

shareholders'

newsletter

MARCH 2015

Dear shareholders,

2014 was a good year for Edenred in terms of **key figures**, which were once again **in line with our like-for-like growth targets**. Issue volume was up 12%, marking its strongest performance since 2010. This growth in operations translated into an increase of our results, with the operating flow-through ratio – the key indicator that measures the Group's capacity to generate EBIT – reaching 57%. Funds from operations (FFO) grew by 15% (see pages 2 and 3).

2014 was also a year of major developments

Employee Benefits, our main family of solutions, accounts for 80% of our activity. Spearheaded by Ticket Restaurant®, the Employee Benefits business continues to enjoy strong, steady growth more than 50 years after its launch, with issue volume up by nearly 11% in 2014, driven by new client wins and sales of innovative new solutions.

2014 was
a year
of major
developments

The **Expense Management** business, the second pillar of our offering, now contributes 14% of issue volume versus just 8% in 2010. Backed by our longstanding presence in this market in Latin America and our recent strategic acquisitions in Europe and Asia (see page 4), our objective is to reach 30% by 2017.

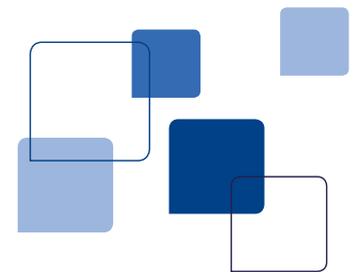
Thanks to the faster pace of our **shift to digital**, which has been underway since Edenred's creation, digital solutions represented 62% of issue volume in 2014, versus less than 30% in 2010. In particular, the Ticket Restaurant card was launched during the year in France, a symbolic event given that the solution has existed exclusively in paper format for more than 50 years.

Lastly, I would like to highlight the unique nature of our business model, which once again in 2014 enabled us to combine a targeted acquisition strategy with the regular payment of **dividends**. The dividend to be recommended to shareholders at the Annual General Meeting to be held on April 30 is €0.84 per share.

In closing, I would like to thank you once again for your support and loyalty.



Jacques Stern,
Chairman and Chief Executive Officer



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2014 annual results

and recent events

SOLID INCREASE IN LIKE-FOR-LIKE RESULTS

- > Issue volume* up **12.0%** to €17.7 billion.
- > EBIT up **14.4%** to €343 million.
- > **57%** operating flow-through ratio*.
- > Funds from operations (FFO)* up **15.1%** to €261 million.

ANNUAL LIKE-FOR-LIKE OBJECTIVES CONFIRMED

- > **8% to 14%** growth in issue volume.
- > An operating flow-through ratio of more than **50%**.
- > More than **10%** growth in funds from operations (FFO).

THE DIFFERENCE BETWEEN ORGANIC AND REPORTED RESULTS

- > Organic or "like-for-like" growth attests to our ability to develop business locally. Reported growth takes into account both changes in scope of consolidation (disposals and acquisitions) and currency effects over the year. An unfavorable currency effect of €57 million over the year resulted in stable reported EBIT for 2014, offsetting the €50 million like-for-like increase and the €7 million contribution from acquisitions.

MAIN ACHIEVEMENTS IN 2014

- > Robust development on the Employee Benefits market, thanks to new client wins, the launch of new solutions, and the positive impact of new legislation.
- > Growth acceleration and international expansion of the Expense Management business driven by several acquisitions and the launch of new solutions. The Group aims to generate more than 30% of total issue volume from this segment by 2017.
- > Further progress in the ongoing shift to digital solutions, which accounted for **62%** of total issue volume at end-2014.

New solutions designed to help companies **manage their business expenses.**



- > **Launch of Spendeo®** in Poland



- > **Launch of Ticket Empresarial®** in Mexico

Ongoing **shift to digital**

- > **Launch of the Ticket Restaurant® card in India**, with around 10,000 beneficiaries at end-2014, of which around 50% related to new client wins.



Changes in the Executive Committee

- > Diego Frutos has replaced Jean-Louis Claveau as Chief Operating Officer, Hispanic & North America.

*You can find Edenred's glossary of key financial terms by [clicking here](#)

Find full details of the Executive Committee by [clicking here](#)

Three topical questions for the Group's Chief Financial Officer

1

What do Edenred's full-year 2014 key indicators tell us?



> **Loïc Jenouvrier:** The key indicators show strong like-for-like growth once again in 2014, with issue volume* up 12% to €17.7 billion. Growth was extremely robust in emerging markets (up 17%) and highly satisfactory in developed markets (up 4.5%), representing a solid performance in light of the unfavorable economic environment, particularly in Europe.

The second most important indicator is EBIT, which climbed 14.4% like for like in 2014 despite an increase in financial revenue* of just 3%, reflecting lower interest rates in Europe.

Operating EBIT, which excludes financial revenue, rose by 17%, underscoring the Group's operating efficiency. The indicator that best reflects this performance is the operating flow-through ratio*, which stood at 57% in 2014.

Another key indicator is the ability of our business model to generate free cash flow, which came out at €335 million in 2014, on a par with 2013 as a result of negative currency effects. The negative currency effect mainly related to Venezuela, whose contribution to the Group is no longer significant.

2

Edenred's issue volume mainly comes from Latin America and Europe.

What were their like-for-like growth figures in 2014?

> **LJ:** Issue volume growth was 17% in emerging markets, which correspond mainly to countries in Latin America. In Brazil, our largest market, the increase was 14% despite a fairly sluggish economy, attesting to the strong performance of our businesses. In Hispanic Latin America, issue volume rose by more than 20% in 2014, with Mexico, the region's largest contributor,

stepping up its growth in the second half of the year. More generally, issue volume growth in Latin America shows that, even though we are not completely immune to its effects, GDP growth does not have a direct impact on our businesses. Over the past few years, growth has been driven by the formalization of the economy, a process which is far from complete in all of these countries.

In Europe, growth was naturally more modest, with some significant achievements nonetheless. In France, our largest European market, issue volume rose by 4.5%, a solid performance achieved in part thanks to the transition to card-based solutions. At end-2014, Ticket Restaurant® cards had been distributed to around 80,000 beneficiaries, of which 40% were new. This shows that many companies had been waiting for a paperless solution for their employees.

Lastly, after a few difficult years, we recorded encouraging growth of around 3% in Central Europe, reflecting the region's newly stabilized economy.

3

What's your outlook for 2015?

> **LJ:** We will maintain this strong momentum in 2015, with growth continuing to vary between emerging and developed markets. New solutions contribution to growth will continue to be strong, as will new client wins, thanks to increased penetration rates*. The contribution from face values* is expected to be lower, reflecting the global slowdown in inflation, especially in Europe.

You can find Edenred's glossary of key financial terms by [clicking here](#)

To find out more about Edenred's business model, visit the Finance section of edenred.com.

The second pillar of our future growth

As the world leader in prepaid corporate services, Edenred designs and manages solutions that improve the efficiency of organizations and the purchasing power of individuals. We offer four types of solutions. Employee Benefits, which includes Edenred's flagship Ticket Restaurant®, is the largest, accounting for some 80% of issue volume. For this reason, and because it generates strong, steady like-for-like growth, the Employee Benefits business is the first pillar of our growth.

Our second family of solutions is **Expense Management**, which now represents 14% of issue volume, versus 8% in 2010. The increase reflects consistently strong like-for-like issue volume growth, including a rise of more than 24% in 2014. Companies are always looking to reduce their business expenses, which is why this solution is a major driver for our future growth and has become the second pillar of our offering. It also offers strong synergies with our Employee Benefits business in such areas as B2B sales forces, expertise in the creation and management of merchant networks, as well as the sharing of transaction processing platforms.

VEHICLE FLEET MANAGEMENT, A HIGH-POTENTIAL MARKET SEGMENT

One of the ways Edenred intends to achieve its strategy of developing its Expense Management business is by capitalizing on the vehicle fleet management segment. The Group already has a strong presence in this segment in Latin America through its flagship Ticket Car® solution, which has generated most of the Expense Management business issue volume for more than ten years.

The recent acquisition of **UTA** (Union Tank Eckstein), a leading issuer of payment cards for vehicle fleets, has enabled Edenred to enter the European market.

UTA's solutions allow drivers of heavy vehicles to pay tolls and purchase fuel in 22 European countries using a card that is accepted in a network of more than 34,000 affiliated service stations.

With over 50 years of experience each, UTA and Edenred will drive faster sales growth of existing solutions, particularly in Central and Eastern Europe, thanks to their alliance.

The alliance will also enable the launch of a new solution for the light vehicle segment, which will gradually be rolled out to Edenred's 300,000 clients in Europe.

The decision to make this strategic move was based on an analysis of several key indicators, including:

- > an estimation of the market in billions of euros (internal source);
- > the number of light and heavy vehicles in use (in millions);
- > the low penetration rate, particularly for light vehicles in Europe.

The acquisition of UTA and Cardtrend, a company specializing in fuel card management software solutions in Malaysia, is a unique opportunity to speed up the Group's development in the global expense management market.

LATIN AMERICA

€ 100Bn



24 millions
vehicles



6 millions
vehicles

EUROPE

€ 300Bn



64 millions
vehicles



11 millions
vehicles

APAC

€ 375Bn

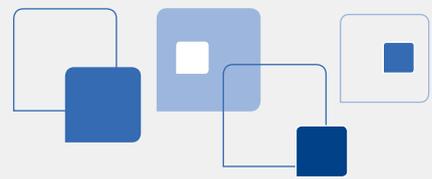


78 millions
vehicles

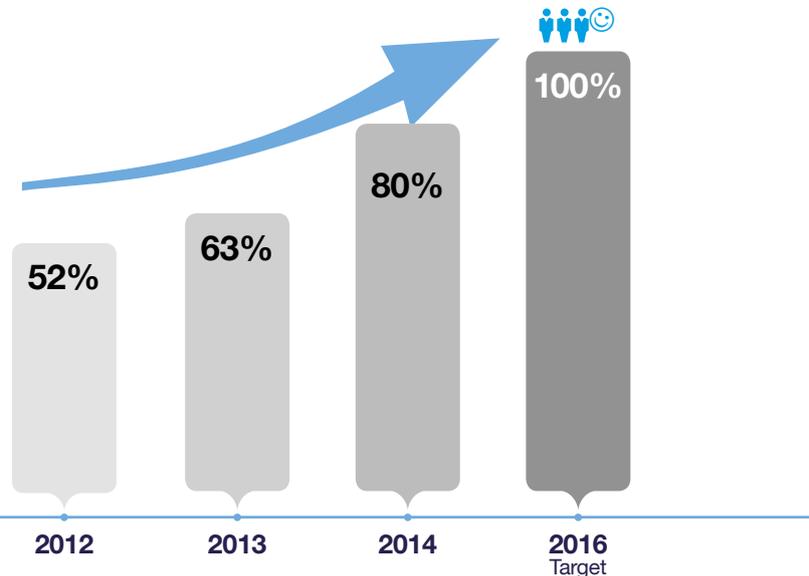


21 millions
vehicles

People, one of Edenred's key assets



% OF COLLABORATORS WORKING IN AN ENVIRONMENT ENGAGED IN THE « **BEST PLACE TO WORK** » APPROACH



A SIGNIFICANT STEP TOWARD OUR AMBITION OF BEING A **BEST PLACE TO WORK**

High performance and well-being are part of Edenred's mission towards both customers and employees. Improving quality of life in the workplace is therefore a key deliverable for the Group. Significant progress was made towards this goal in 2014. As a result, 84% of our employees now work in an environment that is actively involved in a quality of work life initiative, compared with 63% in 2013.

The increase reflects the considerable efforts the Group's country organizations have been making for many years. To conduct the workplace climate survey, each country is free to select the international or local organization that best fits its requirements. The results of the survey are then analyzed in order to devise action plans tailored to each context.

Action plans carried out in 2014 focused on areas such as change management training for managers, workspace ergonomics and the roll-out of digital sharing tools.

SUPPORTING THE **DIGITAL TRANSFORMATION**

The shift to digital is transforming Edenred's solutions and services, but that's not all. Digital is also changing our internal processes and, more generally, our corporate culture.

To support this transformation, which is key to the success of our Group ambition, various initiatives have been launched over the past few months to raise employee awareness of the new practices and procedures made possible by digital. These include the use of a mobile application to facilitate employee networking, information on how to use of social media, sessions with start-up incubators, a games campaign on Twitter and training in agile project management.

The idea is to experiment with these new ways of working and interacting, using a "test & learn" process, in order to get a better grasp of the topic and drive innovation in all areas of the digital sphere.

More than **6 000** employees **52%** of employees are under **35**

Breakdown by region: Latin America **38%**, Europe excluding France **29%**, Rest of the World **18%**, France **12%** and Global Operations **3%**

84% of employees work in an environment that is actively involved in a quality of work life initiative

78% of the workforce participated in at least one training course during the year

Share data and practical information

SHARE PERFORMANCE

From the July 2010 IPO to February 27, 2015



Opening price on July 2, 2010: €13.00

Closing price on February 27, 2015: €24.38

Increase in the SBF 120 index: +57%

Increase in the Edenred share price: +88%

DIVIDEND

Edenred is recommending a dividend of €0.84 per share, subject to shareholder approval at the Annual General Meeting on April 30, 2015.

Half of the dividend will be paid in cash. Shareholders may opt to receive the other half in cash or reinvest it in new shares at a 10% discount.

The dividend payment schedule is available by [clicking here](#)

ANNUAL GENERAL MEETING

This year, Edenred is offering online voting for the first time. Information about how to take part in the Annual General Meeting to be held on April 30, 2015, including the first Shareholders' Meeting Guide, is available by [clicking here](#)

SHAREHOLDERS' AREA

Visit the Shareholders' area by [clicking here](#)

The information provided includes the first Shareholders' Meeting Guide.

2015 Shareholders' meeting
How to participate

Thursday, April 30, 2015 at 10:00 a.m.
Novotel Tour Eiffel
61 quai de Grenelle - 75015 Paris
France

Edenred

Share details

Listed on:
Euronext Paris
Compartment A

ISIN code: FR0010908533

Shares outstanding:
229,864,521 at end-2014

Main indices:
SBF120 et CAC Large 60,
FTSE4Good, DJSI

Registered shareholder services

Société Générale Securities Services
SGSS/SBO/CSS/BOC
32, rue du Champ-de-Tir
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44312 Nantes Cedex 3
Tel: +33 (0)2 51 85 67 89
(local rates apply when calling in France)

Contacts

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2015 Investor Calendar

April 14:
First-quarter 2015 revenue

April 30:
Annual General Meeting

July 24:
Second-quarter 2015 revenue and
first-half 2015 results

October 13:
Third-quarter 2015 revenue



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