



Edenred

Investor Day

London / November 2011



Edenred

Morning Agenda

Time	Section	Theme	Speakers
10:00-10:30		Executive Summary	Jacques Stern, Chief Executive Officer 
10:30-12:15	1	Our Strategy to Create and Roll out Solutions in the Prepaid Market <ol style="list-style-type: none"> 1. Prepaid market overview 2. Our current positioning 3. Our strategy to create and roll out solutions 4. Two illustrations of recent launches 5. Launch process and financial impacts 	Loïc Jenouvrier, CFO  Jacques Stern, Chief Executive Officer  Oswaldo Melantonio, COO Brazil  Laurent Delmas, COO France 
12:15-12:30	2	Financial Focus <ol style="list-style-type: none"> 1. Float investment policy 2. Sensitivity analysis 	Loïc Jenouvrier, CFO 
12:30-13:00		Q&A session	

Afternoon Agenda

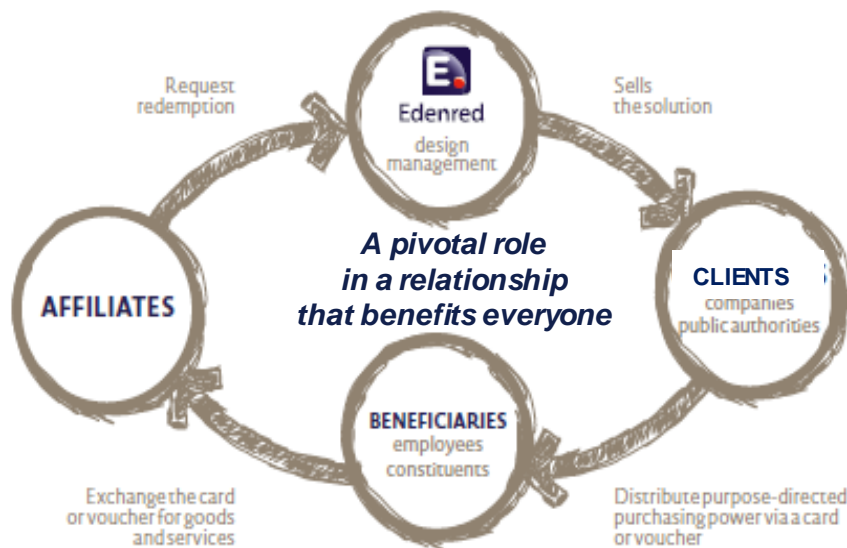
Time	Section	Theme	Speakers
2:00-4:15	3	Digital Strategy <ol style="list-style-type: none"> 1. The Digital Value Chain 2. Digital Strategy 3. Country Illustration: Brazil 4. Key Role of PrePay Solutions 5. Financial Impacts 6. New Growth Opportunities 	<p>Jacques Stern, Chief Executive Officer</p>  <p>Oswaldo Melantonio, COO Brazil</p>  <p>Gilles Coccoli, PrePay Solutions Director</p>  <p>Loïc Jenouvrier, CFO</p>  <p>Patrick Langlois, COO UK</p> 
4:15-4:45		Q&A Session	
4:45-5:00		Conclusion	<p>Jacques Stern, Chief Executive Officer</p> 

Executive Summary

Our Expertise Built on 50-years' Experience

Our Mission

To design and deliver solutions that make life easier for employees and improve the efficiency of organizations



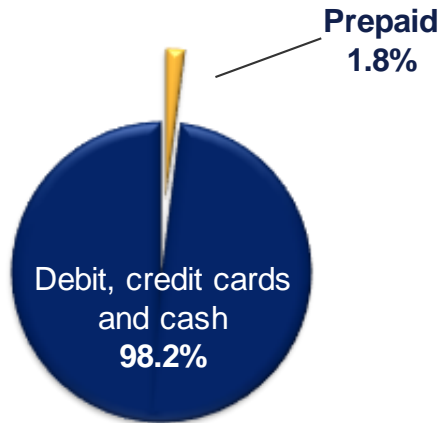
*We design and deliver **solutions** to our **clients** that enable them to offer **beneficiaries** purchasing power that can be used to buy goods and services from a select network of **affiliates***

Our Expertise

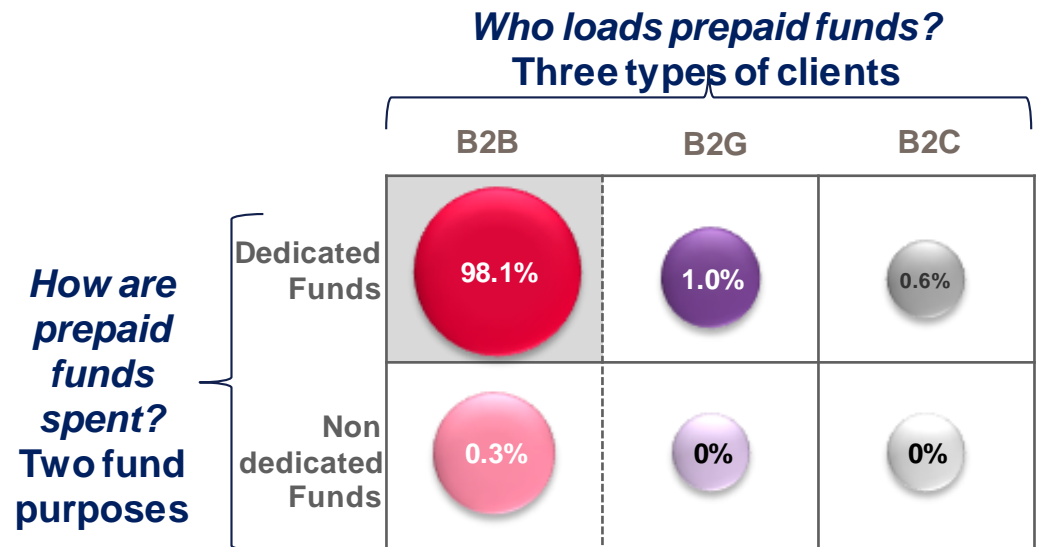
Ensure that the funds allocated by our clients are effectively used as intended

Our Positioning in the Prepaid Market Universe

Payment Market: €24Tr



Prepaid Market: €441Bn



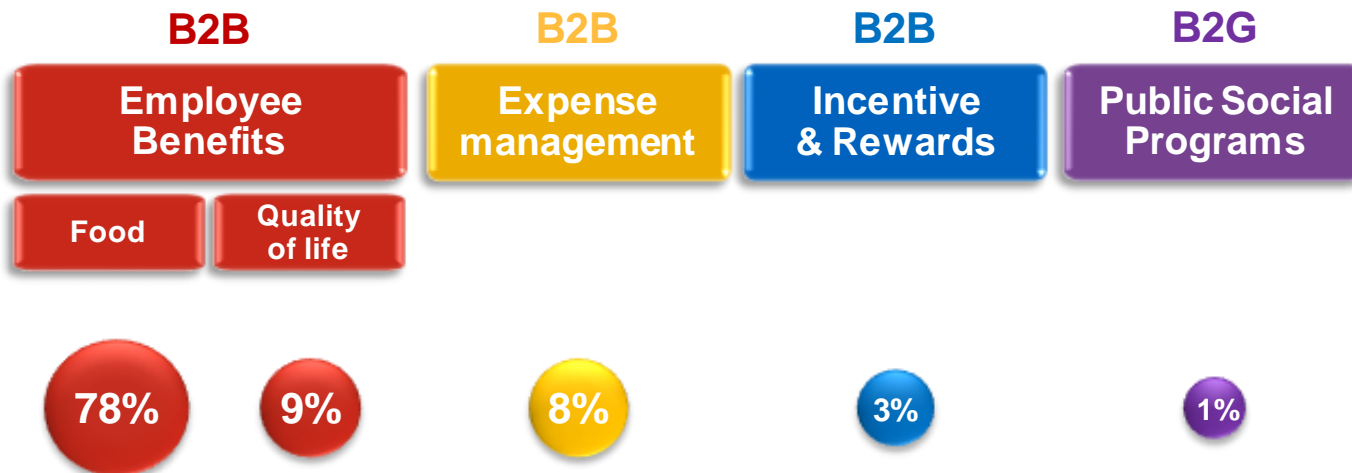
 2010 Edenred Issue Volume weight

**The Prepaid market, organized in 6 segments,
is a niche in the total payment market**

Our Offer in the Prepaid Market

	B2B	B2G	B2C
Dedicated funds	98%	1%	0.6%
Non dedicated funds	0.3%	0%	0%

Our Offer in the Prepaid Market



x 2010 Edenred Issue Volume weight

**Edenred, world leader in prepaid corporate services
with a very strong position in Employee Benefits**

A Business Model Characterized by Strong Growth Generation...

Edenred Annual Issue Volume

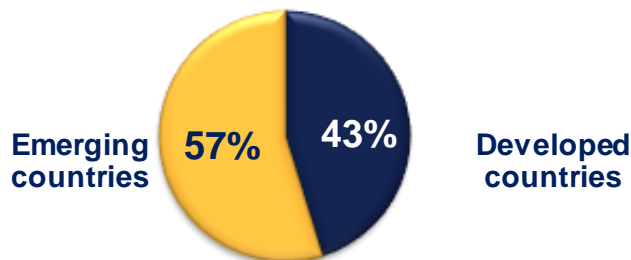


* CAGR on a like-for-like basis over 2003/2010

Offering based on strong, sustainable market growth fundamentals

- ▶ **Meal & Food benefits: 10.8% annual issue volume growth***
Strong potential in Edenred's core business after 40 years of continued growth, reflecting sustained demand in basic needs
- ▶ **New solutions:**
Quality of life benefits, Incentive & Rewards solutions, and Expense Management solutions are responding to more sophisticated needs from clients and/or beneficiaries

Edenred H1 2011 Issue Volume breakdown (in %) by geography



Strong exposure to emerging markets

- ▶ **Brazil:** leading contributor to Edenred's issue volume
- ▶ **Two emerging countries in the top 4 countries** (in number of beneficiaries)

A business generating 10.5% annual issue volume growth

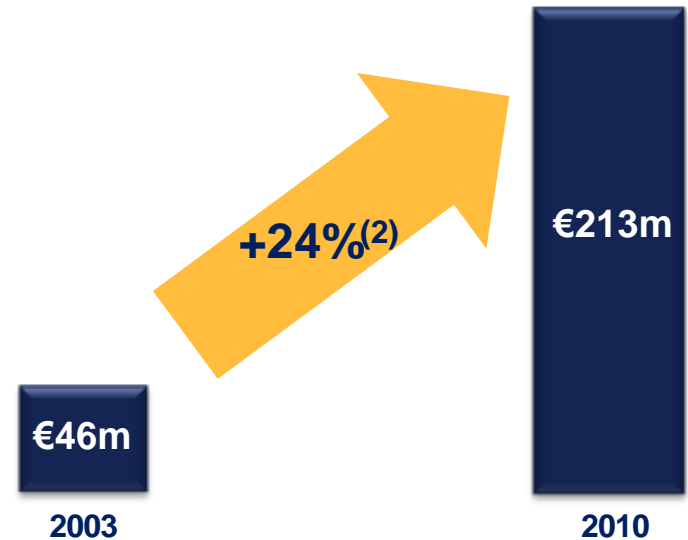
... and High Cash Generation

A cash generating model with a high **operating flow-through ratio⁽¹⁾**: **45%** on average since 2003

A low capital-intensive model: limited maintenance **capex** (**€30m to €40m** per annum)

A structurally negative working capital business leading to a **€2.2bn float** at year-end 2010

Strong annual FFO⁽¹⁾ growth



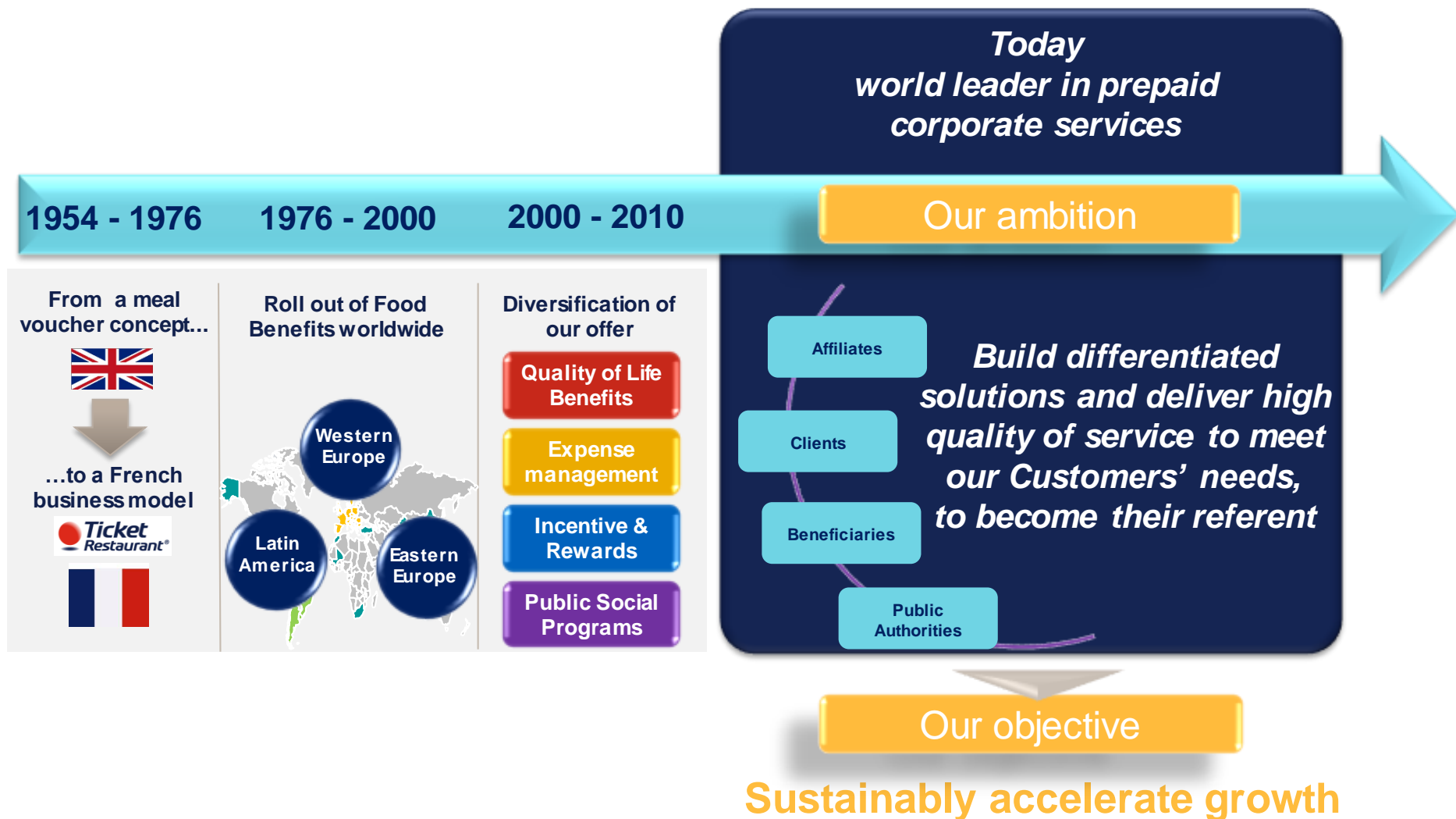
⁽¹⁾ FFO = EBITDA – Net Financial Expense – Income Tax Expense

⁽²⁾ CAGR on a reported basis (2003/2010)

A unique business model with strong value creation

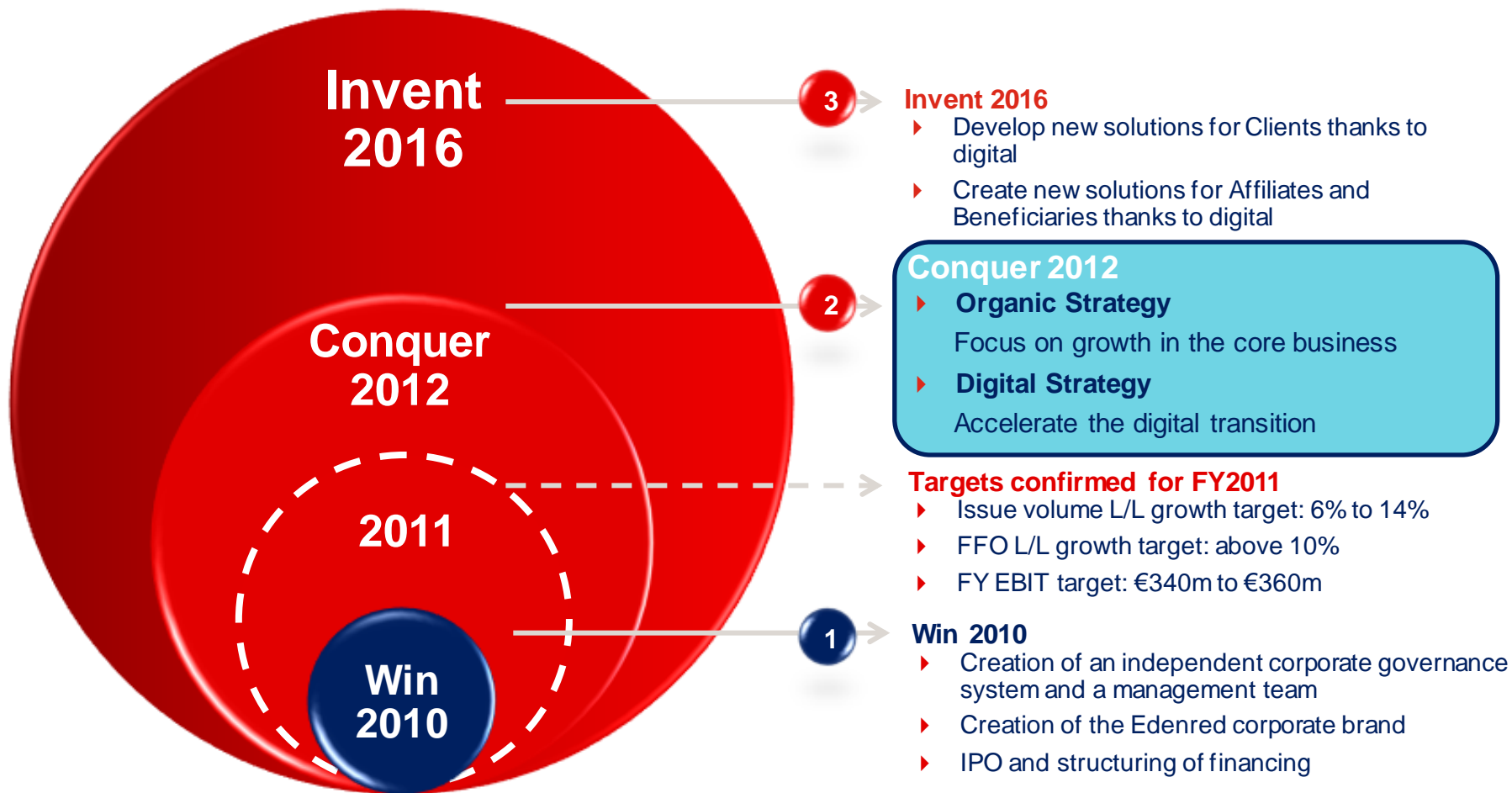
(1) Ratio between the like-for-like change in operating EBIT and like-for-like change in operating revenue

Our Ambition in the Next 5 Years



A three-step strategy serving this ambition

A Strategy to Drive Growth



**Long-term strategic vision with medium-term objectives,
in order to maintain current growth momentum beyond 2016**

Conquer 2012: A Two-Pronged Strategy

1 ORGANIC STRATEGY

Focus on growth in the core business

Set up the conditions for
**systematically
deploying our solutions**
through 4 organic drivers

**Target of 6% to 14%
L/L issue volume
growth per year**

**More
innovation**

**Faster
deployment**

2 DIGITAL STRATEGY

Accelerate the digital transition

Set up the conditions for
switching our solutions to digital
in most of our countries

**Target of
50% digital issue volume
by 2012**

Issue Volume Organic Growth through 4 Drivers



Four drivers contributing to the 6% to 14% organic issue volume growth

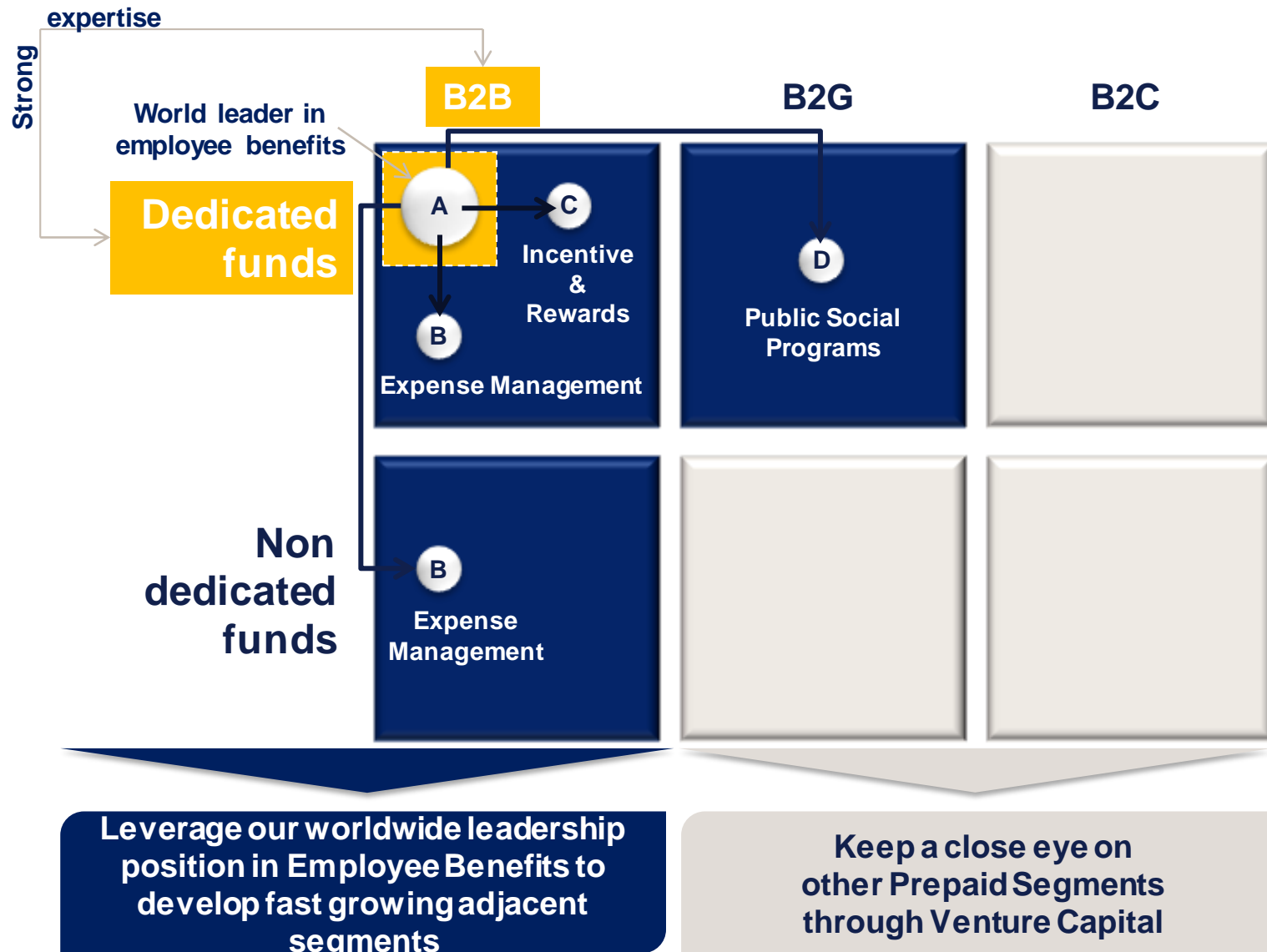
		Normalized target ⁽¹⁾	Timing
1	Increase penetration rate in existing markets	2-5%	✓
2	Create new solutions and deploy existing ones	2-4%	Post 2012
3	Extend geographical coverage	1-2%	Post 2014
4	Increase face value	1-3%	✓
		6 to 14%	

Organization, resources and clear roadmap in place to boost innovation and roll-out our solutions

6 to 8 new countries to be opened by 2016, with progressive ramp-up to contribute between 1% and 2% to issue volume growth

Launch and roll-out of new solutions will be a key component to ensure long-term sustainable issue volume growth

Our Strategy to Create and Roll Out New Solutions



Roadmap by Type of Solution



B2B



B2B



B2B



B2G

Employee Benefits

Expense management

Incentive & Rewards

Public Social Programs



Strengthen our leadership by rolling out solutions in emerging and developed countries

Accelerate the conquest of new markets (countries/solutions) based on our Latin American expertise

Roll out solutions in our main countries to enhance our offer to stakeholders (Affiliates, Beneficiaries, Clients)

Expand our offer to public institutions in countries where Edenred is already present

A clear deployment roadmap by type of solution and by region

Digital Transition: an Essential Step in our Strategy



A relevant shift for all stakeholders

Affiliates

1.2 million

- Simplified administrative process
- Value-added services
- Cost savings

Beneficiaries

34.5 million

- Convenience
- Fashionable solution

Clients

530,000

- Optimized, simplified processes
- Cost reduction

Public Authorities

- Better control over fund allocation
- Traceability
- Reduction in the informal economy

Long-term positive effects for Edenred

Volume
growth

New
revenue
sources

Reduced
operating
costs

Address
more clients
more easily

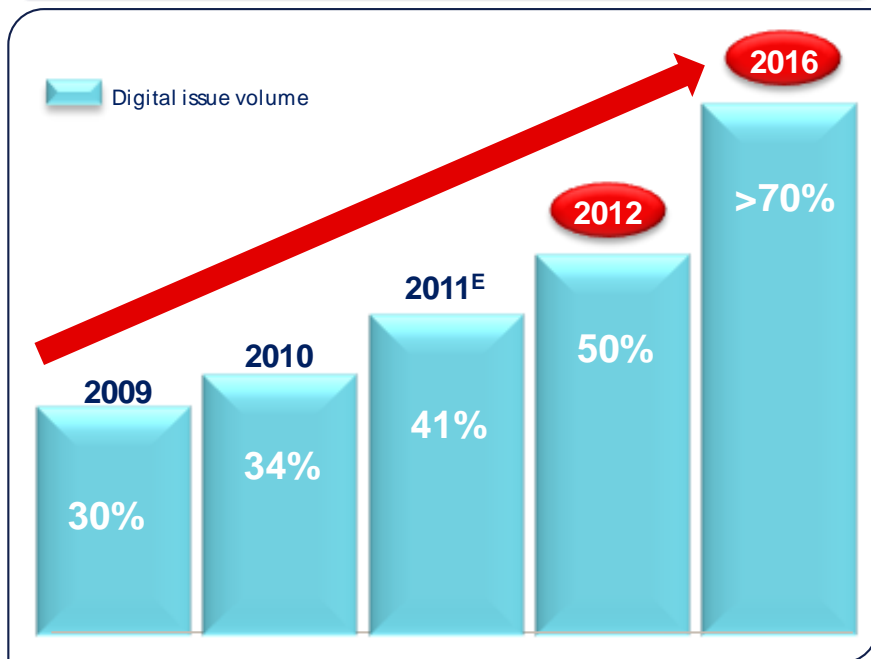
Create
new solutions

Bring
value-added non
financial services

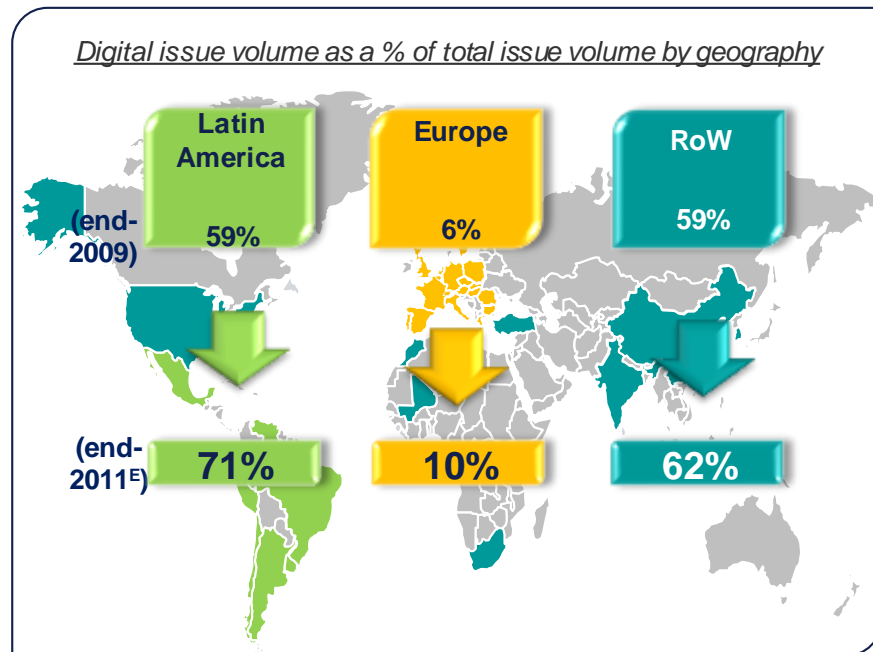
Reduce
production and
logistics costs

A digital transition which benefits all stakeholders

Target of 50% digital issue volume by the end of 2012



First results of the acceleration decided end-2010



Objective of 50% at year-end 2012 and more than 70% post-2016

Investor Day Agenda

Our Strategy to create and roll out solutions in the Prepaid Market

**How to boost volume growth through
the roll out of our existing solutions
and the creation of new solutions**

Digital Strategy

**How to operate the digital shift
that will open new growth territories**

Our Strategy to Create and Roll Out Solutions in the Prepaid Market

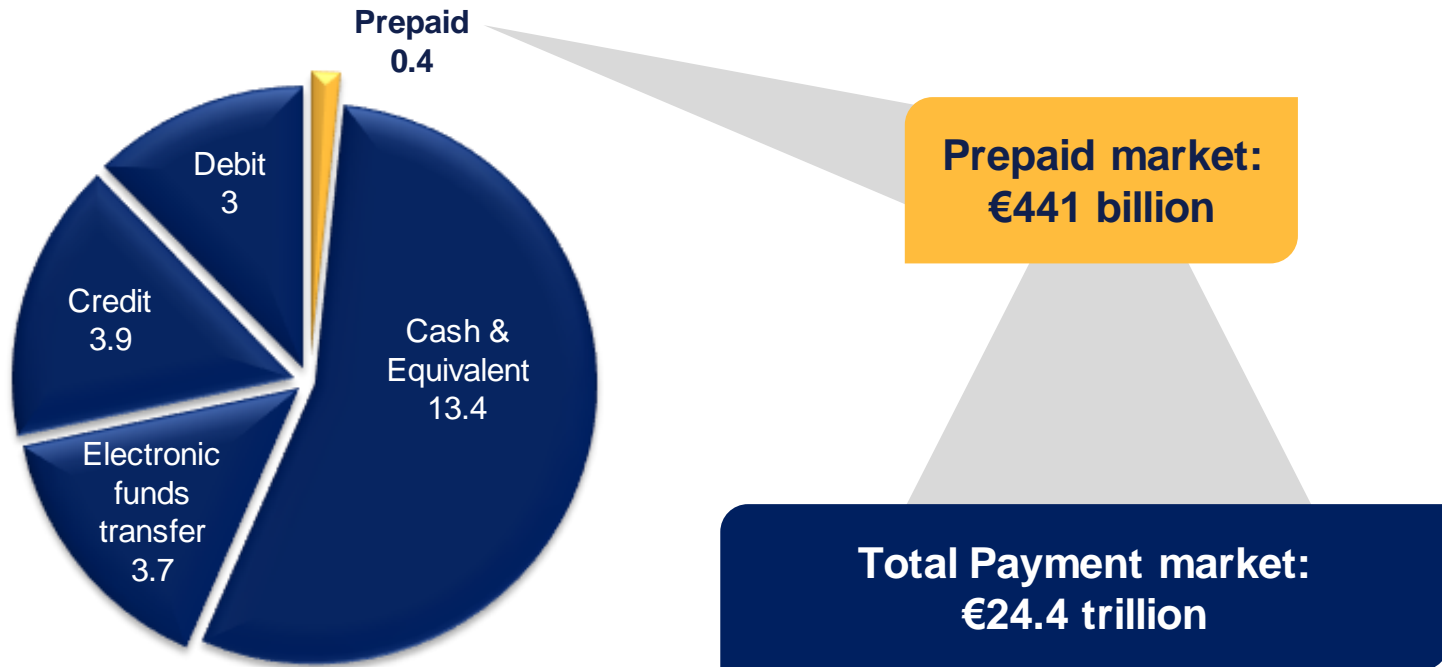
Section 1

Contents

Our Strategy to Create and Roll Out Solutions in the Prepaid Market

- **Prepaid Market Overview**
- **Our Current Positioning**
- **Our Strategy to Create and Roll Out Solutions**
- **Two Illustrations of Recent Launches**
- **Launch Process and Financial Impacts**

The Prepaid Market in the Payment Universe

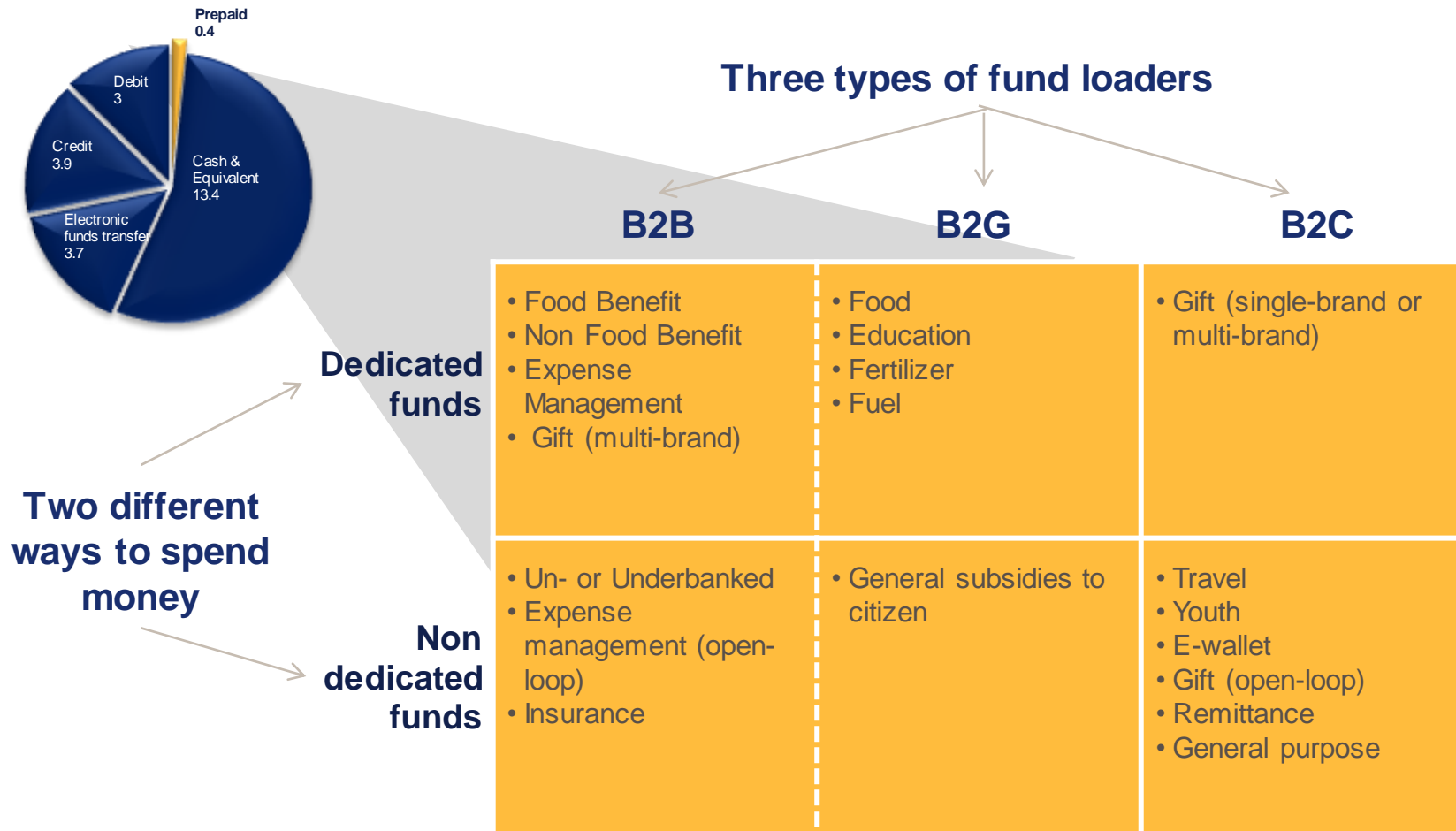


Internal source

(In € Trillion)

Prepaid market is a niche in the overall payment market

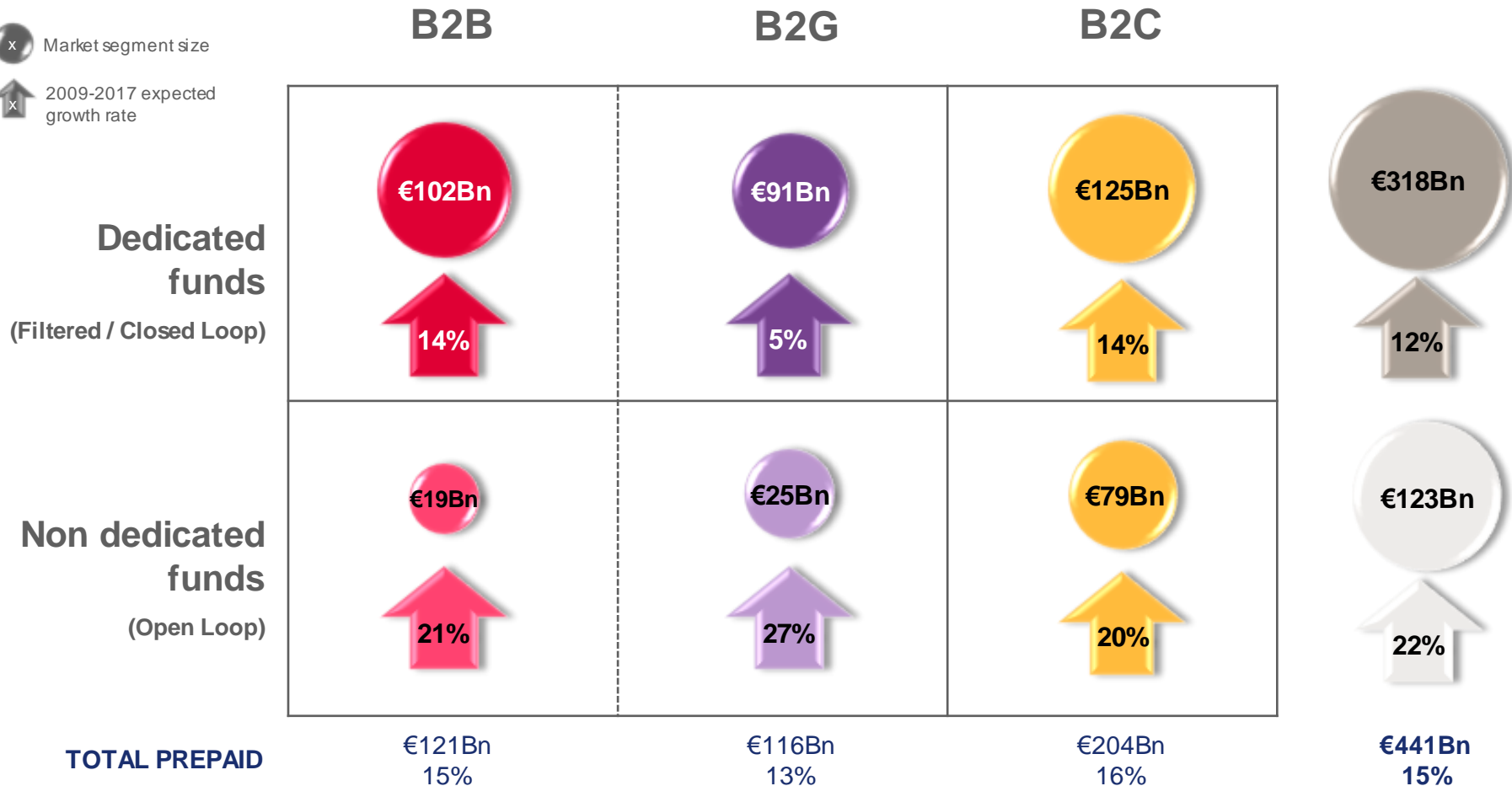
Prepaid Market Segmentation



The prepaid market addresses a large number of segments and types of usage

Sizes and Growth Rates of Prepaid Market Segments

 Market segment size
 2009-2017 expected growth rate



Internal source

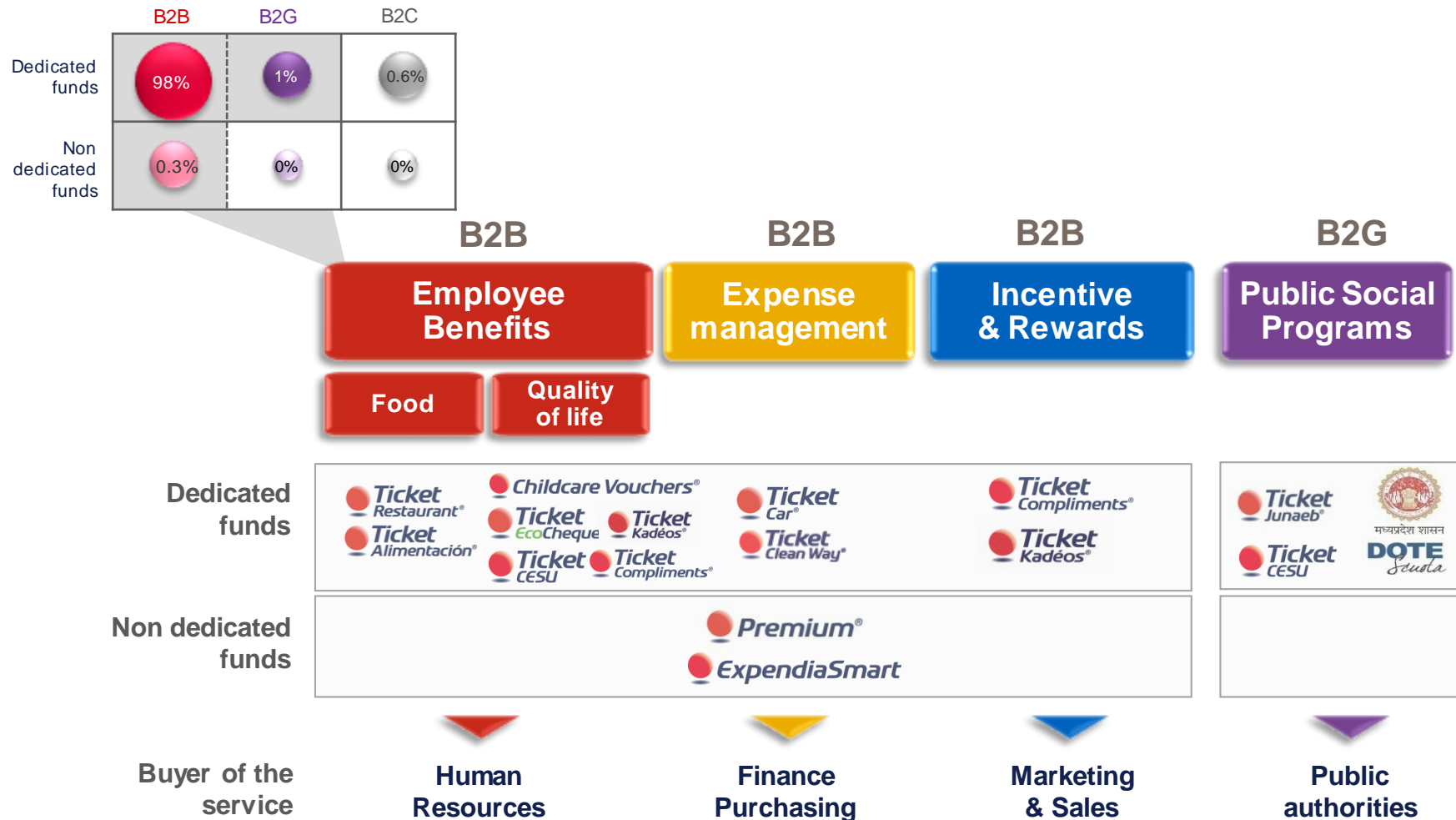
Six market segments offering high growth potential
Dedicated prepaid funds represent more than 70% of the current market

Contents

Our Strategy to Create and Roll Out Solutions in the Prepaid Market

- **Prepaid Market Overview**
- **Our Current Positioning**
- **Our Strategy to Create and Roll Out Solutions**
- **Two Illustrations of Recent Launches**
- **Launch Process and Financial Impacts**

An Offer Organized Around Four Types of Solutions

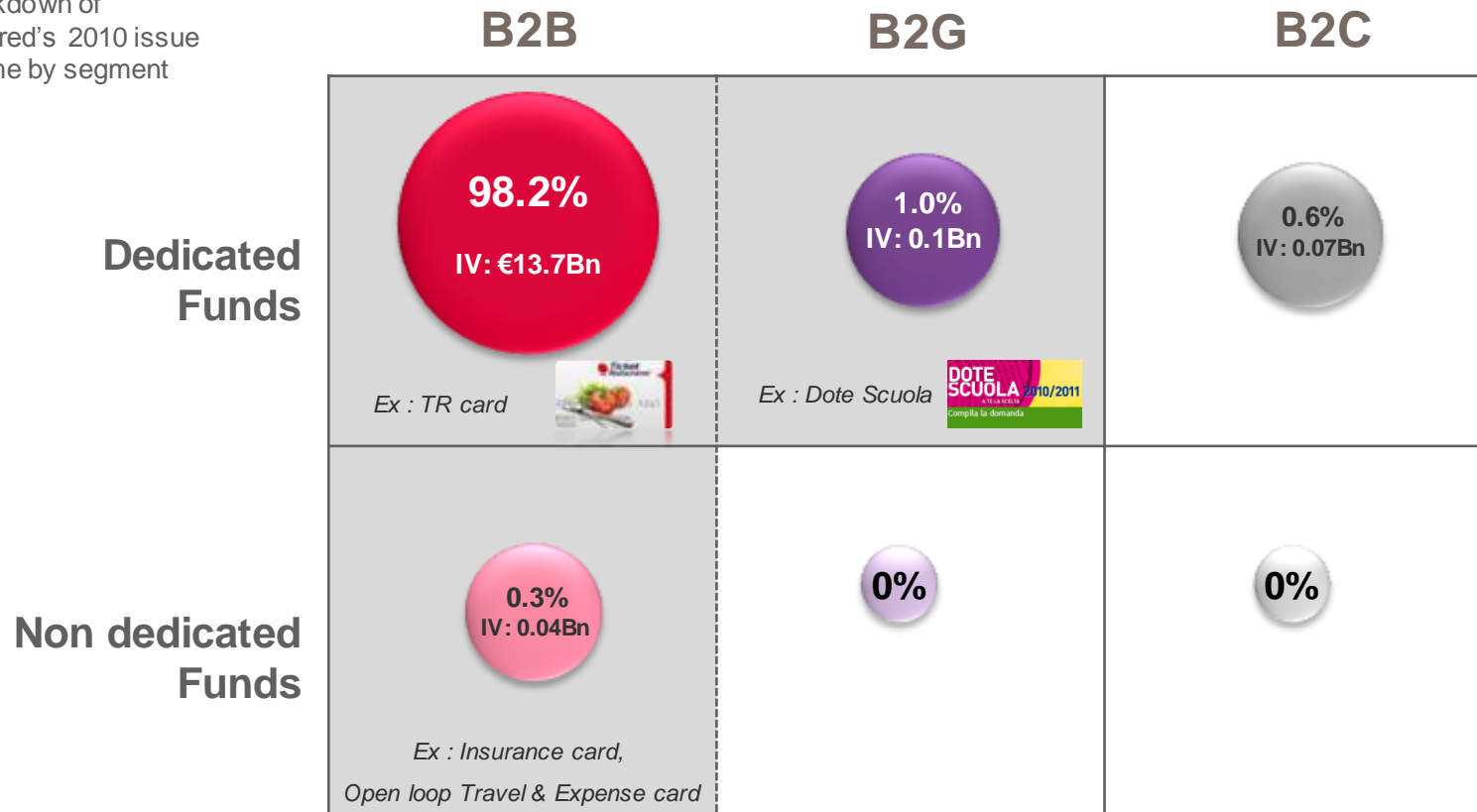


Our core business is the dedicated funds B2B market, where we have already developed a wide range of customized offerings

A Strong Footprint in the Distribution of Dedicated Funds from Corporate clients

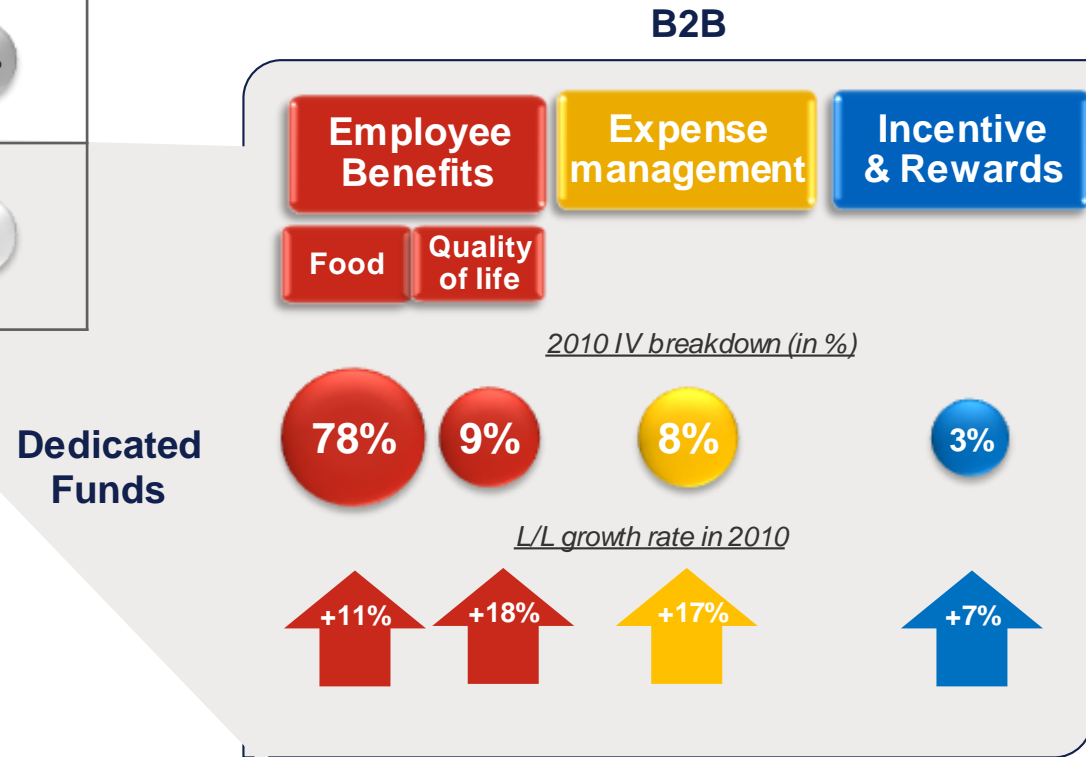
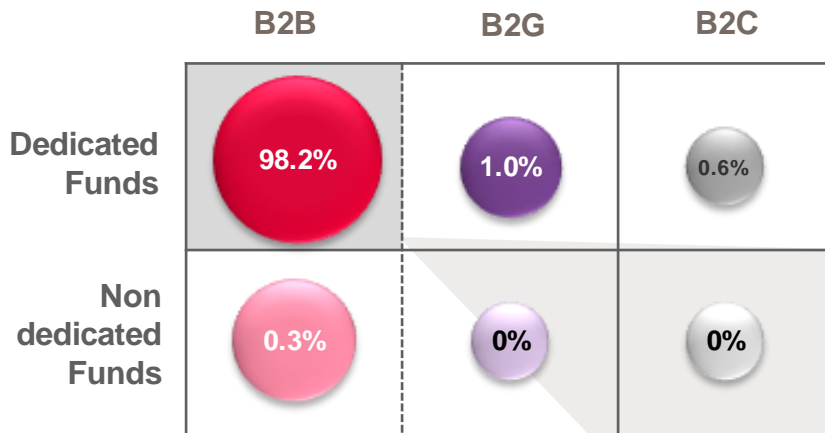


Breakdown of
Edenred's 2010 issue
volume by segment







Our expertise: ensure that funds allocated by clients (mainly Corporates and Public Institutions) are effectively used as intended

Focus on our Offer in the Distribution of Dedicated Funds from Corporate Clients



All our offers are growing rapidly

Competition in our Core Business: Dedicated Funds from Corporate Clients

	Employee Benefits		Expense management	Incentive & Rewards
	Food	Quality of life		
Global players	 Edenred Sodexo	 Edenred Sodexo	 Edenred Wright Express FleetCor	 Edenred Sodexo Carlson Marketing
Continental players	Chèque Déjeuner (Europe)	Chèque Déjeuner (Europe)		
Local players	Visa Vale (Brazil) Si Vale (Mexico) Qui Ticket (Italy) Cheque de Table (France) VB (Brazil) Valeven (Venezuela) Novo Payment (Venezuela) Buen Menu (Spain)	AXA (France) Dexia (France) Computershare (UK) Grassroots (UK)	CTF (Brazil) Good card (Brazil) Inbursa (Mexico) Comdata (USA)	Grassroots (UK) Motivcom (UK) Maritz (US)

**Very fragmented and heterogeneous competition,
with only two global players**

Competition in Prepaid Market's Other Five Segments

Dedicated Funds

Non dedicated Funds

B2B

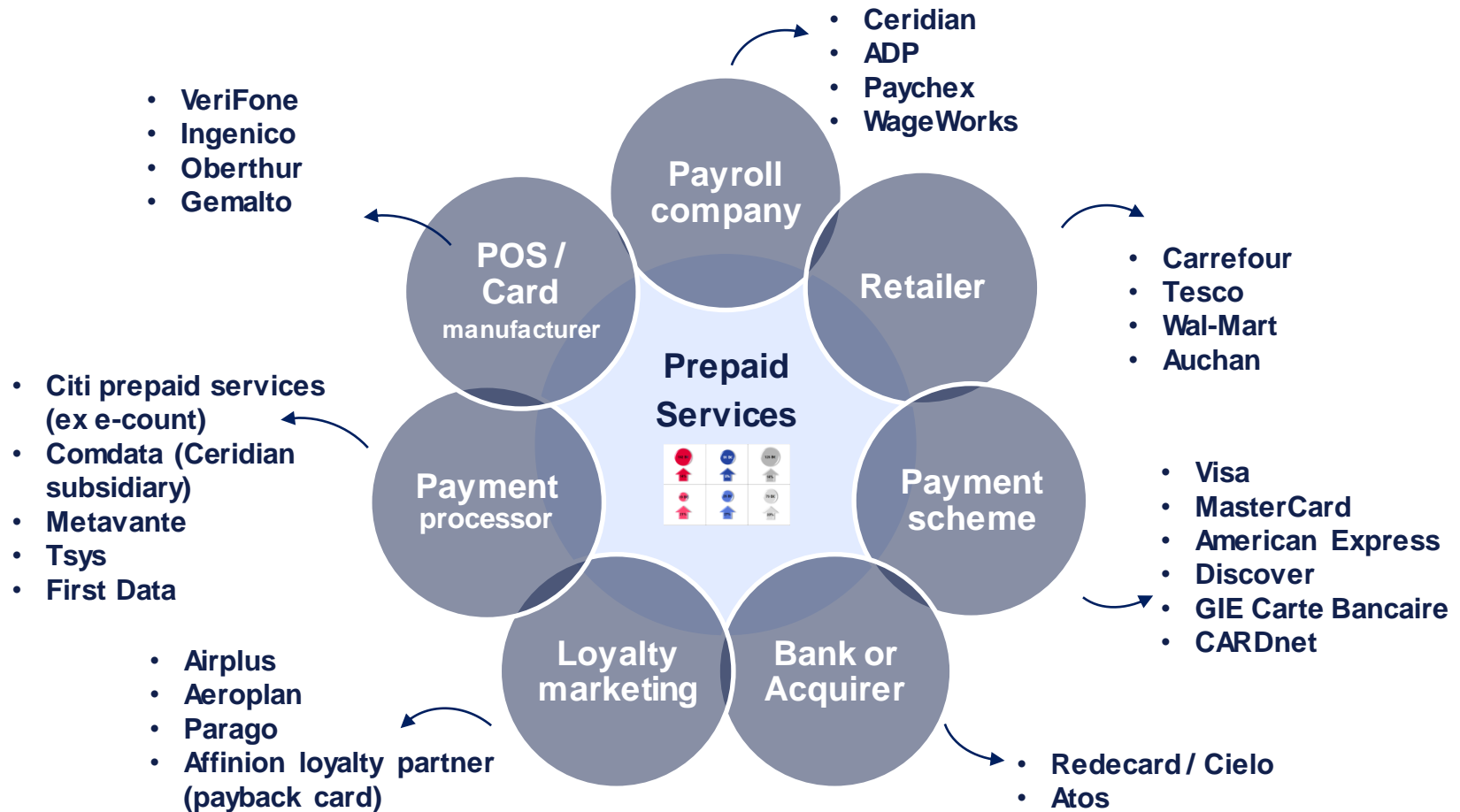
B2G

B2C

	<p>More than 90% managed by public institutions, except in the USA</p> <ul style="list-style-type: none"> • JP Morgan (USA) • Sodexo (France) • Cheque Dejeuner (France) 	<ul style="list-style-type: none"> • Blackhawk (USA – Gift Closed loop) • InComm (USA – Gift Closed loop)
<ul style="list-style-type: none"> • Account Now (USA – UUB) • Galileo (USA – UUB) • Payoneer (USA – UUB) • Citi prepaid services (USA-Business Expenses) • American Express (USA-Business Expenses) 	<ul style="list-style-type: none"> • Net1 (South Africa) 	<ul style="list-style-type: none"> • NetSpend (USA – General purpose) • Green Dot (USA - Multi products) • Paypal (USA – Internet Wallet) • Western Union (USA – Remittance) • Wirecard (Germany – General purpose) • Moneygram (USA – Remittance)

Mainly US players focused on local B2C non dedicated funds market

Prepaid Market's Ecosystem



A large number of players in the prepaid market's ecosystem, with no specific focus on B2B prepaid services

Conclusion

Prepaid Market

**A large and fragmented market,
more structured in
dedicated funds,
with high growth potential
in every segment**

Edenred's positioning

**Edenred is the clear
worldwide leader
in Employee Benefits and
a major player in other
corporate prepaid
solutions**

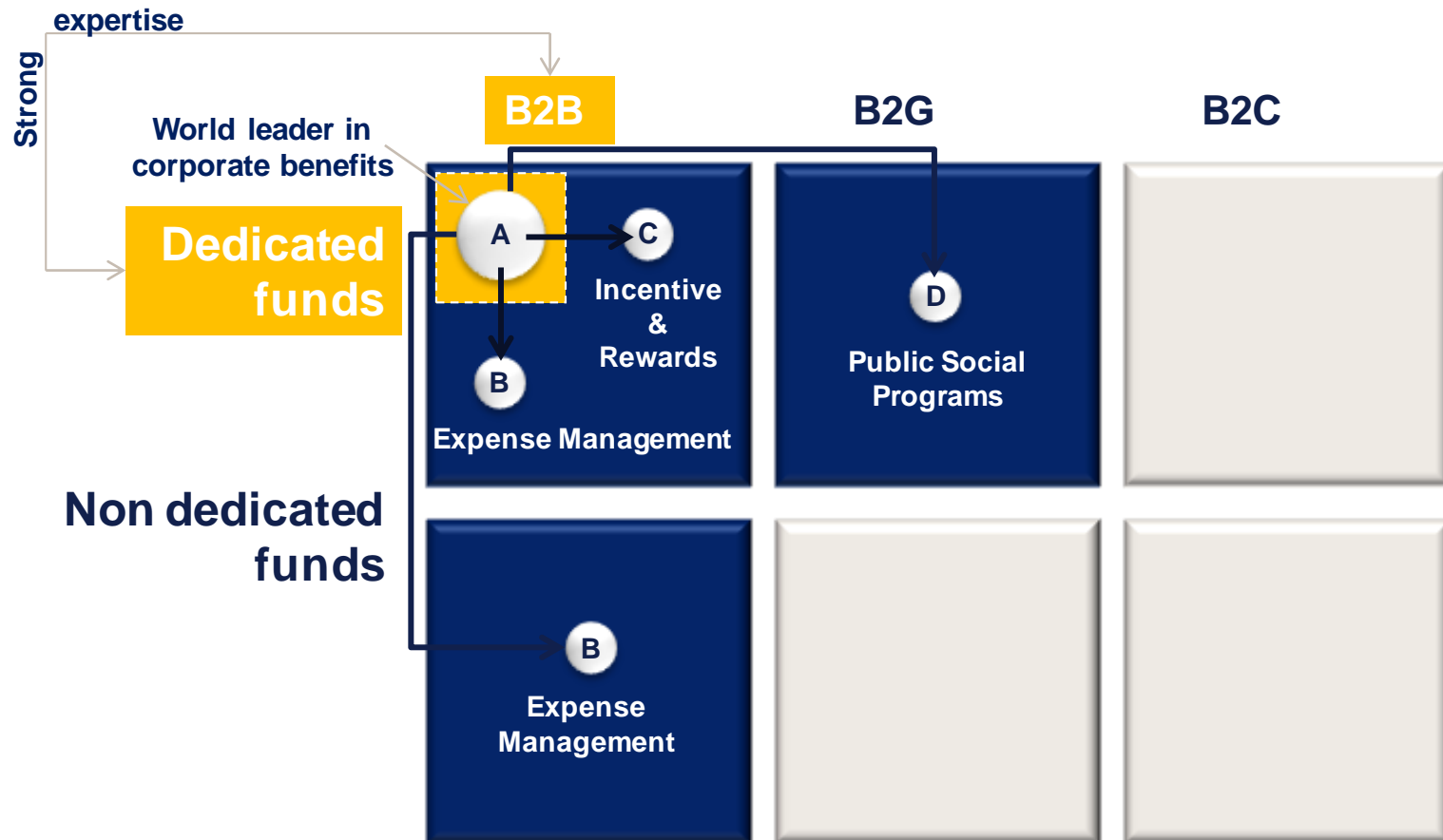
**A strategy favoring organic growth in all continents
with a strong focus on B2B**

Contents

Our Strategy to Create and Roll Out Solutions in the Prepaid Market

- **Prepaid Market Overview**
- **Our Current Positioning**
- **Our Strategy to Create and Roll Out Solutions**
- **Two Illustrations of Recent Launches**
- **Launch Process and Financial Impacts**

Our Strategy to Create and Roll Out Solutions



**Leverage our worldwide leadership position
in the large Employee Benefits market
to develop fast-growing adjacent segments**

Roadmap by Type of Solution (1/2)



B2B

Employee Benefits

**Strengthen our leadership
by rolling out solutions**

Emerging countries:

Develop solutions helping governments and corporates to spread the benefits of economic growth more equitably

Developed countries:

Create customized solutions for corporates, end-users and governments in response to identified sophisticated needs



B2B

Expense Management

**Accelerate the conquest of new growth
territories based on our Latin American
experience**

Latin America:

Strengthen our leadership position in Fuel and Fleet expense management and roll out new solutions in Travel & Entertainment

Europe:

Roll out customized solutions in Travel & Entertainment expense management, as an added-value alternative to corporate cards



Roadmap by Type of Solution (2/2)



B2B

Incentive & Rewards

Roll out solutions in our main countries to enhance our offer to stakeholders

Provide the following value-added services to our stakeholders, on top of our Gift programs:

- Recognition
- Incentive
- Loyalty
- Promotion, Saving & Discount



B2G

Public Social Programs
















Expand our offer to public institutions in countries where Edenred is already present

Roll out solutions to Public institutions, by leveraging our existing B2B platforms and affiliated networks



DOTÉ
Scuola

Expand Our Leadership in Employee Benefits

	Meal and Food		Quality of Life			
 Our existing solutions as of 2010	Meal	Food	Childcare/ Home services	Transportation	Gift	Green/Culture/ Sport/Holiday
Belgium						
Brazil						
France						
Italy						
Mexico						
UK						

**69 solutions
worldwide as of
2010**

15

16

9

4

18

7

**11 solutions
launched in 2011 or
under development
worldwide**

3

0

1

1

4

2

After 50 years of steady growth, still many opportunities in our core business

A Illustration of New Benefits



**11 solutions
launched in 2011 or
under development
worldwide**



Meal and Food

Quality of Life

H1 2011

Ticket Restaurante (Mexico – March 2011)

Ticket Transporte (Spain – June 2011)

**H2 2011
and 2012**

Ticket Plus (Gift in Germany – Dec. 2011)
Mind & Body (Finland, *New country*– Nov.2011)
Ticket Regalo (Chile – Nov. 2011)
Ticket Family (Italy – Jan. 2012)



Deploy our Expertise in Expense Management

● Our existing solutions as of 2010

	Fuel/Fleet	Travel & Entertainment	Uniform cleaning	Merchant card ⁽¹⁾	Insurance card/Payroll
Belgium					
Brazil	●			●	
France			●		
Italy					
Mexico	●		●		
UK			●		●
16 solutions worldwide as of 2010	5	1	6	1	3

16 solutions
worldwide as of
2010

5

1

6

1

3

9 solutions
launched in 2011 or
under development
worldwide

1

3

2

2

1

**Accelerate conquest in the Expense management market,
leveraging our unique expertise acquired in Latin America**

Illustration of New Expense Management Solutions



9 solutions
launched in 2011 or
under development
worldwide



Fuel/Fleet

T&E

Uniform
cleaning

Merchant card

Insurance card

H1 2011

Ticket Corporate
(Spain)

Expendia Smart
(Italy)

Ticket Vestuario
(Chile)

Ticket Plus
(Turkey)

H2 2011
and 2012

Ticket Frete
(Brazil)

Ticket Clean Way
EPI (France)

Insurance card
(UK)



Deploy Incentive & Rewards Solutions in our Main Countries

● Our existing solutions as of 2010

	Employee Recognition	Partner channel & Consumer loyalty	Partner channel & Sales force incentive	Promotion, Savings & Discount
Belgium	●			
Brazil	●	●	●	●
France	●		●	
Italy	●		●	
Mexico				
UK	●	●	●	●
33 solutions worldwide as of 2010	14	4	12	3

33 solutions worldwide as of 2010

14

4

12

3

6 solutions launched in 2011 or under development worldwide

2

0

1

3

Wide range of value-added services for all our stakeholders, on top of gift cards

Solutions
already
developed in
14 countries



Four illustrations of Public Social Programs



**Ticket
CESU**



Meeting the needs of
French Local authorities

Objective

Allocate home services
subsidies to people with
disability or reduced mobility



**DOTÉ
Scuola**



Meeting the needs of
Lombardy region

Objective

Give support to low-income
families with students
attending public or private
primary and secondary
schools in Lombardy



**Ticket
Junaeb**



Meeting the needs of
Chilean Government

Objective

Give access to decent food
to students suffering from
social or economic
disadvantages



मध्य प्रदेश शासन



Meeting the needs of
Madhya Pradesh State

Objective

Distribute public aid to
underprivileged families

Solid relationships with public institutions

Contents

Our Strategy to Create and Roll Out Solutions in the Prepaid Market

- **Prepaid Market Overview**
- **Our Current Positioning**
- **Our Strategy to Create and Roll Out Solutions**
- **Two Illustrations of Recent Launches**
- **Launch Process and Financial Impacts**



Expense Management Market Overview

Fuel/Fleet



Fuel

90%

All fuel types

Other car/truck related expenses

10%

Tyres, Washing

Maintenance

Other (parking, toll, insurance)

Travel & Entertainment



Travel

60%
to
70%

Air

Rail

Car rental

Entertainment

30%
to
40%

Accommodation

Food & Beverage

Other

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



Potential Market

€91B

Expense Management
Potential Market

Potential Market Distribution

Edenred Brazil
Focus

€17B

Travel & Entertainment
Market

Travel, Transportation,
Food, and Accommodation
expenses

€74B

€34B

Light Fleet

€40B

Heavy Fleet

Fleet Management
Market

Company's own vehicle
fleet management

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

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



Investor Day

London, November 2011

Edenred Brazil Focus: Fleet Management Market

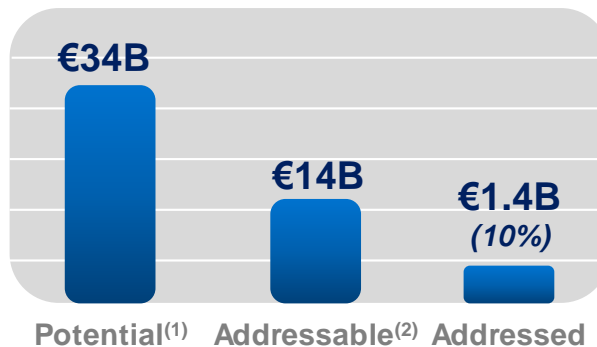


MARKET SEGMENT

MARKET SIZE

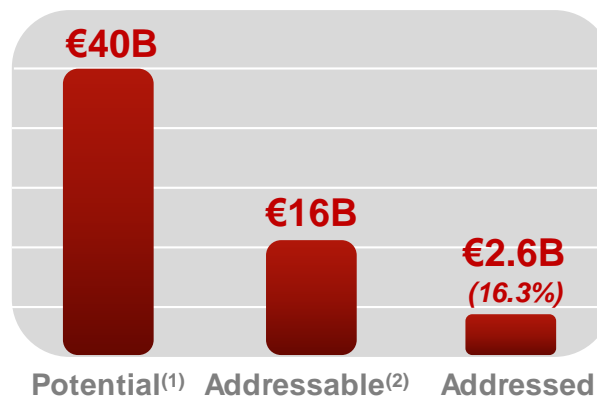
TYPICAL SERVICES

LIGHT FLEET



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

HEAVY FLEET



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

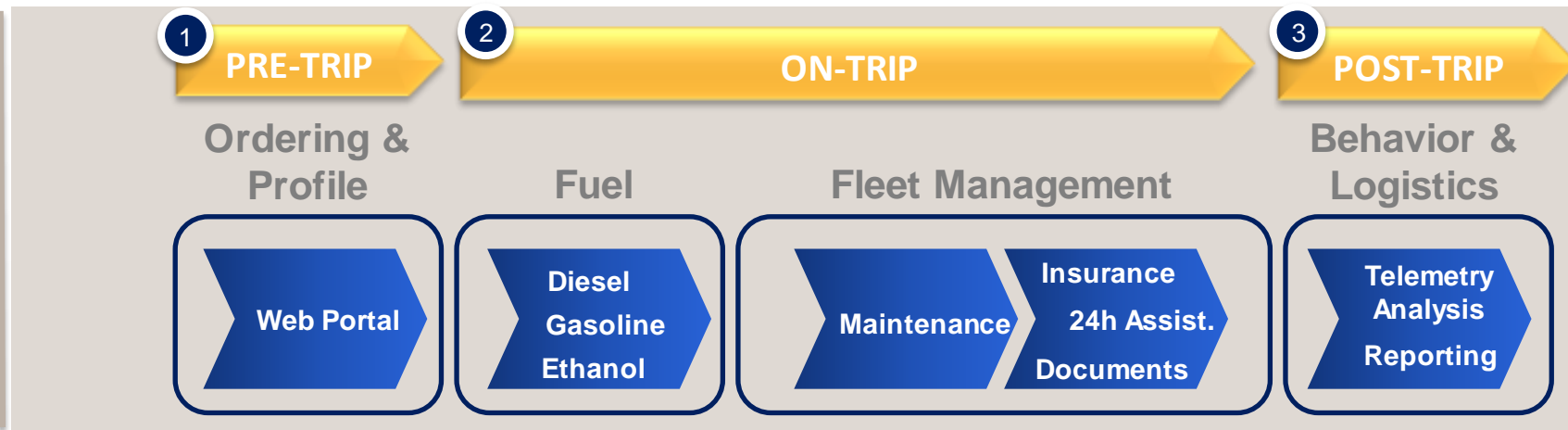
(1) Potential market: total fleet management expenses

(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



 	✓	✓	✓	✓
 	X	✓	X	X

COMPETITORS POSITIONING



Investor Day

London, November 2011

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)



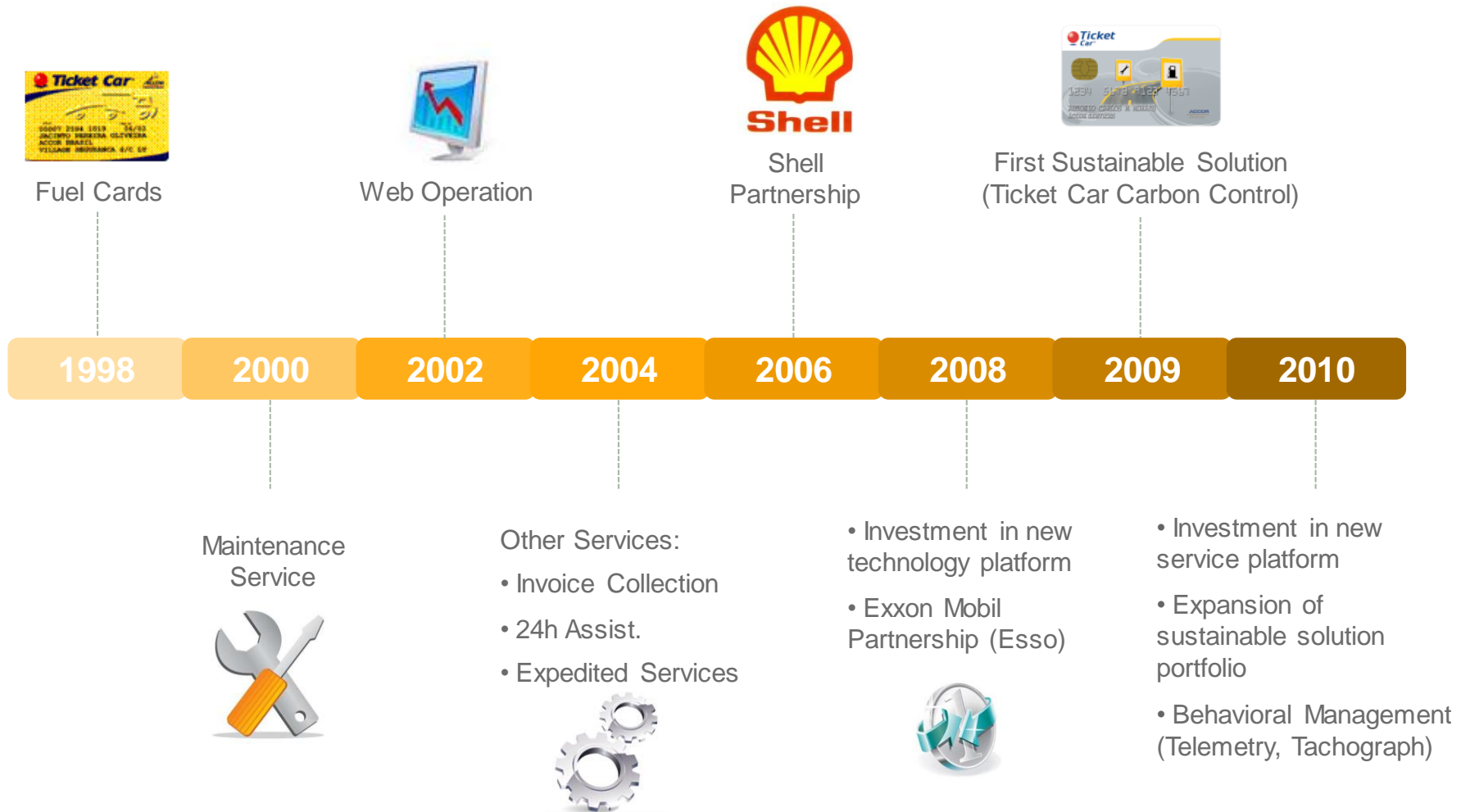
14,000 Affiliates (71% gas stations)



87% of satisfied clients



Expense Management Change : Edenred Brazil Case



From fuel cards to a complete solution



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 CO₂ emission control and cost savings



1,500 vehicles



Detailed studies to reduce CO₂ emissions



Reduced fossil fuel usage by 60%.



Reduced fleet spending by 15%

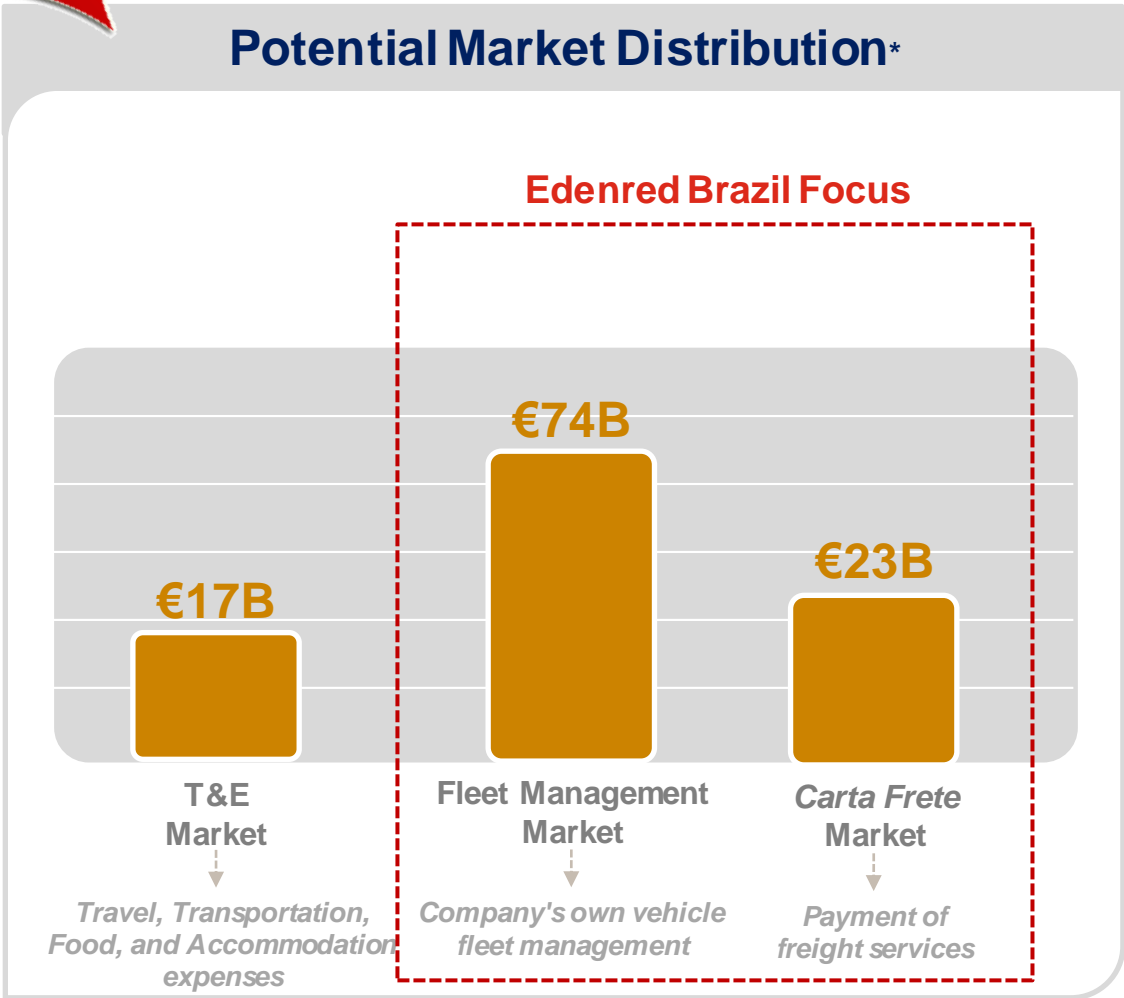
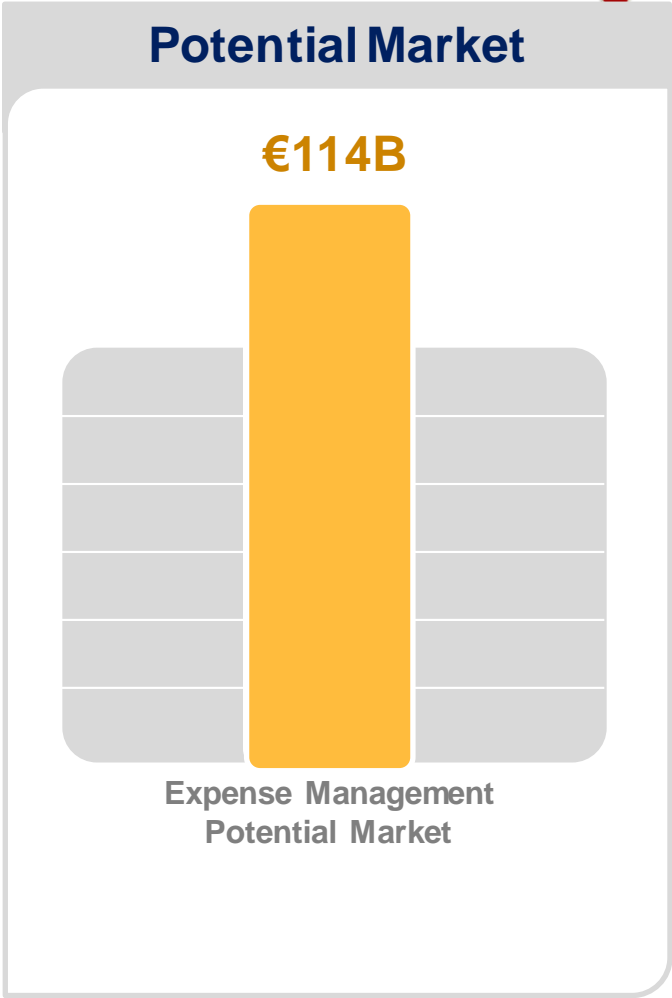
"Our partnership with Ticket Car provided us with many advantages, including in the areas of cost management and respect for the environment, our core value".



Elton Baptistella
Natura's head of fleet management

Brazilian Expense Management Market: Our Vision

From 2012

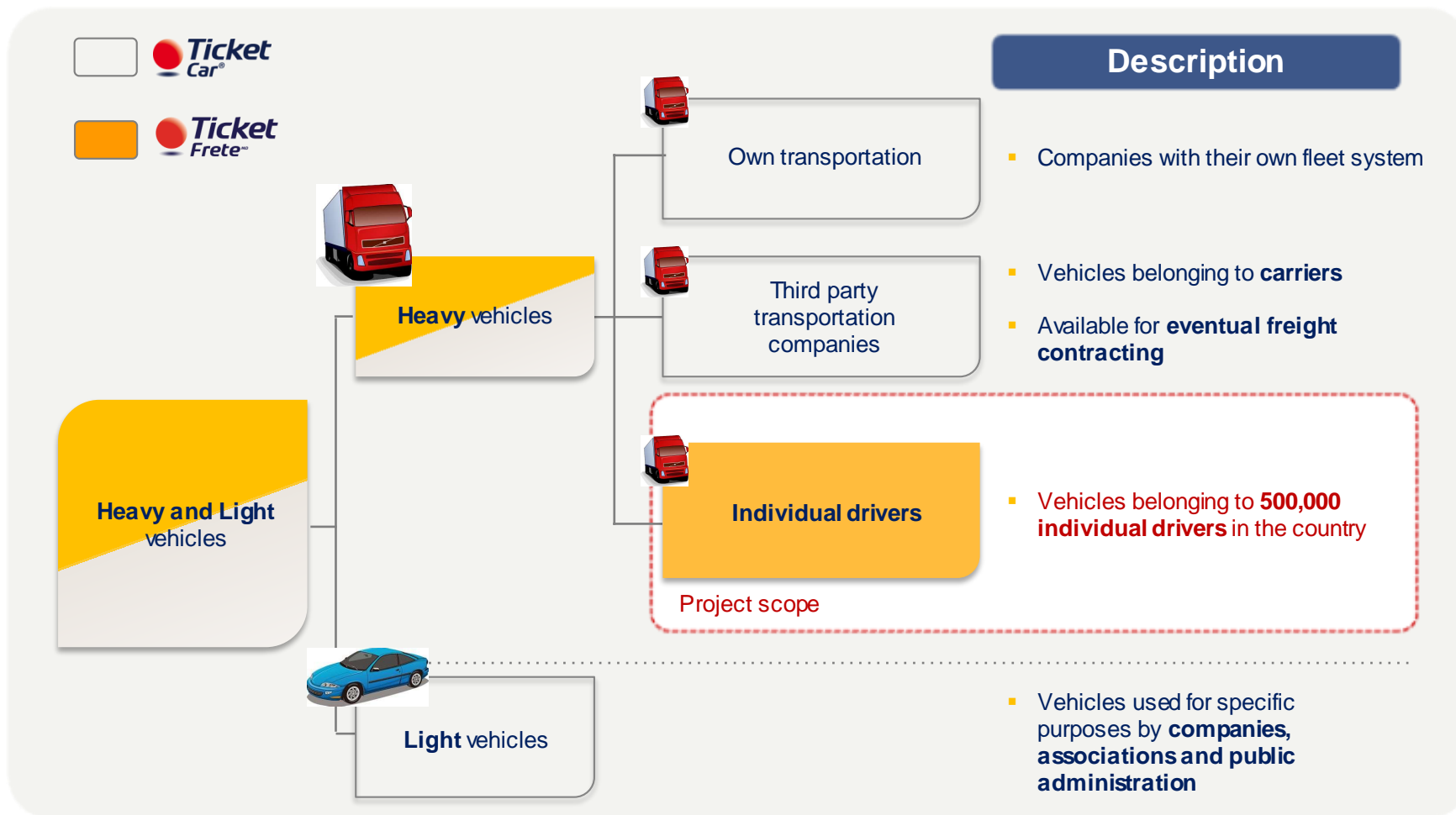


Source: DealMaker Study 2010, Anuario Denatran 2010, Anuario Fenabrave 2010, PWC Study 2011, TicketCar.
Exchange rate: € 1,00 ► R\$2,37 (31/11/2011)

Fleet Expense Management: Ticket Frete Positioning



Fleet expense management market is divided into four macro segments

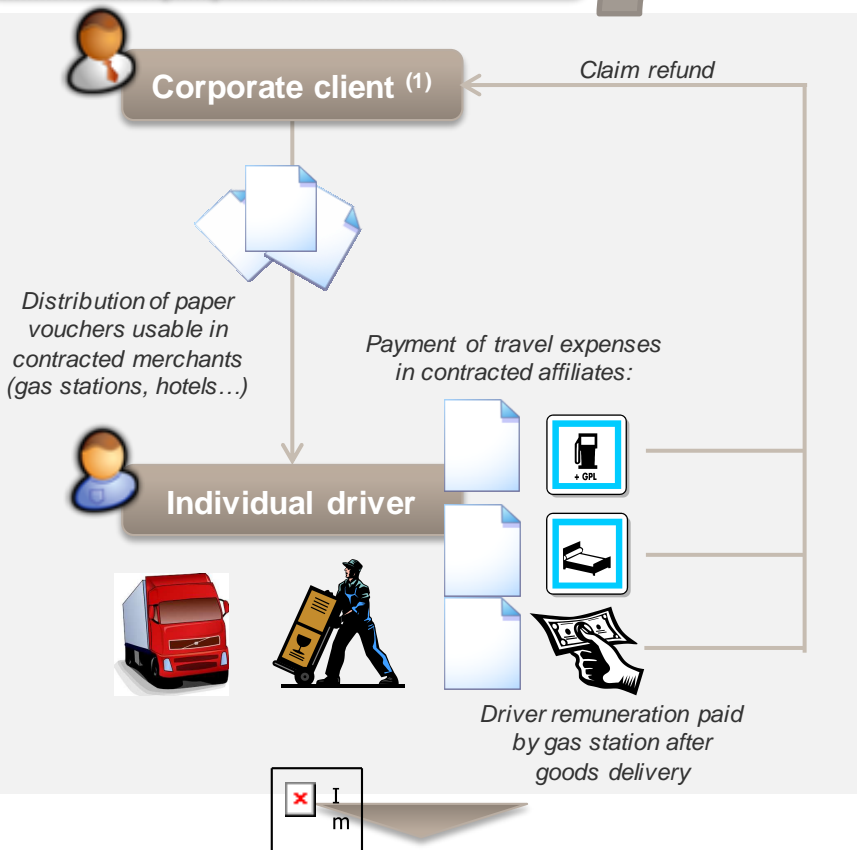


Source: DENATRAN and PwC analysis

Ticket Frete: individual drivers' business expense management



Current system: paper-based



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

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⁽²⁾ (bar code system), to ensure tax collection
- ▶ **Profile management:** filtered usage on-trip based on pre-trip settings

Ticket Frete, a Unique Selling Proposition



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)



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 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



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	
	 Ticket Car®	 Ticket Frete™
Take-up rate ⁽¹⁾ excl. Lost & Expired	4.0%-6.0%	0.5%-1.5%
Lost & Expired	-	-
Float & Financial Revenue	-	-
EBIT/IV margin ⁽²⁾	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

Contents

Our Strategy to Create and Roll Out Solutions in the Prepaid Market

- **Prepaid Market Overview**
- **Our Current Positioning**
- **Our Strategy to Create and Roll Out Solutions**
- **Two Illustrations of Recent Launches**
- **Launch Process and Financial Impacts**



Fuel/Fleet
Management



T&E Management



Other Expense
Management



- ▶ Focuses on a niche segment of the expense management market
- ▶ Smart solution for corporate uniform cleaning
- ▶ Managed as a separate Business Unit, but benefiting from cross-selling opportunities

Ticket Clean Way:

a smart solution for a niche market

A Smart Solution with 3 Key Components



- ▶ A pre-paid dry-cleaning card (points-based) to maintain employees' uniforms



- ▶ A wide merchant network of over 1,300 dry-cleaners (one-third of France's dry-cleaners)




- ▶ A secure extranet dedicated to corporate clients; to manage card orders, check employee usage, review invoices, view key statistics with downloadable reporting

A Unique Selling Proposition



Ticket Clean Way helps organizations to meet Health & Safety (H&S) obligations*



Cash allowance (Added to Salary)	<ul style="list-style-type: none"> ✓ Easy administration 	<ul style="list-style-type: none"> ✓ Expensive, as the subsidy is subject to social contributions/payroll taxes ✓ No control on actual usage of funds
Reimbursement of Expenses	<ul style="list-style-type: none"> ✓ Possibility to control proper usage 	<ul style="list-style-type: none"> ✓ Cost of administration ✓ No discount at dry-cleaners ✓ Cash advance required from employees
Industrial Cleaning	<ul style="list-style-type: none"> ✓ Price advantage for large contracts 	<ul style="list-style-type: none"> ✓ Heavy logistics to collect and distribute uniforms
	<ul style="list-style-type: none"> ✓ No logistics ✓ No social contributions/payroll taxes ✓ Discount on dry-cleaner prices ✓ Solution appreciated by staff ✓ Easy administration 	<ul style="list-style-type: none"> ✓ No price advantage versus industrial cleaning



Corporate Uniform Cleaning: Historical Targeted Segments



Two historical targeted segments

Image clothing



€85m*

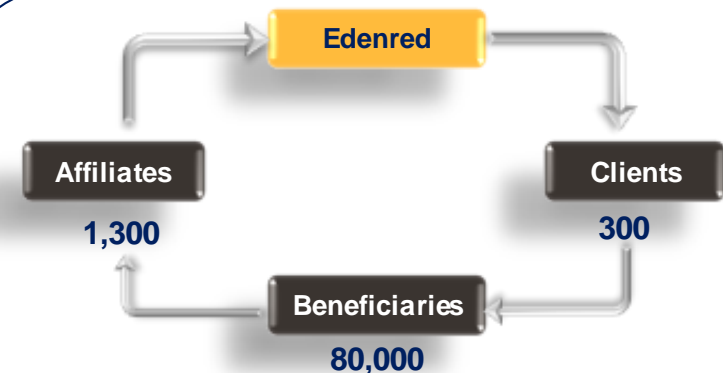
Work clothing



€75m*

Market size	€85m*	€75m*
Competitive edge	Dry-cleaning quality for a longer wear life	No logistics needed for mobile population
Clients		

How does it work?



- ▶ Each card is loaded with “cleaning points” based on client instructions
- ▶ Points are “consumed” each time clothes are cleaned
- ▶ Number of points used are attached to the beneficiary, not to their clothes

Roll-out outside France depends on local H&S regulations

Corporate Uniform Cleaning: Opportunity to develop a new segment



A Newly Targeted Segment

Personal Protection Equipment (PPE)



€128m*

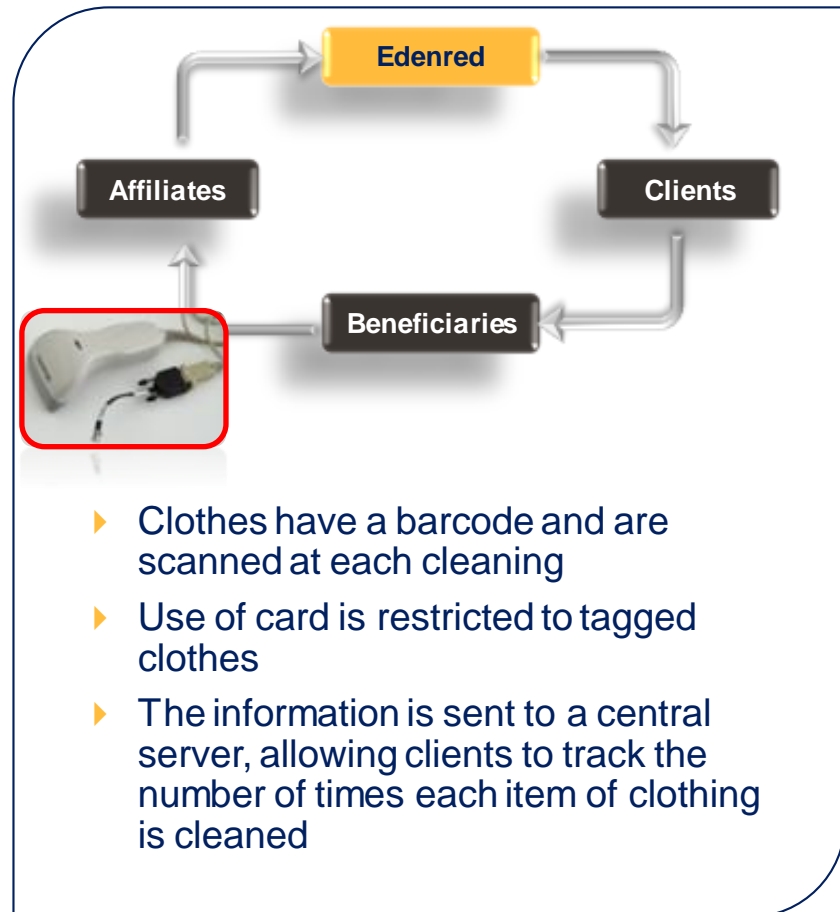
Market
size

Competitive
edge

Report ensuring compliance with H&S requirements for the use by workers of PPE at the workplace**

Market launch: Autumn 2011

How does it work?



Potential roll-out to other countries due to European regulation



**10-years' experience
in the corporate uniform
cleaning market**

Unique network of affiliated dry-cleaners
enrolled in our private card system



**A leadership position
in this market**

A unique selling proposition



**A new market segment
opportunity created by
European H&S regulations**

€128m potential market



**Ticket Clean Way EPI, an add-in
functionality, creating an
innovative solution**

Traceability at the item level, ensuring
regulatory compliance for employers



**Ticket Clean Way, a powerful illustration of Edenred's capacity to develop digital
solutions for the expense management market**

Contents

Our Strategy to Create and Roll Out Solutions in the Prepaid Market

- **Prepaid Market Overview**
- **Our Current Positioning**
- **Our Strategy to Create and Roll Out Solutions**
- **Two Illustrations of Recent Launches**
- **Launch Process and Financial Impacts**

New Solutions Launch Process

Development Phase

(9/12 months)

- ✓ **Market studies**
- ✓ **Stakeholders' needs study**
- ✓ **Solution design**
- ✓ **IT Development**
- ✓ **Marketing tools creation**
- ✓ **Affiliation of the network**
(specific salesforce)

Soft Launch Phase

(3/6 months)

- ✓ **Analysis of customers' experience** to check relevance and fine tune the solution
- ✓ **Limited salesforce** in charge of soft launch

Launch Phase

(12/24 months)

- ✓ **Marketing campaign** for clients
- ✓ **Training for clients and beneficiaries**, in particular in Expense Management
- ✓ **Specific salesforce** to promote the solution massively

Cruising Speed Phase

- ✓ **Steady ramp-up**



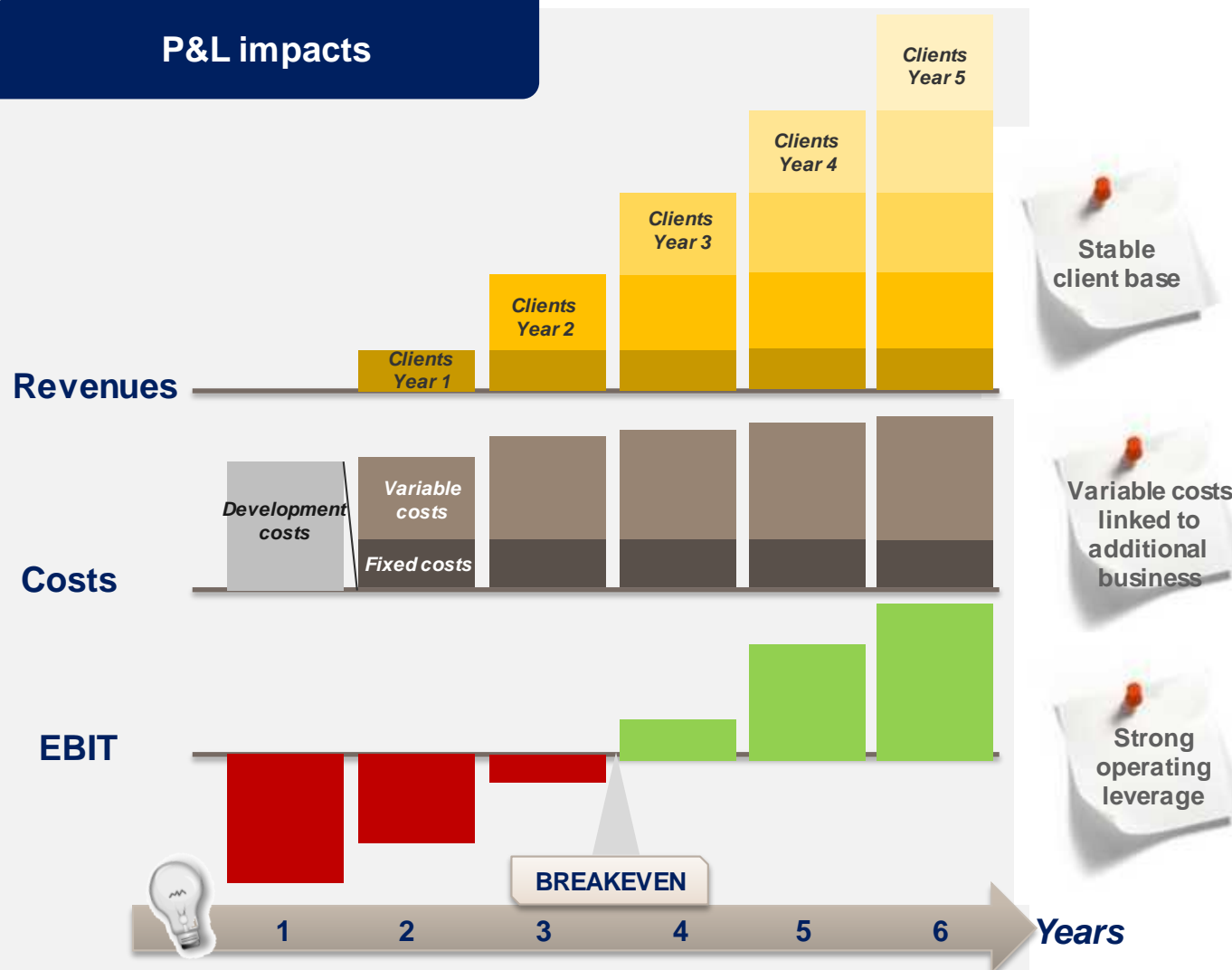
BREAKEVEN

2 to 4-year process before breakeven

Low additional investment required to launch new solutions

Creating and Deploying Solutions: Financial Impacts

P&L impacts



- **Very low attrition rates in the business**

- **Costs related to a new client:** acquisition cost + transaction cost
- **Costs related to an existing client:** transaction cost only

Extra-costs of €3m in 2011 and €4m in 2012
Strong operating leverage after breakeven

Conclusion



**Accelerate
creation and
roll-out of
solutions**



**Increase
contribution
to IV growth**



**Financial
impacts over
the medium-
term**

Leverage our leadership and expertise to expand our offer in emerging and developed countries with a specific roadmap by type of solution

Meet the target of 2 to 4% contribution to issue volume growth post 2012

New solutions: strong cash flow generation and low additional investment

Creation and roll out of solutions will be a key contributor to our organic issue volume growth of 6% to 14% over the medium-term

Financial Focus

Section 2

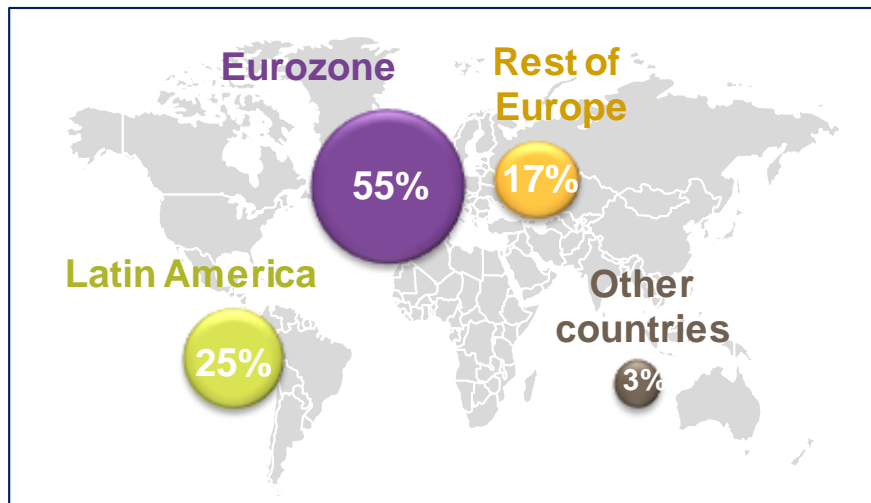
Contents

Financial Focus

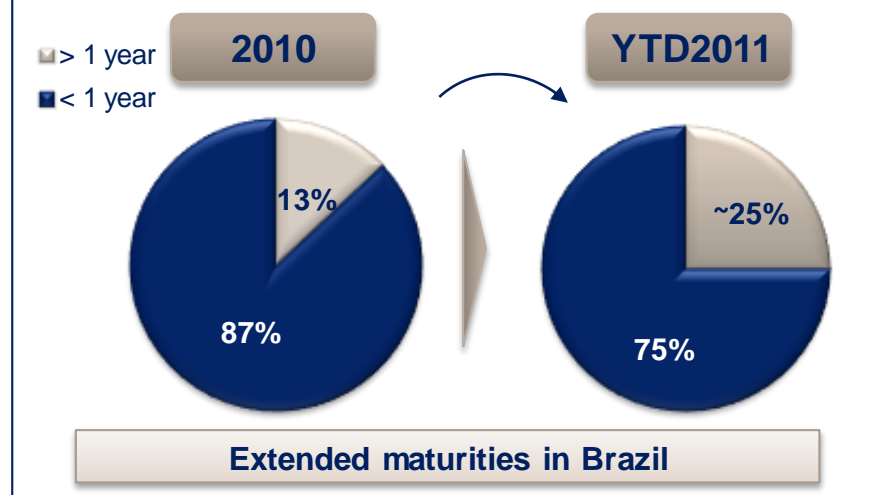
- **Float Investment Policy**
- **Sensitivity Analysis**

Float Investment Structure

By region (end-2010)



By investment horizon



Float breakdown between Latin America and Europe reflecting product mix

Holding period for food voucher and expense management float shorter than for meal and gift vouchers

Medium-term objective: 50% of float invested in long-term* instruments, depending on interest rate trends in each country

**More than one year*

Float Investment Policy

Prudent Cash Investment Policy

- **A centralized cash management policy at Group level:**
 - ✓ Strictly defined policies
 - ✓ Monthly reporting by counterparty, country, structure and internal audit controls
- **Investment vehicles:**
 - ✓ No bonds, no equities
 - ✓ Only money market instruments in local currency (bank term deposits with no risk on capital)
 - ✓ No float transfer between currencies
- **Risk management:**
 - ✓ Cash-concentrated at Group level via intercompany loans and/or multi-currency Cash-Pooling solution - in order to avoid FX risk and to invest in the highest rated institutions (very limited investment in local banks, only international banks)
 - ✓ Diversification: limited exposure by counterparty
 - ✓ Only Tier 1 counterparties: highest rated institutions in the countries we operate in

Contents

Financial Focus

- **Float Investment Policy**
- **Sensitivity Analysis**

Sensitivity Analysis – Impact on EBIT

Sensitivity of the business model to four main macro-economic indicators

Unemployment ⁽¹⁾

+/- 1%

~ €5.4m

Inflation ⁽²⁾

+/- 1%

~ €3.7m

Interest rates ⁽³⁾

+/- 50bp

EURO LATAM OTHER

€6.0m

€3.0m

€2.2m

Exchange rates ⁽⁴⁾

+/- 5%

BRL

€5.3m

VEF

€1.6m

MXN

€0.9m

€Xm

Impact on Group EBIT

- (1) Unemployment rate in our existing client portfolio
- (2) Assuming that face value grows at the same pace as inflation
- (3) Impact of 50bp increase/decrease in our average investment rate on financial revenue.
- (4) Impacts calculated on 2010 EBIT

Shift to Digital Strategy

Section 3

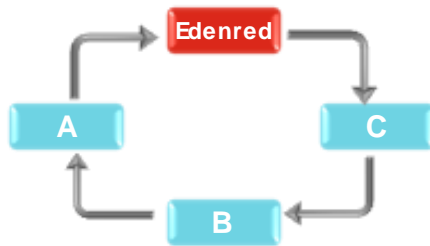
Contents

Shift to Digital Strategy

- **Introduction**
- **The Digital Value Chain**
- **Edenred Digital Strategy**
- **Country Illustration: Brazil**
- **Key Role of PrePay Solutions**
- **Financial Impacts**
- **New Growth Opportunities**

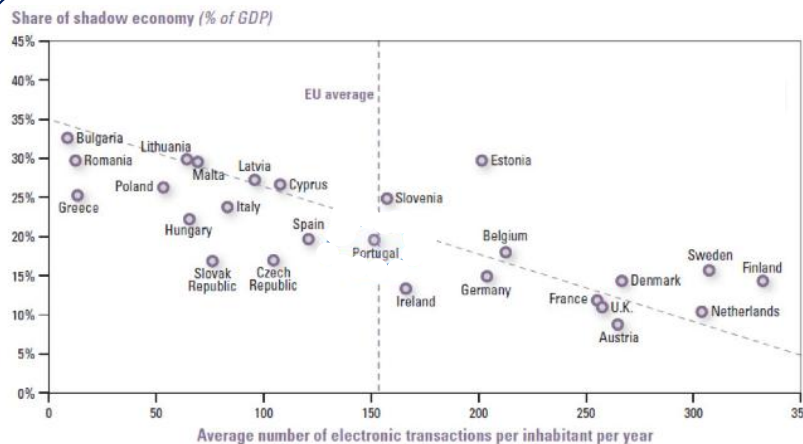
Why shifting to digital makes sense for all stakeholders

A win-win solution for all stakeholders



- ✓ **Clients:** optimized and simplified processes, cost savings
- ✓ **Beneficiaries:** convenient, fashionable solution
- ✓ **Affiliates:** simplified administrative process, value-added services, cost savings

An efficient tool for public authorities



Source: AT Kearney analysis

- ✓ Better control over fund allocation and traceability
- ✓ Clear correlation between card transactions penetration and reduction in the informal economy





Analysis of stakeholder needs led to the decision to accelerate the shift to digital at end-2010

Why shifting to digital makes sense for Edenred

Rationale for the shift to digital

-  **Market demand**
-  **First mover / Competitive advantage**
-  **New growth opportunities**

Financial impacts

-  **Issue volume growth**
-  **New sources of revenue, which offset the reduction in lost products**
-  **Reduced operating costs, leading to an operating flow-through ratio* objective of above 50% post-transition**
-  **Shorter float holding period, offset by higher volumes**

A strategic priority for the Group

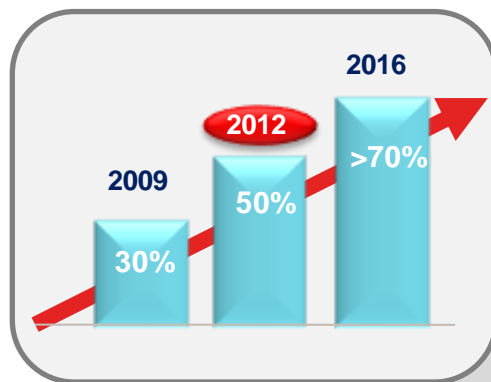
**Ratio between the like-for-like change in operating EBIT and like-for-like change in operating revenue*

Contents

Digital Strategy

- Introduction
- **The Digital Value Chain**
- Our Digital Strategy
- Country Illustration: Brazil
- Key Role of PrePay Solutions
- Financial Impacts
- New Growth Opportunities

How to Shift to Digital



A strategic move from paper to digital, implying changes in the value chain and interactions with new stakeholders

Two Main Phases

1

Program Launch Phase

2

Program Management Phase

A country-by-country process

Digital vs. Paper Value Chain: Program Launch Phase

1 Program Launch
Phase

Phase 1: Program Launch

Digital Value Chain



Paper Value Chain



Solution creation

1



Set up of processing capabilities

2



Affiliation network manager

3



Set up of POS devices

4



Set up of interfaces between POS
and processors

5



1



2



3



Set up of capabilities and network for the launch of a program (paper or digital),
implying non-recurring costs

An additional capability in the digital value chain: the set up of POS devices



POS devices: two options

Owned POS

■ Conditions for setting up our own POS:

- ✓ Need for strategic control
- ✓ Specific technical features of the solution
- ✓ Lack of equipment at the merchant POS

■ Edenred examples:

- ✓ Turkey for meal vouchers: electronic payment terminals or mobile phones
- ✓ Italy for meal vouchers
- ✓ Brazil and Mexico for Ticket Car



Use of existing POS

■ Conditions for the use of existing POS:

- ✓ No need for strategic control
- ✓ Existing infrastructure corresponds to technical solution requirements
- ✓ Sufficient merchant coverage

■ Edenred examples:

- ✓ Brazil for meal and food vouchers
- ✓ France for Ticket Clean Way
- ✓ Belgium for meal vouchers

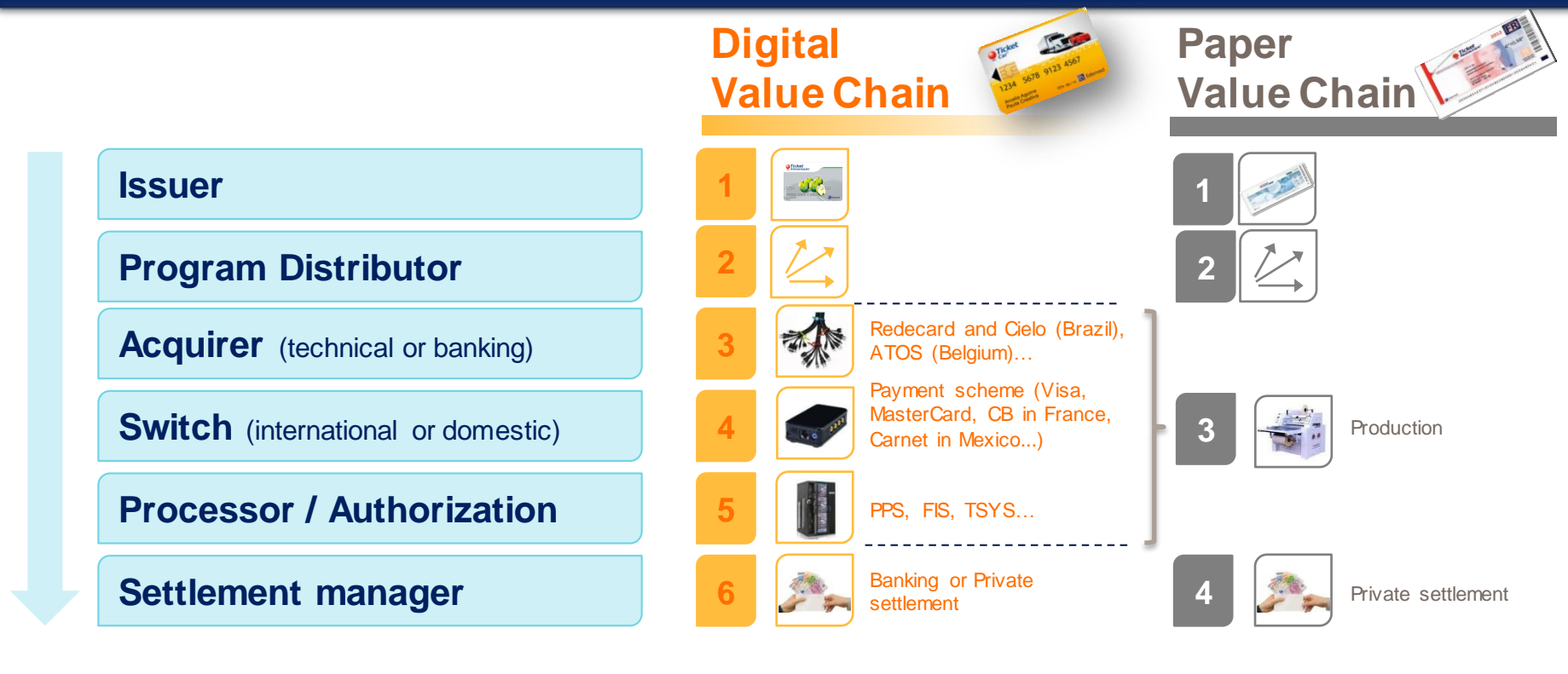


Digital vs. Paper Value Chain: Program Management Phase

2

Program
Management Phase

Phase 2: Program Management



The digital value chain is less integrated than the paper value chain

Edenred is the program manager for the full value chain (paper or digital)

New Stakeholders in the Digital Value Chain

2

Program
Management Phase

Acquirer (technical or banking)

Technical acquirer:

- ✓ Allows collection of financial and non-financial data from a transaction at POS
- ✓ Transfers the data directly to authorization platforms

Banking acquirer:

- ✓ Allows collection of financial data from a transaction at POS
- ✓ Transfers the data to switching platforms

Provider can be the same entity, but the type of service offered is different

Atos
Origin

REDECARD

cielo

Switch

(international or domestic payment schemes)

Intermediary between issuer and acquirer, which:

- ✓ Defines the rules of a transaction
- ✓ Executes transaction switch



Processor / Authorization

Technical entity which:

- ✓ Ensures the technical processing of a transaction
- ✓ Provides IT data to issuers and acquirers



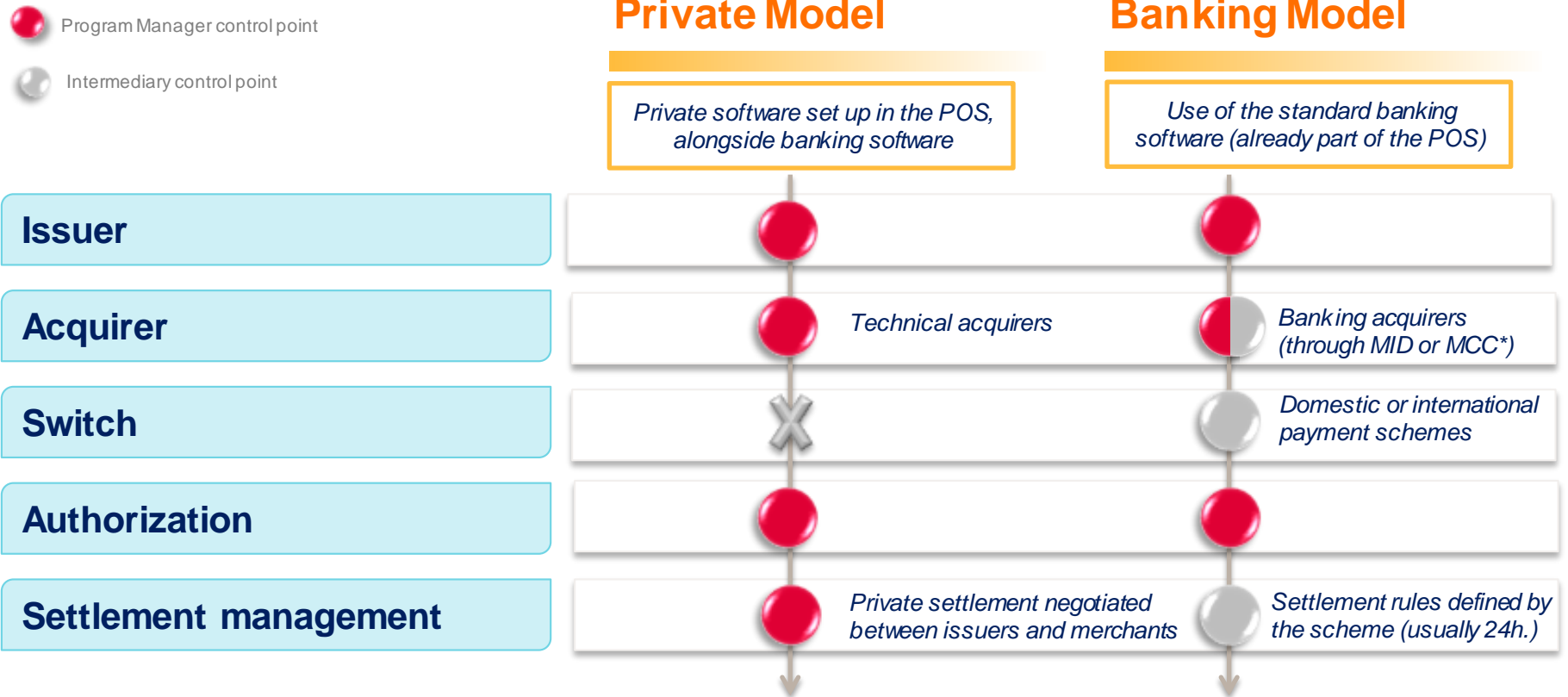
TSYS

FIS

Coexistence of Two Models within the Digital Value Chain

2

Program Management Phase



Private model: full control but higher implementation costs

Banking model: lower control but lower costs and quicker implementation

* Data acquiring is controlled by the program manager through MID (Merchant Identification Code) but not through MCC (Merchant Code Category)
MID is a code attributed to a single merchant by a payment scheme, whereas MCC is a code attributed to a category of merchants (ex: restaurants)

Focus on the Private Model

2

Program
Management Phase

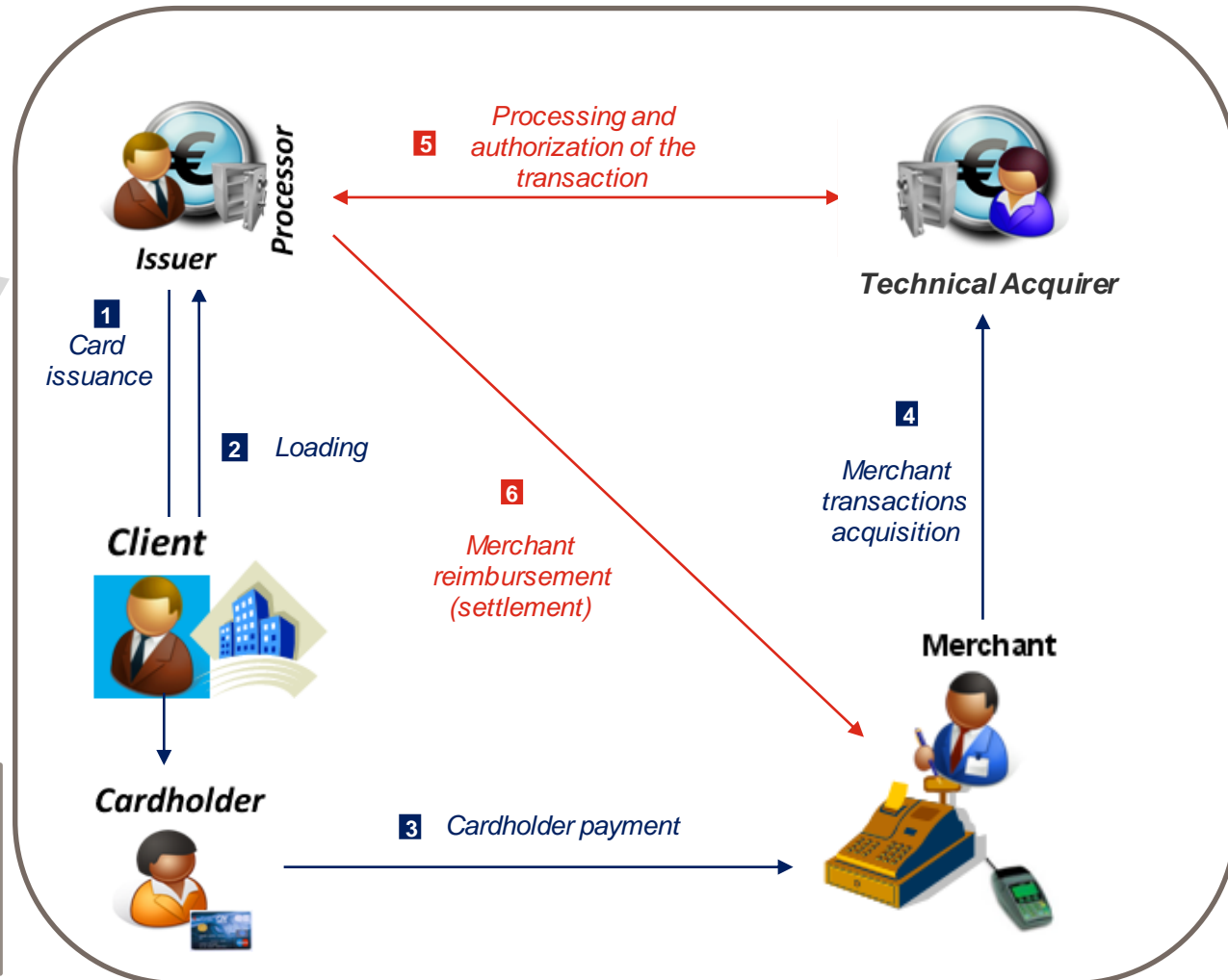
Private Model



Technical acquirers

Private settlement negotiated
between issuers and acquirers

- Same circuit as the banking model
- Different circuit compared with the banking model



Merchant fee is collected directly from merchants

Focus on the Banking Model and Payment Schemes' Role

2

Program Management Phase

Banking Model

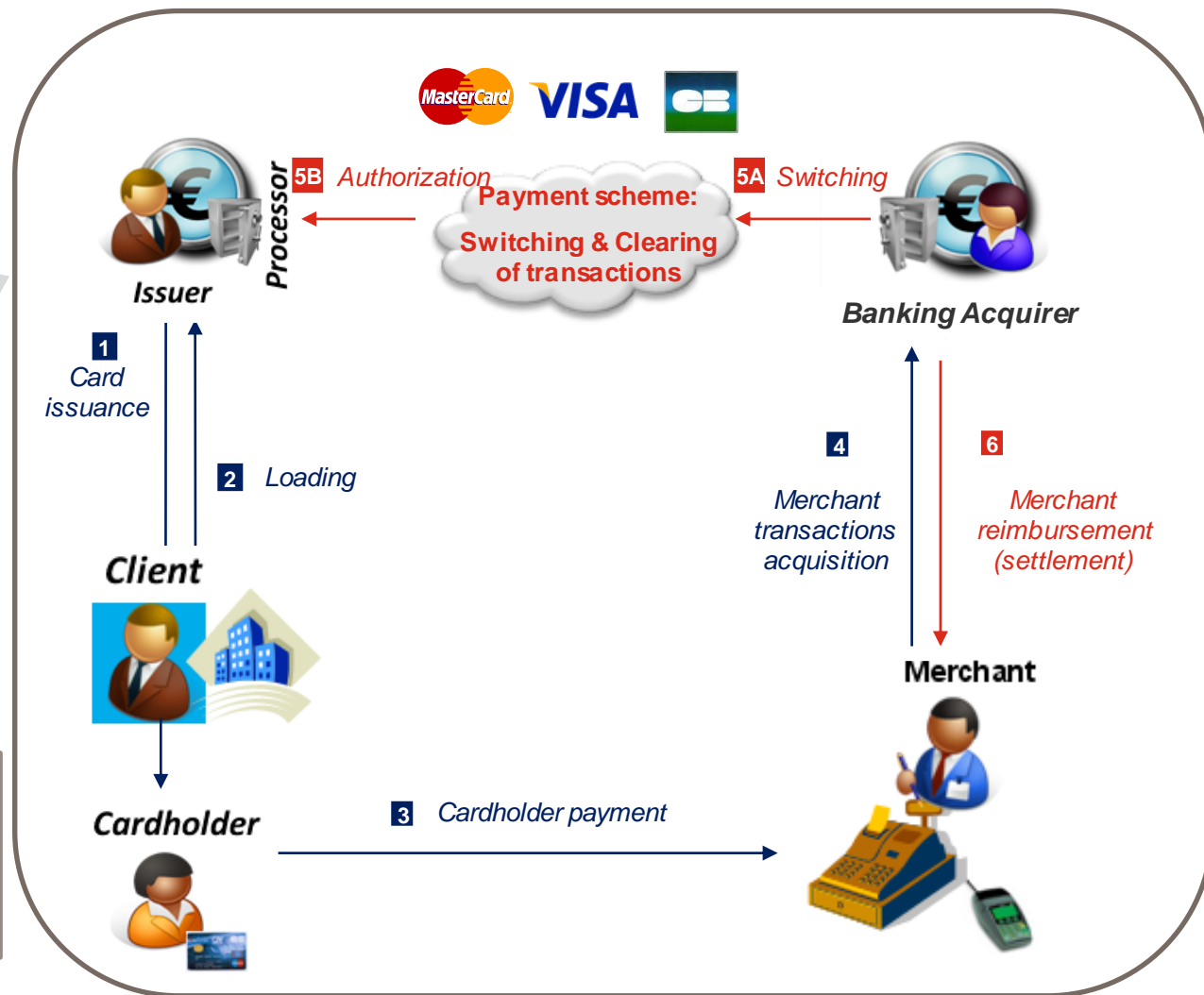


Banking acquirers

Domestic or international payment schemes

Settlement within 24 hours

- Same circuit as the private model
- Different circuit compared with the private model



Merchant fee is collected through the interchange fee, defined by payment schemes



Mobile Phone Devices

- **Mobile value chain is the same as card value chain**
- **Specific features of the mobile value chain:**
 - ✓ Different technology (mobile vs. card)
 - ✓ Mobile operators play the role of acquirers
- **Different options for mobile technology use:**
 - ✓ “Mobile to POS” transaction (beneficiary has to be equipped with an NFC mobile and merchant with an NFC POS or mobile)
 - ✓ “NFC card to mobile” transaction (beneficiary has to be equipped with an NFC card and merchant with an NFC POS or mobile)



Mobile is an alternative technology, but the digital value chain remains the same

Contents

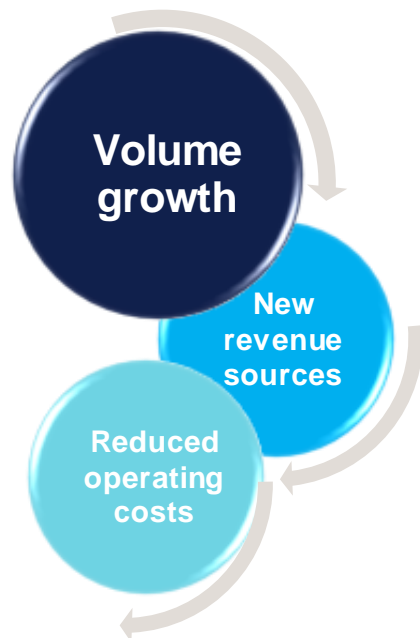
Shift to Digital Strategy

- Introduction
- The Digital Value Chain
- **Edenred Digital Strategy**
- Country Illustration: Brazil
- Key Role of PrePay Solutions
- Financial Impacts
- New Growth Opportunities

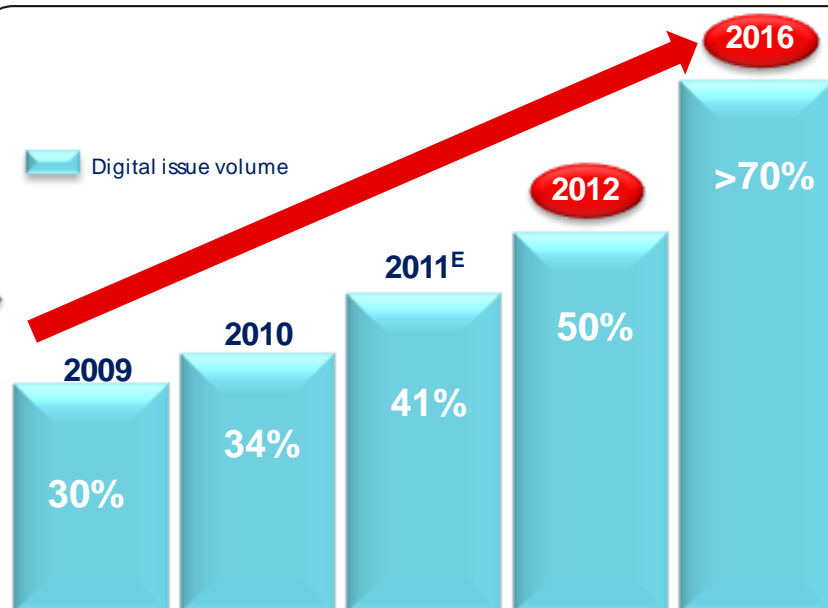


Overall Digital Strategy

Long-term positive effects for Edenred



Acceleration of the shift to digital



**Acceleration of the shift to digital since the demerger:
objective of 41% digital issue volume at year-end 2011,
50% at year-end 2012 and more than 70% post-2016**



Choice of Digital Model

Two options depending on local conditions
and program characteristics

Private Model

Choice criteria:

- High volume program
- Filtered-loop network

Edenred examples:

- ✓ Meal and Food cards in Brazil
- ✓ Meal cards in Belgium
- ✓ Meal cards in Turkey



Banking Model

Choice criteria:

- Low volume program
- Open-loop network (with filter option)

Edenred examples:

- ✓ Expendia Smart in Italy
- ✓ Solred card in Spain





Choice of Technology

A wide range of technologies in the digital universe



Technology selection criteria:

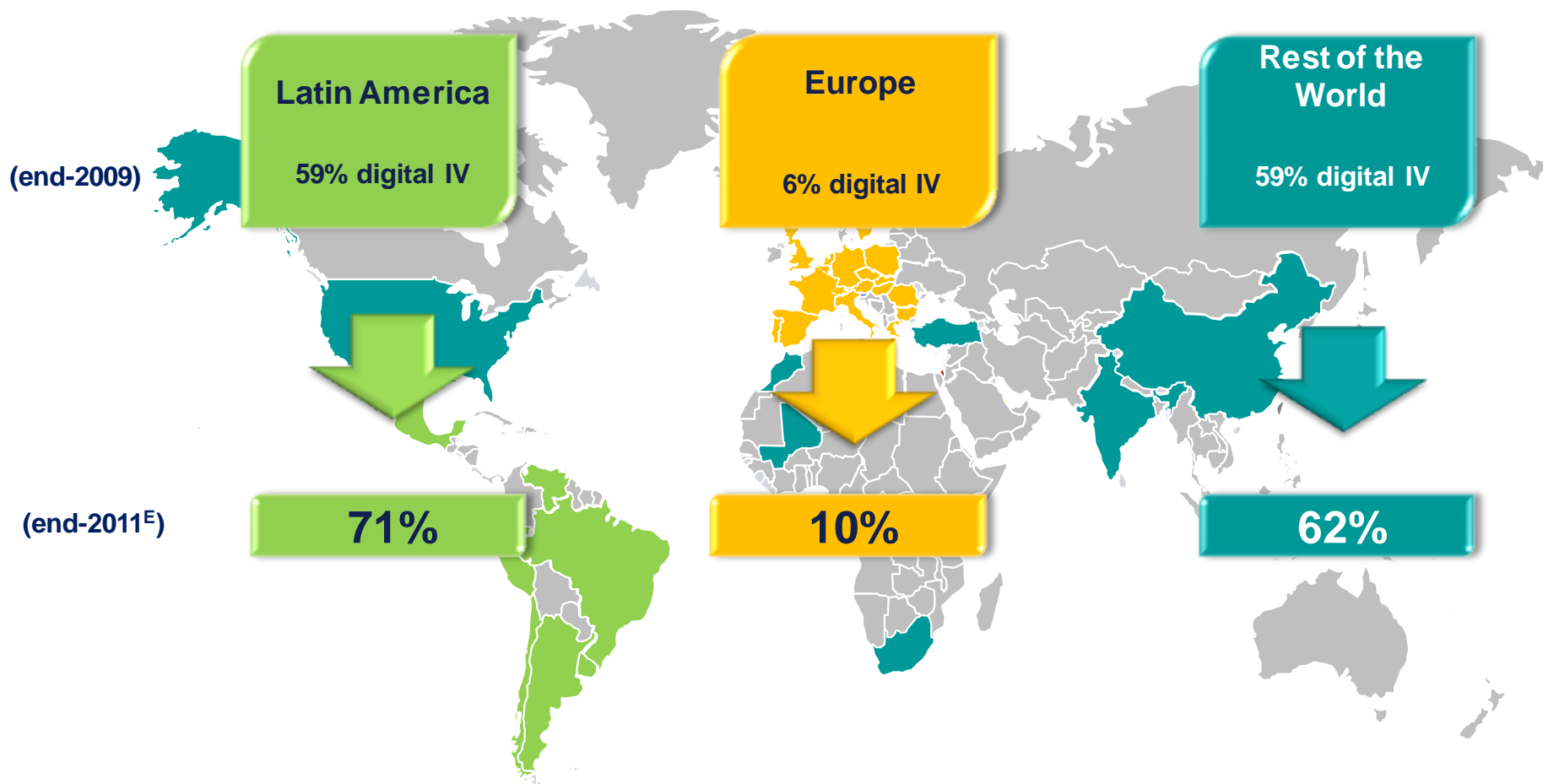
- ✓ Client demand
- ✓ Local environment (percentage of merchants and beneficiaries equipped with the technology)

Edenred operates with all types of technologies

Ex: currently 3 countries with mobile pilots

Edenred is technology agnostic

Digital Transition Map



Latin America and Rest of the World in final stage of digital roll-out

Start of digital roll-out in almost all European countries

Group's target: 50% of digital issue volume by year-end 2012

Contents

Shift to Digital Strategy

- Introduction
- The Digital Value Chain
- Edenred Digital Strategy
- Country Illustration: Brazil
- Key Role of PrePay Solutions
- Financial Impacts
- New Growth Opportunities

Reasons Behind the Shift to Digital in Brazil in the Early 2000s



Pressure from the Government to avoid misuse by the beneficiaries
(*vouchers are easier to sell*)



Pressure from supermarket operators to avoid vouchers theft
(*online card transactions are safe*)



Process optimization and cost savings in the medium term
(*economies of scale*)



Differentiation from competitors
(*"first mover"*)



Practicality for the client, user and merchant



Migration Timeline



Launch of
Ticket Alimentação (TA)
Migration Project



Launch of
Ticket Alimentação
Electronic (TAE)



Launch of
Ticket Restaurante
Electronic (TRE)



Migration to WATTS
Platform
(Worldwide Application
for Transactional Ticket
Services)

1997

1998

1999

2002

2003

2006

2007

TA Pilot
started



SGC Platform

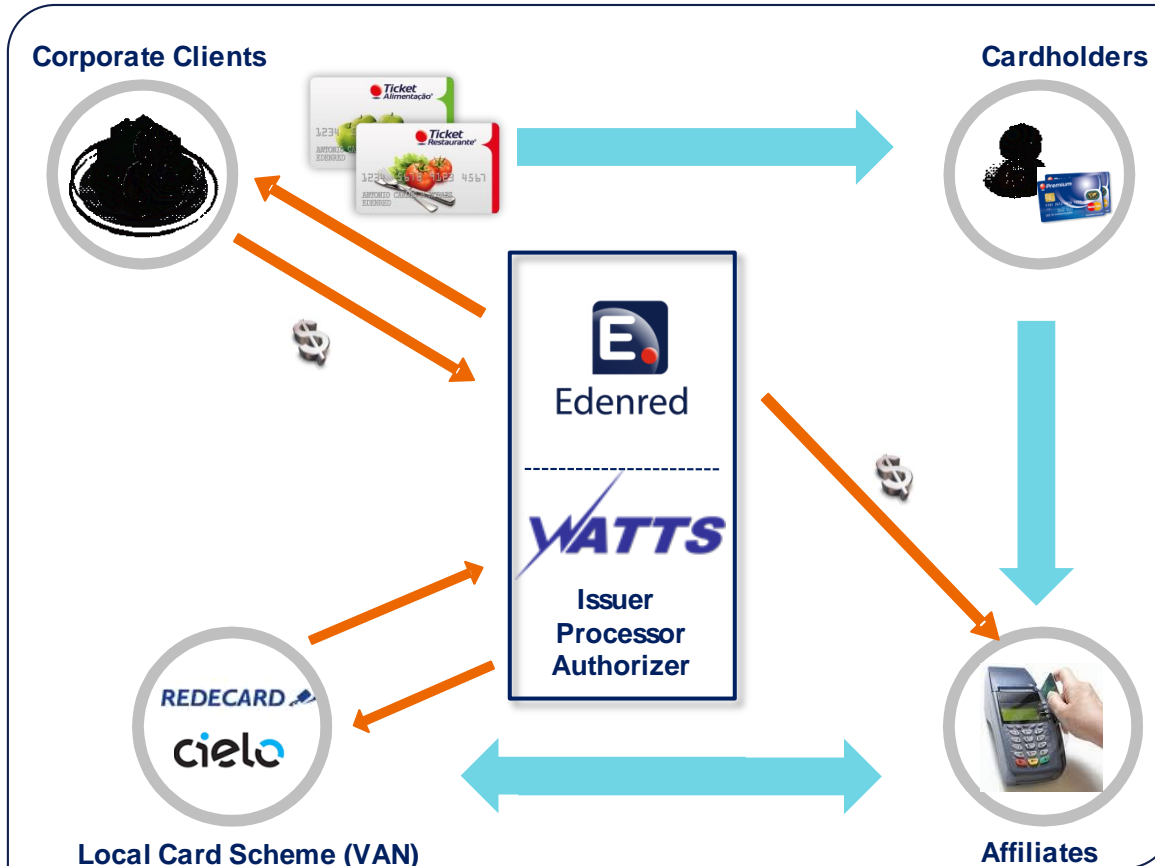
Electronic card
authorization and
processing taken in-house

The decision to start with Ticket Alimentação was due to the product's characteristics (fewer transactions) and number of merchants

Technology Shift: A New Value Chain



Card Value Chain



Edenred Private Model

- ✓ Full control of the key elements of the digital value chain by Edenred:
 - Card issuance
 - Transaction authorization
 - Clearing & Settlement
- ✓ Redecard and Cielo, two Value-Added Networks used by Edenred to gain quick access to merchants' POS



Partnership between Edenred and Value-Added Networks: a win-win solution

Edenred, a program manager bringing additional volume to Redecard & Cielo

Redecard & Cielo, two acquirers offering quick and standardized access to a large network of POS

Migration Pace by Type of Solution



 Paper issue volume (%)
 Digital issue volume (%)

2000

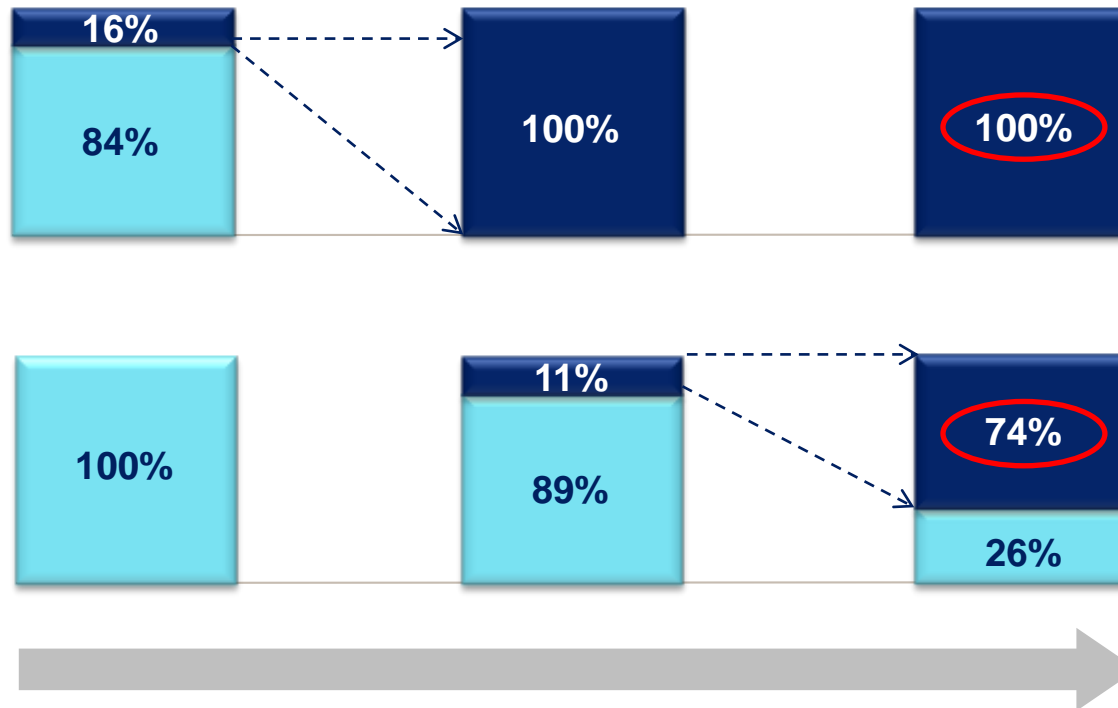
2005

2010

Ticket
Alimentação®



Ticket
Restaurante®



The Shift to Cards: Impact on Costs



Paper cost drivers

- *Printing*
- *Delivery*
- *Recycled security paper voucher*
- *Voucher cover*
- *Reimbursement*





Card cost drivers

- *Card embossing*
- *Delivery*
- *Acquiring*
- *Processing*
- *Average cost per call*
- *PIN number reissuance*

Acquiring fees: a clear competitive edge for Edenred



The only player to have partnerships with the two main local acquirers giving access to 95% of Brazilian POS

- **REDECARD** , our historical partner
- **Cielo** , a new partner (historically the exclusive acquirer of Visa Vale)

Leverage on cost structure

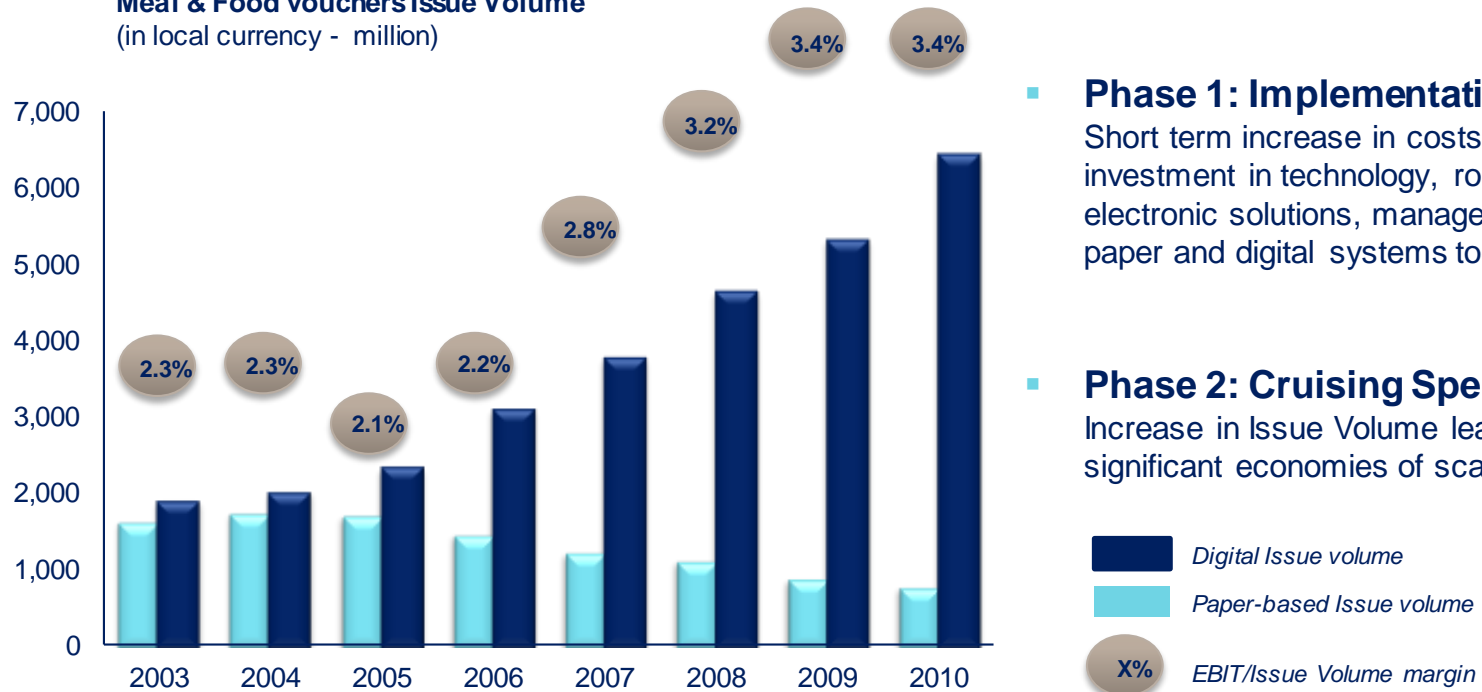
Strategic partnership with acquirers: a key element of the electronic value chain

The Shift to Cards: Impact on Margins



Food & Meal voucher margin growth

Meal & Food vouchers Issue Volume
(in local currency - million)



Short-term pressure on margins (transition period)
Significant margin improvement in the long-term

A relevant shift for all stakeholders

Affiliates

Beneficiaries

Clients

- Safety
- Convenience
- Cost savings

High level of satisfaction

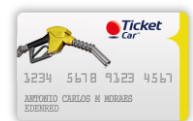
Public Authorities

- Better control of allocated funds
- Traceability

Stronger relevance of the legal framework



After initial development stage with renewed processes and technologies, positive economic outcome for Edenred



Brazil is a pioneer and a benchmark case for paper to card migration

Contents

Shift to Digital Strategy

- Introduction
- The Digital Value Chain
- Edenred Digital Strategy
- Country Illustration: Brazil
- Key Role of PrePay Solutions
- Financial Impacts
- New Growth Opportunities



UK pioneer in prepaid



**leading the sector for the last 10
years**



with continued innovation



**delivering successful prepaid
programs throughout Europe**



PPS in the Digital Value Chain

Digital Value Chain



Issuer



Program Distributor

Acquirer (technical or banking)

Switch (international or domestic)

Processor / Authorization



Settlement manager

- ▶ PPS is an e-money institution passported into the European Economic Area
- ▶ PPS is a MasterCard member with a European licence

PPS provides complete processing and authorization services on its certified platform

Other support services provided by PPS



Program
Design Support

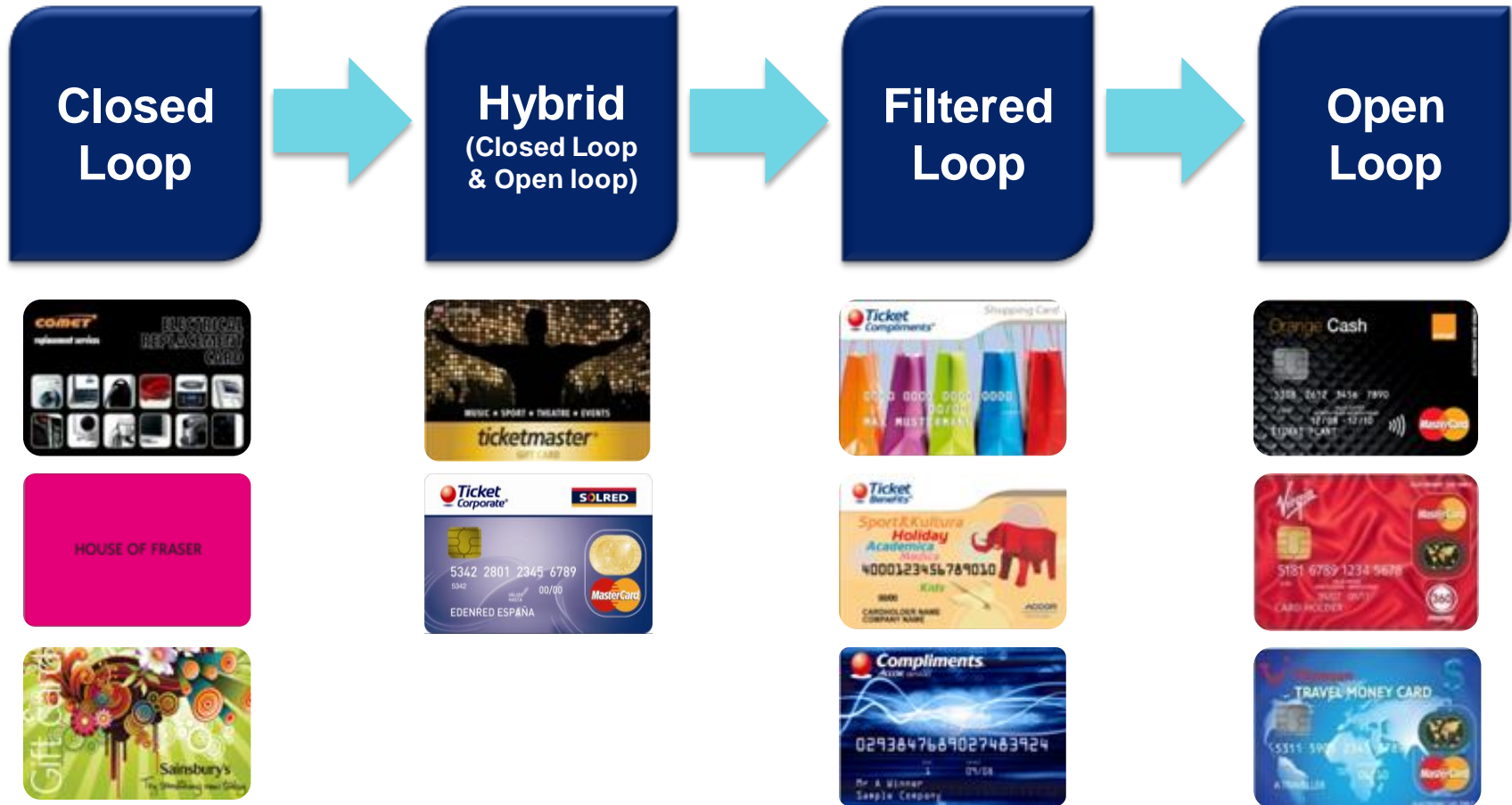
Compliance
Support

Risk
Management

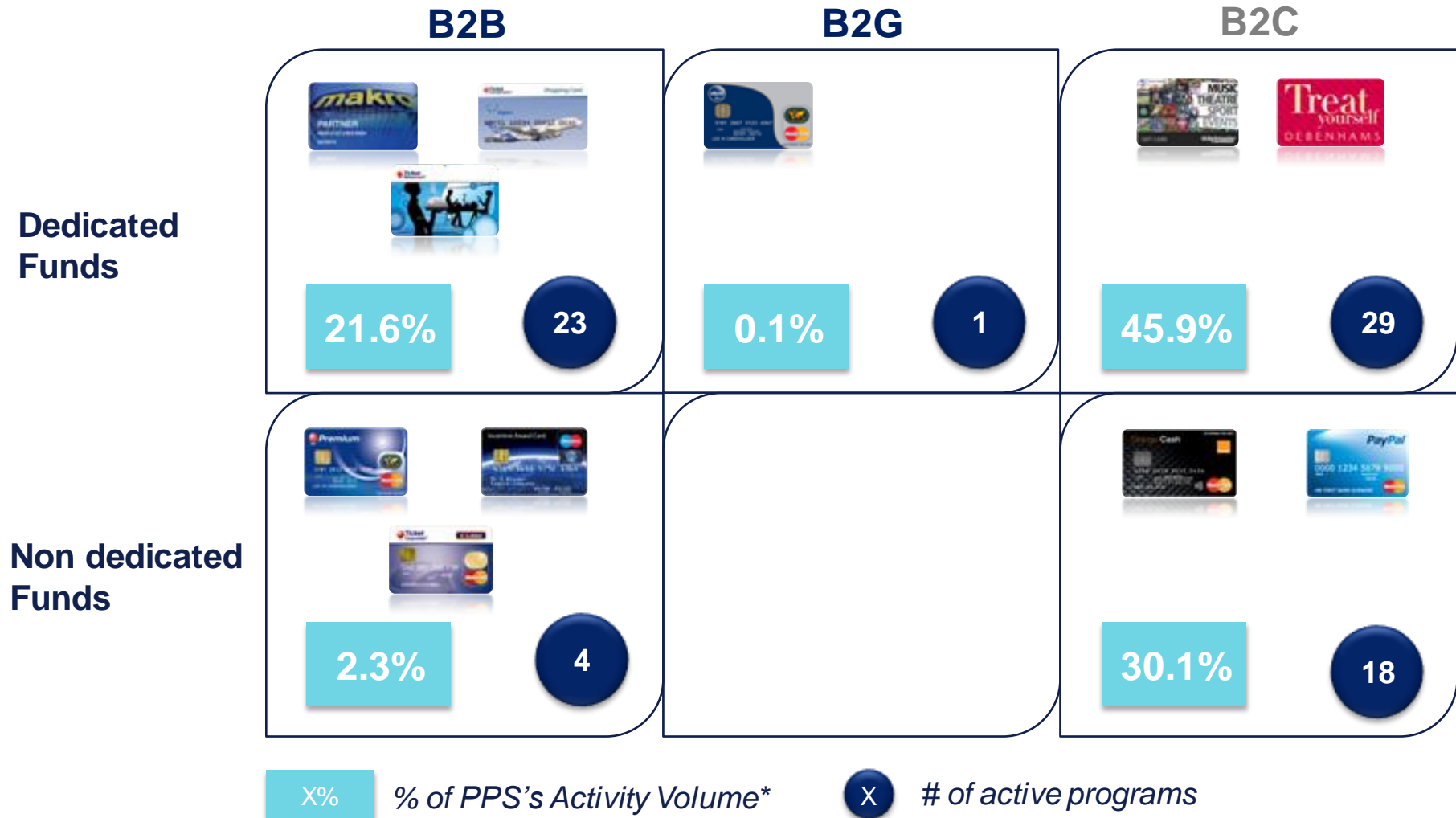
Call Centre
Support

Supply
Chain
Management

PPS is 100% Focused on Prepaid

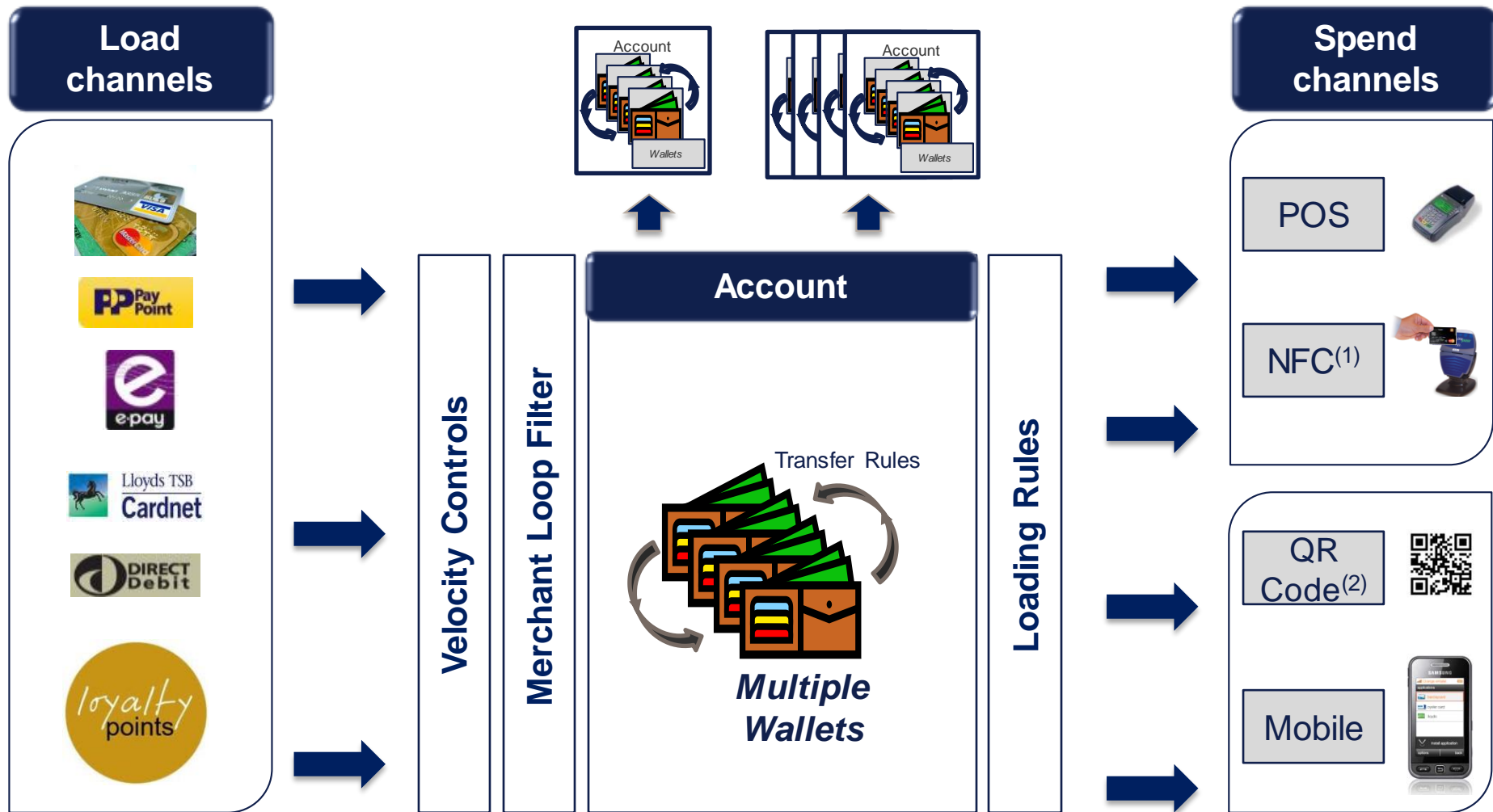


PPS's Positioning in the Prepaid Market



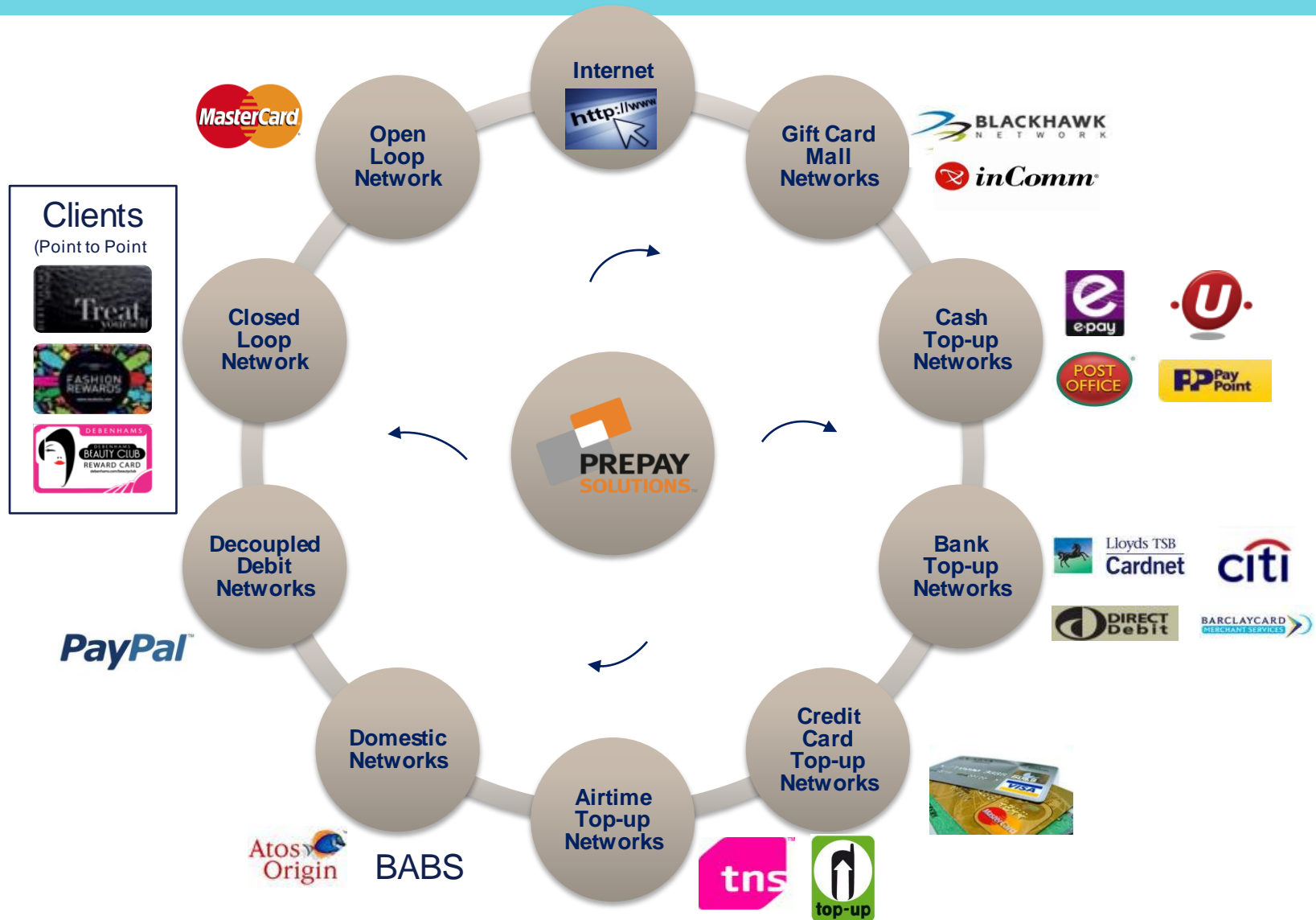
PPS is active in all identified segments

A Flexible Platform Around Smart Wallets



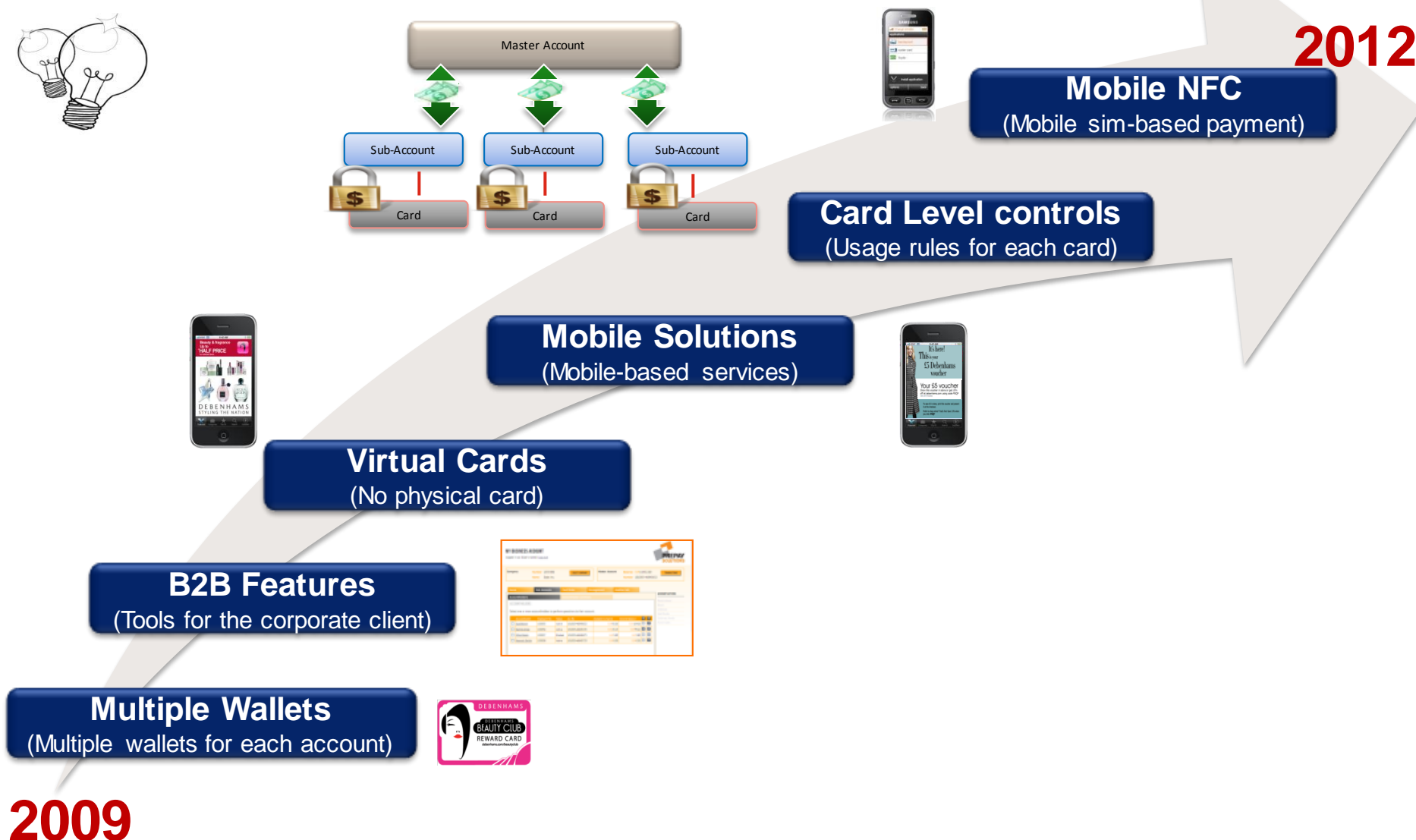
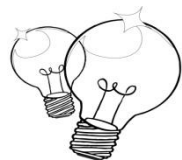
**PPS's account and wallet management system
is at the core of the platform's flexibility**

An Integrated Platform (45+ Integrations)



PPS's architecture allows for direct connection to all types of transactional stakeholders

PPS's Innovation Stream





Case 1: Paypal Access Card



PayPal

[Home](#) [Business](#) [Safety Advice](#) [Where Can I Shop?](#) [Help](#)

[Homepage](#) [Why PayPal?](#) [Using PayPal](#) [Managing your account](#) [Send Money](#)

[PayPal home](#) » [Using PayPal](#) » PayPal Access Card

PAYPAL ACCESS CARD

[Card Overview](#) [How it works](#) [FAQs](#)

[ACTIVATE](#) [ACCOUNT MANAGER](#)

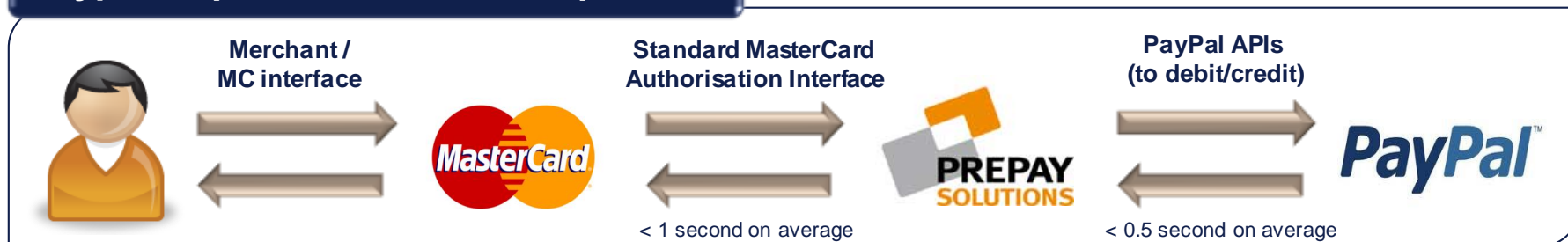
NOW YOU CAN GET INSTANT ACCESS TO YOUR PAYPAL BALANCE

The PayPal Access Prepaid MasterCard® is like a debit card for your PayPal account. You can withdraw cash or shop anywhere MasterCard is accepted, online or on the high street, using the money in your PayPal account - no more bank transfers. You can also make instant Tap & Go™ payments with PayPass™.

The PayPal Access Card is currently being offered exclusively to customers who have been invited to apply.

Fees may apply. Please see [terms and conditions](#) and [FAQs](#).

Paypal's special authorisation process



Very strong and unique integration



Case 2: Orange Cash Card (1/2)

Orange Cash

load, shop, get rewarded

Orange Cash, the prepaid MasterCard® you can load with cash and use online or in shops.

[apply now ▶](#)

Orange Cash ELECTRONIC USE ONLY

5308 3102 1234 5678

VALID DATES MONTH/YEAR MONTH/YEAR 02/11 - 02/13

J. SMITH

MasterCard



*everything
everywhere™*

T-Mobile



Case 2: Orange Cash Card (2/2)

Load

Credit Card
Debit Card



Lloyds TSB | Cardnet

Direct Credit
Standing Order



Cash Top-up



Loyalty Points
Redemption



MicroPayments

Top-ups



Spend

Virtual



NFC



Card



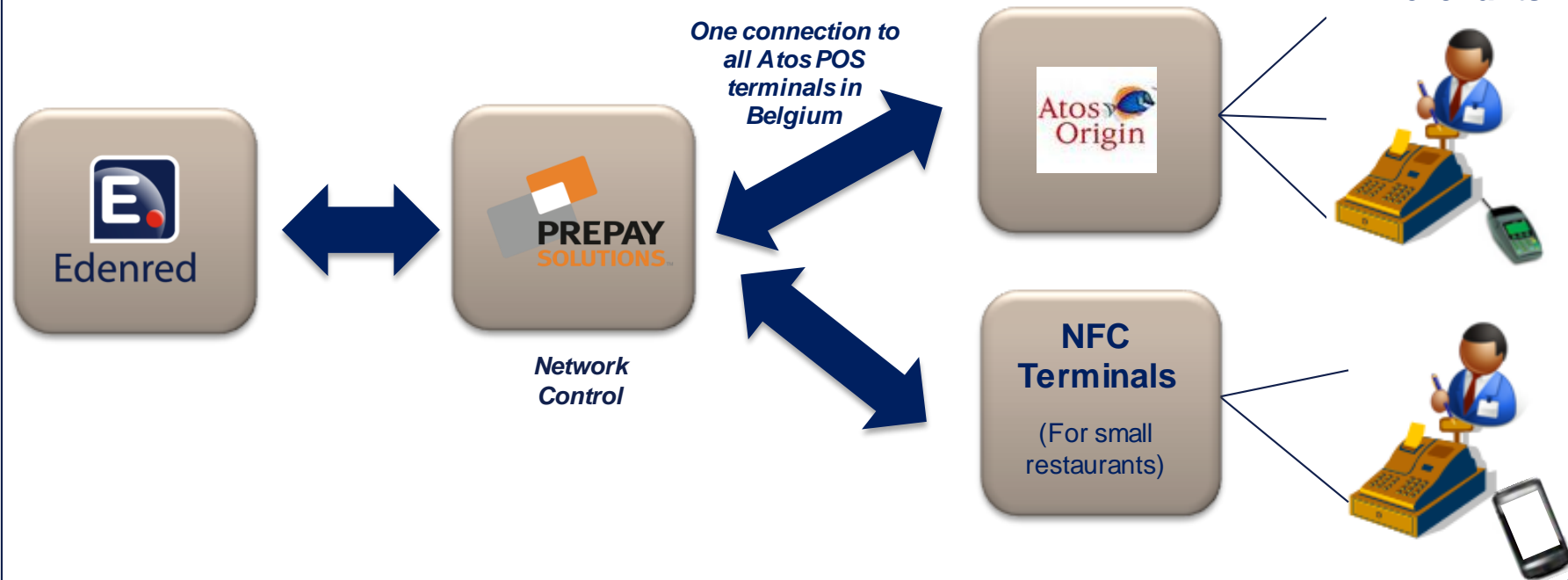
Redemption &
Withdrawal



Using PPS key functionalities

Case 3: Meal Card - Edenred Belgium

Meal Card system in Belgium



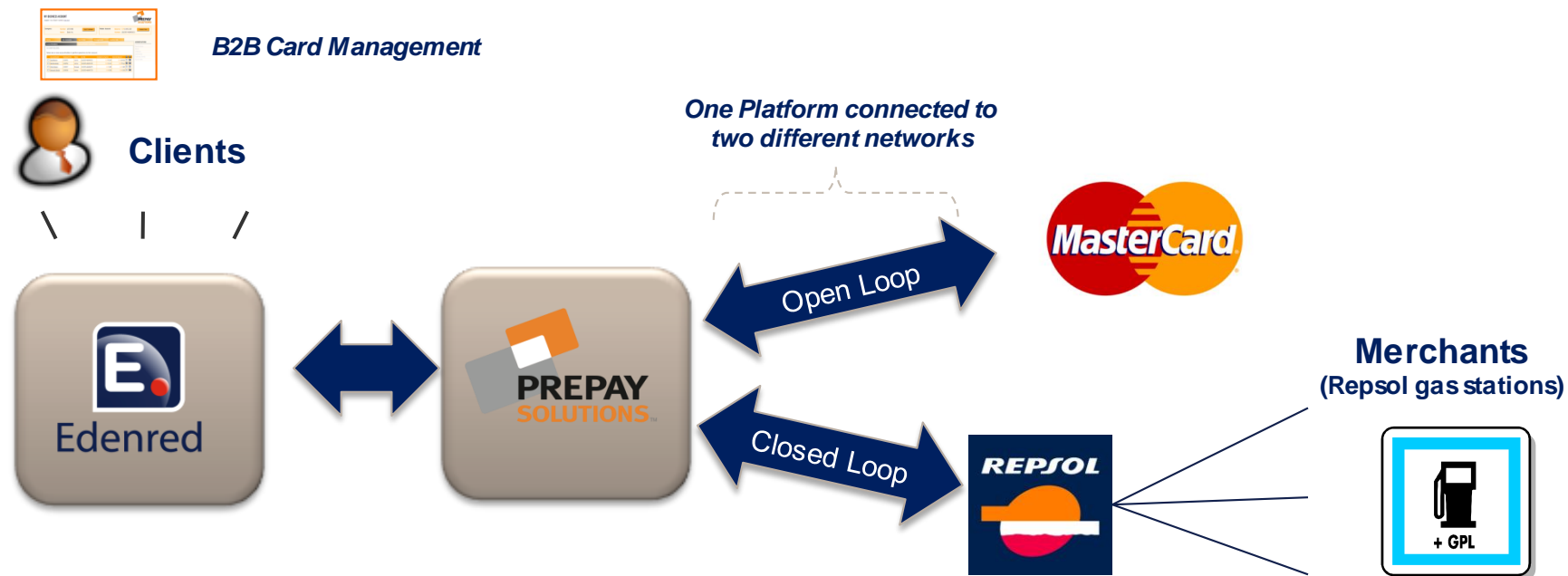
Key elements of the project

- ✓ Development and certification for Belgium Transaction protocol
- ✓ Integration with the new Edenred card Back Office
- ✓ Specific developpement for local legal requirements



Case 4: Expense Card - Edenred Spain

Expense Card system in Spain



Key elements of the project

- ✓ Real-time card level controls
- ✓ Integration with Solred Network
- ✓ B to B integration with My Business Account



My Business Account Illustration

MY BUSINESS ACCOUNT

logged in as: [User's name] | [Change Password](#) | [Log out](#)



Company Number 1535486
Name Sales Inc.

[SELECT COMPANY](#)

Master Account Balance EUR1,500.00
Number 101005-46845632

[TRANSACTIONS](#)

[Home](#)

[Sub Accounts](#)

[Card Order](#)

[Profiles](#)





[Another tab](#)

[Accountholders](#)

[Accountholder summary](#)

ACCOUNTHOLDERS

Select one or more accountholders to perform operations to their account.

Accountholder	Employee No	Status	Acc No	Available to Spend	Cleared Balance		
<input type="checkbox"/> Sue Brown	0035	Active	101005-46845632	EUR50.00	EUR50.00		
<input type="checkbox"/> Daniel Jones			101005-46845135	EUR25.00	EUR25.00		
<input type="checkbox"/> Mike Morgan			101005-46848475	EUR25.00	EUR25.00		
<input type="checkbox"/> Hannah Smith			101005-46845733	EUR0.00	EUR0.00		

Address
78 the avenue
Royal Mews
Hampton Court Palace
KT5 4ER
UK

Home phone: 01234 567890

Mobile phone: 07890 123456

Date of Birth: 18/12/1955

[Click to view full details](#)

ACCOUNT ACTIONS

[Add funds](#)

[Subtract funds](#)

[Funding profiles](#)

[Spend profiles](#)

[Block](#)

[Unblock](#)

My Business Account Illustration

Categories ☒ On ☐ Off

Allow or block any of the following categories:

☒ Allow ☐ Block

Categories	
Cash	<input type="checkbox"/>
Fuel	<input type="checkbox"/>
Car Hire	<input type="checkbox"/>
Taxi	<input type="checkbox"/>
Air travel	<input type="checkbox"/>
Other travel	<input type="checkbox"/>
Hotels	<input type="checkbox"/>
Restaurant	<input checked="" type="checkbox"/>
Food - Other	<input checked="" type="checkbox"/>
Laundry	<input type="checkbox"/>
Misc.	<input type="checkbox"/>

Velocity ☒ On ☐ Off

Cycle

Daily
Daily
Weekly
Monthly
Yearly

 Amount GBP

60 00

Time ☒ On ☐ Off

Day	Rule	Start Time	End Time
Monday	<input checked="" type="radio"/> Allowed period <input type="radio"/> Blocked	00:00 <input type="button" value="v"/>	23:59 <input type="button" value="v"/>
Tuesday	<input checked="" type="radio"/> Allowed period <input type="radio"/> Blocked	00:00 <input type="button" value="v"/>	23:59 <input type="button" value="v"/>
Wednesday	<input checked="" type="radio"/> Allowed period <input type="radio"/> Blocked	00:00 <input type="button" value="v"/>	23:59 <input type="button" value="v"/>
Thursday	<input checked="" type="radio"/> Allowed period <input type="radio"/> Blocked	00:00 <input type="button" value="v"/>	23:59 <input type="button" value="v"/>
Friday	<input checked="" type="radio"/> Allowed period <input type="radio"/> Blocked	00:00 <input type="button" value="v"/>	23:59 <input type="button" value="v"/>
Saturday	<input type="radio"/> Allowed period <input checked="" type="radio"/> Blocked	00:00 <input type="button" value="v"/>	23:59 <input type="button" value="v"/>
Sunday	<input type="radio"/> Allowed period <input checked="" type="radio"/> Blocked	00:00 <input type="button" value="v"/>	23:59 <input type="button" value="v"/>

My Business Account Illustration

MY BUSINESS ACCOUNT

logged in as: [User's name] | [Change Password](#) | [Log out](#)



Company
Number 1535486
Name Sales Inc.

Master Account
Balance EUR1,500.00
Number 101005-46845632

Home

Sub Accounts

Card Order

Profiles

Another tab

Accountholders

Accountholder summary

ACCOUNTHOLDER SUMMARY

Name Sue Brown
Employee No. 100035
Funding profiles:
Spend profiles:

Account No. 102062-54682431
Account Status Active
Cleared Balance EUR50.00
Available to Spend EUR50.00

**Weekly Load
€50**

ACCOUNT ACTIONS

Transaction history
Add funds
Subtract funds
Funding profiles
Spend profiles

CARD ACTIONS

Lost, stolen, damaged
Block
Unblock
Activate

CARDS

Cardholder	Status	Pan No	Serial Number	Expiry Date
 Mrs Sue Brown	Active	5785*****9004	1000003541	04/2012

PPS, Enabler of Edenred's Digital Strategy



Product

- ✓ Short time-to-market by leveraging capabilities to quickly adapt Edenred's offer to clients' needs through a dedicated team at PPS working on Edenred programs
- ✓ Full integration with Edenred's Back Office

Roll-out

- ✓ Short time-to-market to roll out new countries based on previous program experience

Cost

- ✓ Low internal implementation costs
- ✓ Global economies of scale

Innovation / Benchmark

- ✓ Leveraging latest technical innovations
- ✓ Permanent market trends benchmark

With PPS, Edenred can concentrate on product innovation and distribution

Conclusion



**A dynamic business that supports Edenred in its
digital strategy and gives it an edge in prepaid
innovation**

Contents

Shift to Digital Strategy

- Introduction
- The Digital Value Chain
- Edenred Digital Strategy
- Country Illustration: Brazil
- Key Role of PrePay Solutions
- Financial Impacts
- New Growth Opportunities

Short and long-term financial impacts of the digital transition

Short-term

- 1 No major investment linked to the shift to digital solutions
(authorization and settlement platforms already deployed)
- 2 Extra costs during the speed up phase (2011/2012): €10m to €15m per year

Operating flow-through ratio⁽¹⁾ around 30% in 2011/2012, reflecting continued increase in operating margin despite extra costs during migration to digital

Long-term

- 1 Stable take-up rate⁽²⁾
- 2 5% to 10% cost reduction
- 3 Shorter float holding periods offset by higher volumes

Objective of operating flow-through ratio⁽¹⁾ above 50% post 2012

(1) Ratio between the like-for-like change in operating EBIT and like-for-like change in operating revenue

(2) Take-up rate: ratio of operating revenue to issue volume



Speed-up phase (2011/2012)

Project launch costs (non-recurring)

- ✓ Market survey
- ✓ Digital ecosystem study
- ✓ Analysis of the regulations
- ✓ Functionalities definition



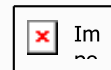
Start-up costs (non-recurring)

- ✓ Creation of acquiring and processing solutions
- ✓ Middle-office adaptation or creation
- ✓ Installation of applications on POS
- ✓ Affiliation of merchants, and training in the use of the applications (specific sales force)



Ongoing paper solution costs

- ✓ Issuance and reimbursement costs
- ✓ Logistics costs



New recurring costs (digital)

- ✓ Cost of beneficiary support hotlines
- ✓ Data acquiring and processing



2 Extra costs during the speed-up phase (2/2)



One-off extra costs during the digital speed-up phase (2011/2012):
€10-15m per year

Brazilian Experience



Creation of new sources of revenue

- | | | |
|----------|---|--------------------------|
| CLIENT | ✓ | Card issuance fee |
| | ✓ | Card reissuance fee |
| | ✓ | Merchant affiliation fee |
| MERCHANT | ✓ | Merchant annuity |
| | ✓ | Bank transfer fee |
| | ✓ | Quick reimbursement fee |

Reduction in Lost & Expired products

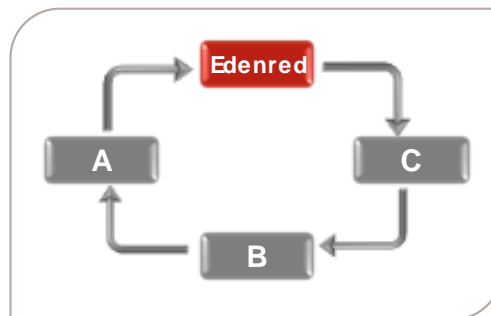
- No significant change in expired products
- Reduction in lost products

Invent 2016

New sources of revenue to be developed

- ✓ Couponing and loyalty services for affiliates and/or beneficiaries
- ✓ Consumption statistics to drive more and better targeted beneficiaries to affiliates

Leverage our network relationships and the knowledge of end-users' habits

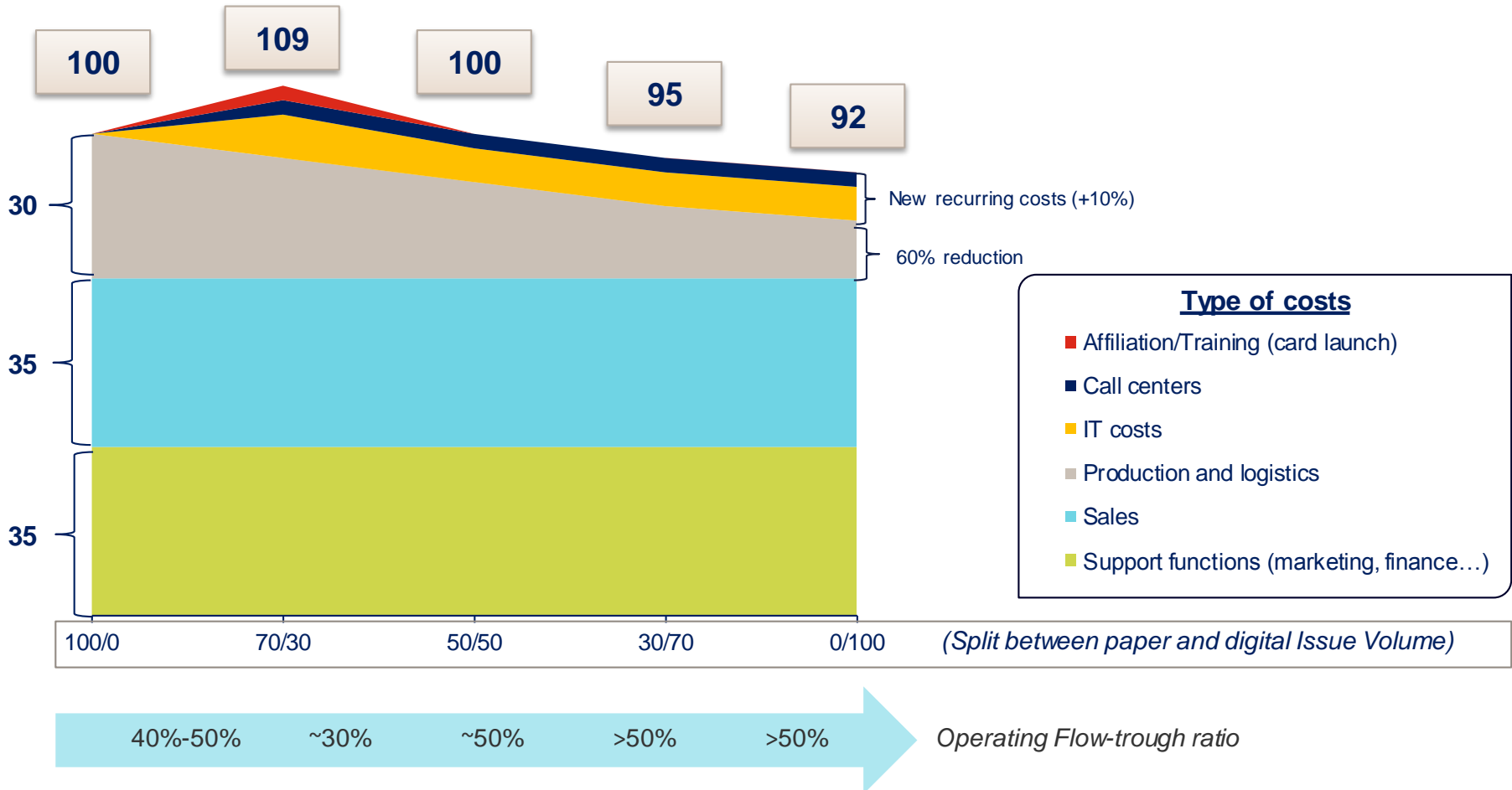


Post digital transition, stable take-up rate rate ⁽¹⁾

(1) Take-up rate: ratio of operating revenue to issue volume

2 Post-transition Cost Reduction

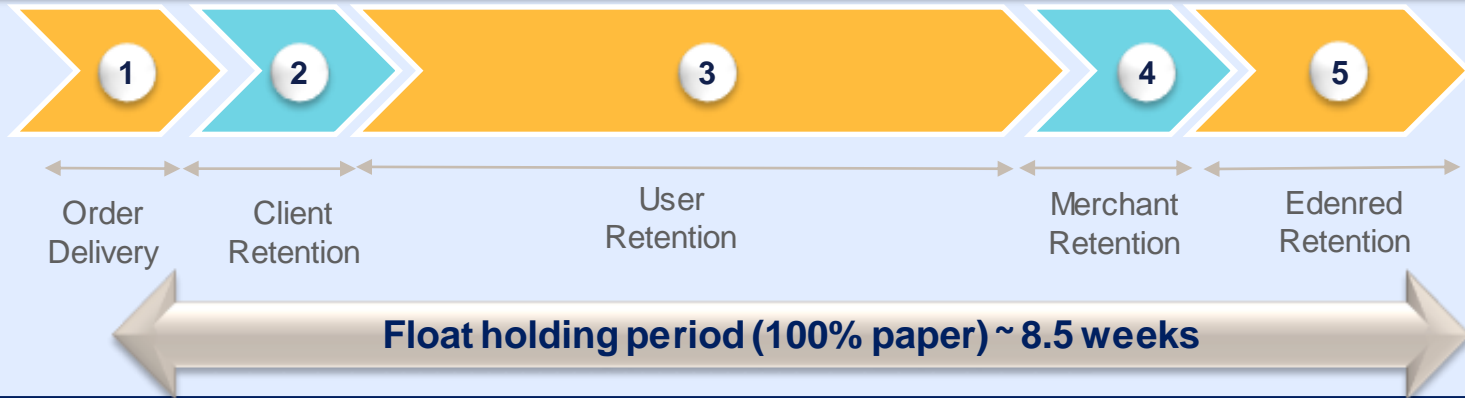
Cost trend at constant volume - Illustration (Base 100)



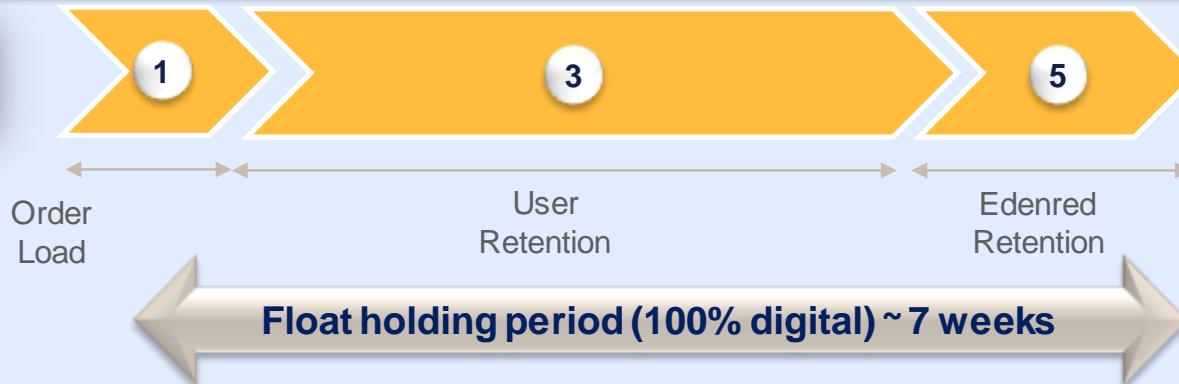
**5% to 10% cost reduction post digital transition,
depending on volume generated by the solution**

3 Float Holding Period Reduction

Paper Cycle



Card Cycle



Holding period reduction at two stages of the cycle:
client delivery stage and merchant retention stage

Contents

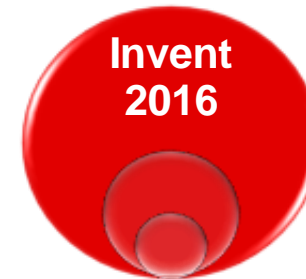
Shift to Digital Strategy

- Introduction
- The Digital Value Chain
- Edenred Digital Strategy
- Country Illustration: Brazil
- Key Role of PrePay Solutions
- Financial Impacts
- New Growth Opportunities

Digital Transition: Opening New Horizons

Since the 1960's

2012



**A well-known, but
restricted territory**



**Large territories offering
opportunities for innovation
and differentiation**

*New markets
New Customers
New needs*

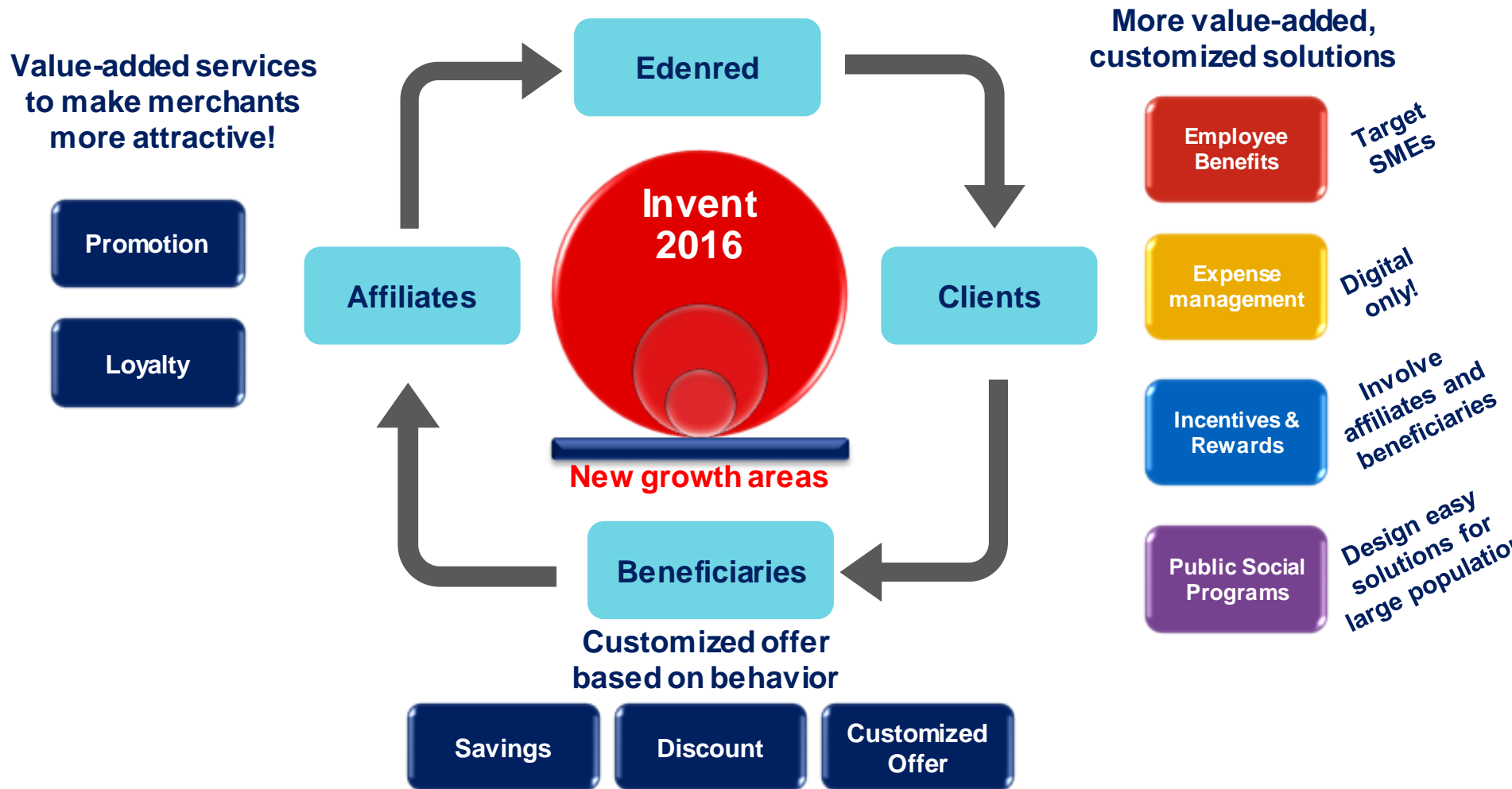
*New solutions
New competition
Web2.0 community...*

From Paper...

Digital Transition...

To Electronic

Digital will help Edenred to *Invent 2016*



Leverage relationships with all our stakeholders to invent new growth markets
Sustainably accelerating growth

Contents

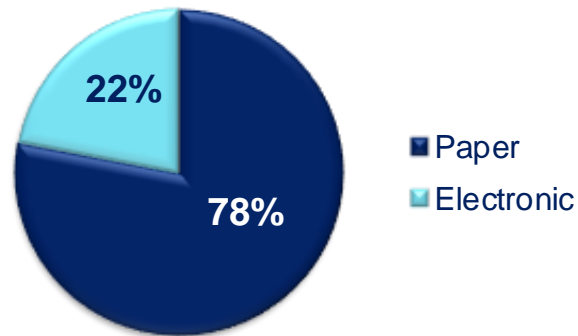
Shift to Digital Strategy

- Introduction
- The Digital Value Chain
- Edenred Digital Strategy
- Country Illustration: Brazil
- Key Role of PrePay Solutions
- Financial Impacts
- New Growth Opportunities
UK illustration

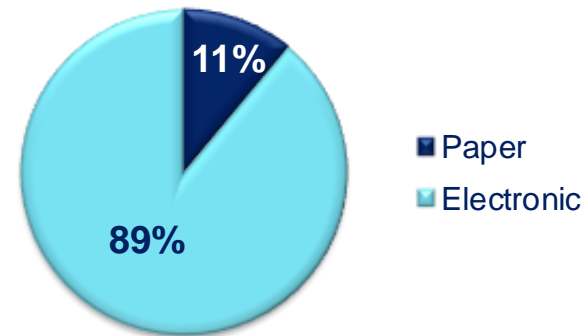
UK Context: Technology Shift



Technology used in 2004



Technology used in 2011



Almost exclusively B2B sales

We knew less than 5% of the employees of our clients

Mainly B2B2E or C sales

With web platforms, we can now interact with 100% of some of our clients' employees



Situation

Business > Inflation

Household spending falls as inflation hits three-year high

Report reveals spending dropped 5% in 2008-9, as data shows 5.2% rise in prices driven by energy, food and transport

- ▶ Only major companies had access to Employee savings platforms due to high costs and time consuming implementation

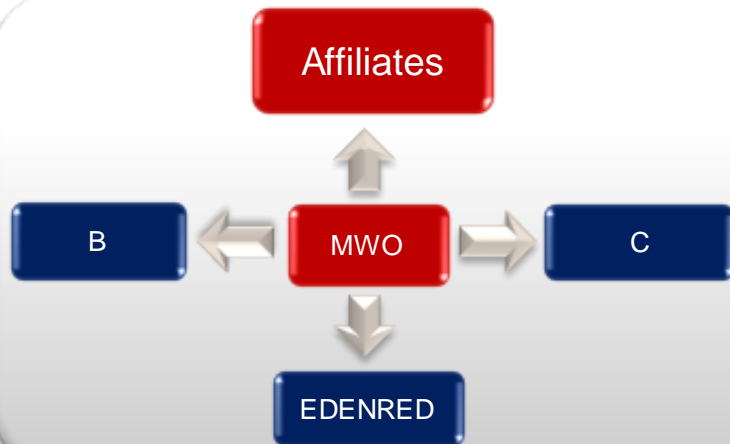
Proposition



- ▶ Provide employers with online platform for employees to save money on day-to-day shopping
- ▶ Increase purchasing power and employee engagement
- ▶ Simplify implementation process, develop packaged and personalised offer

Our solution :

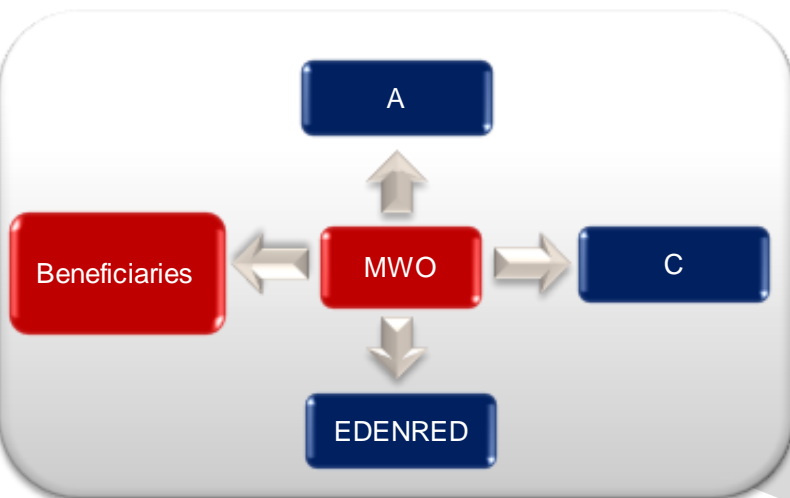
- Capitalize on existing base and develop **A**ffiliates network through data driven communication channels.
- Develop direct contact with **B**eneficiaries
- Differentiate offer from competitors for the benefit of our **C**lients



INCREASE BUSINESS VOLUME

- Product promotion, vouchers/cards
- New end users sales
- Visibility/brand awareness
- Exclusive entry in B2B channels

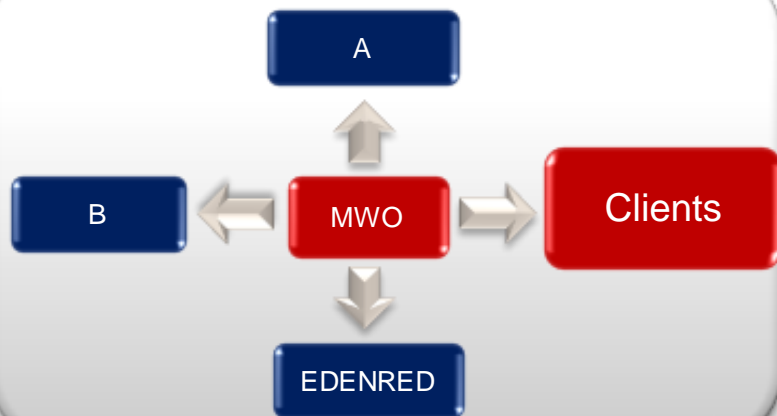




HELP FACE ECONOMIC CLIMATE

- Exclusive savings on 450+ retailers
- Travel clubs, discounted holidays
- Cash back: > 1,400 offers
- Ease of use: reloadable cards, SMS vouchers
- Single sign on, seamless process

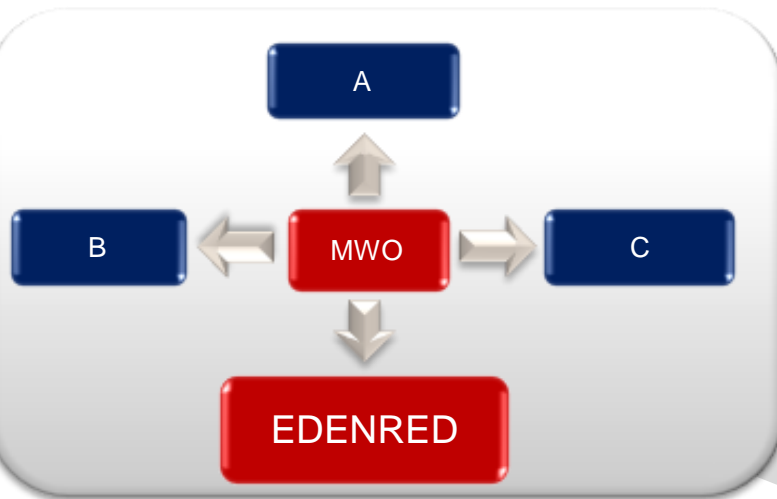




OFFER VALUE TO WORKFORCE



- Increase motivation and engagement
- Increase purchasing power
- Easy/fast platform customisation
- Comprehensive communication plan (e-mails, posters, leaflets)



INCREASE TRANSACTION VOLUME

- Offering differentiator
- Address SMEs with new solution
- Increase network fees, awareness
- E-mail database, beneficiary profiling
- Online SSV/C sales commissions
- Up and cross selling





Platform customisation

✓ 20 minutes to set up



Ongoing e-mail campaigns

✓ Customised to fit with overall client objectives



Communication with beneficiaries to increase engagement

✓ Maximise client R.O.I

Example – Offers



- Clothing and fashion
- Electrical products
- Food and drink
- Holidays and travel
- Supermarkets
- And many more

– up to 20%



– up to 17%



– up to 10%



– up to 10%



– up to 5%



Example – Branding



MWO Landing Page



Welcome Peter Saville | Today: 25 October 2011 | Admin | My Details | Feedback | Sign Out

Welcome | My Work Offers

Home | Search for offers | enter a retailer name e.g. Apple or product type e.g. TV | Search | Favourites | Card and Voucher Cart | 0 items - £0.00

Browse Categories | Latest Offers | Savings Calculator | Offers near you | Cashback | Vouchers and Cards

Featured offers

Recommended Offers

Favourite Offers

Your Favourite Offers

Here are your current favourite retailers. We use these to source better offers so remember you can add to these at any time by clicking on 'Add to Favourites' on your favourite retailers.

superbreak | Apple Store | Sainsbury's | raileasy | B&Q | HOMEBASE

Click here to see the full list

New Offers

redcandy | fabriah.com | OZZMOHEAVEN.COM

13% Off ALL Orders | 10% Discount on All Hair Products | 10% Off Memory Cards, cables and phone accessories

Offers expiring soon

Free membership until 01/01/2011 | Extra 10% off all prices in store & online | Fright Night

Most popular offers

- 1 Apple Store - Up to 17% off
- 2 The Gourmet Society - Over 50% discount of...
- 3 Superbreak - Hotel Discounts
- 4 DVD.co.uk - Great Choices, Better Prices

Top vouchers & cards

- 1 Sainsburys - Save 4%
- 2 ASDA - Save 4%
- 3 Marks & Spencer - Save 5.5%
- 4 Next - Save 4%

Your Account

In the past 12 months, you've saved at least:

£68.55

How is this calculated?

View your cashback statement

Personalise your offers

Calculate your savings

Top offers near you

Show offers near:

Home | Work | Another Location

- 1 Marks & Spencer - Save 5.5% 0.9 miles
- 2 Mothercare - Save 6.5% 1.6 miles
- 3 Sainsburys - Save 4% 3.8 miles

More offers near you

Last viewed offers

Hamper.com: 10% Off All Hampers

Salon Evolution: 80% Off Hair & Beauty Treatments

THATCABLE: 5% Off all products and free delivery

Comet SMS Vouchers: Save 8.5%

PC World: Save 8.5%

See more

Any logo can be placed here

Profile-led offers

Example – Communication



Communication support for client



0843 453 4406

Existing users login here ►

Communicating the savings

Once you've signed up to MyWorkOffers, you'll want to tell your employees the good news.

That's why we've made it as easy as possible for you to ensure all your employees know about the wide range of offers and discounts available so they can take full advantage of them.

You'll find opposite a selection of eye catching communications including promotional posters for you to print and attach to notice boards and a leaflet which you can print locally or forward to employees by email.

Help them to start saving

The important bit to remember when communicating to your employees is your company registration Key – employees will need this when they visit www.myworkoffers.co.uk/login for the first time so they can access and start browsing the site. The registration Key is unique to your company and will be in your Welcome to MyWorkOffers email.

Keeping your employees updated

We will provide you with regular communications that'll focus on popular categories and some of the latest offers. You can forward them directly to employees or cascade down via managers or team meetings.

Employees will also have the option to receive these updates directly from the MyWorkOffers team if they opt in to receive regular communications which they can do when they log in, under the My Details section.

Leaflet

(Click to download)



Posters

(Click to download)



Stay ahead.

TERMS OF USE

 Edenred



investor Day

London, November 2011

Example – Communication



Beneficiary email example

Having problems viewing this email? [Click here for a web version](#)



Top Prizes:

- 1st - £1,500 Travel voucher from Virgin Media
- 2nd - £1,000 B&Q Gift Card
- 3rd - Halfords Apollo Mountain Bike

Runners Up Prizes:

- 1 x £250 ASDA Gift Card | 1 x £250 New Look Gift Card
- 2 x £250 Capital Bonds | 2 x £250 B&Q Gift Cards
- 5 x £100 M&S Gift Cards | 4 x £50 New Look Vouchers
- 10 x cases of wine* from Laithwaites *value of £80

ASDA



Capital Bonds

YOUR M&S

Laithwaites
FROM THE WINEBAR TO YOUR DOOR

If you haven't already entered, visit the site for your chance to WIN!
Prize draw closes 31st October 2011.

Editor's Pick

JAEGER

SAVE 15%

on high quality fashion from now until the end of November

Just Added

See™

SAVE ON DISCOUNTED THEATRE TICKETS

from See More Theatre this autumn.

Most Popular

Apple Store

SAVE UP TO 17%

at Apple on iPads, Software, iPods, iMacs and more!

Edenred Travel



Winter weekend Getaways

Two nights with dinner on first night from only £60 pp

BOOK TODAY!
Call 08434 530 030

Top vouchers & cards

- 1 Sainsbury's - SAVE 4%
- 2 ASDA- SAVE 4%
- 3 Morrisons - SAVE 4%
- 4 House of Fraser - SAVE 8.5%
- 5 Argos - SAVE 7%

Halloween Offer

Fancy Dress Outfitters 12-18
SAVE 10%



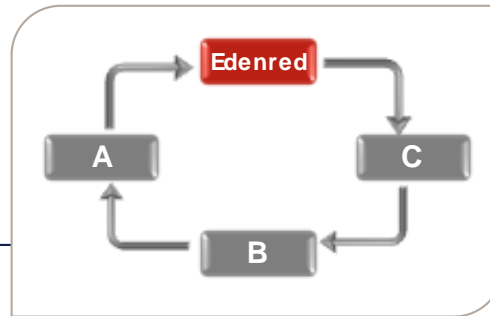
Visit www.myworkoffers.co.uk/login or call 0800 019 66 66 today to take advantage of these great offers and much more!

Please note that all offers, prices, and codes are subject to change or withdrawal at any time



Investor Day

London, November 2011

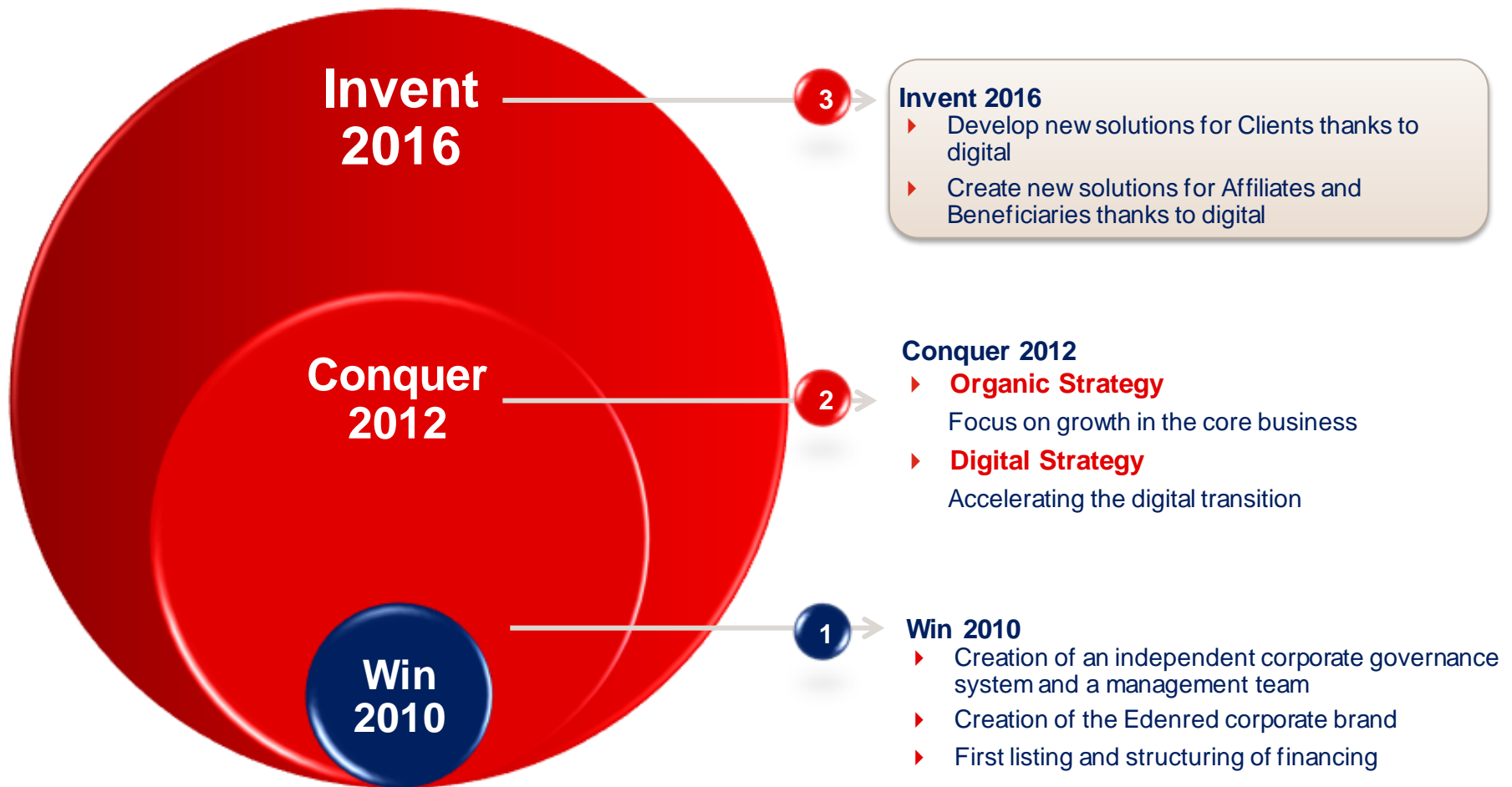


- ✓ Fast and easy to implement
- ✓ Use of digital technology allows us to address **ABC** strategy
- ✓ Edenred helps **ABC** save/make money: win-win relationships
- ✓ Brings Edenred's diverse businesses under one roof

Conclusion

Section 4

Conclusion



**Long-term strategic vision with medium-term objectives,
in order to maintain current growth momentum beyond 2016**