reduce the Company's capital, on one or several occasions, by canceling all or some of the shares bought back or held by the Company, provided that the number of shares canceled in any 24-month period does not exceed 10% of the total shares outstanding;
2. give full powers to the Board of Directors – which may be delegated as provided for by law – to:
   - carry out the capital reduction(s),
   - determine the final amount and the terms and conditions of the share cancellations and place the capital reduction(s) on record,
   - charge the difference between the carrying amount of the canceled shares and their par value to any reserve or premium accounts,
   - amend the Company's bylaws to reflect the new capital, carry out any necessary filing and other formalities, and generally do whatever is necessary,

   all in compliance with the laws and regulations in force when this authorization is used.

This authorization is granted for a period of 18 months from the date of this Meeting and supersedes the authorization granted in the third resolution of the May 10, 2010 Annual Meeting.

8.4. Ordinary resolution

TWELFTH RESOLUTION (POWERS TO CARRY OUT FORMALITIES)

The shareholders give full powers to the bearer of an original, extract or copy of the minutes of this Meeting to carry out any and all filing and other formalities required by law.

8.5. Auditors' special reports

8.5.1. AUDITORS' REPORT ON THE CAPITAL REDUCTION TO BE EFFECTED BY CANCELING SHARES

Annual Shareholders Meeting of May 13, 2011

11th resolution

This is a free translation into English of the original Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers.

To the shareholders

In our capacity as Auditors of Edenred, and in accordance with Article L.225-209 of France's Commercial Code dealing with capital reductions carried out by canceling treasury shares, we present below our report setting out our assessment of the underlying reasons for the proposed capital reduction and the related terms and conditions.

The Board of Directors is seeking an 18-month authorization from the date of this meeting to cancel shares purchased under the buyback program, pursuant to the above-mentioned article of the Commercial Code. The number of shares canceled in any 24-month period would not exceed 10% of the Company's capital.

We performed the procedures that we considered necessary under the professional guidelines applicable in France to this type of engagement. Those procedures consisted of assessing whether the underlying reasons for the proposed capital reduction and the related terms and conditions are reasonable and whether said capital reduction protects the rights of all shareholders equally.

We have no comments to make concerning the underlying reasons for the proposed capital reduction or the related terms and conditions.

Paris and Neuilly-sur-Seine, March 10, 2011

The Auditors

DELOITTE & ASSOCIÉS	**DIDIER KLING & ASSOCIÉS**
David Dupont-Noël	Didier Kling

8.5.2. AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

Annual Shareholders Meeting of May 13, 2011

This is a free translation into English of the original Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers.

To the shareholders

In our capacity as Auditors of Edenred, we present below our report on related party agreements and commitments.

Our responsibility is to report to shareholders, based on the information provided, about the main terms and conditions of agreements and commitments that have been disclosed to us or that we discovered during our audit, without commenting on their relevance or substance or seeking to identify any undisclosed agreements. Under the provisions of Article R.225-31 of the Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

In addition, it is our responsibility to report to shareholders, in accordance with article R.225-31 of the Commercial Code, on any agreements and commitments approved by shareholders that were in effect during the fiscal year.

We performed the procedures that we considered necessary under the professional guidelines applicable in France. Those guidelines require that we carry out the necessary procedures to verify the consistency of the information disclosed to us with the source documents.

I Agreements and commitments submitted to the Shareholders Meeting for approval

Agreements and commitments authorized during the year

In accordance with Article L.225-40 of the Commercial Code, we have been informed of the following agreements and commitments that were authorized in advance by the Board of Directors.

a) IT services master agreement with Accor SA

Directors concerned: Jean-Paul Bailly, Virginie Morgon, Sébastien Bazin, Patrick Sayer, Philippe Citerne, Bertrand Meheut, Gabriele Galateri di Genola and Jacques Stern

Authorized by the Board of Directors on June 15, 2010

Agreement signed on June 29, 2010

Duration of the agreement: 2 years

Type of agreement, purpose, terms and conditions: a master agreement and around twenty detailed agreements covering the transfer of applications used jointly by Accor SA and Edenred SA, and the provision of IT services (security, hosting, facilities management, maintenance, etc.) by Accor SA to Edenred SA in exchange for annual fees, capped at €611,000 in 2010 and €1,023,000 in 2011.

Fees paid by Edenred in 2010: €523,968.

b) Service agreement and license for the use of Grand Back accounting software with Accor SA

Directors concerned: Jean-Paul Bailly, Virginie Morgon, Sébastien Bazin, Patrick Sayer, Philippe Citerne, Bertrand Meheut, Gabriele Galateri di Genola and Jacques Stern

Authorized by the Board of Directors on June 15, 2010

Agreement signed on June 29, 2010

Duration of the agreement: 3 years

Type of agreement, purpose, terms and conditions: license agreement for the use by Edenred of Grand Back accounting software, including support, maintenance and functional administration services. The annual license fee amounts to €440,000 plus 10% of the actual costs incurred by Accor SA for the migration of the Oracle E-Business Suite version 12 on which the Grand Back solution is based (representing an estimated cost of €400,000 for Edenred).

Fees paid by Edenred in 2010: €312,000.

c) Service agreement and license for the use of consolidation and reporting software with Accor SA

Directors concerned: Jean-Paul Bailly, Virginie Morgon, Sébastien Bazin, Patrick Sayer, Philippe Citerne, Bertrand Meheut, Gabriele Galateri di Genola and Jacques Stern

Authorized by the Board of Directors on June 15, 2010

Agreement signed on June 29, 2010

Duration of the agreement: 10 months

Type of agreement, purpose, terms and conditions: license for the use of Surf/Bia/Mega financial reporting software, including deployment, development, maintenance and operational support services. The annual license fees amount to:

- €350,000 for the Bia license and related services;

- €300,000 for the Surf license and related services.

Fees paid by Edenred in 2010: €325,000.

d) Service agreement and license for the use of cash management software with Accor SA

Directors concerned: Jean-Paul Bailly, Virginie Morgon, Sébastien Bazin, Patrick Sayer, Philippe Citerne, Bertrand Meheut, Gabriele Galateri di Genola and Jacques Stern

Authorized by the Board of Directors on June 15, 2010

Agreement signed on June 29, 2010

Duration of the agreement: 1 year (renewable at Edenred's request)

Type of agreement, purpose, terms and conditions: license for the use of Sungard GTM software, including support, maintenance and database administration services. The annual license fee is equal to 50% of the annual fee paid by Accor SA to Sungard, plus €4,500 for server monitoring services.

Fees paid by Edenred in 2010: €18,053.

e) Addendum to Jacques Stern's employment contract

Director concerned: Jacques Stern (Chairman and Chief Executive Officer)

Authorized by the Board of Directors on June 29, 2010

Addendum signed on June 29, 2010

Type of contract and addendum, purpose, terms and conditions: at the time of the asset contribution-demerger on June 29, 2010, Jacques Stern's employment contract with Accor SA that was signed in 1992 was transferred to Edenred SA.

At its meeting on June 29, 2010, the Board of Directors decided to maintain Jacques Stern's employment contract and authorized the signature of an addendum thereto. The addendum provides for the payment of a termination benefit corresponding to the sum of the severance pay attributable to him by law and under the collective bargaining agreement based on his 18 years' service as an employee of the Group. If Mr. Stern were to leave the Group, resulting in the termination of his employment contract, his cumulative rights to (i) termination benefits (other than statutory severance pay) under his employment contract and (ii) compensation for loss of office as executive director would be capped at an amount equal to two years' compensation as Chairman and Chief Executive Officer, in line with AFEP/MEDEF recommendations.

f) Commitment for the payment of compensation for loss of office to Jacques Stern

Director concerned: Jacques Stern (Chairman and Chief Executive Officer)

Authorized by the Board of Directors on June 29 and August 24, 2010

Agreement signed on June 29, 2010

Type of agreement, purpose, terms and conditions: at its meetings on June 29 and August 24, 2010, the Board of Directors authorized a commitment to pay compensation for loss of office to Jacques Stern, Chairman and Chief Executive Officer of Edenred. Said compensation would be payable only in the event that his appointment as Chairman of the Board or as Chief Executive Officer were to be terminated other than as a result of professional misconduct, or was not renewed.

No compensation for loss of office would be payable if, within twelve months of his departure, he became eligible for a basic State pension and, consequently, for pension benefits under the Company's supplementary pension plan.

The compensation payable would not exceed the equivalent of double Mr. Stern's total gross annual compensation as Chairman and Chief Executive Officer, defined as:

- his annual salary as of the date when his appointment as Chairman and Chief Executive Officer ended, plus
- the average annual bonus received or receivable for his last two years as Chairman and Chief Executive Officer prior to his appointment ending.

The compensation for loss of office as defined above would be subject to certain performance criteria, including:

- like-for-like growth in issue volume compared with the previous year;
- like-for-like growth in operating revenue compared with the previous year;
- operating revenue/issue volume margin of at least 5%;
- like-for-like growth in free cash flow compared with the previous year;

- increase in the Edenred share price at least equal to 85% of the increase in the NYSE Euronext Paris SBF 120 index over the reference period.

Performance in meeting each of these five criteria would be measured over the three years preceding the year in which his appointment as Chairman and Chief Executive Officer was terminated (the "Reference Period"). Each of the first four criteria would be deemed to have been met if the related objective was achieved for at least two of the three years in the Reference Period.

Payment of the maximum compensation for loss of office would depend on at least three of these five performance criteria being met, as observed by the Board of Directors on the basis prescribed by the laws in force when Mr. Stern's appointment was terminated. If only two of the criteria were met, 75% of the maximum compensation for loss of office would be paid; if only one of the criteria was met, 50% of the maximum compensation would be paid; and if no criterion were met, no compensation would be paid.

The compensation payable to Mr. Stern would be reduced, if necessary, so that the sum of (i) the compensation for loss of office and (ii) the termination benefit payable under his employment contract (excluding statutory severance pay) did not exceed the equivalent of two years' gross annual compensation as Chairman and Chief Executive Officer as described above.

In the event that his appointment was terminated in one of the circumstances described above, Mr. Stern would retain the benefit of all of the stock options and performance shares initially allocated to him under plans in force when his appointment was terminated, provided that the performance conditions attached to the options or performance shares were met.

g) Private unemployment insurance, death/disability insurance and supplementary pension plan for Jacques Stern

Director concerned: Jacques Stern (Chairman and Chief Executive Officer)

Authorized by the Board of Directors on June 29, 2010

The Board of Directors has authorized commitments to Jacques Stern concerning private unemployment insurance, death/disability insurance and a supplementary pension plan.

Benefits would be payable under the private unemployment insurance plan after twelve-months continuous participation in the plan, as from the 31st unbroken day of unemployment. After participating in the plan for 12 months, Mr. Stern may opt for a 24-month benefit period.

Related premiums paid by the Company in respect of 2010 amounted to €2,062. These premiums are qualified for tax purposes as benefits in kind and are therefore subject to payroll taxes.

The death/disability insurance plan covers all Edenred employees. Premiums paid by the Company on behalf of Mr. Stern amounted to €6,571 for 2010.

Mr. Stern also participates in the Edenred defined contribution and defined benefit pension plans on the same basis as certain senior executives of the Company.

Under the defined benefit plan, the Company is committed to paying an annuity to plan participants when they retire, provided that they are still on the Company's payroll at that date. In the case of executive directors, the pension benefit is equal to 2% of their gross annual compensation per year of participation in the plan, less the amount of benefits received under the defined contribution plan.

Payments by the Company to the defined contribution plan in 2010 amounted to €8,577.

II Agreements and commitments authorized after the year-end

We have been informed of the following agreements and commitments that were authorized in advance by the Board of Directors after the year-end.

a) Second addendum to Jacques Stern's employment contract

Director concerned: Jacques Stern (Chairman and Chief Executive Officer)

Authorized by the Board of Directors on February 23, 2011

Type of contract and addendum, purpose, terms and conditions: at the time of the asset contribution-demerger on June 29, 2010, Jacques Stern's employment contract with Accor SA that was signed in 1992 was transferred to Edenred SA.

At its meeting on June 29, 2010, the Board of Directors decided to maintain Mr. Stern's employment contract and authorized the signature of an addendum thereto At its meeting on February 23, 2011, the Board authorized the signature of a second addendum to Mr. Stern's employment contract, providing for the payment of a special termination benefit if his employment contract were to be terminated within six months of a decision by the Board not to renew his appointment as Chairman and Chief Executive Officer.

This special termination benefit would be in addition to the severance pay attributable to him by law and under the collective bargaining agreement, provided that the sum of these benefits did not exceed the equivalent of two years' average compensation (including bonuses) paid to him as Chairman and Chief Executive Officer.

The special termination benefit would be payable only if at least three of the five performance criteria applicable for the determination of his compensation for loss of office as Chairman and Chief Executive Officer (as decided at the Board meetings of June 29 and August 24, 2010) were to be met. In addition, the reductions applicable to the compensation for loss of office if only two, one or none of the performance criteria were to be met would also apply to the special termination benefit.

III Agreements and commitments previously approved by the shareholders

We were not informed of any agreement or commitment previously approved by shareholders that remained in force during 2010.

Paris and Neuilly-sur-Seine, March 10, 2011

The Auditors

DELOITTE & ASSOCIÉS	DIDIER KLING & ASSOCIÉS
David Dupont-Noël	Didier Kling

Additional information

9

9.1. Investor relations and documents available to the public

In addition to the Annual Shareholders Meeting and the events organized to present the annual results, Edenred keeps both private and institutional shareholders informed of the latest developments on a highly responsive daily basis. This information is tailored to the specific needs of different types of shareholders and financial analysts while constantly complying with the principle of equal access to information.

The Company's press releases and historical financial information are available on the Edenred website (www.edenred.com) and the website of the Autorité des Marchés Financiers (www.amf-france.org). Copies may also be obtained from the Company's headquarters, 166-180 boulevard Gabriel Péri - 92240 Malakoff, France. The bylaws and the minutes of Shareholders Meetings, the financial statements of the Company and the Group, the Auditors' reports and all other corporate documents are available for consultation in paper format at the Company's headquarters.

MEETINGS WITH INVESTORS

Since June 2010, Edenred has met some 597 representatives of 316 financial institutions, held 13 roadshows in Europe, the United States and Canada, and participated in five investor conferences in France and the United States.

The Group also met with individual shareholders at the Actionaria retail investor fair in Paris in November and at a shareholder event in Lyon in December that was attended by over 350 shareholders.

INVESTOR AND SHAREHOLDER PUBLICATIONS

All of the Group's financial news and publications can be accessed in the "Finance" section of the www.edenred.com website, which serves as a comprehensive investor relations database. The site carries live and deferred webcasts of results presentations and Annual Shareholders Meetings, as well as real-time tracking of the share price. It also includes a section dedicated to individual shareholders.

Statutory documents are available for consultation at the Company's administrative headquarters, 166-180 boulevard Gabriel Péri - 92240 Malakoff, France.

Regulatory filings are issued electronically through a professional disclosure service that complies with the criteria set out in the AMF's General Regulations. The filings are also available on the corporate website.

SHAREHOLDER CONTACT

Shareholders in France can call a toll-free number (0 805 652 662) at any time to obtain general information about the Group, the latest share price and practical guidelines for private shareholders.

FINANCIAL COMMUNICATIONS DIRECTOR

Solène Zammito

Immeuble Columbus
168-180, boulevard Gabriel Péri
92245 Malakoff Cedex
France

Phone: + 33 1 74 31 75 00
Fax: + 33 1 74 31 98 03
E-mail : investor.relations@edenred.com

Individual shareholders
Voice server: 0 805 652 662 (toll-free from a fixed line in France only)
E-mail: relations.actionnaires@edenred.com

9.2. Persons responsible for the Registration Document and the audit of the accounts

9.2.1. PERSONS RESPONSIBLE

9.2.1.1. Person responsible for the Registration Document

Jacques Stern, Chairman and Chief Executive Officer of Edenred

9.2.1.2. Statement by the person responsible for the Registration Document

"I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import. I declare that, to the best of my knowledge, (i) the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Edenred and the consolidated companies, and (ii) the management report presented from page 21 represents a fair view of the business, results and financial position of Edenred and its consolidated companies and provides a description of the main risks and uncertainties to which they are exposed.

I obtained a statement from the Auditors at the end of their engagement affirming that they have examined the information about the financial position and the accounts contained in the Registration Document and have read the whole of the Document.

Deloitte & Associés' reports on the pro forma financial statements for the years ended December 31, 2009, 2008 and 2007, which are incorporated by reference in this Registration Document, contains certain observations. This report is presented on page 308 of the Prospectus issued under visa no.10-128 on May 12, 2010."

Jacques Stern
Chairman and Chief Executive Officer of Edenred

Paris, April 11, 2011

9.2.2. AUDITORS

Statutory Auditors

Deloitte & Associés

David Dupont-Noel

185 avenue Charles-de-Gaulle – BP 136
92203 Neuilly-sur-Seine CEDEX

Date of first appointment: March 15, 2010

Appointed until the Annual Shareholders Meeting to be called to approve the 2011 financial statements.

Didier Kling & Associés

Didier Kling

41 avenue de Friedland
75008 Paris

Appointed for six years at the April 9, 2010 Annual Shareholders Meeting.

Alternate Auditors

BEAS

William Di Cicco

7-9 Villa Houssay
92200 Neuilly-sur-Seine, France

Appointed on the same basis and for the same period as Deloitte & Associés.

CREA

Bernard Roussel

41 avenue de Friedland
75008 Paris

Appointed on the same basis and for the same period as Didier Kling & Associés.

9.3. Fees paid to the Auditors

The following table presents the fees paid to the Auditors and the members of their networks by the Group for 2009 and 2010:

	Deloitte & Associés				Didier Kling & Associés			
	Amount		%		Amount		%	
(in millions of euros)	2009	2010	2009	2010	2009	2010	2009	2010
Audit services								
Statutory and contractual audit services								
• Edenred SA		(0.4)		17%		(0.2)		67%
• Subsidiaries	(1.7)	(1.8)	85%	75%				
Other audit-related services								
• Edenred SA		(0.1)		4%		(0.1)		33%
• Subsidiaries	(0.2)		10%					
SUB-TOTAL	**(1.9)**	**(2.3)**	**95%**	**96%**	**-**	**(0.3)**	**-**	**100%**
Other services								
• Legal and tax advice	(0.0)	(0.0)	2%	0%				
• Other services	(0.1)	(0.1)	3%	4%				
SUB-TOTAL	**(0.1)**	**(0.1)**	**5%**	**4%**	**-**	**-**	**-**	**-**
TOTAL	**(2.0)**	**(2.4)**	**100%**	**100%**	**-**	**(0.3)**	**-**	**100%**

9.4. Information on holdings

Information relating to the undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses is provided in note 33 to the pro forma consolidated financial statements - Main consolidated companies at December 31, 2010 – on page 172.

9.5. Third party information

Not applicable.

9.6. Information incorporated by reference

In accordance with Article 28 of European Commission Regulation (EC) 809/2004, the Registration Document incorporates by reference the following information:

- The 2009, 2008 and 2007 combined financial statements and corresponding Auditors' report presented, respectively, on pages 164 to 229 and page 230 of the Prospectus for the initial public offering of Edenred shares, comprising the Prospectus registered with Autorité des Marchés Financiers on May 12, 2010 under no. 10-128 and the supplement to the Prospectus approved by the Autorité des Marchés Financiers on June 10, 2010 under visa no. 10-170;
- The 2009, 2008 and 2007 pro forma financial statements and corresponding Auditors' report presented, respectively, on pages 231 to 307 and page 308 of the Prospectus for the initial public offering of Edenred shares, comprising the Prospectus registered with Autorité des Marchés Financiers on May 12, 2010 under no. 10-128 and the supplement to the Prospectus approved by the Autorité des Marchés Financiers on June 10, 2010 under visa no. 10-170;
- The 2009, 2008 and 2007 pro forma financial information presented on pages 55 to 79 of the Prospectus for the initial public offering of Edenred shares, comprising the Prospectus registered with Autorité des Marchés Financiers on May 12, 2010 under no. 10-128 and the supplement to the Prospectus approved by the Autorité des Marchés Financiers on June 10, 2010 under visa no. 10-170;
- Sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Registration Document.

9.7. Regulatory filings

The following information was published or made available to the public by Edenred during the last twelve months (May 18, 2010 to March 15, 2011), in accordance with Article L.451-1-1 of France's Monetary and Financial Code and Article 222-7 of the General Regulations of the Autorité des Marchés Financiers:

- press release dated May 18, 2010 announcing the publication of the Prospectus for the initial public offering of Edenred shares;
- press release dated June 8, 2010 announcing the change of Accor Services' name to Edenred;
- press release dated June 11, 2010 announcing the new Board of Directors and the rating assigned to the Company by Standard & Poor's;
- press release dated June 11, 2010 announcing the publication of a supplement to the Prospectus for the initial public offering of Edenred shares;
- press release dated June 29, 2010 announcing the corporate governance guidelines introduced by the Company;
- press release dated July 2, 2010 announcing the Company's listing on NYSE Euronext;
- disclosure of number of shares and voting rights at July 2, 2010 (in French only);
- press release dated July 19, 2010 announcing first-half 2010 revenue;
- disclosure of number of shares and voting rights at July 30, 2010 (in French only);
- press release dated August 25, 2010 announcing the Group's 2010 interim results;
- press release dated August 25, 2010 announcing the publication of the 2010 interim report;
- disclosure of number of shares and voting rights at August 31, 2010 (in French only);
- press release dated September 28, 2010 announcing the completion of an €800 million bond issue;
- disclosure of number of shares and voting rights at September 30, 2010 (in French only);
- press release dated October 6, 2010 announcing the publication of the Prospectus for the bond issue (in French only);
- press release dated October 19, 2010 announcing third-quarter 2010 revenue;
- disclosure of number of shares and voting rights at October 29, 2010 (in French only);
- disclosure of number of shares and voting rights at November 30, 2010 (in French only);
- disclosure of number of shares and voting rights at December 31, 2010 (in French only);
- press release dated January 3, 2011 announcing the acquisition of Romania's fourth-largest provider of meal and gift vouchers;
- press release dated January 13, 2011 announcing the acquisition of an Italian meal voucher company;
- press release dated January 18, 2011 announcing fourth-quarter 2010 revenue;
- disclosure of number of shares and voting rights at January 31, 2011 (in French only);
- press release dated February 24, 2011 announcing 2010 annual results;
- disclosure of number of shares and voting rights at February 28, 2011 (in French only).

9.8. Concordance table

The table below provides cross references between the pages in the Registration Document and the key information required under Annex I of European Commission Regulation (EC) 809/2004 dated April 29, 2004.

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page(s)
1	**Persons responsible**		
1.1	Persons responsible for the information in the Registration Document	9.2 (Persons responsible)	291
1.2	Statement by the person responsible for the Registration Document	9.2 (Persons responsible)	291
2	**Auditors**		
2.1	Name and address of the issuer's statutory auditors	9.2 (Persons responsible)	291
2.2	Names of Auditors who resigned, were removed or were not re-appointed during the period	Not applicable	
3	**Selected financial information**		
3.1	Selected historical financial information	2.1.1 Consolidated results	22
3.2	Selected financial information for interim periods and comparative data from the same period in the prior financial year	Not applicable	
4	**Risk factors**	3 Risk factors	35
5	**Information about the Company**		
5.1	History and development of the Company	1.2 Milestones	11
5.1.1	*Legal and commercial name*	7.1.1 Company name	262
5.1.2	*Place of registration and registration number*	7.1.2 Registration details and APE code	262
5.1.3	*Date of incorporation and the length of life of the Company*	7.1.3 Incorporation date and term	262
5.1.4	*Domicile and legal form of the Company, the legislation under which the Company operates, its country of incorporation, and the address and telephone number of its registered office*	7.1.4 Registered office, legal form and governing law	262
5.1.5	*Important events in the development of the issuer's business*	6.2.1.9 Note 2 Significant events and changes in scope of consolidation	132
5.2	Investments		
5.2.1	*Description of the Company's principal investments for each financial year for the period covered by the historical financial information*	6.2.2.6 Note 24 Capital expenditure	226
5.2.2	*Description of the principal investments that are in progress*	1.1.2.2 A profitable and sustainable business model	6
		1.3.2.2 "Conquer 2012"	12
5.2.3	*Information concerning the issuer's principal future investments on which it has already made firm commitments*	1.3.2.2 "Conquer 2012"	12

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page(s)
6	**Business overview**		
6.1	Principal activities	1.1 Corporate profile	4
6.1.1	Description of the nature of the issuer's operations and its principal activities	1.1 Corporate profile	4
6.1.2	*Significant new products and/or services that have been introduced*	1.3.2.2 "Conquer 2012"	12
6.2	Principal markets	1.1.3 Solutions offer;	6
		2.1.1.3 Analysis of consolidated financial results	23
6.3	Exceptional factors that have influenced the information given pursuant to items 6.1 and 6.2	2.1.1.3 Analysis of consolidated financial results	23
6.4	Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.6 Intellectual property	19
6.5	The basis for statements made by the issuer regarding its competitive position	1.1.4 The world's leading prepaid services group	9
7	**Organizational structure**		
7.1	Description of the Group and the issuer's position within the Group	5.1.1.2 Members of the Executive Committee	67
		6.2.1.9 Note 34 Main consolidated companies at December 31, 2010	172
7.2	List of significant subsidiaries	9.4 Information on holdings	292
		6.2.1.9 Note 33 Main consolidated companies at December 31, 2010	172
8	**Property, plant and equipment**		
8.1	Existing or planned material tangible fixed assets, including leased properties	1.7 Real estate rights	19
8.2	Environmental issues that may affect the utilization of tangible fixed assets	Not applicable	
9	**Operating and financial review**		
9.1	Description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period for which historical financial information is required.	2.1 Results of operations	22
9.2	Operating results	2.1.1.3 Analysis of consolidated financial results	23
9.2.1	*Significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations*	2.1.1.3 Analysis of consolidated financial results	23
9.2.2	*Changes in net sales or revenues, and narrative discussion of the reasons for such changes*	2.1.1.3 Analysis of consolidated financial results	23
9.2.3	*Governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, the Company's operations.*	2.1.1.3 Analysis of consolidated financial results	23

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page(s)
10	**Capital resources**		
10.1	Information concerning the issuer's capital resources (both short and long term)	2.1.1.5 Liquidity and financial resources	27
10.2	Sources and amounts of the issuer's cash flows	2.1.1.5 Liquidity and financial resources	27
10.3	Information on the borrowing requirements and funding structure of the issuer	2.1.1.5 Liquidity and financial resources	27
10.4	Information regarding any restrictions on the use of capital resources	2.1.1.5 Liquidity and financial resources 6.2.2.6 note 2C Treatment of Venezuela in the consolidated financial statements	27 193
10.5	Information regarding the anticipated sources of funds	2.1.1.5 Liquidity and financial resources	27
11	**Research and development, patents and licenses**		
	Description of the issuer's research and development policies and amount spent on issuer-sponsored research and development activities	Not applicable	
12	**Trend information**		
12.1	Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document	1.3 Strategic vision, investment strategy and outlook	12
12.2	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	6.2.1.9 Note 32 Subsequent events	171
13	**Profit forecasts or estimates**	Not applicable	
14	**Administrative, management and supervisory bodies and senior management**		
14.1	Information about the principal activities of the following persons, and statement that they have not been convicted of any fraudulent offences • Members of the administrative, management or supervisory bodies • Any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business	5.1.1.1 Membership of the Board of Directors	67
14.2	Potential conflicts of interests between any duties to the issuer of members of the administrative, management and supervisory bodies or senior managers and their private interests and or other duties	5.1.2.6 Director's Charter	77
	• Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management	5.1.1 Members of the administrative and management bodies	66
	• Details of any restrictions agreed by the persons referred to in item 14.1 on the disposal within a certain period of time of their holdings in the issuer's securities	7.2.1.10 Lock-up commitment	266

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page(s)
15	**Remuneration and benefits of the persons referred to in item 14.1**		
15.1	Remuneration paid and benefits in kind granted to such persons by the issuer and its subsidiaries	5.4.1 Executive directors' compensation	80
15.2	Total amounts set aside or accrued to provide pension, retirement or similar benefits	5.4.1 Executive directors' compensation	80
16	**Board practices**	5.1.2 Practices of the administrative and management bodies	72
16.1	Date of expiration of the current term of office of the members of the administrative, management or supervisory bodies	5.1.1.1 Membership of the Board of Directors	67
16.2	Members of the administrative, management or supervisory bodies' service contracts	5.1.1.1 Membership of the Board of Directors	67
16.3	Information about the issuer's audit committee and remuneration committee	5.1.2 Practices of the administrative and management bodies	72
16.4	Statement of compliance with the country of incorporation's corporate governance regime	5.3 Corporate governance	80
17	**Employees**		
17.1	Number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information and breakdown	Human resources	44
17.2	Shareholdings and stock options	5.4.1.2 Directors' and managers' interests	83
	With respect to each person referred to in item 14.1, information as to their share ownership and any options over such shares in the issuer	5.1.1.1 Membership of the Board of Directors	66
17.3	Arrangements for involving the employees in the capital of the issuer	5.4.1.2 Directors' and managers' interests	83
18	**Major shareholders**		
18.1	Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law	7.3.1 Ownership structure	269
18.2	Different voting rights	7.3.1 Ownership structure	269
18.3	Statement of whether the issuer is directly or indirectly owned or controlled and description of the measures in place to ensure that such control is not abused	Not applicable	
18.4	Arrangements which may result in a change in control of the issuer	7.3.1 Ownership structure	269
18.5	Public offer made during the current or previous financial year	7.2.1.7 Public offer for the Company's shares	265
18.6	Shareholders' pacts	7.2.1.10 Lock-up commitment	266
		7.3.1 Shareholders' pacts	271
19	**Related party transactions**	2.1.4 Main related-party transactions	30
		6.2.1 Note 29 related party transactions	169

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page(s)
20	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
20.1	Historical financial information	6.2.2 Consolidated financial statements and notes	173
20.2	Pro forma financial information and description of how the transaction might have affected the assets and liabilities and earnings of the issuer had it been undertaken at the commencement of the period being reported on or at the date reported	6.2.1 Pro forma financial statements and notes	100
20.3	Own and consolidated annual financial statements	6.2 Pro forma and consolidated financial statements and notes	100
		6.4 Parent company financial statements and notes	233
20.4	Auditing of historical annual financial information	6.1 Auditors' report on the consolidated financial statements	99
20.4.1	*Statement that the historical financial information has been audited*	6.1 Auditors' report on the consolidated financial statements	99
20.4.2	*Other information in the registration document which has been audited by the Auditors*	6.3 Auditors' report on the financial statements	232
20.4.3	*Where financial data in the registration document is not extracted from the issuer's audited financial statements, statement of the source of the data and statement that the data is unaudited*	*Not applicable*	
20.5	Age of latest financial information	6.2.1.7 Basis of preparation of the pro forma financial statements	107
		6.2.2.6 Basis of preparation of the consolidated financial statements	180
20.6	Interim and other financial information	Not applicable	
20.7	Dividend policy	7.3.2 Dividends	272
20.7.1	*Dividend per share*	7.3.2 Dividends	272
20.8	Legal and arbitration proceedings	3.6. Legal and arbitration proceedings	42
20.9	Significant change in the issuer's financial or trading position	2.1.6 Subsequent events	30
21	**Additional information**		
21.1	Share capital	7.2 Information about the Company's shares	263
21.1.1	*The amount of issued capital, the number of shares, the par value per share, and reconciliation of the number of shares outstanding at the beginning and end of the year*	7.2.1.1 Type, class and listing – ISIN code	263
		7.2.6 Changes in capital	269
21.1.2	*Shares not representing capital*	7.2.5 Shares not representing capital	269
21.1.3	*Number, book value and face value of shares in the issuer held by the issuer itself or by subsidiaries of the issuer*	7.3.1 Ownership structure	269
21.1.4	*Convertible securities, exchangeable securities or securities with warrants*	Not applicable	
21.1.5	*Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital*	Not applicable	
21.1.6	*Information about any capital of any member of the group which is under option or agreed to be put under option*	Not applicable	
21.1.7	History of share capital, highlighting information about any changes, for the period covered by the historical financial information	7.2.6 Changes in capital	269
21.2	Memorandum and articles of association	5.1.2 Practices of the administrative and management bodies	72
		5.2 Shareholders Meetings	79

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page(s)
21.2.1	*Corporate purpose*	7.1.5 Corporate purpose	262
21.2.2	*Summary of provisions of the issuer's articles of association with respect to the members of the administrative, management and supervisory bodies*	5.1.2 Practices of the administrative and management bodies	72
21.2.3	*Rights, preferences and restrictions attaching to each class of the existing shares*	Description of the Company's shares	263
21.2.4	*Description of what action is necessary to change the rights of holders of the shares*	5.2.2 Conduct of Shareholders Meetings (Article 24 of the bylaws)	79
21.2.5	*Description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called*	5.2.1 Notice of Meeting (Article 23 of the bylaws)	79
21.2.6	*Description of any provision of the issuer's articles of association that would have an effect of delaying, deferring or preventing a change in control of the issuer*	Not applicable	
21.2.7	*Indication of the articles of association, if any, governing the ownership threshold above which shareholder ownership must be disclosed*	7.2.1.4 Rights attached to the Company's shares	263
21.2.8	*Conditions imposed by the memorandum and articles of association governing changes in the capital, where such conditions are more stringent than is required by law*	Not applicable	
22	**Material contracts**	2.1.1.7 Material contracts	30
23	**Third party information and statement by experts and declarations of any interests**	9.5. Third party information	292
24	**Documents on display**	9.1 Investor relations and documents available to the public	290
25	**Information on holdings**		
	Information relating to the undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	9.4 Information on holdings	292

9.9. Cross-Reference Table with the Annual Financial Report

The 2010 Registration Document contains all of the information required to be included in the Annual Financial Report governed by Article L.451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

No	Key information required under Annex 1 of European Commission Regulation 809/2004	Page(s)
1	**Parent company financial statements**	233
2	**Consolidated financial statements**	100
3	**Management report (within the meaning of the Monetary and Financial Code)**	
3.1	Information provided in compliance with Article L.225-100 of the Commercial Code	
	Revenue analysis	24
	Earnings analysis	22
	Balance sheet analysis	27
	Key human resources and environmental indicators	43
	Main risks and uncertainties	30
3.2	Information provided in compliance with Article L.225-100-3 of the Commercial Code	
	Items that could have an impact in the event of a public tender offer for the Company's shares	265
3.3	Information provided in compliance with Article L.225-211 of the Commercial Code	
	Share buyback	None
4	**Statement by the persons responsible for the annual financial report**	291
5	**Auditors' reports on the parent company and consolidated financial statements**	98-99; 232
6	**Auditors' fees**	292
7	**Report of the Chairman on internal control**	86
8	**Auditors' report on the report of the Chairman on internal control**	96

9.10. Glossary

Term	Definition
Beneficiary	End users of the prepaid benefit or service, who receive the vouchers from their employer or a public institution.
Normalized growth	Objective that the Group considers to be attainable in a context in which unemployment does not rise.
Merchant commission	Commission paid by affiliated merchants to Edenred based on the vouchers' face value (when the vouchers are presented for reimbursement, Edenred pays to the merchant the face value less the amount of its commission).
Customer commission	Commission billed to Edenred's customers (companies, non-profits and public institutions), comprising a variable component calculated as a percentage of issue volume.
Float	Net working capital requirement – which is structurally negative – breaking down as follows: • inventories; • trade receivables; • other receivables and accruals; • working capital items – assets; • trade payables; • other payables; • vouchers in circulation; • working capital items – liabilities; • float.
Affiliated merchant	Merchant that accepts the Group's vouchers as a payment instrument in accordance with the terms of a contract signed with Edenred.
Acceptance network	Network of affiliated merchants that accepts the Group's vouchers as a payment instrument. There are three types of acceptance networks: filtered, open and closed. There are three main types of acceptance networks for the Group's card-based products: • closed loop: the card is issued by an affiliated merchant under its own brand (e.g. Carrefour, Wal-mart, Starbucks) and is only accepted in its outlets; • filtered loop: the card is issued only under the issuer's brand and is redeemable in a certain number of sales outlets, selected by the issuer who designed the prepaid service (meal card, food card, gasoline card, gift card, etc.); • open loop: products (for example, gift cards, prepaid cards and UUB cards) are cobranded by the acceptance network and the issuer. They are accepted anywhere.
Entry rate	The entry rate is defined as the ratio between the number of beneficiaries of a service voucher and the eligible active population, which depends on the applicable regulations in the country concerned.
Face value (specific to employee benefits)	Amount of the payment voucher, determined at the employer's discretion but influenced by government limits on the employer's financial contribution in order to be eligible for payroll or income tax exemption.

For this document, Edenred has chosen paper made in an ISO-certified mill using fibers from sustainably managed forests and a printer that has received the “Imprim’Vert” label for environmentally friendly printing processes

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