



2010 REGISTRATION DOCUMENT
ANNUAL FINANCIAL REPORT

1.6 EURAZEO, RESPONSIBLE SHAREHOLDER

1.6.1 INTRODUCTION

Eurazeo aspires to be part of a long-term vision which extends beyond the financial issues. That's why it's committed to supporting its companies in the implementation of best practices in the field of CSR, while defining a structured and consistent policy for itself.

CSR, creating sustainable value for businesses

In order to help its investment companies accelerate their transformation and create more overall value, Eurazeo has a double ambition: optimize their performance in terms of CSR (Corporate Social Responsibility) and strengthen its leadership role among Group companies. That commitment, which is built over time, began with the establishment of sound governance bodies and the development in 2008 of an environmental diagnosis of its investments.

In 2010, a new stage was reached with the launch of a reflection on sustainable development led by an Executive Board member. The preliminary consultation conducted in 2010 and which is continuing in close collaboration with Group companies in 2011, resulted in the operational deployment of several projects launched in 2011. This is mainly a matter of constructing a CSR reporting process for Eurazeo and its subsidiaries which provides access to regular information on the sustainable development activities of Group companies, and of playing a leadership and supportive role for companies less advanced in the logic of continually moving forward on this issue.

Eurazeo's objective is to proactively foresee changes in the regulatory environment and initiate a regular dialogue with Group companies which is broadened to include non-financial issues. These projects also include the implementation of an environmental policy at the

Eurazeo level through the establishment of a carbon assessment, actions to raise employers awareness as well as CSR training and thereby the pursuit of social commitment.

Transmitting a culture of internal control and risk management

Eurazeo ensures that it transmits with a long-term perspective a culture of internal control and risk management at each of its investment holdings, by implementing governance that meets the highest standards in place, notably through the establishment of audit committees. Its conviction: the operational implementation of effective oversight of internal control and risk management is built over time in an iterative method with investment holdings.

Moreover, Eurazeo encourages the sharing of best practices and methodological tools such as standards in the field of internal control and a methodological approach to risk mapping. This structured approach constitutes one of the pillars of Eurazeo governance as a professional and responsible long term shareholder

1.6.2 EMPLOYEE INFORMATION

1. Employee information

A) HEADCOUNT

As of December 31, 2010, the Eurazeo parent company employed 48 people. This figure includes members of the Executive Board, the investment team, the Financial Communication Department, accounting, internal audit, legal staff and all other investment support personnel.

Eurazeo's investment team, which is led by a six-member Executive Board, comprises 20 professionals with proven know-how in financial engineering and segment-specific expertise.

Headcount (as of December 31)	2010			2009			2008		
	Paris			Paris			Paris		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	21	18	39	19	20	39	21	17	38
Non-executives	4	5	9	7	5	12	5	7	12
TOTAL	25	23	48	26	25	51	26	24	50

The above figures show a good balance between male and female employees and a large proportion of executive-level staff, consistent with the highly specialized nature of Eurazeo's business and resources.

Women accounted for 46% of executive staff in 2010, compared with 51% in 2009 and 45% in 2008.

B) CHANGES IN HEADCOUNT DURING THE FINANCIAL YEAR

	Headcount *	Departures	New arrivals	Turnover rate for the year
12/31/2006	43	8	7	17.0%
12/31/2007	46	5	8	15.1%
12/31/2008	50	5	9	15.2%
12/31/2009	51	2	3	5.0%
12/31/2010	48	7	4	10.8%

* Excluding temporary staff.

C) STAFF ON TEMPORARY AND FIXED-TERM WORK CONTRACTS

	2010	2009	2008
Temporary staff as percentage of total headcount	2.50%	1.60%	3.90%
Employees on open-ended contracts as percentage of total headcount	100%	100%	98%
Employees on fixed-term contracts as percentage of total headcount	0%	0%	2%

Eurazeo employed slightly more than one full-time-equivalent temporary worker in 2010, to make up for absences and an increase in the workload.

2. Working time organization

A) WORKING TIME

Eurazeo applies the Convention Collective Nationale de la Banque (collective bargaining agreement for French Banks).

	2010	2009	2008
Part-time employees as percentage of total headcount	2.0%	2.0%	2.0%

Only one of Eurazeo's employees holding a permanent contract is employed on a part-time basis.

B) ABSENTEEISM

	2010	2009	2008
Rate of absenteeism as a result of sickness, maternity leave or travel accidents	4.0%	3.5%	1.4%

3. Compensation

(In euros)	2010	2009	2008
Payroll	15,033,702	12,827,268	12,689,395
Social security contributions	5,915,037	5,833,298	5,755,640
TOTAL	20,948,739	18,660,566	18,445,035

A performance-based voluntary profit-sharing agreement has been in place since 1998. A new agreement was signed on June 21, 2010, covering 2010, 2011 and 2012. It sets out job-related targets to involve all employees in the Company's success. Payments under this plan are calculated on the basis of quantitative and qualitative indicators of the Company's performance. Profit-sharing bonuses are paid into a PEE or PERCO employee savings accounts, to which Eurazeo adds substantial top-up payments, at the maximum level allowed since 2008.

Eurazeo introduced a bonus share plan in 2007. All employees have benefited since 2008.

The Company has no mandatory profit-sharing plan.

4. Employee cohesion policy

Eurazeo aims to foster its employees' motivation and loyalty on a long-term basis.

The Company does not have union representation or a collective bargaining agreement.

5. Health and safety

The nature of Eurazeo's business as an investment company limits the risk of serious accidents, and accident frequency is low. However, as with any sector, the risk of work-related illnesses cannot be ruled out, especially musculoskeletal disorders and stress.

Eurazeo has no formal health and safety policy, although its management is committed to ensuring that its employees enjoy the best possible working conditions.

Steps have therefore been taken to improve health and safety, ensure maximum prevention of accidents, and reduce the risk of work-related illnesses. The Company bought two defibrillators in early 2010; they were installed, and employees were trained to use them, during the year.

The Company took advantage of this to provide level-1 first-aid training for interested staff. Trainees who completed the full course were issued with a certificate attesting to their skills. The training was provided by *Protection civile de Paris* and the certificate issued by the same body.

6. Training and skills development

Eurazeo strives to offer its employees the opportunity to achieve and maintain their full potential and to meet their learning needs and expectations. Training courses are selected in relation to the investment projects underway and/or job-related issues. The most common courses cover capital investment, law, accounting and foreign languages. Eurazeo also offers staff the possibility of attending job-related training courses or conferences.

(In thousands of euros)	2010	2009	2008
Training expenditure	112	45	60
Contribution per employee	3.0	2.4	1.2
Percentage of employees trained	77%	37%	42%

In 2010, computer training was provided to nearly all Company employees.

7. Employment and integration of disabled workers

Eurazeo does not currently employ any handicapped people. The Group paid €26,580 in contributions to AGEFIPH (government-appointed body responsible for promoting the employment of disabled people in the private sector) in 2010.

8. Employee benefits and solidarity

Eurazeo's employees have unrestricted access to a sports center and gym classes given by a professional trainer. Other employee benefits include service payment vouchers, access to a canteen and gift vouchers for children at Christmas.

Moreover, Eurazeo is committed to supporting several associations involved in the fight against social exclusion and in healthcare. Its action takes the form of financial aid over a period of two to three years, helping these associations realize their projects and share the value created together. The Company supports the following associations: Solidarities Novellas face au Homage, Association Primo Levi, *Sport dans la Ville*, *L'Académie Christophe Tiozzo*, *Fondation Gustave Roussy*, *L'Envol*.

9. Subcontracting

Eurazeo primarily subcontracts non-core activities, such as reception and cleaning staff. Risk of accidents being passed on to subcontractors is therefore very limited.

1.6.3 ENVIRONMENTAL INFORMATION

As a private equity company, Eurazeo is not involved in any industrial activity. However, as a responsible and professional shareholder, the Company pays particular attention to environmental issues when making its investments as well as its own impact on the environment.

As regards the listed companies in which Eurazeo invests, decisions taken in connection with corporate governance are based not just on economic factors, but also take social and ecological concerns into account.

Eurazeo is highly sensitive to environmental risks, which it wishes to control as much as possible. Prior to any investment, the teams perform preliminary studies to identify and assess investment opportunities. The stringent due diligence process includes an analysis of environmental risks. Some projects have even been dropped due to environmental factors.

Eurazeo has introduced a sustainable development approach at its own level, and in close collaboration with its investments, with the aim of strengthening sustainable development policies in some Group companies. The main actions in respect of the environmental undertaken by the Company's investments in 2010 are described in Section 1.6.4. Sustainable development among investments.

Environment and health risks are described in Section 2.4 Risk factors.

1. Consumption of natural resources, emissions, waste production and biodiversity

The nature of Eurazeo's business and its location in central Paris means that its direct impact on the environment is limited. Noise pollution and effects on the soil and biodiversity as a result of its operations can be considered negligible. Water and energy consumption, greenhouse gas emissions and waste production are all low.

Most of the companies in which Eurazeo has invested operate in the services sector. Nevertheless, these companies do have a greater direct or indirect impact on the environment. These effects are described, for the Group's main companies, in Section 1.6.4. Sustainable development among investments, while those of listed companies in which Eurazeo has invested (Rexel, Accor and Danone) are described in these companies' own annual reports.

2. Environmental evaluation and certification

Eurazeo has not sought environmental certification at its own level in view of the nature of its business. However, most affiliates have initiated a certification process, specific to their activities and the countries in which they operate. Accor, for instance, has obtained Earth Check, ISO 14001 or HAC Green Key Eco-Rating certification for 495 hotels, representing almost 12% of its base, and aims to achieve Earth Check certification for 100% of the Novotel network by 2012. In addition, Europcar has completed the ISO 14001 certification process initiated in 2009 for nearly all of its operations, including the headquarters and seven of the eight country operations managed directly. These certification programs, audited by independent bodies, strengthen the credibility of the environmental commitment and can be part of a virtuous and determined approach to improving environmental performance.

3. Steps taken to ensure compliance with environmental regulations

Of the Group's investments, Elis, Europcar and ANF are affected by environmental regulations specific to their businesses (see Section 2.4.4.4 Environmental risks). However, only Elis operates Classified Environment Protection Facilities (*Installations Classées*

Protection de l'Environnement, ICPE) and as such carries out extensive environmental compliance work on its sites. Elis makes all efforts to comply with existing regulations and the recommendations made in the context of internal or external audits by accredited organizations. Elis records provisions for environmental compliance. The amount of provisions (€14.1 million as of December 31, 2010) is determined on the basis of consultants' reports and the Group's experience. They reflect the cost of studies and remedial work the Group will have to undertake in order to meet its environmental obligations. They apply to sites and/or types of work requiring attention in the foreseeable future.

4. Committed environmental expenditure

Eurazeo group's subsidiaries all have active environmental policies (see Section 1.6.4. Sustainable development among investments).

5. Employee awareness and training

The sustainable development approach, originally launched in 2008, was taken a step further in 2010, at Executive Board level, with the help of an external consultant; the new work is set to bear fruit in

2011. In addition, all members of Eurazeo's management team benefited from awareness training on sustainability issues specific to the investment business. Certain Group companies have also set up training plans tailored to their specific business.

6. Provisions and guarantees for environmental risks

Neither Eurazeo nor the companies it owns recorded significant provisions for environmental risks in 2010.

7. Damages paid over the fiscal year

Neither Eurazeo nor the companies it owns paid compensation relating to environmental disputes in 2010.

8. Targets set for international subsidiaries in relation to points 1 to 5 above

N/A.

1.6.4 SUSTAINABLE DEVELOPMENT AMONG INVESTMENTS

Accor

2010 HIGHLIGHTS:

- over five years, 50,000 employees have received training bearing on sexual tourism involving children;
- energy consumption cut by 5.5% and water consumption by 12% (vs. 2006);
- ISO 14001 and EarthCheck certification obtained for 12% of hotels; 1.7 million trees funded through savings on laundry costs under the "Plant for the Planet" program.

2015 GOAL: PURSUE AND STRENGTHEN LEADERSHIP IN SUSTAINABLE DEVELOPMENT

To define its new priorities and objectives over the 2011-2015 period, Accor is placing reliance on a more scientific and quantified vision of the impact of its actions. In 2010, Accor was the first hotel group to conduct a quantified study of its environmental impact inspiring itself from the multi-criteria life cycle analysis method. In addition, in May 2011, Accor launched the first international barometer on customer expectations in terms of sustainable development in the Hotel business. Another innovation: to contribute to the progress of the entire sector, Accor is sharing the results for free.

ANF Immobilier

ANF Immobilier has performed a comparative analysis of assets representative of its real estate assets to measure the impact of renovation work. This permits an average improvement of energy consumption of over 30% and of 82% on GHG emissions. Moreover, the HQE® is the standard for any new ANF Immobilier project which now has a wide network of expert partners who are associated as of the study phases. The year 2010 was also highlighted by the finalisation of a sponsoring partnership established with the CREPI, committed to professional reintegration in the region. Implemented through the involvement of ANF collaborators in the PACA region, it illustrates the commitment of teams and should be extended to Lyons in 2011.

2010 HIGHLIGHTS:

- environmental performance assessments before and after renovations;
- delivery of the first NF Bâtiments Tertiaires certificates covering the HQE® approach in renovations in France (program phase), with the aim of achieving *BBC Rénovation* label;
- involvement of staff in partnership with CREPI, a player dedicated to reinsertion.

APCOA

In 2010, APCOA installed infrastructure for the recharging of electric vehicles: thirty parking lots have already been equipped in Germany. APCOA also improved the identification of its parking lots within navigation systems which permits a decrease in gasoline consumption and the associated CO₂ emissions: over 1,300 parking lots are referenced in the Navteq navigation systems. In addition, APCOA has equipped a portion of its parking lots with low consumption lamps and installed payment systems which provide energy savings of over 70%. Finally, in airports where the company's present, APCOA has established bus lines which optimize fuel consumption, resulting in a reduction in CO₂ emissions.

2010 HIGHLIGHTS:

- rollout of recharging stations for electric vehicles in APCOA car parks;
- inclusion of APCOA car parks in carmakers' navigation systems;
- energy reductions in car parks.

Edenred

2010 highlights the will to federate sustainable development actions around an ambitious project at the Group level. The dialogue with our stakeholders is the first step to better understand their expectations and to build with them a relationship based on exchange, mutual interests and responsibility while taking into account the socio-economic and environmental considerations:

- businesses and communities sensitive to being attractive employers;
- beneficiaries, for which our solutions make life easier;
- affiliated service providers who would like to build customer loyalty;
- governments, looking for efficiency to put their social and economic policies in place.

2010 HIGHLIGHTS:

- Internal solidarity day known as "Eden for All", with staff from 31 countries mobilized to help their communities;
- Edenred Brazil measured its carbon footprint;
- FOOD project: more than 70 initiatives undertaken in Europe to promote healthy eating.

Elis

The investments made in 2010 enabled the Group to significantly reduce its consumption: a 6.5% reduction in water consumption per kilo washed was achieved by improving controls on quantities loaded into washing machines and tightening monitoring of sources of leakage in water consumption circuits. Similarly, the optimisation of washing programmes with the aim of reducing detergent consumption naturally led to energy savings (due to less water needing to be heated).

In addition, specific investments were made to minimise energy consumption: improving machine settings and installing energy-saving devices. Overall, energy consumption per kilo washed was reduced by 4.6% in 2010.

2010 HIGHLIGHTS:

- investment program to optimize washing cycles;
- implementation of Hazardous Substance Research procedures;
- start of work on the recycling of machines at the end of their lives;
- lifecycle analysis of the work wear activity.

Europcar

In 2010, Europcar continued to promote sustainable mobility:

- continued development of the "eco-citizen" fleet: 46% of the fleet emits less than 140g of CO₂ per kilometre;
- the Group has entered into two partnerships, one with Renault-Nissan and the other with the PSA Peugeot Citroën Group (Peugeot iON model), to order 500 electric vehicles from each, to be delivered in 2011;
- 85% of washing areas are fitted with waste water treatment or recycling stations;
- the Group has begun to switch over to paperless contracts, rental receipts and invoices: two thirds of airport rental outlets have been fitted with digital tablets, and two thirds of rental receipts are issued in paperless form.

2010 HIGHLIGHTS:

- partnership with PSA Peugeot Citroën for the acquisition of 500 electric vehicles to be rolled out in 2011;
- Europcar was recognized for the second consecutive time by the World Travel Award for the transportation sector's greenest company in 2010.

Rexel

Rexel has a dual environmental responsibility both through its own sustainable development policy and through its sales, by helping to spread the use of eco-efficient products (with a 35% increase in sales of eco-efficient lamps) and products linked to new energies (with photovoltaic sales up 72%). In 2010, Rexel extended the scope of its environmental reporting and improved the quality of its indicators. In particular, the Group carried out the first ever carbon assessment of its main businesses. The Group continued to revise its procurement policy, with the goal of minimising the environmental impact of energy consumption, consumables and its vehicle fleet. Finally, Rexel is careful to ensure that the products it sells are compliant with new regulations (REACH, RoHS, WEEE, etc.).

2010 HIGHLIGHTS:

- first carbon footprint measurement;
- scope of environmental reporting extended to 95% of Group entities.



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