Press Release
February 24, 2011

2010, the founding year: creation of a world leader who reached its objectives

A new long-term growth strategy

- **2010 performance in line with guidance**
  - **Issue volume** up 10% like-for-like[1], with 15% growth in emerging markets
  - **Funds from operations[2]** up 15.1% like-for-like, in line with the Group's guidance of normalized growth over 10% per year like-for-like
  - **EBIT** of €328 million, at the high end of the guidance range

- **A new strategy** to increase the Group's long-term growth potential, while ensuring that profits continue to rise in the short-term
  - **Focus on issue volume growth in Edenred's core business**

    Guidance confirmed of normalized growth in issue volume of between 6% and 14% per year like-for-like
  - **A faster shift to digital solutions**

    Objective: paperless solutions to account for 50% of issue volume by 2012

- **A cash-generating business model**
  - Recommended **dividend[3] of €0.50 per share,** representing a **payout ratio close to 70%**[4]

[1] *Like-for-like: at comparable scope of consolidation and exchange rates.*
[2] *Funds from operations before non-recurring items (FFO).*
[3] *To be recommended at the Annual Shareholders' Meeting on May 13, 2011.*
[4] *Total dividend as a percentage of recurring profit after tax.*

2010, THE FOUNDING YEAR

UNIQUE EXPERTISE DEVELOPED OVER 50 YEARS IN THE BUSINESS

Edenred, which invented the Ticket Restaurant® meal voucher, designs and delivers solutions that make employees' lives easier and improve the efficiency of organizations. Its unique expertise ensures companies that allocated funds are used specifically as intended.

World leader in prepaid corporate services, during 50 years of innovation Edenred has forged relationships with all of its stakeholders, based on dialogue, mutual interests and responsibility:

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

2010, THE LAUNCH YEAR

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

Following this decision, in 2010 Edenred laid the **foundations for a new long-term growth strategy in three steps: "Win 2010", "Conquer 2012", "Invent 2016".**

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

The new strategy has led to the redefinition of Edenred's corporate offering around three types of solution for managing:

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

Edenred also offers a range of solutions for public sector customers, to help them manage their *social programs.*

2010 RESULTS

The consolidated financial statements for 2010 were approved by the Board of Directors on February 23, 2011. The Group's main financial metrics for the period are presented below:

(in € millions)	**2009**	**2010**	**% change (reported)**	**% change (L/L[5])**
Issue volume	**12,407**	**13,875**	**+11.8%**	**+10.0%**
Revenue, of which:	**902**	**965**	**+7.0%**	**+3.9%**
Operating revenue	808	885	+9.6%	+6.3%
Financial revenue	94	80	-14.8%	-16.8%
EBIT, of which:	**327**	**328**	**+0.4%**	**+2.8%**
Operating EBIT	233	248	+6.5%	+10.7%
Financial EBIT	94	80	-14.8%	-16.8%
Operating profit before tax and non-recurring items	223	266	+19.4%	
Net profit (loss), Group share	(57)	68	-	
Recurring profit after tax	141	165	+17.0%	
Earnings per share before non-recurring items (in €)	0.63	0.73		

ISSUE VOLUME UP 10.0% LIKE-FOR-LIKE

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

The increase reflects strong growth in emerging markets (up +15% like-for-like). These markets accounted for 55% of total volume, led by Latin America. Growth in developed countries was a more moderate +4% like-for-like.

This strong performance was underpinned by the Group's solutions for managing *employee benefits* related to food (78% of issue volume) and quality of life (9%) and by solutions for optimizing *expense management* (8%), which saw like-for-like volume increases of, respectively, +11%, +18% and +17%. On the other hand, issue volume in the more cyclical *incentive and rewards* business (4% of the total) declined by -19% like-for-like. Lastly, the *public social programs* business (1% of issue volume) expanded by a moderate +3%.

The drivers of last year's 10.0% growth in issue volume were:

- Increased penetration rates in existing markets (accounting for +5.4 points of growth), supported by growth in salaried employment in emerging markets. Edenred deployed effective sales and marketing initiatives in all its markets to attract new clients and beneficiaries, adding more than 62,000 beneficiaries in France and Brazil for Ticket Restaurant® meal vouchers and nearly 13,000 in the United Kingdom for Childcare Vouchers.
- Increased average face values (+4.0 points). Targeted initiatives were launched with clients and public authorities to raise face values in correlation with wages or prices, especially in emerging countries, and particularly in Latin America.
- New products (+0.6 points). Introduced in Belgium in late 2009, the Ticket EcoCheque voucher made a substantial contribution to this increase. Growth was also driven by the deployment of existing products in other countries, such as Ticket Guarderia in Spain — the same product as Childcare Vouchers in the UK — which accounted for 50% of the increase in issue volume in Spain for the year.

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

The 10.0% like-for-like growth in 2010 issue volume was in line with Edenred's normative guidance of between +6% and +14% a year.

REVENUE UP 3.9% LIKE-FOR-LIKE

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

Total revenue for the year amounted to **€965 million**, an increase of +**7.0%** as reported and +**3.9%** like-for-like, reflecting:

- A 6.3% like-for-like increase in operating revenue to €885 million. Growth was led by Latin America, while the situation was more mixed in Europe. Operating revenue generated by issue volume contributed strongly to growth, rising by +7.0% like-for-like, compared with a +3.0% increase for other operating revenue.

- A 16.8% drop in financial revenue to €80 million, due to generally lower interest rates worldwide. The decline bottomed out in the final quarter of the year, with financial revenue for the quarter down by just 0.3% like-for-like.

- A 2.3% positive currency effect. All functional currencies strengthened against the euro (in particular the Brazilian real), except for the Venezuelan bolivar.

EBIT UP 2.8% LIKE-FOR-LIKE

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

- Operating EBIT up 10.7% like-for-like

In 2010, **operating EBIT** (which excludes financial revenue) rose by a strong +10.7% like-for-like. The operating flow-through ratio[6] stood at 49%.

In **France**, operating EBIT totaled €30 million, an increase of +64.9% as reported and +74.4% like-for-like. Net operating margin[7] rose by 0.5 points to 1.2%, led by a strong sales performance and effective management of operating costs.

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

In **Latin America**, operating EBIT amounted to €139 million, up by a strong +8.9% as reported and +13.5% like-for-like. Net operating margin was 0.3 point lower at 2.2%, mainly impacted by the negative currency effect related to the bolivar. Excluding Venezuela, this ratio remained stable year on year.

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

[7] *Net operating margin: operating EBIT expressed as a percentage of issue volume.*

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

- Financial EBIT down 16.8% like-for-like

Financial EBIT — corresponding to financial revenue — amounted to €80 million. As explained above, the -16.8% like-for-like decline was due to generally lower interest rates worldwide.

RECURRING PROFIT AFTER TAX UP 17.0%

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

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

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

CASH FLOWS

Funds from operations before non-recurring items (**FFO)** amounted to €213 million, versus €184 million in 2009, representing a like-for-like increase of 15.1%, in line with the Group's guidance of more than 10% annual normalized growth.

Unlevered free cash flow[8] generated over the year totaled €287 million.

Net debt at December 31, 2010 stood at €25 million, down sharply from €303 million one year earlier. The ratio of adjusted funds from operations to adjusted net debt came to 57%, higher than required for a strong investment grade rating[9].

FINANCIAL STRATEGY

The **float** (created by a structurally negative working capital requirement) amounted to €2,249 million at December 31, 2010, an increase of €217 million from the year-earlier figure.

The medium-term goal is to improve the average rate of interest earned on the float while holding firm to the prudent investment guidelines issued by the Group in terms of counterparties and instruments, by investing 50% of the float at maturities of more than one year, compared with 13% at end-2010. Implementation of this objective will depend on interest rate trends.

Lastly, in consideration of Edenred's low capital intensive business model that generates significant amounts of cash and its net debt of just €25 million at end-2010, the Board is recommending setting the **dividend at €0.50 per share, representing, this year, a payout ratio close to 70%** of recurring profit after tax.

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

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

A NEW LONG-TERM GROWTH STRATEGY

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

FOCUS ON GROWTH IN THE CORE BUSINESS

The Group is maintaining its issue volume growth guidance of +6% to +14% per year, focusing on five mainly organic drivers:

- **Increasing penetration in existing markets: 2% to 5% per year**

In 2011, the Group expects to leverage strong growth in Latin America (although growth rates will reflect high 2010 comparatives) and improved trends in Western Europe, where unemployment rates are stabilizing. However, the economic environment in Central and Eastern Europe is expected to remain difficult.

- **Creating new products and deploying existing ones: 2 to 4% per year**

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

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

In **India**, Edenred is involved in a public social program with the Madhya Pradesh regional government to secure the distribution of dedicated funds to families in need. The program is aimed at 5 million families — a total of 30 million beneficiaries — and represents managed volume estimated at around €800 million over five years.

- **Extending geographic coverage: 1% to 2% per year**

This growth driver will make a significant contribution within three years. The Group has confirmed its objective of expanding into six to eight new countries by 2016.

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

Targeted initiatives were launched with clients and public authorities to raise face values in correlation with wages or prices, especially in emerging countries, representing more than 50% of total issue volume, and more specifically in Latin America.

- **Carrying out targeted acquisitions**

In line with its targeted acquisitions strategy, Edenred made two acquisitions quickly accretive to earnings — one in late 2010 and the other in early 2011 — that enabled the Group to consolidate its leadership in existing markets.

With the €5.5 million acquisition of Euroticket's business, Romania's fourth-largest issuer of meal and gift vouchers, Edenred firmed up its leadership in the country, where it now holds a nearly 40% market share.

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

ACCELERATING THE DIGITAL TRANSITION

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

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

During this speed up stage (2011/2012), Edenred forecasts one-shot extra costs of €10 to €15 million per year and expects positive long-term effects as soon as 2013. Indeed, during the digital transition most paper-based solutions will remain, and start-up and new recurring digital costs will be incurred. Over the longer term, however, the digital transition will prove cost-effective, as demonstrated in Brazil by the transition from paper vouchers to the Ticket Alimentação card. **From 2013, Edenred is aiming for an operating flow-through ratio of more than 50%.**

Concerning **recurring capital expenditure**, as no major investment linked to the shift to digital solutions is required, Edenred is still expecting to spend €30 million to €40 million a year.

CONCLUSION

Having completed its founding year in 2010, Edenred is now aiming to "Conquer 2012" by focusing on issue volume growth in its core business and accelerating the shift to paperless solutions. This two-pronged strategy will **increase the Group's long-term growth potential while ensuring that profits continue to rise in the short-term.**

At the same time, the Group plans to "Invent 2016" by immediately pursuing paths to open new growth territories.

UPCOMING EVENT: Quarterly Report released on April 18, 2011

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

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

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

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

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

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