INTERIM FINANCIAL STATEMENTS 2010

HISTORICAL CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

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INTERIM FINANCIAL STATEMENTS

2010

HISTORICAL CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

EDENRED

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

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Consolidated income statement

in € millions	Notes	2009 (*)	June 2009 (*)	June 2010
ISSUE VOLUME	3	**12 407**	**6 152**	**6 615**
Operating revenue		808	392	422
Financial revenue		94	52	39
TOTAL REVENUE	3	**902**	**444**	**461**
Operating expenses	4	(534)	(258)	(292)
EBITDA		**368**	**186**	**169**
Depreciation, amortization and provision expense	5	(36)	(17)	(12)
EBIT	6	**332**	**169**	**157**
Net financial expense	7	(20)	(1)	(4)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS		**312**	**168**	**153**
Non-recurring income and expenses, net	8	(211)	(5)	(35)
OPERATING PROFIT BEFORE TAX		**101**	**163**	**118**
Income tax expense	9	(83)	(53)	(50)
NET PROFIT		**18**	**110**	**68**
Net Profit, Group Share		**11**	**98**	**66**
Net Profit, Minority interests	15	7	12	2

Weighted average number of shares outstanding (in thousands)	1.T	225 458	225 458	225 627
EARNINGS PER SHARE (in €)	1.T	**0,05**	**0,43**	**0,29**
Diluted earnings per share (in €)	1.T	0,05	0,43	0,29

OPERATING PROFIT BEFORE NON-RECURRING ITEMS		**222**	**103**	**101**
Earnings per share before non-recurring items (in €)		0,98	0,46	0,45

Earnings per share from continuing operations (in €)		**0,05**	**0,43**	**0,29**
Diluted earnings per share from continuing operations (in €)		**0,05**	**0,43**	**0,29**

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)

Consolidated statement of comprehensive income

in € millions	Notes	2009 (*)	June 2009 (*)	June 2010
NET PROFIT		**18**	**110**	**68**
Currency translation adjustment		66	42	101
Actuarial gains and losses on defined benefit plans		(2)	-	2
Other comprehensive income, net of tax	16	**64**	**42**	**103**
TOTAL COMPREHENSIVE INCOME		**82**	**152**	**171**
Comprehensive income, Group share		**76**	**142**	**169**
Comprehensive income, Minority interests		6	10	2

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)

Consolidated balance sheet

Assets

in € millions	Notes	June 2009 (*)	Dec 2009 (*)	June 2010
GOODWILL	10	**643**	**557**	**592**
INTANGIBLE ASSETS	11	**114**	**99**	**102**
PROPERTY, PLANT AND EQUIPMENT	12	**44**	**37**	**40**
Other non-current financial assets		3	3	4
NON-CURRENT FINANCIAL ASSETS		**3**	**3**	**4**
Deferred tax assets	9	14	24	23
TOTAL NON-CURRENT ASSETS		**818**	**720**	**761**
Trade receivables	13	877	894	934
Inventories and other receivables and accruals	13	232	251	273
Restricted cash	22	437	565	595
Short-term loans	17 & 18	1 146	1 044	2
Marketable securities	17 & 18	780	754	1 174
Cash and cash equivalents	17 & 18	57	41	38
TOTAL CURRENT ASSETS		**3 529**	**3 549**	**3 016**
TOTAL ASSETS		**4 347**	**4 269**	**3 777**

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)

Equity and Liabilities

in € millions	Notes	June 2009 (*)	Dec 2009 (*)	June 2010
Consolidated retained earnings		655	207	(1 250)
Cumulative compensation costs - share-based payments		5	6	1
Cumulative fair value adjustments to financial instruments	14	-	0	0
Cumulative actuarial gains (losses) on defined benefit plans		1	(1)	1
Currency translation reserve		(15)	8	109
Net profit, Group share		98	11	66
SHAREHOLDERS' EQUITY, GROUP SHARE		**744**	**231**	**(1 073)**
Minority interests	15	41	19	19
TOTAL EQUITY		**785**	**250**	**(1 054)**
Long-term debt	17 & 18	17	15	903
Deferred tax liabilities	9	63	62	61
Long-term provisions	20	13	16	17
TOTAL NON-CURRENT LIABILITIES		**878**	**343**	**(73)**
Short-term provisions	20	12	59	36
Short-term debt	17 & 18	455	641	613
Vouchers in circulation	22	2 584	2 883	2 904
Trade payables	13	191	140	71
Other payables and income tax payable	13	200	162	208
Bank overdrafts	17 & 18	27	41	18
TOTAL CURRENT LIABILITIES		**3 469**	**3 926**	**3 850**
TOTAL EQUITY AND LIABILITIES		**4 347**	**4 269**	**3 777**

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)

Consolidated statement of cash flows

	in € millions	Notes	2009 (*)	June 2009 (*)	June 2010
+	EBITDA		368	186	169
-	Net financial expenses	7	(20)	(1)	(4)
-	Income tax paid		(98)	(58)	(50)
-	Elimination of non-cash revenue and expenses included in EBITDA		3	0	3
-	Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		(1)	0	0
=	**Funds from ordinary activities**	21	**252**	**127**	**118**
+	Decrease (increase) in working capital	22	111	(141)	(147)
+	Recurring decrease (increase) in restricted cash	22	(13)	(4)	(8)
=	**Net cash from operating activities**		**350**	**(18)**	**(37)**
+	Non-recurring gains (losses) (including restructuring costs and tax on non-recurring items)		(32)	(6)	(41)
+	Non-recurring decrease (increase) in restricted cash (1)	22	(114)	-	(20)
=	**Net cash from (used in) operating activities including non-recurring transactions (A)**		**204**	**(24)**	**(98)**
-	Recurring expenditure	23	(30)	(16)	(12)
-	Development expenditure	23	(41)	(20)	(13)
+	Proceeds from disposals of assets		17	15	3
=	**Net cash from (used in) investing activities (B)**		**(54)**	**(21)**	**(22)**
+	Minority interests in share issues by subsidiaries		7	7	2
-	Dividends paid		(165)	(63)	(2)
+	**Increase (Decrease) in debt**		**341**	**23**	**1 973**
+	Technical demerger impact		(4)	26	-
+	Impact on equity of transfers between the Hospitality and New Services businesses		(367)	(31)	(1 469)
+	Impact on short-term debt of transfers between the Hospitality and New Services businesses		166	193	(73)
=	**Impact of the demerger and inter-business transfers**		**(205)**	**188**	**(1 542)**
=	**Net cash from (used in) financing activities (C)**		**(22)**	**155**	**431**
-	**Effect of changes in foreign exchange rates (D)**		**(38)**	**36**	**129**
=	**Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)**	18	**90**	**146**	**440**
+	Cash and cash equivalents at beginning of period		664	664	754
-	Cash and cash equivalents at end of period		754	810	1 194
=	**Net change in cash and cash equivalents**	18	**90**	**146**	**440**

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 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

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, 2009 (*)	**(59)**	**1**	**4**	**773**	**(320)**	**268**	**667**	**26**	**(2)**	**24**	**691**
Issue of share capital											
- in cash	-	-	-	-	-	-	**-**	7	-	**7**	**7**
Dividends paid (4)	-	-	-	(61)	-	-	**(61)**	(2)	-	**(2)**	**(63)**
Effect of changes in combination scope	-	-	-	-	(31)	26	**(5)**	3	(1)	**2**	**(3)**
Compensation costs for the period - share-based payments	-	-	1	-	-	-	**1**	-	-	**-**	**1**
Other comprehensive income	44	-	-	-	-	-	**44**	(2)	-	**(2)**	**42**
Net profit for the period	-	-	-	98	-	-	**98**	12	-	**12**	**110**
Total comprehensive income	**44**	**-**	**-**	**98**	**-**	**-**	**142**	**10**	**-**	**10**	**152**
June 30, 2009 (*)	**(15)**	**1**	**5**	**810**	**(351)**	**294**	**744**	**44**	**(3)**	**41**	**785**
Issue of share capital											
- in cash	-	-	-	-	-	-	**-**	-	-	**-**	**-**
Dividends paid (4)	-	-	-	(82)	-	-	**(82)**	(20)	-	**(20)**	**(102)**
Effect of changes in combination scope	-	-	-	-	(336)	(30)	**(366)**	5	(3)	**2**	**(364)**
Compensation costs for the period - share-based payments	-	-	1	-	-	-	**1**	-	-	**-**	**1**
Other comprehensive income	23	(2)	-	-	-	-	**21**	1	-	**1**	**22**
Net profit for the period	-	-	-	(87)	-	-	**(87)**	(5)	-	**(5)**	**(92)**
Total comprehensive income	**23**	**(2)**	**-**	**(87)**	**-**	**-**	**(66)**	**(4)**	**-**	**(4)**	**(70)**
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	-	-	-	-	-	-	**-**	(2)	-	**(2)**	**(2)**
Effect of changes in consolidation scope (3)	-	-	-	-	(1 201)	(267)	**(1 468)**	7	(9)	**(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	-	**2**	**68**
Total comprehensive income	**101**	**2**	**-**	**66**	**-**	**-**	**169**	**2**	**-**	**2**	**171**
June 30, 2010	**109**	**1**	**1**	**707**	**(1 888)**	**(3)**	**(1 073)**	**34**	**(15)**	**19**	**(1 054)**

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)

(1) The €101 million favorable net exchange difference on translating foreign operations between December 31, 2009 and June 30, 2010 is mainly attributable to the fall against the euro of the Brazilian real (€87 million positive impact), the Venezuelan Bolivar (€6 million positive impact), the Mexican peso (€5 million positive impact) and the Swedish kronor (€2 million positive impact) partly offset by the appreciation against the euro of the British pound sterling (€3 million negative impact) and the American dollar (€1 million negative impact).

Year-end euro exchange rates used to translate foreign operations in the financial statements were as follows:

	GBP	BRL	MXN	ARS	SEK	VEF	USD
June 2009	0,85	2,75	18,55	5,36	10,81	3,04	1,41
December 2009	0,89	2,51	18,92	5,47	10,25	3,10	1,44
June 2010	0,82	2,21	15,74	4,82	9,53	5,27	1,23
June 2010 vs Dec. 2009	+8,6%	+13,7%	+20,2%	+13,5%	+7,6%	(41,3)%	+17,4%

(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, 2009" 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.

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 23 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, historical combined financial statements have been prepared for the year 2009 and first-half 2009 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 historical combined financial statements.

The comparative information (for the year 2009 and the period from 1 January to 30 June 2009) included in the historical consolidated financial statements for the period from January 1 to June 30, 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 June 30, 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.

They provide an indicative view of the Edenred businesses' historical operations within Accor and do not reflect the post-merger economic situation as presented in the pro forma financial statements, particularly as regards the level of debt.

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 will incur 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, 2009 and exclude the financial statements of companies owned by Edenred entities as of January 1, 2009 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, 2009

Acquisitions of Services companies not owned by Edenred entities were all treated as having been carried out on January 1, 2009. 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, 2009 and June 30, 2010

The price paid by Edenred for companies that were acquired from Accor between January 1, 2009 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, 2009 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, 2009 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 for first-half 2010. These financial statements include comparative financial information for first-half 2009, and for the year 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 June 30, 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 June 30, 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 concern the amount of provisions for contingencies and the assumptions underlying the calculation of asset impairments and deferred tax balances.

The main assumptions made by the Group are presented in the relevant notes to the financial statements.

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 Group has set a target of obtaining a "strong investment grade" rating.

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.

For subsidiaries operating in hyperinflationary economies, non-monetary assets and liabilities are translated at the exchange rate at the transaction date (historical rate) and monetary assets and liabilities are translated at the closing exchange rate.

In the income statement, income and expenses related to non-monetary assets and liabilities are translated at the historical rate and other items are translated at the average rate for the month in which the transaction was recorded. Differences arising from the application of this method are recorded in the income statement under "Other financial income and expenses, net".

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 for developed countries.

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.S. 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 meal voucher and Ticket CESU business (household employees) 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 benefits expense

Employee benefits 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. 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. Service vouchers in circulation

Service vouchers in circulation are recognized as short-term liabilities at face value.

P. 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.

P. 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.

P. 2. BANK BORROWINGS

Interest-bearing drawdowns on lines of credit and bank overdrafts are recognized for the amounts received, net of direct drawdown costs.

P. 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.

Q. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and short-term investments in money market instruments. These instruments generally have maturities of less than three months and are readily convertible into known amounts of cash; their exposure to changes in value is minimal.

R. 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).

S. Presentation of the income statement and the statement of cash flows

S. 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.

S. 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:

S. 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.

S. 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.

S. 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.

S. 4. EBITDA

EBITDA includes operating revenue and expenses and rental expense.

S. 5. Depreciation, amortization and provisions

Depreciation, amortization and provision expenses reflect the operating costs of holding assets.

S. 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).

S. 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 provision.

S. 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.

S. 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.

S. 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.

S. 11. 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 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.

T. Earnings per share

The average number of shares used to calculate earnings per share for the three periods presented was determined as the number resulting from the application of the 1-for-1 exchange ratio to the number of Accor shares issued during each period.

Diluted earnings per share is the same as earnings per share as no dilutive instruments have been issued by Edenred.

U. 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 24.

V. 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.

W. 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 August 24, 2010.

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 Company'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 Company'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 Company 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 et 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 instalments from June 30, 2013.
- A €600 million one-year bridge-to-bonds facility (club deal).
- Confirmed multicurrency bilateral lines for a total of €628 million, of which 84% due in five years.

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.

All or part of the bridge-to-bonds facility may be repaid early using the proceeds from any bond issue that may be carried out by Edenred during the coming twelve months. The bilateral lines are intended for general corporate purposes. They had not been drawn down as of June 30, 2010.

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 spread on the bridge-to-bonds facility depends on the time that has elapsed since the funds were first drawn down.

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 will combine 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 will combine 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.

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 bolivars 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 1st semestre, 2009	Venezuela impact 2nd semestre, 2009	Dec. 2009 Reported	June 2010 Reported
Total revenue	**927**	**-**	**(25)**	**902**	**461**
Operating expenses	(577)	-	8	(569)	(306)
EBIT	**350**	**-**	**(18)**	**332**	**155**
Net financial interest expense	5	-	(2)	3	(41)
Exchange loss	(3)	(20)	-	(23)	-
Operating profit before tax and non-current items	**352**	**(20)**	**(19)**	**312**	**114**

In first-half 2010, the Group continued to apply the exchange rate used at December 31, 2009 (i.e. the post-devaluation rate against the dollar of VEF 4.30) to translate the contribution of its Venezuelan subsidiaries.

Note 3. Analysis of issue volume and total revenue by geographic segment

A. Issue volume

in € millions	2009	June 2009	June 2010
France	2 570	1 271	1 248
Rest of Europe	4 372	2 128	2 318
Latin America & Caribbean	5 111	2 573	2 837
Rest of the world	354	180	212
Worldwide Structures	-	-	-
TOTAL ISSUE VOLUME	**12 407**	**6 152**	**6 615**

Issue volume for first-half 2010 totaled €6,615 million, compared with €6,152 million for the same period of 2009, representing an increase of €463 million.

This increase breaks down as follows:

in € millions	June 2010 vs June 2009	
	€m	%
Organic growth	+480	+7,8%
Changes in consolidation scope	+40	+0,7%
Currency effect	(57)	(0,9)%
Total change	**+463**	**+7,5%**

Change in issue volume by geographic segment:

in € millions	June 2010 vs June 2009 Reported	2010 vs 2009 Like-for-like	
	€m	€m	%
France	(23)	(23)	(1,8)%
Rest of Europe	+190	+112	+5,3%
Latin America & Caribbean	+264	+370	+14,4%
Rest of the world	+32	+21	+11,9%
Worldwide Structures	-	-	-
Group Total	**+463**	**+480**	**+7,8%**

B. Total revenue

Total revenue breaks down as follows:

in € millions	2009	June 2009	June 2010
Operating revenue generated by issue volume	661	330	343
Other operating revenue	147	62	79
OPERATING REVENUE	**808**	**392**	**422**
Financial revenue/unrestricted cash	72	42	32
Financial revenue/restricted cash	22	10	7
FINANCIAL REVENUE	**94**	**52**	**39**
TOTAL REVENUE	**902**	**444**	**461**

Total revenue by geographic segment:

in € millions	2009	June 2009	June 2010
France	168	82	79
Rest of Europe	335	157	168
Latin America & Caribbean	337	174	181
Rest of the world	62	31	33
Worldwide Structures	-	-	-
TOTAL REVENUE	**902**	**444**	**461**

Total revenue for first-half 2010 amounted to €461 million, compared with €444 million for the same period of 2009, representing an increase of €17 million.

This increase breaks down as follows:

in € millions	June 2010 vs June 2009	
	€m	**%**
Organic growth	+3	+0,7%
Changes in consolidation scope	+12	+2,7%
Currency effect	+2	+0,4%
Total change	**+17**	**+3,8%**

Change in total revenue by geographic segment:

in € millions	June 2010 vs June 2009 Reported	2010 vs 2009 Like-for-like	
	€m	€m	%
France	(3)	(2)	(1,9)%
Rest of Europe	+11	(5)	(2,8)%
Latin America & Caribbean	+7	+11	+6,2%
Rest of the world	+2	(1)	(4,6)%
Worldwide Structures	-	-	-
Group Total	**+17**	**+3**	**0,7%**

C. Operating revenue by geographic segment

in € millions	2009	June 2009	June 2010
France	144	69	69
Rest of Europe	299	138	152
Latin America & Caribbean	306	155	169
Rest of the world	59	30	32
Worldwide Structures (1)	-	-	-
TOTAL OPERATING REVENUE	**808**	**392**	**422**

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

Operating revenue for first-half 2010 totaled €422 million, compared with €392 million for the same period of 2009, representing an increase of €30 million.

This increase breaks down as follows:

in € millions	June 2010 vs June 2009	
	€m	%
Organic growth	+16	+4,2%
Changes in consolidation scope	+12	+3,0%
Currency effect	+2	+0,5%
Total change	**+30**	**+7,7%**

Change in operating revenue by geographic segment:

in € millions	June 2010 vs June 2009 Reported	2010 vs 2009 Like-for-like	
	€m	€m	%
France	(0)	+2	+3,0%
Rest of Europe	+14	(1)	(0,5)%
Latin America & Caribbean	+14	+16	+10,4%
Rest of the world	+2	(1)	(3,7)%
Worldwide Structures	-	-	-
Group Total	**+30**	**+16**	**+4,2%**

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

in € millions	2009	June 2009	June 2010
France	112	53	55
Rest of Europe	243	122	123
Latin America & Caribbean	283	144	154
Rest of the world	23	11	11
Worldwide Structures	-	-	-
OPERATING REVENUE GENERATED BY ISSUE VOLUME	**661**	**330**	**343**

C. 2. OTHER OPERATING REVENUE BY GEOGRAPHIC SEGMENT

in € millions	2009	June 2009	June 2010
France	32	17	14
Rest of Europe	56	16	29
Latin America & Caribbean	23	10	15
Rest of the world	36	19	21
Worldwide Structures	-	-	-
OTHER OPERATING REVENUE	**147**	**62**	**79**

D. Financial revenue by geographic segment

in € millions	2009	June 2009	June 2010
France	24	13	10
Rest of Europe	36	19	16
Latin America & Caribbean	31	19	12
Rest of the world	3	1	1
Worldwide Structures	-	-	-
TOTAL FINANCIAL REVENUE	**94**	**52**	**39**

Financial revenue for first-half 2010 totaled €39 million, compared with €52 million for the same period of 2009, representing a decrease of €13 million.

This decrease breaks down as follows:

in € millions	June 2010 vs June 2009	
	€m	%
Organic growth	(13)	(25,3)%
Changes in consolidation scope	+0	+0,2%
Currency effect	(0)	(0,4)%
Total change	**(13)**	**(25,6)%**

Change in financial revenue by geographic segment:

in € millions	June 2010 vs June 2009 Reported	2010 vs 2009 Like-for-like	
	€m	€m	%
France	(3)	(4)	(28,1)%
Rest of Europe	(3)	(4)	(19,6)%
Latin America & Caribbean	(7)	(5)	(29,3)%
Rest of the world	(0)	(0)	(21,6)%
Worldwide Structures	-	-	-
Group Total	**(13)**	**(13)**	**(25,3)%**

Note 4. Operating expenses

in € millions		2009	June 2009	June 2010
Employee benefits expense	(1)	(246)	(120)	(131)
Other operating expenses	(2)	(288)	(138)	(161)
TOTAL OPERATING EXPENSES		**(534)**	**(258)**	**(292)**

(1) Average employee benefits expense per full-time equivalent employee is presented below:

Full-time equivalent employees	2009	June 2009	June 2010
Full-time quivalent employees (FTE) (*)	5 771	5 912	6 186
Average employee benefits expense per FTE (€ thousands)	(43)	(41)	(42)

(*) 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 information systems, marketing, advertising and promotional costs as well as various fee payments. They also include rental expenses for €9 million in first-half 2010. Rental expenses amounted to €17 million for the year, 2009 and €9 million for first-half 2009.

Note 5. Depreciation, amortization and provision expenses

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

in € millions	2009	June 2009	June 2010
Depreciation and amortization	(33)	(17)	(16)
Provisions	(3)	0	4
Total	**(36)**	**(17)**	**(12)**

Note 6. EBIT by geographic segment

in € millions	2009	June 2009	June 2010
France	42	23	24
Rest of Europe	138	70	61
Latin America & Caribbean	159	82	79
Rest of the world	12	6	5
Worldwide Structures (1)	(19)	(12)	(12)
Total EBIT	**332**	**169**	**157**

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

EBIT for first-half 2010 totaled €157 million compared with €169 million the same period of 2009, representing a decrease of €12 million.

The decrease breaks down as follows:

in € millions	June 2010 vs June 2009	
	€m	%
Organic growth (*)	(5)	(3,1)%
Changes in consolidation scope	(1)	(0,9)%
Currency effect	(6)	(3,6)%
Total change	**(12)**	**(7,6)%**

(*) Including the impact of lower financial revenue for (€13) million.

Change in EBIT by geographic segment:

in € millions	June 2010 vs June 2009 Reported	2010 vs 2009 Like-for-like	
	€m	€m	%
France	+1	+1	+6,3%
Rest of Europe	(9)	(9)	(13,5)%
Latin America & Caribbean	(3)	+3	+3,8%
Rest of the world	(1)	(1)	(27,3)%
Worldwide Structures (1)	+0	+1	(10,6)%
Group Total	**(12)**	**(5)**	**(3,1)%**

Note 7. Net financial expense

in € millions		2009	June 2009	June 2010
Finance costs, net	(1)	3	2	(4)
Other financial income and expenses, net	(2)	(23)	(3)	0
Net financial expense		**(20)**	**(1)**	**(4)**

(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	2009	June 2009	June 2010
Movements on restructuring provisions	(1)	2	6
Restructuring costs	(14)	(5)	(8)
Restructuring costs	**(15)**	**(3)**	**(2)**
Impairment of goodwill	(120)	(1)	(1)
Impairment of intangible assets	(18)	-	-
Total impairment losses	**(138)**	**(1)**	**(1)**
Other capital gains or losses	-	-	2
Provision movements	(41)	-	(1)
Non-recurring gains and losses, net	(17)	(1)	(33)
Other non-recurring income and expenses, net	**(58)**	**(1)**	**(32)**
Total non-recurring income and expense, net	**(211)**	**(5)**	**(35)**

A. Restructuring costs

Restructuring costs in 2009 and first-half 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 mllion respectively) and a business in the United States (€16 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 €33 million

Note 9. Income tax

A. Income tax expense for the period

in € millions	2009	June 2009	June 2010
Current taxes	(98)	(58)	(49)
Sub-total: current taxes	**(98)**	**(58)**	**(49)**
Deferred taxes on temporary differences arising or reversing during the period	15	5	(1)
Deferred taxes arising from changes in tax rates or rules	-	-	-
Sub-total: deferred taxes	**15**	**5**	**(1)**
Total income tax expense	**(83)**	**(53)**	**(50)**

B. Effective tax rate

in € millions		2009	June 2009	June 2010
Operating profit before tax	**(a)**	**101**	**163**	**118**
Non-deductible impairment losses		125	(5)	(16)
Elimination of intercompany capital gains		-	-	-
Other		8	2	4
Total permanent differences (non-deductible expense)	**(b)**	**133**	**(3)**	**(12)**
Untaxed profit and profit taxed at a reduced rate	**(c)**	**29**	**(7)**	**11**
Profit taxable at the standard rate	**(d) = (a) + (b) + (c)**	**263**	**153**	**117**
Standard tax rate in France	**(e)**	**34,43%**	**34,43%**	**34,43%**
Theoretical tax at standard rate	**(f) = (d) x (e)**	**(91)**	**(53)**	**(40)**
Adjustments for:				
. Differences in foreign tax rates		15	7	6
. Unrecognized tax losses for the period		(3)	(2)	(15)
. Utilization of tax loss carryforwards		1	-	1
. Effect of changes in future tax rates		-	-	0
. Other items		(5)	(5)	(2)
Total adjustments	**(g)**	**8**	**-**	**(10)**
Actual tax at standard rate	**(h) = (f) + (g)**	**(83)**	**(53)**	**(50)**
Tax at reduced rate	**(i)**	**-**	**-**	**(0)**
Income tax expense	**(j) = (h) + (i)**	**(83)**	**(53)**	**(50)**
Pre-tax operating profit taxed at standard rate		263	153	117
Income tax expense at standard rate		(76)	(46)	(34)
Group effective tax rate		**28,7%**	**29,9%**	**29,5%**

C. Details of recognized deferred tax assets and liabilities

in € millions	2009	June 2009	June 2010
Temporary differences between taxable and book profit of the individual entities	11	10	18
Temporary differences arising from consolidation adjustments	13	3	4
Recognized deferred tax assets on tax loss carryforwards	-	1	1
Sub-total: deferred tax assets	**24**	**14**	**23**
Temporary differences between taxable and book profit of the individual entities	1	-	1
Temporary differences arising from consolidation adjustments	61	63	60
Sub-total: deferred tax liabilities	**62**	**63**	**61**
Net deferred tax asset (liability)	**(38)**	**(49)**	**(38)**

D. Unrecognized deferred tax assets

Unrecognized deferred tax assets at June 30, 2010 amounted to €43 million (December 31, 2009: €24 millon).

At June 30, 2010 unrecognized deferred tax assets corresponded to tax losses in the amount of €43 million, including €2 million expiring in 2011, €1 million in 2013, €1million in 2014, €5 million in 2015 and beyond and €34 million in evergreen losses.

Note 10. Goodwill

in € millions	June 2009	Dec. 2009	June 2010
Goodwill	643	666	690
Less accumulated impairment losses	-	(109)	(98)
Goodwill, net	**643**	**557**	**592**

in € millions	June 2009	Dec. 2009	June 2010
Brazil	146	159	187
France (Ticket Cadeau)	181	115	115
United Kingdom	70	70	66
Romania	37	37	37
Italy	33	36	36
Mexico	31	31	35
Sweden	19	17	18
Australia	12	13	14
USA	33	13	15
Czech Republic	2	13	12
Germany	11	10	10
Asia	10	10	10
Other (individually representing less than €10 million)	58	33	37
Goodwill, net	**643**	**557**	**592**

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

in € millions	Notes	June 2009	Dec. 2009	June 2010
Net goodwill at beginning of period		**645**	**645**	**557**
Goodwill recognized on acquisitions for the period and other increases		**13**	**23**	**3**
. Asia (Surfgold)		5	-	-
. Sweden Services		2	-	-
. Czech Republic	2.B.2	1	9	1
. Brazil		-	1	1
. Other acquisitions		5	13	1
Goodwill written off on disposals for the period		**(14)**	**(11)**	**(1)**
Impairment losses	8	**(1)**	**(120)**	**(1)**
Translation adjustments		**24**	**39**	**30**
Minority puts recognized/remeasured during the period		**(24)**	**(19)**	**(1)**
Reclassification and other movements		**-**	**-**	**5**
Net goodwill at period-end		**643**	**557**	**592**

Note 11. Intangible assets

in € millions		June 2009	Dec 2009	June 2010
Cost				
Kadéos brand	(1)	19	19	19
Other brands		17	18	19
Contractual customer relationships	(2)	50	54	58
Licenses and software		87	96	111
Other		39	42	41
Total cost		**212**	**229**	**248**
Accumulated amortization and impairment losses				
Brands		(3)	(4)	(4)
Contractual customer relationships		(14)	(30)	(33)
Licenses and software		(66)	(72)	(82)
Other		(15)	(24)	(27)
Total accumulated amortization and impairment losses		**(98)**	**(130)**	**(146)**
Intangible assets, net		**114**	**99**	**102**

(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.

Changes in the carrying amount of intangible assets over the period were as follows:

in € millions	June 2009	Dec. 2009	June 2010
Net intangible assets at beginning of period	**110**	**110**	**99**
Additions	-	5	1
Internally-generated assets	5	14	7
Intangible assets of newly-consolidated companies	-	2	-
Amortization for the period	(11)	(23)	(11)
Impairment losses for the period (*)	-	(18)	(0)
Disposals	3	3	(0)
Translation adjustment	4	5	6
Reclassifications	3	1	(0)
Net intangible assets at end of period	**114**	**99**	**102**

(*) For 2009, see Note 8.

The following intangible assets are considered as having an indefinite useful life:

in € millions	June 2009	Dec. 2009	June 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	June 2009	Dec. 2009	June 2010
Land	7	4	4
Buildings	6	3	3
Fixtures	20	17	19
Equipment and furniture	84	78	83
Assets under construction	1	1	2
Cost	**118**	**103**	**111**

in € millions	June 2009	Dec. 2009	June 2010
Buildings	(3)	(1)	(1)
Fixtures	(11)	(8)	(9)
Equipment and furniture	(60)	(57)	(61)
Assets under construction	-	-	-
Accumulated depreciation	(74)	(66)	(71)
Accumulated impairment losses	-	-	-
Accumulated depreciation and impairment losses	**(74)**	**(66)**	**(71)**

in € millions	June 2009	Dec. 2009	June 2010
Land	7	4	4
Buildings	3	2	2
Fixtures	9	9	10
Equipment and furniture	24	21	22
Assets under construction	1	1	2
Property, plant and equipment, net	**44**	**37**	**40**

Changes in the carrying amount of property, plant and equipment during the period were as follows:

in € millions	June 2009	Dec. 2009	June 2010
Net property, plant and equipment at begining of period	**37**	**37**	**37**
Property, plant and equipment of newly consolidated companies	1	1	0
Additions	11	16	5
Disposals	-	(4)	(0)
Depreciation for the period	(6)	(11)	(5)
Impairment losses for the period	-	-	-
Translation adjustment	1	(2)	3
Reclassifications	-	-	0
Net property, pland and equipment at end of period	**44**	**37**	**40**

Note 13. Receivables and payables

A. Trade receivables and related provisions

in € millions	June 2009	Dec. 2009	June 2010
Gross	899	919	962
Provisions	(22)	(25)	(28)
Trade receivables, net	**877**	**894**	**934**

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	June 2009	Dec. 2009	June 2010
Inventories	13	14	10
Recoverable VAT	69	92	119
Employee advances and prepaid payroll taxes	2	3	3
Other prepaid and recoverable taxes	2	3	11
Other receivables	141	133	122
Other prepaid expenses	8	8	10
Gross	**235**	**253**	**275**
Provisions	**(3)**	**(2)**	**(2)**
Inventories and other receivables and accruals, net	**232**	**251**	**273**

C. Details of other payables and accruals

in € millions	June 2009	Dec. 2009	June 2010
VAT payable	18	23	9
Wages and salaries and payroll taxes payable	36	43	37
Other taxes payable	32	32	28
Other payables	106	52	113
Deferred income	8	12	21
Other payables and accruals	**200**	**162**	**208**

D. Receivables and payables by maturity

in € millions	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	June 2010	Dec. 2009	June 2009
Inventories	10	-	-	10	13	12
Trade receivables	934	-	-	934	894	877
Recoverable VAT	97	22	-	119	92	69
Employee advances and prepaid payroll taxes	3	-	-	3	3	2
Other prepaid and recoverable taxes	11	-	-	11	3	2
Other receivables	120	-	-	120	132	139
CURRENT ASSETS	**1 175**	**22**	**-**	**1 197**	**1 137**	**1 101**
Trade payables	71	-	-	71	140	191
VAT payable	9	-	-	9	23	18
Wages and salaries and payroll taxes payable	37	-	-	37	43	36
Other taxes payable	28	-	-	28	32	32
Other payables	113	-	-	113	52	106
CURRENT LIABILITIES	**258**	**-**	**-**	**258**	**290**	**383**

Note 14. 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 15. Minority interests

in € millions	
At December 31, 2008	**24**
Minority interests in profit for the period	12
Dividends paid to minority interests	(2)
Issue of share capital	7
Translation adjustment	(2)
Changes in combination scope	2
At June 30, 2009	**41**
Minority interests in profit for the period	(5)
Dividends paid to minority interests	(20)
Capital reduction	-
Translation adjustment	1
Changes in combination scope	2
At December 31, 2009	**19**
Minority interests in profit for the period	2
Dividends paid to minority interests	(2)
Issue of share capital	2
Translation adjustment	3
Changes in cosolidation scope	(5)
At June 30, 2010	**19**

Note 16. Other comprehensive income after tax

Other comprehensive income after tax can be analyzed as follows:

in € millions	Dec. 2009			June 2009			June 2010		
	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax
Currency translation adjustment	66	-	66	42	-	42	101	-	101
Gains and losses from remeasuring available-for-sale financial assets at fair value	-	-	-	-	-	-	-	-	-
Actuarial gains and losses on defined benefit plans	(2)	0	(2)	-	-	-	2	-	2
Total other comprehensive income	**64**	**0**	**64**	**42**	**-**	**42**	**103**	**-**	**103**

There were no reclassifications from other comprehensive income to the income statement in any of the three periods presented.

Note 17. Debt by currency and maturity

A. Long and short-term debt

Long and short-term debt at June 30, 2010 breaks down as follows:

in € millions	June 2009	Effective rate 2009 %	Dec. 2009	Effective rate 2009 %	June 2010	Effective rate 2010 %
Long and short-term debt	**4**	**3,30**	**11**	**5,98**	**1 503**	**4,35**
Deposits	6	-	6	-	8	-
Purchase commitments	11	-	9	-	4	-
Derivatives	-	-	-	-	1	-
Bank overdrafts and other short-term financial liabilities	478	-	671	-	18	-
Long and short-term debt and other financial liabilities	**499**	-	**697**	-	**1 534**	-

The breakdown between long and short-term debt at June 30, 2010 is different from that for the other periods presented due to the new loans obtained by the Group on June 23, 2010 (see Note 2.A.3). These new loans had the effect of changing the maturity profile of debt presented in Note 17.B. below.

in € millions		June 2009	Dec. 2009	June 2010
Long-term debt and other financial liabilities	(1)	17	15	903
Short-term debt and other financial liabilities	(2)	482	682	631
Total debt and other financial liabilities		**499**	**697**	**1 534**

(1) Long-term debt includes €900 million worth of bank loans repayable in three annual installments between June 2013 and June 2015.

(2) Short-term debt consists mainly of a €600 million bridge to bonds facility expiring in June 2011.

B. Maturities of debt

At June 30, 2010 maturities of debt are as follows:

in € millions	June 2009	Dec. 2009	June 2010
Due within 1 year	482	682	631
Due in 1 to 2 years	8	10	10
Due in 2 to 3 years	2	-	293
Due in 3 to 4 years	4	2	299
Due in 4 to 5 years	-	-	299
Due in 5 to 6 years	-	-	-
Due beyond 6 years	3	3	2
Total debt	**499**	**697**	**1 534**

This analysis of debt by maturity over the long-term is considered as providing the most meaningful liquidity indicator. 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 17.C. on financial instruments.

At June 30, 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.

First-half 2010 finance costs amounted to €4 million. Future finance costs are estimated at €71 million for the period from July 1, 2010 to June 30, 2014 and €6 million thereafter.

These estimates are based on the average cost of debt in first-half 2010, after hedging. They have been determined by applying the assumption that no facilities will be rolled over at maturity.

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 June 30, 2010, currency derivatives had an aggregate negative fair value of €2 million, as follows:

Forward purchases and currency swaps In € millions	Expiring in 2010	Expiring in 2011	June 30, 2010 Notional amount	June 30, 2010 Fair Value
GBP	86	8	94	(3)
SEK	81	11	92	(1)
MXN	64	-	64	1
HUF	38	7	45	-
Autres	30	-	30	-
Forward purchases	**299**	**26**	**325**	**(3)**

Forward sales and currency swaps In € millions	Expiring in 2010	Expiring in 2011	June 30, 2010 Notional amount	June 30, 2010 Fair Value
SEK	18	-	18	1
USD	9	-	9	-
ZAR	4	-	4	-
Forward sales	**31**	**-**	**31**	**1**
Total currency hedges	**330**	**26**	**356**	**(2)**

C. 2. INTEREST RATE HEDGES

No interest rate hedges were outstanding at June 30, 2010. In July 2010, a €250 million program was set up, including swaps where Edenred is the fixed rate borrower and collars.

C. 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount and fair value of financial instruments at June 30, 2010 were as follows:

in € millions		June 30, 2010 Fair value	June 30, 2010 Carrying amount
FINANCIAL LIABILITIES		**1 534**	**1 534**
Bonds		-	-
Bank borrowings		1 503	1 503
Other financial liabilities		30	30
Currency derivaties (*fair value hedges*)	(1)	1	1
CURRENT FINANCIAL ASSETS		**(1 214)**	**(1 214)**
Marketable securities	(2)	(1 174)	(1 174)
Cash		(35)	(35)
Other		(2)	(2)
Currency derivaties (*fair value hedges*)	(1)	(3)	(3)
NET DEBT		**320**	**320**

(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		June 30, 2010 Carrying amount	June 30, 2010 Fair value
Bonds and other negociable debt securities	(a)	(312)	(312)
Money market securities		(858)	(858)
Mutual fund units in cash in less than three months (*)	(b)	(1)	(1)
Other		(3)	(3)
Total marketable securities		**(1 174)**	**(1 174)**

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

(a) Held-to-maturity investments.

(b) Available-for-sale financial assets.

Note 18. Net debt and net cash

in € millions	June 2009	Dec. 2009	June 2010
Other long-term debt	17	15	903
Short-term debt	455	641	613
Bank overdrafts	27	41	17
Derivatives	-	-	1
Total debt	**499**	**697**	**1 534**
Short-term loans	(1 146)	(1 044)	(1)
Marketable securities (1)	(780)	(754)	(1 174)
Cash	(57)	(41)	(35)
Derivatives	-	-	(3)
Short-term receivables on disposals of assets	-	-	(1)
Current financial assets	**(1 983)**	**(1 839)**	**(1 214)**
Net debt	**(1 484)**	**(1 142)**	**320**

(1) See Note 17.C.

in € millions	June 2009	Dec. 2009	June 2010
Net debt at beginning of period	**(1 514)**	**(1 514)**	**(1 142)**
Change in long-term debt	(17)	(18)	888
Change in short-term debt	(2)	185	(28)
Change in short-term loans	195	297	1 043
Change in cash and cash equivalents	(146)	(92)	(441)
Changes for the period	**30**	**372**	**1 462**
Net debt at end of period	**(1 484)**	**(1 142)**	**320**

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 2009	Dec. 2009	June 2010
Cash and cash equivalents in the balance sheet	**837**	**795**	**1 212**
Bank overdrafts	(27)	(41)	(17)
Derivative instruments recorded in liabilities	-	-	(1)
Cash and cash equivalents in the statement of cash flows	**810**	**754**	**1 194**

Note 19. Analysis of financial assets and liabilities under IFRS 7

At June 30, 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 June 30, 2009	**-**	**-**	**2**	**-**	**-**	**-**	**2**	**2**	**-**	**-**	**2**

in € millions	Balance sheet category						Fair value			
	Bank overdrafts	Other long-term debt	Vouchers in circulation	Short-term debt	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 June 30, 2009	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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 Dec. 31, 2009	**-**	**-**	**2**	**-**	**-**	**-**	**2**	**2**	**-**	**-**	**2**

in € millions	Balance sheet category						Fair value			
	Bank overdrafts	Other long-term debt	Vouchers in circulation	Short-term debt	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 Dec. 31, 2009	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

At June 30, 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	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**-**	**-**	**-**	**3**
Currency derivatives	3	-	-	-	-	-	**3**	-	3	-	**3**
Interest rate derivatives	-	-	-	-	-	-	**-**	-	-	-	**-**
Total financial assets at June 30, 2010	**3**	**-**	**1**	**-**	**-**	**-**	**4**	**1**	**3**	**-**	**4**

in € millions	Balance sheet category						Fair value			
	Bank overdrafts	Other long-term debt	Vouchers in circulation	Short-term debt	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						**1**				**1**
Currency derivatives	1	-	-	-	-	**1**	-	1	-	**1**
Interest rate derivatives	-	-	-	-	-	**-**	-	-	-	**-**
Total financial liabilities at June 30, 2010	**1**	**-**	**-**	**-**	**-**	**1**	**-**	**1**	**-**	**1**

(*) 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 measured 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 17.

No assets were transferred between fair value assessment levels over the presented periods.

Note 20. Provisions

A. Provisions at June 30, 2010.

Movements in long-term provisions between January 1, 2010 and June 30, 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 (*)	June 30, 2010
- Provisions for pensions and loyalty bonuses	16	(0)	0	(0)	(0)	1	0	17
- Provisions for claims and litigation and other continge	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	**16**	**(0)**	**0**	**(0)**	**(0)**	**1**	**0**	**17**

(*) See Note 20.B. 3

Movements in short-term provisions between January 1, 2010 and June 30, 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 (*)	June 30, 2010
- Tax provisions	0	-	0	(0)	-	0	1	1
- Restructuring provisions	9	-	1	(6)	(1)	0	1	4
- Provisions for claims and litigation and other continge	50	-	1	(4)	(0)	1	(17)	31
TOTAL SHORT-TERM PROVISIONS	**59**	**-**	**2**	**(10)**	**(1)**	**1**	**(15)**	**36**

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	June 2009	Dec, 2009	June 2010
EBIT	-	0	(4)
Net financial expense	-	0	-
Restructuring costs and impairment losses	(3)	41	(5)
Income tax expense	-	-	-
TOTAL	**(3)**	**41**	**(9)**

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 (42% of the obligation at December 31, 2009), in France and the Worldwide Structures (18% of the obligation at December 31, 2009), in Belgium (17% of the obligation at December 31, 2009) and in Italy (15% of the obligation at December 31, 2009). 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.

2009	France	Rest of Europe			Worldwide Structures	Rest of the world
		United Kingdom	Belgium	Italy		
Retirement age	65 years	65 years	65 years	65 years	65 years	55-65 years
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

June 2010	France	Rest of Europe			Worldwide Structures	Rest of the world
		United Kingdom	Belgium	Italy		
Retirement age	65 years	65 years	65 years	65 years	65 years	55-65 years
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 2010 plan assets	2,20%-4,5%	5,5%	4,5%	N/A	4,5%	N/A
Expected return on 2011 plan assets	2,20%-4,5%	5,5%	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 June 30, 2010

in € millions	Pension plans	Other defined benefit plans (*)	Total
Present value of funded obligation	16	-	**16**
Fair value of plan assets	(7)	-	**(7)**
Excess of benefit obligation/(plan assets)	**9**	**-**	**9**
Present value of unfunded obligation	-	8	**8**
Unrecognized past service cost	-	-	**-**
Liability recognized in the balance sheet	**9**	**8**	**17**

(*) Including length-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 length-of-service awards and loyalty bonuses

Funded status of post-employment defined benefit plans by region

	Pension plans							Other 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 cost	0	0	0	0	0	0	0	0	0	1
Interest cost	0	0	0	-	0	0	0	0	0	1
Employee contributions	-	-	0	-	-	-	0	-	0	0
Past service cost	-	-	-	-	-	-	-	-	-	-
Curtailments and settlements	-	-	-	-	-	(0)	(0)	-	(0)	(0)
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	0	-	-	-	-	0	-	0	(1)
Acturial (gains) losses	-	0	-	-	-	0	0	0	0	2
Total translation adjustment	-	0	-	-	-	-	0	1	1	1
Total other	0	0	-	-	1	(0)	1	0	1	0
Projected benefit obligation at end of period	**2**	**7**	**3**	**2**	**6**	**1**	**21**	**3**	**24**	**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	-	0	0	-	0	-	0	-	0	0
Employer contributions	-	0	0	-	-	-	0	-	0	1
Employee contributions	-	-	-	-	-	-	-	-	-	0
Benefits paid	-	-	-	-	-	-	-	-	-	(0)
Settlements	-	-	-	-	-	-	-	-	-	-
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Total translation adjustment	-	1	-	-	-	-	1	-	1	0
Total other	-	-	-	-	0	-	0	-	0	(0)
Fair value of plan assets at end of period	**-**	**5**	**2**	**-**	**(1)**	**-**	**7**	**-**	**7**	**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**
Reclassification to assets/liabilities held for sale	-	-	-	-	-	-	-	-	-	-
Plan deficit at end of period	**2**	**2**	**1**	**2**	**6**	**1**	**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 cost	0	0	0	0	1	0	1	-	1	1
Interest cost	0	0	0	-	0	0	0	-	0	1
Expected return on plan assets	-	0	0	-	0	-	0	-	0	(0)
Amortization of past service cost	-	-	-	-	-	-	-	-	-	-
Curtailments and settlements	0	0	-	-	-	(0)	(0)	-	(0)	(0)
Amortization of actuarial gains and losses for long-term employee benefits	-	0	-	-	-	0	0	-	0	0
Cost for the period	**0**	**0**	**0**	**0**	**1**	**(0)**	**1**	**-**	**1**	**1**
Amortization of actuarial gains and losses for post-employment defined benefit plans	**-**	**0**	**-**	**-**	**-**	**-**	**0**	**-**	**0**	**3**

Changes in pension liabilities between January 1, 2009 and June 30, 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 combination scope	-
Translation adjustment	1
Other	0
Liability at December 31, 2009	**16**
Cost for the year	1
Benefits paid	0
Actuarial gains and losses for the period recognized in equity	0
Effect of changes in consolidation scope	0
Translation adjustment	0
Liability at June 30, 2010	**17**

Actuarial gains and losses arising from changes in assumptions and experience adjustments

in € millions	June 2009	Dec. 2009	June 2010
Projected benefit obligation			
Actuarial gains and losses - experience adjustments	0	(1)	0
Actuarial gains and losses - changes in assumptions	0	3	0
Fair value of plan assets			
Actuarial gains and losses - experience adjustments	0	0	0

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 June 30, 2010, 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.

Note 21. Reconciliation of funds from operations

in € millions	June 2009	Dec. 2009	June 2010
Net profit, Group Share	98	11	66
Minority interests	12	7	2
Depreciation, amortization and provision expense	16	36	10
Deferred taxes	(5)	(15)	1
Change in financial provisions	-	182	-
FUNDS FROM OPERATIONS	**121**	**221**	**79**
(Gains) losses on disposals of assets, net	-	(1)	(2)
(Gains) losses on non-recurring transactions (including restructuring costs and exceptional taxes)	6	32	41
FUNDS FROM ORDINARY ACTIVITIES	**127**	**252**	**118**

Note 22. Working capital, service vouchers in circulation and restricted cash

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

in € millions	Dec. 2009	June 2010	Change Dec. 2009/ June 2010
Inventories	13	10	(3)
Trade receivables	894	934	40
Other receivables and accruals	238	263	25
Working capital items - assets	**1 145**	**1 207**	**62**
Trade receivables	140	71	(69)
Other payables	162	208	46
Vouchers in circulation	2 883	2 904	21
Working capital items - liabilities	**3 185**	**3 183**	**(2)**
Float (Working capital)	**2 040**	**1 976**	**(64)**

December 31, 2009 WORKING CAPITAL	**2 040**
Change in working capital (1)	(147)
Development Expenditure	0
Disposals	-
Translation adjustment	86
Reclassifications	(3)
Net change in working capital	**(64)**
June 30, 2010 WORKING CAPITAL	**1 976**

(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 (€530 million), Romania (€32 million) and the United Kingdom (€28 million).

December 31, 2009 Restricted cash	**565**
Like-for-like change for the period (1)	8
Reclassification from cash and cash equivalents to restricted cash (1)	20
Translation adjustment	2
Net change in restricted cash	**30**
June 30, 2010 Restricted cash	**595**

(1) See statement of cash flows.

Note 23. Capital expenditure

Capital expenditure in the last three periods breaks down as follows:

in € millions	June 2009	2009	June 2010
Recurring expenditure	16	30	12
Development expenditure	20	41	13
Total capital expenditure	**36**	**71**	**25**

Note 24. 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 June 30, 2010

in € millions	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total
Goodwill	115	190	234	42	11	592
Intangible assets	27	49	16	8	2	102
Property, plant and equipment	7	12	16	4	1	40
Financial assets	1	1	1	1	-	4
Other non-current assets	-	5	14	2	2	23
TOTAL NON-CURRENT ASSETS	**150**	**257**	**281**	**57**	**16**	**761**
TOTAL CURRENT ASSETS	**781**	**659**	**1 005**	**138**	**433**	**3 016**
TOTAL ASSETS	**931**	**916**	**1 286**	**195**	**449**	**3 777**
TOTAL EQUITY	**(168)**	**(1 181)**	**522**	**46**	**(273)**	**(1 054)**
OTHER NON-CURRENT LIABILITIES	**16**	**50**	**18**	**3**	**894**	**981**
TOTAL NON-CURRENT LIABILITIES	**(152)**	**(1 131)**	**540**	**49**	**621**	**(73)**
TOTAL CURRENT LIABILITIES	**1 083**	**2 047**	**746**	**146**	**(172)**	**3 850**
TOTAL EQUITY AND LIABILITIES	**931**	**916**	**1 286**	**195**	**449**	**3 777**

Note 25. 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 company 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 totaled €21.8 million – the Company 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 company applied to the Montreuil Administrative Tribunal for a ruling on the matter. The application is currently being considered.

B. Other claims and litigation

In the normal course of its business, the Group is exposed to various claims and litigations. The Company considers that these claims and litigations will not give rise to any material costs and will not have a material adverse effect on its financial position, business and/or results of operations.

Note 26. Off-balance sheet commitments

A. Off-balance sheet commitments given

Off-balance sheet commitments given amounted to €80 million at June 30, 2010 and €90 million at December 31, 2009.

The June 30, 2010 amount breaks down as follows:

- Voucher sale guarantees given to public sector entities in Italy for a total of €76 million, including €32 million expiring in less than one year, €20 million expiring in 1 to 5 years and €24 million expiring beyond 5 years (€88 million at December 31, 2009).
- Bank bonds issued in France for €1 million, expiring within one year (€1 million at December 31, 2009).
- Bid bonds issued in Spain for €1 million, expiring within one year (€1 million at December 31, 2009).
- Bank bonds issued in Brazil for €2 million, expiring within one year.

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

Off-balance sheet commitments received at June 30, 2010 were not material.

Note 27. Additional information about jointly-controlled entities

At the end of each of the three periods presented, Edenred held shares in eight jointly-controlled entities for which the current and non-current assets and liabilities, income and expenses attributable to the Group represented individually less than €3 million.

The companies concerned are:

- AS-GES
- Workplace Benefits
- EAR Ireland
- Employee Advisory R.L.
- BEA
- Fidetel
- Advantage 24
- Network Servisleri AS

Note 28. 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 27. 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 29.

Companies in which a member of the Executive Committee of Edenred holds material voting rights

All transactions with companies in which a member of the Executive Committee holds material voting rights represent transactions carried out in the normal course of business on arm's length terms and are not material.

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**	**June 2009**	**Dec. 2009**	**June 2010**	**June 2009**	**Dec. 2009**	**June 2010**	**June 2009**	**Dec. 2009**	**June 2010**	**June 2009**	**Dec. 2009**	**June 2010**
Accor S.A.	Inter-entity billings	(11)	(20)	(50)	47	2	94	44	55	15	-	-	-
	Loans	(5)	(10)	(10)	1 143	1 043	1	439	631	-	-	-	-
	Dividends	-	-	-	-	-	-	8	-	-	-	-	-

Note 29. Compensation paid to corporate officers

in € millions	December 31, 2009		June 30, 2009		June 30, 2010	
	Expense	Accrual	Expense	Accrual	Expense	Accrual
Short-term benefits	4	2	2	1	7	2
Post-employment benefits	-	-	-	-	-	-
Other long-term benefits	-	-	-	-	-	-
Termination benefits	1	-	-	-	2	-
Share-based payments	1	-	-	-	-	-
Total compensation	**6**	**2**	**2**	**1**	**9**	**2**

In 2009, corporate officers were the nine historical officers of the Edenred business.

On February 24, 2010, an Executive Committee was created for the Services business. The 12-member Committee includes executives in charge of operations or operational support functions.

Note 30. Auditors' fees

The table below shows the total fees billed by the Auditors that were recognized in the income statement for the periods presented.

in € millions	Dec. 2009	June 2009	June 2010
Statutory and contractual audit fees	(2)	(1)	(1)
Fees for audit-related services	(0)	(0)	(0)
Total fees billed by the Auditors	**(2)**	**(1)**	**(1)**

Note 31. Subsequent events

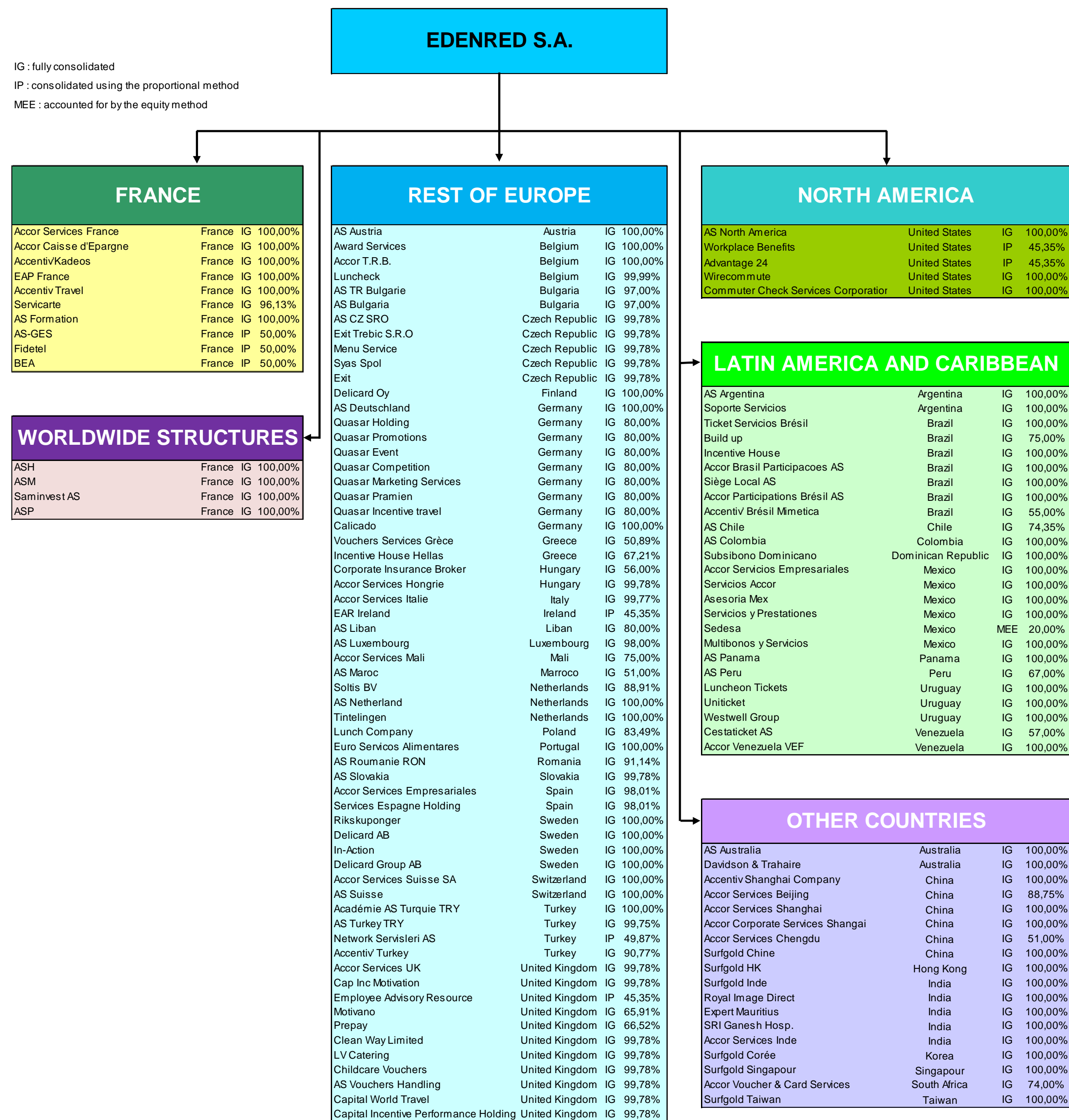
A stock option plan was set up on August 6, pursuant to the authorization given by the Shareholders' Meeting of May 10, 2010. Some 4,250,000 options have been granted under the plan. The options have an eight-year life and are exercisable as from the fifth year.

A performance share plan has also been set up. The approximately 925,000 shares granted under the plan cannot be sold for a period of 5-years from the grant date.

These items are in addition to the post-balance sheet events described in Note 2 and Note 17.

Note 32. Main consolidated companies at June 30, 2010

The main consolidated subsidiaries are presented below:



EDENRED S.A.

IG : fully consolidated
IP : consolidated using the proportional method
MEE : accounted for by the equity method

FRANCE

Company	Country	Method	%
Accor Services France	France	IG	100,00%
Accor Caisse d'Epargne	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

Company	Country	Method	%
ASH	France	IG	100,00%
ASM	France	IG	100,00%
Saminvest AS	France	IG	100,00%
ASP	France	IG	100,00%

REST OF EUROPE

Company	Country	Method	%
AS Austria	Austria	IG	100,00%
Award Services	Belgium	IG	100,00%
Accor T.R.B.	Belgium	IG	100,00%
Luncheck	Belgium	IG	99,99%
AS TR Bulgarie	Bulgaria	IG	97,00%
AS Bulgaria	Bulgaria	IG	97,00%
AS CZ SRO	Czech Republic	IG	99,78%
Exit Trebic S.R.O	Czech Republic	IG	99,78%
Menu Service	Czech Republic	IG	99,78%
Syas Spol	Czech Republic	IG	99,78%
Exit	Czech Republic	IG	99,78%
Delicard Oy	Finland	IG	100,00%
AS Deutschland	Germany	IG	100,00%
Quasar Holding	Germany	IG	80,00%
Quasar Promotions	Germany	IG	80,00%
Quasar Event	Germany	IG	80,00%
Quasar Competition	Germany	IG	80,00%
Quasar Marketing Services	Germany	IG	80,00%
Quasar Pramien	Germany	IG	80,00%
Quasar Incentive travel	Germany	IG	80,00%
Calicado	Germany	IG	100,00%
Vouchers Services Grèce	Greece	IG	50,89%
Incentive House Hellas	Greece	IG	67,21%
Corporate Insurance Broker	Hungary	IG	56,00%
Accor Services Hongrie	Hungary	IG	99,78%
Accor Services Italie	Italy	IG	99,77%
EAR Ireland	Ireland	IP	45,35%
AS Liban	Liban	IG	80,00%
AS Luxembourg	Luxembourg	IG	98,00%
Accor Services Mali	Mali	IG	75,00%
AS 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%
Euro Servicos Alimentares	Portugal	IG	100,00%
AS Roumanie RON	Romania	IG	91,14%
AS Slovakia	Slovakia	IG	99,78%
Accor Services Empresariales	Spain	IG	98,01%
Services Espagne Holding	Spain	IG	98,01%
Rikskuponger	Sweden	IG	100,00%
Delicard AB	Sweden	IG	100,00%
In-Action	Sweden	IG	100,00%
Delicard Group AB	Sweden	IG	100,00%
Accor Services Suisse SA	Switzerland	IG	100,00%
AS Suisse	Switzerland	IG	100,00%
Académie AS Turquie TRY	Turkey	IG	100,00%
AS Turkey TRY	Turkey	IG	99,75%
Network Servisleri AS	Turkey	IP	49,87%
Accentiv' Turkey	Turkey	IG	90,77%
Accor Services UK	United Kingdom	IG	99,78%
Cap Inc Motivation	United Kingdom	IG	99,78%
Employee Advisory Resource	United Kingdom	IP	45,35%
Motivano	United Kingdom	IG	65,91%
Prepay	United Kingdom	IG	66,52%
Clean Way Limited	United Kingdom	IG	99,78%
LV Catering	United Kingdom	IG	99,78%
Childcare Vouchers	United Kingdom	IG	99,78%
AS Vouchers Handling	United Kingdom	IG	99,78%
Capital World Travel	United Kingdom	IG	99,78%
Capital Incentive Performance Holding	United Kingdom	IG	99,78%

NORTH AMERICA

Company	Country	Method	%
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

Company	Country	Method	%
AS Argentina	Argentina	IG	100,00%
Soporte Servicios	Argentina	IG	100,00%
Ticket Servicios Brésil	Brazil	IG	100,00%
Build up	Brazil	IG	75,00%
Incentive House	Brazil	IG	100,00%
Accor Brasil Participacoes AS	Brazil	IG	100,00%
Siège Local AS	Brazil	IG	100,00%
Accor Participations Brésil AS	Brazil	IG	100,00%
Accentiv Brésil Mimetica	Brazil	IG	55,00%
AS Chile	Chile	IG	74,35%
AS Colombia	Colombia	IG	100,00%
Subsibono Dominicano	Dominican Republic	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%
AS 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

Company	Country	Method	%
AS Australia	Australia	IG	100,00%
Davidson & Trahaire	Australia	IG	100,00%
Accentiv Shanghai Company	China	IG	100,00%
Accor Services Beijing	China	IG	88,75%
Accor Services Shanghai	China	IG	100,00%
Accor Corporate Services Shangai	China	IG	100,00%
Accor Services Chengdu	China	IG	51,00%
Surfgold Chine	China	IG	100,00%
Surfgold HK	Hong Kong	IG	100,00%
Surfgold Inde	India	IG	100,00%
Royal Image Direct	India	IG	100,00%
Expert Mauritius	India	IG	100,00%
SRI Ganesh Hosp.	India	IG	100,00%
Accor Services Inde	India	IG	100,00%
Surfgold Corée	Korea	IG	100,00%
Surfgold Singapour	Singapour	IG	100,00%
Accor Voucher & Card Services	South Africa	IG	74,00%
Surfgold Taiwan	Taiwan	IG	100,00%

PRO-FORMA FINANCIAL STATEMENTS AND NOTES

JUNE 30, 2010

EDENRED

PRO FORMA FINANCIAL STATEMENTS AND NOTES

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Pro forma income statement

in € millions	Notes	2009	June 2009	June 2010
ISSUE VOLUME	3	**12 407**	**6 152**	**6 615**
Operating revenue		808	392	422
Financial revenue		94	52	39
TOTAL REVENUE	3	**902**	**444**	**461**
Operating expenses	4	(539)	(261)	(294)
EBITDA		**363**	**183**	**167**
Depreciation, amortization and provision expense	5	(36)	(17)	(12)
EBIT	6	**327**	**166**	**155**
Net financial expense	7	(104)	(41)	(41)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS		**223**	**125**	**114**
Non-recurring income and expenses, net	8	(211)	(5)	(35)
OPERATING PROFIT BEFORE TAX		**12**	**120**	**79**
Income tax expense	9	(62)	(43)	(40)
NET PROFIT		**(50)**	**77**	**39**
Net Profit, Group Share		**(57)**	**65**	**37**
Net Profit, Minority interests	15	7	12	2

Weighted average number of shares outstanding (in thousands)	1.T	225 458	225 458	225 627
EARNINGS PER SHARE (in €)	1.T	**(0,25)**	**0,29**	**0,16**
Diluted earnings per share (in €)	1.T	(0,25)	0,29	0,16

OPERATING PROFIT BEFORE NON-RECURRING ITEMS		**154**	**70**	**72**
Earnings per share before non-recurring items (in €)		0,68	0,31	0,32

Earnings per share from continuing operations (in €)		**(0,25)**	**0,29**	**0,16**
Diluted earnings per share from continuing operations (in €)		**(0,25)**	**0,29**	**0,16**

Pro forma statement of comprehensive income

in € millions	Notes	2009	June 2009	June 2010
NET PROFIT		**(50)**	**77**	**39**
Currency translation adjustment		66	42	101
Actuarial gains and losses on defined benefit plans		(2)	-	2
Other comprehensive income, net of tax	16	**64**	**42**	**103**
TOTAL COMPREHENSIVE INCOME		**14**	**119**	**142**
Comprehensive income, Group share		**8**	**109**	**140**
Comprehensive income, Minority interests		6	10	2

Pro forma balance sheet

Assets

in € millions	Notes	June 2009	Dec. 2009	June 2010
GOODWILL	10	**643**	**557**	**592**
INTANGIBLE ASSETS	11	**114**	**99**	**102**
PROPERTY, PLANT AND EQUIPMENT	12	**44**	**37**	**40**
Other non-current financial assets		3	3	4
NON-CURRENT FINANCIAL ASSETS		**3**	**3**	**4**
Deferred tax assets	9	18	28	23
TOTAL NON-CURRENT ASSETS		**822**	**724**	**761**
Trade receivables	13	877	894	934
Inventories and other receivables and accruals	13	243	261	273
Restricted cash	22	437	565	595
Short-term loans	17 & 18	-	-	2
Marketable securities	17 & 18	1 143	1 222	1 174
Cash and cash equivalents	17 & 18	57	41	38
TOTAL CURRENT ASSETS		**2 757**	**2 983**	**3 016**
TOTAL ASSETS		**3 579**	**3 707**	**3 777**

Equity and liabilities

in € millions	Notes	June 2009	Dec. 2009	June 2010
Issued capital		451	451	451
Consolidated retained earnings		(1 587)	(1 611)	(1 672)
Cumulative compensation costs - share-based payments		5	6	1
Cumulative fair value adjustments to financial instruments	14	-	0	0
Cumulative actuarial gains (losses) on defined benefit plans		1	(1)	1
Currency translation reserve		(15)	8	109
Net profit, Group share		65	(57)	37
SHAREHOLDERS' EQUITY, GROUP SHARE		**(1 080)**	**(1 204)**	**(1 073)**
Minority interests	15	39	17	19
TOTAL EQUITY		**(1 041)**	**(1 187)**	**(1 054)**
Long-term debt	17 & 18	1 517	1 515	903
Deferred tax liabilities	9	64	62	61
Long-term provisions	20	13	16	17
TOTAL NON-CURRENT LIABILITIES		**553**	**406**	**(73)**
Short-term provisions	20	17	63	36
Short-term debt	17 & 18	4	10	613
Vouchers in circulation	22	2 584	2 883	2 904
Trade payables	13	192	140	71
Other payables and income tax payable	13	202	164	208
Bank overdrafts	17 & 18	27	41	18
TOTAL CURRENT LIABILITIES		**3 026**	**3 301**	**3 850**
TOTAL EQUITY AND LIABILITIES		**3 579**	**3 707**	**3 777**

Pro forma statement of cash flows

in € millions	Notes	Dec. 2009	June 2009	June 2010
+ EBITDA		363	183	167
- Net financial expenses	7	(104)	(41)	(41)
- Income tax paid		(77)	(48)	(40)
- Elimination of non-cash revenue and expenses included in EBITDA		3	0	3
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		(1)	0	0
= Funds from ordinary activities	21	**184**	**94**	**89**
+ Decrease (increase) in working capital	22	111	(140)	(147)
+ Recurring decrease (increase) in restricted cash	22	(13)	(4)	(8)
= Net cash from operating activities		**282**	**(50)**	**(66)**
+ Non-recurring gains (losses) (including restructuring costs and tax on non-recurring items)		(32)	(6)	(41)
+ Non-recurring decrease (increase) in restricted cash (1)	22	(114)	-	(20)
= Net cash from (used in) operating activities including non-recurring transactions (A)		**136**	**(56)**	**(127)**
- Recurring expenditure	23	(30)	(16)	(12)
- Development expenditure	23	(41)	(20)	(13)
+ Proceeds from disposals of assets		17	15	3
= Net cash from (used in) investing activities (B)		**(54)**	**(21)**	**(22)**
+ Minority interests in share issues by subsidiaries		7	7	2
- Dividends paid		(165)	(63)	(2)
+ Increase (Decrease) in debt		**341**	**24**	**66**
+ Technical demerger impact		(4)	26	-
+ Impact on equity of transfers between the Hospitality and New Services businesses		92	4	(4)
+ Impact on short-term debt of transfers between the Hospitality and New Services businesses		(306)	4	(70)
= Impact of the demerger and inter-business transfers		**(218)**	**34**	**(74)**
= Net cash from (used in) financing activities (C)		**(35)**	**2**	**(8)**
- Effect of changes in foreign exchange rates (D)		**(37)**	**36**	**129**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	18	**10**	**(39)**	**(28)**
+ Cash and cash equivalents at beginning of period		1 212	1 212	1 222
- Cash and cash equivalents at end of period		1 222	1 173	1 194
= Net change in cash and cash equivalents	18	**10**	**(39)**	**(28)**

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

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, 2009	**(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)	-	-	-	(61)	-	-	(61)	(2)	-	(2)	(63)
Effect of changes in scope of consolidation	-	-	-	-	4	26	30	3	(1)	2	32
Compensation costs for the period - share-based payments	-	-	1	-	-	-	1	-	-	-	1
Other comprehensive income	44	-	-	-	-	-	44	(2)	-	(2)	42
Net profit for the period	-	-	-	65	-	-	65	12	-	12	77
Total comprehensive income	**44**	**-**	**-**	**65**	**-**	**-**	**109**	**10**	**-**	**10**	**119**
June 30, 2009	**(15)**	**1**	**5**	**(1 487)**	**122**	**294**	**(1 080)**	**42**	**(3)**	**39**	**(1 041)**
Issue of share capital											
- in cash	-	-	-	-	-	-	-	-	-	-	-
Dividends paid (4)	-	-	-	(82)	-	-	(82)	(20)	-	(20)	(102)
Effect of changes in scope of consolidation	-	-	-	-	88	(30)	58	5	(3)	2	60
Compensation costs for the period - share-based payments	-	-	1	-	-	-	1	-	-	-	1
Other comprehensive income	23	(2)	-	-	-	-	21	1	-	1	22
Net profit for the period	-	-	-	(122)	-	-	(122)	(5)	-	(5)	(127)
Total comprehensive income	**23**	**(2)**	**-**	**(122)**	**-**	**-**	**(101)**	**(4)**	**-**	**(4)**	**(105)**
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	-	-	-	-	-	-	-	(2)	-	(2)	(2)
Effect of changes in scope of consolidation (3)	-	-	-	-	263	(267)	(4)	7	(7)	-	(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	-	2	39
Total comprehensive income	**101**	**2**	**-**	**37**	**-**	**-**	**140**	**2**	**-**	**2**	**142**
June 30, 2010	**109**	**1**	**1**	**(1 654)**	**473**	**(3)**	**(1 073)**	**32**	**(13)**	**19**	**(1 054)**

(1) The €101 million favorable net exchange difference on translating foreign operations between December 31, 2009 and June 30, 2010 is mainly attributable to the fall against the euro of the Brazilian real (€87 million positive impact), the Venezuelan Bolivar (€6 million positive impact), the Mexican peso (€5 million positive impact) and the Swedish kronor (€2 million positive impact) partly offset by the appreciation against the euro of the British pound sterling (€3 million negative impact) and the American dollar (€1 million negative impact).

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
June 30, 2009	0,85	2,75	18,55	5,36	10,81	3,04	1,41
December 31, 2009	0,89	2,51	18,92	5,47	10,25	3,10	1,44
June 30, 2010	0,82	2,21	15,74	4,82	9,53	5,27	1,23
June 2010 vs Dec. 2009	+8,6%	+13,7%	+20,2%	+13,5%	+7,6%	(41,3)%	+17,4%

(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, 2009” 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.

Key ratios and indicators

	Notes	June 2009	Dec. 2009	June 2010
Like-for-like growth in issue volume		+7,8%	+5,7%	+7,8%
Total net margin EBIT/Issue volume		2,7%	2,6%	2,3%
Net operating margin (EBIT-net financial expenses)/Issue volume		1,9%	1,9%	1,8%
Like-for-like growth in Funds from Operations	(a)	NA	13,2%	4,0%
Unlevered free cash flow	(b)	NA	280	267

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

in € millions	Notes	June 2009	Dec. 2009	June 2010
+ EBITDA		183	363	167
- Net financial expense	7	(41)	(104)	(41)
- Income tax expense		(48)	(77)	(40)
- Elimination of non-cash revenue and expenses included in EBITDA		0	3	3
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		0	(1)	0
Funds from Operations		**94**	**184**	**89**
Growth in Funds from Operations		NA	(15,2)%	(5,3)%
Like-for-like growth in Funds from Operations		NA	13,2%	4,0%

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

	Note	June 2009 (*)	Dec. 2009	June 2010 (*)
EBIT	6	**NA**	**327**	**316**
Elimination of financial revenue from unrestricted float	3	NA	(72)	(62)
Adjusted EBIT		**NA**	**255**	**254**
Standard tax rate	9	29,9%	31,0%	31,3%
Tax on adjusted EBIT		**NA**	**(79)**	**(79)**
Elimination of depreciation, amortization and provision expense	5	**NA**	**36**	**31**
Recurring expenditure	23	**NA**	**(30)**	**(26)**
Decrease / (Increase) in working capital	22.1	**NA**	**111**	**104**
Recurring decrease / (increase) in restricted cash	22.2	**NA**	**(13)**	**(17)**
Unlevered free cash flow		**NA**	**280**	**267**
Net debt at end of period	18	**(348)**	**(303)**	**(320)**

(*) 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, historical combined financial statements have been prepared for the year 2009 and first-half 2009 based on the financial statements of companies historically included in the consolidated financial statements of Accor.

The comparative information (for the year 2009 and the period from 1 January to 30 June 2009) included in the historical consolidated financial statements for the period from January 1 to June 30, 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 June 30, 2010 that have been the subject of a limited review by the Auditors.

Pro forma financial statements have also been prepared for the period from January 1 to June 30, 2010, based on Edenred's consolidated financial statements for the period. They include comparative pro forma information for the year 2009 and the period from January 1 to June 30, 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.

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 historical combined financial statements for the year 2009 and on the consolidated financial statements for first-half 2010.

Edenred's historical combined financial statements for the year 2009 and consolidated financial statements for first-half 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 historical combined financial statements for the year 2009 and the consolidated financial statements for the first half 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:

- €43 million before tax (€33 million after tax) in June 30, 2009;
- €89 million before tax (€68 million after tax) in 2009;
- €39 million before tax (€29 million after tax) in June 30, 2010.

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 historical 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 € 40 million for the first half 2009, €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 will be taken over in full by Edenred. These functions were performed at the level of Accor and are therefore not reflected in Edenred's historical combined financial statements for the year 2009 and consolidated financial statements 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 € 3 million for the first half 2009, €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 consolidated 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 €(0.4) million for every 6-months periods.

  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 € 10 million for the first half 2009, €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 2009 and first-half 2009 and first-half 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 at June 30, 2009 and December 31, 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 €1,837 million at January 1, 2009 has been included on an identical basis in pro forma net debt at both June 30, 2009 and December 31, 2009.

The historical combined financial statements for the two 2009 presented periods include existing debt, which takes into account the impact on debt of the legal restructuring done by Accor in favor of Edenred during the first half 2009 (€5 million), and the year 2009 (€392 million).

The adjustments to net debt (between the historical combined and the pro forma financial statements) allocated to Edenred in the pro forma financial statements for the two 2009 periods presented amounted to €1,832 million at June 30, 2009 and €1,445 million at December 31, 2009. No adjustments to net debt remained at June 30, 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	June 2009	Dec. 2009	June 2010
Bonds	600	600	0
Other long-term debt	900	900	0
Long-term finance lease liabilities	-	-	-
Short-term debt	(451)	(631)	0
Bank overdrafts	-	-	-
Derivatives with a positive fair value	-	-	-
Total debt	**1 049**	**869**	**0**
Short-term loans	1 146	1 044	0
Marketable securities	(363)	(468)	0
Cash	-	-	-
Derivatives with a negative fair value	-	-	-
Short-term receivables on disposals of assets	-	-	-
Current financial assets	**783**	**576**	**0**
Total pro forma adjustments	**1 832**	**1 445**	**0**

For the two 2009 periods presented, Edenred's pro forma net debt, corresponding to its historical net debt and the pro forma adjustments, amounted to €348 million at June 30, 2009 and €303 million at December 31, 2009.

At June 30, 2010, Edenred's net debt (historical combined and pro forma) amounted to €320 million. On June 23, 2010, the Company obtained two loans for a total of €1,500 million and €628 million worth of bilateral confirmed multicurrency facilities.

in € millions	June 2009 (*)	Dec. 2009 (*)	June 2010
Consolidated net debt	**(1 484)**	**(1 142)**	**320**
Pro forma adjustments	1 832	1 445	0
Pro forma net debt	**348**	**303**	**320**

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 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 €1,080 million at June 30, 2009, €1,204 million at December 31, 2009 and €1,073 million at June 30, 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.

Reconciliation of the consolidated financial statements to the pro forma financial statements

Income statements

At June 30, 2009

in € millions	Historical Consolidated Income Statements June 2009 (*)	Pro forma adjustments	Pro forma Income Statements June 2009
ISSUE VOLUME	**6 152**	**-**	**6 152**
Operating revenue	392	-	392
Financial revenue	52	-	52
TOTAL REVENUE	**444**	**-**	**444**
Operating expenses	(258)	(3)	(261)
EBITDA	**186**	**(3)**	**183**
Depreciation, amortization and provision expense	(17)	-	(17)
EBIT	**169**	**(3)**	**166**
Net financial expense	(1)	(40)	(41)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**168**	**(43)**	**125**
Non-recurring income and expenses, net	(5)	-	(5)
OPERATING PROFIT BEFORE TAX	**163**	**(43)**	**120**
Income tax expense	(53)	10	(43)
NET PROFIT	**110**	**(33)**	**77**
Net Profit, Group Share	**98**	**(33)**	**65**
Net Profit, Minority interests	12	-	12
Weighted average number of shares outstanding (in thousands)	225 458	225 458	225 458
EARNINGS PER SHARE (in €)	**0,43**	**(0,15)**	**0,29**
Diluted earnings per share (in €)	0,43	(0,15)	0,29
OPERATING PROFIT BEFORE NON-RECURRING ITEMS	**103**	**(33)**	**70**
Earnings per share before non-recurring items (in €)	0,46	(0,15)	0,31
Earnings per share from continuing operations (in €)	**0,43**	**(0,15)**	**0,29**
Diluted earnings per share from continuing operations (in €)	**0,43**	**(0,15)**	**0,29**

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 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 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)
EBITDA	**368**	**(5)**	**363**
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	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	**222**	**(68)**	**154**
Earnings per share before non-recurring items (in €)	0,98	(0,30)	0,68
Earnings per share from continuing operations (in €)	**0,05**	**(0,30)**	**(0,25)**
Diluted earnings per share from continuing operations (in €)	**0,05**	**(0,30)**	**(0,25)**

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)

At June 30, 2010

in € millions	Consolidated Income Statements June 2010	Pro forma adjustments	Pro forma Income Statements June 2010
ISSUE VOLUME	**6 615**	**-**	**6 615**
Operating revenue	422	-	422
Financial revenue	39	-	39
TOTAL REVENUE	**461**	**-**	**461**
Operating expenses	(292)	(2)	(294)
EBITDA	**169**	**(2)**	**167**
Depreciation, amortization and provision expense	(12)	-	(12)
EBIT	**157**	**(2)**	**155**
Net financial expense	(4)	(37)	(41)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**153**	**(39)**	**114**
Non-recurring income and expenses, net	(35)	-	(35)
OPERATING PROFIT BEFORE TAX	**118**	**(39)**	**79**
Income tax expense	(50)	10	(40)
NET PROFIT	**68**	**(29)**	**39**
Net Profit, Group Share	**66**	**(29)**	**37**
Net Profit, Minority interests	2	-	2

Weighted average number of shares outstanding (in thousands)	225 627	225 627	225 627
EARNINGS PER SHARE (in €)	**0,29**	**(0,13)**	**0,16**
Diluted earnings per share (in €)	0,29	(0,13)	0,16

OPERATING PROFIT BEFORE NON-RECURRING ITEMS	**101**	**(29)**	**72**
Earnings per share before non-recurring items (in €)	0,45	(0,13)	0,32

Earnings per share from continuing operations (in €)	**0,29**	**(0,13)**	**0,16**
Diluted earnings per share from continuing operations (in €)	**0,29**	**(0,13)**	**0,16**

Statements of comprehensive income

At June 30, 2009

in € millions	Historical Consolidated Statement of Comprehensive Income June 2009 (*)	Pro forma adjustments	Pro forma Statement of Comprehensive Income June 2009
NET PROFIT	**110**	**(33)**	**77**
Currency translation adjustment	42	-	42
Actuarial gains and losses on defined benefit plans	-	-	-
Other comprehensive income, net of tax	**42**	**-**	**42**
TOTAL COMPREHENSIVE INCOME	**152**	**(33)**	**119**
Comprehensive income, Group share	**142**	**(33)**	**109**
Comprehensive income, Minority interests	10	-	10

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 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 2009 and the period from 1 January to 30 June 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)

At June 30, 2010

in € millions	Consolidated Statement of Comprehensive Income June 2010	Pro forma adjustments	Pro forma Statement of Comprehensive Income June 2010
NET PROFIT	**68**	**(29)**	**39**
Currency translation adjustment	101	-	101
Actuarial gains and losses on defined benefit plans	2	-	2
Other comprehensive income, net of tax	**103**	**-**	**103**
TOTAL COMPREHENSIVE INCOME	**171**	**(29)**	**142**
Comprehensive income, Group share	**169**	**(29)**	**140**
Comprehensive income, Minority interests	2	-	2

Balance sheets

At June 30, 2009

in € millions	Historical Consolidated Balance Sheet June, 2009 (*)	Pro forma adjustments	Pro forma Consolidated Balance Sheet June, 2009
GOODWILL	**643**	**-**	**643**
INTANGIBLE ASSETS	**114**	**-**	**114**
PROPERTY, PLANT AND EQUIPMENT	**44**	**-**	**44**
Other non-current financial assets	3	-	3
NON-CURRENT FINANCIAL ASSETS	**3**	**-**	**3**
Deferred tax assets	14	4	18
TOTAL NON-CURRENT ASSETS	**818**	**4**	**822**
Trade receivables	877	-	877
Inventories and other receivables and accruals	232	11	243
Restricted cash	437	-	437
Short-term loans	1 146	(1 146)	-
Marketable securities	780	363	1 143
Cash and cash equivalents	57	-	57
TOTAL CURRENT ASSETS	**3 529**	**(772)**	**2 757**
TOTAL ASSETS	**4 347**	**(768)**	**3 579**

in € millions	Historical Consolidated Balance Sheet June, 2009 (*)	Pro forma adjustments	Pro forma Consolidated Balance Sheet June, 2009
Share capital	-	451	451
Consolidated retained earnings	655	(2 242)	(1 587)
Cumulative compensation costs - share-based payments	5	-	5
Cumulative fair value adjustments to financial instruments	-	-	-
Cumulative actuarial gains (losses) on defined benefit plans	1	-	1
Currency translation reserve	(15)	-	(15)
Net profit, Group share	98	(33)	65
SHAREHOLDERS' EQUITY, GROUP SHARE	**744**	**(1 824)**	**(1 080)**
Minority interests	41	(2)	39
TOTAL EQUITY	**785**	**(1 826)**	**(1 041)**
Long-term financial debt	17	1 500	1 517
Deferred tax liabilities	63	1	64
Long-term provisions	13	-	13
TOTAL NON-CURRENT LIABILITIES	**878**	**(325)**	**553**
Short-term provisions	12	5	17
Short-term financial debt	455	(451)	4
Vouchers in circulation	2 584	-	2 584
Trade payables	191	1	192
Other payables and income tax payable	200	2	202
Bank overdrafts	27	-	27
TOTAL CURRENT LIABILITIES	**3 469**	**(443)**	**3 026**
TOTAL EQUITY AND LIABILITIES	**4 347**	**(768)**	**3 579**

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 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 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 and cash equivalents	41	-	41
TOTAL CURRENT ASSETS	**3 549**	**(566)**	**2 983**
TOTAL ASSETS	**4 269**	**(562)**	**3 707**

in € millions	Historical Consolidated Balance Sheet December, 2009 (*)	Pro forma adjustments	Pro forma Consolidated Balance Sheet December, 2009
Share 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	0	-	0
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)**
Long-term 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 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 2009 and the period from 1 January to 30 June 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)

At June 30, 2010

in € millions	Consolidated Balance Sheet June, 2010	Pro forma adjustments	Pro forma Consolidated Balance Sheet June, 2010
GOODWILL	**592**	**-**	**592**
INTANGIBLE ASSETS	**102**	**-**	**102**
PROPERTY, PLANT AND EQUIPMENT	**40**	**-**	**40**
Other non-current financial assets	4	-	4
NON-CURRENT FINANCIAL ASSETS	**4**	**-**	**4**
Deferred tax assets	23	-	23
TOTAL NON-CURRENT ASSETS	**761**	**-**	**761**
Trade receivables	934	-	934
Inventories and other receivables and accruals	273	-	273
Restricted cash	595	-	595
Short-term loans	2	-	2
Marketable securities	1 174	-	1 174
Cash and cash equivalents	38	-	38
TOTAL CURRENT ASSETS	**3 016**	**-**	**3 016**
TOTAL ASSETS	**3 777**	**-**	**3 777**

in € millions	Consolidated Balance Sheet June, 2010	Pro forma adjustments	Pro forma Consolidated Balance Sheet June, 2010
Share capital	-	451	451
Consolidated retained earnings	(1 250)	(422)	(1 672)
Cumulative compensation costs - share-based payments	1	-	1
Cumulative fair value adjustments to financial instruments	0	-	0
Cumulative actuarial gains (losses) on defined benefit plans	1	-	1
Currency translation reserve	109	-	109
Net profit, Group share	66	(29)	37
SHAREHOLDERS' EQUITY, GROUP SHARE	**(1 073)**	**-**	**(1 073)**
Minority interests	19	-	19
TOTAL EQUITY	**(1 054)**	**-**	**(1 054)**
Long-term financial debt	903	-	903
Deferred tax liabilities	61	-	61
Long-term provisions	17	-	17
TOTAL NON-CURRENT LIABILITIES	**(73)**	**-**	**(73)**
Short-term provisions	36	-	36
Short-term financial debt	613	-	613
Vouchers in circulation	2 904	-	2 904
Trade payables	71	-	71
Other payables and income tax payable	208	-	208
Bank overdrafts	18	-	18
TOTAL CURRENT LIABILITIES	**3 850**	**-**	**3 850**
TOTAL EQUITY AND LIABILITIES	**3 777**	**-**	**3 777**

Statements of cash flows

At June 30, 2009

in € millions	Historical Consolidated Statement of Cash Flows June 2009 (*)	Pro forma Adjustments	Pro forma Statement of Cash Flows June 2009
+ EBITDA	186	(3)	183
- Net financial expenses	(1)	(40)	(41)
- Income tax paid	(58)	10	(48)
- Elimination of non-cash revenue and expenses included in EBITDA	0	(0)	0
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	0	(0)	0
= Funds from ordinary activities	**127**	**(33)**	**94**
+ Decrease (increase) in working capital	(141)	1	(140)
+ Recurring decrease (increase) in restricted cash	(4)	-	(4)
= Net cash from operating activities	**(18)**	**(32)**	**(50)**
+ Non-recurring gains (losses) (including restructuring costs and tax on non-recurring items)	(6)	-	(6)
+ Non-recurring decrease (increase) in restricted cash (1)	-	-	-
= Net cash from (used in) operating activities including non-recurring transactions (A)	**(24)**	**(32)**	**(56)**
- Recurring expenditure	(16)	-	(16)
- Development expenditure	(20)	-	(20)
+ Proceeds from disposals of assets	15	-	15
= Net cash from (used in) investing activities (B)	**(21)**	**-**	**(21)**
+ Minority interests in share issues by subsidiaries	7	-	7
- Dividends paid	(63)	-	(63)
+ Increase (Decrease) in debt	**23**	**1**	**24**
+ Technical demerger impact	26	-	26
+ Impact on equity of transfers between the Hospitality and New Services businesses	(31)	35	4
+ Impact on short-term debt of transfers between the Hospitality and New Services businesses	193	(189)	4
= Impact of the demerger and inter-business transfers	**188**	**(154)**	**34**
= Net cash from (used in) financing activities (C)	**155**	**(153)**	**2**
- Effect of changes in foreign exchange rates (D)	**36**	**-**	**36**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	**146**	**(185)**	**(39)**
+ Cash and cash equivalents at beginning of period	664	548	1 212
- Cash and cash equivalents at end of period	810	363	1 173
= Net change in cash and cash equivalents	**146**	**(185)**	**(39)**

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 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 Statement of Cash Flows December 2009 (*)	Pro forma Adjustments	Pro forma Statement of Cash Flows 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 and non-recurring taxes	(1)	-	(1)
= Funds from ordinary activities	**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 and tax on non-recurring items)	(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 New Services businesses	(367)	459	92
+ Impact on short-term debt of transfers between the Hospitality and New 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 2009 and the period from 1 January to 30 June 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 June 30, 2010

in € millions	Consolidated Statement of Cash Flows June 2010	Pro forma Adjustments	Pro forma Statement of Cash Flows June 2010
+ EBITDA	169	(2)	167
- Net financial expenses	(4)	(37)	(41)
- Income tax paid	(50)	10	(40)
- Elimination of non-cash revenue and expenses included in EBITDA	3	-	3
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	0	0	0
= Funds from ordinary activities	**118**	**(29)**	**89**
+ Decrease (increase) in working capital	(147)	-	(147)
+ Recurring decrease (increase) in restricted cash	(8)	-	(8)
= Net cash from operating activities	**(37)**	**(29)**	**(66)**
+ Non-recurring gains (losses) (including restructuring costs and tax on non-recurring items)	(41)	-	(41)
+ Non-recurring decrease (increase) in restricted cash (1)	(20)	-	(20)
= Net cash from (used in) operating activities including non-recurring transactions (A)	**(98)**	**(29)**	**(127)**
- Recurring expenditure	(12)	-	(12)
- Development expenditure	(13)	-	(13)
+ Proceeds from disposals of assets	3	-	3
= Net cash from (used in) investing activities (B)	**(22)**	**-**	**(22)**
+ Minority interests in share issues by subsidiaries	2	-	2
- Dividends paid	(2)	-	(2)
+ Increase (Decrease) in debt	**1 973**	**(1 907)**	**66**
+ Technical demerger impact	-	-	-
+ Impact on equity of transfers between the Hospitality and New Services businesses	(1 469)	1 465	(4)
+ Impact on short-term debt of transfers between the Hospitality and New Services businesses	(73)	3	(70)
= Impact of the demerger and inter-business transfers	**(1 542)**	**1 468**	**(74)**
= Net cash from (used in) financing activities (C)	**431**	**(439)**	**(8)**
- Effect of changes in foreign exchange rates (D)	**129**	**-**	**129**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	**440**	**(468)**	**(28)**
+ Cash and cash equivalents at beginning of period	754	468	1 222
- Cash and cash equivalents at end of period	1 194	-	1 194
= Net change in cash and cash equivalents	**440**	**(468)**	**(28)**

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

Changes in equity

At June 30, 2009

	Total Equity January 1st, 2009	Total comprehensive Income	Effect of changes in consolidation scope	Dividends paid	Other	Total Equity June 30, 2009
Changes in Historical Consolidated Equity (*)	**691**	**152**	**(3)**	**(63)**	**8**	**785**
Pro forma adjustments	(1 828)	(33)	35	-	-	(1 826)
Changes in Pro forma Equity	**(1 137)**	**119**	**32**	**(63)**	**8**	**(1 041)**

(*) The comparative information for the year 2009 and the period from 1 January to 30 June 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 31, 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 2009 and the period from 1 January to 30 June 2009 has been prepared based on the Edenred group's combined financial statements (see Basis of preparation)

At June 30, 2010

	Total Equity January 1st, 2010	Total comprehensive Income	Effect of changes in consolidation scope	Dividends paid	Other	Total Equity June 30, 2010
Changes in Consolidated Equity	**250**	**171**	**(1 470)**	**(2)**	**(3)**	**(1 054)**
Pro forma adjustments	(1 437)	(29)	1 466	-	-	-
Changes in Pro forma Equity	**(1 187)**	**142**	**(4)**	**(2)**	**(3)**	**(1 054)**

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 next financial statements for the first half 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 for first-half 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 June 30, 2010. These pro forma financial statements include comparative financial information for first-half 2009, and for the year 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 June 30, 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 consolidated financial statements for the periods presented.
- IFRIC 15 – Agreements for the Construction of Real Estate: adoption of this interpretation had no effect on the consolidated 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 June 30, 2010 and applicable after that date:

<table>
<tr><th></th><th></th><th>Application date (period beginning on or after)</th><th>Estimate of the possible impact on Edenred's consolidated financial statements in the period of initial application</th></tr>
<tr><td>Amendment to IAS 32</td><td>Classification of rights issues</td><td>February 1, 2010</td><td rowspan="6">These standards are currently not expected to have a material impact on the consolidated financial statements</td></tr>
<tr><td>Amendment to IFRIC 14</td><td>Prepayments of a Minimum Funding Requirement</td><td>January 1, 2011</td></tr>
<tr><td>Amendment to IFRS 1</td><td>Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters</td><td>July 1, 2010</td></tr>
<tr><td>IFRIC 19</td><td>Extinguishing Financial Liabilities with Equity Instruments</td><td>July 1, 2010</td></tr>
<tr><td>IAS 24 (revised)</td><td>Related Party Disclosures</td><td>January 1, 2011</td></tr>
<tr><td>IFRS 9</td><td>Financial instruments: Classification and Measurement</td><td>January 1, 2013</td></tr>
</table>

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 pro forma 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 concern the amount of provisions for contingencies and the assumptions underlying the calculation of asset impairments and deferred tax balances.

The main assumptions made by the Group are presented in the relevant notes to the financial statements.

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 Group has set a target of obtaining a "strong investment grade" rating.

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.

For subsidiaries operating in hyperinflationary economies, non-monetary assets and liabilities are translated at the exchange rate at the transaction date (historical rate) and monetary assets and liabilities are translated at the closing exchange rate.

In the income statement, income and expenses related to non-monetary assets and liabilities are translated at the historical rate and other items are translated at the average rate for the month in which the transaction was recorded. Differences arising from the application of this method are recorded in the income statement under "Other financial income and expenses, net".

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 for developed countries.

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.S. 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 meal voucher and Ticket CESU business (household employees) 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 benefits expense

Employee benefits 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. 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. Service vouchers in circulation

Service vouchers in circulation are recognized as short-term liabilities at face value.

P. 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.

P. 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.

P. 2. BANK BORROWINGS

Interest-bearing drawdowns on lines of credit and bank overdrafts are recognized for the amounts received, net of direct drawdown costs.

P. 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.

Q. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and short-term investments in money market instruments. These instruments generally have maturities of less than three months and are readily convertible into known amounts of cash; their exposure to changes in value is minimal.

R. 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).

S. Presentation of the income statement and the statement of cash flows

S. 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.

S. 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:

S. 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.

S. 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.

S. 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.

S. 4. EBITDA

EBITDA includes operating revenue and expenses and rental expense.

S. 5. Depreciation, amortization and provisions

Depreciation, amortization and provision expenses reflect the operating costs of holding assets.

S. 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).

S. 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.

S. 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.

S. 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.

S. 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.

S. 11. 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 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.

T. Earnings per share

The average number of shares used to calculate earnings per share for the three periods presented was determined as the number resulting from the application of the 1-for-1 exchange ratio to the number of Accor shares issued during each period.

Diluted earnings per share is the same as earnings per share as no dilutive instruments have been issued by Edenred.

U. 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 24.

V. 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.

W. 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 August 24, 2010,

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 Company'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 Company'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 Company 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 et 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 €628 million, of which 84% due in five years.

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.

All or part of the bridge-to-bonds facility may be repaid early using the proceeds from any bond issue that may be carried out by Edenred during the coming twelve months. The bilateral lines are intended for general corporate purposes. They had not been drawn down as of June 30, 2010.

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 spread on the bridge-to-bonds facility depends on the time that has elapsed since the funds were first drawn down.

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 will combine 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 will combine 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.

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 1st semestre, 2009	Venezuela impact 2nd semestre, 2009	Dec. 2009 Reported	June 2010 Reported
Total revenue	**927**		**(25)**	**902**	**461**
Operating expenses	(582)		8	(574)	(306)
EBIT	**345**		**(18)**	**327**	**155**
Net financial interest expense	(79)		(2)	(81)	(41)
Exchange loss	(3)	(20)	-	(23)	-
Operating profit before tax and non-current items	**263**	**(20)**	**(19)**	**223**	**114**

In first-half 2010, the Group continued to apply the exchange rate used at December 31, 2009 (i.e. the post-devaluation rate against the dollar of VEF 4.30) to translate the contribution of its Venezuelan subsidiaries.

Note 3. Analysis of issue volume and total revenue by geographic segment

A. Issue volume

in € millions	2009	June 2009	June 2010
France	2 570	1 271	1 248
Rest of Europe	4 372	2 128	2 318
Latin America & Caribbean	5 111	2 573	2 837
Rest of the world	354	180	212
Worldwide Structures	-	-	-
TOTAL ISSUE VOLUME	**12 407**	**6 152**	**6 615**

Issue volume for first-half 2010 totaled €6,615 million, compared with €6,152 million for the same period of 2009, representing an increase of €463 million.

This increase breaks down as follows:

in € millions	June 2010 vs June 2009	
	€m	%
Organic growth	+480	+7,8%
Changes in consolidation scope	+40	+0,7%
Currency effect	(57)	(0,9)%
Total change	**+463**	**+7,5%**

Change in issue volume by geographic segment:

in € millions	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	€m	%
France	(23)	(23)	(1,8)%
Rest of Europe	+190	+112	+5,3%
Latin America & Caribbean	+264	+370	+14,4%
Rest of the world	+32	+21	+11,9%
Worldwide Structures	-	-	-
Group Total	**+463**	**+480**	**+7,8%**

B. Total revenue

Total revenue breaks down as follows:

in € millions	2009	June 2009	June 2010
Operating revenue generated by issue volume	661	330	343
Other operating revenue	147	62	79
OPERATING REVENUE	**808**	**392**	**422**
Financial revenue/unrestricted cash	72	42	32
Financial revenue/restricted cash	22	10	7
FINANCIAL REVENUE	**94**	**52**	**39**
TOTAL REVENUE	**902**	**444**	**461**

Total revenue by geographic segment:

in € millions	2009	June 2009	June 2010
France	168	82	79
Rest of Europe	335	157	168
Latin America & Caribbean	337	174	181
Rest of the world	62	31	33
Worldwide Structures	-	-	-
TOTAL REVENUE	**902**	**444**	**461**

Total pro forma revenue for first-half 2010 amounted to €461 million, compared with €444 million for the same period of 2009, representing an increase of €17 million.

This increase breaks down as follows:

in € millions	June 2010 vs June 2009	
	€m	**%**
Organic growth	+3	+0,7%
Changes in consolidation scope	+12	+2,7%
Currency effect	+2	+0,4%
Total change	**+17**	**+3,8%**

Change in total revenue by geographic segment:

in € millions	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	€m	%
France	(3)	(2)	(1,9)%
Rest of Europe	+11	(5)	(2,8)%
Latin America & Caribbean	+7	+11	+6,2%
Rest of the world	+2	(1)	(4,6)%
Worldwide Structures	-	-	-
Group Total	**+17**	**+3**	**+0,7%**

C. Operating revenue by geographic segment

in € millions	2009	June 2009	June 2010
France	144	69	69
Rest of Europe	299	138	152
Latin America & Caribbean	306	155	169
Rest of the world	59	30	32
Worldwide Structures (1)	-	-	-
TOTAL OPERATING REVENUE	**808**	**392**	**422**

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

Operating revenue for first-half 2010 totaled €422 million, compared with €392 million for the same period of 2009, representing an increase of €30 million.

This increase breaks down as follows:

in € millions	June 2010 vs June 2009	
	€m	%
Organic growth	+16	+4,2%
Changes in consolidation scope	+12	+3,0%
Currency effect	+2	+0,5%
Total change	**+30**	**+7,7%**

Change in operating revenue by geographic segment:

in € millions	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	€m	%
France	(0)	+2	+3,0%
Rest of Europe	+14	(1)	(0,5)%
Latin America & Caribbean	+14	+16	+10,4%
Rest of the world	+2	(1)	(3,7)%
Worldwide Structures	-	-	-
Group Total	**+30**	**+16**	**+4,2%**

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

in € millions	2009	June 2009	June 2010
France	112	53	55
Rest of Europe	243	122	123
Latin America & Caribbean	283	144	154
Rest of the world	23	11	11
Worldwide Structures	-	-	-
OPERATING REVENUE GENERATED BY ISSUE VOLUME	**661**	**330**	**343**

C. 2. OTHER OPERATING REVENUE BY GEOGRAPHIC SEGMENT

in € millions	2009	June 2009	June 2010
France	32	17	14
Rest of Europe	56	16	29
Latin America & Caribbean	23	10	15
Rest of the world	36	19	21
Worldwide Structures	-	-	-
OTHER OPERATING REVENUE	**147**	**62**	**79**

D. Financial revenue by geographic segment

in € millions	2009	June 2009	June 2010
France	24	13	10
Rest of Europe	36	19	16
Latin America & Caribbean	31	19	12
Rest of the world	3	1	1
Worldwide Structures	-	-	-
TOTAL FINANCIAL REVENUE	**94**	**52**	**39**

Financial revenue for first-half 2010 totaled €39 million, compared with €52 million for the same period of 2009, representing a decrease of €13 million.

This decrease breaks down as follows:

in € millions	June 2010 vs June 2009	
	€m	%
Organic growth	(13)	(25,3)%
Changes in consolidation scope	+0	+0,2%
Currency effect	(0)	(0,4)%
Total change	**(13)**	**(25,6)%**

Change in financial revenue by geographic segment:

in € millions	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	€m	%
France	(3)	(4)	(28,1)%
Rest of Europe	(3)	(4)	(19,6)%
Latin America & Caribbean	(7)	(5)	(29,3)%
Rest of the world	(0)	(0)	(21,6)%
Worldwide Structures	-	-	-
Group Total	**(13)**	**(13)**	**(25,3)%**

Note 4. Operating expenses

in € millions		2009	June 2009	June 2010
Employee benefits expense	(1)	(248)	(121)	(132)
Other operating expenses	(2)	(291)	(140)	(162)
TOTAL OPERATING EXPENSES		**(539)**	**(261)**	**(294)**

(1) Average employee benefits expense per full-time equivalent employee is presented below:

	2009	June 2009	June 2010
Full-time equivalent employees (FTE) (*)	5 771	5 912	6 186
Average employee benefits expense per FTE (€ thousands)	(43)	(41)	(42)

*) 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 information systems, marketing, advertising and promotional costs as well as various fee payments. They also include rental expenses for €9 million in first-half 2010. Rental expenses amounted to €15 million for the year, 2009 and €8 million for first-half 2009.

Note 5. Depreciation, amortization, and provision expenses

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

in € millions	2009	June 2009	June 2010
Depreciation and amortization	(33)	(17)	(16)
Provisions	(3)	0	4
Total	**(36)**	**(17)**	**(12)**

Note 6. EBIT by geographic segment

in € millions	2009	June 2009	June 2010
France	42	23	24
Rest of Europe	138	70	61
Latin America & Caribbean	159	82	79
Rest of the world	12	6	5
Worldwide Structures (1)	(24)	(15)	(14)
Total EBIT	**327**	**166**	**155**

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

EBIT for first-half 2010 totaled €155 million compared with €166 million for the same period of 2009, representing a decrease of €11 million.

The decrease breaks down as follows:

in € millions	June 2010 vs June 2009	
	m€	**%**
Organic growth (*)	(4)	(2,4)%
Changes in consolidation scope	(1)	(1,0)%
Currency effect	(6)	(3,7)%
Total change	**(11)**	**(7,1)%**

(*) Including the impact of lower financial revenue for (€13) million.

Change in EBIT by geographic segment:

in € millions	2010 vs 2009 Reported	2010 vs 2009 Like-for-like	
	€m	**€m**	**%**
France	+1	+2	+10,6%
Rest of Europe	(9)	(9)	(13,5)%
Latin America & Caribbean	(3)	+3	+3,8%
Rest of the world	(1)	(1)	(27,3)%
Worldwide Structures	+1	+1	(9,4)%
Group Total	**(11)**	**(4)**	**(2,4)%**

Note 7. Net financial expense

in € millions		2009	June 2009	June 2010
Finance costs, net	(1)	(81)	(38)	(41)
Other financial income and expenses, net	(2)	(23)	(3)	0
Net financial expense		**(104)**	**(41)**	**(41)**

(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	2009	June 2009	June 2010
Movement on restructuring provisions	(1)	2	6
Restructuring costs	(14)	(5)	(8)
Restructuring costs	**(15)**	**(3)**	**(2)**
Impairment of goodwill	(120)	(1)	(1)
Impairment of intangible assets	(18)	-	-
Total impairment losses	**(138)**	**(1)**	**(1)**
Other capital gains or losses	-	-	2
Provision movements	(41)	-	(1)
Non-recurring gains and losses, net	(17)	(1)	(33)
Other non-recurring income and expenses, net	**(58)**	**(1)**	**(32)**
Total non-recurring income and expense, net	**(211)**	**(5)**	**(35)**

A. Restructuring costs

Restructuring costs in 2009 and first-half 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).

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 €33 million.

Note 9. Income tax

A. Income tax expense for the period

in € millions	2009	June 2009	June 2010
Current taxes	(77)	(48)	(39)
Sub-total: current taxes	**(77)**	**(48)**	**(39)**
Deferred taxes on temporary differences arising or reversing during the period	15	5	(1)
Deferred taxes arising from changes in tax rates or rules	-	-	-
Sub-total: deferred taxes	**15**	**5**	**(1)**
Total income tax expense	**(62)**	**(43)**	**(40)**

B. Effective tax rate

in € millions			2009	June 2009	June 2010
Operating profit before tax		**(a)**	**12**	**120**	**79**
Non-deductible impairment losses			125	(5)	(16)
Elimination of intercompany capital gains			-	-	-
Other			8	2	4
Total permanent differences (non-deductible expense)		**(b)**	**133**	**(3)**	**(12)**
Untaxed profit and profit taxed at a reduced rate		**(c)**	**29**	**(7)**	**11**
Profit taxable at the standard rate	**(d) = (a) + (b) + (c)**		**174**	**110**	**78**
Standard tax rate in France		**(e)**	**34,43%**	**34,43%**	**34,43%**
Theoretical tax at standard rate	**(f) = (d) x (e)**		**(60)**	**(38)**	**(27)**
Adjustments for:					
. Differences in foreign tax rates			6	5	3
. Unrecognized tax losses for the period			(3)	(2)	(15)
. Utilization of tax loss carryforwards			1	1	1
. Effect of changes in future tax rates			-	-	0
. Other items			(6)	(9)	(2)
Total adjustments		**(g)**	**(2)**	**(5)**	**(13)**
Actual tax at standard rate	**(h) = (f) + (g)**		**(62)**	**(43)**	**(40)**
Tax at reduced rate		**(i)**	**-**	**-**	**-**
Income tax expense	**(j) = (h) + (i)**		**(62)**	**(43)**	**(40)**
Pre-tax operating profit taxed at standard rate			174	110	78
Income tax expense at standard rate			(54)	(33)	(24)
Group effective tax rate			**31,0%**	**29,9%**	**31,3%**

C. Details of recognized deferred tax assets and liabilities

in € millions	2009	June 2009	June 2010
Temporary differences between taxable and book profit of the individual entities	14	13	18
Temporary differences arising from consolidation adjustments	13	4	4
Recognized deferred tax assets on tax loss carryforwards	1	1	1
Sub-total: deferred tax assets	**28**	**18**	**23**
Temporary differences between taxable and book profit of the individual entities	1	-	1
Temporary differences arising from consolidation adjustments	61	64	60
Sub-total: deferred tax liabilities	**62**	**64**	**61**
Net deferred tax asset (liability)	**(34)**	**(46)**	**(38)**

D. Unrecognized deferred tax assets

Unrecognized deferred tax assets at June 30, 2010 amounted to €43 million (December 31, 2009: €24 million).

At June 30, 2010 unrecognized deferred tax assets corresponded to tax losses in the amount of €43 million, including €2 million expiring in 2011, €1 million in 2013, €1 million in 2014, €5 million in 2015 and beyond and €34 million in evergreen losses.

Note 10. Goodwill

in € millions	June 2009	Dec. 2009	June 2010
Goodwill	643	666	690
Less accumulated impairment losses	-	(109)	(98)
Goodwill, net	**643**	**557**	**592**

in € millions	June 2009	Dec. 2009	June 2010
Brazil	146	159	187
France (Ticket Cadeau)	181	115	115
United Kingdom	70	70	66
Romania	37	37	37
Italy	33	36	36
Mexico	31	31	35
Sweden	19	17	18
Australia	12	13	14
USA	33	13	15
Czech Republic	2	13	12
Germany	11	10	10
Asia	10	10	10
Other (individually representing less than €10 million)	58	33	37
Goodwill, net	**643**	**557**	**592**

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

in € millions	Notes	June 2009	Dec. 2009	June 2010
Net goodwill at beginning of period		**645**	**645**	**557**
Goodwill recognized on acquisitions for the period and other increases		**13**	**23**	**3**
. Asia (Surfgold)		5	-	-
. Sweden Services		2	-	-
. Czech Republic	2.B.2	1	9	1
. Brazil		-	1	1
. Other acquisitions		5	13	1
Goodwill written off on disposals for the period		**(14)**	**(11)**	**(1)**
Impairment losses	8	**(1)**	**(120)**	**(1)**
Translation adjustments		**24**	**39**	**30**
Minority puts recognized/remeasured during the period		**(24)**	**(19)**	**(1)**
Reclassification and other movements		**-**	**-**	**5**
Net goodwill at period-end		**643**	**557**	**592**

Note 11. Intangible assets

in € millions		June 2009	Dec. 2009	June 2010
Cost				
Kadéos brand	(1)	19	19	19
Other brands		17	18	19
Contractual customer relationships	(2)	50	54	58
Licenses and software		87	96	111
Other		39	42	41
Total cost		**212**	**229**	**248**
Accumulated amortization and impairment losses				
Brands		(3)	(4)	(4)
Contractual customer relationships		(14)	(30)	(33)
Licenses and software		(66)	(72)	(82)
Other		(15)	(24)	(27)
Total accumulated amortization and impairment losses		**(98)**	**(130)**	**(146)**
Intangible assets, net		**114**	**99**	**102**

(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.

Changes in the carrying amount of intangible assets over the period were as follows:

in € millions	June 2009	Dec. 2009	June 2010
Net intangible assets at beginning of period	**110**	**110**	**99**
Additions	-	5	1
Internally-generated assets	5	14	7
Intangible assets of newly-consolidated companies	-	2	-
Amortization for the period	(11)	(23)	(11)
Impairment losses for the period (*)	-	(18)	(0)
Disposals	3	3	(0)
Translation adjustment	4	5	6
Reclassifications	3	1	(0)
Net intangible assets at end of period	**114**	**99**	**102**

(*) For 2009, see Note 8.

The following intangible assets are considered as having an indefinite useful life:

in € millions	June 2009	Dec. 2009	June 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	June 2009	Dec. 2009	June 2010
Land	7	4	4
Buildings	6	3	3
Fixtures	20	17	19
Equipment and furniture	84	78	83
Assets under construction	1	1	2
Cost	**118**	**103**	**111**

in € millions	June 2009	Dec. 2009	June 2010
Buildings	(3)	(1)	(1)
Fixtures	(11)	(8)	(9)
Equipment and furniture	(60)	(57)	(61)
Assets under construction	-	-	-
Accumulated depreciation	(74)	(66)	(71)
Accumulated impairment losses	-	-	-
Accumulated depreciation and impairment losses	**(74)**	**(66)**	**(71)**

in € millions	June 2009	Dec. 2009	June 2010
Land	7	4	4
Buildings	3	2	2
Fixtures	9	9	10
Equipment and furniture	24	21	22
Assets under construction	1	1	2
Property, plant and equipment, net	**44**	**37**	**40**

Changes in the carrying amount of property, plant and equipment during the period were as follows:

in € millions	June 2009	Dec. 2009	June 2010
Net property, plant and equipment at begining of period	**37**	**37**	**37**
Property, plant and equipment of newly consolidated companies	1	1	0
Additions	11	16	5
Disposals	-	(4)	(0)
Depreciation for the period	(6)	(11)	(5)
Impairment losses for the period	-	-	-
Translation adjustment	1	(2)	3
Reclassifications	-	-	0
Net property, pland and equipment at end of period	**44**	**37**	**40**

Note 13. Receivables and payables

A. Trade receivables and related provisions

in € millions	June 2009	Dec. 2009	June 2010
Gross	900	920	962
Provisions	(23)	(26)	(28)
Trade receivables, net	**877**	**894**	**934**

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	June 2009	Dec. 2009	June 2010
Inventories	12	14	10
Recoverable VAT	69	92	119
Employee advances and prepaid payroll taxes	2	3	3
Other prepaid and recoverable taxes	2	3	11
Other receivables	151	143	122
Other prepaid expenses	8	8	10
Gross	**244**	**263**	**275**
Provisions	**(1)**	**(2)**	**(2)**
Inventories and other receivables and accruals, net	**243**	**261**	**273**

C. Details of other payables and accruals

in € millions	June 2009	Dec. 2009	June 2010
VAT payable	18	23	9
Wages and salaries and payroll taxes payable	36	43	37
Other taxes payable	34	33	28
Other payables	107	53	113
Deferred income	7	12	21
Other payables and accruals	**202**	**164**	**208**

D. Receivables and payables by maturity

in € millions	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	June 2010	Dec. 2009	June 2009
Inventories	10	-	-	10	13	12
Trade receivables	934	-	-	934	894	877
Recoverable VAT	97	22	-	119	92	69
Employee advances and prepaid payroll taxes	3	-	-	3	3	2
Other prepaid and recoverable taxes	11	-	-	11	3	2
Other receivables	120	-	-	120	142	150
CURRENT ASSETS	**1 175**	**22**	**-**	**1 197**	**1 147**	**1 112**
Trade payables	71	-	-	71	140	192
VAT payable	9	-	-	9	23	18
Wages and salaries and payroll taxes payable	37	-	-	37	43	36
Other taxes payable	28	-	-	28	33	34
Other payables	113	-	-	113	53	107
CURRENT LIABILITIES	**258**	**-**	**-**	**258**	**292**	**387**

Note 14. 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 15. Minority interests

	in € millions
December 31, 2008	**22**
Minority interests in profit for the period	12
Dividends paid to minority interests	(2)
Issue of share capital	7
Translation adjustment	(2)
Changes in scope of consolidation	2
June 30, 2009	**39**
Minority interests in profit for the period	(5)
Dividends paid to minority interests	(20)
Capital reduction	-
Translation adjustment	1
Changes in scope of consolidation	2
December 31, 2009	**17**
Minority interests in profit for the period	2
Dividends paid to minority interests	(2)
Issue of share capital	2
Translation adjustment	3
Changes in scope of consolidation	(3)
June 30, 2010	**19**

Note 16. Other comprehensive income after tax

Other comprehensive income after tax can be analyzed as follows:

in € millions	Dec. 2009			June 2009			June 2010		
	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax
Currency translation adjustment	66	-	66	42	-	42	101	-	101
Gains and losses from remeasuring available-for-sale financial assets at fair value	-	-	-	-	-	-	-	-	-
Actuarial gains and losses on defined benefit plans	(2)	0	(2)	-	-	-	2	-	2
Total other comprehensive income	**64**	**0**	**64**	**42**	**-**	**42**	**103**	**-**	**103**

There were no reclassifications from other comprehensive income to the income statement in any of the three periods presented.

Note 17. Debt by currency and maturity

A. Long and short-term debt

Long and short-term debt at June 30, 2010 breaks down as follows:

in € millions	June 2009	Effective rate 2009 %	Dec. 2009	Effective rate 2009 %	June 2010	Effective rate 2010 %
Long and short-term debt	**1 053**	**4,35**	**880**	**4,35**	**1 503**	**4,35**
Deposits	6		6		8	
Purchase commitments	11		9		4	
Derivatives	-		-		1	
Bank overdrafts and other short-term financial liabilities	478		671		18	
Long and short-term debt and other financial liabilities	**1 548**	-	**1 566**	-	**1 534**	-

The breakdown between long and short-term debt at June 30, 2010 is different from that for the other periods presented due to the new loans obtained by the Group on June 23, 2010 (see Note 2.A. 3). These new loans had the effect of changing the maturity profile of debt presented in Note 17.B. below.

in € millions		June 2009	Dec. 2009	June 2010
Long-term debt and other financial liabilities	(1)	1 517	1 515	903
Short-term debt and other financial liabilities	(2)	31	51	631
Total debt and other financial liabilities		**1 548**	**1 566**	**1 534**

(1) Long-term debt includes €900 million worth of bank loans repayable in three annual installments between June 2013 and June 2015.

(2) Short-term debt consists mainly of a €600 million bridge to bonds facility expiring in June 2011.

B. Maturities of debt

At June 30, 2010 maturities of debt are as follows:

in € millions	June 2009	Dec. 2009	June 2010
Due within 1 year	31	51	631
Due in 1 to 2 years	609	10	10
Due in 2 to 3 years	2	-	293
Due in 3 to 4 years	303	302	299
Due in 4 to 5 years	300	300	299
Due in 5 to 6 years	300	300	-
Due beyond 6 years	3	603	2
Total financial debt	**1 548**	**1 566**	**1 534**

This analysis of debt by maturity over the long-term is considered as providing the most meaningful liquidity indicator. 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 17.C. on financial instruments.

At June 30, 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.

First-half 2010 finance costs amounted to €41 million. Future finance costs are estimated at €71 million for the period from July 1, 2010 to June 30, 2014 and €6 million thereafter.

These estimates are based on the average cost of debt in first-half 2010, after hedging. They have been determined by applying the assumption that no facilities will be rolled over at maturity.

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 June 30, 2010, currency derivatives had an aggregate negative fair value of €2 million, as follows:

Forward purchases and currency swaps in € millions	Expiring in 2010	Expiring in 2011	June 30, 2010 Notional amount	June 30, 2010 Fair value
GBP	86	8	94	(3)
SEK	81	11	92	(1)
MXN	64	-	64	1
HUF	38	7	45	-
Other	30	-	30	-
Forward purchases	**299**	**26**	**325**	**(3)**

Forward sales and currency swaps in € millions	Expiring in 2010	Expiring in 2011	June 30, 2010 Notional amount	June 30, 2010 Fair value
SEK	18	-	18	1
USD	9	-	9	-
ZAR	4	-	4	-
Forward sales	**31**	**-**	**31**	**1**
Total currency hedges	**330**	**26**	**356**	**(2)**

C. 2. INTEREST RATE HEDGES

No interest rate hedges were outstanding at June 30, 2010. In July 2010, a €250 million program was set up, including swaps where Edenred is the fixed rate borrower and collars.

C. 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount and fair value of financial instruments at June 30, 2010 were as follows:

in € millions		June 30, 2010 Carrying amount	June 30, 2010 Fair value
FINANCIAL LIABILITIES		**1 534**	**1 534**
Bonds		-	-
Bank borrowings		1 503	1 503
Other financial liabilities		30	30
Currency derivaties (*fair value hedges*)	(1)	1	1
CURRENT FINANCIAL ASSETS		**(1 214)**	**(1 214)**
Marketable securities	(2)	(1 174)	(1 174)
Cash		(35)	(35)
Other		(2)	(2)
Currency derivaties (*fair value hedges*)	(1)	(3)	(3)
NET DEBT		**320**	**320**

(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		June 30, 2010 Carrying amount	June 30, 2010 Fair value
Bonds and other negociable debt securities	(a)	(312)	(312)
Money market securities		(858)	(858)
Mutual fund units convertible inot cash in less than three months (*)	(b)	(1)	(1)
Other		(3)	(3)
Total marketable securities		**(1 174)**	**(1 174)**

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

(a) Held-to-maturity investments

(b) Available-for-sale financial assets

Note 18. Net debt and net cash

in € millions	June 2009	Dec. 2009	June 2010
Other long-term debt	1 517	1 515	903
Short-term debt	4	10	613
Bank overdrafts	27	41	17
Derivatives	-	-	1
Total debt	**1 548**	**1 566**	**1 534**
Short-term loans	-	-	(1)
Marketable securities (1)	(1 143)	(1 222)	(1 174)
Cash	(57)	(41)	(35)
Derivatives	-	-	(3)
Short-term receivables on disposals of assets	-	-	(1)
Current financial assets	**(1 200)**	**(1 263)**	**(1 214)**
Net debt	**348**	**303**	**320**

(1) See Note 17.C.

in € millions	June 2009	Dec. 2009	June 2010
Net debt at beginning of period	**323**	**323**	**303**
Change in long-term debt	(17)	(19)	(612)
Change in short-term debt	-	6	602
Change in short-term loans	3	3	(1)
Change in cash and cash equivalents	39	(10)	28
Changes for the period	**25**	**(20)**	**17**
Net debt at end of period	**348**	**303**	**320**

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	June 2009	Dec. 2009	June 2010
Cash and cash equivalents in the balance sheet	**1 200**	**1 263**	**1 212**
Bank overdrafts	(27)	(41)	(17)
Derivative instruments recorded in liabilities	-	-	(1)
Cash and cash equivalents in the statement of cash flows	**1 173**	**1 222**	**1 194**

Note 19. Analysis of financial assets and liabilities under IFRS 7

At June 30, 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 June 30, 2009	**-**	**-**	**2**	**-**	**-**	**-**	**2**	**2**	**-**	**-**	**2**

in € millions	Balance sheet category						Fair value			
	Bank overdrafts	Other long-term debt	Vouchers in circulation	Short-term debt	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 June 30, 2009	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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 Dec. 31, 2009	**-**	**-**	**2**	**-**	**-**	**-**	**2**	**2**	**-**	**-**	**2**

in € millions	Balance sheet category						Fair value			
	Bank overdrafts	Other long-term financial debt	Vouchers in circulation	Short-term financial debt	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 Dec. 31, 2009	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

At June 30, 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	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**-**	**-**	**-**	**3**
Currency derivatives	3	-	-	-	-	-	**3**	-	3	-	**3**
Interest rate derivatives	-	-	-	-	-	-	**-**	-	-	-	**-**
Total financial assets at June 30, 2010	**3**	**-**	**1**	**-**	**-**	**-**	**4**	**1**	**3**	**-**	**4**

in € millions	Balance sheet category						Fair value			
	Bank overdrafts	Other long-term debt	Vouchers in circulation	Short-term debt	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						**1**				**1**
Currency derivatives	1	-	-	-	-	**1**	-	1	-	**1**
Interest rate derivatives	-	-	-	-	-	**-**	-	-	-	**-**
Total financial liabilities at June 30, 2010	**1**	**-**	**-**	**-**	**-**	**1**	**-**	**1**	**-**	**1**

* 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 measured 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 17.

No assets were transferred between fair value assessment levels over the presented periods.

Note 20. Provisions

A. Provisions at June 30, 2010

Movements in long-term provisions between January 1, 2010 and June 30, 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 (*)	June 30, 2010
- Provisions for pensions and loyalty bonuses	16	(0)	0	(0)	(0)	1	0	17
- Provisions for claims and litigation and other continge	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	**16**	**(0)**	**0**	**(0)**	**(0)**	**1**	**0**	**17**

(*) See Note 20.B. 3

Movements in short-term provisions between January 1, 2010 and June 30, 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	June 30, 2010
- Tax provisions	1	-	0	(0)	-	0	(1)	0
- Restructuring provisions	9	-	1	(6)	(1)	0	2	5
- Provisions for claims and litigation and other continge	53	-	1	(4)	(0)	1	(20)	31
TOTAL SHORT-TERM PROVISIONS	**63**	**-**	**2**	**(10)**	**(1)**	**1**	**(19)**	**36**

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	June 2009	Dec 2009	June 2010
EBIT	-	0	(4)
Net financial expense	-	0	-
Restructuring costs and impairment losses	(3)	41	(5)
Income tax expense	-	-	-
TOTAL	**(3)**	**41**	**(9)**

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 (42% of the obligation at December 31, 2009), in France and the Worldwide Structures (18% of the obligation at December 31, 2009), in Belgium (17% of the obligation at December 31, 2009) and in Italy (15% of the obligation at December 31, 2009). 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.

2009	France	Rest of Europe			Worldwide Structures	Rest of the world
		United Kingdom	Belgium	Italy		
Retirement age	65 years	65 years	65 years	65 years	65 years	55-65 years
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

June 2010	France	Rest of Europe			Worldwide Structures	Rest of the world
		United Kingdom	Belgium	Italy		
Retirement age	65 years	65 years	65 years	65 years	65 years	55-65 years
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 2010 plan assets	2,20%-4,5%	5,5%	4,5%	N/A	4,5%	N/A
Expected return on 2011 plan assets	2,20%-4,5%	5,5%	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 June 30, 2010

in € millions	Pension plans	Other defined benefit plans (*)	Total
Present value of funded obligation	16	-	**16**
Fair value of plan assets	(7)	-	**(7)**
Excess of benefit obligation/(plan assets)	**9**	**-**	**9**
Present value of unfunded obligation	-	8	**8**
Unrecognized past service cost	-	-	**-**
Liability recognized in the balance sheet	**9**	**8**	**17**

(*) Including length-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 length-of-service awards and loyalty bonuses

Funded status of post-employment defined benefit plans by region

	Pension plans							Other plans	2010	2009
	2010							2010		
		Rest of Europe								
in € millions	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2009	Total 2008
Projected benefit obligation at beginning of period	**2**	**7**	**3**	**2**	**5**	**1**	**19**	**2**	**21**	**17**
Service cost	0	0	0	0	0	0	0	0	0	1
Interest cost	0	0	0	-	0	0	0	0	0	1
Employee contributions	-	-	0	-	-	-	0	-	0	0
Past service cost	-	-	-	-	-	-	-	-	-	-
Curtailments and settlements	-	-	-	-	-	(0)	(0)	-	(0)	(0)
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	0	-	-	-	-	0	-	0	(1)
Acturial (gains) losses	-	0	-	-	-	0	0	0	0	2
Total translation adjustment	-	0	-	-	-	-	0	1	1	1
Total other	0	0	-	-	1	(0)	1	0	1	0
Projected benefit obligation at end of period	**2**	**7**	**3**	**2**	**6**	**1**	**21**	**3**	**24**	**21**

		Rest of Europe								
in € millions	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2009	Total 2008
Fair value of plan assets at beginning of period	**-**	**4**	**2**	**-**	**(1)**	**-**	**6**	**-**	**6**	**5**
Actual return on plan assets	-	0	0	-	0	-	0	-	0	0
Employer contributions	-	0	0	-	-	-	0	-	0	1
Employee contributions	-	-	-	-	-	-	-	-	-	0
Benefits paid	-	-	-	-	-	-	-	-	-	(0)
Settlements	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Total translation adjustment	-	1	-	-	-	-	1	-	1	(1)
Total other	-	-	-	-	0	-	0	-	0	(0)
Fair value of plan assets at end of period	**-**	**5**	**2**	**-**	**(1)**	**-**	**7**	**-**	**7**	**6**

		Rest of Europe								
in € millions	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2009	Total 2008
Plan deficit at beginning of period	**2**	**2**	**1**	**2**	**5**	**1**	**14**	**2**	**16**	**12**
Reclassification to assets/liabilities held for sale	-	-	-	-	-	-	-	-	-	-
Plan deficit at end of period	**2**	**2**	**1**	**2**	**6**	**1**	**14**	**3**	**17**	**16**

		Rest of Europe								
in € millions	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2009	Total 2008
Service cost	0	0	0	0	1	0	1	-	1	1
Interest cost	0	0	0	-	0	0	0	-	0	1
Expected return on plan assets	-	0	0	-	0	-	0	-	0	(0)
Amortization of past service cost	-	-	-	-	-	-	-	-	-	-
Curtailments and settlements	0	0	-	-	-	(0)	(0)	-	(0)	(0)
Others	-	-	-	-	-	-	-	-	-	-
Amortization of actuarial gains and losses for long-term employee benefits	-	0	-	-	-	0	0	-	0	0
Cost for the period	**0**	**0**	**0**	**0**	**1**	**(0)**	**1**	**-**	**1**	**1**
Amortization of actuarial gains and losses for post-employment defined benefit plans	**-**	**0**	**-**	**-**	**-**	**-**	**0**	**-**	**0**	**3**

Changes in pension liabilities between January 1, 2009 and June 30, 2010

in € millions	Amount
Liability at January 1, 2009	**12**
Cost for the period	1
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	3
Effect of changes in scope of consolidation	-
Translation adjustment	1
Other	0
Liability at December 31, 2009	**16**
Cost for the period	1
Benefits paid	0
Actuarial gains and losses for the period recognized in equity	0
Effect of changes in scope of consolidation	0
Translation adjustment	0
Liability at June 30, 2010	**17**

Actuarial gains and losses arising from changes in assumptions and experience adjustments

in € millions	June 2009	Dec. 2009	June 2010
Projected benefit obligation			
Actuarial gains and losses - experience adjustments	0	(1)	0
Actuarial gains and losses - changes in assumptions	0	3	0
Fair value of plan assets			
Actuarial gains and losses - experience adjustments	0	0	0

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 June 30, 2010, 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.

Note 21. Reconciliation of funds from operations

in € millions	June 2009	Dec. 2009	June 2010
Net profit, Group Share	65	(57)	37
Minority interests	12	7	2
Depreciation, amortization and provision expense	16	36	10
Deferred taxes	(5)	(15)	1
Change in financial provisions	-	182	-
FUNDS FROM OPERATIONS	**88**	**153**	**50**
(Gains) losses on disposals of assets, net	-	(1)	(2)
taxes)	6	32	41
FUNDS FROM ORDINARY ACTIVITIES	**94**	**184**	**89**

Note 22. Working capital, service vouchers in circulation and restricted cash

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

in € millions	Dec. 2009	June 2010	Change Dec 2009/June 2010
Inventories	13	10	(3)
Trade receivables	894	934	40
Other receivables and accruals	248	263	15
Working capital items - assets	**1 155**	**1 207**	**52**
Trade receivables	140	71	(69)
Other payables	164	208	44
Services vouchers in circulation	2 883	2 904	21
Working capital items - liabilities	**3 187**	**3 183**	**(4)**
Float (Working capital)	**2 032**	**1 976**	**(56)**

December 31, 2009 WORKING CAPITAL	**2 032**
Change in working capital (1)	(147)
Development Expenditure	0
Disposals	-
Translation adjustment	86
Reclassifications	5
Net change in working capital	**(56)**
June 30, 2010 WORKING CAPITAL	**1 976**

(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 (€530 million), Romania (€32 million) and the United Kingdom (€28 million).

Restricted cash at December 31, 2009	**565**
Like-for-like change for the period (1)	8
Reclassification from cash and cash equivalents to restricted cash (1)	20
Translation adjustment	2
Net change in restricted cash	**30**
Restricted cash at June 30, 2010	**595**

(1) See statement of cash flows.

Note 23. Capital expenditure

Capital expenditure in the last three periods breaks down as follows:

in € millions	June 2009	Dec. 2009	June 2010
Recurring expenditure	16	30	12
Development expenditure	20	41	13
Total capital expenditure	**36**	**71**	**25**

Note 24. 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 pro forma
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 June 30, 2010

in € millions	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total pro forma
Goodwill	115	190	234	42	11	592
Intangible assets	27	49	16	8	2	102
Property, plant and equipment	7	12	16	4	1	40
Financial assets	1	1	1	1	-	4
Other non-current assets	-	5	14	2	2	23
TOTAL NON-CURRENT ASSETS	**150**	**257**	**281**	**57**	**16**	**761**
TOTAL CURRENT ASSETS	**781**	**659**	**1 005**	**138**	**433**	**3 016**
TOTAL ASSETS	**931**	**916**	**1 286**	**195**	**449**	**3 777**
TOTAL EQUITY	**(168)**	**(1 181)**	**522**	**46**	**(273)**	**(1 054)**
OTHER NON-CURRENT LIABILITIES	**16**	**50**	**18**	**3**	**894**	**981**
TOTAL NON-CURRENT LIABILITIES	**(152)**	**(1 131)**	**540**	**49**	**621**	**(73)**
TOTAL CURRENT LIABILITIES	**1 083**	**2 047**	**746**	**146**	**(172)**	**3 850**
TOTAL EQUITY AND LIABILITIES	**931**	**916**	**1 286**	**195**	**449**	**3 777**

Note 25. 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 company 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 totaled €21.8 million – the Company 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 company applied to the Montreuil Administrative Tribunal for a ruling on the matter. The application is currently being considered.

B. Other claims and litigation

In the normal course of its business, the Group is exposed to various claims and litigations. The Company considers that these claims and litigations will not give rise to any material costs and will not have a material adverse effect on its financial position, business and/or results of operations.

Note 26. Off-balance sheet commitments

A. Off-balance sheet commitments given

Off-balance sheet commitments given amounted to €80 million at June 30, 2010 and €90 million at December 31, 2009.

The June 30, 2010 amount breaks down as follows:

- Voucher sale guarantees given to public sector entities in Italy for a total of €76 million, including €32 million expiring in less than one year, €20 million expiring in 1 to 5 years and €24 million expiring beyond 5 years (€88 million at December 31, 2009).
- Bank bonds issued in France for €1 million, expiring within one year (€1 million at December 31, 2009).
- Bid bonds issued in Spain for €1 million, expiring within one year (€1 million at December 31, 2009).
- Bank bonds issued in Brazil for €2 million, expiring within one year.

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

Off-balance sheet commitments received at June 30, 2010 were not material.

Note 27. Additional information about jointly-controlled entities

At the end of each of the three periods presented, Edenred held shares in eight jointly-controlled entities for which the current and non-current assets and liabilities, income and expenses attributable to the Group represented individually less than €3 million.

The companies concerned are:

- AS-GES
- Workplace Benefits
- EAR Ireland
- Employee Advisory R.L.
- BEA
- Fidetel
- Advantage 24
- Network Servisleri AS

Note 28. 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 27. 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 29.

Companies in which a member of the Executive Committee of Edenred holds material voting rights

All transactions with companies in which a member of the Executive Committee holds material voting rights represent transactions carried out in the normal course of business on arm's length terms and are not material.

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**	**June 2009**	**Dec. 2009**	**June 2010**	**June 2009**	**Dec. 2009**	**June 2010**	**June 2009**	**Dec. 2009**	**June 2010**	**June 2009**	**Dec. 2009**	**June 2010**
Accor	Inter-entity billings	(11)	(20)	(50)	47	2	94	44	55	15	-	-	-
	Loans	-	-	-	-	-	-	-	-	-	-	-	-
	Dividends	-	-	-	-	-	-	8	-	-	-	-	-

Note 29. Compensation paid to corporate officers

in € millions	December 31, 2009		June 30, 2009		June 30, 2010	
	Expense	Accrual	Expense	Accrual	Expense	Accrual
Short-term benefits	4	2	2	1	7	2
Post-employment benefits	-	-	-	-	-	-
Other long-term benefits	-	-	-	-	-	-
Termination benefits	1	-	-	-	2	-
Share-based payments	1	-	-	-	-	-
Total compensation	**6**	**2**	**2**	**1**	**9**	**2**

In 2009, corporate officers were the nine historical officers of the Edenred business.

On February 24, 2010, an Executive Committee was created for the Services business. The 12-member Committee includes executives in charge of operations or operational support functions.

Note 30. Auditors' fees

The table below shows the total fees billed by the Auditors that were recognized in the income statement for the periods presented.

in € millions	Dec. 2009	June 2009	June 2010
Statutory and contractual audit fees	(2)	(1)	(1)
Fees for audit-related services	(0)	(0)	(0)
Total fees billed by the Auditors	**(2)**	**(1)**	**(1)**

Note 31. Subsequent events

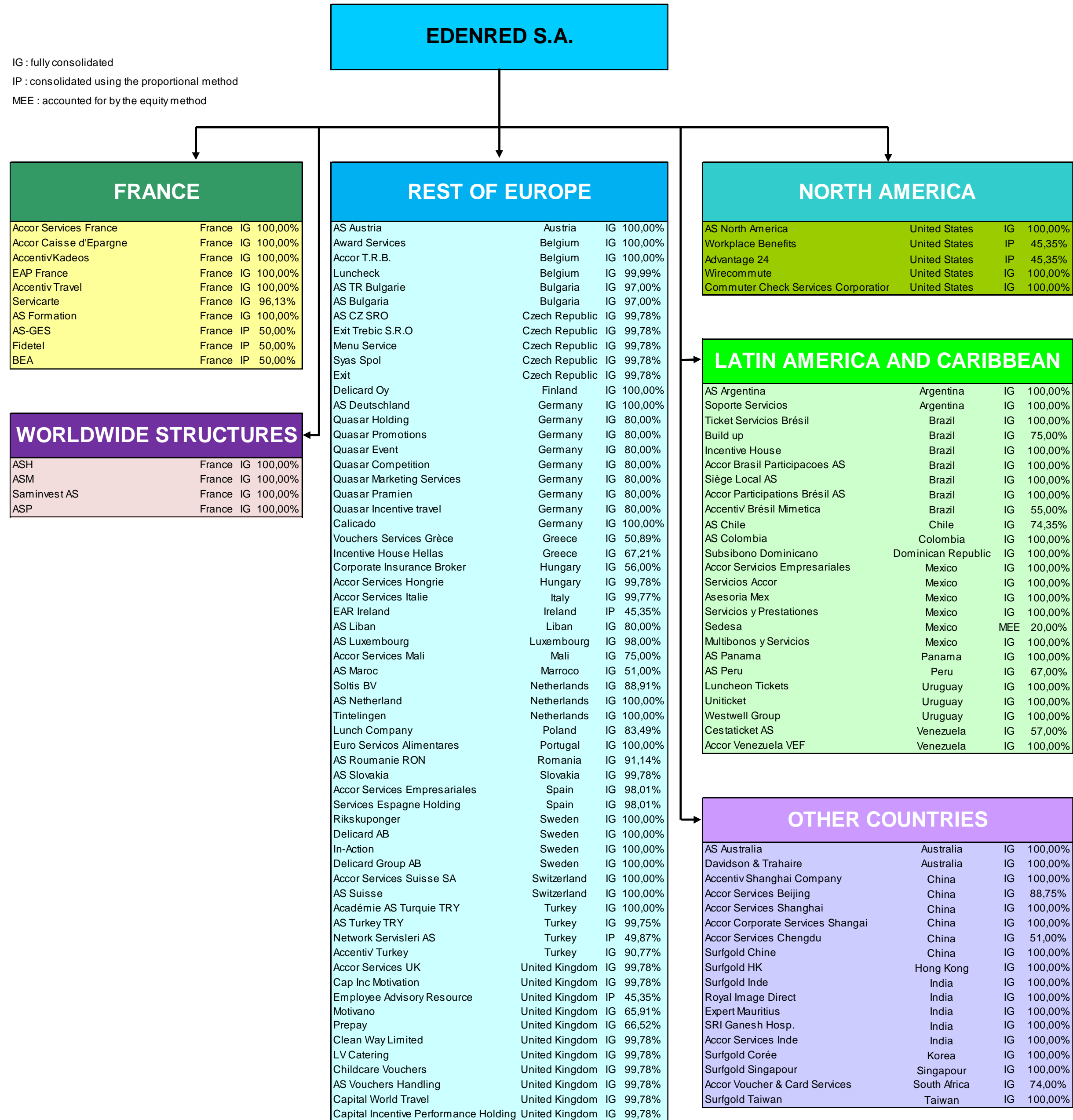
A stock option plan was set up on August 6, pursuant to the authorization given by the Shareholders' Meeting of May 10, 2010. Some 4,250,000 options have been granted under the plan. The options have an eight-year life and are exercisable as from the fifth year.

A performance share plan has also been set up. The approximately 925,000 shares granted under the plan cannot be sold for a period of 5-years from the grant date.

These items are in addition to the post-balance sheet events described in Note 2 and Note 17.

Note 32. Main consolidated companies at June 30, 2010

The main consolidated subsidiaries are presented below:



EDENRED S.A.

IG : fully consolidated
IP : consolidated using the proportional method
MEE : accounted for by the equity method

FRANCE

Company	Country	Method	%
Accor Services France	France	IG	100,00%
Accor Caisse d'Epargne	France	IG	100,00%
AccentivKadeos	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

Company	Country	Method	%
ASH	France	IG	100,00%
ASM	France	IG	100,00%
Saminvest AS	France	IG	100,00%
ASP	France	IG	100,00%

REST OF EUROPE

Company	Country	Method	%
AS Austria	Austria	IG	100,00%
Award Services	Belgium	IG	100,00%
Accor T.R.B.	Belgium	IG	100,00%
Luncheck	Belgium	IG	99,99%
AS TR Bulgarie	Bulgaria	IG	97,00%
AS Bulgaria	Bulgaria	IG	97,00%
AS CZ SRO	Czech Republic	IG	99,78%
Exit Trebic S.R.O	Czech Republic	IG	99,78%
Menu Service	Czech Republic	IG	99,78%
Syas Spol	Czech Republic	IG	99,78%
Exit	Czech Republic	IG	99,78%
Delicard Oy	Finland	IG	100,00%
AS Deutschland	Germany	IG	100,00%
Quasar Holding	Germany	IG	80,00%
Quasar Promotions	Germany	IG	80,00%
Quasar Event	Germany	IG	80,00%
Quasar Competition	Germany	IG	80,00%
Quasar Marketing Services	Germany	IG	80,00%
Quasar Pramien	Germany	IG	80,00%
Quasar Incentive travel	Germany	IG	80,00%
Calicado	Germany	IG	100,00%
Vouchers Services Grèce	Greece	IG	50,89%
Incentive House Hellas	Greece	IG	67,21%
Corporate Insurance Broker	Hungary	IG	56,00%
Accor Services Hongrie	Hungary	IG	99,78%
Accor Services Italie	Italy	IG	99,77%
EAR Ireland	Ireland	IP	45,35%
AS Liban	Liban	IG	80,00%
AS Luxembourg	Luxembourg	IG	98,00%
Accor Services Mali	Mali	IG	75,00%
AS 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%
Euro Servicos Alimentares	Portugal	IG	100,00%
AS Roumanie RON	Romania	IG	91,14%
AS Slovakia	Slovakia	IG	99,78%
Accor Services Empresariales	Spain	IG	98,01%
Services Espagne Holding	Spain	IG	98,01%
Rikskuponger	Sweden	IG	100,00%
Delicard AB	Sweden	IG	100,00%
In-Action	Sweden	IG	100,00%
Delicard Group AB	Sweden	IG	100,00%
Accor Services Suisse SA	Switzerland	IG	100,00%
AS Suisse	Switzerland	IG	100,00%
Académie AS Turquie TRY	Turkey	IG	100,00%
AS Turkey TRY	Turkey	IG	99,75%
Network Servisleri AS	Turkey	IP	49,87%
Accentiv Turkey	Turkey	IG	90,77%
Accor Services UK	United Kingdom	IG	99,78%
Cap Inc Motivation	United Kingdom	IG	99,78%
Employee Advisory Resource	United Kingdom	IP	45,35%
Motivano	United Kingdom	IG	65,91%
Prepay	United Kingdom	IG	66,52%
Clean Way Limited	United Kingdom	IG	99,78%
LV Catering	United Kingdom	IG	99,78%
Childcare Vouchers	United Kingdom	IG	99,78%
AS Vouchers Handling	United Kingdom	IG	99,78%
Capital World Travel	United Kingdom	IG	99,78%
Capital Incentive Performance Holding	United Kingdom	IG	99,78%

NORTH AMERICA

Company	Country	Method	%
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 Corporatior	United States	IG	100,00%

LATIN AMERICA AND CARIBBEAN

Company	Country	Method	%
AS Argentina	Argentina	IG	100,00%
Soporte Servicios	Argentina	IG	100,00%
Ticket Servicios Brésil	Brazil	IG	100,00%
Build up	Brazil	IG	75,00%
Incentive House	Brazil	IG	100,00%
Accor Brasil Participacoes AS	Brazil	IG	100,00%
Siège Local AS	Brazil	IG	100,00%
Accor Participations Brésil AS	Brazil	IG	100,00%
Accentiv Brésil Mimetica	Brazil	IG	55,00%
AS Chile	Chile	IG	74,35%
AS Colombia	Colombia	IG	100,00%
Subsibono Dominicano	Dominican Republic	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%
AS 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

Company	Country	Method	%
AS Australia	Australia	IG	100,00%
Davidson & Trahaire	Australia	IG	100,00%
Accentiv Shanghai Company	China	IG	100,00%
Accor Services Beijing	China	IG	88,75%
Accor Services Shanghai	China	IG	100,00%
Accor Corporate Services Shangai	China	IG	100,00%
Accor Services Chengdu	China	IG	51,00%
Surfgold Chine	China	IG	100,00%
Surfgold HK	Hong Kong	IG	100,00%
Surfgold Inde	India	IG	100,00%
Royal Image Direct	India	IG	100,00%
Expert Mauritius	India	IG	100,00%
SRI Ganesh Hosp.	India	IG	100,00%
Accor Services Inde	India	IG	100,00%
Surfgold Corée	Korea	IG	100,00%
Surfgold Singapour	Singapour	IG	100,00%
Accor Voucher & Card Services	South Africa	IG	74,00%
Surfgold Taiwan	Taiwan	IG	100,00%