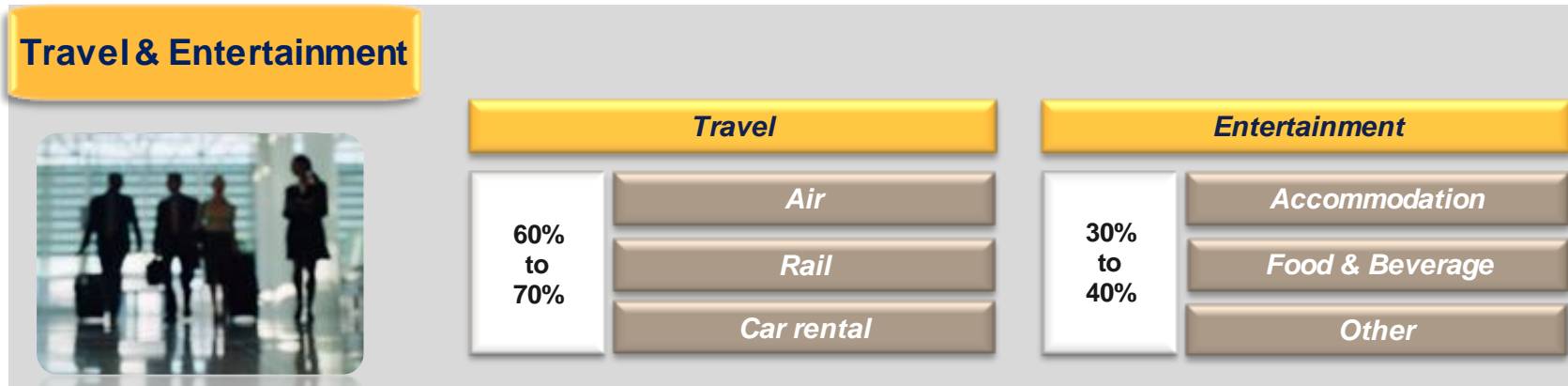
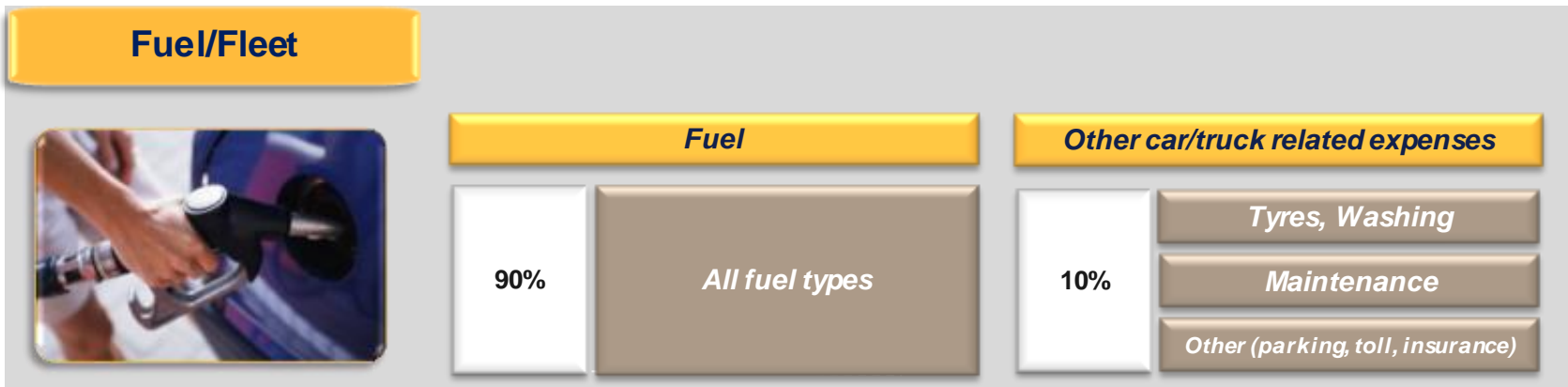


# Brazil Illustration: Expense Management



# Expense Management Market Overview

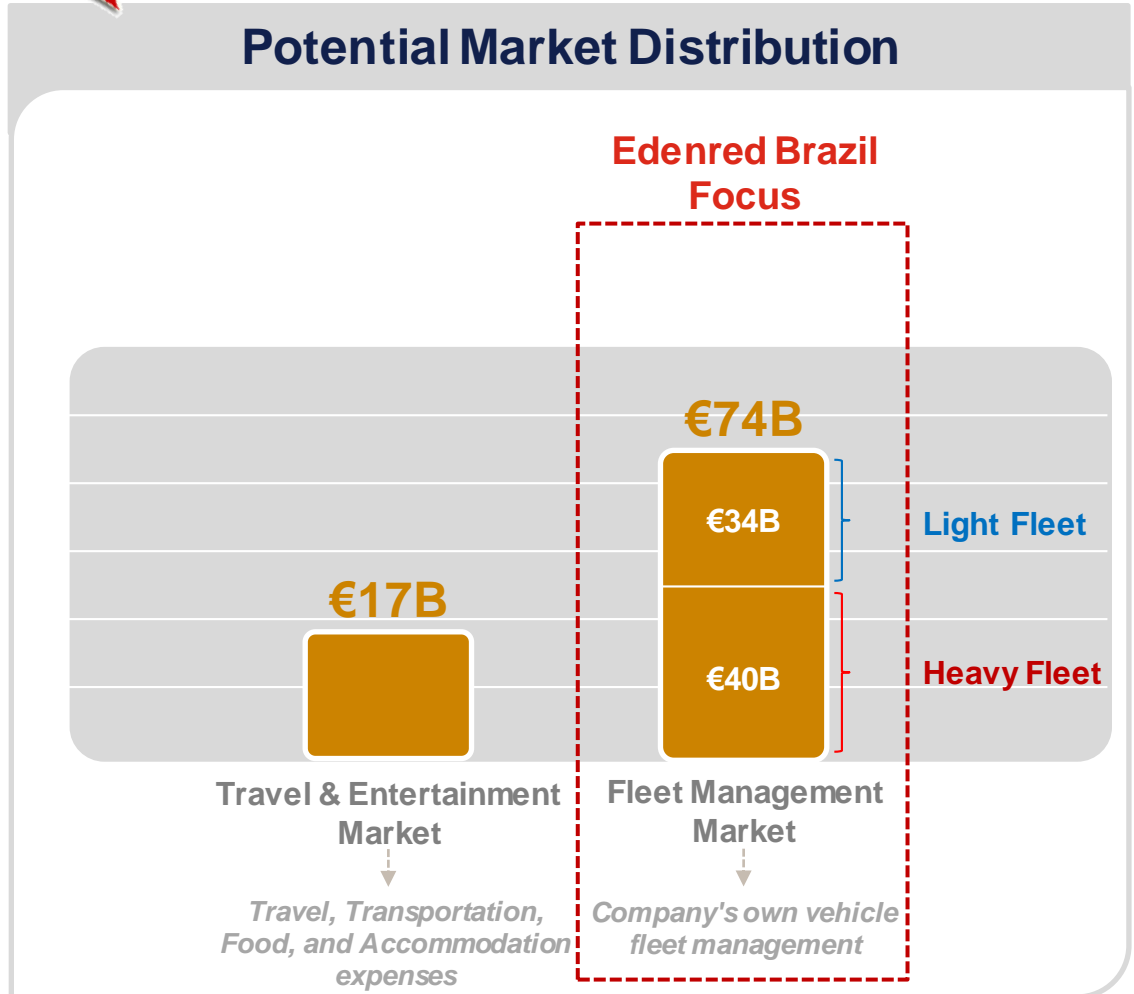
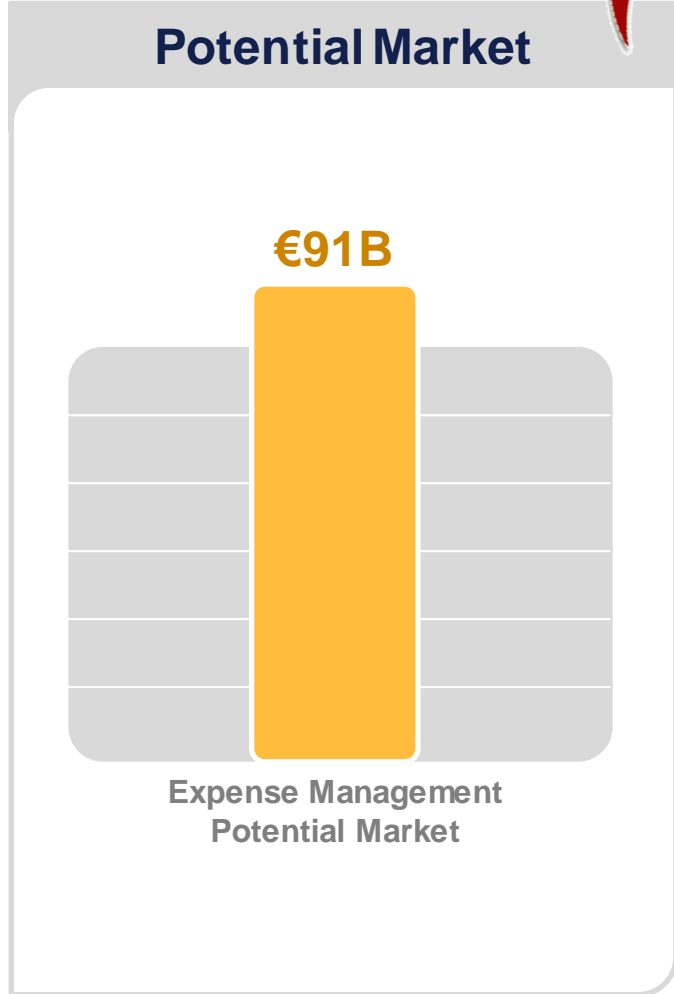


*Parking / Toll fees, Insurance, Taxis, Mobile phone / Internet use, Gifts, Fuel (use of a company car), Kilometer allowances (use of a private car)*

**Edenred Brazil has experience of the Fuel/Fleet expense management market with Ticket Car**

# Brazilian Expense Management Market: Our Vision

In 2011



Source: DealMaker Study 2010, Anuario Denatran 2010, Anuario Fenabrave 2010, PWC Study 2011, TicketCar.

Exchange rate: € 1,00 R\$2,37 (31/11/2011)

# Edenred Brazil Focus: Fleet Management Market

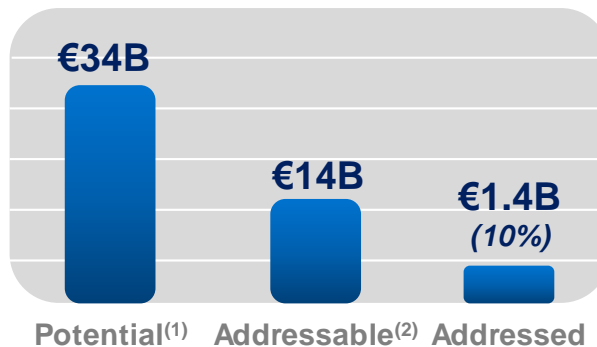


## MARKET SEGMENT

## MARKET SIZE

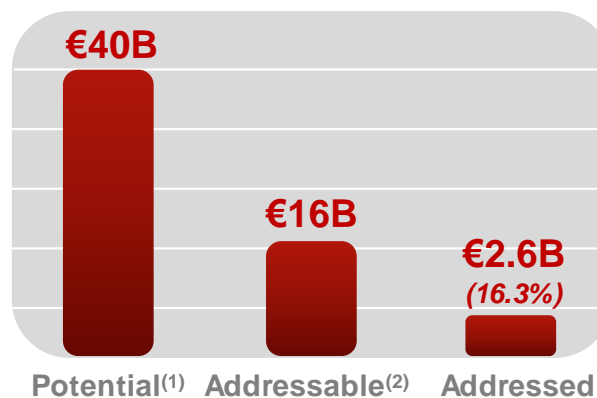
## TYPICAL SERVICES

LIGHT FLEET



- Fuel Control
- Maintenance
- Access Control
- Driving Reports
- Consulting

HEAVY FLEET



- Fuel Control
- Driving behavior reports
- Toll Solution
- Consulting

(1) Potential market: total fleet management expenses

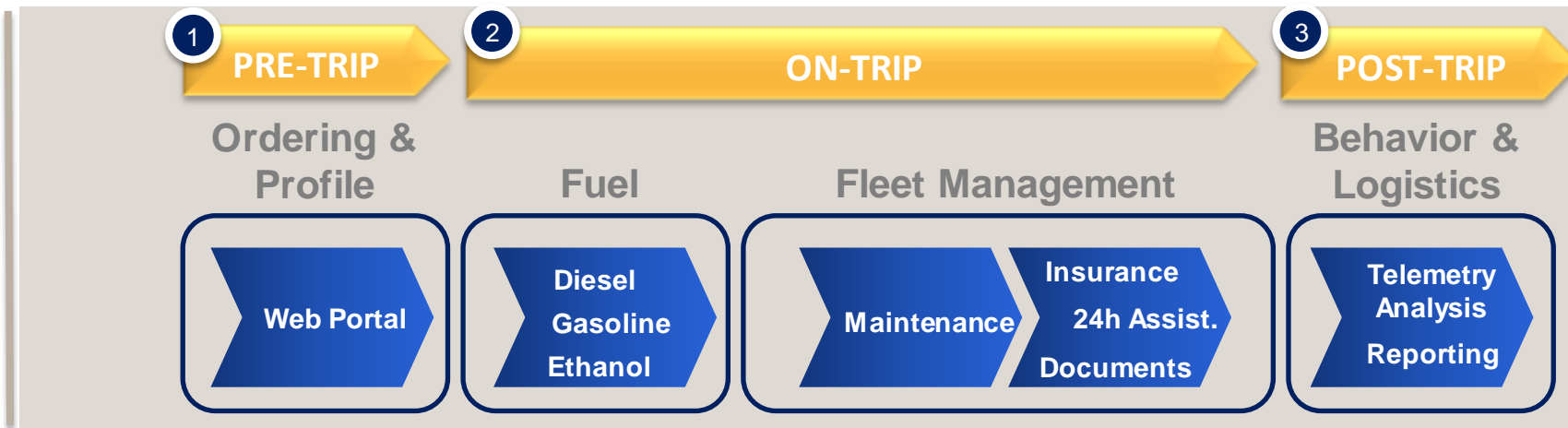
(2) Addressable market (internal estimates): calculated by excluding from total potential market very small companies and companies that do not intend to outsource their fleet

Exchange: rate € 1,00 R\$2,37 (31/11/2011)

# Fleet Management Market



## BUSINESS VALUE CHAIN



Competitor	Pre-Trip	On-Trip (Fuel)	On-Trip (Fleet Management)	Post-Trip
Edenred	✓	✓	✓	✓
STP	✓	✓	✓	✓
eco	✓	✓	✓	✓
Vale	X	✓	X	X
sodexo	X	✓	X	X

## COMPETITORS POSITIONING



# A Leadership Position in Fuel & Fleet Management Market



## FUEL & FLEET MANAGEMENT



Launched in 1998



Leader in Light Vehicle Fleet & Fuel Management market



6,000 Clients (46% cross-selling)



14,000 Affiliates (71% gas stations)



87% of satisfied clients

# Expense Management Change : Edenred Brazil Case



Fuel Cards



Web Operation



Shell Partnership



First Sustainable Solution (Ticket Car Carbon Control)

1998

2000

2002

2004

2006

2008

2009

2010

Maintenance Service



Other Services:

- Invoice Collection
- 24h Assist.
- Expedited Services



- Investment in new technology platform
- Exxon Mobil Partnership (Esso)



- Investment in new service platform

- Expansion of sustainable solution portfolio

- Behavioral Management (Telemetry, Tachograph)

**From fuel cards to a complete solution**

# Focus on Client Needs



Fleet usage policy



Multiple drivers per vehicle



Cost Reduction (up to 20%)



Flexibility and Security



Accepted on Broad Network



Expense controls by vehicle and by person



Detailed web-accessed reports



Eliminates expense advance and reimbursement processes



## What is this company?

Natura Cosméticos SA is a Brazil-based company that is engaged in the manufacture, process engineering, distribution and sale of cosmetics, fragrances and personal hygiene products.

The Company operates in Chile, Peru, Argentina, Mexico, Colombia, Portugal and Venezuela.

With Ticket Car, Natura has succeeded in reducing its fleet management costs and its greenhouse gas emissions.



Partners since 2011



Fleet CO<sub>2</sub> emission control and cost savings



1,500 vehicles



Detailed studies to reduce CO<sub>2</sub> emissions



Reduced fossil fuel usage by 60%.



Reduced fleet spending by 15%

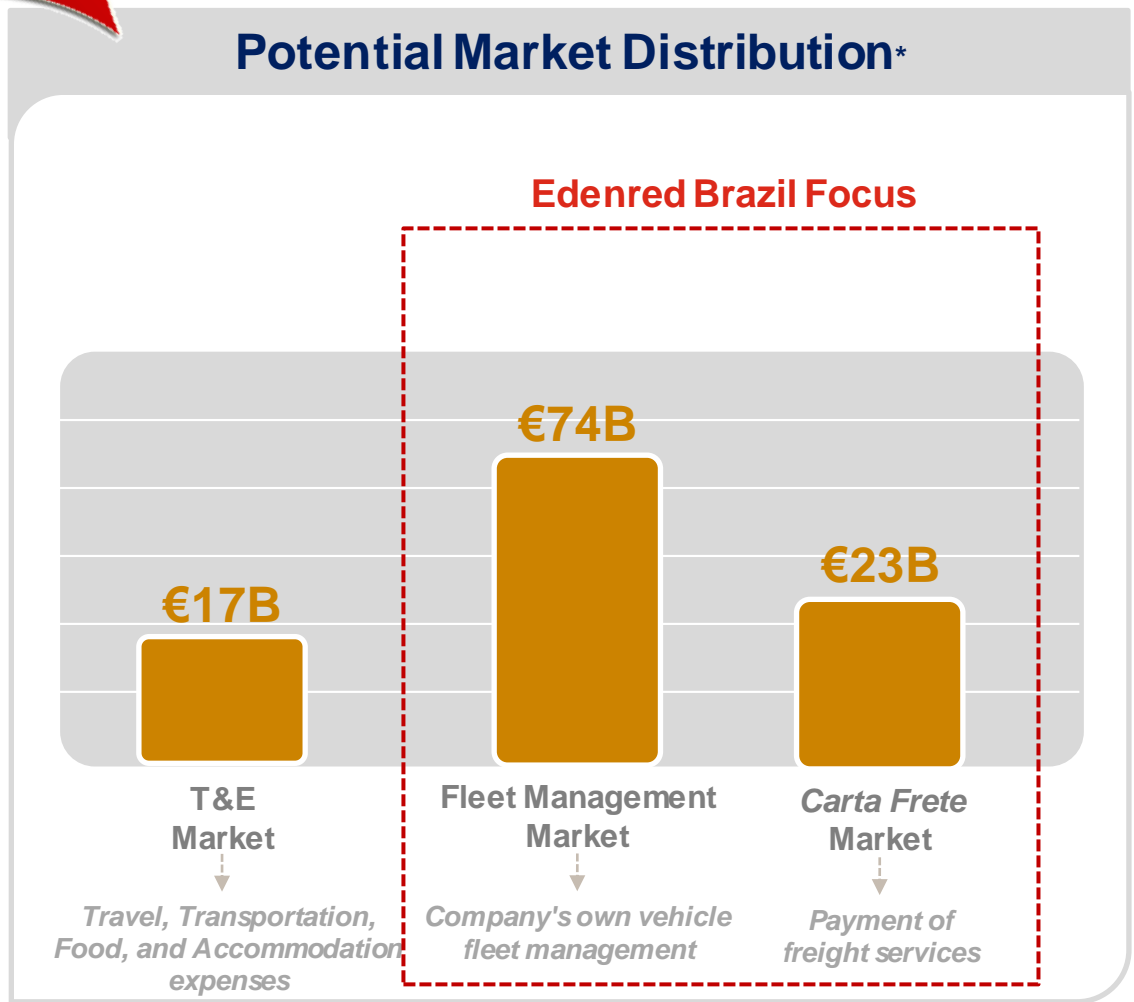
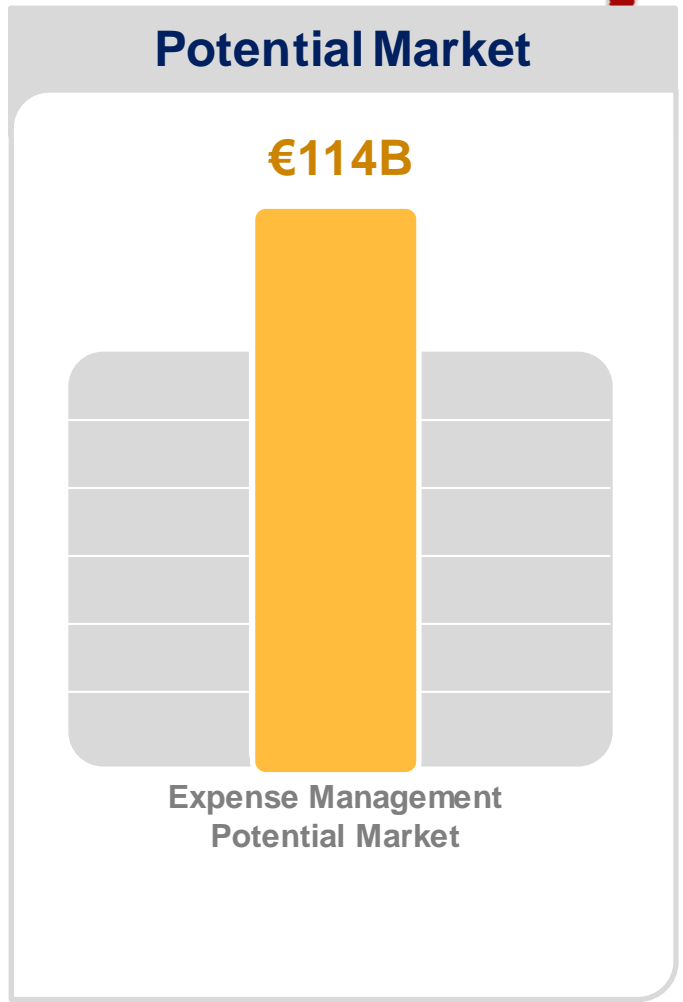
*"Our partnership with Ticket Car provided us with many advantages, including in the areas of cost management and respect for the environment, our core value".*



Elton Baptistella  
Natura's head of fleet management

# Brazilian Expense Management Market: Our Vision

From 2012

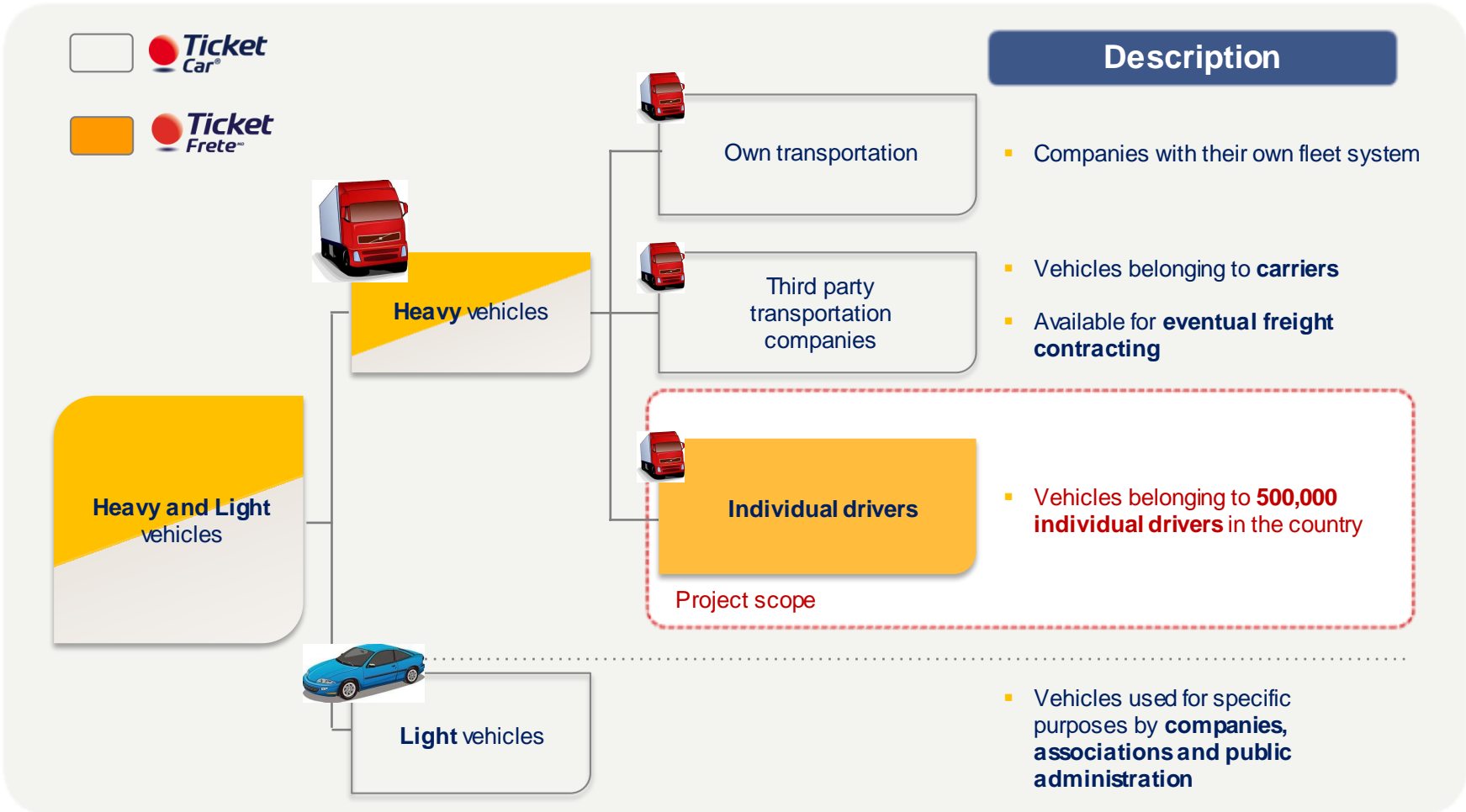


Source: DealMaker Study 2010, Anuario Denatran 2010, Anuario Fenabrave 2010, PWC Study 2011, TicketCar.  
Exchange rate: € 1,00 R\$2,37 (31/11/2011)

# Fleet Expense Management: Ticket Frete Positioning



Fleet expense management market is divided into four macro segments

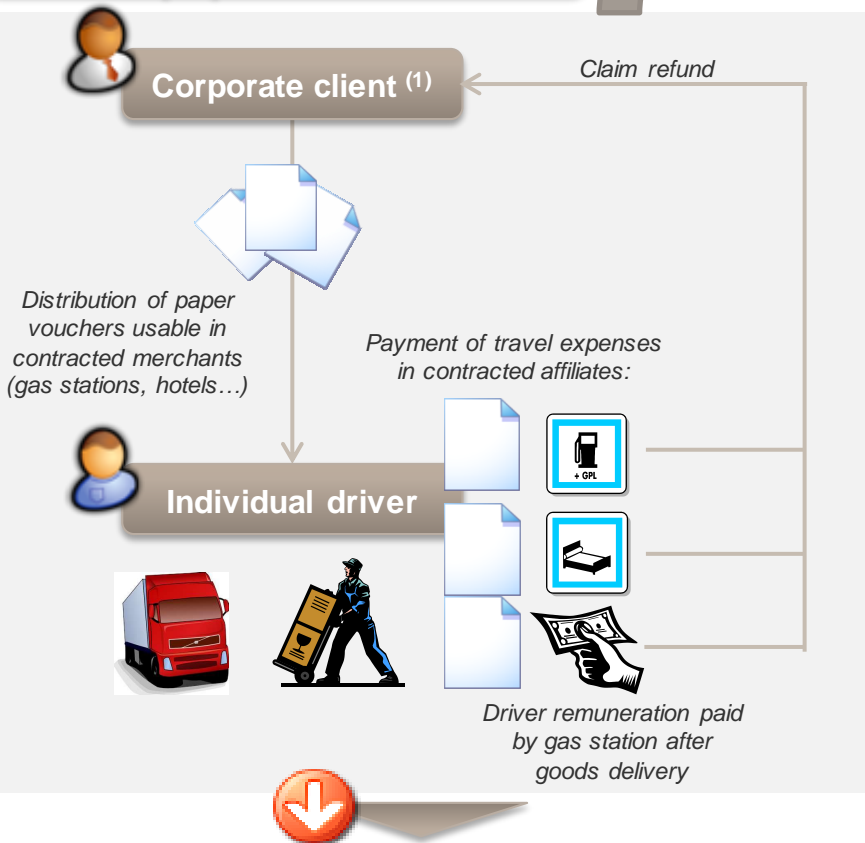


Source: DENATRAN and PwC analysis

# Ticket Frete: individual drivers' business expense management



## Current system: paper-based



New regulation from Nov. 2011  
(penalties from Nov. 2012)

## New system: card-based



- ▶ **Card system:** paper replaced by pre-loaded card used to pay all expenses (gas, accommodation, tolls, and driver remuneration)
- ▶ **Trip identification required by law:** ID number for each trip declared to ANTT<sup>(2)</sup> (bar code system), to ensure tax collection
- ▶ **Profile management:** filtered usage on-trip based on pre-trip settings

- Credit risk for affiliates (post-paid system)
- Low traceability of individual drivers' consumption (for corporate clients, carriers, and Brazilian State)

(1) Corporate clients can contract with individual drivers for their goods transportation (directly or through an intermediate transportation company)

(2) Brazil National Office for Transportation

# Ticket Frete, a Unique Selling Proposition



**Itaú**

## Partnership with Itaú Bank

- ✓ Edenred has signed a partnership with Itaú, the largest Latin American bank, with nearly 5,000 branches and 30,000 ATMs in Brazil alone
- ✓ If some Ticket Frete clients postpay Edenred, Itaú assumes the counterparty risk
- ✓ Itaú promotes Ticket Frete among its large clientele (fast time to market for Edenred)



## Partnership with STP

- ✓ Brazilian toll collection only by cash or automatic payment system (debit/credit cards not accepted)
- ✓ Edenred has signed a partnership with STP, management company for toll and parking fee automatic payment system Sem Parar/Via Fácil, which covers 89% of Brazilian concessionholder network
- ✓ Interface between Ticket Frete and Sem Parar/Via Fácil NFC collect system brings convenience to individual drivers



## Dedicated web portal

- ✓ Simple and traceable way to comply with Brazilian regulation requiring each trip to be declared to the National Transport Agency : Ticket Frete loaded with tokens enabling each trip to be identified (barcode system)
- ✓ Simplified process to manage and control individual drivers' expenses pre-, on-, and post-trip, offering possibility to customize authorizations according to driver's profile (Ticket Frete is loaded pre trip with the exact amount allowed for accommodation/gas/toll/wage)



## Partnership with MasterCard

- ✓ Open-loop solution giving access to a large network (1.8 million merchants)



## Loyalty Programs



- ✓ Loyalty programs for drivers and merchants
- ✓ Additional revenue for merchants: more visibility and business generated with Ticket Frete label

**Quick roll-out from December 2011, based on same system/platform as Ticket Car**



# Business Model: Ticket Car vs. Ticket Frete



	Fuel/Fleet Expense Management	
		
Take-up rate <sup>(1)</sup> excl. Lost & Expired	4.0%-6.0%	0.5%-1.5%
Lost & Expired	-	-
Float & Financial Revenue	-	-
EBIT/IV margin <sup>(2)</sup>	1.5%-2.5%	0.4%-0.7%

**A solution with slightly lower margins, however always accretive to FFO**

(1) Take-up rate : operating revenue with issue volume/ issue volume

(2) At cruising speed



## 10-years' experience in the Fuel & Fleet Expense Management Market

Sophisticated transaction processing systems and platforms



## A leadership position in this market

Particularly in Light Vehicles segment



## A new market created by the government to improve tax collection

€23B potential market



## Ticket Frete, a unique selling proposition in the market

A key component of Brazilian growth for the next 5 years



**High potential of the Fuel & Fleet Management market in Brazil  
Ticket Frete, a significant new solution just launched**