

shareholders'

newsletter

JUNE 2011



“ A year ago, on June 29, 2010, Edenred was created by the demerger from Accor, with the ambitious vision of developing unique expertise in managing dedicated funds. In this way, your company, with its global presence and 6,000 employees, has built an unmatched position as the world leader in prepaid services. That’s why I’d like to share our first birthday with you, by reviewing some of the highlights of this past year. ”

Jacques Stern,
Chairman and Chief Executive Officer

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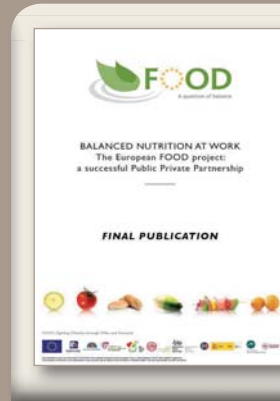
4 families of solutions

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A strategy benefiting all our stakeholders

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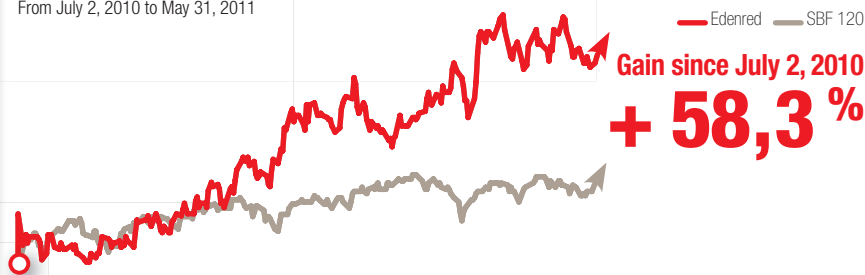


Corporate social responsibility

▶ Continued on page 5

Edenred stock performance since the IPO

From July 2, 2010 to May 31, 2011



▶ Share price at May 31, 2011: € 20.58

Shareholder Calendar



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Our unique and effective business model



Our **initial public offering on July 2, 2010** enabled many of you to share in our success. Indeed, the stock was a gainer right out of the gate, opening at €13 on that first day of trading and closing at €14.80. Since then, the share price has continued to reflect your confidence, with an almost 60% increase, compared with less than a 22% rise in the SFB 120 benchmark index since July 2, 2010.

In 2010, Edenred also laid the groundwork for a new long-term growth strategy, organized in three phases – “Win 2010,” “Conquer 2012” and “Invent 2016.”

Financial results for the year confirmed our initial success, by demonstrating the effectiveness of our unique business model and its ability to generate cash flow. Over the year, issue volume, our key indicator, rose by 10.0% like-for-like, i.e. excluding changes in exchange rates and scope of consolidation.

This performance is consistent with our mid-term organic growth target of 6% to 14% a year. It is also in line with our “Conquer 2012” commitment, which focuses on growth in issue volume, while driving a faster shift to paperless solutions so as to increase long-term growth potential.

Last May 13, our first **Annual Shareholders Meeting** offered me the opportunity to present this new strategy and our first detailed review of the year. At the Meeting, you approved the payment of a dividend of €0.50 per share, representing the payout of nearly 70% of recurring profit after tax.

I would like to thank you for your confidence and to forge with you the essential link that for the past 50 years has united us with all our stakeholders. We believe that our business model, built on an unifying, motivating corporate mission, will continue to deliver outstanding results in the years ahead.

Jacques Stern
Chairman and Chief Executive Officer



OUR FIRST ANNUAL SHAREHOLDERS MEETING

Edenred's first Annual Shareholders Meeting was attended by more than 200 people. All of the resolutions were adopted, including a dividend of €0.50 per share, representing nearly 70% of recurring profit after tax and payable in cash as from May 31, 2011. Questions primarily concerned the digital transition, the performance of products by country and our programs to support balanced nutrition.

2010 WON: RESULTS IN LINE WITH OBJECTIVES

The following financial highlights offer a compelling image of Edenred's health.

● €13.9 billion in issue volume

Issue volume (voucher face value times the number of vouchers issued) is a key financial performance indicator, because it drives both our earnings and growth in our cash flow. In 2010, it increased by 10% like-for-like.

● €965 million in total revenue

Total revenue includes operating revenue (so-called because it comes from our business operations) and financial revenue (€80 million) generated by the interest earned on our invested cash. It increased by 3.9% like-for-like.

● 55% of issue volume

was generated in **emerging markets**, enabling us to capitalize on the fast growth in their economies, particularly in Latin America.

● €328 million in earnings before interest and tax (EBIT)

EBIT rose by 2.8% like-for-like over the year.

● €213 million in funds from operations before non-recurring items (FFO)

Funds from operations is the indicator that measures the generation of cash flow.

1ST QUARTER 2011: TOTAL REVENUE INCREASE

First-quarter 2011 performance reflected robust operating trends, with a 7.2% like-for-like increase in total revenue for the period, and renewed growth in financial revenue with the upturn in interest rates.

4 families of solutions

The world leader in prepaid corporate services through our employee benefits offering, Edenred is the only listed company entirely focused on this business. We are committed to strengthening our leadership by extending our solutions to the incentive, expense management markets, as well as to the management of government social benefits programs.

MAKING LIFE EASIER FOR EMPLOYEES

The inventor of the Ticket Restaurant® meal voucher, Edenred offers a wide range of innovative solutions to companies that want to make their employees' lives easier in a number of areas, including food, transportation, healthcare, training and human services.

> Edenred innovation



A new free **iPhone application** finds the nearest Ticket Restaurant® affiliate among the 164,000 restaurants, take-out eateries and bakeries across France. What's more, it offers an extensive selection of special deals and discounts at affiliates or Web-based partners.



Ticket EcoChèque® was created in 2009 in Belgium, at the request of the government, to support the purchase of environmentally friendly products. It enables companies to promote responsible purchasing practices by encouraging their employees to buy eco-products from affiliated merchants. The Ticket EcoChèque® program now has 500,000 beneficiaries and 3,000 affiliates.

OPTIMIZING EXPENSE MANAGEMENT

Edenred is enhancing its corporate offering to enable companies to transparently and cost-effectively manage business expenses incurred by their employees, in such areas as fleet management, travel and workwear cleaning.

> Edenred innovation



In Italy, the **ExpensiaSmart® card** addresses the issue of employees having to pay for their business travel expenses up-front and being reimbursed afterwards. It combines the advantages of electronic payments and centralized expense control, a system that benefits both companies and their employees.

In Spain, the **Ticket Corporate®** prepaid card has been developed in collaboration with Solred, a Repsol Group subsidiary, to facilitate the integrated management of our customers' daily business expenses. Accepted in certain service stations, it also allows employees to pay for hotel accommodations and restaurant meals.



MOTIVATING AND REWARDING PERFORMANCE

Edenred is developing personalized solutions dedicated to companies looking for simple, efficient ways to incentivize employees and teams, improve sales force performance and nurture more loyal customer relationships.

> Edenred innovation

In Taiwan, Edenred patented the **SIM-Trek** solution to help mobile phone vendors to track retail sales of their handsets. Residing on the SIM card, the intelligent agent card serves as a POS terminal that their sales representatives or local distributors can use to capture transaction details when a handset is sold. In this way, the companies can track sell-out data in real-time and respond with promotional campaigns when needed. LG deployed the solution in India in June 2010, while in Taiwan, 4,000 cards are already in use.



SUPPORTING THE MANAGEMENT OF SOCIAL BENEFITS PROGRAMS

Edenred offers secure solutions to enable public authorities and institutions to distribute public funds to constituents for a specified purpose, such as the purchase of food or education, with full traceability of the distributed monies.

> Edenred innovation

The Indian state of Madhya Pradesh has asked Edenred to manage a secure **food subsidy program** for the region's five million poorest families, or 25 million people in all.

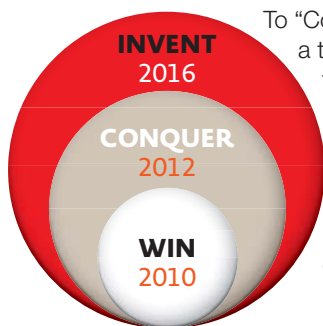


In India, Edenred is also developing two **pilot social programs in the educational field**, one to empower girls to study in the school of their choice and the other to provide financial assistance to enable children from underprivileged backgrounds to get a better education. Each beneficiary receives vouchers covering school tuition and the purchase of textbooks, uniforms and meals from affiliated merchants.

A strategy benefiting all our stakeholders

Strategy

A new strategy to increase our long-term growth potential while ensuring that profits continue to rise in the short-term.



To “Conquer 2012,” we’ve developed a two-pronged strategy that is 1) focused on growing issue volume in the core business by systematically deploying our expertise, while 2) accelerating the digital transition to increase long-term growth potential.

ISSUE VOLUME

Edenred is maintaining its issue volume growth objective of **6% to 14% per year**, focusing on four organic growth drivers. We also plan to implement a selective acquisition strategy, representing the fifth driver.

- Increasing penetration rates in existing markets: **2% to 5% growth per year**
- Creating new products and deploying existing products: **2% to 4% growth per year**
- Extending geographical coverage: **1% to 2% growth per year**
- Increasing product face value: **1% to 3% growth per year**
- Carrying out targeted acquisitions.

MOVING TO PAPERLESS

The pace of digital transition will be stepped up in 2011 to meet a new goal of generating 50% of issue volume through paperless solutions by 2012, versus an earlier target date of 2016. This will enable the creation of increasing numbers of more sophisticated products.

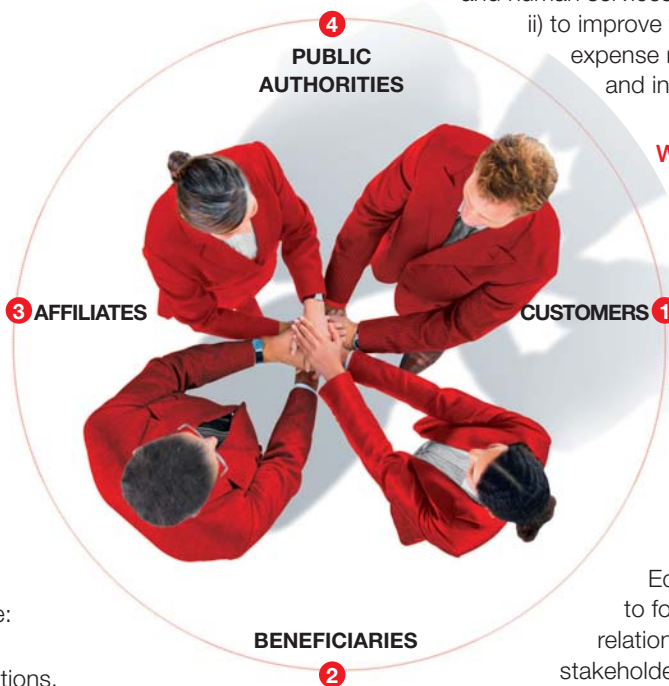
A strategic priority, the technological shift to digital media will deliver benefits to all our stakeholders, in the form of optimized processes for customers and affiliates and quick, easy-to-use solutions for beneficiaries. It will also enable us to ensure that public authorities can more effectively monitor and trace the use of dedicated funds.

The essential link with our stakeholders

Edenred is committed to listening carefully to stakeholders in order to effectively anticipate and respond to their needs. As a responsible corporate citizen dedicated to our customers, beneficiaries and affiliates, we are constantly aligning our solutions with the social and economic trends shaping contemporary societies.

In both mature and emerging markets, Edenred offers solutions to companies seeking i) to make their employees’ lives easier by giving them access to balanced nutrition, public transport, childcare and human services and

ii) to improve the efficiency of their expense management processes and incentive programs.



We offer our corporate customers tailored solutions in three main areas:

- Employee benefits
- Expense management
- Incentives and rewards

We also help **public institutions** to manage their social benefits programs.

Edenred is committed to forging and nurturing relationships with all of its stakeholders, based on dialogue, mutual interests and responsibility:

- 1 Companies and public sector customers**, concerned with being attractive employers, with motivating their teams and optimizing their performance.
- 2 Beneficiaries**, who appreciate the simplicity and convenience of service cards and vouchers in making their lives easier.
- 3 Affiliated merchants**, seeking to increase their revenue, retain their customers and make their transactions more secure.
- 4 Public authorities**, looking to improve the effectiveness of their social and economic policies, to deliver benefits and to ensure the traceability of funds allocated to benefit programs.

Corporate social responsibility

Edenred's core business is to make life easier for citizens, enhance employee well-being in the workplace and encourage people to eat a proper meal at lunchtime. By reconciling the needs of day-to-day living with the quest for well-being, these missions flow seamlessly into our sustainable development objectives.

In 2010, our teams were assertively mobilized around a Group-level corporate social responsibility (CSR) process. By embedding corporate social responsibility into our strategic vision, we aim to take our commitment as a responsible corporate citizen to the next level, particularly by enhancing stakeholder awareness of the importance of public health issues associated with eating a balanced diet.

Also part of the process is a focus on environmental concerns and community outreach, as expressed through a large number of local initiatives.



The FOOD project: First findings at the European Parliament.

Fighting Obesity



The World Health Organization (who) estimates that 300 million adults worldwide are obese and one billion are overweight.

Once associated with high-income countries, obesity is now also found in low- and middle-income countries and accounts for an increasing portion of public health care costs. That's why Edenred became involved in fighting obesity, first with the Nutritional Balance program introduced in 2005 and then with the FOOD project co-funded by the European Commission since 2009.

The latter project, which stands for Fighting Obesity through Offer and Demand, is designed to improve the nutritional quality of restaurant food and make it easier for informed consumers to choose, by offering keys to understanding. FOOD serves as the standard bearer for our public health and social policy approach.

A wide variety of awareness initiatives have been undertaken in six countries – Belgium, Czech Republic, France, Italy, Spain and Sweden – that have reached 52,000 employees in their companies and 5,000 restaurateurs. Examples include training sessions, poster-based sensitivity campaigns, newsletter mailings and nutrition guides adapted to each target audience, all involving the creation of more than 85 communication resources.

On May 31, 2011, the public-private consortium coordinated by Edenred presented its first findings to European nutrition and public health specialists at the European Parliament in Brussels, marking the kickoff of a new phase of deployment in the other member States. New partners are expected to join the consortium in the near future. Slovakia pledged to support the project in February 2011, via the National Public Health Authority and Edenred's national office.

Ethical index



responsibility standards. It is published by the same company as the FTSE equity indices.

Of the 305 European companies in the FTSE4Good, only 45 are French.

Edenred's inclusion in the index is a strong incentive to pursue socially responsible policies.

In recognition of our commitment to corporate social responsibility, Edenred has been included in the FTSE4Good international social and environmental responsibility index.

The FTSE4Good Index series has been designed to objectively measure the performance of companies that meet globally recognized corporate

Eden for All

On December 10, 2010, Edenred launched its first international day of action, "Eden for All," whose slogan, "We Care, We Share" expresses our commitment to reaching out to the neediest of our fellow citizens.

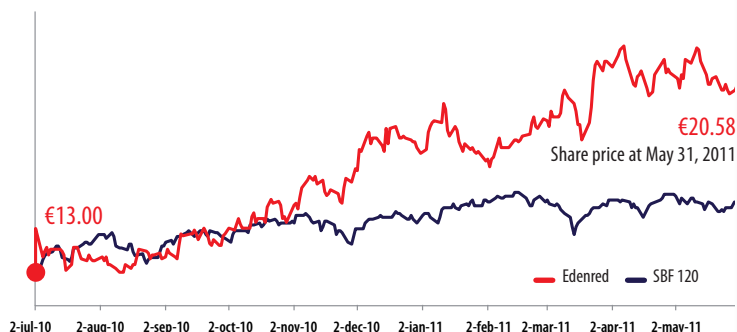
At the heart of the event were our employees, who are working with a variety of partner organizations to help the underprivileged. On this particular day, they were asked to make a donation to a partner non-profit association or NGO, or to volunteer their time to work on their outreach projects.



The Eden For All launch proved highly successful, with 31 country organizations responding very generously to the appeal. The first global manifestation of our dedication to corporate citizenship, "Eden for All" is a sustainable commitment that will be repeated each year.

SHARE PERFORMANCE SINCE THE IPO

From July 2, 2010 to May 31, 2011



Opening price on July 2, 2010: **€13.00**
Increase in the SBF 120 index: **+ 21.70%**
Increase in the Edenred share: **+ 58.30%**

Listed on **NYSE Euronext Paris** (included in the SBF 120 and CAC large 60 indices)

Traded in **Compartment A**

ISIN code: **FR0010908533**

Shares outstanding: **225,897,396**

Market capitalization: **€4.65 billion**

TO REGISTER YOUR SHARES

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SHAREHOLDER CALENDAR

July 18, 2011

Second-quarter 2011 revenue

August 25, 2011

Half year 2011 results

October 17, 2011

Third-quarter 2011 revenue

December 14, 2011

Meeting with shareholders in Strasbourg

EDENRED'S FIRST REGISTRATION DOCUMENT

was filed with
the Autorité des
Marchés Financiers
(AMF) on April 13, 2011.

The annual publication
included the following sections:

- Presentation of the Group
- Financial review
- Risk factors
- Social responsibility
- Corporate governance
- Financial statements
- Information about the Company and its capital
- Annual shareholders' meeting

This document may be downloaded from
the Finance section on edenred.com



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