



Edenred

Press Release

July 19, 2010

Issue volume up 7.8% in the first half,
in line with the medium-term growth target of 6-14% a year

- **Operating revenue continued to improve in the second quarter, gaining 4.5% like-for-like after increasing 3.8% in the first quarter**
- **Financial revenue impacted by low interest rates**
- **Total revenue improved in the second quarter (up 1.8% like-for-like versus a 0.4% decline in the first quarter), led by robust growth in Latin America**

The first half of 2010 saw a 7.8% increase like-for-like in **issue volume**, totaling €6,615 million, in line with the organic growth target of 6% to 14% a year. This growth is being supported in both emerging and developed markets by very positive medium-term drivers: increasing penetration rates, creating new products and deploying existing ones, extending geographical coverage and increasing face value.

On a reported basis, **total revenue** rose by +3.8% over the period to €461 million, reflecting:

- Operating revenue up 4.2% like-for-like at €422 million, strong growth in operating revenue in Latin America offsetting a still difficult economic environment in Europe.
- Low interest rates, with a 150-basis point decline in the Group's average earned interest rate. This is weighing on financial revenue, even though the second quarter showed signs of a slight improvement in Brazil. Financial revenue fell 25.3% like-for-like at €39 million.
- 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 Venezuelan bolivar's devaluation).

<i>(in € millions)</i>	H1 2009	H1 2010	% change (reported)	% change (like-for-like)
Issue volume	6,152	6,615	+7.5%	+7.8%
Operating revenue	392	422	+7.7%	+4.2%
Financial revenue	52	39	-25.6%	-25.3%
Total revenue	444	461	+3.8%	+0.7%

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. The growth was in line with the Group's medium-term target of 6% to 14% a year.

Growth in issue volume by region was as follows:

<i>Like-for-like growth</i>	Q1 2010	Q2 2010	H1 2010
France	+4.7%	-7.9%	-1.8%
Rest of Europe	+4.9%	+5.6%	+5.3%
Latin America	+10.6%	+17.9%	+14.4%
Rest of the world	+5.4%	+18.5%	+11.9%
TOTAL	+7.2%	+8.4%	+7.8%

In **France**, **second-quarter issue volume would have been up 3.2% like-for-like excluding CESU Social human service vouchers**, of which €71 million worth were issued in 2009 compared with none in 2010. These public benefit vouchers were issued at the French government's initiative in June 2009 to support people most hurt by the recession.

Lifted by the launch of new products, such as EcoCheque in Belgium, issue volume grew by a solid **5.6% like-for-like in the rest of Europe** in the second quarter, despite the impact of still rising unemployment, particularly in Eastern Europe.

In **Latin America**, growth picked up in the second quarter with a **17.9% like-for-like surge** in issue volume, driven mainly by strong demand in Brazil and Venezuela. In both countries, growth was supported by increases in face value, of 3.5% and 18.0% respectively, over the first half.

Altogether, like-for-like growth in issue volume, excluding CESU Social human service vouchers, would have come to 10.8% for the second quarter and 9.1% for the entire first half.

OPERATING REVENUE UP 4.2% LIKE-FOR-LIKE IN THE FIRST HALF

First-half 2010 operating revenue totaled €422 million, representing an **increase of 4.2% like-for-like**. On a reported basis, the increase came to 7.7%, reflecting the impact of:

- The positive 3.0% impact of changes in scope of consolidation.
- The positive 0.5% currency effect, of which:
 - 5.2% due to the Brazilian real.
 - 0.4% due to the Mexican peso.
 - 0.1% due to the British pound.
 - A negative 6.5% due to the Venezuelan bolivar.

Operating revenue for the **second quarter** alone was **up 4.5% like-for-like**, confirming the improvement observed in the first quarter, when operating revenue rose 3.8% like-for-like (versus 0.2% in fourth-quarter 2009).

<i>Like-for-like growth</i>	Q1 2010	Q2 2010	H1 2010
France	+4.2%	+1.9%	+3.0%
Rest of Europe	+0.3%	-1.4%	-0.5%
Latin America	+9.1%	+11.7%	+10.4%
Rest of the world	-6.8%	-0.6%	-3.7%
TOTAL	+3.8%	+4.5%	+4.2%

- **Operating revenue in France: €69 million for the first half**

In **France**, operating revenue rose 3.0% like-for-like in the first half, of which 4.2% in the first quarter and 1.9% in the second.

The impact of CESU Social human service vouchers in the second quarter was a negative 3.7%. Excluding these vouchers, like-for-like operating revenue would have risen by 5.6% in the second quarter and by 4.9% over the full six months.

Ticket Restaurant delivered a strong performance, with like-for-like growth of 13.7% in second-quarter operating revenue.

The more cyclical Incentive & Reward business suffered a 12.3% decline in operating revenue in the second quarter.

- **Operating revenue in the rest of Europe: €152 million for the first half**

In **the rest of Europe**, interim operating revenue eased back 0.5% like-for-like, reflecting a 0.3% increase in the first quarter and a 1.4% decline in the second.

The two countries most affected by the recession were **Italy** and **Romania**, which reported like-for-like decreases in interim operating revenue of respectively 3.1% and 27.7%. Operations in both countries are feeling pressure to lower customer commission rates in response to strong local competition.

In **Belgium**, the launch of EcoCheque during the period helped to drive a like-for-like improvement in operating revenue of 20.8% in the first half, with 19.3% growth in the first quarter and 22.3% in the second.

Excluding EcoCheque, operating revenue was up 5.9% in the second quarter after 4.8% in the first, attesting to Ticket Restaurant's strong performance.

In the **United Kingdom**, the Childcare Vouchers and new prepaid solutions businesses enjoyed significant improvement, whereas the Incentive and Reward business saw operating revenue drop 6.8% like-for-like in the second quarter. In all, operations in the United Kingdom reported like-for-like growth of 3.7% in the first half, of which 2.1% in the first quarter and 5.4% in the second.

- **Operating revenue in Latin America: €169 million for the first half**

In **Latin America**, operating revenue rose 10.4% like-for-like over the period, with growth gaining momentum in the second quarter, to 11.7% from 9.1% in the first.

In **Brazil**, operating revenue increased by 8.1% like-for-like, reflecting gains of 7.6% in the first quarter and of 8.6% in the second. Growth was led by the robust performance of Ticket Restaurant and Food Ticket (up 8.5% like-for-like in the second quarter) as well as Ticket Car (up 8.4% like-for-like in the second quarter).

Operations in **Spanish-speaking Latin America** delivered a strong 15.5% like-for-like improvement in operating revenue in the second-quarter, after a 10.8% gain in the first. **Mexico's** second-quarter operating revenue performance (up 12.3% like-for-like versus 3.1% in the first quarter) benefited from a low basis of comparison resulting from the fall-off in business associated with the influenza A H1N1 virus in 2009.

THE IMPACT OF LOW INTEREST RATES ON FINANCIAL REVENUE

Impacted by lower interest rates, financial revenue fell 25.3% like-for-like in the first half of 2010. The downward trend eased slightly in the second quarter, when financial revenue contracted 20.4% versus 29.5% in the first.

Latin America reported a like-for-like decrease in financial revenue of 16.4% in the second quarter versus a drop of 38.7% in the first, representing a total 29.3% decline for the period. The positive trend in the second quarter primarily reflected a slight upturn in interest rates in Brazil.

In **Europe**, the trend remained stable with a 23.1% decrease for the period, of which 23.4% in the first quarter and 22.8% in the second.

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

<i>Like-for-like growth</i>	Operating revenue	Financial revenue	Total revenue
Q1 2010	+3.8%	-29.5%	-0.4%
Q2 2010	+4.5%	-20.4%	+1.8%
H1 2010	+4.2%	-25.3%	+0.7%

Total first-half 2010 revenue came to €461 million, **up 0.7% like-for-like** and 3.8% as reported. Reported growth reflected the positive 2.7% impact of changes in scope of consolidation and a positive 0.4% currency effect, of which 4.9% was due to the Brazilian real, 0.4% to the Mexican peso and 0.1% to the British pound, offsetting the 6.3% negative impact from the Venezuelan bolivar.

INVESTOR CALENDAR

First-half 2010 results released on August 25, 2010.

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.

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APPENDICES

Issue Volume

In € millions	Q1		Q2		H1	
	2009	2010	2009	2010	2009	2010
France	612	641	659	607	1 271	1 248
Rest of Europe	1 044	1 135	1 084	1 183	2 128	2 318
Latin America & Caribbean	1 246	1 301	1 327	1 536	2 573	2 837
Rest of the world	91	97	89	115	180	212
TOTAL ISSUE VOLUME	2 993	3 174	3 159	3 441	6 152	6 615

In %	Q1		Q2		H1	
	Change reported	Change L/L*	Change reported	Change L/L*	Change reported	Change L/L*
France	4.7%	4.7%	-7.9%	-7.9%	-1.8%	-1.8%
Rest of Europe	8.7%	4.9%	9.1%	5.6%	8.9%	5.3%
Latin America & Caribbean	4.4%	10.6%	15.8%	17.9%	10.3%	14.4%
Rest of the world	7.1%	5.4%	29.2%	18.5%	18.1%	11.9%
TOTAL ISSUE VOLUME	6.1%	7.2%	8.9%	8.4%	7.5%	7.8%

*At constant scope of consolidation and exchange rates.

Operating Revenue

In €millions	Q1		Q2		H1	
	2009	2010	2009	2010	2009	2010
France	35	36	34	33	69	69
Rest of Europe	69	79	69	73	138	152
Latin America & Caribbean	74	78	81	91	155	169
Rest of the world	15	15	15	17	30	32
OPERATING REVENUE	193	208	199	214	392	422

In %	Q1		Q2		H1	
	Change reported	Change L/L*	Change reported	Change L/L*	Change reported	Change L/L*
France	0.9%	4.2%	-2.9%	1.9%	-1.0%	3.0%
Rest of Europe	15.0%	0.3%	5.5%	-1.4%	10.3%	-0.5%
Latin America & Caribbean	5.7%	9.1%	13.0%	11.7%	9.5%	10.4%
Rest of the world	-0.5%	-6.8%	13.1%	-0.6%	6.3%	-3.7%
OPERATING REVENUE	7.7%	3.8%	7.6%	4.5%	7.7%	4.2%

**At constant scope of consolidation and exchange rates.*

Financial Revenue

In €millions	Q1		Q2		H1	
	2009	2010	2009	2010	2009	2010
France	7	5	6	5	13	10
Rest of Europe	9	8	10	8	19	16
Latin America & Caribbean	11	6	8	6	19	12
Rest of the world	1	-	-	1	1	1
Financial Revenue	28	19	24	20	52	39

In %	Q1		Q2		H1	
	Change reported	Change L/L*	Change reported	Change L/L*	Change reported	Change L/L*
France	-27.9%	-27.9%	-28.3%	-28.3%	-28.1%	-28.1%
Rest of Europe	-17.1%	-20.3%	-16.5%	-19.1%	-16.8%	-19.6%
Latin America & Caribbean	-45.2%	-38.7%	-17.2%	-16.4%	-33.3%	-29.3%
Rest of the world	-29.5%	-30.1%	-2.7%	-11.5%	-17.3%	-21.6%
Financial Revenue	-31.0%	-29.5%	-19.4%	-20.4%	-25.6%	-25.3%

**At constant scope of consolidation and exchange rates.*

Total Revenue

In €millions	Q1		Q2		H1	
	2009	2010	2009	2010	2009	2010
France	42	41	40	38	82	79
Rest of Europe	78	87	79	81	157	168
Latin America & Caribbean	85	84	89	97	174	181
Rest of the world	16	15	15	18	31	33
Total Revenue	221	227	223	234	444	461

In %	Q1		Q2		H1	
	Change reported	Change L/L*	Change reported	Change L/L*	Change reported	Change L/L*
France	-3.7%	-1.0%	-6.8%	-2.8%	-5.3%	-1.9%
Rest of Europe	11.2%	-2.1%	2.8%	-3.5%	7.0%	-2.8%
Latin America & Caribbean	-0.7%	3.0%	10.3%	9.2%	4.9%	6.2%
Rest of the world	-2.1%	-8.1%	12.4%	-1.1%	5.1%	-4.6%
Total Revenue	2.9%	-0.4%	4.7%	1.8%	3.8%	0.7%

**At constant scope of consolidation and exchange rates.*