Edenred

Press Release
August 25, 2010

Robust first-half 2010 results
in an uneven economic environment

- **A strong performance considering the economic environment**
  - **Issue volume up 7.8% like-for-like, led by strong growth in Latin America**
  - **Healthy increase in operating revenue, up 4.2% like-for-like; financial revenue impacted by low interest rates**
  - **Operating EBIT excluding financial revenue up 7.9% like-for-like**
- **A cash flow generative model and a sound financial position**
- **Full-year EBIT target of €300 million to €330 million**

Edenred was created in the first-half of 2010 through the demerger of the Accor Group's two core businesses approved at the Shareholders' Meeting of June 29, 2010.

The world leader in prepaid service vouchers, Edenred provides solutions that enhance personal well-being and improve the performance of organizations. The Group offers a wide range of products in two categories: employee and public benefits related to food and quality of life, and performance solutions in the areas of expense management, incentives and rewards and new prepaid electronic products. Operating in 40 countries, Edenred serves 500,000 private and public sector customers, 33 million users and 1.2 million affiliates.

During the first six months of the year, a new Board of Directors and a new management team were appointed, Edenred's corporate identity was rolled out and new corporate governance structures were put in place. The Company's shares began trading on the stock market on July 2, 2010.

Edenred's medium-term strategy is designed to generate 6% to 14% annual normalized organic growth in issue volume over the medium term and 10% normalized growth in cash flow.

The strategy is based on five growth levers:

- Increasing penetration rates
- Creating new products and deploying existing ones
- Extending geographical coverage
- Increasing face value
- Making targeted acquisitions.

To meet this challenge, during the first half the Group launched the EDEN federating 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." Its aim is to enhance the quality of service offered to customers and to instill an entrepreneurial spirit in Edenred's 6,000 employees.

The consolidated financial statements[1] for the six months ended June 30, 2010 were approved by the Board of Directors on August 24, 2010. The Group's main financial indicators for the period are presented below:

(in € millions)	H1 2009	H1 2010	% change (reported)	% change (L/L[2])
Issue volume	**6,152**	**6,615**	**+7.5%**	**+7.8%**
Revenue, of which:	**444**	**461**	**+3.8%**	**+0.7%**
Operating revenue	392	422	+7.7%	+4.2%
Financial revenue	52	39	-25.6%	-25.3%
Operating expense [3]	**(278)**	**(306)**	**+10.3%**	**+2.6%**
EBIT, of which:	**166**	**155**	**-7.1%**	**-2.4%**
Operating EBIT*	114	116	+1.3%	+7.9%
Financial EBIT**	52	39	-25.6%	-25.3%
Operating profit before tax and non-recurring items	125	114	-8.2%	
Recurring profit after tax, Group share	70	72	+2.9%	

*EBIT excluding financial revenue

**Corresponding to financial revenue

ISSUE VOLUME UP 7.8% LIKE-FOR-LIKE IN THE FIRST HALF

Issue volume amounted to €6,615 million in the **first half of 2010, up 7.8% like-for-like** and 7.5% as reported, reflecting a currency effect that was only a slightly negative 0.9% for the period. Penetration rates improved in the most buoyant markets, such as Latin America with meal and food vouchers and Europe with products such as Childcare Vouchers in the United Kingdom. Issue volume was also boosted by the ramp-up of new products such as the EcoCheque in Belgium and by the rollout of Ticket Car in Chile.

The increase in first-half issue volume, which was achieved in an economic environment that has yet to settle down, was in line with the Group's medium-term normalized growth target of 6% to 14% per year.

TOTAL REVENUE UP 0.7% LIKE-FOR-LIKE IN THE FIRST HALF

(in € millions)	H1 2009	H1 2010	% change (reported)	% change (L/L)
Operating revenue with issue volume	330	343	+3.8%	+4.6%
Operating revenue without issue volume	62	79	+28.0%	+1.7%
Operating revenue	**392**	**422**	**+7.7%**	**+4.2%**
Financial revenue	**52**	**39**	**-25.6%**	**-25.3%**
Total revenue	**444**	**461**	**+3.8%**	**+0.7%**

[1] *The results presented in this press release are based on pro forma financial statements that simulate the effects 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 the demerger had been carried out on January 1, 2007, in line with the prospectus issued in connection with Edenred's stock market listing which was approved by the AMF on May 12, 2010.*

[2] *Based on a comparable scope of consolidation and at constant exchange rates.*

[3] *Operating expense, depreciation, amortization and provision expense*

Total revenue for the period amounted to **€461 million,** an increase of **3.8%** as reported and **0.7%** like-for-like, reflecting:

- A 4.2% like-for-like increase in operating revenue to €422 million, with strong growth in Latin America offsetting a still difficult economic environment in Europe.

- A 25.3% like-for-like decline in financial revenue to €39 million, due to low interest rates throughout the world leading to a roughly 150-bps fall in the average rate of interest earned by the Group.

- A positive currency effect of 0.4%, resulting from the decline in the euro and the strengthening in all of the other functional currencies (especially the Brazilian real, which more than offset the early-2010 devaluation of the Venezuelan Bolivar).

OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS DOWN 2.4% LIKE-FOR-LIKE IN THE FIRST HALF

EBIT came to €155 million in first-half 2010 versus €166 million in the year-earlier period. The decline of 7.1% as reported and 2.4% like-for-like was mainly due to the impact of lower interest rates on financial revenue and the effect of the Venezuelan Bolivar's devaluation.

Operating EBIT, corresponding to EBIT excluding financial revenue, rose 1.3% as reported and 7.9% like-for-like to €116 million.

Operating expense rose 2.6% like-for-like. In Europe (including France) the increase was just 0.6%, attesting to the effectiveness of the teams' response to the challenging economic conditions, while in Latin America, expenses were up by a more significant 8.4% due to higher local inflation rates. The flow-through ratio[4] came to 55% for the period, better than the Group's annual target of 40% to 50%. EBIT margin excluding financial revenue was more or less stable at 1.8% in first-half 2010 versus 1.9% in the year-earlier period.

In **France,** EBIT totaled €24 million in first-half 2010, an increase of 3.5% as reported and 10.6% like-for-like. EBIT margin excluding financial revenue rose by 0.4 points to 1.2%, reflecting improved operational efficiency.

In the **Rest of Europe,** EBIT amounted to €61 million, down 12.2% as reported and 13.5% like-for-like. The €9 million decline was mainly attributable to difficult economic conditions in Italy and Romania, which both reported EBIT down €5 million. EBIT margin for the region excluding financial revenue contracted by 0.4 point to 2.0%.

In **Latin America,** the strong performance delivered by operations in Brazil lifted EBIT to €79 million, an increase of 3.8% like-for-like. The change based on reported figures was a negative 4.7%, due to the €18 million impact of the Venezuelan Bolivar's devaluation. EBIT margin for the region excluding financial revenue was stable at 2.4%.

RECURRING PROFIT AFTER TAX, GROUP SHARE: UP 2.9% IN THE FIRST HALF

Net financial expense for first-half 2010 was stable compared with the year-earlier period at €41 million.

Net profit before non-recurring items was up 2.9% as reported at €72 million.

After deducting non-recurring costs of €35 million, mainly related to the demerger, income tax expense of €40 million and minority interests of €2 million, **net profit attributable to shareholders** came in at €37 million for first-half 2010, compared with a pro forma €65 million for the year-earlier period.

[4] *Flow-through ratio: ratio between the like-for-like change in operating EBIT and the like-for-like change in operating revenue*

CASH FLOWS

Funds from operations before non-recurring items **(FFO)** for first-half 2010 amounted to €89 million versus €94 million for the same period of 2009, representing a like-for-like increase of 4.0%.

Unlevered free cash flow[5] generated over the twelve months to June 30, 2010 totaled €267 million.

The **float** (net working capital) amounted to €1,976 million at June 30, 2010, up €118 million from €1,858 million at June 30, 2009.

Net debt at June 30, 2010 stood at €320 million versus €303 million at December 31, 2009.

2010 OUTLOOK

In the second half, it is probable that growth in issue volume will continue to be affected by rising unemployment in Europe. In addition, falling interest rates are expected to drive down the Group's financial revenue by some 10% to 20% like-for-like in the second half.

However, Edenred will benefit from the fact that it derives over 50% of issue volume from emerging markets, where the economic outlook is very promising, particularly in Brazil.

In this environment, and based on the projected full-year flow-through ratio[6] of between 40% and 50%, Edenred expects to report EBIT of between €300 million and €330 million in 2010.

The Group's net financial expense should be between €70 million and €75 million for the year, of which €41 million in the first half.

INVESTOR CALENDAR

Quarterly Report released on October 19, 2010

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Edenred, the world leader in prepaid service vouchers, provides solutions that enhance personal well-being and improve the performance of organizations. Operating in 40 countries, with 6,000 employees, nearly 500,000 private and public sector customers, 33 million users and 1.2 million affiliates, Edenred offers a wide range of products in two categories:

- ***Employee and public benefits** related to meals and food (Ticket Restaurant, Ticket Alimentation) or quality of life (Ticket CESU, Childcare Vouchers, etc.)*
- ***Performance solutions** in the areas of expense management (Ticket Car, etc.), incentives and rewards (Ticket Compliments, Kadeos, etc.) and new prepaid electronic products.*

In 2009, Edenred generated total issue volume of €12.4 billion, of which more than 50% in emerging markets.

Full details of Edenred's first-half 2010 results are available on the Company's website: www.edenred.com

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[5] *Unlevered Free Cash Flow is an indicator of the Company's cash-generating capacity*

[6] *Flow-through ratio: ratio between the like-for-like change in operating EBIT and the like-for-like change in operating revenue*