2013 Interim Financial Report

Edenred

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Interim management report

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FIRST-HALF 2013 CONSOLIDATED RESULTS

1.1 Introduction

Edenred's first-half 2013 results represented a good performance, in line with Group objectives, as demonstrated by the following indicators:

- Issue volume[1] up 11.0% like-for-like to €8,576 million.
- Revenue up 6.2% like-for-like to €525 million.
- EBIT up 7.7% like-for-like to €172 million.
- Funds from operations (FFO) up 12.3% like-for-like to €143 million.

However, an **unfavorable currency effect**, primarily due to Latin American currencies, affected organic growth over the period, reducing reported issue volume by 4.8% and reported EBIT by 7.0%.

First-half 2013 was also shaped by **several achievements, in line with the Group's strategy**:

- Organic growth in issue volume reflecting the significant new client wins (accounting for 5.3% of growth) and the contribution from new solutions (for 2.0%)
- Partnership formed with Banco Espirito Santo in Portugal in the expanding meal voucher market, supported by favorable legislation
- A significant 2.8% contribution from acquisitions to reported growth in issue volume, including three transactions completed in the first half (Repom in Brazil, Big Pass in Colombia and OPAM in Mexico)
- Faster shift to digital, which accounted for 56% of first-half 2013 issue volume, compared with 51% in full-year 2012

First-half 2013 income statement highlights

	First-half		% change	
(in € millions)	**2012**	**2013**	**Reported**	**Like-for-like**
Issue volume	**7,865**	**8,576**	**9.0%**	**11.0%**
Revenue, of which:	**511**	**525**	**2.8%**	**6.2%**
Operating revenue	*465*	*483*	*38%*	*7.4%*
Financial revenue	*46*	*42*	*-7.6%*	*-5.8%*
Operating expenses, including depreciation, amortization and provisions	**(341)**	**(353)**	**3.5%**	**5.5%**
EBIT, of which:	**170**	**172**	**1.4%**	**7.7%**
Operating EBIT	*124*	*130*	*4.6%*	*12.5%*
Financial EBIT	*46*	*42*	*-7.6%*	*-5.8%*
Operating profit before tax and non-recurring items	**150**	**150**	**0.3%**	N/A
Net profit, Group share	**100**	**89**	**-10.7%**	N/A
Recurring profit after tax	**101**	**97**	**-3.3%**	N/A

[1] Issue volume is calculated by multiplying the number of vouchers issued by their face value.

1.2 Analysis of consolidated financial results

The Auditors have performed a limited review of the condensed consolidated financial statements for the six months ended June 30, 2013. Their review report is presented on page 49.

1.2.1 Issue volume

Issue volume totaled **€8,576 million** in first-half 2013, a like-for-like increase of **11.0%** that was in line with the Group's normalized annual growth[2] target of 6% to 14%. Reported growth stood at 9.0%, as the 2.8% increase from the acquisitions of Repom and Comprocard in Brazil, Barclay Vouchers in Japan and Big Pass in Colombia was offset by a 4.8% negative currency effect over the period, primarily due to the declines against the euro in the Brazilian real (by 10.6%) and the Venezuelan bolivar fuerte (by 14.9%).

The increase reflected fast growth in emerging markets, up 16.5%, and a good performance in developed markets, up 2.9%.

1.2.1.1 *Issue volume by growth driver*

In the first half, three growth drivers contributed to the **11.0%** like-for-like growth in issue volume:

- **Increasing penetration rates** in existing markets, thanks to the solid performance by the sales teams, for **5.3 %**.
- **Increasing voucher face values,** mainly in emerging markets, for **3.7%**.
- **Creating and deploying new solutions** for **2.0%.** In Mexico, for example, the Ticket Restaurant® solution launched in 2011 rose by 14% like-for-like, while growth in Spain was led by such new solutions as Ticket Transporte® or the Ticket Corporate® expense management solution whose issue volumes doubled over the first half. In Germany, the Ticket Plus Card® solution continued to expand, with issue volume multiplied by 40 times over the period.

1.2.1.2 *Issue volume by region*

The following table presents changes in issue volume by region.

Region *(in € millions)*	**First-half**		**% change**	
	2012	**2013**	**Reported**	**Like-for-like**
France	1,279	1,326	3.7%	3.7%
Rest of Europe	2,284	2,327	1.9%	2.1%
Latin America	4,041	4,603	13.9%	18.4%
Rest of the world	261	320	22.8%	10.3%
TOTAL	**7,865**	**8,576**	**9.0%**	**11.0%**

- **Latin America: €4.6 billion in first-half issue volume**

Issue volume in **Latin America** rose by a significant **18.4%** like-for-like in the first half, reflecting higher penetration rates in a still favorable economic environment shaped by rising wages and the creation of formal jobs. Food and meal voucher issue volume increased by 18.6%, while the Ticket Car expense management solution advanced 15.1%.

[2] Normalized growth is the objective that management considers to be attainable if the number of people in work does not decline.

In **Brazil**, issue volume climbed **13.9%** like-for-like over the first half. The 11.0% gain in the second quarter reflected a good sales performance, despite the impact of high prior-year comparatives resulting from the ITAU contract win (which added four points of growth in Brazil as from April 2012) and a calendar effect between the first and second quarters of 2013 (which trimmed one point of growth from Ticket Car issue volume in the second quarter).

In **Hispanic Latin America**, issue volume increased by **24.9%** like-for-like. The strong gain was led by the excellent performance by the sales teams over the period, as seen in the major contract win with PDVSA in Venezuela, which added 3.1 points to first-half growth in Latin America.

- **Europe: €3.7 billion in first-half issue volume**

Despite the still challenging economic environment, issue volume rose by **2.7%** like-for-like in **Europe**.

Operations in **France** delivered a good performance over the period, with a **3.7%** like-for-like gain. This was mainly due to the gain of new clients for Ticket Restaurant®, whose issue volume rose by 3.9%. The strong 7.9% growth in the second quarter reflected the 2.9-point contribution from the Ticket CESU[3] solution.

Issue volume contracted by **2.1%** like-for-like in **Italy**, where business remains penalized by rising unemployment, but rose by a solid **4.1%** like-for-like in **Belgium** on the back of new meal voucher contract wins.

Lastly, in **Portugal**, where a change in legislation is driving growth in the meal voucher market, issue volume rose sharply and added 1.1 points to growth in Europe in the second quarter.

- **Rest of the world: €320 million in first-half issue volume**

Issue volume in the **Rest of the world** rose by **10.3%** like-for-like over the period, led by strong growth in Turkey, the region's primary contributor.

1.2.2 Revenue

Total revenue, corresponding to the sum of operating revenue (derived from the sale of programs and services) and financial revenue (derived from investing available cash) amounted to €525 million in the first half, an increase of **6.2% like-for-like** over the prior-year period. Reported growth came to 2.8%, reflecting a 1.4% increase from changes in the scope of consolidation and a 4.8% negative currency effect.

The overall rise breaks down as follows:

	First-half		**% change**	
(in € millions)	**2012**	**2013**	**Reported**	**Like-for-like**
Operating revenue with issue volume	*401*	*422*	*5.2%*	*8.1%*
Operating revenue without issue volume	*64*	*61*	*-5.3%*	*3.1%*
Operating revenue	**465**	**483**	**3.8%**	**7.4%**
Financial revenue	**46**	**42**	**-7.6%**	**-5.8%**
TOTAL REVENUE	**511**	**525**	**2.8%**	**6.2%**

[3] A voucher prepaid by employers that allows employees to pay for a variety of personal services.

1.2.2.1 *Operating revenue*

First-half 2012 operating revenue totaled €483 million, representing an increase of **7.4%** like-for-like. On a reported basis, the increase was 3.8% after taking into account:

- **The 1.4% positive effect of changes in the scope of consolidation,** of which a 2.2% increase from the acquisitions of Comprocard in Brazil and Barclay Vouchers in Japan (both consolidated from July 2012), Big Pass in Colombia (consolidated from February 2013) and Repom in Brazil (consolidated from March 2013); and a 0.8% decrease from the disposal of Tintelingen in the Netherlands.
- **The negative 5.0% currency effect,** stemming primarily from declines against the euro in the Brazilian real (by 10.6%) and the Venezuelan bolivar fuerte (by 14.9%).

(a) Operating revenue with issue volume

Operating revenue with issue volume climbed by **8.1%** like-for-like to €422 million in the first half, reflecting growth of 13.4% in Latin America and 1.6% in Europe. The 2.9-point difference between the growth in issue volume and the growth in operating revenue with issue volume reflects the varying take-up rates[4] , which depend on the type of solution, country and contract size.

The following table presents changes in operating revenue with issue volume by region.

Like-for-like growth	**First quarter 2013**	**Second quarter 2013**	**First-half 2013**
France	+0.4%	+3.1%	+1.8%
Rest of Europe	-0.4%	+3.5%	+1.6%
Latin America	+15.0%	+11.8%	+13.4%
Rest of the world	+7.4%	+10.7%	+9.1%
TOTAL	**+8.0%**	**+8.1%**	**+8.1%**

(b) Operating revenue without issue volume

Operating revenue without issue volume totaled €61 million, representing a **like-for-like gain of 3.1%.** This revenue is primarily generated by corporate marketing and incentive consulting services, which are less recurring and generate lower margins than the other solutions.

1.2.2.2 *Financial revenue*

Financial revenue **declined by 5.8%** like-for-like over the period, due to the decline in interest rates in most countries.

The following table presents changes in financial revenue by region.

Region	**First-half**		**% change**	
(in € millions)	**2012**	**2013**	**Reported**	**Like-for-like**
France	10	10	3.7%	3.7%
Rest of Europe	15	11	-25.5%	-25.0%
Latin America	19	19	1.2%	4.7%
Rest of the world	2	2	-12.5%	-7.3%
TOTAL	**46**	**42**	**-7.6%**	**-5.8%**

[4] Ratio of operating revenue with issue volume to total issue volume.

1.2.3 EBIT

Total EBIT amounted to €172 million, versus €170 million in first-half 2012, representing a gain of 1.4% as reported and of **7.7% like-for-like.**

EBIT *(in € millions)*	**First-half 2012**	**First-half 2013**	**% change Like-for-like**
Operating EBIT	124	130	+12.5%
Financial EBIT	46	42	-5.8%
TOTAL	**170**	**172**	**+7.7%**

1.2.3.1 *Operating EBIT*

Operating EBIT (i.e. excluding financial revenue) rose by **12.5%** like-for-like to €130 million. This good performance resulted in an operating flow-through ratio[5], adjusted for the €2 million extra costs generated by the digital transition, of **51%**, in line with the objective of more than 50%. As a result, operating EBIT margin[6] improved by 170 basis points like-for-like and before the digital transition costs, reflecting good control over operating costs.

Operations in Latin America reported a good performance, with operating EBIT **up 13.8%** like-for-like reflecting the region's dynamic growth. In Europe, like-for-like operating EBIT growth came to **5.5%,** excluding the extra €2 million in costs associated with the digital transition.

1.2.3.2 *Financial EBIT*

Financial EBIT (corresponding to financial revenue) **declined by 5.8% like-for-like** to €42 million.

1.2.3.3 *EBIT by region*

The following table presents changes in EBIT by region.

Region *(in € millions)*	**First-half 2012**	**First-half 2013**	**% change Like-for-like**
France	24	22	-7.2%
Rest of Europe	43	42	-1.9%
Latin America	112	114	12.3%
Rest of the world	1	1	N/A
Worldwide structures	(10)	(7)	-12.4%
TOTAL	**170**	**172**	**7.7%**

[5] Operating flow-through ratio: ratio between the like-for-like change in operating EBIT and the like-for-like change in operating revenue.

[6] Ratio between operating EBIT (excluding financial revenue) and operating revenue.

1.2.4 Net financial expense

Net financial expense rose to €22 million from €20 million in first-half 2012.

Finance costs for the period totaled €20 million, while interest income from the investment of available cash and from marketable securities came to €3 million, leading to net finance costs of €17 million.

1.2.5 Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items was stable at **€150 million**.

1.2.6 Income tax expense

Income tax expense stood at €46 million for the period, versus €40 million in first-half 2012, for an effective tax rate for the Group of **32.9%** versus 33.4% in the prior-year period.

1.2.7 Net profit

After deducting €22 million in net financial expense, €46 million in income tax expense and €7 million in non-controlling interests, recurring profit after tax came to **€97 million,** versus €101 million in the first half of 2012.

Net profit, Group share stood at **€89 million**, versus €100 million in first-half 2012, after €8 million in net non-recurring expense and a €6 million[7] increase in income tax expense.

1.3 Liquidity and financial resources

1.3.1 Cash flow

(in € millions)	**First-half 2012**	**First-half 2013**
EBITDA	187	189
Net financial expense	(20)	(16)
Income tax paid	(37)	(39)
Non-cash items	10	9
Funds from operations before non-recurring items (FFO)	**140**	**143**
Decrease/(increase) in the float	(328)	(237)
Decrease/(increase) in restricted cash[8]	(23)	(41)
Decrease/(increase) in working capital (excluding the float)	(45)	12
Recurring expenditure	(17)	(20)
Free cash flow	**(273)**	**(143)**
Development expenditure	(30)	(141)
Dividends paid to non-controlling shareholders of subsidiaries	(15)	(14)
Dividends paid to equity holders of the parent	(158)	(191)
(Purchases)/sales of treasury shares	1	(15)
Translation adjustment	(9)	(85)
Other	(2)	(21)
(Increase)/decrease in net debt	**(486)**	**(610)**

[7] Deferred tax assets in respect of historical tax loss carryforwards were recognized in 2012, in particular in the United Kingdom in an amount of €7 million.

[8] Restricted cash corresponds to service voucher funds that are required to be invested in risk-free money market instruments convertible at any time into known amounts of cash in accordance with local regulations, mainly in France, Romania and the United Kingdom. Interest on these investments is attributable to Edenred.

Funds from operations before non-recurring items (FFO) amounted to €143 million, versus €140 million in first-half 2012, representing a **like-for-like increase of 12.3%**, in line with the Group's medium-term guidance of more than 10% normalized annual growth.

Dividends paid to Edenred SA shareholders during the period amounted to a total €185 million, for a payout ratio of nearly 90% of 2012 recurring profit after tax.

1.3.2 Working capital requirement

The following table analyzes working capital requirement for the period.

(in € millions)	**First-half 2012**	**2012**	**First-half 2013**	**Δ First-half 2013/First half 2012**	**First-half 2013 /Dec. 2012**
Inventories (net)	10	13	11	1	(2)
Trade receivables (net)	976	1,092	978	2	(114)
Other receivables (net)	345	302	274	(71)	(28)
Working capital assets	***1,331***	***1,407***	***1,263***	***(68)***	***(144)***
Trade payables	59	62	65	6	3
Other payables	169	188	179	10	(9)
Vouchers in circulation	3,096	3,608	3,202	106	(406)
Working capital liabilities	***3,324***	***3,858***	***3,446***	***122***	***(412)***
Total working capital	**1,993**	**2,451**	**2,183**	**190**	**(268)**

The ***float*** (vouchers in circulation – trade receivables) totaled **€2,224 million** at end-June 2103, representing 6.6 weeks of issue volume, versus 7.0 weeks of issue volume at end-June 2012.

1.3.3 Net debt

Consolidated net debt stood at €525 million at June 30, 2013, versus €412 million a year earlier. The increase was primarily attributable to the acquisition of Repom for €108 million (including the €64 million liability related to the call option on the remaining 38% of the company) and to the €85 million in negative currency adjustments. The ratio of adjusted funds from operations to adjusted net debt came to **38.2%**, reflecting a strong investment grade rating[9].

[9] The ratio of adjusted funds from operations to adjusted net debt, determined by the Standard & Poor's method, must be above 30% to maintain a strong investment grade rating. Note that this rating reflects Edenred's ability to repay its debt, its liquidity position, certain financial ratios, its business profile and financial position, various other factors that are considered relevant for companies operating in the prepaid services business, and the general economic outlook.

(in € millions)	June 30, 2012	December 31, 2012	June 30, 2013
Non-current debt	1,417	1,301	1,295
Other non-current financial liabilities	15	16	77
Current debt	2	2	3
Bank overdrafts	86	43	135
Other current financial liabilities	40	26	32
Debt and other financial liabilities	***1,560***	***1,388***	***1,542***
Current financial assets	(34)	(39)	(13)
Other marketable securities	(830)	(998)	(752)
Cash and cash equivalents	(284)	(436)	(252)
Cash and other current financial assets	***(1,148)***	***(1,473)***	***(1,017)***
Net debt	**412**	**(85)**	**525**

As of June 30, 2013, long-term debt consisted mainly of:

- €274 million in bank borrowings repayable in June 2015.
- €800 million in 3.625% fixed-rate 7-year bonds due October 6, 2017.
- €225 million in privately placed 3.75% fixed-rate 10-year bonds due May 23, 2022.

As of June 30, 2013, the Group's debt and other financial liabilities (€1,542 million) were due as follows: 11% in 2014, 18% in 2015, 56% in 2018 and 15% beyond 2018.

1.3.4 Total equity

Equity represented a negative amount of €1,267 million at June 30, 2013 and €1,033 million at the end of the previous year. This is due to the recognition at historical cost of the assets contributed or sold to Edenred by Accor through the asset contribution-demerger transaction.

Further information about changes in consolidated equity is presented in the condensed interim consolidated financial statements for the six months ended June 30, 2013 (page 22).

1.4 Material contracts

During the first half of 2013, no contracts, other than contracts entered into in the ordinary course of business, were signed by any member of the Group that contained any provision under which any member of the Group would have any obligation or entitlement that was material to the Group.

1.5 Significant events of first-half 2013

- **Acquisition**

In February 2013, following approval from the Brazilian anti-trust authorities, Edenred closed the acquisition of a 62% stake in **Repom** for €53 million. Repom is the Brazilian market leader in expense management solutions for independent truckers. With more than 100 clients and a network of 900 service stations, Repom reported business volume of €1,090 million in 2012. The difference between the cost of the business combination and the net assets acquired has been provisionally recognized as goodwill, with the final accounting to be completed by the end of the year. As part of the acquisition agreement, Edenred has a call-put option on the remaining shares. The option, which is exercisable as from May 2018, had an estimated discounted value of €64 million as of June 30, 2013.

In February 2013, Edenred also announced the acquisition of **Big Pass**, the second largest provider of employee benefits in Colombia. With 3,000 clients, 180,000 beneficiaries and 28,000 affiliated merchants, Big Pass reported issue volume of nearly €100 million in 2012. The transaction price was based on an enterprise value (acquisition price + net debt and working capital) of around €10 million. The difference between the cost of the business combination and the net assets acquired has been provisionally recognized (before deferred taxes) under "contractual customer relationships", in an amount of €2 million, and under goodwill, in an amount of €8 million.

In June 2013, Edenred finalized the creation of a 50-50 joint venture with Banco Espirito Santo in the Portuguese employee benefits market, contributing its existing operations in Portugal to the new company. Edenred will operate the joint venture, which will sell prepaid solutions to businesses.

In April 2013, Edenred entered into a strategic alliance with SavingStar to create **NutriSavings**, a joint venture owned 67% by Edenred and 33% by SavingStar. NutriSavings will benefit from Edenred's expertise as the world leader in employee benefits and SavingStar’s strategically related know-how as the only national fully digital grocery savings service in the US. NutriSavings will market a solution designed to promote healthy eating among employees.

In June 2013, Edenred acquired **OPAM**, a Mexican food voucher issuer with an annual issue volume of around €140 million in 2012. The transaction was completed on the basis of an enterprise value of €15 million plus estimated contingent consideration of €2 million. The difference between the cost of the business combination and the net assets acquired was provisionally recognized under goodwill as of June 30, 2013.

- **Disposals**

In March 2013, Edenred sold all of the outstanding shares in **Tintelingen B.V**., a B2B issuer of Christmas gift vouchers in the Netherlands with a wide range of paperless products and services. The business, which did not generate any issue volume, contributed €6 million to consolidated revenue in 2012.

- **Other significant events**

On February 13, 2013, the Venezuelan government devalued the bolivar fuerte (VEF) by 46.5%, with the US dollar exchange rate falling to VEF 6.3 per dollar from VEF 4.3 previously.

The Venezuelan government also announced the end of the Transaction System for Foreign Currency Denominated Securities (SITME), where the bolivar traded at VEF 5.3 per dollar, the least favorable official rate.

For Edenred, which translated the accounts of its Venezuelan units at the SITME rate, this meant an implicit devaluation of 18.9%.

Edenred has a local partner, Banco Mercantil, that owns 43% of the capital.

For comparative purposes, the impact of the devaluation on full-year 2012 consolidated figures would have been:

- A €234 million (or 1.4%) reduction in issue volume
- A €14 million (or 1.3%) reduction in revenue.
- A €9 million (or 2.4%) reduction in EBIT
- A €3 million (or 1.5%) reduction in recurring profit after tax
- A reduction of around €40 million in net debt.

In April 2013, Edenred announced the signature of a five-year €700 million syndicated credit facility. The new facility has lengthened the average maturity of Edenred's debt by replacing the existing €528 million in confirmed lines of credit, which were set up in June 2012 and scheduled to expire in June 2014.

1.6 Standard & Poor's rating

On June 9, 2010, Standard & Poor's announced that it had assigned Edenred a BBB+/A-2 Outlook Stable rating, corresponding to a "strong investment grade" rating. The rating was affirmed by Standard & Poor's in a press release dated March 26, 2013.

One of the main criteria used by the agency to determine the rating is the Group's adjusted funds from operations/adjusted net debt ratio, as calculated by the Standard & Poor's method.

SECTION 2 - CONCLUSION AND FULL-YEAR 2013 OUTLOOK

In the second half, business trends and financial revenue are expected to be in line with the first six months of the year.

On this basis, assuming an operating flow-through ratio[10] of more than 50% in 2013 and the €5 million in extra costs generated by the digital transition during the year, Edenred has set a **2013 EBIT target of between €370 million and €390 million**.

This objective takes into account the adverse currency effects stemming from the Brazilian real[11] and the Venezuelan bolivar fuerte[12], estimated at a negative €15 million and a negative €9 million respectively.

The Group confirms its organic growth objectives[13] of 6% to 14% per year for issue volume and of more than 10% per year for funds from operations.

[10] The ratio between the like-for-like change in operating EBIT and the like-for-like change in operating revenue
[11] Assuming an estimated average exchange rate of BRL 2.77/€ in 2013.
[12] Based on an official rate of VEF 6.3/$.
[13] Normalized growth target for the period 2010-2016. Normalized growth is the objective that management considers to be attainable if the number of people in work does not decline.

SECTION 3 - MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties that may affect the Group in the last six months of the year are presented in the “Risk Factors”’ section of the 2012 Registration Document approved by French securities regulator AMF on April 4, 2013. As of June 30, 2013, there had been no new material developments in the Group’s main disputes.

SECTION 4 - MAIN RELATED-PARTY TRANSACTIONS

There were no material changes in related party transactions during the first six months of 2013.

SECTION 5 - SUBSEQUENT EVENTS

There are no subsequent events to report (see Note 22 to the condensed interim consolidated financial statements).

Condensed interim consolidated financial statements and notes

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED BALANCE SHEET

- **Assets**
- **Equity and liabilities**

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1.1. CONSOLIDATED INCOME STATEMENT

(in € millions)	Notes	June 2012	June 2013
Issue Volume	3/4	**7 865**	**8 576**
Operating revenue	3/4	465	483
Financial revenue	3/4	46	42
Total revenue	3/4	**511**	**525**
Operating expenses	5	(324)	(336)
Depreciation, amortization and provisions	6	(17)	(17)
EBIT	3/4	**170**	**172**
Net financial expense	7	(20)	(22)
Operating profit before tax and non-recurring items		**150**	**150**
Non-recurring income and expenses	8	(1)	(8)
Profit before tax		**149**	**142**
Income tax expense	9	(40)	(46)
Net profit		**109**	**96**
Net Profit, Group Share		**100**	**89**
Net Profit, Non-controlling interests		9	7
Weighted average number of shares outstanding (in thousands)	10	225 609	225 606
Earnings per share, groupe share (in euros)	10	**0.44**	**0.39**
Diluted earnings per share (in euros)	10	0.44	0.39

1.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	**June 2012**	**June 2013**
Net profit	**109**	**96**
Items that may be subsequently reclassified to profit or loss		
Currency translation adjustement	(28)	(47)
Change in fair value of financial instruments	14	(9)
Tax on items that may be subsequently reclassified to profit or loss	(5)	3
Items that will not be reclassified to profit or loss		
Actuarial gains and losses on defined benefit plans	(2)	0
Tax on items that will not be reclassified to profit or loss	1	(0)
Other comprehensive income, net of tax	**(20)**	**(53)**
TOTAL COMPREHENSIVE INCOME	**89**	**43**
Comprehensive income, Group share	**80**	**39**
Comprehensive income, Non-controlling interests	9	4

1.3. CONSOLIDATED BALANCE SHEET

Consolidated assets

(in € millions)	Notes	June 2012	December 2012	June 2013
Goodwill	11	**524**	**528**	**597**
Intangible assets	12	**97**	**113**	**114**
Property, plant and equipment		**57**	**87**	**79**
Non-current financial assets		10	10	16
Deferred tax assets		40	37	43
TOTAL NON-CURRENT ASSETS		**728**	**775**	**849**
Trade receivables	20	976	1 092	978
Inventories, other receivables and accruals	20	355	315	285
Restricted cash	20	714	709	746
Current financial assets	14/18	34	39	13
Other marketable securities	15/18	830	998	752
Cash and cash equivalents	15/18	284	436	252
TOTAL CURRENT ASSETS		**3 193**	**3 589**	**3 026**
TOTAL ASSETS		**3 921**	**4 364**	**3 875**

Consolidated equity and liabilities

(in € millions)	Notes	June 2012	December 2012	June 2013
Issued capital		452	452	452
Treasury shares		(5)	(5)	(20)
Consolidated retained earnings		(1 719)	(1 719)	(1 799)
Cumulative compensation costs - share-based payments		20	32	38
Cumulative fair value adjustments of financial instruments		6	6	(0)
Cumulative actuarial gains (losses) on defined benefit plans		(4)	(9)	(9)
Currency translation reserve		33	3	(41)
Net profit, Group share		100	183	89
Equity attributable to owners of the parent company		**(1 117)**	**(1 057)**	**(1 290)**
Non-controlling interests		14	24	23
Total Equity		**(1 103)**	**(1 033)**	**(1 267)**
Non-current debt	16/18	1 417	1 301	1 295
Other non-current financial liabilities	16/18	15	16	77
Non-current provisions	19	27	34	34
Deferred tax liabilities		84	91	81
TOTAL NON-CURRENT LIABILITIES		**1 543**	**1 442**	**1 487**
Current debt	18	2	2	3
Bank overdrafts	18	86	43	135
Other current financial liabilities	18	40	26	32
Current provisions	19	26	21	19
Vouchers in circulation	20	3 096	3 608	3 202
Trade payables	20	59	62	65
Current tax liabilities		3	5	20
Other payables	20	169	188	179
TOTAL CURRENT LIABILITIES		**3 481**	**3 955**	**3 655**
TOTAL EQUITY AND LIABILITIES		**3 921**	**4 364**	**3 875**

1.4. CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	Notes	June 2012	June 2013
+ EBITDA		187	189
- Net financial expense (1)	7	(20)	(16)
- Income tax paid (2)		(37)	(39)
- Elimination of non-cash revenue and expenses included in EBITDA		10	9
- Elimination of provision movements included in net financial expense and income tax		-	0
= Funds from operations before non recurring items (FFO)		**140**	**143**
+ Decrease (increase) in working capital (2)	20	(373)	(225)
+ Recurring decrease (increase) in restricted cash	20	(23)	(41)
= Net cash from operating activities		**(256)**	**(123)**
+ Non-recurring gains (losses) (including restructuring costs) received/paid		(3)	(5)
= Net cash from (used in) operating activities including non-recurring transactions (A)		**(259)**	**(128)**
- Recurring expenditure		(17)	(20)
- Development expenditure		(30)	(141)
+ Proceeds from disposals of assets		1	(1)
= Net cash from (used in) investing activities (B)		**(46)**	**(162)**
+ Non-controlling interests in share issues by subsidiaries		-	1
- Dividends paid		(173)	(205)
+ (Purchases) sales of treasury shares		1	(15)
+ Increase (Decrease) in debt (3)		**275**	**246**
+ Acquisition of non-controlling interests (4)		(15)	(0)
= Net cash from (used in) financing activities (C)		**88**	**27**
- Net foreign exchange difference and fair value adjustment (D)		**13**	**(13)**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	18	**(204)**	**(276)**
+ Cash and cash equivalents at beginning of period		402	393
- Cash and cash equivalents at end of period		198	117
= NET CHANGE IN CASH AND CASH EQUIVALENTS	18	**(204)**	**(276)**

(1) Including €16 million of financial interests effectively paid in 2013. No dividends have been received from external companies.

(2) In 2013, the Group revised the tax item used to calculate funds from operations (FFO), which is now based on the amount of tax effectively paid rather than the reported income tax expense for the period. First-half 2012 figures have been restated for comparative purposes. An amount of €9 million has been reclassified from change in working capital requirement to funds from operations in the consolidated statement of cash flows. This restatement did not have any impact on the net change in cash and cash equivalents reported for the periods presented.

(3) Net debt (Note 18), excluding net cash.

(4) In 2012, the amount mainly corresponds to the acquisition of 45% of non-controlling-interests in the Brazilian subsidiary Accentiv Mimetica, now owned at 100%.

Cash and cash equivalents at end of the period are as follows:

(in € millions)	Notes	June 2012	June 2013
+ Cash and cash equivalents		284	252
- Bank overdrafts		(86)	(135)
= CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**198**	**117**

1.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Currency translation reserve (1)	Cumulative actuarial gains (losses) on defined benefit plans	Cumulative fair value adjustments of financial instruments	Cumulative compensation costs - share based payments	Treasury shares	Retained earnings and net profit for the period (2)	External changes in consolidation scope	Equity attributable to owners of the parent company	Total non-controlling interests	Total equity
January 1, 2012	**61**	**(3)**	**(3)**	**14**	**(6)**	**(1 075)**	**(19)**	**(1 031)**	**20**	**(1 011)**
Issue of share capital										
- in cash	-	-	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	-	-	(158)	-	**(158)**	(15)	**(173)**
Effect of changes in consolidation scope	-	-	-	-	-	0	(15)	**(15)**	(0)	**(15)**
Compensation costs for the period - share-based payments	-	-	-	6	-	-	-	**6**	-	**6**
(Acquisitions) / disposals of treasury shares	-	-	-	-	1	-	-	**1**	-	**1**
Other comprehensive income	(28)	(1)	9	-	-	-	-	**(20)**	-	**(20)**
Net profit for the period	-	-	-	-	-	100	-	**100**	9	**109**
Total comprehensive income	**(28)**	**(1)**	**9**	**-**	**-**	**100**	**-**	**80**	**9**	**89**
June 30, 2012	**33**	**(4)**	**6**	**20**	**(5)**	**(1 133)**	**(34)**	**(1 117)**	**14**	**(1 103)**
Issue of share capital										
- in cash	-	-	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	-	-	-	-	**-**	(1)	**(1)**
Effect of changes in consolidation scope	-	-	-	-	-	-	-	**-**	-	**-**
Compensation costs for the period - share-based payments	-	-	-	12	-	-	-	**12**	-	**12**
(Acquisitions) / disposals of treasury shares	-	-	-	-	-	-	-	**-**	-	**-**
Other comprehensive income	(30)	(5)	-	-	-	-	-	**(35)**	0	**(35)**
Net profit for the period	-	-	-	-	-	83	-	**83**	11	**94**
Total comprehensive income	**(30)**	**(5)**	**-**	**-**	**-**	**83**	**-**	**48**	**11**	**59**
December 31, 2012	**3**	**(9)**	**6**	**32**	**(5)**	**(1 050)**	**(34)**	**(1 057)**	**24**	**(1 033)**
Issue of share capital										
- in cash	-	-	-	-	-	-	-	**-**	1	**1**
Dividends paid (3)	-	-	-	-	-	(191)	-	**(191)**	(14)	**(205)**
Effect of changes in consolidation scope (4)	-	-	-	-	-	-	(72)	**(72)**	8	**(64)**
Compensation costs for the period - share-based payments	-	-	-	6	-	-	-	**6**	-	**6**
(Acquisitions) / disposals of treasury shares (5)	-	-	-	-	(15)	-	-	**(15)**	-	**(15)**
Other comprehensive income	(44)	0	(6)	-	-	-	-	**(50)**	(3)	**(53)**
Net profit for the period	-	-	-	-	-	89	-	**89**	7	**96**
Total comprehensive income	**(44)**	**0**	**(6)**	**-**	**-**	**89**	**-**	**39**	**4**	**43**
June 30, 2013	**(41)**	**(9)**	**(0)**	**38**	**(20)**	**(1 152)**	**(106)**	**(1 290)**	**23**	**(1 267)**

(1) The €(44) million unfavorable net exchange difference on foreign operations between December 31, 2012 and June 30, 2013 was mainly due to the depreciation of the Brazilian real (€(27) million impact) and the Venezuelan bolivar fuerte (€(14) million impact) against the euro.

(2) This amount includes the impact of acquiring Edenred entities owned by Accor that was deducted from equity for €(1,894) million following the demerger in June 2010.

(3) As decided by shareholders at the Annual Meeting on May 24, 2013, Edenred paid out dividends totaling €185 million (€0.82 per share) during first-half 2013. The amount of dividends paid includes the 3% additional tax for €(6) million.

(4) The effect of changes in the scope of consolidation includes €(69) million arising from the recognition of the call option on shares held by non-controlling interests in Repom.

(5) The movement in treasury shares reflects €(14) million in the buyback of own shares and €(1) million in liquidity contract transactions.

Euro exchange rates used to translate foreign operations in the consolidated financial statements were as follows:

	GBP	BRL	MXN	ARS	SEK	VEF	USD
June 2012	0.81	2.58	16.88	5.70	8.77	6.67	1.26
December 2012	0.82	2.70	17.18	6.49	8.58	6.99	1.32
June 2013	**0.86**	**2.89**	**17.04**	**7.05**	**8.78**	**8.24**	**1.31**
Jun. 2013 vs Dec. 2012	+5.0%	+6.9%	(0.8)%	+8.6%	+2.3%	+17.8%	(0.9)%

Notes to the consolidated financial statements

Note 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

A. Approval of the financial statements

The group Edenred condensed consolidated financial statements for the six months ended June 30, 2013 were authorized for issue at the Board of Directors' meeting of July 23, 2013.

B. Accounting standards

B. 1. General framework

The consolidated financial statements for the period ended June 30, 2013 were prepared in accordance with IAS 34 – Interim Financial Reporting. These condensed financial statements do not include all of the information to be provided for year-end financial statements prepared in accordance with International Financial Reporting Standards (IFRS). They should be read in connection with the consolidated financial statements for the year ended December 31, 2012.

The accounting policies retained for the preparation of the Group interim condensed consolidated financial statements are compliant with the IFRS as endorsed by the European Union as of June 30, 2013 and available on:

www.ec.europa.eu/internal_market/accounting/ias/index_en.htm

The accounting policies used by the Group in the interim consolidated financial statements are consistent with those applied in the consolidated financial statements at December 31, 2012 with the exception of:

- the standards, amendments and interpretations applicable for reporting periods beginning on or after January 1, 2013, and
- the specific items related to the preparation of the interim consolidated financial statements.

B. 2. Standards, amendments and interpretations applicable from January 1, 2013

Standards, amendments and interpretations came into effect on January 1, 2013 and were adopted for use in the European Union as of that date.

- IFRS 13 standard « Fair Value Measurement » ;
- IAS 1 amendment « Presentation of Other Comprehensive Income » ;
- IAS 12 amendment « Deferred taxes – Recovery of Underlying Assets » ;
- IFRS 7 amendment « Disclosure of Offsetting Financial Assets and Financial Liabilities ».

Application of these amendments did not have a material impact on the Edenred condensed consolidated financial statements for the period.

The amended version of IAS 19 – Employee Benefits issued by the IASB on June 16, 2011 was applied by Edenred for the first time in its condensed interim consolidated financial statements for the six months ended June 30, 2013.

Because the SoRIE method was already being used, application of the amended version did not have any material impact on the prior-year interim financial statements, which have therefore not been adjusted.

The impact on the financial statements for the year ended December 31, 2012 would have been as follows:

(in € millions)	
Assets	
Deferred tax assets	(0)
Liabilities	
Consolidated retained earnings	*1*
Cumulative actuarial gains (losses) on defined benefit plans	*0*
Net profit, Group share	*(0)*
Equity attributable to owners of the parent	1
Total Equity	1
Provision for pensions	(1)

The effect of the IAS 19 revised standard on the calculation of related liability is mainly linked to past service costs that are no longer recognized over the vesting period, but are now recognized in full in profit or loss for the period when the plan changed. For this reason, past service costs have been recognized in consolidated retained earnings to offset the reduction in the post-retirement benefit obligation.

The impact of the change in method for calculating the expected return on plan assets – previously measured based on an expected rate of return and now measured using the same discount rate as that applied to measure the defined benefit liability – was not material.

B. 3. Standards, amendments and interpretations adopted by the European Union that are not yet mandatory

Edenred has not early adopted the standards, amendments and interpretations that had been adopted by the European Union as of June 30, 2013 and are applicable for annual periods beginning after January 1, 2013.

C. Specific items related to preparation of the interim consolidated financial statements

C. 1. Income taxes

In the interim consolidated financial statements, current and deferred income tax expense is computed by applying the estimated annual average tax rate for the current year for each entity or tax group to income before tax for the period.

C. 2. Post-employment and other long-term employee benefits

Post-employment and other long-term employee benefits expense for the first half corresponds to half of the estimated net expense for the full year, as determined based on prior year data and actuarial assumptions. These valuations are adjusted to take account of any significant changes in market conditions compared to the previous period, or of any curtailments, settlements or other material non-recurring events.

D. Use of estimates and judgment

The preparation of the financial statements implies that Edenred's management makes estimates as some items included in the financial statements cannot be measured with precision. The underlying assumptions used for the main estimates are similar to those described as of December 31, 2012. The management revises these estimates if the underlying circumstances evolve or in light of new information or experience. With the exception of the specific items relating to the preparation of the interim consolidated financial statements, estimates made at June 30, 2013 are similar to those made as of December 31, 2012.

Group management also uses its judgment to define appropriate accounting policies to apply certain transactions when the current IFRS standards and interpretations do not specifically deal with related accounting issues

Note 2. CHANGES IN CONSOLIDATION SCOPE AND SIGNIFICANT EVENTS

A. 2013 changes in consolidation scope

A. 1. Organic growth and acquisitions

In **February 2013**, following approval by the Brazilian competition authorities, Edenred confirmed the acquisition of a 62% stake in **Repom**, the Brazilian market leader in expense management solutions for independent truckers, for an amount of €53 million. With a portfolio of more than 100 clients and a network of 900 service stations, Repom achieved a volume of activity of €1,090 million in 2012. The total difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired has been provisionally allocated to goodwill and will be definitively allocated by the end of the year. Edenred also has cross put and call options for the remaining Repom shares, exercisable as from May 2018 and estimated at a discounted value of €64 million as at June 30, 2013.

In February 2013, Edenred announced the acquisition of **Big Pass**, the second largest provider of employee benefits solutions in Colombia. With 3,000 clients, 180,000 beneficiaries and 28,000 affiliated merchants, Big Pass reported issue volume of nearly €100 million in 2012. The transaction price was based on Big Pass's enterprise value (acquisition price + net debt assumed and working capital position) and amounted to about €10 million. The total difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired has been allocated to the customer lists for €2 million and goodwill for the residual difference (€8 million).

In June 2013, Edenred completed the creation of a 50-50 joint venture with Banco Espirito Santo in the Portuguese employee benefits market, through the contribution of its existing activities in Portugal. Edenred will be responsible for the day-to-day management of the new venture, which will market prepaid solutions to companies.

In April 2013, Edenred and SavingStar entered into a strategic alliance resulting in the creation of **Nutrisavings**. Edenred is the majority shareholder, with a 67% stake in the joint venture, while SavingStar holds 33%.
The new company combines the complementary expertise of both organizations – Edenred, the world leader in employee benefits, and SavingStar, the only national fully digital grocery coupon service in the United States.
Nutrisavings will sell a solution designed to promote healthy eating habits among corporate employees.

In June 2013, Edenred acquired **Opam**, a Mexican provider of employee benefits solutions that reported issue volume of nearly €140 million in 2012. The transaction was based on an enterprise value of €15 million plus a contingent consideration of €2 million. As at June 30, 2013, the total difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired was provisionally allocated to goodwill.

A. 2. Disposal of assets

In March 2013 Edenred sold its entire stake in **Tintelingen B.V.**, a B2B issuer of Christmas gift cards in the Netherlands offering a wide range of products and services. The business, which does not have any issue volume, contributed €6 million to consolidated revenue in 2012.

B. 2012 changes in the consolidation scope

B. 1. Organic growth and acquisitions

In April 2012, Edenred announced the acquisition in Brazil of **Comprocard**, the leading food voucher issuer in the oil producing-state of Espirito Santo with an annual issue volume of around €100 million. The transaction was based on an enterprise value (acquisition price + assumed net debt) of €24 million, including estimated contingent consideration payable in two installments of €2 million each in 2013 and 2014. The total difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired has been allocated to goodwill.

In July 2012, Edenred announced the acquisition of **Barclay Vouchers**, the only player in the Japanese market for meal voucher. With more than 600 customers, 130,000 beneficiaries and a network of 31,500 affiliated restaurants, Barclay Vouchers was a wholly owned subsidiary of Baring Private Equity Asia (BPEA), generating 2011 issue volume of €91 million. The transaction was based on an enterprise value of €28 million. The total difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired has been allocated to the customer lists for €5 million and goodwill for the residual difference (€24 million).

C. Significant events

C. 1. Refinancing of credit facilities

In April 2013, Edenred announced the signature of a five-year €700 million syndicated credit facility with a group of leading banks. The new facility has lengthened the average maturity of Edenred's debt by replacing the existing €528 million in confirmed lines of credit, which were set up in June 2010 and scheduled to expire in June 2014.

C. 2. Devaluation of the Bolivar Fuerte

On **February 13, 2013**, the Venezuelan government devalued the bolívar fuerte (VEF) by 46.5%, with the US dollar exchange rate falling to VEF 6.3 per dollar from VEF 4.3 previously.

The Venezuelan government also announced the withdrawal of the SITME rate which, at 5.3/USD, was the less favorable official rate.

For Edenred, which translated the contributions of its Venezuelan entities at the SITME rate, the implicit devaluation therefore was 18.9%.

Edenred has a local partner (Banco Mercantil) that owns 43% of the capital.

As a reminder, the impact of the devaluation on full-year 2012 consolidated figures would have been:

- Issue Volume: €(234) million, *i.e.* -1.4%,
- Total Revenue: €(14) million, *i.e.* -1.3%
- EBIT: €(9) million, *i.e.* -2.4%
- Net Profit: €(3) million, *i.e.* -1.5%
- Net Debt: about €(40) million.

Note 3. SEGMENT INFORMATION

D. Income Statement

A. 1. First-half 2013

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Elimi-nations	TOTAL June 2013
ISSUE VOLUME	**1 326**	**2 327**	**4 603**	**320**	**-**	**-**	**8 576**
Operating revenue generated by issue volume	57	123	227	15	-	-	**422**
Other operating revenue	10	24	16	11	-	-	**61**
Operating Revenue	**67**	**147**	**243**	**26**	**-**	**-**	**483**
Financial Revenue	**11**	**11**	**18**	**2**	**-**	**-**	**42**
Total external Revenue	**78**	**158**	**261**	**28**	**-**	**-**	**525**
Inter-segment revenue	-	2	-	-	-	(2)	**-**
TOTAL REVENUE FROM OPERATING SEGMENTS	**78**	**160**	**261**	**28**	**-**	**(2)**	**525**
EBIT FROM OPERATING SEGMENTS	**22**	**42**	**114**	**1**	**(7)**	**-**	**172**

A. 2. First-half 2012

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Elimi-nations	TOTAL June 2012
ISSUE VOLUME	**1 279**	**2 284**	**4 041**	**261**	**-**	**-**	**7 865**
Operating revenue generated by issue volume	56	121	212	12	-	-	**401**
Other operating revenue	10	27	16	11	-	-	**64**
Operating Revenue	**66**	**148**	**228**	**23**	**-**	**-**	**465**
Financial Revenue	**10**	**15**	**19**	**2**	**-**	**-**	**46**
Total external Revenue	**76**	**163**	**247**	**25**	**-**	**-**	**511**
Inter-segment revenue	-	*0*	-	-	-	*(0)*	**-**
TOTAL REVENUE FROM OPERATING SEGMENTS	**76**	**163**	**247**	**25**	**-**	**(0)**	**511**
EBIT FROM OPERATING SEGMENTS	**24**	**43**	**112**	**1**	**(10)**	**-**	**170**

E. Change in issue volume

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2013 Issue volume	1 326	2 327	4 603	320	-	**8 576**
2012 Issue volume	1 279	2 284	4 041	261	-	**7 865**
Reported change	+47	+43	+562	+59	-	**+711**
Reported change in %	+3.7%	+1.9%	+13.9%	+22.8%	-	**+9.0%**
LIKE-FOR-LIKE CHANGE	**+47**	**+49**	**+742**	**+26**	**-**	**+864**
LIKE-FOR-LIKE CHANGE in %	**+3.7%**	**+2.1%**	**+18.4%**	**+10.3%**	**-**	**+11.0%**

F. Change in revenue

C. 1. Total revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2013 Total external revenue	78	158	261	28	-	**525**
2012 Total external revenue	76	163	247	25	-	**511**
Reported change	+2	(5)	+14	+3	-	**+14**
Reported change in %	+2.0%	(3.2)%	+5.8%	+13.9%	-	**+2.8%**
LIKE-FOR-LIKE CHANGE	**+2**	**(1)**	**+29**	**+2**	**-**	**+32**
LIKE-FOR-LIKE CHANGE in %	**+2.2%**	**(0.5)%**	**+11.8%**	**+6.8%**	**-**	**+6.2%**

C. 2. Operating revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2013 Operating revenue	67	147	243	26	-	**483**
2012 Operating revenue	66	148	228	23	-	**465**
Reported change	+1	(1)	+15	+3	-	**+18**
Reported change in %	+1.7%	(0.9)%	+6.2%	+16.1%	-	**+3.8%**
LIKE-FOR-LIKE CHANGE	**+1**	**+3**	**+28**	**+2**	**-**	**+34**
LIKE-FOR-LIKE CHANGE in %	**+2.0%**	**+2.0%**	**+12.3%**	**+8.0%**	**-**	**+7.4%**

C. 3. Financial revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2013 Financial revenue	11	11	18	2	-	**42**
2012 Financial revenue	10	15	19	2	-	**46**
Reported change	+1	(4)	(1)	(0)	-	**(4)**
Reported change in %	+3.7%	(25.5)%	+1.2%	(12.5)%	-	**(7.6)%**
LIKE-FOR-LIKE CHANGE	**+1**	**(4)**	**+1**	**(0)**	**-**	**(2)**
LIKE-FOR-LIKE CHANGE in %	**+3.7%**	**(25.0)%**	**+4.7%**	**(7.3)%**	**-**	**(5.8)%**

G. Change in EBIT

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2013 EBIT	22	42	114	1	(7)	**172**
2012 EBIT	24	43	112	1	(10)	**170**
Reported change	(2)	(1)	+2	(0)	+3	**+2**
Reported change in %	(8.0)%	(2.3)%	+2.2%	(1.4)%	(27.4)%	**+1.4%**
LIKE-FOR-LIKE CHANGE	**(2)**	**(1)**	**+14**	**+1**	**+1**	**+13**
LIKE-FOR-LIKE CHANGE in %	**(7.2)%**	**(1.9)%**	**+12.3%**	**+83.3%**	**(12.4)%**	**+7.7%**

Note 4. CHANGE IN ISSUE VOLUME, REVENUE AND EBIT

Changes in issue volume, revenue and EBIT between 2012 and 2013 are as follows:

			Δ June 2013 / June 2012							
			Organic growth		Changes in consolidation scope		Currency effect		Total change	
(in € millions)	June 2012	June 2013	In €M	in %	In €M	in %	In €M	in %	In €M	in %
Issue volume	**7 865**	**8 576**	**+864**	**+11.0%**	**+221**	**+2.8%**	**(374)**	**(4.8)%**	**+711**	**+9.0%**
Operating revenue generated by issue volume	401	422	+32	+8.1%	+10	+2.4%	(21)	(5.3)%	+21	+5.2%
Other operating revenue	64	61	+2	+3.1%	(3)	(5.4)%	(2)	(3.0)%	(3)	(5.3)%
Operating Revenue	**465**	**483**	**+34**	**+7.4%**	**+7**	**+1.4%**	**(23)**	**(5.0)%**	**+18**	**+3.8%**
Financial revenue - Unrestricted float	38	33	(3)	(8.4)%	+0	+2.3%	(2)	(4.4)%	(5)	(10.5)%
Financial revenue - Restricted cash	8	9	+1	+6.5%	-	-	(0)	(0.0)%	+1	+6.5%
Financial Revenue	**46**	**42**	**(2)**	**(5.8)%**	**+0**	**+1.8%**	**(2)**	**(3.6)%**	**(4)**	**(7.6)%**
TOTAL REVENUE	**511**	**525**	**+32**	**+6.2%**	**+7**	**+1.4%**	**(25)**	**(4.8)%**	**+14**	**+2.8%**
EBIT	**170**	**172**	**+13**	**+7.7%**	**+1**	**+0.7%**	**(12)**	**(7.0)%**	**+2**	**+1.4%**

Note 5. OPERATING EXPENSES

(in € millions)	June 2012	June 2013
Employee benefit expense	(145)	(153)
Other operating expenses (1)	(179)	(183)
TOTAL OPERATNG EXPENSES (2)	**(324)**	**(336)**

(1) Other operating expenses consist mainly of production, supply chain, information systems, marketing, advertising and promotional costs as well as various fee payments. They also include rental expenses for € (9) million in June 2013.

(2) As June 30, 2013 the currency effect impacts the operating expenses for € 13 million.

Note 6. DEPRECIATION, AMORTIZATION AND PROVISIONS

Depreciation, amortization and provisions are as follows:

(in € millions)	June 2012	June 2013
Amortization	(17)	(17)
Provisions and depreciation	0	0
TOTAL	**(17)**	**(17)**

Note 7. NET FINANCIAL EXPENSE

(in € millions)	June 2012	June 2013
Gross borrowing cost	(22)	(20)
Hedging instruments	(0)	2
Interests income from short term bank deposits and equivalent	2	1
Net borrowing cost	(20)	(17)
Net foreign exchange gains / (losses)	2	2
Other financial income and expenses, net	(2)	(7)
NET FINANCIAL EXPENSE	**(20)**	**(22)**

Note 8. NON-RECURRING INCOME AND EXPENSES

Non-recurring income and expenses are as follows:

(in € millions)	June 2012	June 2013
Movements on restructuring provisions	1	(1)
Restructuring costs	(2)	(1)
Restructuring costs	**(1)**	**(2)**
Impairment of goodwill	-	(0)
Impairment of intangible assets	-	-
Total impairment losses	**-**	**(0)**
Other capital gains or losses	0	0
Provision movements	1	(2)
Non-recurring gains and losses, net	(1)	(4)
Other non-recurring income and expenses, net	**0**	**(6)**
TOTAL NON-RECURRING INCOME AND EXPENSES, NET	**(1)**	**(8)**

Other non-recurring income and expenses were as follows:

- In 2013, mainly disposal of intangible assets for €3 million.

Note 9. INCOME TAX

H. Effective tax rate

The effective tax rate on profit for first-half 2013 was 32.9%, versus 33.4% in the year-earlier period. This rate does not take into account the deferred tax benefit arising from the recognition during the period of tax loss carry-forwards.

Note 10. EARNINGS PER SHARE

I. Net earnings per share

At June 30, 2013, the Company's share capital was made up of 225,897,396 ordinary shares.

At June 30, 2013, the average number of ordinary shares outstanding is as follows:

	June 2012	June 2013
EDENRED'S SHARE CAPITAL AT CLOSING	**225 897 396**	**225 897 396**
Outstanding shares at beginning of period	**225 585 933**	**225 640 489**
Treasury shares not related to the liquidity contract (1)	-	(627 771)
Treasury shares under the liquidity contract	79 556	(22 625)
Treasury shares	**79 556**	**(650 396)**
OUTSTANDING SHARES AT PERIOD-END	**225 665 489**	**224 990 093**
Effect of treasury shares on the weighted average number of shares	**(56 050)**	**616 072**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE PERIOD	**225 609 439**	**225 606 165**

(1) During the period, a total of 627,771 own shares were bought back at an average price of €22.99 per share.

In addition, stock options representing 4,938,150 ordinary shares and 3,328,621 performance shares were granted to employees in 2010, 2011, 2012 and 2013. Conversion of all of these potential shares would have the effect of increasing the number of shares outstanding to 233,256,864.

Diluted earnings per share are based on the average number of outstanding shares that is adjusted with the effect of the potential ordinary shares.

Based on the above number of potential shares and the average Edenred share price calculated:

- from January 2, 2013 to June 28, 2013 for Plans 1, 2 and 3 (€24.84), and
- from February 18, 2013 to June 28, 2013 for Plan 4 (€25.23),

the diluted weighted average number of shares outstanding in June 30, 2013 was 229,282,717.

	June 2012	June 2013
Net Profit - Group share *(in € millions)*	**100**	**89**
Outstanding shares at beginning of period *(in thousands)*	225 586	225 640
Weighted average number of treasury shares during the period *(in thousands)*	23	(34)
Number of shares used to calculate basic earnings per share *(in thousands)*	**225 609**	**225 606**
BASIC EARNINGS PER SHARE *(IN €)*	**0.44**	**0.39**
Number of shares resulting from the exercise of stock options *(in thousands)*	1 235	2 565
Number of shares resulting from performance shares grants *(in thousands)*	726	1 112
Number of shares used to calculate diluted earnings per share *(in thousands)*	**227 570**	**229 283**
Diluted earnings per share *(in €)*	**0.44**	**0.39**

J. Recurring profit after tax

Recurring profit after tax corresponds to:

- Operating profit before tax and non-recurring items, and
- Tax adjustment of the period related to the non-recurring income and expenses.

It is stated net of minority interests.

The recurring profit after tax and the recurring profit after tax per share are as follows:

	June 2012	June 2013
Net profit (in € millions)	**109**	**96**
Non-recurring income and expenses adjustement, net *(in € millions)*	1	8
Net Profit, Non-controlling interests adjustment *(in € millions)*	(9)	(7)
Recurring profit after tax, Group share *(in € millions)*	**101**	**97**
Number of shares used to calculate basic earnings per share *(in thousands)*	**225 609**	**225 606**
DILUTED RECURRING PROFIT AFTER TAX. GROUPE SHARE PER SHARE *(IN €)*	**0.44**	**0.43**

Note 11. GOODWILL

(in € millions)	June 2012	December 2012	June 2013
Goodwill	674	684	748
Less accumulated impairment losses	(150)	(156)	(151)
GOODWILL, NET	**524**	**528**	**597**

(in € millions)	June 2012	December 2012	June 2013
Brazil	180	168	210
France (Ticket Cadeaux)	91	91	91
United Kingdom	61	61	61
Italy	46	46	46
Mexico	35	35	52
Romania	37	37	37
Japan	-	24	24
Sweden	19	20	19
USA	13	12	13
Czech Republic	12	12	12
Other (individually representing less than €10 million)	30	22	32
GOODWILL, NET	**524**	**528**	**597**

Changes in the carrying amount of goodwill during the periods presented were as follows:

(in € millions)	Notes	June 2012	December 2012	June 2013
NET GOODWILL AT BEGINNING OF PERIOD		**509**	**509**	**528**
Goodwill recognized on acquisitions for the period and other increases		24	42	84
. Japan (Barclay Vouchers acquisition)		-	24	-
. Brazil (Comprocard final allocation)		24	16	6
. Mexico (CGI final allocation)		-	2	-
. Brazil (Repom acquisition)		-	-	53
. Mexico (Opam acquisition)		-	-	17
. Colombia (Big Pass acquisition)		-	-	8
Goodwill written off on disposals for the period		-	-	-
Impairment losses	8	-	(6)	(0)
Currency translation adjustement		(10)	(17)	(15)
Reclassification and other movements		1	-	-
NET GOODWILL AT END OF PERIOD		**524**	**528**	**597**

Note 12. INTANGIBLE ASSETS

(in € millions)	June 2012	December 2012	June 2013
COST			
Kadéos brand (1)	19	19	19
Other brands	20	21	18
Contractual customer relationships (2)	70	81	82
Licenses and software	131	139	137
Other	43	44	50
TOTAL COST	**283**	**304**	**306**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES			
Brands	(8)	(8)	(6)
Contractual customer relationships	(48)	(50)	(49)
Licenses and software	(93)	(95)	(98)
Other	(37)	(38)	(39)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(186)**	**(191)**	**(192)**
INTANGIBLE ASSETS, CARRYING VALUE	**97**	**113**	**114**

(1) The Kadéos brand was recognized following the acquisition of this company in March 2007.

(2) Of which €19 million corresponding to Kadéos customer lists, totally depreciated at the end of 2010.

Changes in the carrying amount of intangible assets over the period were as follows:

(in € millions)	June 2012	December 2012	June 2013
CARRYING VALUE OF INTANGIBLE ASSETS AT BEGINNING OF PERIOD	**101**	**101**	**113**
Additions	0	16	4
Internally-generated assets	9	23	13
Intangible assets of newly-consolidated companies	-	0	8
Amortization for the period	(11)	(21)	(10)
Impairment losses for the period (*)	-	(1)	(3)
Disposals	(0)	(0)	(0)
Currency translation adjustement	(0)	(3)	(2)
Reclassifications	(2)	(2)	(9)
CARRYING VALUE OF INTANGIBLE ASSETS AT END OF PERIOD	**97**	**113**	**114**

(*) In 2013, see Note 8.

Note 13. POTENTIAL ORDINARY SHARES

A. Performance share plans

A. 1. Main characteristics

Edenred's Board Directors of February 18, 2013 carried to the conditional attribution of 845,900 performance shares.

Performance shares granted (within a five-year duration plan) to French tax residents are subject to a three-year vesting period followed by a two-year lock-up and shares granted to tax residents of other countries are subject to a five-year vesting period without any lock-up.
During the two-year lock-up, shares cannot be disposed.

The 845,900 shares originally granted under the plan will vest on February 19, 2016 (for French tax residents) and February 19, 2018 (for tax residents of other countries) provided that the performance objectives specified in the plan for 2013, 2014 and 2015 are met.

Depending on the actual percentage fulfillment of each of the plan's three performance conditions, this proportion will be reduced or increased, by up to 1.25 times the initial grant for the objective concerned.

Performance shares vest after a three-year period, subject to the grantee's continued presence within the Group until the end of the period. The total number of vested shares may not exceed 100% of the initial grant.

Fulfillment of the performance conditions will be assessed over the period from January 1, 2013 to December 31, 2015, based on the degree to which the following targets have been met:

(i) Two internal performance targets, which will determine 80% of the total grant. They concern like-for-like growth in:

- Issue volume.
- Funds from operations before non-recurring items (FFO).

(ii) A market performance target, which will determine 20% of the total grant. It concerns:

- Edenred's total shareholder return (TSR) compared with the average TSR of the companies included in the SBF 120 index.

A. 2. Fair value of the performance share plan

The fair value of performance shares is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity. The total amount of €16.3 million represented an average fair value per share of €19.72 for French tax residents and €19.18 for tax residents of other countries. The total cost recognized in respect of the plan amounted to €1.4 million in first-half 2013.

Note 14. CURRENT FINANCIAL ASSETS

	June 2012			December 2012			June 2013		
In € millions	Gross value	Depre-ciation	Net value	Gross value	Depre-ciation	Net value	Gross value	Depre-ciation	Net value
Other current financial assets	2	(1)	1	2	(1)	1	3	(0)	3
Receivables on disposal of assets	-	-	-	-	-	-	-	-	-
Derivatives	33	-	33	38	-	38	10	-	10
CURRENT FINANCIAL ASSETS	**35**	**(1)**	**34**	**40**	**(1)**	**39**	**13**	**(0)**	**13**

Note 15. CASH AND CASH EQUIVALENT AND OTHER MARKETABLE SECURITIES

	June 2012			December 2012			June 2013		
In € millions	Gross value	Depre-ciation	Net value	Gross value	Depre-ciation	Net value	Gross value	Depre-ciation	Net value
Cash at bank and on hand	110	-	110	138	-	138	135	-	135
Term deposits in less than 3 months	121	-	121	287	-	287	105	-	105
Bonds and other negociable debt securities	-	-	-	-	-	-	-	-	-
Interest-bearing bank accounts	40	-	40	(0)	-	(0)	-	-	-
Mutual fund units in cash in less than 3 months	13	-	13	11	-	11	12	-	12
CASH AND CASH EQUIVALENTS	**284**	**-**	**284**	**436**	**-**	**436**	**252**	**-**	**252**
Term deposits in more than 3 months	829	(0)	829	908	-	908	706	(2)	704
Bonds and other negociable debt securities	1	-	1	91	(1)	90	48	-	48
Interest-bearing bank accounts	-	-	-	-	-	-	-	-	-
Mutual fund units in cash in more than 3 months	-	-	-	(0)	-	(0)	-	-	-
OTHER MARKETABLE SECURITIES	**830**	**(0)**	**830**	**999**	**(1)**	**998**	**754**	**(2)**	**752**
TOTAL CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES	**1 114**	**(0)**	**1 114**	**1 435**	**(1)**	**1 434**	**1 006**	**(2)**	**1 004**

Other marketable securities include €218 million in investments denominated in Venezuelan bolivar fuerte (at the exchange rate of VEF 6.3 per U.S. dollar), of which €173 million are balanced in the liability side by the structural working capital of the Venezuelan subsidiaries.

Note 16. DEBT AND OTHER FINANCIAL LIABILITIES

In € millions	June 2012			December 2012			June 2013		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Bonds	1 019	-	1 019	1 027	-	1 027	1 023	-	1 023
Bank borrowings	398	2	400	274	2	276	272	3	275
DEBT	**1 417**	**2**	**1 419**	**1 301**	**2**	**1 303**	**1 295**	**3**	**1 298**
BANK OVERDRAFTS	**-**	**86**	**86**	**-**	**43**	**43**	**-**	**135**	**135**
Deposits	11	1	12	11	1	12	11	1	12
Purchase commitments	4	8	12	5	4	9	66	4	70
Derivatives	-	8	8	-	9	9	-	15	15
Other	-	23	23	(0)	12	12	-	12	12
OTHER FINANCIAL LIABILITIES	**15**	**40**	**55**	**16**	**26**	**42**	**77**	**32**	**109**
DEBT AND OTHER FINANCIAL LIABILITIES	**1 432**	**128**	**1 560**	**1 317**	**71**	**1 388**	**1 372**	**170**	**1 542**

The contractual documents for financial debt and other financial liabilities do not include any particular covenants or clauses that could significantly change the terms.

K. Debt

Debt includes the following items:

A. 1. Bonds

In September, 2010, the Group placed €800 million worth of 3.625% 7-year bonds due October 6, 2017 with European institutional investors.

In May, 2012, the Group successfully placed a €225 million issue of 10-year fixed-rate bonds, maturing in May 23, 2022 and paying 3.75% interest.

A. 2. Bank borrowings

In June 2010, the Group set up a €900 million 5-year term loan in a club deal with a group of lenders. The loan is repayable in three annual installments, the first of which is due on June 30, 2013.

In 2010 and 2011, the Group repaid respectively €200 million and €100 million in advance.

In May and in September 2012, the Group paid down its bank debt by €200 million and by €125 million, which extended the average maturity of its debt. After taking into account previous repayments, the remaining €275 million outstanding at June 30, 2012 is repayable in installments in June 2015.

L. Maturities of debt analysis

B. 1. Book value

B. 1. 1. At June 30, 2013

(in € millions)	June 2014	June 2015	June 2016	June 2017	June 2018 (1)	beyond Jun. 2018	June 2013
Total debt and other financial liabilities	170	274	1	1	864	232	1 542
Total	**170**	**274**	**1**	**1**	**864**	**232**	**1 542**

(1) Including €800 million expiring in October 2017.

B. 1. 2. At December 31, 2012

(in € millions)	Dec. 2013	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	2018 and beyond	December 2012
Total debt and other financial liabilities	71	4	276	1	804	232	1 388
Total	**71**	**4**	**276**	**1**	**804**	**232**	**1 388**

B. 1. 3. At June 30, 2012

(in € millions)	June 2013	June 2014	June 2015	June 2016	June 2017	beyond Jun. 2017	June 2012
Total debt and other financial liabilities	128	104	301	1	1	1 025	1 560
Total	**128**	**104**	**301**	**1**	**1**	**1 025**	**1 560**

B. 2. Credit facilities

In April 2013, Edenred announced the signature of a five-year €700 million syndicated credit facility (see note 2.C.1).

The new facility has lengthened the average maturity of Edenred's debt by replacing the existing €528 million in confirmed lines of credit, which were set up in June 2010 and scheduled to expire in June 2014.

At June 30, 2013, Edenred had available €753 million of undrawn committed borrowings facilities including €700 million expiring at the end of April 2018 and €50 million expiring in the middle of 2014. These facilities are for general corporate purposes.

M. Rate risk

A. 1. Analysis by interest rate

A. 1. 1. Before hedging

Financial debt excluding hedging is as follows:

	June 2012			December 2012			June 2013		
In € millions	Amount	Rate	% of total debt	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Fixed rate debt (1)	1 019	3.60%	72%	1 027	3.60%	79%	1 023	3.60%	79%
Variable rate debt	400	1.74%	28%	276	1.60%	21%	275	1.43%	21%
TOTAL DEBT	**1 419**	**3.08%**	**100%**	**1 303**	**3.18%**	**100%**	**1 298**	**3.14%**	**100%**

(1) The rates mentioned for the fixed rate debt correspond to the contractual rates (3.625% and 3.75 %) applied to exact number of days of the year divided by 360.

A. 1. 2. After hedging

Financial debt after interest rate hedging is as follows:

	June 2012			December 2012			June 2013		
In € millions	Amount	Rate	% of total debt	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Fixed rate debt	870	3.23%	61%	555	3.33%	43%	461	3.29%	36%
Variable rate debt	549	2.72%	39%	748	2.23%	57%	837	2.24%	64%
TOTAL DEBT	**1 419**	**3.04%**	**100%**	**1 303**	**2.70%**	**100%**	**1 298**	**2.61%**	**100%**

N. Foreign exchange risk

B. 1. Currency analysis

B. 1. 1. Before hedging

Financial debt without hedging is as follows:

In € millions	June 2012 Amount	June 2012 Rate	June 2012 % of total debt	December 2012 Amount	December 2012 Rate	December 2012 % of total debt	June 2013 Amount	June 2013 Rate	June 2013 % of total debt
EUR	1 418	3.07%	100%	1 301	3.18%	100%	1 294	3.13%	100%
Other currencies	1	7.61%	0%	2	2.87%	0%	4	8.24%	0%
TOTAL DEBT	**1 419**	**3.08%**	**100%**	**1 303**	**3.18%**	**100%**	**1 298**	**3.14%**	**100%**

B. 1. 2. After hedging

Financial debt after foreign currency hedging is as follows:

In € millions	June 2012 Amount	June 2012 Rate	June 2012 % of total debt	December 2012 Amount	December 2012 Rate	December 2012 % of total debt	June 2013 Amount	June 2013 Rate	June 2013 % of total debt
EUR	1 414	3.02%	100%	1 296	2.69%	99%	1 290	2.59%	99%
Other currencies	5	6.82%	0%	7	5.09%	1%	8	7.17%	1%
TOTAL DEBT	**1 419**	**3.04%**	**100%**	**1 303**	**2.70%**	**100%**	**1 298**	**2.61%**	**100%**

Note 18. NET DEBT AND NET CASH

(in € millions)	June 2012	December 2012	June 2013
Non-current debt	1 417	1 301	1 295
Other non-current financial liabilities	15	16	77
Current debt	2	2	3
Bank overdrafts	86	43	135
Other current financial liabilities	40	26	32
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	**1 560**	**1 388**	**1 542**
Current financial assets	(34)	(39)	(13)
Other marketable securities	(830)	(998)	(752)
Cash and cash equivalents	(284)	(436)	(252)
TOTAL CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	**(1 148)**	**(1 473)**	**(1 017)**
NET DEBT	**412**	**(85)**	**525**

(in € millions)	June 2012	December 2012	June 2013
Net debt at beginning of period	**(74)**	**(74)**	**(85)**
Increase (decrease) in non-current debt	27	(89)	(6)
Increase (decrease) in other non-current financial liabilities	7	8	61
Decrease (increase) in other marketable securities	255	87	246
Decrease (increase) in cash and cash equivalents, net of bank overdrafts	204	9	276
Increase (decrease) in other financial assets and liabilities	(7)	(26)	33
Increase (decrease) in net debt	**486**	**(11)**	**610**
NET DEBT AT END OF PERIOD	**412**	**(85)**	**525**

Note 19. PROVISIONS

O. Provisions at June 30, 2013

Changes in non-current provisions between January 1, 2013 and June 30, 2013 are as follows:

(in € millions)	Dec. 31, 2012	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifi-cations and changes in scope	June 30, 2013
- Provisions for pensions and loyalty bonuses	34	(0)	2	(1)	-	(0)	(1)	34
- Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT PROVISIONS	**34**	**(0)**	**2**	**(1)**	**-**	**(0)**	**(1)**	**34**

Changes in current provisions between January 1, 2013 and June 30, 2013 are as follows:

(in € millions)	Dec. 31, 2012	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifi-cations and changes in scope	June 30, 2013
- Tax provisions	7	-	1	(0)	-	(1)	0	7
- Restructuring provisions	2	-	1	(1)	(0)	(0)	0	2
- Provisions for claims and litigation and other contingencies	12	-	2	(3)	(1)	(0)	(0)	10
TOTAL CURRENT PROVISIONS	**21**	**-**	**4**	**(4)**	**(1)**	**(1)**	**0**	**19**

There is no contingent liability set aside for ligations that are each above €2 million.

Net provision expense - corresponding to increases in provisions less reversals of used and unused provisions set up in prior periods - is reported under the following income statement captions:

(in € millions)	June 2012	June 2013
EBIT	(2)	(1)
Net financial expense	-	(0)
Restructuring costs and impairment losses	3	1
Income tax expense	-	-
TOTAL	**1**	**(0)**

Note 20. WORKING CAPITAL, SERVICE VOUCHERS IN CIRCULATION AND RESTRICTED CASH

P. Net change in working capital and service vouchers in circulation

(in € millions)	June 2012	December 2012	June 2013	Change jun. 2013/ dec. 2013
Inventories, net	10	13	11	(2)
Trade receivables, net	976	1 092	978	(114)
Other receivables and accruals, net	345	302	274	(28)
Working capital requirments - assets	**1 331**	**1 407**	**1 263**	**(144)**
Trade payables	59	62	65	3
Other payables	169	188	179	(9)
Vouchers in circulation	3 096	3 608	3 202	(406)
Working capital requirements - liabilities	**3 324**	**3 858**	**3 446**	**(412)**
NEGATIVE WORKING CAPITAL	**1 993**	**2 451**	**2 183**	**(268)**

(in € millions)	June 2013
Working capital at beginning of period	**2 451**
Change in w orking capital (1)	(225)
Development Expenditure	19
Disposals	(1)
Non-recurring income and expenses	-
Provisions	1
Currency translation adjustment	(62)
Reclassification to other balance sheet items	(0)
Net change in working capital	(268)
WORKING CAPITAL AT END OF PERIOD	**2 183**

(1) See statement of cash flows 1.4

Q. Net change in restricted cash

Restricted cash corresponds mainly to service voucher reserve funds submitted to local specific regulation in France (€604 million), United Kingdom (€89 million) and Romania (€30 million).

(in € millions)	June 2013
Restricted cash at beginning of period	**709**
Like-for-like change for the period (1)	41
Reclassification from cash and cash equivalents to restricted cash	-
Currency translation adjustment	(4)
Net change in restricted cash	37
RESTRICTED CASH AT END OF PERIOD	**746**

(1) See statement of cash flows 1.4

Note 21. CLAIMS AND LITIGATIONS

A. Tax litigation in France

Following a tax audit of the 2003 and 2004 accounts of Edenred France (previously Accor Services France), the French tax authorities imposed various fines on the company related to VAT payments and failure to produce a schedule tracking capital gains qualifying for rollover relief.

After the tax authorities issued a collection notice, the fines – which totaled €21.8 million – were paid by the company in April 2008 and recognized as an expense in the 2008 financial statements.

The company subsequently contested the fines in September 2009, claiming that the tax authorities' position was without merit. The challenge was rejected by the tax authorities on October 14, 2009.

On December 10, 2009, the company applied to the Montreuil Administrative Tribunal for a ruling on the matter.

The application was rejected by the Tribunal on December 2, 2010.

On February 16, 2011, the company appealed the decision before the Versailles Administrative Tribunal.

The appeal is currently pending.

B. Dispute with Fnac and Conforama

Accentiv' Kadéos is involved in disputes with Fnac and Conforama, two members of its gift solution acceptance and distribution network, as a result of their alleged failure to fulfil certain contractual obligations, particularly the obligation to exclusively distribute the Kadéos card up until December 31, 2011. The dispute arose as Fnac and Conforama created their own single-brand cards that they distribute through their respective store networks, leading Edenred to apply for court orders requiring Fnac and Conforama to stop distributing their own cards immediately. The next stages consisted of legal proceedings based on the merits of the cases and arbitration proceedings.

Accentiv' Kadéos requested and obtained a court order from the Paris Court of Appeals on December 1, 2010, and a subsequent ruling from the Supreme Court of Appeals (Cour de Cassation) on November 15, 2011, requiring Fnac to stop distributing its single-brand card immediately or suffer a penalty. A similar order was issued to Conforama on December 3, 2010.

The related procedures are still ongoing, pending a ruling on the merits of the cases. Consequently, the cash compensation received to date in relation to the cases has not yet been recognized in the income statement.

Concerning the merits of the cases, on January 28, 2011, Accentiv' Kadéos was summoned before the Paris Commercial Court following an application lodged by Fnac and Conforama to obtain retroactive removal of the exclusivity obligations as well as compensation for losses suffered as a result of the continued existence of those obligations, estimated by the two groups at around €6 million. On June 22, 2012, without commenting on the merits, the Paris Commercial Court ruled that it was not competent to hear the case. Referring to the arbitration clause contained in the Kadéos sale agreement, the Court stated that the parties should submit their disputes to arbitration.

Referring to the Paris Commercial Court's ruling of June 22, 2012, PPR (which has been substituted for Fnac in the procedure) and Conforama applied to the International Chamber of Commerce to initiate arbitration proceedings.

Each party has appointed its own arbitrator. On March 26, 2013, the Paris Court of Appeals determined that the arbitration clause contained in the partnership agreements was not applicable, thereby overturning the Paris Commercial Court's June 22, 2012 ruling that it was not competent to hear the case.

Edenred believes that Fnac and Conforama's claims are without merit. Consequently, no related provision has been set aside in the financial statements.

C. Tax audit and tax litigation in Italy

C. 1. Tax litigation

In October 2011, the Italian tax authorities notified several Accor and Edenred subsidiaries of a €27.4 million tax reassessment concerning registration duties. The reassessment is based on the requalification of a number of transactions carried out as part of the reorganization of Accor's Services division in Italy between 2006 and 2010.

The Accor and Edenred companies concerned filed a complaint to the Italian authorities on December 16, 2011 contesting the reassessments.

The reassessment notices required settlement of the tax deficiencies within 60 days and the companies concerned therefore paid the amounts claimed on December 16, 2011. The cost was shared equally between Accor and Edenred.

The companies believe that the tax reassessment is without merit and, after consulting with their legal and tax advisors, consider that their challenges have a reasonable chance of success.

As a result, no expense was recorded in Edenred's 2011 and 2012 consolidated income statement. There were no developments in this matter during first-half 2013.

C. 2. Tax audit

Following their tax audit, the Italian tax authorities notified their intention to challenge the deduction of interest claimed on a loan granted by Edenred SA to Edenred Italy to finance the acquisition of several Group subsidiaries as part of the Accor demerger. The amount of the reassessment is estimated at €17.8 million and has been covered by a tax warranty at the request of the Italian tax authorities. The warranty has been recognized in the interim consolidated financial statements as an off-balance sheet commitment.

D. Tax litigation in Brazil

D. 1. Municipal tax

In December 2011, the City of São Paulo notified Brazilian subsidiary Ticket Serviços of a municipal tax (*ISS Imposto Sobre Serviços*) reassessment in respect of the period April to December 2006. Ticket Serviços had already paid this tax to the City of Alphaville.

The reassessment amounts to BRL 7.7 million, and Ticket Serviços also faces claims for late interests, fines and inflation adjustments estimated at BRL 37.8 million at June 30, 2013.

In November 2012, Ticket Serviços was notified of the corresponding amounts for the period January 2007 to March 2009.

For this second period, the reassessment amounts to BRL 28.1 million, and the late interest, fines and inflation adjustments represent an estimated at BRL 124.7 million at June 30, 2013. The company applied to the tax court to have the reassessment overturned. Its request was rejected in the first instance and this decision is now being appealed.

The company still believes that the reassessment is without merit. Based on the opinion of its tax advisors, it believes that the probability of a favorable outcome is high. Consequently, no related provision has been set aside in the financial statements.

D. 2. Tax allowance for goodwill amortization

In January 2012, the Brazilian federal tax administration notified Ticket Serviços of a proposed reassessment of corporate income tax and the IRPJ and CSLL surtaxes for the years 2007 to 2010. The reassessment amounts to BRL 81.7 million, and Ticket Serviços also faces claims for late interest, fines and inflation adjustments estimated at BRL 172.8 million at June 30, 2013.

The reassessment is based on the tax administration's decision to disallow amortization of the goodwill recognized on the buyout of minority interests in Ticket Serviços. The company applied to the tax court to have the reassessment overturned. Its request was rejected in the first instance and this decision is now being appealed.

After consulting its tax advisors, Ticker Serviços believes that the probability of a favorable outcome is high. No income statement effect has been recorded in Edenred's financial statements in respect of this dispute.

The Group is also involved or may be involved in the future in various claims or legal proceedings in the normal course of business. As of the date of this report, to the best of the Company's knowledge, there are no claims or legal proceedings in progress, pending or threatened against the Company or its subsidiaries that could have a material effect on the Group's business, results or financial position.

Note 22. SUBSEQUENT EVENTS

None.

Auditors' review report on the interim consolidated financial statements

EDENRED

Société Anonyme

166-180 Boulevard Gabriel Péri
92240 Malakoff

STATUTORY AUDITORS' REVIEW REPORT ON THE 2013 HALF-YEAR FINANCIAL INFORMATION

Six months ended June 30, 2013

CABINET DIDIER KLING & ASSOCIES

28, Avenue Hoche

75008 Paris

DELOITTE & ASSOCIES

185, avenue Charles-de-Gaulle

92524 Neuilly-sur-Seine Cedex

EDENRED

Société Anonyme

166-180 Boulevard Gabriel Péri
92240 Malakoff

STATUTORY AUDITORS' REVIEW REPORT ON THE 2013 HALF-YEAR FINANCIAL INFORMATION

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(Six months ended June 30, 2013)

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*"Code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Edenred, for the six months ended June 30, 2013 ;

- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of half-year financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris and Neuilly-sur-Seine, July 24, 2013

The Statutory Auditors

French original signed by

CABINET DIDIER KLING & ASSOCIÉS	DELOITTE & ASSOCIÉS
Didier KLING	David DUPONT-NOEL

Statement by the person responsible for the 2013 interim financial report

Statement by the person responsible for the 2013 interim financial report

I declare that, to the best of my knowledge, (i) the consolidated financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the companies included in the consolidation, and (ii) the interim management report includes a fair review of material events of the first six months of the financial year and their impact on the interim financial statements, as well as a discussion of the main risks and uncertainties in the second half of the year and a description of the main related party transactions for the period.

Malakoff – July 23, 2013
Jacques Stern
Chairman and Chief Executive Officer