Interim financial statements 2011

Edenred

EDENRED

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Consolidated income statement

In € millions	Notes	Dec. 2010		June 2010		June 2011
		Pro Forma *	IFRS	Pro Forma *	IFRS	
ISSUE VOLUME	4	**13 875**	**13 875**	**6 615**	**6 615**	**7 264**
Operating revenue		885	885	422	422	456
Financial revenue		80	80	39	39	44
TOTAL REVENUE	4	**965**	**965**	**461**	**461**	**501**
Operating expenses	5	(608)	(606)	(294)	(292)	(319)
Depreciation, amortization and provision expense	6	(29)	(29)	(12)	(12)	(15)
EBIT	7	**328**	**330**	**155**	**157**	**167**
Net financial expense	8	(62)	(25)	(41)	(4)	(23)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS		**266**	**305**	**114**	**153**	**144**
Non-recurring income and expenses, net	9	(100)	(100)	(35)	(35)	2
OPERATING PROFIT BEFORE TAX		**166**	**205**	**79**	**118**	**146**
Income tax expense		(89)	(99)	(40)	(50)	(44)
NET PROFIT		**77**	**106**	**39**	**68**	**102**
Net Profit, Group Share		**68**	**97**	**37**	**66**	**98**
Net Profit, Minority interests		9	9	2	2	4

Weighted average number of shares outstanding (in thousands)	12	225 897	225 897	225 627	225 627	225 897
EARNINGS PER SHARE, Group Share (in €)	12	**0,30**	**0,43**	**0,16**	**0,29**	**0,43**
Diluted earnings per share (in €)	12	0,30	0,43	0,16	0,29	0,43

*The pro forma financial statements for the periods ended June 30, 2010 and December 31, 2010 include an operating expense of €2 million and a financial expense of €37 million, representing the first-half 2010 impact of setting up the new organization as from January 1, 2010 (the asset contribution and demerger was carried out on June 29, 2010).

The Auditors have issued a report on their review of the pro forma information for the periods ended June 30, 2010 and December 31, 2010.

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Consolidated statement of comprehensive income

In € millions	Dec. 2010		June 2010		June 2011
	Pro Forma *	IFRS	Pro Forma *	IFRS	
NET PROFIT	77	106	39	68	102
Currency translation adjustement	99	99	101	101	(15)
Actuarial gains and losses on defined benefit plans	(1)	(1)	2	2	-
Tax impact recognized in equity	-	-	-	-	-
Other comprehensive income, net of tax	98	98	103	103	(15)
TOTAL COMPREHENSIVE INCOME	175	204	142	171	87
Comprehensive income, Group share	166	195	140	169	84
Comprehensive income, Minority interests	9	9	2	2	3

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Consolidated balance sheet

Assets

In € millions	Notes	June 2010		Dec. 2010		June 2011
		Pro Forma *	IFRS	Pro Forma *	IFRS	
GOODWILL	13	**592**	**592**	**551**	**551**	**555**
INTANGIBLE ASSETS	14	**102**	**102**	**96**	**96**	**97**
PROPERTY, PLANT AND EQUIPMENT		**40**	**40**	**40**	**40**	**41**
Other non-current financial assets		4	4	5	5	3
NON-CURRENT FINANCIAL ASSETS		**4**	**4**	**5**	**5**	**3**
Deferred tax assets		23	23	28	28	33
TOTAL NON-CURRENT ASSETS		**761**	**761**	**720**	**720**	**729**
Trade receivables	17	934	934	951	951	942
Inventories and other receivables and accruals	17	273	273	328	328	268
Restricted cash	17	595	595	631	631	645
Other current financial assets	15	5	5	4	4	7
Marketable securities	15	1 174	1 174	1 480	1 480	1 170
Cash	15	35	35	73	73	66
TOTAL CURRENT ASSETS		**3 016**	**3 016**	**3 467**	**3 467**	**3 098**
TOTAL ASSETS		**3 777**	**3 777**	**4 187**	**4 187**	**3 827**

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Equity and liabilities

In € millions	Notes	June 2010		Dec. 2010		June 2011
		Pro Forma *	IFRS	Pro Forma *	IFRS	
Issued capital		451	-	452	452	452
Consolidated retained earnings		(1 672)	(1 250)	(1 694)	(1 723)	(1 739)
Cumulative compensation costs - share-based payments		1	1	6	6	10
Cumulative fair value adjustments to financial instruments		0	0	-	-	1
Cumulative actuarial gains (losses) on defined benefit plans		1	1	-	-	-
Currency translation reserve		109	109	107	107	93
Net profit, Group share		37	66	68	97	98
SHAREHOLDERS' EQUITY, GROUP SHARE		**(1 073)**	**(1 073)**	**(1 061)**	**(1 061)**	**(1 085)**
Minority interests		19	19	17	17	10
TOTAL EQUITY		**(1 054)**	**(1 054)**	**(1 044)**	**(1 044)**	**(1 075)**
Other Long-term financial debt	15	903	903	1 499	1 499	1 499
Deferred tax liabilities		61	61	72	72	75
Non-current provisions	16	17	17	18	18	19
TOTAL NON-CURRENT LIABILITIES		**(73)**	**(73)**	**545**	**545**	**518**
Current provisions	16	36	36	31	31	34
Short-term financial debt	15	613	613	17	17	34
Vouchers in circulation	17	2 904	2 904	3 278	3 278	2 970
Trade payables	17	71	71	76	76	60
Other payables and income tax payable	17	208	208	174	174	163
Derivatives	15	1	1	-	-	7
Bank overdrafts	15	17	17	66	66	41
TOTAL CURRENT LIABILITIES		**3 850**	**3 850**	**3 642**	**3 642**	**3 309**
TOTAL EQUITY AND LIABILITIES		**3 777**	**3 777**	**4 187**	**4 187**	**3 827**

*The pro forma financial statements for the periods ended June 30, 2010 and December 31, 2010 include an operating expense of €2 million and a financial expense of €37 million, representing the first-half 2010 impact of setting up the new organization as from January 1, 2010 (the asset contribution and demerger was carried out on June 29, 2010).

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Consolidated statement of cash flows

In € millions	Notes	Dec. 2010		June 2010		June 2011
		Pro Forma *	IFRS	Pro Forma *	IFRS	
+ EBITDA		357	359	167	169	182
- Net financial expense (1)	8	(62)	(25)	(41)	(4)	(23)
- Income tax		(91)	(101)	(40)	(50)	(48)
- Elimination of non-cash revenue and expenses included in EBITDA		10	10	3	3	7
- Elimination of provision movements included in net financial expense, income tax expense		(1)	(1)	0	0	1
= Funds from operations		**213**	**242**	**89**	**118**	**119**
+ Decrease (increase) in working capital (3)	17	142	142	(197)	(197)	(238)
+ Recurring decrease (increase) in restricted cash	17	(42)	(42)	(8)	(8)	(17)
= Net cash from operating activities		**313**	**342**	**(116)**	**(87)**	**(136)**
+ Non-recurring gains (losses) (including restructuring costs) received/paid (3)		(52)	(52)	(10)	(10)	(3)
+ Non-recurring decrease (increase) in restricted cash (2)	17	(23)	(23)	(20)	(20)	-
= Net cash from (used in) operating activities including non-recurring transactions (A)		**238**	**267**	**(146)**	**(117)**	**(139)**
- Recurring expenditure		(32)	(32)	(12)	(12)	(14)
- Development expenditure		(29)	(29)	(13)	(13)	(13)
+ Proceeds from disposals of assets		6	6	3	3	8
= Net cash from (used in) investing activities (B)		**(55)**	**(55)**	**(22)**	**(22)**	**(19)**
+ Minority interests in share issues by subsidiaries		2	2	2	2	1
- Dividends paid		(5)	(5)	(2)	(2)	(124)
+ Increase (Decrease) in debt		**1**	**1 975**	**66**	**1 973**	**18**
+ Technical demerger impact		-	-	-	-	-
+ Impact on equity of transfers between the Hospitality and Services businesses		(17)	(1 483)	(4)	(1 469)	(0)
+ Impact on short-term debt of transfers between the Hospitality and Services businesses		7	(62)	(70)	(73)	0
= Impact of the demerger and inter-business transfers		**(10)**	**(1 545)**	**(74)**	**(1 542)**	**(0)**
= Net cash from (used in) financing activities (C)		**(12)**	**427**	**(8)**	**431**	**(105)**
- Effect of changes in foreign exchange rates (D) (3)		**97**	**97**	**148**	**148**	**(36)**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	15	**268**	**736**	**(28)**	**440**	**(299)**

+ Cash and cash equivalents at beginning of period		1 222	754	1 222	754	1 490
- Cash and cash equivalents at end of period		1 490	1 490	1 194	1 194	1 191
= Net change in cash and cash equivalents	15	**268**	**736**	**(28)**	**440**	**(299)**

*The pro forma financial statements for the periods ended June 30, 2010 and December 31, 2010 include an operating expense of €2 million and a financial expense of €37 million, representing the first-half 2010 impact of setting up the new organization as from January 1, 2010 (the asset contribution and demerger was carried out on June 29, 2010).

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(1) Including €23 million of cash financial interests. No dividend had been received from external companies

(2) Reclassification from cash and cash equivalents to restricted cash

(3) To make periods more comparable, the working capital variation in the consolidated statement of cash flows was adjusted with non recurring costs relating to the demerger for €31 million for the period ended June 30, 2010, as well as some effects of changes in foreign exchange for €19 million for the periods ended June 30, 2010 and December 31, 2010. These adjustments have no effect on the net change in cash and cash equivalents for the periods presented.

Changes in consolidated equity

In € millions	Currency translation reserve (1)	Cumulative actuarial gains (losses) on defined benefit plans	Cumulative fair value of financial instruments	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	Total minority interests	Total equity
January 1, 2010 IFRS	**8**	**(1)**	**-**	**6**	**641**	**(687)**	**264**	**231**	**19**	**250**
Issue of share capital										
- in cash	-	-	-	-	-	-	-	-	**2**	**2**
Dividends paid	-	-	-	-	-	-	-	-	**(2)**	**(2)**
Effect of changes in consolidation scope	-	-	-	-	-	(1 201)	(267)	**(1 468)**	**(2)**	**(1 470)**
Compensation costs for the period - share-based payments	-	-	-	(5)	-	-	-	**(5)**	**-**	**(5)**
Other comprehensive income	101	2	-	-	-	-	-	**103**	**-**	**103**
Net profit for the period	-	-	-	-	66	-	-	**66**	**2**	**68**
Total comprehensive income	**101**	**2**	**-**	**-**	**66**	**-**	**-**	**169**	**2**	**171**
June 30, 2010 IFRS	**109**	**1**	**-**	**1**	**707**	**(1 888)**	**(3)**	**(1 073)**	**19**	**(1 054)**
Issue of share capital										
- in cash	-	-	-	-	-	-	-	-	**-**	**-**
Dividends paid	-	-	-	-	-	-	-	-	**(3)**	**(3)**
Effect of changes in consolidation scope	-	2	-	(6)	-	(6)	(15)	**(25)**	**(2)**	**(27)**
Compensation costs for the period - share-based payments	-	-	-	11	-	-	-	**11**	**-**	**11**
Other comprehensive income	(2)	(3)	-	-	-	-	-	**(5)**	**(4)**	**(9)**
Net profit for the period	-	-	-	-	31	-	-	**31**	**7**	**38**
Total comprehensive income	**(2)**	**(3)**	**-**	**-**	**31**	**-**	**-**	**26**	**3**	**29**
December 31, 2010 IFRS	**107**	**-**	**-**	**6**	**738**	**(1 894)**	**(18)**	**(1 061)**	**17**	**(1 044)**
Issue of share capital										
- in cash	-	-	-	-	-	-	-	-	**1**	**1**
Dividends paid (4)	-	-	-	-	(113)	-	-	**(113)**	**(11)**	**(124)**
Effect of changes in consolidation scope	-	0	1	-	-	-	-	**1**	**-**	**1**
Compensation costs for the period - share-based payments	-	-	-	4	-	-	-	**4**	**(0)**	**4**
Other comprehensive income	(14)	-	-	-	-	-	-	**(14)**	**(1)**	**(15)**
Net profit for the period	-	-	-	-	98	-	-	**98**	**4**	**102**
Total comprehensive income	**(14)**	**-**	**-**	**-**	**98**	**-**	**-**	**84**	**3**	**87**
June 30, 2011	**93**	**0**	**1**	**10**	**723**	**(1 894)**	**(18)**	**(1 085)**	**10**	**(1 075)**

(1) The €(14) million unfavorable net exchange difference on foreign operations between December 31, 2010 and June 30, 2011 is mainly due to the depreciation of the Brazilian real (€8 million negative impact), and the Bolivar Fuerte (€3 million negative impact) against the euro.

Euro exchange rates used to translate foreign operations in the consolidated financial statements were as follows:

	GBP	BRL	MXN	ARS	SEK	VEF	USD
June 2010	0,82	2,21	15,74	4,82	9,53	5,27	1,23
December 2010	0,86	2,22	16,55	5,31	8,97	7,08	1,34
June 2011	0,90	2,26	16,97	5,93	9,17	7,66	1,45
June 2011 vs Dec. 2010	(4,7)%	(1,8)%	(2,5)%	(11,7)%	(2,2)%	(8,2)%	(8,2)%

(2) Transactions with Accor

These correspond for the most part to the impact of acquiring Edenred entities previously owned by Accor.

(3) External changes in consolidation scope

In 2009, these are mainly prepaid services companies acquired by Accor.
In December 2010, this impact was reclassified in "Transactions with Accor".

(4) As decided by shareholders at the Annual Meeting on May 13, 2011, Edenred paid out dividends totaling €113 million (€0.50 per share) during first-half 2011.

Comparison between Pro Forma and IFRS:

In € millions	Currency translation reserve (1)	Cumulative actuarial gains (losses) on defined benefit plans	Cumulative fair value of financial instruments	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	Total minority interests	Total equity
January 1, 2010 Pro Forma *	**8**	**(1)**	**-**	**6**	**(1 691)**	**210**	**264**	**(1 204)**	**17**	**(1 187)**
Issue of share capital										
- in cash	-	-	-	-	-	-	-	-	**2**	**2**
Dividends paid	-	-	-	-	-	-	-	-	**(2)**	**(2)**
Effect of changes in consolidation scope	-	-	-	-	-	263	(267)	**(4)**	**-**	**(4)**
Compensation costs for the period - share-based payments	-	-	-	(5)	-	-	-	**(5)**	**-**	**(5)**
Other comprehensive income	101	2	-	-	-	-	-	**103**	**-**	**103**
Net profit for the period	-	-	-	-	37	-	-	**37**	**2**	**39**
Total comprehensive income	**101**	**2**	**-**	**-**	**37**	**-**	**-**	**140**	**2**	**142**
June 30, 2010 Pro Forma *	**109**	**1**	**-**	**1**	**(1 654)**	**473**	**(3)**	**(1 073)**	**19**	**(1 054)**
Issue of share capital										
- in cash	-	-	-	-	-	-	-	-	**-**	**-**
Dividends paid	-	-	-	-	-	-	-	-	**(3)**	**(3)**
Effect of changes in consolidation scope	-	2	-	(6)	-	(6)	(15)	**(25)**	**(2)**	**(27)**
Compensation costs for the period - share-based payments	-	-	-	11	-	-	-	**11**	**-**	**11**
Other comprehensive income	(2)	(3)	-	-	-	-	-	**(5)**	**(4)**	**(9)**
Net profit for the period	-	-	-	-	31	-	-	**31**	**7**	**38**
Total comprehensive income	**(2)**	**(3)**	**-**	**-**	**31**	**-**	**-**	**26**	**3**	**29**
December 31, 2010 Pro Forma *	**107**	**-**	**-**	**6**	**(1 623)**	**467**	**(18)**	**(1 061)**	**17**	**(1 044)**
Issue of share capital										
- in cash	-	-	-	-	-	-	-	-	**1**	**1**
Dividends paid (4)	-	-	-	-	(113)	-	-	**(113)**	**(11)**	**(124)**
Effect of changes in consolidation scope	-	0	1	-	-	-	-	**1**	**-**	**1**
Compensation costs for the period - share-based payments	-	-	-	4	-	-	-	**4**	**(0)**	**4**
Other comprehensive income	(14)	-	-	-	-	-	-	**(14)**	**(1)**	**(15)**
Net profit for the period	-	-	-	-	98	-	-	**98**	**4**	**102**
Total comprehensive income	**(14)**	**-**	**-**	**-**	**98**	**-**	**-**	**84**	**3**	**87**
June 30, 2011	**93**	**0**	**1**	**10**	**(1 638)**	**467**	**(18)**	**(1 085)**	**10**	**(1 075)**

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December 2010	0,86	2,22	16,55	5,31	8,97	7,08	1,34
June 2011	0,90	2,26	16,97	5,93	9,17	7,66	1,45
June 2011 vs Dec. 2010	(4,7)%	(1,8)%	(2,5)%	(11,7)%	(2,2)%	(8,2)%	(8,2)%

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These correspond for the most part to the impact of acquiring Edenred entities previously owned by Accor.

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Key ratios and indicators

	Notes	June 2010 Pro Forma	Dec. 2010 Pro Forma	June 2011
Like-for-like growth in issue volume		+7,8%	+10,0%	+10,0%
Total net margin (EBIT/Issue volume)		2,3%	2,4%	2,3%
Net operating margin (EBIT- financial revenue)/Issue volume		1,8%	1,8%	1,7%
Like-for-like growth in Funds from Operations	(a)	4,0%	15,1%	20,2%
Unlevered free cash flow (in € millions)	(b)	226	268	234
Adjusted Funds from Operations / Adjusted net debt	(c)	31,1%	57,3%	39,9%

Note (a): Growth in funds from operations is calculated as follows:

In € millions	Notes	June 2010 Pro Forma	Dec. 2010 Pro Forma	June 2011
+ EBITDA		167	357	182
- Net financial expense	8	(41)	(62)	(23)
- Income tax expense		(40)	(91)	(48)
- Elimination of non-cash revenue and expenses included in EBITDA		3	10	7
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		0	(1)	1
Funds from Operations		**89**	**213**	**119**
Growth in Funds from Operations		(5,3)%	+15,8%	+33,7%
Like-for-like growth in Funds from Operations		+4,0%	+15,1%	+20,2%

Note (b): Unlevered free cash flow is calculated as follows:

In € millions	Notes	June 2010 Pro Forma (*) (1)	Dec. 2010 Pro Forma	June 2011 (1)
EBIT	7	**316**	**328**	**340**
Elimination of financial revenue from unrestricted float	4	(62)	(66)	(70)
Adjusted EBIT		**254**	**262**	**270**
Standard tax rate		35,2%	34,6%	31,0%
Tax on adjusted EBIT		**(89)**	**(91)**	**(84)**
Elimination of depreciation, amortization and provision expense	6	**31**	**29**	**32**
Recurring expenditure		**(26)**	**(32)**	**(34)**
Decrease / (Increase) in working capital (2)		**73**	**142**	**101**
Recurring decrease / (increase) in restricted cash	17	**(17)**	**(42)**	**(51)**
Unlevered free cash flow (*)		**226**	**268**	**234**
Net debt at end of period	15	**(320)**	**(25)**	**(338)**

(1) Rolling 12 months

(2) See statement of cash flows

(*) The Unlevered free cash flow has been recalculated for the first-half 2010 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	June 2010 Pro Forma (1)	Dec. 2010 Pro Forma	June 2011 (1)
Net Debt / (cash) at period end	15	320	25	338
Standard & Poor's adjustement : 20% of Treasury and current financial assets		242	311	247
Standard & Poor's adjustement : Capitalization of rents and pensions		64	64	63
Net Debt / (cash) adjusted		**626**	**400**	**648**
Funds from operations		179	213	243
Standard & Poors adjustement : capitalization of rents and pensions		16	16	15
Adjusted Funds from Operations		**195**	**229**	**258**
Adjusted Funds from operations / Adjusted Net debt		**31,1%**	**57,3%**	**39,9%**

(1) Rolling 12 months

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 year 2010 and the first-half 2010 based on the financial statements of companies historically included in the consolidated financial statements of Accor.

Pro forma financial statements have also been prepared for the year 2010 and the period from January 1 to June 30, 2010, prepared on the basis of Edenred's consolidated 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, 2009 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 bases of preparation of the pro forma financial statements for the year 2010 and the first-half 2010 and this until the legal creation of the group Edenred on June 29, 2010 are detailed in the consolidated financial statements included in the 2010 Registration Document.

Notes to the consolidated financial statements

Note 1. Approval of the financial statements

The group Edenred condensed consolidated financial statements for the six months ended June 30, 2011 were authorized for issue at the Board of Directors' meeting of August 24, 2011.

Note 2. Accounting policies

The consolidated financial statements for the period ended June 30, 2011 were prepared in accordance with IAS 34 – Interim Financial Reporting. These condensed financial statements do not contain all of the information to be provided for year-end financial statements prepared in accordance with International Financial Reporting Standards (IFRS). They should be read in conjunction with the consolidated financial statements at December 31, 2010.

The accounting policies retained for the preparation of the Group interim condensed consolidated financial statements are compliant with the IFRS as endorsed by the European Union as of June 30, 2011 and available on http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The accounting policies used by the Group in the interim consolidated financial statements are identical to those applied in the consolidated financial statements at December 31, 2010 with the exception of :

- the standards, amendments and interpretations applicable for reporting periods beginning on or after January 1, 2011, and
- the specific items relating to the preparation of the interim consolidated financial statements

A. Standards, amendments and interpretations

The following new standards, amendments to or revisions of existing standards and interpretations have been adopted by the European Union and were applicable for reporting periods beginning on or after January:

- *amendment to IAS 24 regarding related party transactions;*
- *amendment to IAS 34 specifying the content of interim financial reports.*

Application of these amendments did not have a material impact on the condensed consolidated financial statements for the period.

Edenred elected not to early adopt the standards, amendments and interpretations whose application is not compulsory for reporting periods beginning on or after January 1, 2011.

B. Specific items relating to preparation of the interim consolidated financial statements

B. 1. Income taxes

In the interim consolidated financial statements, the current and deferred income tax charge is computed by applying to the profit before tax for the period, company by company, the annual estimated average tax rate for the current tax year.

B. 2. Post-employment and other long-term employee benefits

The post-employment and other long-term employee benefits expense for the first half corresponds to half of the net charge calculated for full-year 2011, based on the data and actuarial assumptions used for the year ended December 31, 2010.

C. Uses of estimates and judgment

The preparation of the financial statements implies that Edenred's management makes estimates as some items included in the financial statements cannot be measured with precision. The underlying assumptions used for the main estimates are similar to those described as of December 31, 2010. The management revises these estimates if the underlying circumstances evolve or in light of new information or experience. With the exception of the specific items relating to the preparation of the interim consolidated financial statements, estimates made at June 30, 2011 are similar to those made as of December 31, 2010.

Group management also uses its judgment to define appropriate accounting policies to apply certain transactions when the current IFRS standards and interpretations do not specifically deal with related accounting issues.

Note 3. Significant events and changes in scope of consolidation

A. Disposals of assets

Based on the strategic review of its business portfolio, Edenred divested certain business assets relating to employee assistance programs that provide employees with advice and psychological support.

A. 1. Divestment of the stake in EAP France and its interest in BEA

In April 2011, Edenred sold its entire stake in EAP France and its interest in corporate concierge provider BEA to Europ Assistance France (51%) and Malakoff Médéric (49%) for €4 million, giving rise to a capital gain of €3 million.

A. 2. Divestment of the stake in WorkPlace Benefits and its subsidiaries

In May 2011, Edenred sold its stake in the American company WorkPlace Benefits and its subsidiaries to the main shareholder (a private individual) for €3 million, giving rise to a capital gain of €1 million.

B. Organic growth and acquisitions

Since 2010, Edenred has expanded its businesses base through the following acquisitions and strategic partnerships:

B. 1. 2010 acquisitions

In May 2010, Edenred raised its interest in **ACE** to 100% by acquiring BPCE's 40% stake for €4 million.

In accordance with IFRS3 (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 €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".

B. 2. 2011 acquisitions

In January, 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.

The transaction was completed at a price of €13 million. The difference between the cost of the business combination and the net assets acquired amounted to €13 million, before deferred tax. Of this €4 million was recognized under "contractual customer relationships".

Note 4. Analysis of issue volume and total revenue by geographic segment

A. Issue volume

In € millions	Dec. 2010 IFRS	June 2010 IFRS	June 2011
France	2 564	1 248	1 276
Rest of Europe	4 679	2 318	2 380
Latin America & Caribbean	6 185	2 837	3 370
Rest of the world	446	212	239
Worldwide Structures	-	-	-
TOTAL ISSUE VOLUME	**13 875**	**6 615**	**7 264**

Issue volume for first-half 2011 reached €7,264 million, compared with €6,615 million for the same period of 2010, representing an increase of €+649 million.

This increase breaks down as follows:

	June 2011 vs June 2010	
	€m	**%**
Organic growth	+660	+10,0%
Changes in consolidation scope	+50	+0,7%
Currency effect	(61)	(0,9)%
Total change	**+649**	**+9,8%**

Change in issue volume by geographic segment:

	June 2011 vs June 2010 Reported	June 2011 vs June 2010 Like-for-like	
	€m	**€m**	**%**
France	+28	+28	+2,3%
Rest of Europe	+62	(8)	(0,3)%
Latin America & Caribbean	+533	+597	+21,0%
Rest of the world	+27	+43	+19,8%
Worldwide Structures	-	-	-
Group Total	**+649**	**+660**	**+10,0%**

B. Total revenue

Total revenue breaks down as follows:

In € millions	Dec. 2010 IFRS	June 2010 IFRS	June 2011
Operating revenue generated by issue volume	729	343	374
Other operating revenue	156	79	82
OPERATING REVENUE	**885**	**422**	**456**
Financial revenue/unrestricted cash	66	32	36
Financial revenue/restricted cash	14	7	8
FINANCIAL REVENUE	**80**	**39**	**44**
TOTAL REVENUE	**965**	**461**	**501**

Total revenue by geographic segment:

In € millions	Dec. 2010 IFRS	June 2010 IFRS	June 2011
France	165	79	80
Rest of Europe	347	168	175
Latin America & Caribbean	386	181	211
Rest of the world	68	33	35
Worldwide Structures (1)	-	-	-
TOTAL REVENUE	**965**	**461**	**501**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

Total revenue for first-half 2011 amounted to €501 million, compared with €461 million for the same period of 2010, representing an increase of €+40 million.

This increase breaks down as follows:

	June 2011 vs June 2010 €m	%
Organic growth	+45	+9,8%
Changes in consolidation scope	(4)	(0,8)%
Currency effect	(1)	(0,3)%
Total change	**+40**	**+8,6%**

Change in total revenue by geographic segment:

	June 2011 vs June 2010 Reported €m	June 2011 vs June 2010 Like-for-like €m	%
France	+1	+1	+0,7%
Rest of Europe	+7	+5	+2,9%
Latin America & Caribbean	+30	+36	+20,0%
Rest of the world	+2	+3	+10,0%
Worldwide Structures	-	-	-
Group Total	**+40**	**+45**	**+9,8%**

C. Operating revenue by geographic segment

In € millions	Dec. 2010 IFRS	June 2010 IFRS	June 2011
France	146	69	70
Rest of Europe	316	152	159
Latin America & Caribbean	358	169	194
Rest of the world	65	32	33
Worldwide Structures (1)	-	-	-
TOTAL OPERATING REVENUE	**885**	**422**	**456**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

Operating revenue for first-half 2011 reached €456 million, compared with €422 million for the same period of 2010, representing an increase of €+34 million.

This increase breaks down as follows:

	June 2011 vs June 2010 €m	%
Organic growth	+39	+9,2%
Changes in consolidation scope	(3)	(0,7)%
Currency effect	(2)	(0,4)%
Total change	**+34**	**+8,1%**

Change in operating revenue by geographic segment:

	June 2011 vs June 2010 Reported €m	June 2011 vs June 2010 Like-for-like €m	%
France	+1	(0)	(0,3)%
Rest of Europe	+7	+5	+3,0%
Latin America & Caribbean	+25	+31	+18,5%
Rest of the world	+1	+3	+9,8%
Worldwide Structures	-	-	-
Group Total	**+34**	**+39**	**+9,2%**

C. 1. OPERATING REVENUE GENERATED BY ISSUE VOLUME BY GEOGRAPHIC SEGMENT

In € millions	Dec. 2010 IFRS	June 2010 IFRS	June 2011
France	117	55	56
Rest of Europe	248	123	127
Latin America & Caribbean	341	154	180
Rest of the world	23	11	11
Worldwide Structures (1)	-	-	-
OPERATING REVENUE GENERATED BY ISSUE VOLUME	**729**	**343**	**374**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

C. 2. OTHER OPERATING REVENUE BY GEOGRAPHIC SEGMENT

In € millions	Dec. 2010 IFRS	June 2010 IFRS	June 2011
France	29	14	14
Rest of Europe	68	29	33
Latin America & Caribbean	17	15	13
Rest of the world	42	21	22
Worldwide Structures (1)	-	-	-
OTHER OPERATING REVENUE	**156**	**79**	**82**

(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	Dec. 2010 IFRS	June 2010 IFRS	June 2011
France	19	10	10
Rest of Europe	31	16	16
Latin America & Caribbean	27	12	17
Rest of the world	3	1	1
Worldwide Structures (1)	-	-	-
TOTAL FINANCIAL REVENUE	**80**	**39**	**44**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

Financial revenue for first-half 2011 reached €44 million, compared with €39 million for the same period of 2010, representing an increase of €+5 million.

This increase breaks down as follows:

	June 2011 vs June 2010	
	€m	**%**
Organic growth	+6	+16,0%
Changes in consolidation scope	(1)	(1,8)%
Currency effect	+0	+0,6%
Total change	**+5**	**+14,8%**

Change in financial revenue by geographic segment:

	June 2011 vs June 2010 Reported	June 2011 vs June 2010 Like-for-like	
	€m	**€m**	**%**
France	+0	+1	+8,0%
Rest of Europe	(0)	+0	+2,0%
Latin America & Caribbean	+5	+5	+40,0%
Rest of the world	+0	+0	+14,0%
Worldwide Structures	-	-	-
Group Total	**+5**	**+6**	**+16,0%**

Note 5. Operating expenses

In € millions		Dec. 2010 IFRS	June 2010 IFRS	June 2011
Employee benefits expense		(273)	(131)	(142)
Other operating expenses	(1)	(333)	(161)	(177)
TOTAL OPERATING EXPENSES	(2)	**(606)**	**(292)**	**(319)**

(1) 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 €(9) million in June 2011.

(2) As June 30, 2011 the currency effect impact the operating expenses for €(1) million.

Note 6. Depreciation, amortization, and provision expense

Depreciation, amortization and provision expenses can be analyzed as follows:

In € millions	Dec. 2010 IFRS	June 2010 IFRS	June 2011
Amortization and depreciation	(32)	(16)	(15)
Provision expense	3	4	0
Total	**(29)**	**(12)**	**(15)**

Note 7. EBIT by geographic segment

In € millions	Dec. 2010 IFRS	June 2010 IFRS	June 2011
France	48	24	23
Rest of Europe	129	61	59
Latin America & Caribbean	166	79	96
Rest of the world	10	5	3
Worldwide Structures (1)	(23)	(12)	(14)
Total EBIT	**330**	**157**	**167**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

EBIT for first-half 2011 reached €167 million compared with €157 million at first-half 2010, representing an increase of €+10 million.

The increase breaks down as follows:

	June 2011 vs June 2010 €m	%
Organic growth (*)	+17	+10,8%
Changes in consolidation scope	(5)	(2,7)%
Currency effect	(2)	(1,4)%
Total change	**+10**	**+6,7%**

(*) Including the impact of lower financial revenue for €+6 million.

Change in EBIT by geographic segment:

	June 2011 vs June 2010 €m	June 2011 vs June 2010 Like-for-like €m	%
France	(1)	(0)	(2,6)%
Rest of Europe	(2)	(2)	(3,4)%
Latin America & Caribbean	+17	+20	+25,0%
Rest of the world	(2)	(1)	(11,2)%
Worldwide Structures	(2)	+0	(3,7)%
Group Total	**+10**	**+17**	**+10,8%**

Comparison between Pro Forma and IFRS:

In € millions	Dec. 2010 Pro Forma	June 2010 Pro Forma	June 2011
France	49	24	23
Rest of Europe	128	61	59
Latin America & Caribbean	166	79	96
Rest of the world	10	5	3
Worldwide Structures (1)	(25)	(14)	(14)
Total EBIT	**328**	**155**	**167**

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

	June 2011 vs June 2010 Pro Forma	
	€m	%
Organic growth (*)	+19	+12,1%
Changes in consolidation scope	(5)	(2,7)%
Currency effect	(2)	(1,4)%
Total change	**+12**	**+8,0%**

(*) Including the impact of lower financial revenue for €+6 million.

	June 2011 vs June 2010 Reported Pro Forma	June 2011 vs June 2010 Like-for-like Pro Forma	
	€m	€m	%
France	(1)	(1)	(6,6)%
Rest of Europe	(2)	(2)	(3,4)%
Latin America & Caribbean	+17	+20	+25,0%
Rest of the world	(2)	(1)	(11,2)%
Worldwide Structures	+0	+3	(22,8)%
Group Total	**+12**	**+19**	**+12,1%**

Note 8. Net financial expense

In € millions		Dec. 2010 IFRS	June 2010 IFRS	June 2011
Net interest expense	(1)	(25)	(4)	(20)
Other financial income and expenses, net	(2)	0	0	(3)
Net financial expense		**(25)**	**(4)**	**(23)**

(1) Finance costs, net correspond to interest on loans, receivables and debt measured at amortized cost.

(2) Other financial income and expenses consist essentially of exchange gains and losses, mainly on foreign currency debt measured at amortized cost.

Comparison between Pro Forma and IFRS:

In € millions		Dec. 2010 Pro Forma (3)	June 2010 Pro Forma (3)	June 2011
Net interest expense	(1)	(62)	(41)	(20)
Other financial income and expenses, net	(2)	0	0	(3)
Net financial expense		**(62)**	**(41)**	**(23)**

(1) Finance costs, net correspond to interest on loans, receivables and debt measured at amortized cost.

(2) Other financial income and expenses consist essentially of exchange gains and losses, mainly on foreign currency debt measured at amortized cost.

(3) The additional financial expense arising for the periods ended June 30, 2010 and for December 31, 2010, from the debt allocated to Edenred as part of the reallocation of Accor debt and used to prepare the pro forma financial statements, is estimated at approximately €37 million based on an interest rate of 4.35%.

Note 9. Non-recurring income and expenses

Non-recurring income and expenses can be analyzed as follows:

In € millions	Dec. 2010 IFRS	June 2010 IFRS	June 2011
Movements on restructuring provisions	4	6	2
Restructuring costs	(11)	(8)	(3)
Restructuring costs	**(7)**	**(2)**	**(1)**
Impairment of goodwill	(32)	(1)	-
Impairment of intangible assets	(11)	-	-
Total impairment losses	**(43)**	**(1)**	**-**
Other capital gains or losses	1	2	4
Provision movements	(9)	(1)	(1)
Non-recurring gains and losses, net	(42)	(33)	-
Other non-recurring income and expenses, net	**(50)**	**(32)**	**3**
Total non-recurring income and expense, net	**(100)**	**(35)**	**2**

A. Restructuring costs

Restructuring costs in 2010 correspond mainly to Group reorganization costs.

B. Impairment losses

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.

C. Other non-recurring income and expenses

Other non-recurring income and expenses were as follows:

- in 2010, mainly demerger costs for €(44) million.
- in June 2011, mainly gains on the disposal of assets (EAP France and Workplace Benefits in United States).

Note 10. Income tax

A. Normative tax rate

At June 30, 2011, the normative tax rate amounts to 31.0%. It amounted to 35.2%* the previous first-half 2010.

(*) The normative tax rate has been recalculated for the first-half 2010 to take in account the tax situation of 2010 due to the demerger.

Note 11. Potential ordinary shares

Edenred's Board of Directors of March 11, 2011 has carried to:

- attribution of 611,700 stock option
- conditional attribution of 805,025 performance shares

A. Stock option plan

The 611,700 stock option plan includes a five-year vesting period with no performance objectives.

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 2
Risk-free interest rate	2.73%
Excpected duration of the plan	8 years
Expected volatility	28.80%
Expected dividend yield	2.43%
Share price	€20.04
Exercise price	€18.81
Fair value	€5.07

Cost of share-based payments recognized in the accounts

The total cost of share-based payments granted to Edenred employees in 2011 has been recognized in employee benefit expense with a corresponding adjustment to equity. The total cost amounts to €0.3 million at June 30, 2011.

B. Performance share plan

B. 1. MAIN CHARACTERISTICS

Edenred's Board Directors of March 11, 2011 carried to the conditional attribution of 805,025 performance shares.

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 five-year vesting period without any lock-up.

The 805,025 shares originally granted under the plan will vest on March 12, 2014 provided that the performance objectives specified in the plan for 2011, 2012 and 2013 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 March 12, 2014, 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 the three years, are as follows :

- In 2011, 2012 and 2013 = like-for-like growth in issue volume and funds from operations

B. 2. FAIR VALUE OF THE PERFORMANCE SHARES PLAN

The fair value of the performance shares plan is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity. It amounts to €14.5 million for a unit fair value of €18.06 and €1.6 million has been recognized in the financial statements at June 30, 2011.

Note 12. Diluted earnings per shares

A. Net result

At June 30, 2011, the company's share capital was made up of 225,897,396 ordinary shares. The average number of ordinary share outstanding at June 30, 2011 was also 225,897,396.

In addition, stock options representing 4,767,200 ordinary shares and 1,691,390 performance shares granted to employees in 2010 and 2011. Conversion of all of these potential shares would have the effect of increasing the number of shares outstanding to 232,355,986.

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 January 3, 2011 to June 30, 2011 for Plan 1 (€19.78) and from March 11, 2011 for Plan 2 (€20.57), the diluted weighted average number of shares outstanding at June 30, 2011 was 229,175,176.

Diluted earnings per share were therefore calculated as follows:

	June 2011
Net profit, Group share *(in € millions)*	98
Weighted average number of ordinary shares *(in thousands)*	225 897
Number of shares resulting from the exercise of stock options *(in thousands)*	3 157
Number of shares resulting from performance shares grants *(in thousands)*	121
Fully diluted weighted average number of shares *(in thousands)*	229 175
DILUTED EARNINGS PER SHARE *(in €)*	**0,43**

B. Recurring profit after tax

Recurring profit after tax corresponds to:

- Operating profit before tax and non-recurring items, and
- Tax adjustment of the period related to the non-recurring income and expenses,

  It is stated net of minority interests.

The recurring profit after tax breaks down as follows:

In € millions	**Dec. 2010 IFRS**	**June 2010 IFRS**	**June 2011**
Net profit	**106**	**68**	**102**
Non-recurring income and expenses, net	100	35	(2)
Net Profit, Minority interests adjustement	(9)	(2)	(4)
Tax adjustement related to the non-recurring income and expenses	(3)	-	-
Recurring profit after tax, Group Share	**194**	**101**	**96**

Recurring earnings per share break down as follows:

	Dec. 2010 IFRS	June 2010 IFRS	June 2011
Recurring profit after tax, Group Share ***(in € millions)*** **(1)**	**194**	**101**	**96**
Weighted average number of ordinary shares (in thousands)	225 897	225 627	225 897
Recurring earnings per share, Group Share (in €)	0,86	0,45	0,42

(1) The earnings after tax has been recalculated for the first-half 2010 to take in account the tax situation of 2010 due to the demerger.

Comparison between Pro Forma and IFRS:

In € millions	**Dec. 2010 Pro Forma**	**June 2010 Pro Forma**	**June 2011**
Net profit	**77**	**39**	**102**
Non-recurring income and expenses, net	100	35	(2)
Net Profit, Minority interests adjustement	(9)	(2)	(4)
Tax adjustement related to the non-recurring income and expenses	(3)	-	-
Recurring profit after tax, Group Share	**165**	**72**	**96**

	Dec. 2010 Pro Forma	June 2010 Pro Forma	June 2011
Recurring profit after tax, Group Share ***(in € millions)*** **(1)**	**165**	**72**	**96**
Weighted average number of ordinary shares (in thousands)	225 897	225 627	225 897
Recurring earnings per share, Group Share (in €)	0,73	0,32	0,42

(1) The earnings after tax has been recalculated for the first-half 2010 to take in account the tax situation of 2010 due to the demerger.

Note 13. Goodwill

In € millions	June 2010 IFRS	Dec. 2010 IFRS	June 2011
Goodwill	690	679	682
Less accumulated impairment losses	(98)	(128)	(127)
Goodwill, net	**592**	**551**	**555**

In € millions	June 2010 IFRS	Dec. 2010 IFRS	June 2011
France	115	91	91
Rest of Europe	190	189	198
Latin America & Caribbean	234	226	222
Rest of the world	42	40	39
Worldwide Structures	11	5	5
Goodwill, net	**592**	**551**	**555**

Changes in the carrying amount of goodwill during the periods presented were as follows:

In € millions	Notes	June 2010 IFRS	Dec. 2010 IFRS	June 2011
Net goodwill at beginning of period		**557**	**557**	**551**
Goodwill recognized on acquisitions for the period and other increases		3	3	9
Goodwill written off on disposals for the period		(1)	(2)	-
Impairment losses	9	(1)	(32)	-
Currency translation adjustement		30	29	(5)
Minority puts recognized/remeasured during the period and other		(1)	(4)	-
Reclassification and other movements		5	-	-
Net goodwill at period-end		**592**	**551**	**555**

Note 14. Intangible assets

In € millions		June 2010 IFRS	Dec. 2010 IFRS	June 2011
Cost				
Kadéos brand	(1)	19	19	19
Other brands		19	20	19
Contractual customer relationships	(2)	58	63	66
Licenses and software		111	114	119
Other		41	41	41
Total cost		**248**	**257**	**264**
Accumulated amortization and impairment losses				
Brands		(4)	(5)	(5)
Contractual customer relationships		(33)	(42)	(42)
Licenses and software		(82)	(85)	(89)
Other		(27)	(29)	(31)
Total accumulated amortization and impairment losses		**(146)**	**(161)**	**(167)**
Intangible assets, net		**102**	**96**	**97**

(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	June 2010 IFRS	Dec. 2010 IFRS	June 2011
Net intangible assets at beginning of period	**99**	**99**	**96**
Additions	1	5	1
Internally-generated assets	7	18	9
Intangible assets of newly-consolidated companies	-	-	5
Amortization for the period	(11)	(21)	(10)
Impairment losses for the period (*)	(0)	(11)	-
Disposals	(0)	-	(2)
Currency translation adjustement	6	5	(1)
Reclassifications	(0)	1	(1)
Net intangible assets at end of period	**102**	**96**	**97**

(*) For 2010, see Note 9.

Note 15. Net debt

A. Long and short-term financial debt

Long and short-term debt at June 30, 2011 breaks down as follows:

In € millions	June 2010 IFRS	Effective rate June 2010 IFRS %	Dec. 2010 IFRS	Effective rate Dec. 2010 IFRS %	June 2011	Effective rate June 2011 %
Long and short-term debt (1)	**1 503**	**4,35**	**1 497**	**3,13**	**1 500**	**3,24**
Deposits	8		9		9	
Purchase commitments	4		2		2	
Derivatives	1		-		7	
Bank overdrafts and other short-term financial liabilities	18		74		63	
Long and short-term debt and other financial liabilities	**1 534**		**1 582**		**1 581**	

(1) As of June 30, 2011, equivalent of €1,488 million of EUR, equivalent of €6 million in INR, equivalent of €3 million in ZAR and equivalent of €3 million in other currencies.

The breakdown between long and short-term financial debt at June 30, 2010 is different from the following periods. This discrepancy is due to the set up of the bond loan of October 06, 2010. These new loans had the effect of changing the maturity profile of financial debt presented in Note 15 below.

In € millions		June 2010 IFRS	Dec. 2010 IFRS	June 2011
Long-term debt and other financial liabilities	(1)	903	1 499	1 499
Short-term debt and other financial liabilities	(2)	631	83	82
Total debt and other financial liabilities		**1 534**	**1 582**	**1 581**

(1) As of June 30, 2011, the Long-term debt includes €794 million of bond loan until October 2017 and bank loans of €695 million repayable between June 2013 and June 2015.

(2) Short-term financial debt consists mainly of bank overdrafts of €41 million, of interest on debt of €21 million and short terms credit facilities which amount to €9 million.

B. Maturities of financial debt

B. 1. MATURITIES OF FINANCIAL DEBT ANALYSIS

At June 30, 2011 maturities of financial debt are as follows:

In € millions	June 2010 IFRS	Dec. 2010 IFRS	June 2011
Due within 1 year (1)	631	83	82
Due in 1 to 2 years	10	11	108
Due in 2 to 3 years	293	98	298
Due in 3 to 4 years	299	298	298
Due in 4 to 5 years	299	298	-
Due in 5 to 6 years	-	-	-
Due beyond 6 years	2	794	795
Total debt	**1 534**	**1 582**	**1 581**

(1) As of June 30, 2011, debts in local currencies due within 1 year are equivalent to €12 million. Those debts expiring in one year includes €41 million of bank overdrafts which are to compare with €66 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.

At June 30, 2011, Edenred had undrawn long-term committed lines of credit totaling €628 million, expiring at various dates between November 2012 and June 2014.

B. 2. LONG AND SHORT-TERM DEBT BEFORE AND AFTER HEDGING

At June 30, 2011, total debt without hedging breaks down as follows:

In € millions	Amount	Rate	% of total debt
EUR	1 491	3,16%	99%
Other currencies	9	7,50%	1%
Total debt	**1 500**	**3,19%**	**100%**

Long and short-term financial debt after currency and interest rate hedging breaks down as follows at June 30, 2011:

In € millions	Amount	Rate	% of total debt
EUR	1 488	3,21%	99%
Other currencies	12	7,41%	1%
Total debt	**1 500**	**3,24%**	**100%**

B. 3. LONG AND SHORT-TERM DEBT BY INTEREST RATE AFTER HEDGING

In € millions	Amount	Rate	%of total debt
Fixed rate debt	1 042	3,49%	69%
Variable rate debt	458	2,68%	31%
Total debt	**1 500**	**3,24%**	**100%**

C. Other current financial assets

At June 30, 2011, the current financial assets break down as follows:

In € millions	June 2010 IFRS	Dec. 2010 IFRS	June 2011
Financial debts on assets sales	1	-	3
Short-term loans	1	0	0
Derivatives instruments recorded in assets	3	4	4
Other current financial assets	**5**	**4**	**7**

D. Cash and marketable securities

At June 30, 2011, the treasury and marketable securities break down as follows:

In € millions	June 2010 IFRS	Dec. 2010 IFRS	June 2011
Marketable securities	1 174	1 480	1 170
Cash	35	73	66
Cash and marketable securities	**1 209**	**1 553**	**1 236**

At June 30, 2011, the marketable securities break down as follows:

In € millions		June 2011 Fair value	June 2011 Carrying amount
Bonds and other negociable debt securities	(a)	62	62
Money market securities		1 107	1 107
Mutual fund units in cash in less than three months (*)	(b)	1	1
Other		-	-
Total marketable securities		**1 170**	**1 170**

(*) The fair value of mutual fund units corresponds to their published net asset value (level 1 valuation technique).

(a) Held-to-maturity investments

(b) Held-for-sale financial assets

E. Net debt and net cash

In € millions	June 2010 IFRS	Dec. 2010 IFRS	June 2011
Other long-term debt	903	1 499	1 499
Short-term financial debt	613	17	34
Bank overdrafts	17	66	41
Derivatives instruments recorded in liabilities	1	-	7
Total financial debt	**1 534**	**1 582**	**1 581**
Short-term loans	(1)	-	-
Marketable securities (1)	(1 174)	(1 480)	(1 170)
Cash	(35)	(73)	(66)
Derivative instruments recorded in assets	(3)	(4)	(4)
Short-term receivables on disposals of assets	(1)	-	(3)
Current financial assets	**(1 214)**	**(1 557)**	**(1 243)**
Net debt	**320**	**25**	**338**

(1) Cf. Note 15.D.

In € millions	June 2010 IFRS	Dec. 2010 IFRS	June 2011
Net debt at beginning of period	**(1 142)**	**(1 142)**	**25**
Increase (decrease) in long-term debt	888	1 484	-
Increase (decrease) in short-term debt	(28)	(624)	17
Increase (decrease) in derivatives instruments recorded in liabilities	1	-	7
Decrease (increase) in other current financial assets	1 043	1 043	(3)
Decrease (increase) in cash and marketable securities	(442)	(736)	292
Changes for the period	**1 462**	**1 167**	**313**
Net debt at end of period	**320**	**25**	**338**

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	June 2010 IFRS	Dec. 2010 IFRS	June 2011
Cash and cash equivalents in the balance sheet	**1 212**	**1 556**	**1 240**
Bank overdrafts	(17)	(66)	(41)
Derivative instruments recorded in liabilities	(1)	0	(7)
Cash and cash equivalents in the statement of cash flows	**1 194**	**1 490**	**1 192**

Note 16. Provisions

Movements in non-current provisions between January 1, 2011 and June 30, 2011 can be analyzed as follows:

In € millions	December 31, 2010 IFRS	Impact on equity	Increases	Reversals of used provisions	Reversals of unused provisions	Currency translation adjustment	Reclassifications and changes in scope	June 30, 2011
- Provisions for pensions and loyalty bonuses	18	(0)	1	(1)	(0)	(0)	1	19
- Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT PROVISIONS	**18**	**(0)**	**1**	**(1)**	**(0)**	**(0)**	**1**	**19**

Movements in current provisions between January 1, 2011 and June 30, 2011 can be analyzed as follows:

In € millions	December 31, 2010 IFRS	Impact on equity	Increases	Reversals of used provisions	Reversals of unused provisions	Currency translation adjustment	Reclassifications and changes in scope	June 30, 2011
- Tax provisions	-	-	-	-	-	-	-	-
- Restructuring provisions	6	-	1	(2)	(1)	(0)	(2)	2
- Provisions for claims and litigation and other contingencies	25	-	5	(1)	(1)	(0)	4	32
TOTAL CURRENT PROVISIONS	**31**	**-**	**6**	**(3)**	**(2)**	**(0)**	**2**	**34**

Net provision expense - corresponding to increases in provisions less reversals of used and unused provisions set up in prior periods - is reported under the following income statement captions:

In € millions	June 2010 IFRS	Dec. 2010 IFRS	June 2011
EBIT	(4)	-	2
Net financial expense	-	-	1
Restructuring costs and impairment losses	(5)	5	(2)
Income tax expense	-	-	-
TOTAL	**(9)**	**5**	**1**

Note 17. Working capital, service vouchers in circulation and restricted cash

A. Net change in working capital and service vouchers in circulation

In € millions	Dec. 2010 IFRS	June 2011	Change Dec. 2010/ June 2011
Inventories	12	10	(2)
Trade receivables	951	942	(9)
Other receivables and accruals	316	258	(58)
Working capital items - assets	**1 279**	**1 210**	**(69)**
Trade receivables	76	60	(16)
Other payables	174	163	(11)
Vouchers in circulation	3 278	2 970	(308)
Working capital items - liabilities	**3 528**	**3 193**	**(335)**
Float (Working capital)	**2 249**	**1 983**	**(266)**

In € millions	June 2011
Working capital at beginning of period	**2 249**
Change in working capital (1)	(238)
Development Expenditure	4
Disposals	-
Currency translation adjustment	(30)
Reclassification	(2)
Net change in working capital	**(266)**
Working capital at end of period	**1 983**

(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 (€558 million), United Kingdom (€50 million) and Romania (€29 million).

In € millions	June 2011
Restricted cash at beginning of period	**631**
Like-for-like change for the period (1)	17
Reclassification from cash and cash equivalents to restricted cash (1)	-
Currency translation adjustment	(3)
Net change in restricted cash	**14**
Restricted cash at end of the period	**645**

(1) See statement of cash flows

Note 18. Related party transactions

Transactions with Accor SA during each of the three periods presented were as follows:

		Transaction amount			Receivables			Payables			Off-balance sheet commitments		
In € millions	**Type of transaction**	**June 2010 IFRS**	**Dec. 2010 IFRS**	**June 2011**	**June 2010 IFRS**	**Dec. 2010 IFRS**	**June 2011**	**June 2010 IFRS**	**Dec. 2010 IFRS**	**June 2011**	**June 2010 IFRS**	**Dec. 2010 IFRS**	**June 2011**
ACCOR SA	Inter-entity billings	(50)	(47)	-	94	-	1	15	1	-	-	-	-
	Loans	(10)	(8)	-	1	-	-	-	-	-	-	-	-
	Dividends	-	-	-	-	-	-	-	-	-	-	-	-

Comparison between Pro Forma and IFRS:

		Transaction amount			Receivables			Payables			Off-balance sheet commitments		
In € millions	**Type of transaction**	**June 2010 Pro forma**	**Dec. 2010 Pro forma**	**June 2011**	**June 2010 Pro forma**	**Dec. 2010 Pro forma**	**June 2011**	**June 2010 Pro forma**	**Dec. 2010 Pro forma**	**June 2011**	**June 2010 Pro forma**	**Dec. 2010 Pro forma**	**June 2011**
ACCOR SA	Inter-entity billings	(50)	(47)	-	94	-	1	15	1	-	-	-	-
	Loans	-	-	-	-	-	-	-	-	-	-	-	-
	Dividends	-	-	-	-	-	-	-	-	-	-	-	-

Note 19. Subsequent events

On August, 16, 2011, Edenred announced the disposal of Davidson Trahaire Group, the Australian subsidiary specialized in employee assistance and human resources consulting, for an amount of €35 million.

The contribution to the Group turnover of this activity without issue volume amounted to €18 million in 2010.