2012 REGISTRATION DOCUMENT

This document includes the annual financial report

Edenred

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AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The original French version of this translated Reference Document was recorded with the Autorité des marchés financiers with the number R.13-011 on April 04, 2013 in accordance with article 212-13 of the General Regulations of the Autorité des marchés financiers.

It may be used in connection with a financial transaction in conjunction with an Information Memorandum approved by the Autorité des marchés financiers. This document was prepared by the issuer and is binding on its signatories.

FINANCIAL AND OPERATIONAL GLOSSARY

Term	Definition
Acceptance network	Network of affiliated merchants that accepts the Group's vouchers as a payment instrument. There are three types of acceptance networks for the Group's card-based products: • **Closed loop**: the card is issued by an affiliated merchant under its own brand (e.g. Carrefour, Walmart, Starbucks) and is only accepted in its outlets. • **Filtered loop**: the card is issued only under the issuer's brand and is redeemable in a certain number of sales outlets, selected by the issuer who designed the prepaid service (meal card, food card, fuel card, gift card, etc.). • **Open loop**: solutions (for example, gift cards, prepaid cards and payroll cards) that are cobranded by the acceptance network and the issuer. They are accepted anywhere.
Affiliated merchant	Businesses that accept the Group's vouchers as a payment instrument, as part of a contractual relationship.
Beneficiaries	End users of the prepaid benefit or service, who receive the vouchers from their employer or a public institution.
Client commission	Commission billed to Edenred's clients (companies, non-profits and public institutions), comprising a variable component calculated as a percentage of issue volume.
Digital Transition	The transition from paper to digital (cards, Internet, smartphone apps etc.)
EBIT	EBIT corresponds to total revenue (operating and financial) less operating expenses, depreciation, amortization and non-operating provisions, and includes: • Operating EBIT • Financial EBIT EBIT is presented in note 2.T6 to the consolidated financial statement, on page 145. It is broken down between operating EBIT (EBIT excluding financial revenue), and financial EBIT (corresponding to financial revenue).
Face value	Amount marked on the payment voucher, or the credit on a digital solution.
Float	Vouchers in circulations less trade receivables.
Free cash flow	It is analysed in section 2.1.1.4 on page 33.
Funds from operations before non-recurring items (FFO)	Funds from operations before non-recurring items (FFO) corresponds to EBITDA less net financial expense, income tax expense, non-cash revenue and expenses included in EBITDA, provision movements included in net financial expense, income tax expense and non-recurring taxes. This management ratio is discussed in section 2.1.1.5 on page 36, and in note 26 to the consolidated financial statement on page 182.
Issue volume	Total face value of the prepaid service vouchers and cards issued by Edenred to its corporate and public sector clients.
Like-for-like	At constant exchange rates and scope of consolidation.
Merchant commission	Commission paid by Edenred affiliated merchants are based on the vouchers' face value. When the vouchers are presented for reimbursement, Edenred pays to the merchant the face value less the amount of its commission.
Normalized growth	Normalized growth means the level of growth that the Group believes it can achieve in an economic environment in which there is no increase in unemployment. It is calculated on a like-for-like basis.
Operating flow-through ratio	Ratio between the like-for-like change in operating EBIT and the like-for-like change in operating revenue.
Penetration rate	The ratio between the number of beneficiaries of a service voucher and the eligible active population, which depends on the applicable regulations in the country concerned.
Revenue	**Total Group revenue** includes: • Operating revenue generated directly by prepaid services with and without issue volume and, • financial revenue, generated by investing the float. **Operating revenue with issue volume** includes: • Commission paid by clients . • Commission paid by affiliated merchants when vouchers are presented for reimbursement. • Profits on vouchers that are lost or expire without being reimbursed. Operating revenue without issue volume corresponds to revenue generated by value added businesses such as incentive programs, human services, and event-related services. The corresponding revenue is the amount billed to the client and is recognized on delivery of the solutions. **Financial revenue** is interest generated by investing cash over the period between: • the voucher's issue date and reimbursement date for prepaid vouchers. • the top-up date and the date the credit is used for prepaid cards.
Recurring profit after tax	Recurring profit after tax corresponds to net profit less non-recurring items (including tax), less minority interests. Edenred uses this performance indicator to determine its dividend payout ratio.
Take-up rate	Ratio of operating revenue with issue volume to total issue volume.
Unlevered free cash flow	Unlevered free cash flow is an indicator of the Company's cash-generating capacity. It is presented in section 2.1.1.4 on page 33.
Working capital requirement	The net balance of operating uses of funds and operating sources of funds. Its calculation is presented in note 27 to the consolidated financial statements on page 182. In the Prepaid Services business, working capital requirement is structurally negative with Edenred receiving funds from clients before having to reimburse its affiliated merchants.

1 PRESENTATION OF THE GROUP

1.1 CORPORATE PROFILE

1.1.1 UNIQUE EXPERTISE AND POSITIONING

Edenred, which invented the *Ticket Restaurant*® solution and is the world leader in prepaid corporate services, designs and delivers solutions that make employees' lives easier and improve the efficiency of organizations.

Edenred solutions ensure that funds allocated by companies are used as intended. These solutions help to manage:

- **employee benefits** (*Ticket Restaurant*®, *Ticket Alimentación*®, *Ticket CESU, Childcare Vouchers*®, etc.);
- **expense management process** (*Ticket Car*®, *Ticket Clean way*®, *Repom*®, etc.);
- **incentive and rewards programs** (*Ticket Compliments*®, *Ticket Kadéos*®, etc.).

The Group also supports public institutions in managing their **social programs**.

Four Types Of Solutions

	B2B				B2G
	EMPLOYEE BENEFITS		EXPENSE MANAGEMENT	INCENTIVE & REWARDS	PUBLIC SOCIAL PROGRAMS
	MEAL & FOOD	QUALITY OF LIFE			
As a % of IV*	77%	8%	10%	4%	1%
Dedicated funds	Ticket Restaurant®, Ticket Alimentación®	Childcare Vouchers®, Ticket EcoCheque®, Ticket CESU, Ticket Cultura®, Ticket Plus® Card, Ticket Kadéos®, Ticket Compliments®	Ticket Car®, Repom, Ticket Clean Way®	Ticket Compliments®, Ticket Kadéos®	Ticket Restaurant™ JUNAEB, Ticket CESU, Ticket Service®
Non dedicated funds			ExpendiaSmart®		
	HUMAN RESOURCES		PURCHASING FINANCE	MARKETING & SALES	PUBLIC AUTHORITIES

*IV: Issue Volume

In the course of its business, Edenred maintains relations with several stakeholders:

- **companies and public sector clients**, concerned with being an attractive employer, with motivating their teams and optimizing their performance;
- **beneficiaries**, who appreciate the simplicity and convenience of service cards and vouchers in making their lives easier;
- **affiliated merchants**, seeking to increase their revenue, retain their customers and secure their transactions;
- **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.

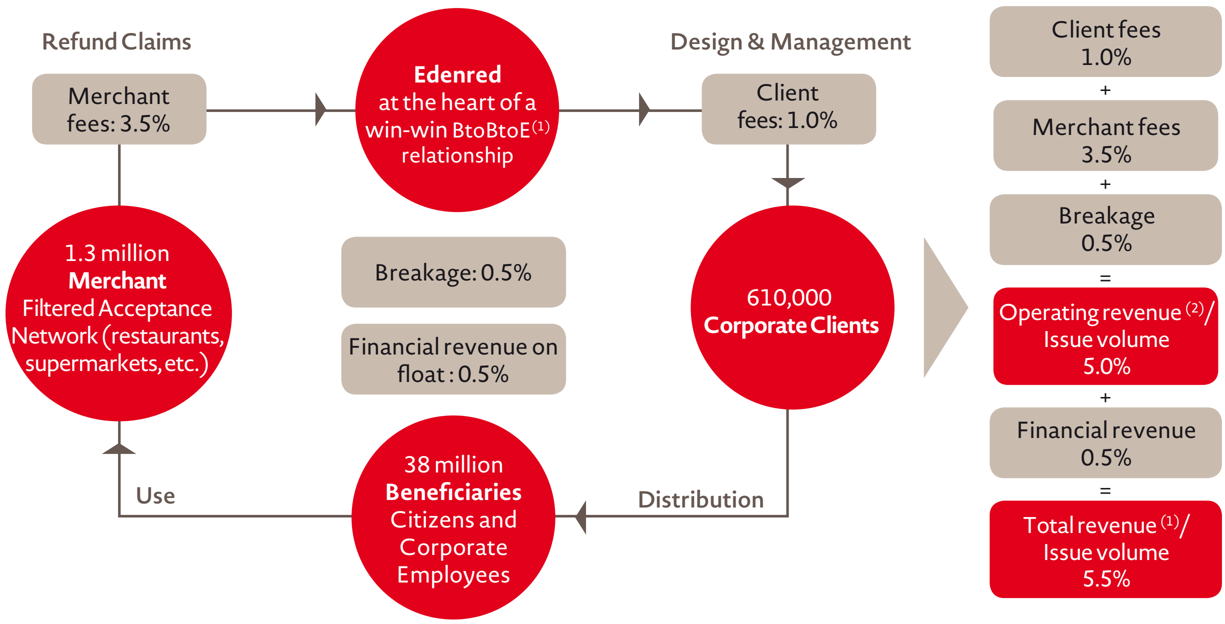
Listed on the NYSE Euronext Paris stock exchange (1), Edenred operates in 40 countries, with nearly 6,000 employees, 610,000 companies and public sector clients, 1.3 million affiliated merchants and 38 million beneficiaries. In 2012, total issue volume amounted to €16.7 billion, of which 61% was generated in emerging markets.

(1) Listed on NYSE Euronext Paris Compartment A (ISIN: FR0010908533).

1.1.2 A BUSINESS MODEL THAT GENERATES STRONG SUSTAINABLE GROWTH AND REQUIRES LITTLE CAPITAL INVESTMENT

1.1.2.1 Description of the business model

The Group's business model, illustrated below, is based on win-win relationships with stakeholders.



(1) Business to Business to Employee
(2) With issue volume

One of the Group's key indicators is **issue volume**, corresponding to the total face value of the prepaid service vouchers and cards issued by Edenred to its corporate and public sector clients.

Revenue comprises operating revenue generated directly by the supply of prepaid service vouchers and cards and financial revenue generated by investing the negative working capital requirement [1].

Operating revenue corresponds to revenue from the sale of solutions and services. It includes operating revenue linked to issue volume that is generated by prepaid vouchers (€838 million in 2012) and operating revenue without issue volume (€138 million in 2012), mainly consisting of billings for services such as the management of incentive and rewards programs for Group clients.

Operating revenue linked to issue volume represented 5.0% of issue volume in 2012, breaking down as follows:

- commissions received from clients on the sale of prepaid vouchers and cards and all related amounts billed to clients such as delivery costs, card sales and voucher customization costs, representing an average of 1.0% of issue volume in 2012;
- commissions received from affiliated merchants (restaurants, supermarkets, retail chains, service stations, etc.), representing an average of 3.5% of 2012 issue volume. When beneficiaries have spent their prepaid vouchers with affiliated merchants, the merchants present the vouchers to Edenred for reimbursement of their face value, net of a commission. This is Edenred's second source of revenue. Affiliated merchants generally join the program by signing a contract drawn up individually that specifies the commission rate as well as the basis for reimbursing vouchers. The commission rate generally depends on the type and size of the merchant network and the reimbursement period selected by the merchant when a choice is offered;
- profits on vouchers that are lost or expire without being reimbursed, representing 0.5% of 2012 issue volume, corresponding to the face value of vouchers that have not been presented by their expiry date, representing 0.5% of 2012 issue volume.

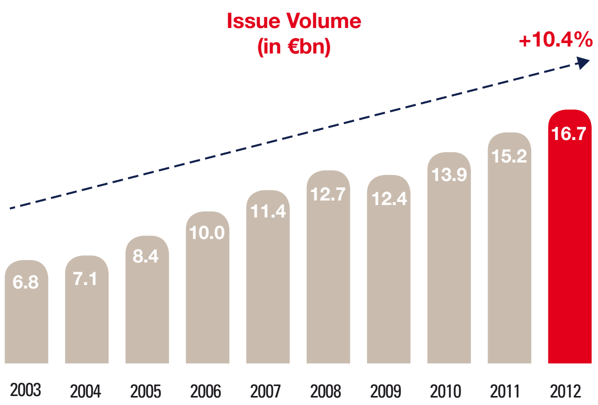
(1) Corresponding to the investment of funds received from clients (total voucher face values) and not yet reimbursed to affiliated merchants.

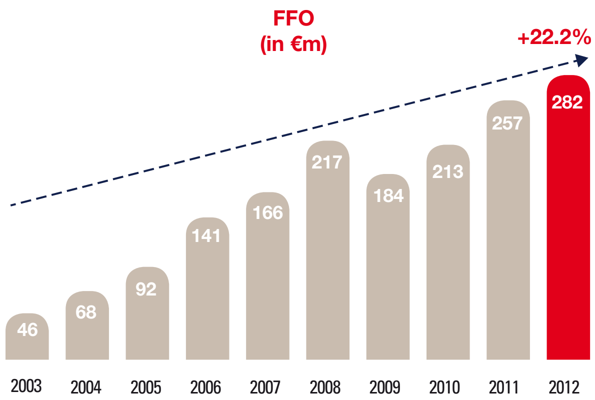
The negative working capital requirement, corresponding to the cash received from clients for prepaid services that has not yet been reimbursed to affiliated merchants, is invested to generate **financial revenue** that is added to operating revenue to calculate the Group's total revenue. In 2012, financial revenue represented 0.5% of issue volume.

Total 2012 revenue, including operating revenue with and without issue volume as well as financial revenue, represented €1.07 billion, or 5.5% of issue volume. Over the period from 2003 to 2012, the Group reported average revenue growth of 9.9% per year.

1.1.2.2 Strong and sustainable growth with little capital investment

Edenred's performance is underpinned by a business model that is profitable over the long term because it delivers sustained growth, generates a negative working capital requirement and requires little capital investment. Since 2003, reported voucher issue volume has grown by an average 10.4% per year, and funds from operations before non-recurring items (FFO) have increased by 22.2%. Recurring expenditure by the Group is in the region of €40 million to €50 million per year. In 2012, issue volume increased by 10.1% like-for-like, while operating revenue grew 7.7% like-for-like.





This sustainable business model is also based on extensive diversification in terms of geographic spread, the number of solutions, client portfolios and media. Diversification plays a critical role in maintaining consistent performance by spreading risks more widely.

The model is also remarkably effective in creating economic wealth and jobs, and in promoting consumer spending, as well as in tracing payment flows, representing a further guarantee of sustainability.

1.1.3 THE GLOBAL LEADER IN PREPAID CORPORATE SERVICES

1.1.3.1 Overview of the prepaid services market

In a market representing an estimated €121 billion [(1)], Edenred is today positioned as the **world leader in B2B prepaid services**, with issue volume of €16.7 billion in 2012. Its solutions cover three segments:

- employee benefits (85% of issue volume);
- expense management (10% of issue volume);
- incentive and rewards (4% of issue volume).

In this extremely fragmented market, Edenred faces competition from a large number of local players in all of its host countries. There are also several international competitors, such as Sodexo and *Chèque Déjeuner* in the employee benefits segment and FleetCor and WEX inc in expense management. In its three main markets – Brazil, France and Mexico – Edenred is the market leader [(2)].

Apart from its direct competitors, Edenred sometimes faces indirect competition from a diverse range of companies in each of its operating segments. For example, international and local banks, financial service providers, service station operators, travel agencies, software solution providers, marketing firms, incentive agencies and gift package providers, may compete with prepaid services companies.

Globally, Edenred also develops **solutions for public social programs** ("B2G solutions", 1% of issue volume). This €116 billion market [(1)] is served by local and multinational companies that offer prepaid solutions or software solutions for the implementation of public policies in the areas of social protection, culture, education, sport and professional training.

In addition to competitors in the prepaid corporate services and public social programs markets, many companies already offer **prepaid services for end consumers** (mainly gift cards or payroll cards). For example, the mature North American prepaid services market has seen strong growth in the B2C segment served by financial institutions and specialist companies. Edenred, which is not currently present in these adjacent markets, nevertheless strategically monitors their development through a partnership signed with venture capital firm Partech International in December 2011 and through the Alternative Investments unit set up to provide capital and support to companies offering value-added services to different types of stakeholders.

Lastly, prepaid services for businesses, public institutions and consumers are a component of a much larger **payment ecosystem**. Edenred has occasion to interact with various players in the payment value chain, such as banks, merchant acquirers [(3)], payment system networks, payroll management companies, payment terminal and card manufacturers, payment processors and loyalty program managers.

Our position as the leading international expert [(2)] in managing dedicated funds is a core strength that will drive our growth strategy, thanks in particular to:

- the resulting economies of scale, which allow us to fully leverage growth in our issue volume;
- our credibility among public authorities, who turn to us for support in the areas of employee benefits and public social programs;
- our broad client base and our sales expertise;
- the skill-sets we use to create and deploy new solutions;
- our European and Latin American in-house authorization platforms, that we use to process payments from digital media developed by Edenred.

(1) Source: 2010 internal estimate (see November 2011 Investor Day presentation, available on the Company's website).

(2) Source: 2012 internal estimate.

(3) Companies specialized in installing payment terminals at merchants.

1.1.3.2 A solutions offer that makes employees' lives easier and organizations more efficient

The following table shows the breakdown of issue volume by solution category and each category's like-for-like growth in 2012:

	B2B				B2G	
	EMPLOYEES BENEFITS		EXPENSE MANAGEMENT	INCENTIVE AND REWARDS	PUBLIC SOCIAL PROGRAMS	TOTAL
	MEAL AND FOOD	QUALITY OF LIFE				
Issue Volume (in € millions)	12,897	1,302	1,666	602	190	16,657
As a % of IV	77%	8%	10%	4%	1%	100%
L/L change 2012/2011	+9.3%	+5.5%	+24.2%	+3.2%	+24.4%	+10.1%

- **Employee benefits.** The vast majority of our solutions are developed in response to public policies, for example to improve nutrition or to promote social cohesion and economic activity.

  Employee benefits are a win-win proposition for all stakeholders:

  - **public institutions:** our employee benefits solutions represent an efficient method of enhancing the effectiveness of governments' social or economic policies, delivering benefits and ensuring the traceability of funds allocated to social programs. Their social usefulness qualifies them for income tax and/or payroll tax exemptions. For governments, the lost tax revenue is generally offset by the direct and indirect effects of employee benefit programs, which help to boost the revenues of merchants, creating jobs and boosting tax revenues, particularly corporate income tax and value-added tax. These solutions are an efficient tool for combatting development of the informal economy (particularly in the food and human services sectors). From a public health perspective, a key attraction of employee benefits solutions (particularly meal and food vouchers) is that they help beneficiaries and their families to enjoy a healthier diet. They also benefit the economy by boosting workers' motivation and raising productivity levels, reducing absenteeism, workplace accidents and cases of food poisoning. In addition, they represent a simple alternative to corporate catering structures for small and medium-sized enterprises;
  - **companies and public sector clients:** given that all or part of the employer's contribution to financing the benefits is tax-exempt, employee benefits are a cost-effective way for employers to boost employee compensation and thereby enhance their attractiveness as part of a broader human resources strategy. In France, for example, the portion of meal vouchers' face value paid by the employer is exempt from social security contributions and payroll tax, within the limits prescribed by law (€5.29 per voucher in 2012). In a survey of employers [(1)], 73% of respondents said that the meal voucher system helped to improve their image as a good place to work, while 61% said that it was a strong argument in their favor when hiring employees. With 610,000 clients at December 31, 2012, Edenred has an extremely diversified client portfolio;
  - **beneficiaries:** employee benefits solutions increase beneficiaries' purchasing power, as the employer's contribution to financing these solutions is exempt or partially exempt from personal income tax. In a survey of employees conducted in France [(1)], 94% of respondents said that they valued their meal vouchers and 81% considered that offering meal vouchers made companies more attractive employers;
  - **affiliated merchants:** employee benefit solutions are also a highly effective method of boosting the businesses of affiliated merchants (restaurants, grocery stores, etc.), because they

(1) IPSOS survey carried out in 2010 among 400 employers, 800 employees and 400 restaurant owners using meal vouchers.

help these merchants to attract and retain a new category of "employee-consumer" customers who represent a totally secure source of revenue. In France, around 15% of revenues in the foodservices sector are generated by meal vouchers. In a survey of restaurants [(1)], 57% of respondents said that meal vouchers generated a significant proportion of their revenues and 81% considered that meal vouchers represented a means of retaining customers. At year-end 2012, Edenred's worldwide affiliated merchant network comprised 1.3 million affiliated merchants of every type, including restaurants, supermarkets, retailers, grocery stores and service stations.

There are several types of employee benefit solutions:

- **Food-related employee benefits.** The Group offers two types of solutions: *Ticket Restaurant®* meal vouchers and *Ticket Alimentación®* food vouchers, currently offered in 33 countries:
  - the first solution invented by the Group in France, back in 1962, *Ticket Restaurant®* allows employees to buy lunch outside their workplace, in an affiliated restaurant or other foodservice outlet of their choice. It is a simple alternative to corporate catering structures, particularly for small and medium-sized enterprises, that helps to foster employee loyalty. The employer's contribution to the cost of the meal, corresponding to all or part of the vouchers' face value, is generally deductible from its taxable profit. It is also generally exempt from personal income tax in the hands of the employee. In addition, all or part of the vouchers' face value is exempt from employer and employee payroll taxes,
  - *Ticket Alimentación®* increases beneficiaries' purchasing power and improves their diet by allowing them to pay for groceries in neighborhood stores and supermarkets not only for themselves but for their entire family. Launched by Edenred in 1983 in Mexico, under the name ***Vale Despensas®***, the product has since been rolled out to other Latin American countries, including Brazil in 1990, and more recently to certain countries in Central Europe.
- **Employee benefits to improve quality of life.** Building on the outstanding success of *Ticket Restaurant®* and *Ticket Alimentación®*, the Group has developed a range of solutions that allow employers to help finance the cost of essential services that make employees' lives easier. Examples include childcare (with *Childcare Vouchers®* in the United Kingdom and *Ticket Guardería®* in Spain), human services (with the *Ticket CESU* in France), commuting costs (with *Ticket Transport®* in Brazil and Spain and *Commuter Check®* in the United States), cultural purchases (with *Ticket Cultura®* in Brazil) and purchases of environmentally friendly products (with *Ticket EcoCheque®* in Belgium). In some countries, companies can also award tax-exempt gift vouchers to employees in connection with certain events (a wedding, birth of a child, Christmas, etc.). Among these various solutions, the *Childcare Voucher®* represents one of our flagship programs. By allowing companies that don't have workplace daycare facilities to help finance their employees' childcare costs, this product responds to the needs of all the players concerned. For the State, the total or partial exemption from payroll taxes and income tax of the employer's contribution is a cost-effective solution to the acute needs created by recent social trends, particularly the growing number of working mothers. For companies too, *Childcare Vouchers®* represent a simpler and far more cost-effective solution than the alternatives, such as setting up a workplace daycare center. As a result, even medium, small and very small businesses can include them in the benefits package offered to employees. Moreover, the vouchers don't just increase beneficiaries' purchasing power, they also ensure that the funds are effectively spent on childcare. For beneficiaries, they represent a flexible solution as they can be used to pay for all types of childcare, provided by centers or individuals that are affiliated with accredited voucher issuers.
- **Expense management solutions.** Edenred offers solutions to companies to help them control their employees' business expenses and optimize expense reporting processes, while at the same time generating cost savings. For employees, these solutions mean not having to pay expenses out of their own pockets and claim reimbursements. Although based on a similar model to employee benefits, they do not qualify for any exemption from income tax or payroll taxes. They can be accepted in both open and closed loop networks.

The Group is present in two segments:

- **Fleet expense management** (fuel and maintenance expenditure for cars or trucks), with the *Ticket Car®* solution. In this case, affiliated merchants are mainly service stations. Originally used by employees to fill up their car for business trips, today the solution also covers vehicle maintenance, allowing companies to track and better manage this type of expense thanks to pre-configured user profiles covering, for example, mileage, telemetry parameters, type of fuel, authorized service stations and service outlays. *Ticket Car®* has become a valuable corporate fleet management tool, not only for company cars but also for truck fleets. Launched in Brazil in 1990, the solution has since been rolled out to Mexico, Chile and Argentina, positioning Edenred as the market leader [(2)] in Latin America. Today, *Ticket Car®* contributes most of the issue volume in the expense management segment;
- **Management of employee travel expenses** (plane or train tickets, accommodation, meals, etc.) or **business expenses** (compensation, workwear cleaning, etc.). In this case, as illustrated below, the Group may deploy solutions either responding to generic needs, like *ExpandiaSmart®* in Italy, or

(1) IPSOS survey carried out in 2010 among 400 employers, 800 employees and 400 restaurant owners using meal vouchers.

(2) Source: 2012 internal estimate.

tailored to specific industry needs, such as *Repom*® in Brazil or *Ticket Clean way*® in France:

- In March 2011, Edenred Italy launched *ExpendiaSmart*®, an innovative travel expense management solution that overcomes the problem of employees having to pay their expenses out of pocket and then claim reimbursements. This solution comprises three components: a dedicated web platform to plan travel expense budgets based on the Company's travel policy, a preloaded payment card that may be issued in the employee's name, and a customizable reporting system to control and monitor expenses.
- The December 2012 acquisition of Repom, the leader in Brazil's "*frete*" market, has extended Edenred's offer in this segment, which covers all the costs incurred by major manufacturers and transportation companies for the outsourced delivery of goods by independent truck drivers. Growth in this largely untapped €25-billion (1) market will be boosted by the Brazilian government's recent introduction of fines and tax incentives in a bid to put service transactions by independent truck drivers on a more formal basis.
- The *Ticket Clean way*® is used by employees to pay for the cleaning of their work clothes. The Company issues the employee a smartcard or paper voucher-based cleaning allowance that can be used in a network of affiliated merchants. Launched in France in 1995, *Ticket Clean way*® has recently been deployed in other European countries. In late 2011, *Ticket Clean way*® introduced the "EPI card", a personal protective equipment cleaning solution for clients in France. The card enables employers to ensure that the protective equipment worn by their employees is of optimal quality by tracking the number of times it has been cleaned. In this way, it addresses an everyday safety concern shared by four million professionals in France's construction, manufacturing, defense and transportation industries. This differentiating solution illustrates the Group's capacity for innovation and opens up a potential €128 million market (2).

- **Incentive and rewards programs.** Our incentive and rewards solutions are designed to be used by companies to motivate sales teams, provide incentives for distribution networks, and retain consumers. Although based on the same model as employee benefits, like expense management solutions they do not qualify for any exemption from income tax or payroll taxes. They can be accepted in open or closed loop networks. Examples of incentive and rewards products include gift vouchers and cards that clients distribute to beneficiaries who purchase products in affiliated stores:
  - the Group's two main incentive and rewards brands are *Ticket Kadéos*® and *Ticket Compliments*®, a range of closed-loop and open-loop gift vouchers and cards for companies and works councils (for distribution to employees) and public sector clients (for their social programs);
  - the Group also provides incentive and rewards services through its *Accentiv'*® brand, which offers companies and public sector clients its expertise in the areas of rewards, loyalty programs and gifts. *Accentiv'*® has developed a comprehensive service offer extending from the essential first step of developing a business's marketing strategy (targeting their distribution networks, resellers and employees) to the distribution of rewards (gift vouchers, gift cards, gift packs, incentive travel, etc.).
- **Public social programs.** Public authorities and institutions also use our services for the management and distribution of social benefits, in order to enhance the effectiveness of their policies in this area, in particular by improving the traceability of the funds allocated to the programs. Our public social program solutions help public authorities and institutions to keep better track of funds earmarked to improve the purchasing power of certain categories of the population. For example, the *Ticket Service*® solution distributed in France (*Ticket CESU*), Belgium (*Ticket S*), Italy, the Czech Republic, Turkey, Chile and South Africa, allows financial assistance to be distributed in accordance with local or regional social policies, to meet specific needs. Most of the programs are designed to help people buy food or clothing, to meet their personal hygiene needs, or provide access to cultural or sporting facilities or transport. For public authorities and institutions, our solutions represent a flexible and convenient alternative to the distribution of assistance in the form of cash payments, allowing them to target a specific need, track the use of the funds, ensure that they are used by beneficiaries for their intended purpose, and avoid problems of embezzlement and corruption. For example, Chile and Italy have introduced cards designed to assist students with food expenses and tuition while at university.

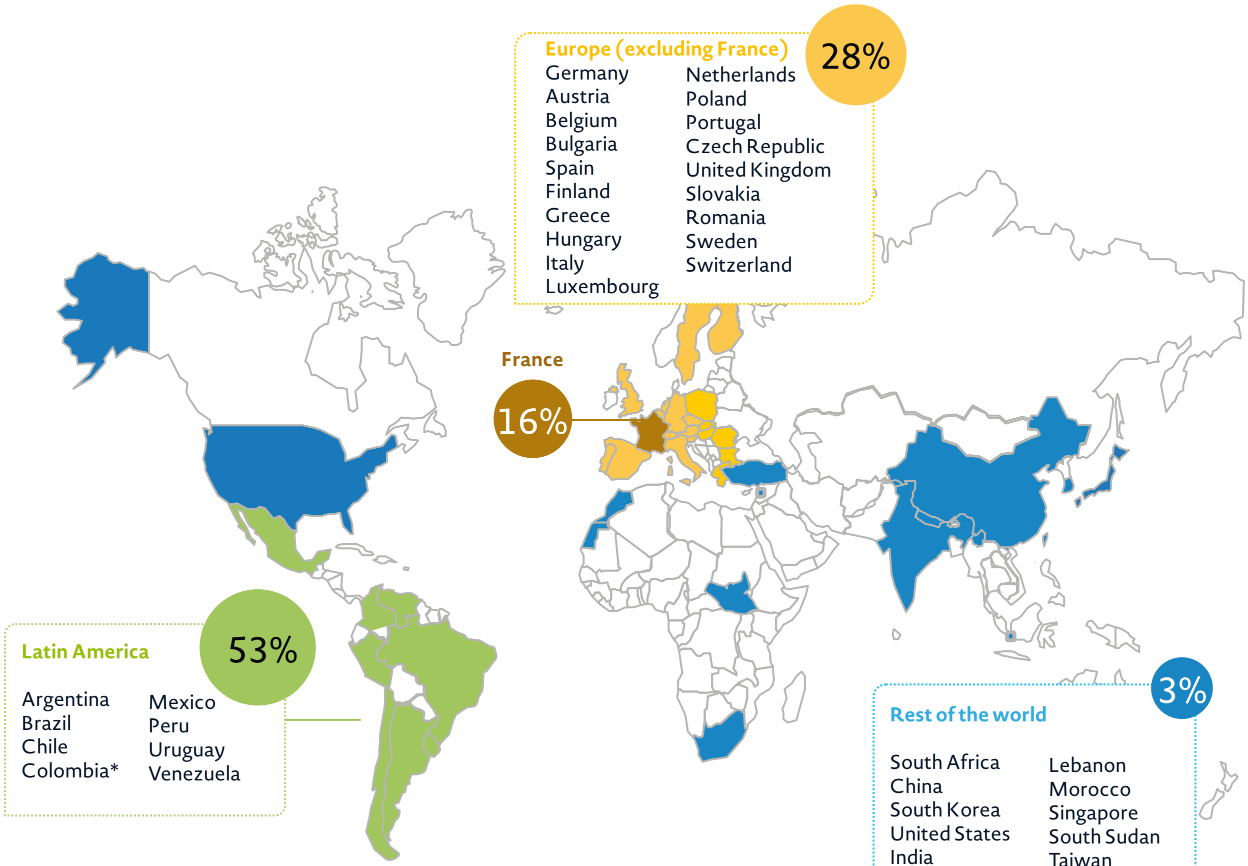
1.1.3.3 Operations in 40 countries, balanced between developed and emerging markets

Since its formation, Edenred has steadily expanded its geographic presence and it now has operations in 40 countries on five continents. In most of these countries, Edenred created the market by impelling the passage of legislation enabling the introduction of employee benefits solutions. The Group's broad geographic footprint and expertise in supporting public authorities in creating a favorable legislative framework represent solid foundations for developing its capabilities and implementing its growth strategy.

(1) Source: Brazilian government estimate. 2012 data.

(2) Source: GMV study for Edenred and Synamap study. 2011 data.

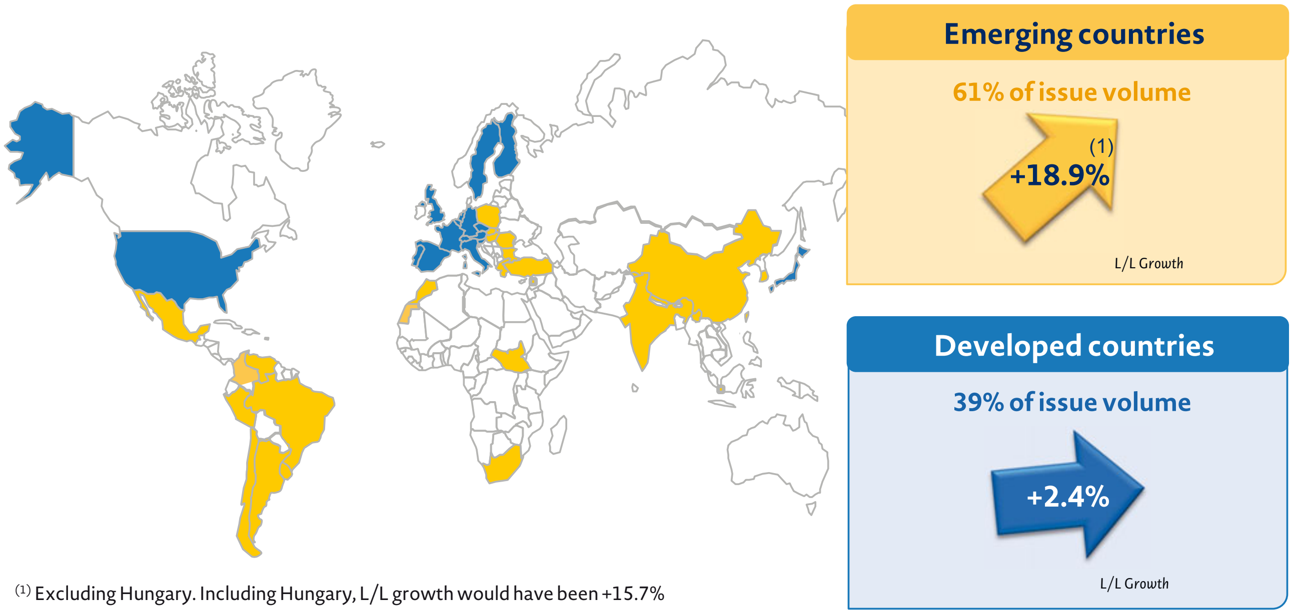
The map below shows Edenred's global presence at the end of 2012 and each region's contribution to issue volume.



* Includes the opening of Colombia in February 2013.

Breakdown of issue volume between developed and emerging markets

Edenred has a balanced presence in developed markets, which accounted for 39% of issue volume in 2012, and in emerging markets, which represented 61% of the total. The Group's robust presence in emerging markets gives it access to important future growth drivers.



(1) Excluding Hungary. Including Hungary, L/L growth would have been +15.7%

Main countries where the Group is established

In Brazil, the Group's main market, Edenred offers a large and diversified range of solutions:

- Employee benefits (85% of 2012 issue volume in Brazil): *Ticket Restaurante®*, *Ticket Alimentaçao®*, *Ticket Transporte®*, *Ticket Cultura®*;
- Expense management (14% of 2012 issue volume in Brazil): *Ticket Car®*, *Repom®*;
- Incentive and rewards (1% of 2012 issue volume in Brazil): *Accentiv'Mimetica®*.

In 2012, issue volume and revenue reached €5.0 billion and €343 million respectively.

In France, the Group's second largest market, solution are also offered in several categories:

- Employee benefits (88% of 2012 issue volume in France): *Ticket Restaurant®*, *Ticket Kadéos®*, *Ticket CESU*;
- Incentive and rewards (11% of 2012 issue volume in France): *Ticket Kadéos®*;
- Public social program products (1% of 2012 issue volume in France): *Ticket CESU, Ticket Service®*.

In 2012, issue volume and revenue reached €2.6 billion and €158 million respectively.

1.2 MILESTONES

1.2.1 1954-1980: FROM AN ORIGINAL IDEA TO AN EFFECTIVE BUSINESS MODEL

The original luncheon voucher concept was launched in the United Kingdom in 1954. In 1962, the Jacques Borel International Group set up a new company, *Crédit-Repas*, and created *Ticket Restaurant*®, France's first meal voucher. Five years later, legislation was adopted creating a legal regime for meal vouchers in France (government order no. 67-830 dated September 27, 1967).

In the 1970s, the *Ticket Restaurant*® formula was exported to Brazil, Italy, Belgium, Germany and Spain.

1.2.2 1980-2000: GEOGRAPHIC DIVERSIFICATION OF THE EMPLOYEE BENEFITS OFFER

In 1982, Jacques Borel International – already the world's leading meal voucher issuer with 165 million *Ticket Restaurant*® vouchers distributed per year in eight countries – was acquired by Novotel SIEH. The following year, Novotel SIEH-Jacques Borel International was renamed Accor. In 1984, the daily number of voucher users worldwide topped one million.

In the 1980s and 1990s, the Group embarked on a strategy to diversify the employee benefits offer for businesses, starting in Mexico with the creation of the *Ticket Alimentación*® food voucher in 1983. This was followed, in 1989, by the introduction of *Childcare Vouchers*® in the United Kingdom and, in 1995, by *Ticket Culture*® vouchers in France.

During this period, the Group also continued to expand internationally, setting up operations in Argentina in 1988, Venezuela in 1990, Turkey in 1992, the Czech Republic, Austria and Luxembourg in 1993, Hungary, Slovakia and Uruguay in 1994, Greece in 1996, the Netherlands, Poland and India in 1997 and Romania in 1998.

1.2.3 2000-2010: DIVERSIFICATION OF SOLUTIONS AND MEDIA

In the period 2000 to 2010, the Group kept up the pace of organic growth, entering the Chinese market with the launch of a restaurant smart card in 2000, and the Peruvian market. In Brazil, the Group strengthened its presence in 2006 by buying out its 50% partner in *Ticket Serviços*.

Edenred also pursued a strategy of acquiring local employee benefit providers and companies positioned in the expense management or incentive and rewards segments.

Acquisitions in the employee benefits segment:

- 2003: Dicasa (Mexico);
- 2005: Hungastro (Romania) and WiredCommute (United States);
- 2006: Serial (Italy);
- 2009: Exit Group, the Czech Republic's fourth largest meal voucher issuer.

Acquisition in the expense management segment:

- 2007: Autocupón, Mexico's second largest fuel card issuer.

Acquisitions in the incentive and rewards segment:

- 2006: Calicado (Germany) and RID (India);
- 2007: Kadéos, France's leading provider of closed-loop and open-loop gift solutions;
- 2007: Surfgold, Asia's leading marketing services company, giving the Group access to a client portfolio that includes some of the region's largest companies and to incentive and loyalty program management platforms.

At the same time, the Group completed acquisitions in the technology sector to support its transition to digital solutions:

- 2007: PrePay Technologies Ltd, the UK leader in prepaid cards. Following an agreement with MasterCard Europe in February 2009, the company was renamed PrePay Solutions (67%-owned by Edenred);
- 2008: 62% of Motivano UK, the country's leading online employee benefit management company.

1.2.4 SINCE 2010: CREATION OF EDENRED

On June 29, 2010, the Extraordinary General Meeting of Accor shareholders approved the demerger of the Hotels and Services businesses, leading to the creation of Edenred, a pure player in prepaid services that is now listed on the Paris stock exchange. To support Edenred's transition to an independent listed company, a new Board of Directors was elected and the Company's governance principles were defined, a new management team was appointed, and the Edenred brand was launched, along with a corporate mission project, EDEN (*Entreprendre Différemment ENsemble*, translated as "Moving Forward Differently Together"), and the deployment of a three stage strategy (described in section 1.3.2).

Since its formation, the Group has pursued a targeted acquisitions strategy in its core prepaid B2B services business, and has carried out a strategic review of its portfolio:

Acquisitions since 2010

- in December 2010, Euroticket, Romania's fourth largest meal and gift voucher issuer joined the Group;
- in January 2011, Edenred acquired RistoChef, ranked seventh in Italy's meal voucher market;
- in October 2011, the Group acquired the fuel card business of CGI, Mexico's sixth largest fuel card issuer;
- in April 2012, it was the turn of Brazilian meal voucher issuer Comprocard to join the Group;
- in July 2012, Edenred acquired Barclay Vouchers, the only meal voucher issuer in Japan;
- lastly, December 2012 saw the acquisition of Repom, the Brazilian market leader in expense management solutions for independent truckers.

Disposals since 2010:

In 2011, following a strategic review of its portfolio of businesses, Edenred decided to dispose of certain employee assistance program (EAP) assets:

- in April 2011, Edenred sold 100% of EAP France and its stake in BEA (a provider of corporate concierge services);
- in May 2011, Edenred sold its stake in US-based WorkPlace Benefits and its subsidiaries;
- in August 2011, Edenred sold its Australian subsidiary *Davidson Trahaire* Group, a human resources consultancy specialized in employee assistance programs and other corporate psychology services.

1.3 STRATEGIC VISION, INVESTMENT STRATEGY AND OUTLOOK

1.3.1 ROBUST GROWTH FUNDAMENTALS

1.3.1.1 Favorable socio-demographic trends

Edenred operates in the buoyant prepaid B2B services market, where growth in each solution market is being driven by specific socio-demographic trends:

- Increasing urbanization, the emergence of a middle class and the growing economic role of the service sector are all contributing to the development of the **Employee meal and food benefits** market, while growth in **Employee quality of life benefits** is being fuelled by the rising number of women in the workplace, ageing populations, the search for a good work-life balance and the increasing commitment to sustainable development. In addition, the development of formal economies is driving growth across the entire Employee Benefits market.
- The **Expense Management market** is benefiting from employees' increased international mobility and the desire by companies to control business expenses more effectively and improve their traceability.
- **Incentive and Rewards solutions** respond to companies' growing need to find ways of retaining and motivating their employees.
- Lastly, **Public Social Program** solutions support governments and local authorities in their efforts to limit the informal economy and improve their control over the distribution of assistance to increase constituents' purchasing power.

1.3.1.2 The drivers of organic issue volume growth

Outline of growth drivers

There are four organic drivers of issue volume growth, one of the Group's key performance indicators:

- **Increasing penetration rates in existing markets**

The penetration rate is defined as the ratio between the number of beneficiaries of a service voucher and the eligible active population, which depends on the applicable regulations in the country concerned. Penetration rates are still low in most of our key host countries, indicating that there is still plenty of room for growth through client acquisition.

Edenred will seek to increase penetration rates throughout its markets by a variety of methods, such as adapting sales and marketing networks to the size of our clients; diversifying media to suit solutions and client needs; creating differentiating solutions; promoting cross-selling between solution categories, and setting up new distribution channels as we have already done through a client, the Carrefour retail chain in Brazil, and through our Brazilian partner Itaù. In 2012, this driver contributed 5.0% of issue volume growth. The Group attracted 1.8 million new beneficiaries, including 190,000 new *Ticket Restaurant*® and *Ticket Alimentaçao*® solution users in Brazil, over 50,000 new *Ticket Restaurant*® solution users in France, and some 95,000 *Ticket Alimentación*® solution users in Mexico.

Job creation also contributes to this driver by increasing the number of beneficiaries employed by our clients, particularly those operating in the service sector.

- **Increasing face values**

The tax ceiling on employee benefits products tends to rise as prices and incomes increase, either automatically through the application of an indexation formula, or by decision of the public authorities.

Edenred prompts clients and the public authorities to raise voucher face values to keep pace with inflation and salaries, particularly in Latin America and other emerging markets that together account for over 60% of issue volume. In some of our markets, the average face value of vouchers ordered by clients is significantly below the maximum face value that is tax deductible. This represents a substantial source of potential growth.

In 2012, this driver accounted for 3.7% growth in issue volume. Face values increased by 7.5% in Brazil, 0.8% in France and 3.9% in Mexico, our three main host countries.

- **Creating and deploying new solutions**

Since the introduction of *Ticket Restaurant*® in France in 1962, we have developed many employee benefits solutions as well as expense management, incentive and rewards and public social program solutions.

Since 2010, the Group has stepped up the pace of the deployment of new solutions as part of its Conquer 2012 strategy, with the aim of ramping up to 2% to 4% annual growth as from 2013 (versus 1.4% in 2012 and 0.8% in 2011). This deployment is outlined in section 1.3.2.1.

- **Opening new countries**

Edenred is now present in 40 countries over five continents.

Since 2010, the Group has stepped up the pace of the geographic expansion as part of its Conquer 2012 strategy, with the aim of launching in six to eight new countries between 2010 and 2016 and reaching between 1% and 2% annual issue volume growth from 2015. This development program is laid out in section 1.3.2.1.

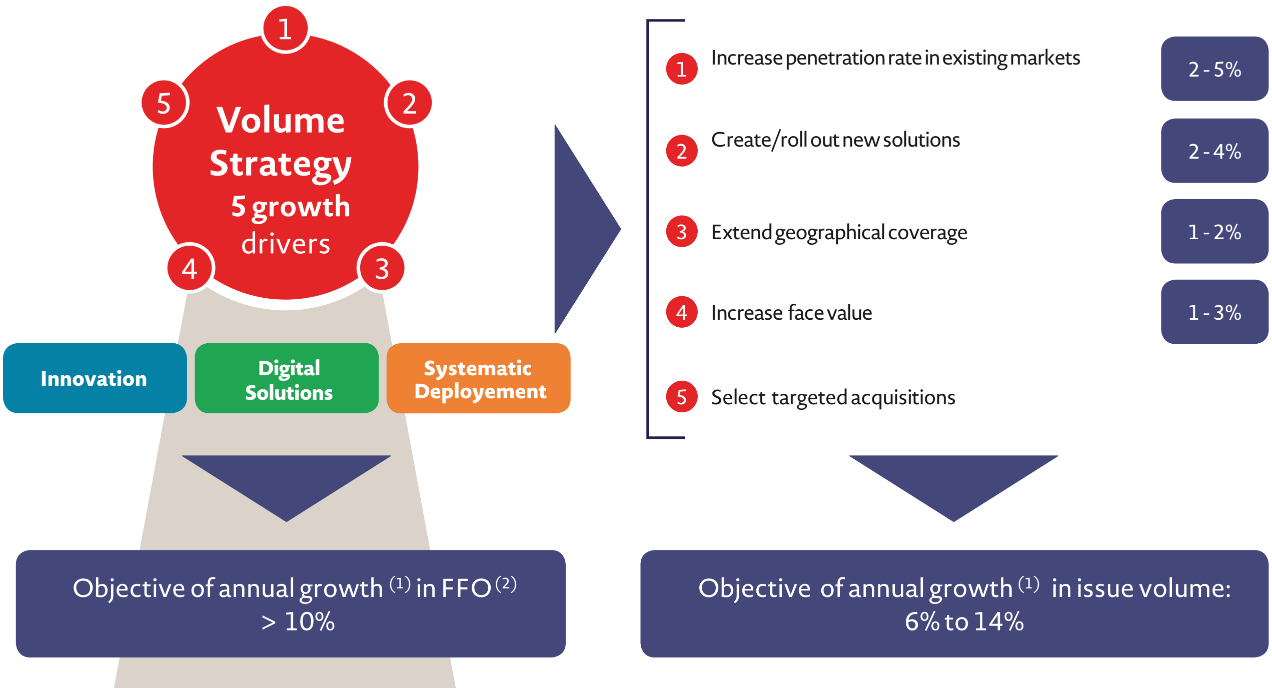
Growth targets

By deploying our four organic growth drivers, we aim to generate normalized growth [1] in issue volume of 6% to 14% per year over the medium term. The objectives set for each growth driver are presented below.

For the "new solutions" and "new geographies" drivers, the targets concern the periods from 2013 and 2015 respectively.

(1) Normalized growth target for the period 2010-2016.

Breakdown of like-for-like issue volume growth target by growth driver



(1) Objective of organic and normalized growth for the period 2010-2016.
Normalized growth is the objective that the Group considers to be attainable when unemployment is not increasing.
(2) FFO: Funds from Operations before non-recurring items.

Breakdown of historical issue volume growth by growth driver since 2010

Growth drivers	2010	2011	2012	Objectives	Target date
Penetration rates increase	5.4%	5.3%	5.0%	2%-5%	Since 2010
New solutions creation and roll out	0.6%	0.8%	1.4%	2%-4%	From 2013
Geographic expansion	0.0%	0.0%	0.0%	1%-2%	From 2015
Face values increase	4.0%	3.6%	3.7%	1%-3%	Since 2010
TOTAL	**10.0%**	**9.7%**	**10.1%**	**6%-14%**	

The issue volume growth [1] target translates into normalized growth in FFO of more than 10% a year. This compares with average annual growth of 22.2% over the 2003-2012 period, including like-for-like increases of 20.8% in 2011 and 13.4% in 2012.

(1) Normalized growth target for the period 2010-2016.

1.3.2 A THREE-STEP STRATEGY TO GENERATE STRONG AND SUSTAINABLE GROWTH

In 2010, Edenred laid the foundations for a **new long-term growth strategy**, organized in three phases – "Win 2010", "Conquer 2012" and "Invent 2016."

After setting up the necessary resources to thrive as a standalone company in 2010, we set out to "Conquer 2012" with the aim of creating future growth drivers. This involved deploying new solutions, opening new country markets and transitioning to digital solutions. The challenge now is to "Invent 2016".

1.3.2.1 Conquer 2012 step in the strategic plan successfully completed

The Group's Conquer 2012 strategy consisted of deploying new solutions and opening new countries, while increasing the pace of digital transition, in order to lay the foundations for sustainable strong growth.

Creating and deploying new solutions

Since the introduction of *Ticket Restaurant*® in France in 1962, we have developed many employee benefits solutions as well as expense management, incentive and rewards and public social program solutions.

Given that innovation is one of the pillars of our issue volume growth strategy, we have set up the organization and resources needed to launch and deploy innovative solutions, with the aim of gradually ramping up to 2% to 4% annual growth as from 2013 (versus 1.4% in 2012 and 0.8% in 2011). An innovation pipeline was set up in 2011 to enable employees to share their current projects and also to effectively manage innovation processes within the Group and have a global vision of initiatives undertaken in the 40 host countries. Projects in the pipeline are tracked using a three-step methodology, extending from exploration to feasibility to execution.

Twenty-eight new solutions [(1)] were launched in the eighteen months from July 2011 to December 2012, representing a more than 20% increase in the number of existing solutions since end-2010. Little additional expenditure is needed to create the solutions, which are being deployed *via* existing in-house platforms.

The strategy for developing the Group's offer in the years ahead will focus on B2B and B2G solutions and will target four key priorities:

A. Strengthening the Group's leadership in Employee Benefits

This priority concerns not only emerging markets, where governments are developing social policies that more effectively share the benefits of growth, but also developed countries, where businesses and governments are looking to meet more specific needs in such areas as childcare, commuting costs, cultural and sports activities and the environment.

Growth in Employee Benefits moved up a gear with the launch of ten new solutions in the eighteen months between July 2011 and December 212, adding to the 69 solutions that existed at year-end 2010. Among the new solutions:

- ***Ticket Restaurant***® meal vouchers were introduced in **Mexico** following adoption of the Food Aid for Workers Act giving Edenred access to a market that could potentially represent 750,000 to 1 million beneficiaries by 2016 [(2)]. The Group is already ranked no. 1 [(2)] in Mexico thanks to *Ticket Alimentación*® and *Ticket Car*®. In 2012, organic growth in *Ticket Restaurant*® issue volume came to 25%;
- in **Spain**, the second half of 2011 saw the launch of ***Ticket Transporte***®, a solution for employers wanting to finance part of their employees' commuting costs;
- in **Germany**, a new employee benefits solution called ***Ticket Plus***® was launched in March 2012, enabling employees to purchase essential goods such as food and fuel for up to €44 per month. This solution is already being used by 36,000 beneficiaries;
- the *Ticket Cultura*® solution is set to be introduced in **Brazil** during the first half of 2013. Based on the *Ticket Restaurant*® and *Ticket Alimentación*® model and developed in card format, *Ticket Cultura*® broadens employees' access to culture. The solution takes advantage of a favorable legislative development that exempts companies from payroll and other taxes. *Ticket Cultura*® can have a face value of up to 50 Brazilian reals per employee per month. The addressable market is estimated at 37 million employees [(2)].

(1) Compared with the target set by the Group in 2011 of 26 new solutions over the period July 2011-December 2012.

(2) Source: 2012 internal estimate.

B. Accelerating the deployment of Expense Management solutions in new growth markets

Edenred has recognized expertise and leadership in Latin America in this segment thanks to *Ticket Car*®, which has been deployed in the market for more than ten years.

Issue volume for Expense Management solutions was up 24% like-for-like in 2012 compared with 2011.

The Group intends to step up the deployment of integrated, high value-added offers in the market's two main segments: fleet management [1] and business travel expense management [2]. These solutions are intended to meet the needs of companies looking to more effectively control their business expenses and streamline procedures.

Eight solutions have been launched since July 2011, joining the sixteen that already existed at end-2010. One of them is the *"Frete"* solution introduced in Brazil in 2012. With *Ticket Frete*® and the acquisition of Repom in December of last year, the Group is now ranked no. 1 [3] in a market potentially worth around €25 billion [4]. In Europe, the launch of competitively differentiating solutions like *Ticket Clean way*® EPI in France (creating a foothold in a niche market that could be worth €128 million [5]) illustrates the Group's capacity for innovation and program customization.

C. Deploying Incentive and Rewards solutions

New incentive, motivation, loyalty and promotion services, which may be combined with rewards programs, have extended the range of existing solutions in Edenred's main countries and enabled the Group to propose an integrated, differentiating offer for all stakeholders. The segment grew 3% like-for-like in 2012 compared with 2011.

D. Developing a Public Social Programs offer

This priority concerns countries in which Edenred already operates and where the Group can leverage existing solutions, platforms and networks. The programs are designed to meet the needs of public institutions looking to improve the control and traceability of allocated funds. This business grew 24% like-for-like in 2012, led notably by the very good performance of the Junaeb public social program for students in Chile.

Extending geographical coverage

Extending geographical coverage means establishing the Group's future growth drivers.

Edenred intends to implement its growth strategy by entering new geographic markets, either starting from scratch or acquiring local companies that have already built up a similar business. To that end, we have created a pre-development research unit to explore countries where opportunities are likely to emerge.

Following its move into **Finland** in 2011, Edenred has gained footholds in **Japan**, through the July 2012 acquisition of Barclay Vouchers, the country's only meal voucher issuer, and in **Colombia**, through the acquisition of Big Pass, a major employee benefits solution provider, in February 2013. With each market representing issue volume of some €100 million in 2012, Colombia and Japan will play an important role in driving the Group's future growth.

The choice of new host countries is based on the following criteria:

- growth and development potential in line with our objectives;
- a stable political and social environment;
- an expanding economy;
- clear evidence of a potential market for each solution, based on the needs of populations.

The Group is currently examining a further ten new countries with the aim of adding between three and five countries by 2016 [6], contributing 1% to 2% to like-for-like issue volume growth in 2015.

Accelerating the digital transition

The second priority of the Conquer 2012 strategy is the transition to digital solutions. This represents an important technological turning point for all stakeholders in the Edenred business model – clients, affiliates, beneficiaries and public authorities – that want to cut costs, optimize processes, make the use of solutions simpler and faster, and ensure the control and traceability of dedicated funds.

Opportunities and impacts of the digital transition

As a growth driver, the digital transition plays a key role in increasing issue volume, both by making deployment more efficient and by creating new capacity for innovation.

Over the long term, the digital transition will strengthen Edenred's business model by improving its ability to:

- invent solutions that would not have been viable in paper format, and thereby increase issue volume;
- generate additional revenue from affiliates, clients and beneficiaries through new value-added services;

(1) Fuel and maintenance costs incurred in connection with the business use of a car or truck. In this case, the affiliated merchant network consists mainly of gas stations.

(2) Management of employee travel expenses (plane or train tickets, accommodation, meals, etc.) or business expenses (compensation, workwear cleaning, etc.).

(3) Source: 2012 internal estimate

(4) Source: Brazilian government estimate. 2012 data.

(5) Source: GMV study for Edenred and Synamap study. 2011 data.

(6) Based on an objective of adding six to eight new countries between 2010 and 2016.

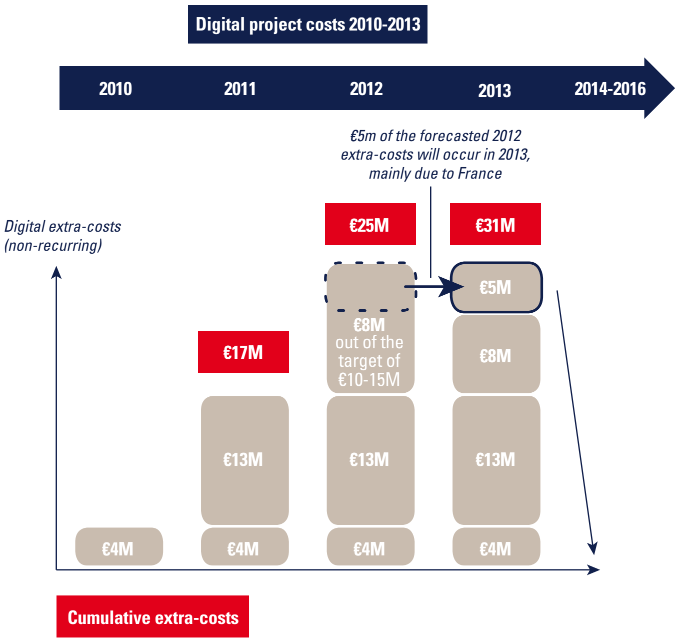
- reduce the cost base by around 5% to 10% at country level, mainly by lowering production and logistics expenses.

Moreover, the increase in issue volume will offset the impact of 10% to 15% shorter float holding periods (based on estimates for an entirely digital program), by increasing the float value.

With the Group in the accelerated digital transition phase since 2010, operating expenses increased by €13 million in 2011 and €8 million in 2012. This temporarily affected the target operating flow-through ratio of 40% to 50% (1). With a further €5 million to be incurred in 2013, mainly for the shift to digital meal vouchers in France, the total extra costs will be in line with the previously announced estimate of €10 million to €15 million in 2011. Excluding these costs, the Group has maintained its objective of reporting an operating flow-through ratio of more than 50% as from 2013.

Apart from these expenses, no additional investment is planned beyond the budget set by the Group of €40 million to €50 million a year as from 2013.

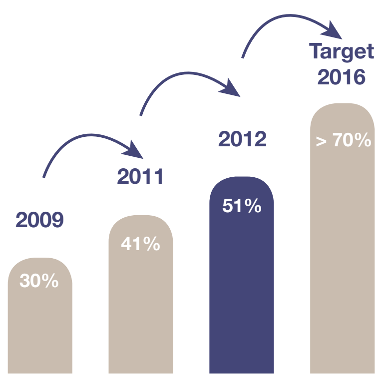
The evolution of digital extra-costs is presented in the following chart:



Apart from these expenses, no additional investment is planned beyond the budget set by the Group of €40 million to €50 million a year as from 2013.

Status of the digital transition project

Since 2010, the Group has been speeding up the pace of digital transition:

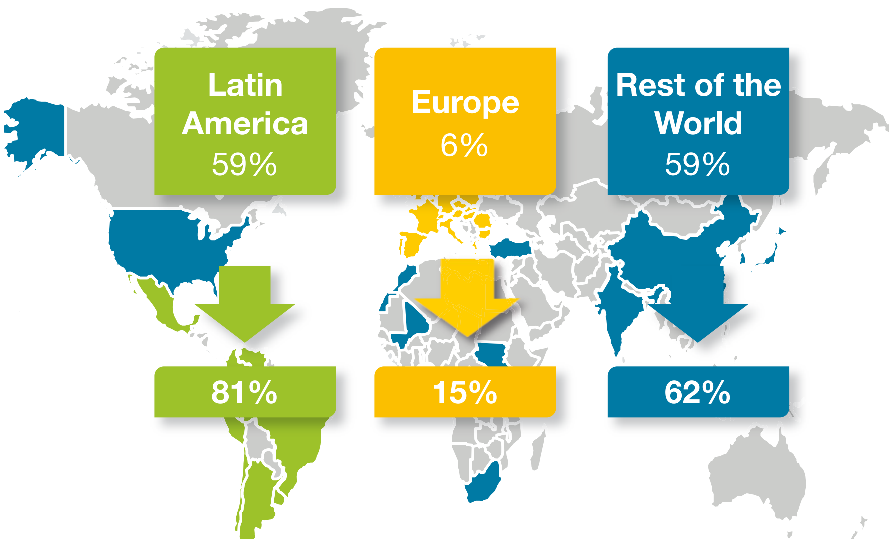


(1) Target set in 2011.

2012 represented a milestone in the Group's digital transition. Over half of its issue volume is now in digital format (51% at end-2012), in line with the 50% target set for 2012 in 2011.

- In Latin America, the process is at an advanced stage, with issue volume 81% digital in 2012 versus 59% in 2009. Last year for example, digital issue volume stood at 96% in Brazil and 75% in Mexico.
- In Europe, the strategy to speed up the digital transition launched in 2010 helped to drive up digital issue volume to 15% of the total in 2012 from just 6% in 2009. The United Kingdom is leading the field, with an 90% digital rate, while Belgium and Italy are making rapid advances with rates of 20% [(1)] and 10% respectively in 2012.
- France embarked on the transition with the launch of the *Ticket Kadéos*® Universel card and 3% of issue volume was digital in 2012. In parallel, at the end of 2012 France's Ministries of the Economy, Finance and Labor initiated discussions between all the parties affected by the introduction of paperless meal vouchers.

The following chart illustrates the growth in digital issue volume as a percentage of total issue volume by region between 2009 and 2012.



The Group is well on the way to meeting its goal of **more than 70% total digital issue volume** by 2016.

Edenred's digital expertise

Deployment of digital solutions is supported by in-house platforms that are a key link in the digital prepaid solutions value chain and a major source of competitive advantage for the Group. These platforms allow Edenred to design the marketing and technological aspects of the programs in line with client specifications (including the ability to extensively customize the programs' authorization parameters) and also to directly control transaction authorizations and the management of reimbursements to affiliated merchants. Capable of connecting to the payment terminals installed at affiliated merchants by local and international operators [(2)], they process all of the Group's digital transactions. In addition, PrePay Solutions' European platform contributes to Edenred's innovation drive. With ten years' experience in the business and with partners such as PayPal and Orange, PrePay Solutions has earned recognition as a vanguard innovator in prepaid technologies in particular through its contactless mobile solutions and e-wallet offers.

Making targeted acquisitions

Edenred intends to pursue a selective acquisitions strategy in line with its development strategy in B2B prepaid services. Designed to increase the potential for issue volume growth, these transactions will meet the following objectives:

- increase market share by acquiring local players in the Group's host countries. For example, the April 2012 acquisition of Comprocard in Brazil has enabled Edenred to consolidate its leadership [(3)] of the employee benefits market in a strategic country with a fast-growing economy;

(1) Number of beneficiaries signed to shift to digital at end-2012.

(2) These operators could be "acquirers" or payment networks like MasterCard.

(3) Source: 2012 internal estimate.

- speed the Group's penetration of new markets. This was the case of the July 2012 acquisition of the only meal voucher issuer operating in the Japanese market, Barclay Vouchers, which gave Edenred access to over 600 clients and a national network of 30,000 affiliated merchants.

All such acquisitions will be financed in strict compliance with our aim of maintaining a robust financial position.

1.3.2.2 "Invent 2016" by expanding into new growth territories

After successfully completing the Conquer 2012 step, the Group has set new ambitions to help it "Invent 2016" based on three strategic objectives:

- **imagine and develop new integrated solutions for companies.** Edenred intends to develop new technological platforms and analysis tools that can be used by its clients to improve their administrative processes and employee benefit programs. These new customized services will enable Edenred to add value to its current offer and initiate closer, more responsive relations with the beneficiaries of its solutions;
- **become a major provider of expense management solutions.** In 2012, 10% of the Group's issue volume was generated in the promising expense management market [(1)], growing by 24%. The aim now is to expand the expense management business, in order to benefit from this fast-growing market. This will be achieved through a combination of organic growth and acquisitions of new expense management solutions in the areas of fleet management and employee travel expenses.
- **offer affiliated merchants and beneficiaries new targeted services**. Its day-to-day relations with over 38 million beneficiaries and 1.3 million affiliated merchants place Edenred at the center of a unique ecosystem. The improved stakeholder knowledge and central role in new interactions resulting from the digital transition will gradually enable Edenred to undertake targeted promotion of its affiliated merchants' offers among beneficiaries, creating opportunities to develop new solutions and new sources of revenue.

1.3.3 FINANCIAL STRATEGY

The Edenred business model generates large amounts of cash. In 2012, funds from operations before non-recurring items (FFO) totaled €282 million and free cash flow stood at €330 million. The 13.4% like-for-like growth in FFO was considerably higher than the Group's normalized [(2)] target of over 10% a year.

The Group's policy consists of allocating free cash flow in roughly equal proportions to the payment of dividends, the repayment of debt and the financing of targeted acquisitions, while ensuring that it continues to qualify for a strong investment grade rating. Based on this policy, the Group is aiming to increase the amount of the dividend on a recurring basis in the coming years.

In light of the 2.5% growth in 2012 recurring profit after tax and the proposed increase in the payout rate to close to 90% from 78% in 2011, the recommended dividend for 2012 [(3)] will amount to €0.82 per share, up 17% on 2011. The dividend will be paid on May 31, 2013.

(1) Described in section 1.1.3.2 page 9.

(2) Normalized organic growth target for the period 2010-2016.

(3) Dividend recommended by the Board of Directors to the Annual Shareholders Meeting of May 24, 2013.

1.4 REGULATORY ENVIRONMENT

1.4.1 INCOME TAX AND PAYROLL TAX RULES

1.4.1.1 Overview

Employee benefits are exempted from income tax and/or payroll taxes as part of government strategies to encourage their use as an instrument of social policy.

To avoid illegitimate use of the tax benefits, strict rules govern the allocation and use of these solutions, particularly regarding the employer's contribution and role, the eligible beneficiaries and how the benefits may be used.

In some countries, companies have to be licensed to operate in the employee benefits market, while in others no authorization is required. In countries with a licensing system, the barriers to entry are fairly low and consist mainly of meeting certain financial strength criteria.

Companies that want to operate in the employee benefits market may also be subject to regulations governing investment of the float (corresponding to the cash received from clients for prepaid services that has not yet been reimbursed to affiliated merchants). This is the case, for example, in France and Romania (see section 2.1.1.4 of this Registration Document, page 33 and note 2.H to the consolidated financial statements, page 141).

The regulatory environment is illustrated in the following sub-sections by a description of the legislation applicable to meal vouchers in France and Brazil.

1.4.1.2 Regime applicable in France

Rules governing the allocation and use of meal vouchers

The rules governing the allocation of meal vouchers are as follows:

- the vouchers may only be allocated to employees of the company concerned;
- since 2002, civil servants may be given meal vouchers if their place of work has no staff restaurant and they are unable to take advantage of alternative solutions set up with public or private foodservice providers;
- meal vouchers qualify as employee benefits; consequently, all employees of the company must be allocated vouchers with the same face value. However, an employer may allocate meal vouchers to selected employees provided that the selection criteria are non-discriminatory;
- meal vouchers must be allocated on the basis of one voucher per day worked;
- the legislation does not set any minimum or maximum amount, leaving employers free to set the face value of the vouchers allocated to employees. However, in practice, the face value is limited by the caps on the employer's financial contribution, which cannot represent more than a certain percentage of the face value, and on the payroll tax exemption.

Rules also apply to the use of meal vouchers by employees, as follows:

- the vouchers may only be used by the employee to whom they are allocated (the employee's name must appear on the back of each voucher);
- they may not be used beyond their period of validity, i.e. after the end of the calendar year of issue. However, employees may exchange unused vouchers for new vouchers in the first two weeks of January. The employer can then obtain reimbursement of these unused vouchers, net of the issuer's commission (provided that the vouchers are returned within 30 days);
- employees may use only one voucher to pay for their restaurant meal or the purchase of a ready-meal or dairy products or fruit and vegetables (including fruit and vegetables that require further preparation) and merchants are not allowed to give any money back. In practice, however, two vouchers are generally accepted;
- meal vouchers may only be used on working days and not on Sundays or bank holidays, unless an exception is recorded directly on the voucher by the employer;
- meal vouchers may only be used in a specific area corresponding to the *département* where the employee's place of work is located and neighboring *départements*, unless an exception is recorded directly on the voucher by the employer.

Meal vouchers can be accepted by restaurants and fastfood outlets, equivalent retailers accredited by the CNTR, and greengrocers, provided that they sell ready-meals (to be reheated or defrosted as necessary), dairy products or fruit and vegetables (ready to eat or requiring further preparation).

Income tax and payroll tax benefits for the employer

Meal vouchers are financed jointly by the employer (or in some cases the works council) and the employee. The employer's contribution (plus – for the calculation of the ceilings below - any works council contribution) cannot represent less than 50% or more than 60% of the vouchers' face value. If these limits are not respected, the employer's contribution will not qualify for exemption from payroll tax, income tax and social security contributions.

The employer's contribution is exempt from social security contributions provided that it does not exceed a certain amount that is adjusted each year in the same proportions as the upper limit for the first personal income tax band. This exemption ceiling was €5.29 per voucher in 2011 and has not been adjusted for 2012 or 2013 due to the French government's decision to freeze income tax bands at the 2011 level. The employer is naturally free to contribute more than this amount provided that the 50% and 60% minimum and maximum limits are adhered to. However, in this case, the fraction of the contribution in excess of the exemption ceiling will be added back for the purpose of calculating the basis of assessment of social security contributions.

Tax benefits for employees

Meal vouchers represent tax-free income for the employee, as the portion of the face value paid by the employer within the legal limits (between 50% and 60% of the face value up to the current exemption ceiling) is not subject to personal income tax.

However, to qualify for the exemption, the employee must comply with the applicable regulations particularly regarding the use of the vouchers.

1.4.1.3 Regime applicable in Brazil

There are two types of food-related vouchers in Brazil, meal vouchers (*vale refeição*) and food vouchers (*vale alimentação*). Meal vouchers may only be used in restaurants and fastfood outlets, while food vouchers may only be used in supermarkets and grocery stores. The two types of vouchers cannot be substituted for each other and merchants are not allowed to give any money back on them.

Companies that want to give meal vouchers to their employees have to register with the Brazilian Labor Ministry. They can decide to give the vouchers to selected employees only, provided that all employees who are paid less than five times the minimum wage are included. They cannot reduce the number of vouchers allocated to an employee or suspend the allocation as a disciplinary measure.

As in France, part of the vouchers' face value is financed by the employer and part by the employee. The employee's contribution cannot exceed 20% of the face value and in practice, employers generally finance the total amount. Meal vouchers are totally tax-exempt for both the employer and the employee. In addition to being exempt from payroll taxes, which in Brazil can represent up to 100% of the gross salary, the employer's contribution is exempt from corporate income tax up to the equivalent of 5% of the tax due for each tax year.

1.4.2 OTHER REGULATIONS

The issuance of e-money is regulated by European directive 2009/110/EC of September 16, 2009 (the "E-**Money Directive**"). The Directive defines e-money as an "*electronically, including magnetically, stored monetary value as represented by a claim on the issuer which is issued on receipt of funds for the purpose of making payment transactions, and which is accepted by a natural or legal person other than the electronic money issuer.*"

The Directive also states that it is not intended to apply to "*monetary value stored on specific pre-paid instruments, designed to address precise needs that can be used only in a limited way," particularly because these instruments are only accepted within a "limited network" or can only be used to purchase "a limited range of goods or services, regardless of the geographical location of the point of sale*."

Meal and food vouchers do not constitute e-money. Most national regulators do not consider other employee benefits as e-money whether in paper of paperless format, although the position of some member states that have transposed the directive very recently is not yet known. The incentive and rewards solutions and expense management solutions contain some program that member states consider to be e-money. E-money solutions can only be issued by licensed institutions that are subject to specific capital adequacy rules.

The Group uses its UK-based PrePay Solutions subsidiary to continue offering solutions that, under EU regulations, can only be issued by companies duly licensed by the supervisory authority in the country concerned.

PrePay Solutions is licensed by the UK's Financial Services Authority (FSA) to issue e-money and can therefore issue prepaid cards and solutions qualified as e-money based on the definitions in the E-Money Directive. As a licensed e-money issuer, PrePay Solutions benefits from the single licensing system allowing it to offer these regulated solutions in all European countries simply by applying for FSA authorization. It already has authorizations for nearly all of the countries in the region and also complies with all capital adequacy and other requirements. The main rule resulting from the classification of certain programs as e-money concerns the obligation to segregate the related funds. These funds are reported in the balance sheet under "Restricted cash" (see section 2.1.1.4, page 33, and note 2.H to the consolidated financial statements, page 141).

Edenred monitors changes in regulations governing e-commerce, the prevention of money-laundering and the protection of personal data, to ensure that its information systems and procedures remain in compliance with these regulations.

1.5 CONTRACTUAL RELATIONSHIPS

1.5.1 CONTRACTUAL RELATIONSHIPS WITH CLIENTS

Master contracts are signed with major accounts that generate significant issue volumes organizing business relations with these clients.

The master contracts are generally signed following a call for bids and may cover one or several of the client's facilities or subsidiaries. They are usually for periods of 1 to 3 years. The contracts specify the commission rate to be billed to the client and the frequency of billings and payments. It is rare for them to include an exclusivity clause.

For small and medium-sized enterprises and micro-enterprises with limited needs that require greater ordering flexibility, contractual relations are generally based on order forms containing Edenred's general conditions of sale.

1.5.2 CONTRACTUAL RELATIONSHIPS WITH AFFILIATED MERCHANTS

Affiliation contracts are signed by the Edenred subsidiary concerned with the local merchant network, on a solution-by-solution basis.

The contracts stipulate the terms of reimbursement of the vouchers and the commission terms. Affiliation contracts concern nearly all of the solutions sold by Edenred.

1.5.3 CONTRACTUAL RELATIONSHIPS WITH SUPPLIERS AND SERVICE PROVIDERS

Relations between Edenred or its subsidiaries and external suppliers or service providers are governed by standard contracts. Close attention is paid to services that may lead to the creation of intellectual property rights, in order to ensure that the rights of Edenred and its subsidiaries are clearly established and appropriately protected.

Edenred uses many suppliers and is not dependent on any single company. Its biggest supply contract is a master agreement with Stralfors covering paper purchases. In each country, the production centers may choose to purchase their paper either from Stralfors or from local suppliers. The master agreement is used mainly in France and in some other European countries, whereas local suppliers are generally used in Latin America. The Group's other main purchases are of plastic cards (with magnetic strips and computer chips), specialist printing equipment and transport services.

1.6 INTELLECTUAL PROPERTY

Edenred's intellectual property mainly consists of its portfolio of brands and domain names, which are managed by a dedicated legal team. *Ticket Restaurant®* and the names of the other products and services offered by Edenred are registered trademarks that are the property of the Edenred Group.

Controls over compliance with the rules governing the acquisition of intellectual property rights are executed by contract managers, as explained in section 1.5.3 of this Registration Document, and by administrative teams, through the normal registration process.

A surveillance system has been set up to effectively combat attempts to fraudulently use Edenred's brands and domain names.

Edenred also opposes any improper use of its protected trademarks.

1.7 REAL ESTATE RIGHTS

Most of the Group's offices are leased. The Group does not expect to encounter any problems in renewing the leases.

2 FINANCIAL REVIEW

2.1 RESULTS OF OPERATIONS

2.1.1 CONSOLIDATED RESULTS

2.1.1.1 Introduction

The 2012 results reflect a **solid performance, in line with the Group's objectives**, as the following key indicators illustrate:

- issue volume (1) grew 10.1% like-for-like to €16,657 million;
- EBIT rose 8.7% like-for-like to €367 million;
- funds from operations before non-recurring items (FFO) were 13.4% higher like-for-like at €282 million.

They are attributable to the solid sales performance and the **successful completion** of the **Conquer 2012** step in the Group's strategic plan. This step consisted of setting up the conditions for sustainable strong growth by increasing the pace of solution launches, geographic expansion and the digital transition.

2012 financial highlights

(in € millions)	2011	2012	% change Reported	% change Like-for-like
Issue volume	**15,188**	**16,657**	**+9.7%**	**+10.1%**
Revenue, of which:	**1,032**	**1,067**	**+3.3%**	**+7.3%**
Operating revenue	940	976	+3.7%	+7.7%
Financial revenue	92	91	-0.7%	+3.2%
Operating expenses, including depreciation, amortization and provisions	(677)	(700)		
EBIT, of which:	**355**	**367**	**+3.3%**	**+8.7%**
Operating EBIT	263	276	+4.7%	+10.6%
Financial EBIT	92	91	-0.7%	+3.2%
Operating profit before tax and non-recurring items	315	331	+5.0%	
Net profit, Group share	194	183	-5.9%	
Recurring profit after tax	**203**	**208**	**+2.5%**	

2.1.1.2 Analysis of consolidated financial results

Issue volume

Issue volume amounted to **€16.7 billion** in 2012, up **10.1**% like-for-like. The reported increase was 9.7%, reflecting the 0.8% positive effect of changes in consolidation scope and the 1.2% negative currency effect for the year. This performance was in line with the Group's normalized annual growth target (2) of between 6% and 14%.

(1) Issue volume corresponds to the face value of vouchers multiplied by the number of vouchers issued.

(2) Normalized annual organic growth target for the period 2010-2016. Normalized growth means the level of growth that the Group believes it can achieve in an economic environment in which there is no increase in unemployment.

(a) Issue volume by solution

	Employee Benefits					
	Meal & Food	Quality of Life	Expense Management	Incentive & Rewards	Public Social Programs	Total
Issue volume *(in € millions)*	12,897	1,302	1,666	602	190	**16,657**
% of total issue volume	77%	8%	10%	4%	1%	**100%**
Like-for-like	+9.3%	+5.5%	+24.2%	+3.2%	+24.4%	**+10.1%**

The year saw robust growth in **Employee Benefits** issue volume (representing 85% of the Group total at year-end), with advances of 9.3% for Meal & Food Benefits and 5.5% for Quality of Life Benefits. Similarly, **Expense Management** issue volume was up by a strong 24.2%, while **Incentive & Rewards** issue volume was 3.2% higher.

(b) Issue volume by growth driver

In 2012, the **three drivers** of the **10.1**% like-for-like growth in issue volume were:

- **increased penetration in existing markets, for 5.0%** with new contracts generating €989 million [(1)] in additional issue volume. This contribution was due to a combination of dynamic markets and robust marketing performances by the sales teams;
- **increased face values of vouchers**, mainly in emerging markets, **for 3.7%**;
- **creation and deployment of new solutions, for 1.4%**. For example, in Mexico, issue volume for the *Ticket Restaurant®* solution launched last year, rose 25% like-for-like, while new solutions fuelled the 10% like-for-like growth in Spain (including *Ticket Transporte®*, the *Ticket Regalo®* gift card and the *Ticket Corporate®* expense management program).

(c) Issue volume by region

Growth in issue volume by region was as follows:

Region *(in € millions)*	Year 2011	Year 2012	% change 2009 vs. 2008 Reported	% change 2009 vs. 2008 Like-for-like
France	2,598	2,620	+0.8%	+3.2%
Rest of Europe	4,770	4,646	-2.6%	-3.0%
Latin America	7,337	8,804	+20.0%	+21.3%
Rest of the world	484	587	+21.2%	+9.2%
TOTAL	**15,188**	**16,657**	**+9.7%**	**+10.1%**

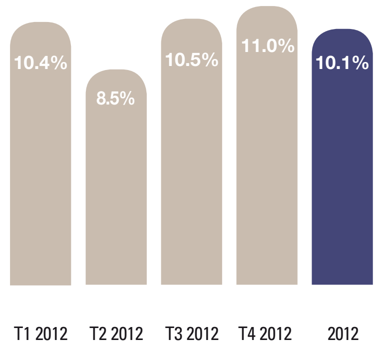
- **In Latin America**, issue volume for the year rose 21.3% like-for-like, reflecting in particular a strong sales dynamic in Brazil where like-for-like issue volumes for meal/food vouchers and *Ticket Car®* were up 20.9% and 21.0% respectively. All solutions also contributed to the robust performance in Hispanic Latin America, with **like-for-like increases of** 19.8% for meal/food vouchers and 23.6% for *Ticket Car®*;
- **In Europe,** issue volume **dipped 0.9%** like-for-like compared with 2011. The year was affected by a sharp 82% decline in Hungary following the introduction of regulations favoring national businesses on the Hungarian meal voucher market since January 1, 2012. Excluding Hungary, however, the year-on-year change was an increase of 2.4%, reflecting strong sales performances over the period. For example, *Ticket Restaurant®* issue volume in **France** rose 4.7% in 2012, while issue volume for *Childcare Vouchers®* in the **United Kingdom** was 3.1% higher like-for-like. In **Italy**, like-for-like issue volume growth reached 1.4% over the year despite a tough economic environment;
- Trends in the **Rest of the world** region were also good, with issue volume up 9.2% like-for-like in 2012.

In all, issue volume in emerging markets grew 15.7% (18.9% excluding Hungary) over the year to represent 61% of the total, while issue volume in developed markets rose 2.4% and represented 39%.

(1) *Excluding the impact of Hungary.*

(d) Issue volume by quarter

Quarterly like-for-like changes in issue volume were as follows:



Fourth quarter trends were in line with those for the year as a whole, with revenue down 0.5% in Europe (up 3.5% excluding Hungary [(1)]) and 21.6% in Latin America.

Revenue

Total revenue, corresponding to the sum of operating revenue (derived from the sale of programs and services) and financial revenue (derived from investing the float) amounted to **€1.1 billion**, an increase of **7.3%** like-for-like over the prior year. Reported growth came to 3.3%, reflecting the 2.7% negative effect of changes in the scope of consolidation and the 1.3% negative currency effect.

The overall rise breaks down as follows:

			% change	
(in € millions)	**2011**	**2012**	**Reported**	**Like-for-like**
Operating revenue with issue volume	782	838	+7.1%	+9.0%
Operating revenue without issue volume	158	138	-12.8%	+1.0%
Operating revenue	**940**	**976**	**+3.7%**	**+7.7%**
Financial revenue	**92**	**91**	**-0.7%**	**+3.2%**
TOTAL REVENUE	**1,032**	**1,067**	**+3.3%**	**+7.3%**

a) Operating revenue

Operating revenue for 2012 totaled **€976 million**, representing a like-for-like gain of **7.7%**. On a reported basis, the increase was 3.7% after taking into account:

- the 2.7% negative impact of changes in scope of consolidation, including the discontinuation of the BtoC gift vouchers business in France since January 1, 2012, and the sale of *Davidson Trahaire* in Australia and Workplace Benefits in the United States, partly offset by the acquisition of a fuel card provider in Mexico and meal voucher issuers in Brazil (Comprocard) and Japan (Barclay Vouchers) [(2)];
- the 1.3% negative net currency effect, due mainly to the Brazilian real.

i. Operating revenue with issue volume

Operating revenue with issue volume climbed by a strong **9.0%** like-for-like to **€838 million** in 2012, led by higher issue volume and the growing contribution of expense management solutions in Latin America, for which the take-up rate is lower.

(1) See section 2.1.1.2.c. on business in Hungary, page 29.

(2) These disposals and acquisitions are presented in detail in Note 3 to the consolidated financial statements, page 146.

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

Like-for-like	Q1 2012	Q2 2012	Q3 2012	Q4 2012	2012
France	+3.3%	+9.1%	+6.0%	+6.8%	+6.3%
Rest of Europe	-3.2%	-5.6%	-3.3%	-1.1%	-3.3%
Latin America	+19.7%	+19.9%	+15.5%	+16.3%	+17.7%
Rest of the world	+14.1%	+8.8%	+10.7%	+17.3%	+12.7%
TOTAL	**+9.4%**	**+9.2%**	**+8.2%**	**+9.2%**	**+9.0%**

ii. Operating revenue without issue volume

Operating revenue without issue volume, primarily generated by corporate marketing and incentive consulting services, which are less recurring and generate lower margins than other solutions, rose by a slight **1.0%** like-for-like to **€138 million** for the year.

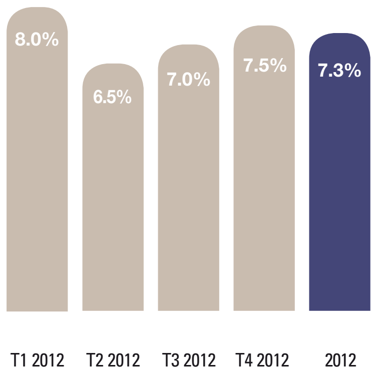
b) Financial revenue

In 2012, financial revenue grew **3.2%** like-for-like to €91 million, led by higher volumes.

The second half saw a 0.6% like-for-like decrease, however, due to lower reference interest rates in most countries.

Like-for-like	Q1 2012	Q2 2012	Q3 2012	Q4 2012	2012
France	+5.4%	+1.1%	-0.8%	+0.7%	+1.6%
Rest of Europe	+3.8%	+2.7%	-16.5%	-16.2%	-7.0%
Latin America	+15.1%	+4.2%	+8.4%	+15.4%	+10.8%
Rest of the world	+59.5%	+51.1%	+16.0%	+17.6%	+33.4%
TOTAL	**+10.4%**	**+4.5%**	**-2.1%**	**+0.9%**	**+3.2%**

c) Revenue by quarter



EBIT

EBIT corresponds to total revenue (operating and financial) less operating expenses [(1)], depreciation, amortization and provisions. It includes:

- **operating EBIT,** which corresponds to operating profit less financial revenue;
- **financial EBIT,** which corresponds to financial revenue.

(a) EBIT growth

Total EBIT for 2012 stood at **€367 million**, in line with target range set in August 2012 of €355 million to €375 million.

Operating EBIT rose by a strong **10.6%** like-for-like in 2012 to **€276 million**. Underpinning this good performance, the operating flow-through ratio, before the €8 million of extra costs generated by the digital transition, stood at 50%, at the top of the Group's annual 40% to 50% target range, set in 2011.

Operating EBIT represented **28.3%** of operating revenue, an increase of 30 basis points compared with 2011. The like-for-like change excluding digital transition costs improved significantly by 160 basis points, which demonstrates the high operating leverage.

(b) EBIT by region

Region *(in € millions)*	Year 2011	 2012	% change Reported	 Like-for-like
France	46	45	-2.4%	+8.9%
Rest of Europe	111	95	-14.7%	-13.1%
Latin America	206	243	+18.1%	+20.1%
Rest of the world	3	3	-8.5%	+87.3%
Worldwide structures	(11)	(19)	+68.7%	+23.5%
TOTAL	**355**	**367**	**+3.3%**	**+8.7%**

Operations in Latin America reported an excellent performance, with EBIT up 20.1% like-for-like reflecting the region's dynamic growth. **In Europe,** like-for-like EBIT growth came to 2.8%, excluding the extra costs associated with the digital transition (€5 million) and the impact of the situation in Hungary (€10 million) [(2)].

Net financial expense

Net financial expense amounted to **€36 million** in 2012, versus €40 million the previous year.

Finance costs for the year totaled €43 million, while interest income from the investment of available cash came to €4 million, leading to net finance costs of €39 million.

Other financial income and expenses represented a net expense of €1 million, that was more than offset by net exchange gains of €4 million.

Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items totaled **€331 million** in 2012 versus €315 million in 2011, an increase of **5.0%** on a reported basis.

Income tax expense

Income tax expense stood at €103 million for 2012, unchanged from 2011. The effective tax rate for the Group was 31.2% versus 32.0% for 2011.

Net profit

In 2012, the Group recorded net non-recurring expense of €25 million [(3)], while in 2011, profit was boosted by €25 million in net capital gains [(4)]. After taking these items into account, **net profit, Group share,** came in at **€183 million** versus €194 million in 2011.

Minority interests in 2012 amounted to €20 million, while income tax expense was €103 million.

Recurring profit after tax stood at **€208 million** in 2012 versus €203 million in 2011, a 2.5% increase.

(1) Operating expenses correspond to the operating expenses and operating provision charges discussed in Note 6 to the consolidated financial statements, page 152.

(2) See section 2.1.1.2.c. on business in Hungary, page 29.

(3) Mainly an expense of €11 million related to a tax reassessment in Italy and asset impairments of €7 million.

(4) Mainly on the sale of Davidson Trahaire in Australia and Workplace Benefits in the United States.

2.1.1.3 Dividend and payout rate

	2010	2011	2012	% change 2012 vs. 2011
Recurring profit after tax [(1)] *(in € millions)*	**165**	**203**	**208**	**+2.5%**
Weighted average shares outstanding *(in millions)*	226	226	226	N/A
Recurring profit after tax per share *(in €)*	0.73	0.90	0.92	+2.6%
Ordinary dividend per share *(in €)*	**0.50**	**0.70**	**0.82** [(2)]	**+17.1%**
Ordinary dividend payout *(in € millions)*	**113**	**158**	**185**	N/A
Payout ratio [(3)]	**68%**	**78%**	**89%**	N/A

(1) Recurring profit after tax = net profit less non-recurring items (including tax), less minority interests.
(2) To be recommended at the Annual Shareholders Meeting on May 24, 2013.
(3) Total dividend as a percentage of recurring profit after tax.

2.1.1.4 Liquidity and financial resources

Cash flows *

(in € millions)	2011	2012
Net cash from operating activities	341	370
Net cash used in non-recurring transactions	(22)	(20)
Net cash used in investing activities	(22)	(109)
Net cash used in financing activities	(160)	(260)
Effect of changes in exchange rates and fair values	(73)	10
Net change in cash and cash equivalents	**64**	**(9)**
Cash and cash equivalents at beginning of period	338	402
Cash and cash equivalents at end of period	402	393
Net change in cash and cash equivalents	**64**	**(9)**

* *See the consolidated cash flow statement on page 129 and Note 2.T.12 to the consolidated financial statements on page 145.*

Net cash from operating activities corresponds to funds from operations before non-recurring items, plus the change in working capital (i.e. the recurring increase in negative working capital requirement) plus the change in restricted cash.

Restricted cash, in the amount of €709 million at December 31, 2012 versus €689 million at December 31, 2011, corresponds mainly to service voucher funds in France (€581 million), the United Kingdom (€74 million) and Romania (€40 million) that are subject to specific regulations in these countries. Due to the restrictions on their use, increases in these funds are recorded as a deduction from net cash from operating activities.

Funds from operations before non-recurring items (FFO)

Funds from operations before non-recurring items (FFO) amounted to **€282 million**, versus €257 million in 2011. The like-for-like increase of **13.4%** was greater than the Group's medium-term objective of more than 10% [(1)] normalized annual growth. Growth in FFO is analyzed in section 2.1.1.5. Management Indicators, page 36.

(1) Normalized organic growth target for the 2010-2016 period.

Working capital requirement

The following table sets out the items that make up the working capital requirement, excluding restricted cash.

(in € millions)	December 2011	December 2012	% change
Inventories (net)	10	13	3
Trade receivables (net)	990	1,092	102
Other receivables (net)	291	302	11
Working capital assets	**1,291**	**1,407**	**116**
Trade payables	73	62	(11)
Other payables	161	193	32
Vouchers in circulation	3,400	3,608	208
Working capital liabilities	**3,634**	**3,863**	**229**
Net working capital	**2,343**	**2,456**	**113**

Negative working capital requirement at December 31, 2012 was up €113 million compared with December 31, 2011.

Debt

Net debt

The Group had a **net cash position of €85 million** at December 31, 2012 compared with €74 million at the previous year end. The ratio of adjusted funds from operations to adjusted net debt came to 110%, higher than required for a strong investment grade rating (1).

(in € millions)	December 31, 2011	December 31, 2012
Non-current debt	1,390	1,301
Other non-current financial liabilities	8	16
Current debt	3	2
Bank overdrafts	35	43
Other current financial liabilities	23	26
DEBT AND OTHER FINANCIAL LIABILITIES	**1,459**	**1,388**
Current financial assets	(11)	(39)
Other marketable securities	(1,085)	(998)
Cash and cash equivalents	(437)	(436)
CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	**(1,533)**	**(1,473)**
NET DEBT	**(74)**	**(85)**

Non-current debt consists mainly of:

- €275 million in **bank borrowings** repayable in June 2015;
- €800 million in 3.625% 7-year **bonds** due October 6, 2017;
- €225 million in 3.75% fixed-rate 10-year **private placement notes** due May 23, 2022.

As of December 31, 2012, the Group's debt and other financial liabilities, totaling €1,388 million, were due as follows: 5% in 2013, 20% in 2015, 58% in 2017, and 17% in 2022, as laid out in the table below.

(In million euros)	2013	2014	2015	2016	2017	2018 and beyond	December 2012
Debt and other financial liabilities	71	4	276	1	804	232	1,388
TOTAL	**71**	**4**	**276**	**1**	**804**	**232**	**1,388**

(1) The ratio of adjusted funds from operations to adjusted net debt, determined by the Standard & Poor's method, must be above 30% at all times of the year 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.

At December 31, 2012 the cost of net debt stood at 3.18% before hedging and 2.70% after hedging (see note 23.A.1.1 and A1.2 to the consolidated financial statement, page 169).

The maturity of financial investments (see note 21 and to the consolidated financial statement) breaks down as follows:

- Maturity > 1 year: 32%
- Maturity <1 year: 68%

Marketable securities include €908 million worth of term deposits and equivalents with maturities of more than three months and €90 million worth of money market securities and bonds.

Cash and cash equivalents break down as €138 million in cash and €298 million in money market instruments with original maturities of less than three months.

Free cash flow

Free cash flow generated over the year totaled €330 million.

(in € millions)	2011	2012
EBITDA	**384**	**401**
Net financial expense	(40)	(36)
Income tax	(97)	(102)
Non-cash items	10	19
Funds from operations:	**257**	**282**
Change in working capital requirement	140	107
Change in restricted cash	(56)	(19)
Recurring capital expenditure	(35)	(40)
FREE CASH FLOW	**306**	**330**

Unlevered free cash flow

Unlevered free cash flow (1) generated over the year totaled €283 million.

(in € millions)	December 2011	December 2012
EBIT	**355**	**367**
Elimination of financial revenue from unrestricted cash (1)	(76)	(75)
Adjusted EBIT	**279**	**292**
Effective tax rate	32.0%	31.2%
Tax on adjusted EBIT	(89)	(91)
Elimination of depreciation and amortization	29	34
Recurring capital expenditure	(35)	(40)
Decrease/(increase) in working capital requirement	140	107
Recurring decrease/(increase) in restricted cash	(56)	(19)
UNLEVERED FREE CASH FLOW	**268**	**283**

(1) See Note 5 to the consolidated financial statements, page 151.

Equity

Equity represented a negative amount of **€1,057 million** at December 31, 2012 and €1,031 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 (2). It has no impact on the Group's refinancing capacity, the underlying strength of its financial position or its dividend paying ability.

The statement of changes in equity is presented on page 130 of the consolidated financial statements.

Off-balance sheet commitments

Off-balance sheet commitments at December 31, 2012 amounted to **€140 million** versus €100 million at December 31, 2011. For more details, see Note 30 to the consolidated financial statements, page 185.

(1) Unlevered free cash flow is an indicator of the Company's cash-generating capacity.

(2) Including the impact of the acquisitions of Edenred entities owned by Accor, recognized in equity for a negative amount of €1,894 million at the time of the demerger in June 2010.

2.1.1.5 Management ratios

Key ratios and indicators

	2011	2012
Like-for-like growth in issue volume	+9.7%	+10.1%
Total net margin (EBIT/issue volume)	2.3%	2.2%
EBIT margin excluding financial revenue (EBIT – financial revenue/issue volume)	1.7%	1.7%
Like-for-like growth in FFO [(1)]	+20.8%	+13.4%
Unlevered free cash flow * *(in € millions)*	268	283
Adjusted FFO/adjusted net debt [(2)]	93%	110%

* *For more information about unlevered free cash flow, see section 2.1.1.4., page 33.*

(1) FFO growth is calculated as follows:

(in € millions)	2011	2012
+ EBIT	384	401
- Net financial expense	(40)	(36)
- Income tax	(97)	(102)
- Non-cash income and expenses included in EBIT	9	18
- Cancellation of financial provisions and provisions for taxes	1	1
= Funds from operations before non-recurring items (FFO)	**257**	**282**
Increase in FFO	+20.8%	9.9%
Like-for-like increase in FFO	+20.8%	+13.4%

(2) The adjusted FFO/adjusted net debt ratio is calculated as follows:

(in € millions)	2011	2012
Net debt (cash) at December 31	(74)	(85)
Standard & Poor's adjustment: 20% of cash and cash equivalents and marketable securities	304	287
Standard & Poor's adjustment: Capitalization of rents and pensions (estimated)	67	68
Adjusted net debt (cash)	**297**	**270**
Funds from operations before non-recurring items (FFO)	257	282
Standard & Poor's adjustment: Capitalization of rents and pensions (estimated)	18	14
Adjusted FFO	**275**	**296**
Adjusted FFO/adjusted net debt (estimated)	**92.8%**	**109.6%**

2.1.1.6 Material contracts

During 2012, no contract representing a material obligation or commitment for the Group was signed in connection with the Group's external growth operations.

2.1.2 FORESEEABLE DEVELOPMENTS

The outlook for 2013 is described in section 1.3 Strategic Vision, Investment Strategy and Outlook, page 14.

2.1.3 MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties that may affect the Group in 2012 are described in section 3 Risk Factors, page 43.

The September 28, 2010 €800 million 7-year bond issue and the May 23, 2012 €225 million 10-year bond issue do not give rise to any rating risk because they were assigned a specific rating at the time of issue in line with standard market practice.

2.1.4 MAIN RELATED-PARTY TRANSACTIONS

The main related-party transactions are presented in detail in Note 32 to the consolidated financial statements, page 185.

2.1.5 RESEARCH AND DEVELOPMENT ACTIVITIES

None.

2.1.6 SOCIAL, SOCIETAL AND ENVIRONMENTAL INFORMATION

Social, societal and environmental information is provided in Chapter 4, page 53.

2.1.6 SUBSEQUENT EVENTS

Subsequent events are presented in Note 35 to the consolidated financial statements, page 187.

2.2 MANAGEMENT REPORT FOR THE EDENRED PARENT COMPANY

DESCRIPTION OF THE BUSINESS

As the Group holding company, Edenred SA manages a portfolio of equity interests, collects dividends from subsidiaries and drives the Group's development.

The Company owns a portfolio of brands, including *Ticket Restaurant®*, *Ticket Alimentaçao®*, *Ticket Compliments®*, *ChildcareVouchers®* and *Ticket EcoCheque®*, and earns revenues from licensing these brands.

It also provides services to other members of the Group in the areas of prepaid solutions, staff secondment, cash management and IT, as well as advisory services. These services are billed on arm's length terms, as a percentage of the subsidiaries' revenues and/or profits or as a flat fee or on a per-service basis.

2012 RESULTS

The Company reported 2012 revenue of €26 million versus €24 million in 2011, including all royalties and service fees earned in the normal course of business.

Service revenues correspond to fees billed under the Master Services Agreement, for the secondment of staff and for loan guarantees.

Analysis of Edenred SA revenue

(in € millions)	2011	2012	% of total
Brand royalties	**0**	**0**	
Service fees			
• Mutual costs	0		
• IT services	5	7	26.92%
• Master Services Agreement	16	17	65.38%
• Other	3	2	7.70%
TOTAL	**24**	**26**	**100%**

Operating income and expenses

Other revenues, reversals of depreciation, amortization and provisions and expense transfers together totaled €28 million in 2012 compared with €91 million in 2011, which included an exceptional provision reversal of €60 million.

The Company ended the year with an operating loss of €23 million versus a €16 million loss in 2011.

Operating expenses in 2012 amounted to €80 million compared with €131 million the previous year.

External charges went up to €35 million from €32 million in 2011.

Payroll costs rose to €28 million from €26 million in 2011.

Depreciation, amortization and impairment of fixed assets was €1 million, the same as in 2011.

Charges to provisions for length-of-service awards payable to employees on retirement stood at €8 million versus €5 million in 2011.

Net financial income

Net financial income for the year amounted to €64 million compared with €91 million in 2011.

Movements on financial provisions, for the most part provisions for impairment of shares in subsidiaries and risks related to subsidiaries, represented a net expense of €20 million. Financial provisions booked in 2012 included €11 million in write-downs of shares in subsidiaries and affiliates, mainly Edenred Italy for €3 million, and €10 million in provisions for risks related to subsidiaries, including €7 million concerning Shanghai Yagao Meal.

Dividend income for the year totaled €92 million compared with €104 million in 2011, including €34 million from Saminvest SAS, €23 million from Edenred Belgium SA and €16 million from Cestaticket Edenred C.A.

Recurring profit before tax

Recurring profit before tax amounted to €41 million versus €75 million in 2011.

Non-recurring items

Non-recurring items represented net income of €5 million, compared with €291 million in 2011, consisting mainly of reversals of provisions for risks related to subsidiaries.

Income tax expense

The Company reported a €20 million tax loss for the year, compared with a taxable profit of €36 million in 2011.The Company and its eligible French subsidiaries elected for the group relief system governed by Article 223A of the French General Tax Code on March 18, 2011. The election applied as from the 2011 tax year.

The tax group members in 2012 were:

- Veninvest quatre;
- Veninvest cinq;
- Veninvest huit.

In 2012, a net group relief benefit of €13 million was recorded in Edenred SA's accounts, including tax credits.

Income tax payable by the tax group for 2012 amounted to €3 million.

Net profit

Net profit for 2012 stood at €56 million (€56,428,327), compared with a profit of €378 million (€377,716,305) in 2011.

Non-deductible provisions for liabilities and charges and non-deductible expense accruals recorded in the balance sheet at December 31, 2012 totaled €32 million, compared with €21 million in 2011.

The recommended ordinary dividend has been set at €0.82 per share. Details of the proposed appropriation of earnings are provided in section 8, page 239.

Edenred SA paid out €158 million (€158,128,177) in dividends for 2011, or €0.70 per share.

Details of the positions and directorships held by the Executive Director and of his compensation are provided in the Corporate Governance section, page 103.

INFORMATION ON SUPPLIER PAYMENTS

Edenred SA trade payables analyzed by due date

(in € millions)		Invoices receivable	Less than 30 days	In 30-60 days	More than 60 days
2011	Trade payables	-	-	2	-
	Supplier invoices receivable	4	-	1	3
	TOTAL	**4**	**0**	**-**	**3**
2012	Trade payables	0	2	-	-
	Supplier invoices receivable	4	2	-	2
	TOTAL	**4**	**4**	**0**	**2**

NON-DEDUCTIBLE EXPENSES

The aggregate amount of non-deductible costs and expenses referred to in Article 39 paragraph 4 of the French General Tax Code amounted to €91,162 for 2012 and the tax paid thereon was €31,387 (disclosure made in application of Articles 223 *quater* and *quinquies*, 39-4 and 39-5 of the Tax Code).

2012 BUSINESS REVIEW

In 2012, the Company carried out its holding company activities.

During the year, the Company acquired a 9.95% stake in ProwebClub.

To streamline the Group's legal structure, on July 31, 2012, Edenred SA dissolved its Edenred Participations subsidiary without first liquidating its assets. In accordance with Article 1844-5, paragraph 3, of the French Civil Code, the transaction was effected by transferring all of Edenred Participations' assets and liabilities to Edenred at their net book values in the balance sheet of Edenred Participations on the legal dissolution date. Following this operation, Edenred SA now owns 90% of Saminvest.

TRANSACTIONS IN EDENRED SA SHARES

At December 31, 2012 Edenred SA held 256,907 of its own shares, representing 0.11% of the capital.

The Company's ownership structure is described in section 7.3.1 Ownership Structure, page 230.

On November 3, 2011, Edenred SA entered into a liquidity contract with Exane BNP Paribas that complies with the AMAFI code of ethics recognized by the Autorité des marchés financiers, whereby Exane BNP Paribas undertakes to make a market in Edenred SA shares on the NYSE Euronext Paris market.

The following resources have been credited to the liquidity account to fund these market-making transactions.

- €10 million in cash;
- Edenred shares: none.

FINANCING

In May 2012 Edenred issued €225 million worth of 3.75% fixed-rate 10-year private placement notes due May 23, 2022.

During 2012, the Company made €325 million of early repayments, lengthening the average maturity of its debt. The next and final repayment on the term loan will be made on June 30, 2015 for €275 million.

At December 31, 2012 the Company had total debt of €1,300 million.

The bilateral lines of credit intended for general corporate purposes had not been drawn down as of December 31, 2012.

The Group has set up a €1,075 million hedging program mainly comprising interest rate swaps, collars and options, to protect against the impact of interest rate fluctuations on its variable and fixed rate debt.

RELATIONS WITH SUBSIDIARIES

Edenred SA holds direct interests of 50% and over in 26 companies. The most significant interests, in terms of value, are as follows:

- **Edenred France** (€419,234,039), a French company that issues *Ticket Restaurant*® meal vouchers and other prepaid services solutions to customers in France.

  In 2012, it had revenues of €103,289,212 versus €100,930,161 in 2011 and recurring profit before tax of €38,711,732 versus €7,549,413 in 2011;
- **Saminvest** (€277,514,594), a French holding company.

  Saminvest's recurring profit before tax amounted to €53,586,926 compared with €38,772,948 for the previous year.

  During the year, it paid dividends of €34,372,507 to Edenred SA;
- **Edenred Belgium** (€865,414,755), a Belgian company that issues meal vouchers and other prepaid services solutions to customers in Belgium.

  In 2012, its revenue stood at €51,998,000.

The table below presents subsidiaries whose carrying amount in Edenred SA's balance sheet exceeds 1% of the Company's share capital.

Subsidiaries and affiliates	Currency	% interest
Subsidiaries with a carrying amount in excess of 1% of Edenred SA's share capital		
Subsidiaries (at least 50%-owned by Edenred SA)		
a) French subsidiaries		
Accentiv' Kadéos 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	100%
Accentiv' Travel 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	100%
Edenred France 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	100%
AS Formation 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	100%
Veninvest Quattro 166-180, Bld Gabriel Péri 92240 Malakoff	EUR	100%
Veninvest Cinq 166-180, Bld Gabriel Péri 92240 Malakoff	EUR	100%
Veninvest Huit 166-180, Bld Gabriel Péri 92240 Malakoff	EUR	100%
Saminvest 166-180, Bld Gabriel Péri 92240 Malakoff	EUR	90%
Veninvest Neuf 166-180, Bld Gabriel Péri 92240 Malakoff	EUR	100%
Veninvest Onze 166-180, Bld Gabriel Péri 92240 Malakoff	EUR	100%
Veninvest Douze 166-180, Bld Gabriel Péri 92240 Malakoff	EUR	100%
Veninvest Quatorze 166-180, Bld Gabriel Péri 92240 Malakoff	EUR	100%
Veninvest Quinze 166-180, Bld Gabriel Péri 92240 Malakoff	EUR	100%
Veninvest Seize 166-180, Bld Gabriel Péri 92240 Malakoff	EUR	100%
b) Foreign subsidiaries		
Royal Image Direct Marketing Pty (India)	INR	100%
Edenred Shanghai (China)	CNY	100%
Edenred (India) PVT Ltd (India)	INR	94.34%
Edenred Pte Ltd (Singapore)	SGD	100%
Cestaticket Services C.A. (Venezuela)	VEF	57%
Edenred China	CNY	100.00%
Edenred Polska Sp Zo o	PLN	99.99%
Edenred Belgium	EUR	100%
Edenred Deutschland GmbH (Germany)	EUR	100%
Barclay Voucher Co. Ltd	JPY	100%
Inversiones Dix Venezuela, S.A.	VEF	100%

The other subsidiaries and affiliates are presented in Note 24 to the Company financial statements - Subsidiaries and affiliates, page 212.

RATIOS

None.

RISK FACTORS

Risk factors are described in section 3, page 43.

RESEARCH AND DEVELOPMENT ACTIVITIES

None.

SUBSEQUENT EVENTS

There have been no significant events since December 31, 2012.

DEVELOPMENT AND OUTLOOK

Edenred SA will pursue its holding company activities in the coming years.

3 RISK FACTORS

3.1 LEGAL RISKS

CHANGE IN THE LAWS OR REGULATIONS APPLICABLE TO SOLUTIONS QUALIFYING FOR A SPECIFIC TAX REGIME

Certain Group solutions are governed by national regulations designed to create a tax environment that will encourage their development. They are mainly Employee Benefits solutions, particularly *Ticket Restaurant®* meal vouchers and *Ticket Alimentación®* food vouchers. In 2012, Employee Benefits solutions accounted for 85% of the Group's issue volume.

These laws and/or regulations may change in ways that are unfavorable to the Group. Recently, certain governments faced with ballooning budget deficits have scaled back the tax or social benefits attached to these solutions. As the solutions' tax appeal is one of the factors behind their growth and profitability, any unfavorable change in the regulatory or legislative environment may lead to a decline in related issue volume.

See section 1.4 "Regulatory Environment", page 22 for more information about the regulations applicable to the Group, including sections 1.4.1.2 and 1.4.1.3 on pages 22 and 23 which describe the regulatory environments in France and in Brazil.

CHANGE IN THE LEGISLATIVE ENVIRONMENT FOR CERTAIN GROUP SOLUTIONS

Some Group solutions are regulated in the various countries where they are sold. The transition to digital solutions – which accounted for 51% of issue volume at the end of 2012 – may lead to an increase in the number of regulated solutions.

The regulatory environment is changing in some countries, often in a political climate that is conducive to the introduction of greater restrictions and improved protections for beneficiaries of these solutions. New regulations governing gift cards and other payment cards, for example, generally impose stricter rules concerning the information to be given to clients and beneficiaries when the cards are sold, the level of fees and commissions billed to clients and the treatment of unused balances on expired cards. In some countries, the issuer is required to refund all or some of the remaining balance to the client. In addition, the Group's businesses are subject to data protection and data security laws.

Regulatory obstacles may limit the Group's ability to grow its businesses. The obstacles may be unexpected and require the deployment of significant resources and investments, which may have an adverse effect on the Group's results of operations and financial position.

PROTECTION OF THE GROUP'S BRANDS

The Group's success lies partly in its portfolio of recognized brands, such as *Ticket Restaurant®* and *Ticket Alimentación®*. The names of the Group's solutions have been registered in all countries where they are currently used and, where possible, in countries where they may be introduced in the future. Although prior rights searches are performed, it is not possible to obtain absolute assurance that no third parties have rights to similar brands that could be used as a basis for challenging, under local statute or case law, the Group's right to use its own brands in certain countries. In addition, the Internet exposes the Group to risks of cybersquatting, i.e. the registering by third parties of Internet domain names close to those used by the Group for the sole purpose of selling them.

3.2 EXTERNAL RISKS

ECONOMIC RISKS

The Group's results depend in part on economic conditions in its main host countries. Although Edenred's business is less sensitive to economic cycles than others, adverse economic conditions would nevertheless have a direct impact on its issue volume and, consequently, on its results of operations. An economic downturn leading to corporate bankruptcies and plant closures would have the effect of reducing the Group's client base, while an increase in unemployment rates would lead to a reduction, for each client, in the number of beneficiaries of the Group's solutions. In addition, increases in the face value of the vouchers issued by the Group are influenced by inflation rates. Lastly, the Group's financial revenue (i.e. the interest income received on the float resulting from the timing difference between the payment by clients of the vouchers' face value and their reimbursement to the merchants) depends on (i) the volume of vouchers issued and, consequently, the economic factors described above, and (ii) market interest rates (see section 3.3.1 "Interest Rate Risks", page 46).

The Group has a strong presence in Latin America and has benefited from the region's vigorous economic growth. Although the picture in Europe has been more mixed, due to rising unemployment, the Group's broad geographic presence, with operations in 39 countries worldwide (40 since February 2013 with the addition of Colombia), helps to spread its exposure to economic risks. Brazil, Edenred's largest market, France and Mexico together account for 55% of the Group's total issue volume and 61% of total EBIT.

COMPETITION RISKS

The Group's businesses are exposed to competition from a handful of international groups as well as local competitors (see section 1.1.3.1 "Overview of the Prepaid Services Market", page 7, for a description of the Group's main competitors). One or several markets may be penetrated by new entrants. These may be new companies, or existing companies that are changing their positioning in one or more markets. Competitive pressures may drive down fee rates in some countries whose economies are struggling, resulting in contracts not being renewed or making it more difficult to win new contracts. If the Group is unable to effectively withstand these competitive pressures, it may lose market share or experience a decline in business or margins.

In countries where Edenred has strengthened its leadership position, certain competitors or commercial partners may be tempted to claim that the Group has used this position to bypass or distort market rules.

RISKS RELATED TO PARTNERSHIPS AND OTHER STRATEGIC AGREEMENTS

In the course of its business, Edenred may use partners' technologies, IT applications or networks, particularly for its digital solutions. Any disagreement concerning the renewal of any such partnerships or user licenses may have an adverse effect on the Group's business.

Similarly, agreements have been signed with affiliated merchants to permit the use and/or sale of prepaid vouchers and cards. The non-renewal of any of these partnerships may have an adverse effect on issue volume and revenues from the solutions concerned.

To attenuate the potential impact of this type of disagreement, a specific department has been set up to manage the Group's strategic partnerships and monitor developments involving the competition.

RISKS ASSOCIATED WITH INTERNATIONAL ACTIVITIES

The Group operates throughout the world. Its host countries include emerging markets, particularly in Latin America and – to a lesser extent – Central Europe. In 2012, emerging markets accounted for around 61% of the Group's total issue volume.

Its international operations expose the Group to numerous risks, arising for example from:

- unexpected or arbitrary changes in tax rules or other regulations;
- restrictions on the repatriation of profits;
- nationalizations without adequate compensation;
- changes in exchange rates;
- corruption in certain countries;
- inadequate protection of computerized data; and
- political or economic changes in a specific region or country.

If one or several of these risks were to occur, this could have a material adverse effect on the Group's results of operations and financial position.

3.3 MARKET RISKS

A variety of interest rate and currency instruments, including swaps, caps and forward purchases and sales of foreign currencies, are used to manage and hedge interest rate and currency risks arising in the normal course of business. The related policies are designed to meet three core objectives: security, liquidity and cost-effectiveness. They are implemented at Group level by the Corporate Treasury and Financing Department, which reports to the Vice-President, Finance and Legal Affairs, who is a member of the Executive Committee.

The instruments are used to support Group investment, financing and hedging policies, to help manage debt and to minimize the risks on business transactions. The Group is equipped with computer applications (Front to Back treasury management software) that allow it to track fixed/variable rate exposures and exposures by currency for borrowings and short-term investments, and to produce management reporting schedules and IFRS 7 schedules using flow data supplied by Reuters and Bloomberg.

3.3.1 INTEREST RATE RISKS

Consolidated debt includes both fixed and variable rate borrowings, virtually all denominated in euros (99.5% of the total, rounded to 99% in the consolidated financial statements). Target breakdowns between fixed and variable rate debt are determined separately for each currency, giving due regard to anticipated interest rate trends and to changes in the composition of debt as a result of new borrowings and the repayment of existing borrowings. At December 31, 2012, 43% of total debt was at fixed rates of interest and 57% at variable rates, after taking into account the effect of hedges (see the Notes to the consolidated financial statements – Note 23 "Financial Instruments and Market Risk Management", part A.1 "Analysis by Interest Rate", page 169). The target breakdowns are reviewed at regular intervals and new targets are set for future periods by senior management. The related financing strategy is implemented by the Corporate Treasury and Financing Department.

The most commonly used instruments are interest rate swaps, caps and floors. They are contracted with banks rated investment grade and the documentation is based on the model recommended by the French Banking Federation (FBF).

Edenred does not conduct any trading tranvctions and has no plans to engage in this type of activity. Neither Edenred SA nor the Group has any open currency or interest rate positions that would be likely to expose the Group to significant risks.

At the balance sheet date, interest rate risks on debt and certain investments were hedged. The hedging instruments used by the Company are interest rate swaps (where Edenred is the fixed rate borrower or lender) and collars (caps and floors).

At December 31, 2012, the notional amounts of interest rate hedges were €1,075 million on debt, covering the risks on the €275 million term loan and €1,025 million worth of debt securities, and €222 million on investments.

These instruments are described in the Notes to the consolidated financial statements (see Note 23 "Financial Instruments and Market Risk Management", section A.2. "Interest Rate Hedges", page 169).

The impact of a 100-basis point change in interest rates on debt of €1,388 million at December 31, 2012, is presented in the Notes to the consolidated financial statements (see Note 23 "Financial Instruments and Market Risk Management", part A.3 "Sensitivity Analysis", page 170).

Interest rate fluctuations have a direct impact on the Group's financial revenue and other interest income. The float amounted to €2,144 million at December 31, 2012, of which €1,435 million reported as cash and cash equivalents and other marketable securities (see Note 21 "Cash and Cash Equivalents and Other Marketable Securities" in the Notes to the consolidated financial statements, page 167), and €709 million reported as restricted cash (see Note 27 "Working Capital, Service Vouchers in Circulation and Restricted Cash", part B. "Net Change in Restricted Cash", page 182).

The average interest rate was 4.1% at December 31, 2012 and 4.3% at December 31, 2011. A 100-basis point change in interest rates would have an impact of €12 million on interest income in 2013, assuming that the float remains unchanged over the year at the same nominal amount in euros, and taking into account effective fixed interest rates and maturities at December 31, 2012.

In comparison, the same change in interest rates would have had an impact of €12 million on the Group's interest income in 2012, based on a float of €2,211 million at December 31, 2011, of which €1,552 million in cash and cash equivalents and €689 million in restricted cash.

Instruments with maturities of more than one year represented 32% of the total at December 31, 2012 versus 30% at December 31, 2011.

3.3.2 CURRENCY RISKS

The Group is exposed to currency risks on the translation into euros in the consolidated financial statements of issue volumes, revenues, EBIT and balance sheet items corresponding to each country outside the euro zone. This foreign currency translation risk is not hedged.

A significant proportion of the Group's service voucher issue volume is generated in countries where the functional currency is different from the Group's reporting currency (the euro). Group policy consists of investing the cash generated by these activities in the currency of the country where the vouchers are issued.

Actual cash flows between countries whose currency is not the euro consist mainly of dividends paid by subsidiaries to their parent company, which may be exposed to changes in exchange rates between the original currency and the euro. At December 31, 2012, no financial instruments were held as hedges of these future internal cash flows. However, these cash flows may be hedged against currency risks in the future, particularly through forward currency purchases (or sales).

Exchange gains and losses recognized in the 2012 income statement are presented in the Notes to the consolidated financial statements (see Note 8 "Net Financial Expense", page 152).

The impact of a 10% change in the exchange rates of the main currencies is presented in the Notes to the consolidated financial statements (see Note 23 "Financial Instruments and Market Risk Management", part B.3 "Sensitivity Analysis", page 171).

3.3.3 CREDIT AND/OR COUNTERPARTY RISKS

The Group is exposed to credit risks on the investment of available cash with financial institutions. Default by one of these institutions or a deterioration in its financial position could result in financial losses for Edenred.

Edenred reduces its exposure to counterparty risks by:

- dealing only with leading counterparties according to correlated country risks;
- using a wide range of counterparties;
- setting exposure limits by counterparty; and
- using a monthly reporting procedure to track the concentration of credit risk and the credit quality of the various counterparties (based on credit ratings issued by rating agencies for financial institutions).

Details of the Group's counterparties are presented in the Notes to the consolidated financial statements (see Note 23 "Financial Instruments and Market Risk Management", part D "Credit and Counterparty Risk", page 172).

Group policy consists of investing available cash in the currency of the country in which its solutions are issued. It is therefore exposed to country risks that could arise, in particular, in the event of a financial crisis affecting one or more of its host countries.

A significant proportion of the Group's available cash (corresponding to cash denominated in euros) is invested with the holding company under the worldwide centralized cash management scheme (*via* intercompany loans and/or multi-currency cash-pooling solutions). Under this system, the subsidiaries' available cash is transferred to the holding company in all cases where this is allowed under local law or the law governing the business concerned, and where economic conditions permit. Pooling available cash helps to reduce the Group's exposure to counterparty risks on the leading financial institutions with which the funds are invested, through regular centralized monitoring of these funds.

Moreover, pooling available cash in this way helps to vastly reduce the Group's exposure to counterparty risks in countries on review for a potential credit rating downgrade, particularly in Europe. As part of this prudent policy, the Group selects financial institutions independently of the country from which the available cash originates.

3.3.4 LIQUIDITY RISKS

Liquidity risks are managed at Group level by the Corporate Treasury and Financing Department through a centralized cash management scheme. Under this scheme, the cash surpluses of Group entities are used to cover the cash shortfalls of other entities, and only the net cash requirement is financed through borrowings on the financial market.

Financing policies are designed to ensure that Edenred has immediate access – at the lowest possible cost – to the cash it requires to finance corporate projects, meet short-term cash needs and fund expansion.

The Group has access to undrawn committed medium-term credit lines from leading banks to meet its short-term financing needs (see the Notes to the consolidated financial statements, Note 22 “Debt and Other Financial Liabilities”, part B.2 “Credit Facilities”, page 168). At December 31, 2012, these undrawn committed credit lines totaled €584 million, of which €528 million expire in mid-2014.

Available cash is invested in instruments that can be purchased, sold or closed out within a maximum of five business days. These instruments consist for the most part of fixed-rate bank time deposits, interest-bearing demand deposits and money market securities, mainly retail certificates of deposit. Further details are presented in the Notes to the consolidated financial statements (see Note 21 “Cash and Cash Equivalents and Other Marketable Securities”, page 167).

3.4 OPERATIONAL RISKS

CLIENT RISKS

Edenred’s exposure to client default is limited and it is not dependent on any single client:

- statistical dispersion of the business is high, with no client billed in 2012 representing more than 1% of revenue; and
- trade receivables correspond to several tens of thousands of accounts.

RISK OF VOUCHER FORGERY AND THEFT

The distribution of forged vouchers and voucher theft expose the Group to several risks. The Group may be asked to accept forged or stolen vouchers presented by affiliated merchants for reimbursement. Even if the incidence of forgeries and theft remains very low, steps are being taken to accelerate the migration from paper to digital solutions as explained below. At the same time, the Group has a policy of purchasing insurance coverage of theft risk, as explained in section 3.7 Risks Transferred to the Insurance Market, page 51.

MIGRATION FROM PAPER TO DIGITAL SOLUTIONS

The Group is developing electronic media (card, Internet, mobile) for its various solutions. The migration from paper to digital solutions (see section 1.3.2.1 Accelerating the Digital Transition, page 17) provides an opportunity to increase issue volume and to sell value-added services, while reducing the risk of voucher theft. However, it is not without its risks. Migration may drive down the average holding period of the float, i.e. the period between the sale of the products and their reimbursement. Payments for electronic products frequently transit through third-party networks (mainly banking networks), which deduct fees and can set restrictive rules. However, our experience with digital solutions in Brazil in recent years shows that the effect of the shorter float holding period is more than offset by the higher issue volume resulting from digital migration, particularly through the development of solutions that would not be viable in paper format, resulting in a net increase in float’s value.

INFORMATION SYSTEM RISKS

In the normal course of business, the Group and/or its service providers use a certain number of IT tools and information systems, in particular to manage digital products and for prepaid program management. The Group and/or its service providers have back-up systems for these databases. However, if any of these information systems were to fail and the databases and their back-ups were to be destroyed or damaged for whatever reason, this could disrupt the Group's business operations.

ENVIRONMENTAL RISKS

Due to the nature of its business, Edenred is not exposed to any significant direct environmental risks. For more information about the Group's environmental footprint, see section 4.1.1 Environment, page 77.

3.5 RISKS ASSOCIATED WITH THE GROUP'S GROWTH STRATEGY AND ORGANIZATION STRUCTURE

RISKS ASSOCIATED WITH THE GROUP'S GROWTH STRATEGY

Penetration of new geographic markets

The Group's ability to pursue its geographic expansion strategy is affected by certain restrictions and uncertainties, concerning in particular the future regulatory and political environment over which it has no control. The successful development of an employee benefits program in a new country depends in part on the existence of an appropriate tax regime, which in turn may depend on specific legislation being adopted. The Group may invest resources in preparing its entry in a new market without any assurance that an appropriate tax regime will be established.

Succeeding in a new market also entails setting up a network of affiliated merchants to make the solution attractive for both clients and beneficiaries. The Group may incur start-up losses due to the absence of economies of scale during the early years. Once the Group has opened up a market, its market share may be eroded by the entry of new players that benefit indirectly from its investment and do not have to incur the same costs or risks.

Risks associated with the Group's acquisition strategy

The Group's growth strategy is based in part on external growth, mainly through acquisitions. It may not be possible to identify credible targets or to close deals at the right time and the right price.

In addition, to obtain anti-trust approval for acquisitions in one or several jurisdictions, the Group may have to accept certain conditions such as a requirement to sell certain assets or business units.

There are a number of risks associated with acquisition strategies: (i) the business plan assumptions underlying the valuation of the target may prove to be wrong, particularly those concerning future synergies and estimates of market demand; (ii) the Group may not be successful in integrating the acquired company, its technologies, product ranges and employees; (iii) the Group may be unable to retain certain key employees or customers of the acquired company; and (iv) the Group may have to take on additional debt to finance the acquisitions. Consequently, the benefits of current or future acquisitions may not be obtained within the forecast period or may fall short of expectations or adversely affect the Group's financial position.

RISKS ASSOCIATED WITH THE GROUP'S ORGANIZATION STRUCTURE

Intangible assets

Goodwill and other intangible assets with an indefinite useful life are tested annually for impairment. Net goodwill carried in the consolidated balance sheet at December 31, 2012 amounted to €528 million while net intangible assets totaled €113 million. The Group believes that the 2012 consolidated financial statements present fairly all of its assets and liabilities and its financial position. However, inherently unforeseeable events may occur in the future that result in certain intangible assets being impaired. Any material impairments of intangible assets may have an adverse effect on its results of operations for the year in which the impairment is recognized.

Tax risks

As an international group, Edenred is subject to the tax laws of a large number of countries and conducts its business in compliance with various national regulations. The tax rules in force in the Group's various host countries do not always provide clear solutions that are not open to interpretation. As a result, the Group's organization structure, the way it conducts business and the applicable tax regime may be based on its own interpretation of local tax rules. There is no guarantee that its interpretations will not be challenged by local tax administrations in the future.

The Group is currently involved in various tax disputes. These are detailed in the Notes to the consolidated financial statements (see Note 29 Claims and Litigation, page 183).

Rating risks

The loan agreements for the Group's bond issues and the term loan do not include any rating trigger (event of default or margin grid modification). The September 2010 €800 million bond issue and the May 2012 €225 million bond issue do not give rise to any rating risk because they were each assigned a specific rating at the time of issue in line with standard market practice. The loan agreement for the term loan, amounting to €275 million at December 31, 2012, does not include any "event of default" clause based on the Group's leverage (net debt/Ebitda) ratio.

The Group's financial strategy aims to maintain a Strong Investment Grade rating [1]. In this regard, Edenred's estimated adjusted FFO/ adjusted net debt ratio at December 31, 2012 was significantly above the level required for such a rating by Standard & Poor's (see section 6.2.6 Key Ratios and Indicators, in the Notes to the consolidated financial statements, page 131).

Edenred has been rated BBB+/stable outlook by Standard & Poor's since June 2010. The rating was affirmed by Standard & Poor's on April 15, 2011, October 5, 2011, April 27, 2012, October 23, 2012 and March 26, 2013.

3.6 LEGAL AND ARBITRATION PROCEEDINGS

In the normal course of business, the Group may be involved or become involved in legal and arbitration proceedings and be subject to tax or government audits.

Information about legal or arbitration proceedings in progress, pending or threatened that may have, or have had in the recent past, significant effects on the Group's financial position, business or results of operations is provided in the Notes to the consolidated financial statements (see Note 29 "Claims and Litigation", page 183).

To the best of the Company's knowledge, in the last twelve months, there have not been any governmental, legal or arbitration proceedings (including any pending proceedings) that may have, or have had in the recent past, significant effects on the financial position or profitability of the Company and/or the Group and, to the best of the Company's knowledge, no such proceedings are threatened [2].

The method used to provide for or recognize liabilities complies with the applicable accounting standards (see the Notes to the consolidated financial statements, Note 2 "Basis of Preparation of Financial Statements", page 139).

Provisions for litigation are recorded on receipt by the Group of a notice of claim or summons, based on an assessment of the related risk made by the Group and its advisors. They are presented in the Notes to the consolidated financial statements (see Note 25 "Provisions", page 176).

Edenred has not entered into any material off-balance sheet commitments other than those disclosed in the Notes to the consolidated financial statements (see Note 30 "Off-Balance Sheet Commitments", page 185).

(1) *The ratio of adjusted funds from operations to adjusted net debt, determined by the Standard & Poor's method, must be above 30% at all times of the year 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.*

(2) *See section 3.2 "External Risks", page 45.*

3.7 RISKS TRANSFERRED TO THE INSURANCE MARKET

Edenred's operational risks are transferred to the insurance market through business-specific insurance programs that protect its businesses and assets in all host countries. They consist of international programs that set common standards for the transfer of risks to insurers and pool purchases of cover by Group entities.

To diversify counterparty risks associated with these programs, they are spread between around a dozen insurers, none of which covers more than 30% of the total capacity transferred to the insurance market. In 2012, over 90% of the Group's programs involved insurers with an insurer financial strength rating higher than A- from Standard & Poor's.

A worldwide liability insurance program covers the losses caused to third parties by Edenred's business, across the entire Group. Property and casualty insurance programs cover damage to the assets used in the business, including machines, furniture and buildings, as well as the cost of business interruption following an incident such as a fire, flood or plane crash. The individual sites purchase local property and casualty and business interruption cover in addition to that provided by the international program. Edenred had around 160 sites in 39 countries as of December 31, 2012.

A Group-wide policy transfers to the insurance market part of the risk of fraud and embezzlement by third parties, with or without complicity on the part of Edenred employees.

All compulsory insurance cover has been taken out in the Group's host countries.

The 2012 insurance market was such that the Group was able to maintain the amounts transferred to the insurance market.

4 CORPORATE SOCIAL RESPONSIBILITY

METHODOLOGY

Edenred has revamped its social, societal and environmental indicators to bring them into compliance with the obligations set out in France's *Grenelle II* and Warsmann IV Acts. The indicators are based to a great extent on the Global Reporting Initiative (GRI) and United Nations Global Compact.

A cross-reference table with Article 225 of the Grenelle II Act is available on page 262.

The data presented in this report were collected by the local Corporate Social Responsibility (CSR) and/or Human Resources (HR) correspondent for each country. To simplify the collection process and ensure effective security, the data were entered into FIRST, the financial information system used to prepare the Group's consolidated financial statements. This method was already used for societal and environmental data in 2011 and was extended to social reporting in 2012.

The data were then consolidated and checked for consistency by the HR Department (social data) and CSR Department (societal and environmental data).

The scope of reporting was aligned with the full scope of consolidation for financial data. Published data are intended to take into account all subsidiaries, no matter what their legal status, host country or size.

As concerns societal and environmental data, the number of reporting units has grown steadily since Edenred was created, rising from 14 subsidiaries in 2010 to 33 in 2011 and 35 in 2012 in the Group's 40 [1] host countries, representing 99.5% of the workforce. Of the four remaining subsidiaries, three are too small (less than three employees) to provide meaningful environmental and societal data and the fourth (Japan) was included in the scope of reporting during the year.

4.1 SOCIAL DATA

INTRODUCTION

People have been a core component of Edenred's growth strategy over the past 50 years and are its more valuable asset. Embodying the pioneering spirit that is responsible for the Group's success, they demonstrate an ability to take action and deliver superior performance day in, day out.

With the creation of a separate identity in 2012, the transition to digital media and continued geographic expansion, employees are on the front lines of the Company's transformation.

In this changing environment, the Group's Human Resources policies, societal commitment and managerial approach are powerful tools for providing structure and driving engagement and motivation.

Federated by the transformation project, Edenred's employees are focused on the common goal of "doing simple things exceptionally well". This simple, fundamental idea is at the core of the Group's **"Customer Inside"** managerial philosophy, which aims to make customers the focus of its strategic thinking and decision-making process.

(1) Actually 39 countries in 2012 – the number is 40 including Colombia, opened in February 2013.

Edenred's values

Edenred's 6,000 employees share a set of values based on mutual interest and empowerment. These values encourage team members to give their very best to achieve excellence in serving stakeholders in 40 [1] host countries around the world.

Entrepreneurial spirit

Our entrepreneurial spirit drives growth and instills our pioneering soul in the new countries we want to explore and the products that we continually enhance.

Innovation

Our ability to innovate allows us to develop inventive, differentiating concepts to win over new markets and to deliver our unrivalled, signature quality of service to stakeholders.

Performance

Our core quest for performance is critical to our success. Our employees put a face on this value, both personally and as a group.

Simplicity

Simplicity is integrated into all of our solutions. Relationships with our stakeholders are natural, direct and friendly.

Sharing

Sharing is part of everyday life at Edenred, both in sharing experience and helping team members grow and in maintaining an atmosphere of mutual support.

(1) Includes the opening of Colombia in February 2013.

4.1.1 KEY FIGURES

4.1.1.1 Human resources data at December 31, 2012

At December 31, 2012, Edenred employed 5,915 [1] people in its subsidiaries around the world. On a like-for-like basis, this represents an increase of 163 from December 31, 2011.

During the year, the Group hired 1,489 people, of whom 31.5% in Latin America 26.9% in Europe, 1.8% in Global Operations, 12.9% in France and 26.9% in the rest of the world. Nearly 72% were hired [2] under permanent contracts.

At the same time, 1,385 people left [3] the Group's various subsidiaries. Resignations, expirations of temporary contracts and intra-Group mobility accounted for 64% of these departures. Worldwide, the Group recorded 376 terminations, representing 27% of total departures. More than 80% of these terminations were individual dismissals; 60% were recorded in Latin America, 30% in Europe.

(1) Number of people physically present on December 31, 2012.

(2) Permanent and fixed-term contracts. Internships are counted separately.

(3) Definitive departures only (resignations, terminations, trial period dismissals, retirement, mobility between Groups, etc.) Does not include long-term absences leading to a temporary suspension of the work contract.

	France	Rest of Europe	Latin America	Rest of the world	Global Operations	Total 2012	Total 2011	Total 2011 restated*
Number of employees	723	1,754	2,117	1,130	191	5,915	5,702	5,743
% women	57.81%	56.78%	48.09%	44.34%	46.07%	51.07%	52.00%	51.61%
% men	42.19%	43.22%	51.91%	55.66%	53.93%	48.93%	48.00%	48.39%
Number of interns	5	17	10	8	6	46	-	43
% under permanent contracts	89.49%	94.43%	97.64%	96.13%	94.12%	95.29%	91.00%	94.00%
Managers								
% of managers (1)	17.29%	16.96%	15.73%	20.16%	39.26%	17.89%	19.00%	18.00%
% women	46.00%	45.76%	41.00%	37.28%	40.00%	42.25%	43.00%	43.00%
% of men	54.00%	54.24%	59.00%	62.72%	60.00%	57.75%	57.00%	57.00%
Full time equivalent	629.85	1,750.41	2,135.10	1,111.17	182.49	5,809.02	5,699.50	5,699.50
Training								
Number of hours of training	7,590	31,758	45,051	19,105	3,737	107,241	-	129,090
Number of hours of training for managers	4,575	11,719	15,262	3,052	1,439	36,047	-	48,950
Number of hours of training for non-managers	3,015	20,039	29,789	16,053	2,298	71,194	-	80,140
Number of employees having attended at least one training course	671	1,254	1,828	952	121	4,826	4,575	4,369
Number of managers having attended at least one training course	421	332	395	185	59	1,392	1,140	960
Number of non-managers having attended at least one training course	250	922	1,433	767	62	3,434	3,435	3,409
Occupational accidents (2)								
Lost-time incident frequency rate (LTIF)	5.78%	3.41%	4.75%	1.73%	3.23%	3.83%	3.00%	4.11%
Number of fatal accidents in the workplace	0	0	0	0	0	0	0	0
Severity rate (3)	0.30%	0.05%	0.15%	0.00%	0.00%	0.11%	-	0.12%
Absenteeism rate (4)	4.76%	2.34%	2.01%	1.19%	0.94%	2.26%	-	2.19%

* *For information:*

In previous years, headcount was presented in terms of average number of employees on payroll. Each unit counted the number of pay slips issued for each employee and divided the total by 12. This method has been replaced with a tally of the number of individuals physically present on December 31 and the number of full time equivalent employees.

The concept of number of employees is designed to quantify the number of physical individuals under contract (this excludes interns, service providers and subcontractors) regardless of the actual time spent on site or their contractual working hours. Total number of employees is used to calculate several other indicators.

The concept of full time equivalent is designed to quantify the workforce on a comparable basis, i.e., the standard full time contract applied in each unit. This involves counting the organization's operational workforce taking into account workweek duration and contractual working hours. The figures also include interns and temporary employees.

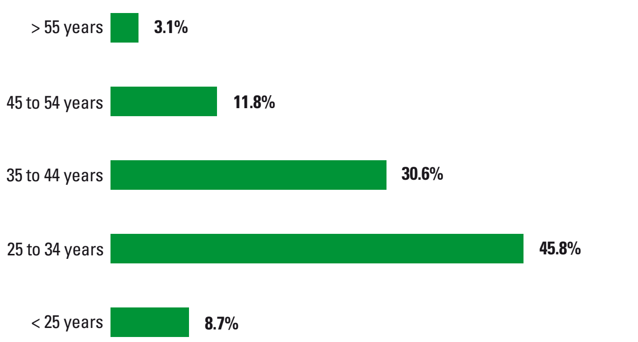
(1) *A manager is defined as an employee who manages others and/or has a high level of responsibility within the organization.*

(2) *Occupational accidents: non-fatal and fatal accidents occurring during or because of work and involving salaried employees and all other persons working for the Edenred group in any capacity and at any location and resulting in at least one day of absence.*

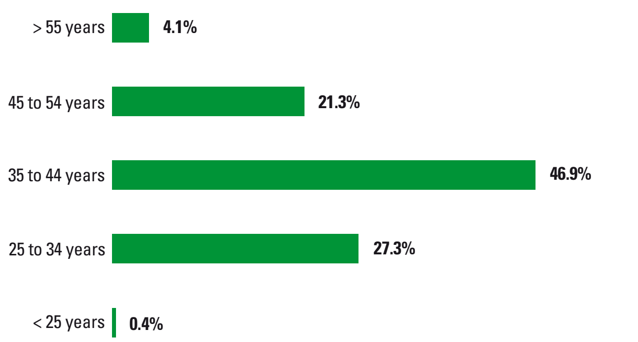
(3) *Severity rate: number of days of lost time following an occupational accident multiplied by 1,000 and divided by the total number hours worked by the entire workforce over the calendar year.*

(4) *Absenteeism rate: total number of person-days lost to absenteeism in the period divided by the number of person-days available in the period.*

EMPLOYEES BY AGE AT DECEMBER 31, 2012



MANAGERS BY AGE AT DECEMBER 31, 2012



4.1.1.2 Workforce by region at December 31, 2012

France	Rest of Europe	Latin America	Rest of the world	Global Operations
12%	30%	36%	19%	3%

The diversity of host regions reflects the Group's international expansion, with nearly 85% of the workforce located outside France at end-2012.

Employees of Edenred International and the regional headquarters are reported under "Global Operations".

4.1.1.3 Working hours

All host countries comply with local legislation on maximum weekly working hours. In some countries, the working time is shorter than the legal maximum. This is the case, for example, in Lebanon, where working hours are spread over five days and do not exceed 45 hours a week [(1)].

In 2012, 95% of Group employees were under permanent contract and 96% worked full time.

4.1.2 GENERAL FRAMEWORK FOR HUMAN RESOURCES DEVELOPMENT AT EDENRED

Objectives

Edenred's Human Resources polices are designed to support the Group's operating strategy by creating shared guidelines to be applied in all units.

These policies focus on three key areas:

- organizational performance,
- employee motivation,
- quality of the workplace environment.

They are developed and adjusted to support the Group's changing situation.

Deployment of Human Resources policies

The framework for Human Resources policies, as well as the related processes and tools, are defined at the corporate level. Each policy is then applied locally, taking the units' size, history, culture, environment and legislation into account.

This pragmatic approach is designed to develop a consistent set of common principles worldwide, to support the business's stepped-up operational development. It also maintains the units' agility, a key driver in the Group's multi-local organization.

(1) The legal maximum is 48 hours spread over six days.

4.1.3 MAIN HUMAN RESOURCES POLICIES AND 2012 ACHIEVEMENTS

4.1.3.1 Organizational performance

The goal of this first lever is to "put the right person in the right place". This means matching, as closely as possible, employee skills and aspirations with the Group's organizational needs and operational objectives.

Hiring, employee appraisals and training are key steps in developing individual and organizational performance.

a) Hiring

Hiring is a key to the success of Edenred's transformation. Shifting to paperless solutions, developing new solutions and pursuing innovation while taking into account the needs of clients require integrating new talent profiles and nurturing new skills.

In 2012, the Group pursued the initiatives launched in 2011 to recruit experienced people in developing job tracks.

In its host countries, the Group hires local staff whenever possible.

Recruitment methods

Edenred is gradually developing its employer brand to differentiate itself in all of its host countries' job markets. To enhance its attractiveness, the Group is using a wide range of innovative recruitment methods around the world. The goal is to raise awareness of the Edenred brand, to bring in young team members and to attract top talent in the Group' historic professions, as well as in new skills sets such as technology and development.

For newcomers and seasoned professionals alike, recruitment in all countries is carried out according to a structured process and in compliance with the principles of non-discrimination, diversity, fairness and transparency.

Once the position is defined, the candidate search may be carried out in a number of ways depending on the type of profile. Examples include:

- dedicated websites in the host countries and the corporate website;
- the publication of job announcements on external websites;
- referrals;
- participation in school-sponsored job fairs;
- employment agencies.

Educational partnerships

For several years, Edenred has been involved in partnerships with local universities and education ministries, in a commitment to bringing the business and academic worlds closer together and to fulfilling its mission of supporting its fellow citizens. These partnerships also give young people access to their first jobs, regardless of their level of education.

Several educational partnerships were continued in 2012 between Edenred's country organizations and local universities, business schools, technology institutes and government institutions.

- many of these partnerships provide for internships, as in **Venezuela**, in **Mexico** (with *Universidad del Valle de Mexico*, *Universidad Nacional Autonoma de Mexico*, *Universidad Intercontinental*, *Universidad Bancaria y Comercial*, *Instituto Tecnológico y de Estudios Superiores de Monterrey*, *Universidad Tecnológica*) and in the **United States**. **Edenred USA**, for example, offers internships in marketing, technology and finance to students from two **French** business schools, HEC and INSA Lyon. It has also formed partnerships with Bentley University and Worcester Polytechnic Institute in Massachusetts;
- in emerging markets like **Brazil**, where only the wealthy can afford a private university education, Edenred provides financial support for employees wishing to continue their studies at six partner universities: BI International, FGV Alpha-Strong, FMU, *Instituição Educacional* Professor Pasquale Cascino, Mackenzie University, and *Universidade de Mogi das Cruzes* (UMC) in Mogi das Cruzes and São Paolo (Campus Villa-Lobos).

Job fairs

Another way to facilitate the recruitment process is by participating in job fairs, which offer a valuable opportunity to meet potential candidates and raise awareness of the new brand. Through their attendance at job fairs, all of the country organizations are heightening the visibility of Edenred as an employer value proposition.

France

At the Edenred International level, the corporate HR team continued participating in fairs organized by business schools and universities in 2012.

The French subsidiaries took part in several job fairs in 2012, including *Paris Pour l'Emploi*, which drew close to 1,000 job applications for the Company.

Mexico

Edenred Mexico participated in two of Mexico and Latin America's largest virtual job fairs in 2012, Bumeran and Zonajobs. These fairs are an important source of new employees for the subsidiary, which received a total of over 6,000 applications.

Apprenticeship programs and internships

Apprenticeship programs and internships are strongly encouraged by Edenred in all of its host countries. Local policies are designed to offer young people the opportunity to discover the business world, while supporting them throughout the process. Very frequently, if not systematically, these programs lead to participants being hired under permanent contracts.

Brazil

Edenred Brazil's internship program was recognized in 2009 as one of the best in the country by the Center for School-to-Work Transition. Human resources teams have also developed a "young citizen" program in partnership with São Paulo state to help young people from disadvantaged backgrounds enter the workforce after a six-month fixed-term contract.

Italy

Edenred Italy has introduced a charter to protect intern rights and has been recognized as one of the best places to intern in Italy by the country's primary internship information portal, www.repubblicadeglistagisti.it.

Referrals

In certain countries such as the **United Kingdom**, Edenred encourages employees to partner the organization's hiring process by recommending people they know. Through the "Refer a Friend" system, Edenred rewards any non-manager employee who helps to bring new talent into the organization.

b) Training and skills development

The Corporate Human Resources Department and the entire HR network in Edenred's 40 [(1)] host countries support employee skills development and upgrading to help drive the Group's strategy of successfully transitioning to digital media while stepping up the emergence of new solutions and accelerating the conquest of new markets. In addition, Edenred is committed to maintaining its team members' employability while developing their expertise and facilitating their personal growth.

Training is included in each stage of career development. It ensures that employees are well integrated, supported throughout their careers and prepared for the future.

In 2012, 4,826 employees (or 82% of the workforce) participated in at least one training course during the year.

Definition

Edenred defines training as a method of transferring skills or experience with measurable effect, either by enabling employees to carry out new tasks or by improving their efficiency. Courses can leverage all available teaching methods, including face-to-face, online, telephone-based, virtual media, group or individual training.

Principle

All Edenred team members may participate in training with their manager's approval, provided that the courses correspond to the unit's strategy and needs and the employee's personal development objectives.

Implementation

To implement training policies and programs tailored to the needs of its diverse target audiences, the skills required for each job must first be defined and each employee's existing capabilities identified. This type of upstream analysis guarantees the effectiveness of any training initiative.

The annual performance and skills review carried out systematically in all host countries contributes to this process.

All of the training initiatives undertaken locally reflect Edenred's global Human Resources management priorities. Each region and/or country organization has a structured training plan, designed in line with Edenred's key training principles and growth strategy, and tailored to the local situation.

Training Priorities

Group Training Priorities

Group training programs are designed to support the Group's strategic objectives and align employee skills with the operational challenges facing the business. The main focus areas in 2011-2012 were as follows:

- **Management:** managerial training courses are designed to help managers lead their teams so they can effectively drive the Group's strategic transformation. Several programs have been developed in the majority of the country organizations in Latin America, Europe and Asia to boost key managerial skills, particularly in the areas of client strategy, project management, team management, change management to align values and attitudes with the evolving business, leadership and communication techniques.

Edenred International

A set of courses for all team managers was rolled out in 2012 with the goal of reviewing individual managerial practices and revisiting the fundamentals of team management through role-playing and theoretical classwork.

Romania

All managers have been trained in performance management and briefed on the importance of the annual appraisal and the establishment of individual objectives. At the same time, a campaign was launched to explain the challenges and resources to team members to increase employee buy-in.

- **Implementation of digital transition programs:** introduced in 2010 for country chief executives, support function executives and developers, this course supports the deployment of digital solutions in every region and fosters innovation. In 2012, 410 employees participated in the course, for a total of 700 people in 25 countries since the program was launched.

Locally

Locally, training is a Human Resources investment priority. Certain units like **Brazil**, the **United Kingdom** and **Germany** have formalized this commitment in a training catalogue accessible to all employees *via* the intranet. Edenred **United Kingdom** has drafted a training charter displayed in its offices that upholds every employee's right to training.

(1) Includes the opening of Colombia in February 2013.

While sustaining a common foundation for the Group's values and general knowledge of the organization and its strategy, local training programs are designed to meet the needs of the various professions within the organization. Their purpose is to help front-line teams achieve the following short and medium-term objectives:

- **enhance technological and marketing expertise:** several countries, i.e. Hungary, Slovakia, Venezuela, France, the United Kingdom and Turkey, have developed programs to prepare local employees for the challenge of implementing new technologies and penetrating new markets. In India, the Edenlean program designed for all members of the sales force has amounted to 427 training days. Edenred France has also developed a bespoke training program for all of its sales teams. To date, 120 employees have participated in the program, which has been co-created with Sales Executives;
- **provide language training in all Group entities,** particularly in English and Spanish, to encourage international dialogue and understanding;
- **develop safety practices:** fire safety and first-aid training are regularly offered at the local level to guarantee safe working conditions for employees.

c) Performance appraisals

Assessing employee performance and skills is an important process from both a Human Resources and managerial standpoint.

This one-to-one meeting gives employees and their managers an opportunity to evaluate individual and collective progress, review the past year's events and prepare the future.

Performance appraisals are conducted in each country at least once a year for all employees, regardless of their job level.

Edenred's appraisal system is designed to promote a customer-oriented, innovation-focused mindset and to develop management attitudes and styles that are aligned with the Company's strategic objectives.

In 2010, the Group defined ten key managerial competencies that can be used as a template to evaluate performance, set objectives and assist in career development. These competencies include: customer and market focus, innovation, strategic thinking, planning and decision making, change management, team work, learning and development, effective communication, results-oriented action and leadership.

4.1.3.2 Employee motivation

Edenred's 6,000 employees are active players in the Group's transformation. Leveraging their full potential is a key success factor and a shared ambition in all host countries.

a) Integration of new employees

To put all new team members on the path to success from their very first day on the job, Edenred offers a high-quality induction program. The program is designed to help newcomers situate themselves quickly within the Company and learn how to share their expertise and develop their talent. It is also intended to instill a common culture and familiarize employees with Edenred's organization and expectations.

Each Edenred unit deploys integration processes aligned with the host country's specific features. In all cases, basic equipment and resources are prepared, teams are informed of the new arrival and an integration itinerary is set out.

United Kingdom

The local subsidiaries organize integration sessions four times a year for all new employees from the various units to ensure consistent content and quality and to instill the Company's culture throughout the organization.

Brazil

integration sessions are held every two weeks during which newcomers learn about the Edenred Group, its operations and strategy, as well as the various benefits available to employees. New employees are announced and introduced to the rest of the team *via* the intranet.

b) Career management and mobility

Career management policies

Each employee's career is managed locally by his or her manager and the local Human Resources team, through annual performance appraisals and career interviews. Individuals in executive-level positions and above with international assignments are tracked by the Executive Committee.

A job classification system is currently being applied in Edenred's 40 [(1)] host countries to structure Human Resources policies. Among other things, this system will formalize career paths and bridges.

Several country organizations, including **Edenred Romania** and **Edenred United Kingdom**, have prepared an internal recruitment charter that guarantees employees the same chance of being hired as outside candidates. Building on this example, Edenred Italy recently redefined its internal mobility policy and briefed employees and managers on their respective roles, rights and responsibilities.

To encourage promotions, the Group also places a priority on hiring internally to the extent that the required skills are available.

Talent Week

In 2011, a grid for identifying high-potential employees ("Talents") was developed and shared with country managers and HR teams worldwide. Team members recognized for their commitment and development potential within the Group are invited to participate in Talent Week, an event dedicated to training and dialogue. In May 2012, 36 employees from 24 units attended Talent Week.

(1) Includes the opening of Colombia in February 2013.

c) Compensation and benefits

Compensation

Edenred's compensation strategy is designed to recognize employees for their individual engagement and contribution to the Company's growth. It is structured to ensure that individual and collective objectives are effectively aligned with the Group's strategy and support its deployment.

Growth in fixed salary is decided in relation to the local environment, notably with regard to legally mandated wage increases. The principles shared across the Group are based on merit and individual performance, taking into account:

- proficiency, skills contribution and initiative for a given job classification;
- the job's positioning as compared to internal and external benchmarks.

Depending on the managerial level or type of position, employees may be eligible for an incentive bonus. The target amount of this bonus is directly related to the job classification and the amount granted is determined on the basis of performance during the year, as measured by the level of achievement of objectives formally set out with the employee during the previous year's performance appraisal process.

The Group's gross payroll in 2012 totaled €178 million [(1)]. Europe accounted for 61%, Latin America 27% and the Rest of the world 12%.

Edenred solutions and services

Employees are Edenred's main ambassadors. As such, they benefit from solutions and services offered in their country of employment, in compliance with local legislation and within locally defined limits.

These services and solutions, which vary from country to country, are designed to:

- make life easier (*Ticket Restaurant®*, *Ticket CESU*, *Ticket Alimentacion®*, *Ticket Car®*, *Childcare Vouchers®*, etc.);
- motivate and reward (*Ticket Kadéos®*, *Ticket Compliments®*, etc.).

Certain countries, such as the **United Kingdom** and the **Czech Republic**, have flex systems that allow employees to select the benefits that best suit their needs *via* a dedicated web platform.

Profit sharing programs

Edenred has different ways of giving employees a stake in the Group's results depending on the local environment. Profit sharing plans have been set up in a number of countries.

France

Edenred International and Edenred France employees are given a stake in the Group's results through the **Group statutory profit-sharing agreement.** Profit sharing is designed to ensure that employees share collectively in the Group's results. The funds, calculated on the basis of the Company's net profit, are set aside in the Special Employee Profit Sharing Reserve for deferred payment.

To strengthen cohesion beyond the unit level and enhance the sense of mutual support among employees working at the Group's different French companies, a Group agreement was signed in November 2010 to create a single, pooled special profit sharing reserve. The amount of the profit-shares varies depending on the Group's annual results.

In addition to the November 2010 agreement, Edenred International and the Group's French subsidiaries have all signed a **discretionary profit-sharing agreement,** also to give employees a stake in their Company's performance. In 2012, all the French subsidiaries paid out discretionary profit-shares.

In August 2012, all Group employees in **France** also received a dividend bonus on top of statutory and discretionary profit-sharing, in accordance with France's **Profit-Sharing Act** of July 28, 2011.

Brazil

All employees in Brazil are eligible to take part in the profit-sharing plan, which gives them a stake in the Company's performance, as well as in the achievement of its business objectives. Twenty percent of this variable, deferred compensation is directly related to the unit's results, while eighty percent is tied to the achievement of individual objectives.

Employee savings plans

Edenred supports employees' voluntary savings with a number of savings plans.

France

Employees of Edenred International and Edenred France benefit from a Group Savings Plan that allows them to build up savings invested in securities. Edenred encourages this type of saving by offering a matching contribution.

Since December 2011, employees have also had access to a **PERCO retirement savings plan**. This system gives employees a vehicle to build up savings towards retirement under favorable terms, so as to have additional income once they stop working. Under PERCO rules, employees may contribute monetized accrued leave to their savings, within a limit of five days per year. To encourage retirement savings for all, Edenred has opened accounts for all employees of its subsidiaries in **France** and of Edenred International.

A PERCO matching fund system has been set up separately from the Group Savings Plan and its specific matching fund arrangement as part of the Group's long-term commitment to helping employees prepare for retirement.

Retirement savings plans have also been set up locally to supplement mandatory pension systems in certain countries, with the local unit

(1) Includes basic salary and all bonuses and gratuities paid to employees under permanent contract.

matching employee contributions. This is notably the case in **Brazil**, the **Czech Republic** and **Romania**.

d) Recognition

As part of the Customer Inside approach, the Ewards system rewards employees each year who have helped make Edenred a preferred partner for its stakeholders (Affiliated Merchants, Beneficiaries, Clients, Public Authorities and Civil society) through their talent, hard work and engagement.

Each year, five golden Ewards and ten silver Ewards are attributed to the most deserving employees chosen from among the entire workforce, executives included.

Team Ewards recognize teams of all types (national, international, profession and project). Up to three teams are chosen each year.

Since the Ewards system was created in 2011, some thirty employees worldwide and four project teams have been rewarded for their outstanding achievements.

Regionally and locally, such as in Latin America, Asia and Europe, employee recognition programs have been in place for several years and are becoming increasingly widespread. By celebrating individual and team achievements, they are helping to improve customer relations, drive innovation and foster internal cooperation.

Across the board, Edenred's units make a point of recognizing employees who have given five, ten and fifteen or more years of service to the organization. Local ceremonies are organized to honor these individuals, who receive monetary rewards or Edenred solutions according to the date at which they joined the Group.

e) Team pride

In addition, every year between June 29 and July 2, all Edenred units and corporate support functions locally celebrate E-day, an event that commemorates the anniversary of Edenred's creation.

4.1.3.3 Workplace environment

High performance and well-being are part of Edenred's mission towards both internal and external customers. This is a key deliverable for Edenred's Human Resources policies. The Group pays close attention to quality of workplace life as part of its commitment to making Edenred a Best Workplace by 2016.

a) Social dialogue

At Edenred, social dialogue covers the full range of negotiation and consultation procedures, as well as the simple exchange of information between employee representatives and management to enhance communication and understanding.

All of the social advances achieved since July 2010 demonstrate the importance of social dialogue as a key success factor.

As a result, Edenred is continuing to set up representative bodies to ensure that quality dialogue is maintained. Three levels of social dialogue will soon be in place within the Group:

Social dialogue at the European level

Employee representation at the national level varies from country to country. Because the Group is convinced that quality dialogue at the European level will help develop a Europe-wide mindset and shared sense of belonging, a European Works Council will soon be created. A special negotiating group with representatives from 13 European countries was formed in late November 2012 to launch the process. The Group will meet in the near future to negotiate the terms under which the European Works Council will operate, the scope of its responsibilities and the procedures for European dialogue.

Edenred is certain that this initiative will help make the business more efficient and improve working conditions for all employees. The European Works Council's mission will be to balance the Company's interests with employees' interests in a constructive manner by addressing all cross-border issues in an even-handed spirit of discussion and dialogue.

Social dialogue at the Group level in France

Because French subsidiary employees and Edenred International employees work so closely together (often at the same site), Management and employee representatives have agreed on the need to create a Group Works Council on the basis of the various works councils in place within each unit.

The agreement specifies that the Group Works Council's role is not the same as that of the unit works councils, which have their own specific objectives and resources.

Created by a collective agreement in 2011, the Group Works Council comprises eight representatives from the works councils of the French subsidiaries and Edenred International.

The Group Works Council considers all issues pertaining to the Group's operations, financial situation, business and social environment, as well as any strategic changes. It met twice in 2012.

Social dialogue at the national level

The social advances in the Group's various subsidiaries attest to vibrant social dialogue with labor union and employee representatives. In all, 44% of Edenred employees work at units with employee representative bodies and nearly 47% of them are currently covered by a collective agreement.

During 2012, 25 collective agreements were signed on a wide variety of issues, including wages, working time, gender equality workplace health and safety and employee savings.

France

To ensure uniform social dialogue, the French subsidiaries have joined together in an **economic and social unit (UES)** with the goal of setting up a joint works council. This body, whose mission is to ensure that employees' collective voices are heard and that employee interests are continuously taken into account in decisions concerning the Company's management, business and finances, meets once a month to discuss a variety of issues.

Edenred International employees are represented within their own specific works council. Because this is the parent company, works council members are regularly called on to give their opinion on restructuring projects that concern the Edenred Group as a whole.

Edenred France and Edenred International dedicate 0.65% of their respective payrolls to funding welfare programs organized by Edenred France and Edenred international works councils.

Belgium

In Belgium, social dialogue is carried out through labor union representatives, the Works Council set up in 2008 and the CPPT Workplace Accident Prevention and Protection Committee.

Each body has its own prerogatives. The Works Council is tasked with developing and modifying the Company's employee rules and guidelines, issuing opinions, making suggestions to improve the way the Company operates and ensuring that the Company complies with labor laws.

The CPPT Workplace Accident Prevention and Protection Committee is responsible for improving the well-being of employees in the Belgian subsidiaries. It issues opinions and submits proposals to enhance the quality and ergonomics of the working environment. The CPPT also reviews the employer's general prevention plan and annual action plan.

Trade union delegates are responsible for defending the employees' interests.

Italy

Employees in Italy benefit from an original representation system in which two-thirds of the members of the Labor Union Committee are elected by all employees from a slate of candidates presented by the labor unions and the remaining third are selected by the labor unions themselves.

Romania

Employee representatives were elected specifically to negotiate the collective work contract.

Sweden

In the workplace, employees are represented by the local labor union, which plays a major role in developing employment standards in Sweden.

Two-thirds of employee representatives also work specifically on workplace health and safety issues.

b) Diversity

The concept of equal opportunity is intertwined with the principle of fairness that underpins the Group's Human Resources policies. Its purpose is to guarantee all employees equal prospects, regardless of age, gender, disability, religion, etc., assuming equal levels of talent, ability and motivation. To put this commitment to equal opportunity into practice, Edenred has signed a number of agreements and deployed targeted policies and action plans.

Cultural diversity and respect for individual differences are an integral part of the Group's corporate culture. Edenred's commitment to diversity can also be seen in the number of different nationalities represented within the same team. **Edenred Germany**, for example, employs around 100 people from 14 different nationalities, while in the **United States,** 12 different languages are spoken by the subsidiary's 50 employees.

These principles are the foundation on which the Group's Human Resources policies are built. They are embraced by management and are regularly assessed through employee surveys.

Edenred ensures that differences are consistently respected at every level of the organization. The Group diligently applies this principle in all of its Human Resources processes, particularly in terms of hiring, access to training, professional mobility and internal promotions.

- the founding principle of **Edenred Brazil's** employer charter is: "Edenred Brazil makes no distinction based on race, appearance, religion, gender, socio-economic background, nationality or other criteria. On the contrary, we encourage the recruitment of people our customers can identify with." Every year, the subsidiary conducts an opinion survey to identify potential areas of improvement with regard to diversity practices;
- **Edenred Italy** was among the first companies to sign the equal opportunity charter *(Carta per le pari opportunità e l'uguaglianza sul lavoro)* developed jointly by the Labor Ministry and the Equal Opportunity Minister. Supported voluntarily by companies of all sizes, the charter expresses each participant's pledge to promote an innovative corporate culture and Human Resources policy, without discrimination or prejudice;
- **Edenred United Kingdom** regularly holds discussion forums where managers and employees can exchange best practices for promoting diversity.

Older employees

France

Edenred International made a commitment in late 2010 to promote the hiring and retention of older employees. This commitment was formalized in a three-year agreement, in compliance with legal obligations, that features a pledge to maintain the number of employees over 55 at minimum of 4.5% of the total Edenred International workforce. A number of measures have been taken to support this measure, notably in the areas of hiring, career planning, working conditions, skills development, end-of-career transitioning and knowledge and skills transfer.

A similar action plan has been deployed throughout Edenred **France**.

Disabilities

France

Edenred has taken an assertive stance in this area by signing a Group agreement applicable in the French subsidiaries and Edenred International to hire and retain people with disabilities.

As part of this three-year agreement, which took effect in January 2012, Edenred has made a commitment to increase the percentage of people with disabilities in the workforce from 1% to 3% by December 31, 2015.

To achieve their objectives quickly, the French subsidiaries and Edenred International have set up a joint team with identified internal correspondents who are responsible for developing hiring resources, creating partnerships with sheltered workshops and enhancing employee awareness and understanding of disabilities.

The agreement sets out specific budgets to adapt workstations, create tailored training programs and carry out awareness campaigns.

To broadcast the ambitions of this agreement more widely, a variety of communication resources have been leveraged, including an intranet page devoted entirely to disabilities in the workplace and the different initiatives introduced so far.

A major event of 2012 was the screening of *J'en crois pas mes yeux* (I can't believe my eyes), a web series that uses humor to raise awareness about disabilities in everyday situations.

National disabilities week (November 12-16, 2012) provided a perfect opportunity to highlight the agreement with a number of awareness initiatives. These included a "Handiquiz" for employees to test their knowledge of disabilities and the screening of the third season of ***J'en crois pas mes yeux!***, the web series co-financed by Edenred. The awareness-raising episodes were streamed over several weeks and remain accessible *via* the intranet.

Meetings with sheltered workshops were also organized. Three assistance through work establishments (ESAT) listed by Edenred had the opportunity to present their services and projects carried out for Edenred.

Romania

Edenred Romania uses sheltered workshops to organize training sessions, particularly for language classes.

Belgium

Edenred **Belgium** is firmly committed to integrating the disabled into its various departments. The subsidiary also took the needs of disabled people into account in planning for the shift to paperless solutions. Supported by the local Executive Committee, Edenred Belgium ensures that particular attention is paid to meeting the needs of the disabled and uses sign language interpreters and psychologists whenever necessary.

United Kingdom

Edenred United Kingdom regularly organizes disability awareness training sessions for employees and managers.

Mexico

Edenred Mexico has signed an agreement with the Manpower Foundation to recruit people with disabilities.

Netherlands

Edenred Netherlands hires outside service providers to support the integration of disabled employees.

Brazil

Edenred Brazil has made hiring and retaining disabled individuals a priority, with initiatives to make public places and workplaces accessible. In particular, the subsidiary sponsors the REATECH innovative technologies trade show.

Gender equality

Edenred actively promotes gender equality in the workplace, paying particular attention to the roles attributed to women within the Company. At end-2012, women accounted for 51% of employees worldwide, for an almost even balance. In addition, Edenred encourages women to take on key positions. Women accounted for 46% of managers in 2012.

Trends that emerged in certain countries are becoming more widespread:

France

A fist gender equality agreement signed in December 2011 confirmed the principles of equal opportunity at all stages of the career path and proposed initiatives to eliminate roadblocks to promotion for women at Edenred, as well as measures to facilitate more equal sharing of childcare responsibilities.

Mexico

Edenred **Mexico** topped the list of "Great Places to Work For Women" published by the *Great Place to Work®* Institute and *Mujer Ejecutiva* magazine in October 2009 and 2010. The list honors companies with a Human Resources policy that promotes and encourages women in the workplace. The percentage of women in management positions at the subsidiary rose by 10% in 2010. In 2011, Edenred Mexico placed fifth in the Gender Equity ranking published by the *Great Place to Work®* Institute.

Italy

Edenred **Italy** was among the first companies to sign the equal opportunity charter developed jointly by the Labor Ministry and the Equal Opportunity Minister.

c) Parenthood and work-life balance

Edenred is committed to creating an environment that makes it easier to combine a career and family responsibilities, notably by providing employees with Edenred solutions. Numerous good practices have been implemented across the Group. Noteworthy initiatives include:

France

Each month, Edenred France and Edenred International provide employees with CESU universal employment service vouchers (75% pre-paid) that can be used to hire a nanny, cleaner, gardener or other domestic worker.

Austria

In Austria, employees are issued *Ticket Junior Childcare Vouchers®*.

Italy

A "Moms and Dads" program has been developed in Italy, particularly to support women returning from maternity leave. Among the services offered are expert help in identifying the most appropriate childcare solution.

Germany

The new offices of Edenred **Germany** in Munich have been designed with an area to welcome the children of employees who are ill or in need of temporary childcare assistance.

Sweden

Edenred **Sweden** encourages employees with young children to reduce their work hours.

India

The workweek has been scaled back to five days from six. As a result, Edenred employees work less than the maximum number of hours allowed under local law.

Brazil

Expecting mothers benefit from specific benefits including coverage of prenatal exams, doctor visits for newborns and the full first-year vaccination schedule. In addition, pregnant women are not allowed to work more than eight hours a day. In 2010, the duration of maternity leave was extended to six months.

d) Workplace health, safety and well-being

Improving employee well-being is one of Edenred's core missions and a fundamental building block of its corporate culture. It is also a powerful performance driver and a major focus of the Group's Human Resources strategy, which aims to make Edenred an employer of choice, in line with the 2016 target of becoming "a Great Place to Work". Edenred aims to ensure that the working environment is conducive to individual satisfaction, creativity and fulfillment. To achieve this, the Group has made workplace health, safety and well-being a key priority.

Edenred takes a preventive approach to managing all professional risks employees may encounter—including psychosocial risks—with the goal of promoting or simply maintaining an organization that fosters a better quality of workplace life.

Health initiatives are undertaken locally in line with the policy of guaranteeing employees a comfortable, safe working environment equipped with the tools required to do their job effectively. This policy is applied according to the needs and practices of the country organization concerned and seeks to address issues that are of particular concern to local health authorities.

Local health initiatives focus on several key areas:

- prevention of professional risks;
- prevention of psychosocial risks;
- employee healthcare coverage.

Professional risks

Local Health and Safety Committees facilitate Edenred's preventive approach. These Committees, or similar bodies, are active in a number of host countries, including **France, Belgium, Greece, Italy** and **Chile**.

France

Edenred France and Edenred International have both set up Health, Safety and Working Conditions Committees (CHSCT) that are responsible for monitoring workplace health and safety and improving working conditions, notably by closely reviewing working conditions and potential professional risks on the front lines. All of these risks are listed in a single document, which is used to develop tangible action plans designed to reduce or eliminate them.

Belgium

In compliance with legal requirements pertaining to workplace health and safety, Edenred Belgium is affiliated with CESI, an external prevention and protection service.

CESI's consultants help identify and manage workplace risks. The prevention consultant is a full-fledged member of the CPPT Workplace Accident Prevention and Protection Committee, which also includes the CEO (or his/her representative), management representatives, employee representatives and the occupational physician.

Brazil

In accordance with legal requirements, the Company calls the Internal Accident Prevention Committee (CIPA) to meeting each year. Made up of elected representatives, the Committee maps identified risks in each work unit in a specific, regularly updated document and implements prevention policies and awareness initiatives. First responders are trained on a regular basis to provide emergency assistance in the event of an accident.

United Kingdom

Edenred United Kingdom has signed a safety policy charter that encourages employees to report all safety risks to their supervisors and take any necessary measures to prevent risks. All accidents are listed in a dedicated register.

Venezuela

In Venezuela, representatives are elected to a Health and Safety Committee in accordance with legislation on accident prevention, working conditions and workplace environment (LOPCYMAT).

Psychosocial risks

France

Edenred **France** and Edenred International signed an initial agreement in July 2011 establishing the fundamentals of an overall method for preventing psychosocial risks in the workplace. The agreement sets out the procedures for evaluating health at work, with the goal of creating an overall workplace health indicator. The system consists of questionnaires completed anonymously by employee volunteers during regular medical check-ups.

On the employee's request, the occupational physician can use the evaluation procedure to carefully measure levels of anxiety, stress or depression and ensure that effective treatment is prescribed, all in the strictest confidence.

In addition, questionnaire data will be fed into a database where company-level analyses may be performed to identify potential risk factors and develop corrective action plans.

Brazil

Employees have access to a psychologist *via* the *Viva Melhor* platform.

United Kingdom

A support hotline has been set up for all employees.

Health coverage and other health benefits

In a commitment to employee health, safety and well-being, Edenred pays particular attention to the insurance benefits around the world.

With mandatory cover varying significantly from one country to the next, each unit selects the level of additional cover it wishes to provide in line with the local situation, as well as the unit's growth plan and its funding capabilities. Additional health cover is offered in several Edenred subsidiaries in Latin America, Europe and Asia.

Expatriate employees may be covered by a special international insurance plan in addition to the local system, depending on the country and the level of local benefits. This ensures the same level of protection as in the expatriate's home country, particularly in terms of post-retirement benefits, while respecting the principle of fairness with regard to local employees.

France

Edenred **France** and Edenred International have signed a group insurance agreement that covers employees and their families in the event of illness, accident or death.

Brazil

Edenred **Brazil's** *Viva Melhor* platform, which is part of the general employee benefits system, focuses on workplace health and well-being. The platform offers employees a comprehensive array of care solutions to preserve their health, as well as access to psychologists, nutritionists, physical education teachers, physicians and other specialists.

Other countries

Medical checkups are regularly offered to employees in many countries, such as **Germany, the Netherlands, Italy, China and India**. Edenred **Mexico** organizes a "Health Week" for its employees twice a year. **In China,** all employees are entitled to a free check-up each year.

e) Employee surveys and workplace well-being certification

Employee surveys

Edenred is particularly diligent in tracking how employees perceive their work-life and what they expect of their employer.

In many countries, surveys are conducted to gauge the atmosphere in the workplace and measure employee satisfaction in the area of work-life balance. The findings and corresponding pathways to improvement are integrated into each country's action plan.

Locally, Edenred's commitment to employee well-being is reflected in the certification earned by its country organizations.

Around 50% of employees in 10 countries already work in an accredited environment, attesting to the quality of workplace life at Edenred and employee engagement.

Impelled by the Executive Committee, all of the subsidiaries are expected to be engaged in a local accreditation process by 2016. In 2012, a total of 10 subsidiaries were on the path to accreditation.

"Best Workplaces" by the *Great Place to Work Institute*®

Eight country organizations have been recognized as "Best Workplaces" by the *Great Place to Work*® Institute, a management consultancy operating in 40 countries that has been conducting employee surveys at Edenred units, particularly in Latin America, for several years. Employee well-being is assessed on the basis of three key criteria: trust, pride and camaraderie. Because it is based on employee opinions, recognition as a "Best Workplace" is a clear sign that employees appreciate their company.

Uruguay

After rising steadily to 1st place in 2011 and 2010 from 3rd in 2009, 5th in 2008 and 12th in 2007, Edenred Uruguay came in 6th in the Best Workplace rankings in 2012.

Brazil

The Brazilian subsidiary has been recognized consistently over the past 14 years. Edenred has been ranked separately from Accor since 2011.

Mexico

Edenred Mexico has completed the "Best Workplace" assessment process and is included on the list of "Great Places to Work for Women". The subsidiary ranked 34th among Best Workplaces in 2012 and 5th in the gender equity standings in 2011.

Venezuela

Edenred Venezuela renewed its accreditation in 2012, ranking 10th. The subsidiary was also recognized by *Great Place to Work®* at the Latin American level, coming in 9th in 2012.

Argentina

Edenred Argentina also renewed its accreditation in 2012, coming in at no. 10.

Chile

Edenred Chile appeared on the “Best Workplaces” list for the first time in 2010.

Spain

Edenred Spain, ranked 9th, renewed its accreditation in 2012.

Greece

Edenred Greece was listed for the first time in 2012, at the no. 4 spot.

India

Edenred India signed an agreement in 2011 with the *Great Place To Work®* Institute to conduct and present a study on employee compensation and reward practices in the business world.

Other certifications, standards and initiatives

United Kingdom and Greece

Both Edenred United Kingdom and Edenred Greece have been recognized by “Investors in People”. Managed by a UK firm and deployed in 30 countries worldwide, the “Investors in People” label is awarded after a thorough audit of a company’s management practices. Edenred United Kingdom also participates regularly in the Sunday Times’ “Best companies to work for in the UK” survey, which is based on employee satisfaction surveys and Human Resources practices. In 2011, Edenred was again awarded “Ones to Watch” status in the “Best Companies helping to make the world a better workplace” ranking.

Italy

Edenred Italy was certified again in 2011 in compliance with SA8000, an international social accountability standard for decent working conditions. The certification is valid for three years. The country organization has launched an e-learning module to present the standard to its employees.

Austria

Edenred Austria ranks third in a panel of “great places to work” based on employee reviews posted on the online employer evaluation platform published by Kununu.

4.1.4 SUMMARY TABLES OF EMPLOYEE DATA - FRANCE

The data provided in the summary table below concerns Edenred France and *Accentiv'*® Kadéos, which together form a single economic and social unit (UES) with regard to social obligations.

	2012
Number of Employees	
Total number of employees (1)	679
Percentage of women	58%
Percentage of men	42%
Employees by age	
Under 25	4%
25 to 34 years	45%
35 to 44 years	34%
45 to 54 years	12%
55 and older	6%
Number of full-time employees under permanent contracts	607
Number of employees under fixed-term contracts	72
Number of part-time employees	35
Non-French employees working in France (2) *(as a % of total employees)*	6%
Hiring	
Number of persons hired under permanent contracts	69
Number of persons hired under fixed-term contracts	110
Compensation	
Gross payroll (3) (in millions of euros)	25
2011 discretionary profit-shares paid in 2012	
Number of beneficiaries (4)	777
Average gross amount per beneficiary *(in €)*	1,794
Additional 2011 discretionary profit share paid in 2012	
Number of beneficiaries (3)	777
Average gross amount per beneficiary *(in €)*	209
2011 statutory profit-shares paid in 2012	
Special employee profit sharing reserve, net (3) *(in €)*	849,149
Number of beneficiaries (4)	950
Mean net amount per beneficiary *(in €)*	803
Health and Safety Conditions	
Number of meetings of Health, Safety and Working Conditions Committees	4
Number of employees receiving onsite safety training	232
Employee Relations	
Collective agreements signed in 2012	4
Total hours used for employee delegate activities	NA
Number of meetings with employee representatives	27

(1) All employees on the payroll at December 31, regardless of the type of employment contract.
(2) Number of foreign employees working in France.
(3) Group agreement that concerns all companies incorporated in France. Employees must have worked at least three months in the year.
(4) The amount of the Special Employee Profit Sharing Reserve corresponds each year to the sum of all the theoretical profit sharing reserves calculated separately (in accordance with the legal formula) in each Group company participating in the agreement.

4.2 SOCIETAL DATA

INTRODUCTION

Edenred's core mission is taking root in the Community: in almost every area of daily life, the Group is inventing solutions that make life easier. The *Ticket Restaurant®* meal voucher turned 50 in 2012, a milestone in the success of a solution created to ensure that employees have a proper meal during the workday. Edenred also took steps to formalize its Corporate Social Responsibility approach in 2012, two years after the Company was created.

Known as "Ideal", the approach is aligned with Edenred's operations and is defined by three strategy lines.

The first concerns promoting healthy eating habits, a core competency at Edenred since meal solutions represent nearly 80% of total issue volume. With "**Ideal meal**", Edenred aims to make it easier for stakeholders to enjoy balanced meals at affordable prices in all Group subsidiaries.

The second strategy line is to limit the environmental impact of day-to-day operations, whether in the office, in production or in the solutions developed by Edenred. "**Ideal green**" covers all local initiatives to achieve this goal.

The third strategy line is to support local community development through "**Ideal care**" initiatives. In 40 (1) host countries around the world, Edenred's teams are in contact with people who are actively involved in their cities. Community support plays a critical role in making the Group part of the local ecosystem.

The information presented in the 2012 Registration Document details the Group's various initiatives and achievements in these three areas.

4.2.1 CORPORATE SOCIAL RESPONSIBILITY POLICY

4.2.1.1 Organization of the Corporate Social Responsibility policy

Edenred's Corporate Social Responsibility policy is defined by the CSR Department, represented at Executive Committee level by the Vice-President of Human Resources and Corporate Social Responsibility. Created in 2010 for the purpose of developing and expressing the Group's ambitious CSR vision, the CSR Department coordinates initiatives with all the cross-functional departments concerned, including Human Resources, Strategy and Development, Legal Affairs and Finance.

The Group's CSR policy is presented to the Board of Directors for review once a year.

4.2.1.2 Procedures and governance

At the Executive Committee's request, a CSR Steering Committee was set up to define a Corporate Social Responsibility process for Edenred. Its members include line managers, such as country chief executives and operating unit managers, and support function managers, such as the Vice-Presidents of Corporate Communication, Investor Relations and Corporate Social Responsibility, Human Resources and Institutional Relations. Their role is to define strategic objectives for the Group's CSR policy and outline the principles of its new CSR project focused on healthy eating.

Starting in 2008, a CSR correspondent network was set up in each host country. The network is comprised of line managers who have been assigned CSR responsibilities. Some country organizations also created CSR Committees. Today, the network is implementing CSR policy and leading local action plans, while enabling sharing of the best practices that everyone is expected to apply across the CSR topic.

4.2.1.3 Communication about the CSR policy

Once validated by the Executive Committee, the CSR policy is communicated to all Group employees.

- Senior managers are mainly informed through presentations given at Group events or during regional or support function seminars.
- In the case of CSR correspondents, several meetings have been organized by the CSR Department to explain policy objectives and encourage the sharing of best practices. Following the implementation of a collaborative web platform, an online community has been created to facilitate continuous information exchange.

(1) Includes the opening of Colombia in February 2013.

- For their part, Group employees are kept abreast of the latest CSR news *via* a newsletter distributed across the organization that offers insight on issues relevant to the Group's operations. Two CSR events are organized every year to federate stakeholders around the Group's initiatives. The first is held on Earth Day, April 22, to celebrate actions in favor of the environment. The second is "Eden for all" Day, an event organized by the Group on December 10 to promote community outreach.
- Stakeholders external to the Group can learn about the Group's CSR policies and its main achievements through the corporate website, the Registration Document and Annual Report.

Key CSR policy facts and figures

- A 54-member country correspondent network;
- 6 local CSR Committees;
- 1 presentation to the Board of Directors in 2012;
- 2 CSR policy presentations to Group managers;
- 2 CSR policy presentations to the Executive Committee;
- 4 meetings with CSR correspondents representing the 40 host countries;
- 27 key indicators reported by Group entities worldwide.

4.2.2 IDEAL MEAL TO PROMOTE HEALTHY EATING

By making it easier for employees to enjoy a real meal at lunchtime, the creation of the *Ticket Restaurant®* meal voucher in 1962 helped to reduce poor eating habits that were detrimental to good health. In 2012, good nutrition has become a major public health issue, as well an individual challenge for employees.

With several years of experience in promoting good eating habits and fighting obesity, Edenred has decided to step up its action in this area. In 2012, it launched the "Ideal meal" program at the Group level to spearhead its healthy eating initiatives.

Each subsidiary is encouraged to deploy its own projects with direct stakeholders—customers, affiliated merchants, beneficiaries and Edenred employees—to facilitate balanced nutrition. While these projects are tailored to the local environment and nutritional issues in each country, they are all designed to make a tangible impact on stakeholder eating habits, as measured by dedicated indicators. A number of projects have been launched that contribute to the Ideal meal program's mission, including the FOOD program covering the majority of the Group's initiatives in Europe, the Nutritional Balance program in Latin America and local initiatives in Italy and Brazil.

In 2012, 13 country organizations covering 60% of the Group workforce were already involved in healthy eating projects.

4.2.2.1 Edenred, FOOD program coordinator in Europe

Organized as a public-private consortium and coordinated by Edenred, the FOOD program (Fighting Obesity through Offer and Demand) focuses on the growing problem of obesity in Europe.

The program began in 2009 as a project co-financed by the European Commission, with the goal of acting on both supply (offer) and demand by:

- positively influencing the lifestyle and habits of salaried employees, and therefore of European consumers;
- improving the nutritional choices offered by restaurants.

Edenred is the project's sponsor and coordinator. With operations in each of the countries in which the program has been introduced, it is responsible for deployment with the different partners – and more specifically for its diffusion – and for relations with the restaurant network.

Over the past two years, more than 35 public and private partners have been actively involved in the program in **Belgium, the Czech Republic, France, Italy, Spain, and Sweden**. The partners are drawn from:

- universities and research centers, such as the *Institut Paul Bocuse* (IPB) in **France**, the University of Perugia in **Italy** and the *Karolinska Institutet* (K) in **Sweden**;
- Public Health Ministries, such as the Public Health Federal Public Service (SFP SP) in Belgium and Agency for Food Safety and Nutrition (AESAN) in **Spain**;

- nutritionists, such as the Center for Information and Research on Food Intolerance and Hygiene (CIRIHA) in **Belgium**, *Fundacion Dieta Mediterranea* (FDM) in **Spain** and the Stop Obesity (STOB) association in the **Czech Republic**.

A Advisory Board was also set up to support the partners and suggest areas for improvement or development. The Board, which provides an important guarantee of quality in a project with so many partners, comprises representatives from:

- the International Labour Organization (ILO);
- the Balearic Islands Regional Health Ministry;
- the EuroToques European community of chefs;
- City University London in the **United Kingdom**;
- the National Food Administration Key Hole program in **Sweden**;
- Prevent, a member of Move Europe and the European Network for Workplace Health Promotion (ENWHP);
- *Université de Lyon 1* in **France**;
- the European Network for Workplace Health Promotion (ENWHP).

2012: From the FOOD project to the FOOD program

In light of the initial results and the quality resources developed over 28 months, the partners decided to transform FOOD into a program in order to pursue the same principles and objectives as the pilot project.

On December 14, 2011, 23 partners signed a new consortium agreement defining the program's main initiatives and organization. The agreement leaves plenty of room for developing new national improvement paths while maintaining the principle of sharing knowledge and results Europe-wide.

The decision to pursue FOOD as a program was also made with the idea of expanding into new countries and bringing in new partners. **Slovakia** joined in February 2011, while **Portugal**—the Consortium's eighth country—came on board in 2012 *via* the National Health Ministry and Edenred's local subsidiary.

A general meeting was held in Lisbon on October 19, 2012, with all eight countries in attendance. The partners discussed the program's status in each country and decided on joint action for 2013.

Report

The results obtained during the pilot project's 28 months have been compiled in a publication that provides an overview of FOOD's methodology and of the achievements that led to the creation of a long-term program.

The report also presents the project's five steps:

- inventory existing programs to promote healthy eating in businesses and restaurants and carry out surveys to get a better understanding of the two target groups' needs,
- ask national experts to draw up recommendations based on the results of the inventory and surveys, and then use those recommendations to draw up tangible initiatives,
- launch communication and awareness-raising campaigns for each target in the six countries,
- assess the initial pilot plans,
- adjust resources and messages and then share best practices in Europe as well as other regions.

The report presents the more than one hundred resources developed and also provides valuable information on the workplace. Lastly, it promotes the program's expansion in new countries through new partners.

http://www.food-programme.eu/fr/projet/publication-finale-projet

The European Commission cited FOOD as one of the best projects financed by the Health and Consumers DG for the 2008-2013 period in recognition of the quality work carried out over two years. The FOOD project was also singled out in a report on best practices.

First European FOOD survey

A European survey was conducted in 2012 to track and analyze employee and restaurant needs and potential trends. More than 6,000 employees and 800 restaurants filled out questionnaires in the seven participating countries (**Portugal** joined during the year).

The results show that 70% of employees take a lunch break during the work day. A substantial majority would like to have access to healthy meal choices. Fully 80% said it was important for a menu to offer good nutritional quality, while 83% said a variety of meal choices was essential for a restaurant. To meet consumers' demands, 65% of restaurants said they would be willing to learn more about the principles of balanced nutrition and 70% said they could easily prepare and serve healthier meals.

Notable achievements in FOOD member countries in 2012

Since the project began, over 100 communication initiatives have been launched that helped to build awareness among 350,000 restaurants and more than 4,000,000 company employees. All of these tools can be downloaded for free at www.food-programme.eu, a pan-European website published in seven languages.

Czech Republic

Among the resources developed under the FOOD program this year was an Edenred smartphone application called Ticketka. As the country' largest restaurant search engine, the app makes it easy to quickly find FOOD network restaurants Ticketka is also a website on which users can regularly receive individualized advice after entering information on their eating habits and other personal data.

4.2.2.2 Nutritional Balance program in Latin America

Since 2005, the Nutritional Balance program has been deployed to promote healthy eating habits. The program's purpose is to enable *Ticket Restaurant®* users to easily identify menu items at affiliated restaurants that meet the criteria of a varied and balanced diet. Represented by the "Gustino" mascot, the program was developed in partnership with expert nutritionists, local public partners and restaurant industry representatives, whose involvement ensures the initiative's validity.

The program is active in Edenred's Latin American host countries, notably **Chile, Mexico, Uruguay** and **Venezuela.**

Pilot study in Chile to measure Gustino's positive impact

Chile

Edenred has been involved in promoting balanced nutrition for many years. Program beneficiaries can submit questions to an Edenred nutritionist and receive personalized on-line coaching. Between 2011 and 2012, Edenred carried out a study of around one hundred employees and twenty restaurants in Santiago, in partnership with *Instituto de nutrición y tecnología de los alimentos* (INTA).

The nearly yearlong study's initial objective was to show affiliated restaurants enrolled in Balanced Nutrition that the program could help them increase revenue by at least 20%. The nutritionist, an employee of Edenred in **Chile**, helped staff members from pilot restaurants familiarize themselves with Gustino recommendations for several weeks. She also supported employee volunteers from the two companies with awareness raising campaigns. After this initial phase, employees were informed about the restaurants participating in the pilot study. The next phase involved tracking changes in employee eating habits and restaurant traffic on a weekly basis for one year. The data collected showed that the number of balanced meals ordered in the participating restaurants had increased by 20%. In addition, the tracked employees saw their body mass decrease by an average 13%. Fully 95% of the participating restaurants agreed that the program gave them a competitive advantage.

The study's results were released to the media in 2012, garnering recognition for Edenred's involvement.

Awareness campaign in Uruguay

Uruguay

Edenred has been involved in the Nutritional Balance program since 2006 and has launched numerous initiatives. The teams helped write a manual on employee eating habits and share their field experience at conferences alongside historic partner *Instituto Nacional de Alimentación* (INDA). To raise employee awareness, Edenred has defined ten practical recommendations that are presented by the Gustino mascot in voucher books, as well as in a radio campaign. In addition, Edenred organizes training sessions for its new client's employees. In 2012, 150 employees attended these sessions, which are organized by a team of nutritionists to present the program's recommendations and answer questions. Feedback from subsidiary clients has been extremely positive. Twice a year, events are organized to promote each participating restaurant, bringing in additional patrons for these models of good nutrition.

International support

Edenred uses its annual greeting card to reaffirm its CSR commitment. In 2012, the Group decided to support an initiative launched by its subsidiary in **Uruguay** to assist families in difficult circumstances, in partnership with INDA. With the greeting card proceeds, the Group was able to offer meal baskets to 350 families in Montevideo.

4.2.2.3 Other initiatives

A number of host countries have developed initiatives at the national level to meet local nutritional challenges.

Pausa Mediterranea

Italy

Edenred has promoted the principles of good nutrition among customers, beneficiaries and affiliated merchants since 2005. In 2009, Edenred Italy stepped up its action by joining the FOOD project, of which it is still an active partner. In 2012, the Italian teams created the *Pausa Mediterranea* program to respond more specifically to the local challenge of saving the traditional Mediterranean diet.

The goal is to increase the amount of grains, fruit, vegetables and fish—the basic building blocks of the Mediterranean diet—in Italian meals by 5% in three years' time.

In addition, the program aims to:

- evaluate and track Italian lunching habits;
- raise public awareness about adopting the Mediterranean diet model;
- encourage educated eating decisions.

Edenred has distributed questionnaires to get a better view of consumer eating habits. The questionnaires are analyzed and respondents are offered personalized advice. Participants are interviewed every six months to track changes in behavior and see if the advice was effective.

To bring the program to a wider audience, a Facebook page has been created on which visitors can fill out an eating habits questionnaire and receive nutritional advice that matches their profile. Link: [1].

In 2013, Edenred will develop resources for its network of affiliated merchants, with the goal of matching supply to demand for healthy food.

AVANTE and SERVIR

Brazil

Two new programs have been launched to meet the growing demand for balanced nutrition.

The first, **AVANTE**, is designed to inspire and encourage, as well as to create the proper conditions and provide the necessary resources and information to ensure more sustainable solutions for healthy eating. The program's objective is to give affiliated merchants the tools and training they need to offer more nutritionally balanced choices while increasing their productivity. It also aims to offer a system for tracking beneficiaries' nutritional profiles and providing them with useful advice. Lastly, AVANTE intends to help Group clients give employees better access to balanced nutrition, thereby enhancing the quality of workplace life.

The second program, **SERVIR**, was created exclusively for restaurants. SERVIR helps restaurant owners and their employees enhance their professional skills by offering training and free advice on such varied topics as food handling, basic hygiene, administrative management and Human Resources.

In addition, the Brazilian subsidiary has deployed numerous initiatives to promote more healthy lifestyles among its employees. *Viva Melhor*, for example, is designed to combat obesity and prevent musculoskeletal disorders, heart disease and hypertension.

Ideal meal key indicators

- Thirteen country organizations are involved, of which eight in Europe and five in Latin America;
- 4.2 million employees, 185,000 companies and 352,000 restaurants have been informed of the FOOD principles;
- more than 2,500 restaurants have joined the FOOD network in the seven countries participating since 2011;
- the European FOOD website has recorded 125,787 visits since it opened in June 2009;
- Edenred's food awareness initiatives have touched the lives of 5.37 million people worldwide;
- 2,981 Edenred employees have participated in campaigns to raise awareness about balanced nutrition.

4.2.3 IDEAL CARE TO SUPPORT LOCAL COMMUNITY DEVELOPMENT

In all host countries, the Group forges strong ties with local communities and notably with associations to assist people in difficult circumstances.

Group employees are the driving force behind these initiatives, which can take the form of donations, skills support or social welfare programs in which clients, affiliated merchants, beneficiaries and other Edenred stakeholders frequently play an active role.

A wide variety of projects and associations receive support, with an emphasis on long-term partnerships.

Numerous country organizations have participated in projects in the areas of:

- food assistance;
- education;
- re-employment.

(1) https://www.facebook.com/PausaMediterranea.

4.2.3.1 Eden for all: a day devoted to community support

Each year on Human Rights Day (December 10), Edenred organizes an international event called "Eden for all" to promote the spirit of mutual support. With the slogan "We care, we share", the Group encourages employees to take action to help their local communities. During the daylong event, employees organize fund drives to meet the needs of a partner association and/or donate their time by participating in one or more charity projects.

In 2012, 33 host countries and 3,997 employees participated in the event.

4.2.3.2 Other initiatives

In addition to Eden for all Day, many community initiatives are led year-round in partnership with local non-profit associations.

Employee initiatives

India

Since 2011, Edenred has organized a vast artwork contest with SOS Children's Villages to support disadvantaged children from three cities in India. The best paintings were selected to serve as illustrations on the 2012-2013 *Ticket Restaurant®* and *Ticket Compliments®* vouchers.

France

In 2012, Edenred France and Edenred International once again gave several employees the opportunity to take solidarity leave in coordination with *Planètes Urgences*, a non-profit organization.

In all, employees have donated close to 470 days to solidarity projects.

Initiatives carried out with Group stakeholders

In many countries, the Group leverages its unique positioning with beneficiaries and affiliated merchants to relay and support associations.

France

Ticket Restaurant® has joined forces with the French Red Cross by encouraging 1.2 million employees to donate their meal vouchers to support Red Cross actions. The first French issuer to have suggested donating vouchers, Edenred celebrated the tenth anniversary of its *"Tickets solidaires"* campaign in 2012, which has raised more than €1.7 million since 2002.

Czech Republic

Edenred has organized a collection of *Ticket Restaurant®* vouchers since 2003 to support *Pomozte dětem*, an association that assists and protects children with disabilities or victims of sexual abuse. Over the past nine years, the campaign has raised more than €150,000 for the association. *Pomozte dětem* is one of the most popular organizations in the country, with an immediate recognition rate of 82%.

Belgium

In Belgium, Edenred supports *Restos du Cœur* to provide disadvantaged individuals with a hot meal. This year, the Group monetized each of its Facebook likes and donated the euros to the association.

Venezuela

Another original initiative brought Cestaticket client companies together with employee teams to do volunteer work with children. Employees of Cestaticket, Edenred's Venezuelan subsidiary, have staged events in hospitals since 2012 to bring smiles back to sick children's faces. Since 2012, employees from several partner companies have dressed up as clowns for an afternoon to bring a little joy back into young patients' lives.

Ideal care key indicators

- In 2012, Edenred employees dedicated a total of 470 days to sponsorship initiatives.
- They supported more than 300 associations in all Group host countries
- The associations received €870,815 in donations.

4.2.4 OTHER SOCIETAL DATA

4.2.4.1 Geographic, economic and social impact

Employment and regional development

Because of the nature of its business, Edenred has both a direct and an indirect positive impact on local employment and neighborhood merchants. The pre-paid service vouchers marketed by Edenred are a significant source of revenue for affiliated restaurants, supermarkets and other merchants, as well as a powerful tool for stimulating local employment, notably for human services. For governments, the vouchers' traceablility helps reduce off-the-books work and improves tax collection.

The Group's impact in this area can be measured by the number of affiliated merchants who accept all types of Edenred vouchers. In 2012, Edenred had nearly 1.3 million affiliated merchants in its 40 host countries.

France

Summary of Human Resources data for France [(1)]

Employment	December 31, 2012
Total number of employees	893
Compensation	
Total gross payroll *(in millions of euros)*	40

Neighbors and local communities

Ticket Alimentation® food vouchers, one of Edenred's flagship nutrition products, can be used by employees and their families to purchase groceries in convenience stores or supermarkets. In many emerging markets, the vouchers are a way to ensure access to a balanced diet, not only for company employees but also for a larger ecosystem. Launched by Edenred in 1983 in Mexico, the product has since been rolled out to other Latin American countries, including Brazil, and more recently to certain countries in Central Europe such as **Bulgaria**.

4.2.4.2 Relations with individuals or organizations engaged by the Company

Dialogue with individuals or organizations engaged by the Company

As part of its CSR approach, the Group engages with numerous stakeholders and intends to fully play its part as a responsible corporate citizen.

Edenred's relations with public and private partners in the FOOD program consortium are just one example of the Group's engagement with nutritional experts (see 4.2.3.1).

In 2012, the Group also presented its CSR commitment to some ten Socially Responsible Investing (SRI) analysts and responded to numerous questionnaires concerning its policy.

Partnerships and sponsoring

Edenred partners some 300 local associations through its various subsidiaries. More detailed information on partnerships and sponsorships is available in section 4.2.3 (page 73) "Ideal care to support local community development".

4.2.4.3 Subcontractors

Inclusion of social and environmental issues in purchasing policy

Edenred's purchasing policy is decentralized at the subsidiary level. The Group has a few suppliers identified as key partners with whom it has international framework agreements. Examples include contracts with the Group's main printers or card suppliers. These framework agreements include clauses on compliance with labor laws in the country of production.

Reliance on subcontracting

The majority of outside contractors used by Edenred are hired to provide IT services. The Group requires its subsidiaries to ensure that subcontractors are employed in strict observance of the applicable regulations and labor laws concerning work shifts, the basis for calculating hours worked, etc. Edenred France, for example, has set up a system for monitoring compliance with French labor laws.

(1) French subsidiaries and Edenred International.

4.2.4.4 Fair practices

Measures taken to prevent corruption

At the Group level, Edenred is involved in an overall approach to obtain Human Resources or workplace quality certification. This type of certification includes a section on ethics and anti-corruption. At present, 50% of Group employees work in a certified subsidiary. The objective is to ensure that all country organizations have deployed a certification approach by 2016.

After two years of existence, Edenred has formalized the three focus areas of its Human Resources policy. The third, quality of the workplace environment, covers ethics, social dialogue, diversity, health, safety and other topics. A set of guidelines and process for each topic will be distributed throughout the Group in the near future.

At the European level, Edenred has implemented a procedure to combat money laundering as part of its ethics policy. This policy covers 48.5% of Group employees and 50% of the subsidiaries. All of the Financial Departments in the European subsidiaries received training in 2012.

At the local level, several units have developed their own code of ethics to address specific local requirements in the areas of ethics and anti-corruption. These include the PrePay Solutions subsidiary in the United Kingdom, Edenred Italy, Edenred Brazil and Edenred Mexico. The local codes of ethics cover nearly a third of the Company's workforce.

Measures taken to enhance consumer health and safety

The Group's priority commitment to promoting healthy eating habits and preventing obesity is presented in the previous sections.

4.2.4.5 Initiatives to promote human rights

Edenred respects the fundamental principles of human rights, as defined by the United Nations. As a result, it avoids infringing on human rights in all of its actions.

As concerns Human Resources management, the Group complies with the principles and fundamental rights outlined in the International Labour Organization's fundamental conventions, which cover such basic issues as the right to freedom of association, the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labor, the effective abolition of child labor and the elimination of discrimination in respect of employment and occupation. The resources deployed in relation to Edenred's business base are described in section 4.2.4.4, above.

4.2.5 RECOGNITION OF EDENRED'S SOCIETAL COMMITMENT

4.2.5.1 FTSE4Good

In recognition of its commitment to Corporate Social Responsibility, Edenred has been included in the FTSE4Good Index series since 2010. An evaluation by an independent organization demonstrated that Edenred fulfilled the requirements for inclusion. The FTSE4Good index series has been designed to facilitate investment in companies that meet globally recognized Corporate Social Responsibility standards. Of the 292 European companies in the FTSE4Good, only 48 are French. Edenred's inclusion in the index is a strong incentive for the Group to pursue its socially responsible policies.

4.2.5.2 Other

United Kingdom

The British government recognized Edenred's teams for the second year in a row with a Bronze Award for their commitment to the Payroll Giving scheme through which they can donate earnings to charities and good causes.

Uruguay

In May 2012, Edenred received two awards for best practices from DERES, a non-profit business organization that promotes Corporate Social Responsibility (CSR) in Uruguay. The first award recognized the Nutritional Balance program and its Gustino mascot in the societal project category. The second went to the *Sintiéndose bien* (Feel Good) program in the workplace environment category. This Human Resources initiative is designed to promote healthy working conditions for Edenred employees.

Mexico

Edenred continued its drive to obtain certifications attesting to the quality of its Human Resources management and deployment of socially responsible practices. For the eighth year in a row, the highly respected Mexican philanthropy center (Cemefi) recognized Edenred as a socially responsible business with certification for ethical, fair and responsible practices. Edenred Mexico was also certified once again by the *Great Place To Work*® Institute, ranking 34th among the Top 100 Best Workplaces in Mexico.

France

Ticket Clean way® teams received the Fair Business Communication Award in Paris in 2012. The awards, sponsored by the Ministry of Ecology, Sustainable Development, Transportation and Housing, have recognized corporate initiatives in the area of responsible communication for the past six years.

4.3 ENVIRONMENTAL DATA

INTRODUCTION

Unless otherwise indicated, the scope of reporting includes the corporate headquarters and all of the consolidated subsidiaries.

Information is reported by geographical region, as follows:

- France;
- Rest of Europe;
- Latin America;
- rest of the world.

In accordance with the *Grenelle II* Act of July 12, 2010 concerning France's national commitment to the environment, Edenred has broadened the scope of CSR reporting and increased the number of indicators that are monitored and published by the Group. The Group's CSR reporting methodology is described on page 54.

4.3.1 IDEAL GREEN TO PRESERVE THE ENVIRONMENT

4.3.1.1 Organizational response to environmental issues; environmental assessment or certification programs

Edenred has a limited impact on the environment because its operations are mainly service related. Nevertheless, Edenred formalized its environmental policy in 2012 in a commitment letter entitled "Edenred Goes Green". In this document, Edenred undertakes to:

- analyze existing initiatives to ensure that the Company is in compliance with local environmental regulations and international environmental standards and has implemented a continuous improvement approach to prevent any risks related to its operations;
- reduce its environmental impacts by improving waste management and carefully controlling its consumption of natural resources;
- communicate effectively and present its environmental policy to all interested parties, both internal and external.

An internal working group was also created with ten CSR correspondents from different geographic regions to define the policy's main areas of action. Four paths were identified: environmental management, eco-designed solutions, programs for clients and affiliated merchants and employee awareness.

Environmental management

Edenred has established an environmental management system based on the principles of the ISO 14001 environmental management standard to obtain certification.

So far, France, Brazil, the Netherlands and the United Kingdom (representing 33.5% of the Group's employees) have been ISO 14001-certified. France and Brazil have decided to go even further by conducting an inventory of their greenhouse gas emissions to better understand their carbon footprint and effectively reduce their CO_2 emissions.

A consolidated reporting system has been established for the environmental initiatives undertaken by all of the Group's country organizations. It is based on some twenty indicators covering the use or production of:

- water;
- energy;
- waste;
- paper;
- greenhouse gases.

Eco-designed solutions

Edenred's primary impact is related to the production of paper vouchers. The Group is deeply involved in the development of paperless media for its programs, with the objective having more than 50% of its solutions in digital format by 2012 and 70% by 2016. This approach will considerably reduce the impact of Edenred's activities on paper resources.

More than 60% of the Group's host countries use recycled paper or paper certified to the standards of the Forest Stewardship Council (FSC) [1], both for voucher production and everyday office use and recycle old vouchers.

France

In January 2012, Edenred France began printing all of its *Ticket Restaurant*® and *Ticket Service*® vouchers on 100% FSC-certified

(1) Forest Stewardship Council certification guarantees that raw materials come from sustainably managed forests.

recycled paper. This has made Edenred France the only French issuer to combine FSC certification and 100% recycled paper.

According to the carbon assessment carried out by Edenred France, each year this move will help save:

- 7,650 trees;
- nearly 25 million liters of water;
- 1,125,000 KWh of energy used during voucher production.

Programs for clients and affiliates

A number of Edenred units have developed services to add ecological value to their programs.

France

In 2010, *Ticket Clean way*® launched the *ECO Pressing*® program to encourage its affiliates, as well as the entire dry-cleaning profession, to reduce their impact on the environment, improve their practices and comply with increasingly strict regulations. In 2012, the *ECO Pressing*® program was recognized with a Fair Business Communication award for the educational quality of its communication resources.

Brazil

In 2009, *Ticket Car*® launched the Ticket Carbon Control program, which gives clients detailed, precise information about their vehicles' CO_2 emissions.

Mexico

In 2012, Edenred Mexico launched the Ticket Carbon Control program for the 7,000 companies in the country that use *Ticket Car*®.

Belgium

Edenred created *Ticket EcoCheque*® in 2009 at the request of the Belgian authorities. This solution promotes environmentally friendly products and services and increases the buying power of employee beneficiaries. 700,000 employees have already used *EcoCheque*® vouchers, which are intended solely for the purchase of environmentally friendly goods and services. An exhaustive list has been drawn up by the National Labor Council.

Employee awareness

Because employee commitment is a key success factor for Edenred's environmental policy, the Group has deployed a variety of resources to inform and teach employees about environmentally friendly practices.

4.3.1.2 Employee training and information

In 2012, Edenred created Edenred City to make employees more aware of environmental issues. This interactive informational resource presents Edenred's various operations and their environmental footprint in a game-like environment. Edenred City is accessible from the corporate website in French, English and Spanish. http://www.edenred.com/static/LetsGoGreen/index.html

For each area of operation (offices, production, clients and affiliated merchants), Edenred City presents a close-up of the different challenges, illustrates action levers through a number of best practices implemented by the Group's country organizations and provides employees with advice on how to make a difference in their day-to-day activities.

The objective is to offer an educational platform that highlights initiatives already taken and to continue raising employee awareness about their operations' environmental impacts. More broadly, the goal is to improve the Company's environmental performance. Edenred City will be regularly updated with new good practices from the country organizations. To raise awareness among external stakeholders, Edenred City can also be viewed on the corporate website.

In addition, on International Earth Day (April 22), Edenred goes green to remind employees about environmental protection and encourage them to take action.

In 2012, employees in 33 host countries celebrated Earth Day and participated in projects to care for the planet. Most of these initiatives focused on preserving biodiversity. Some ten country organizations took part in reforestation projects and seven others organized drives to clean up natural sites.

4.3.1.3 Resources devoted to preventing environmental risks and pollution

The environmental management system based on ISO 14001 implemented by Edenred contributes to the prevention of environmental risks and pollution. The environmental budget of Edenred's subsidiaries amounted to €257,812 in 2012. These funds were dedicated to organizing Earth Day, moving units into compliance with ISO 14001 standards, launching environmental communication campaigns and purchasing recycled paper to print vouchers, catalogues or office documents.

4.3.1.4 Provisions and guarantees for environmental risks

The scope of reporting for expenses includes Edenred subsidiaries subject to reporting.

No material provisions or guarantees were set aside in 2012 for environmental risks.

Edenred was not subject to any court rulings on environmental claims in 2012.

4.3.2 POLLUTION AND WASTE MANAGEMENT

4.3.2.1 Measures to prevent, reduce or abate environmentally hazardous emissions and discharges into the atmosphere, water or soil

The environmental management system based on ISO 14001 implemented by Edenred contributes to the prevention, reduction and abatement of environmentally hazardous emissions and discharges into the atmosphere, water or soil.

Edenred's activities generate wastewater whose content is similar to household wastewater. Edenred's offices, most of which are located in cities, are generally connected to municipal sewage systems.

The Group's operations do not result in any soil or significant air pollution. Some of the Group's subsidiaries personalize vouchers directly on pre-printed backgrounds. This is done at Edenred production sites using specific printers. Host countries are encouraged to use environmentally friendly inks for this process. Edenred France, for example, uses non-toxic water-based inks that do not emit any volatile organic compounds (VOCs). Production sites are equipped with aeration systems to ensure that process dust is quickly removed from the air.

4.3.2.2 Measures to prevent, recycle and eliminate waste

The environmental management system based on ISO 14001 implemented by Edenred covers sustainable waste management and recycling. Edenred City includes a section on waste production and recycling with educational information and examples of good practices in the Group's subsidiaries. Edenred's eco-design approach also help limit waste production.

France and Peru

Numerous country organizations have already set up selective waste sorting for their production sites and offices. In France, used laser printer toner cartridges are collected and recycled by an outside company. In Peru, Edenred participates in the *Reciclame, cumple tu papel* (Do your part, recycle me) national paper recycling campaign. Collection boxes are distributed and the number of kilograms collected each month is tracked.

The following table shows the total tonnage of waste produced worldwide and by region.

Waste	France	Rest of Europe	Latin America	Rest of the world	2012 Total	2011 Total	% change
Total *(in tonnes)*	1,454	794	526	13	2,787	2,732	1.98%

4.3.2.3 Noise and all other types of pollution generated by an activity

As Edenred's activities generate very little noise pollution or odors, no related measures have been taken.

4.3.3 SUSTAINABLE USE OF RESOURCES

4.3.3.1 Water use and supply in relation to local constraints

The environmental management system based on ISO 14001 implemented by Edenred encourages reasonable use of water.

Edenred City includes a section on water use with educational information and examples of good practices in the Group's subsidiaries.

France, Brazil, Sweden and Mexico

Country organization initiatives focused on adapting site equipment to reduce water consumption and raising awareness among Edenred's stakeholders. In France, Brazil, Sweden and Mexico, low flow faucets have been installed, reducing water use by up to 50%.

Singapore

Edenred employees participated in Run for Water, an event organized to raise awareness among the public about the importance of this natural resource.

The table below shows the total volume of water used worldwide and by region.

Water	France	Rest of Europe	Latin America	Rest of the world	2012 Total	2011 Total	% change
Total *(in cubic meters)*	4,920	11,943	28,150	7,234	52,247	90,634	-42.35%

Edenred's offices, most of which are located in cities, are generally connected to municipal sewage systems.

4.3.3.2 Consumption of raw materials and measures taken to use them more efficiently

The environmental management system based on ISO 14001 implemented by Edenred recommends responsible use of raw materials.

Paper

Wood used to make the paper for vouchers is the main raw material used by the Group.

Eco-design is one of the four key improvement paths of Edenred's environmental policy. To contribute to this approach, subsidiaries are encouraged to use recycled paper or paper certified to the standards of the Forest Stewardship Council (FSC), both for voucher production and everyday office use.

In 2012, more than **60% of the country organizations** used this type of paper, thereby limiting the Group's impact on wood resources. In France, Edenred is the fist meal voucher issuer to use fully recycled security paper and to have obtained FSC certification.

Edenred City includes a section on paper use and recycling with educational information and examples of good practices in the Group's subsidiaries.

The table below shows the total volume of paper used worldwide and by region.

Paper use *(in tonnes)*	France	Rest of Europe	Latin America	Rest of the world	2012 Total	2011 Total	% change
Vouchers	370	868	564	74	1,876	2,052	-8.58%
Brochures	20	193	65	8	286	256	11.59%
Office paper	18	111	44	46	219	198	10.85%
TOTAL	**408**	**1,172**	**673**	**128**	**2,381**	**2,506**	**-4.98%**

Total paper use declined by nearly 5% in 2012.

Production of paper-based vouchers decreased significantly between 2011 and 2012 with the growing transition to digital media. The increase in paper used for brochures reflects the cyclical production schedule, as brochures are generally re-printed every other year. The increase in office paper use reflects the larger scope of reporting and the Group's growth over the year.

Plastics

As the digital transition for all Edenred solutions picks up speed, the use of plastic for card production has become a major challenge for the Group. The Group's goal was to have shifted to digital media for 50% of its issue volume in 2012 and 70% in 2016.

Certain subsidiaries are looking at using more environmentally friendly materials than PVC for card production.

4.3.3.3 Energy use, measures taken to improve energy efficiency and use of renewable energies

The environmental management system based on ISO 14001 implemented by Edenred includes measures to reduce energy use and improve energy efficiency.

Edenred City includes a section on energy use with educational information and examples of good practices in the Group's subsidiaries.

At present, the Group's energy mix does not include renewable energies. However, the development of renewables is encouraged, as in the project in Brazil described in section 4.3.4.1.

Belgium

All conventional light bulbs have been replaced with low energy bulbs. Campaigns to raise employee awareness also play a role in reducing energy use.

India

Posters have been put up in key office areas to encourage employees to turn off the lights.

Chile

Because Edenred is principally involved in services, information technology is a main lever of energy efficiency. In Chile, IT resources are selected on the basis of energy performance, with a preference for *Energy Star*® products.

The table below shows the total amount of energy used worldwide and by region.

Energy	France	Rest of Europe	Latin America	Rest of the world	2012 Total	2011 Total	% change
Electricity use (in kWh)	5,110,700	5,112,659	5,314,792	1,585,797	17,123,948	16,802,281	1.91%
Natural gas use (in kWh)		1,611,625	58,111	51,628	1,721,364	1,701,086	1.19%
Fuel oil use (in kWh)			567,197	18,949	586,146	65,189	N/A
TOTAL (*IN KWH*)	**5,110,700**	**6,724,284**	**5,940,100**	**1,656,374**	**19,431,458**	**18,568,556**	**5.18%**

Given the larger scope of reporting and the Group's growth over the year, the very slight increase in electricity and gas use reflects specific efforts to raise employee awareness in 2012.

The increase in fuel oil use is attributable to a re-evaluation of the calculation method used by the Brazilian subsidiary, making a year-on-year comparison non applicable. In actual fact, the increase was small.

4.3.3.4 Soil

No measurements were made as soil use is minor in Edenred's operations.

4.3.4 MEASURES AGAINST CLIMATE CHANGE

4.3.4.1 Greenhouse gases

Owing to the nature of its business, Edenred has a limited impact on climate change. Nevertheless, the Group launched a continuous improvement program in 2012 as part of its formal environmental policy. In addition, in France and Brazil—the two largest Edenred country organizations—greenhouse gas emissions were inventoried to identify precisely which operations are responsible.

Greenhouse gas emissions are calculated based on the energy use data provided above, as follows:

- direct emissions correspond to the natural gas and fuel oil burned in Group facilities;
- indirect emissions concern electricity used by these units.

Greenhouse gas emissions	France	Rest of Europe	Latin America	Rest of the world	2012 Total	2011 Total	% change
Direct emissions *(tonnes of CO_2 equivalent)*		295	156	14	466	328	N/A
Indirect emissions *(tonnes of CO_2 equivalent)*	424	1,921	1,283	1,189	4,817	5,324	-9.52%
TOTAL	**424**	**2,216**	**1,439**	**1,203**	**5,283**	**5,652**	**-6.53%**

The increase in direct emissions stems directly from the change in calculation method for fuel oil use, described above. As a result, a year-on-year comparison is not applicable.

Following the inventory of greenhouse gas emissions in France and Brazil, action plans were developed to reduce emissions.

France

The analysis showed that employee commutes and business trips are one of the main sources of CO_2. To improve its results, Edenred France organized eco-driving training sessions with a specialized firm and distributed an eco-driving charter to all employees.

Brazil

An ISO 14001-certified environmental management has been deployed in the offices for all employees. In addition, Edenred has chosen to offset emissions of 1,296.17 tonnes of CO_2 equivalent generated by the unavoidable energy consumption at its Brazilian sites in 2011 with a biomass-to-energy investment project.

4.3.4.2 Measures to adapt to climate change

The Group has taken measures to limit the increase in greenhouse gas emissions related to business growth.

Companies must also prepare for climate change and take into account the potential consequences on the working environment. Within the framework of its risk management strategy, Edenred has deployed a system to track seismic and storm-related risks. The system helps users prioritize actions in deploying a safety and prevention plan in the event of an incident.

4.3.5 MEASURES TO PROTECT BIODIVERSITY

The environmental management system based on ISO 14001 implemented by Edenred includes measures to protect biodiversity.

Edenred City includes a section on biodiversity with educational information and examples of good practices in the Group's subsidiaries.

A number of initiatives described above contribute to the Group's efforts to protect biodiversity. These include the use of recycled and FSC-certified paper for voucher production and nature preservation and reforestation projects carried out with local partners as part of Earth Day.

United Kingdom

Year-long initiatives have also been launched. In the United Kingdom, a group of employees called the Green Team regularly organizes activities such as litter removal along river banks and in parks and tree-planting projects.

5 CORPORATE GOVERNANCE

5.1 ADMINISTRATIVE AND MANAGEMENT BODIES

5.1.1 MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

5.1.1.1 Membership of the Board of Directors

As of December 31, 2012, the Board of Directors had 12 members, seven of whom were qualified by the Board as independent directors based on the criteria set out in the AFEP/MEDEF Corporate Governance Code for Listed Companies dated April 2010.

On March 6, 2013, Virginie Morgon and Patrick Sayer, directors representing Eurazeo, stepped down from the Board following the sale of Eurazeo's entire interest in the capital of Edenred the same day. Since then, the Board of Directors has had ten members, seven of whom are qualified as independent by the Board of Directors. Of the ten members, eight are men and two are women, representing 20% of the Board members in compliance with the French Act of January 27, 2011. The Board's membership therefore complies with the current rules and the gender parity recommendations of the AFEP/MEDEF Corporate Governance Code.

A director is independent when he or she has no relationship of any kind whatsoever with the Company, its Group or the management of either that is such as to color his or her judgment. Each director's situation in relation to the independence criteria is reviewed annually by the Board of Directors. These criteria are as follows:

- the director is not an employee or corporate officer of the Company or a corporate officer of a related company;
- the director is not a customer, a supplier, an investment banker or a commercial banker of the Company;
- the director does not have any close family ties with a corporate officer of the Company;
- the director has not been an auditor of the Company in any of the past five years;
- the director has not been a director of the Company for more than 12 years;
- the director does not represent a significant or controlling shareholder of the Company.

The members of the Board of Directors are as follows:

The directors whose names are followed by an asterisk (*) are independent directors.

Jean-Paul Bailly *, Chairman of the French Post Office (Groupe La Poste).

- Business address: 47, boulevard de Vaugirard, 75757 Paris cedex 15, France.
- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2015.
- A graduate of École Polytechnique and the Massachusetts Institute of Technology, Jean-Paul Bailly held various positions with the Paris Transit Authority (RATP), including Manager of the Paris Metro and RER suburban rail system, Human Resources Director, Deputy Chief Executive Officer and then Chairman and Chief Executive Officer. Appointed Chairman of the French Post Office (Groupe La Poste) in 2002, Mr. Bailly has also been Chairman of the Supervisory Board of La Banque Postale since 2006.

Sébastien Bazin, Principal, Managing Director Europe of Colony Capital

- Business address: 6, rue Christophe Colomb, 75008 Paris, France.
- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2013.
- Sébastien Bazin holds a Master of Science in Management from Université Paris Sorbonne. Before joining Colony Capital in 1997, he served as Vice-President of PaineWebber's mergers and acquisitions group in London and New York, as a Director of Hottinguer Rivaud Finances and lastly as Group Managing Director and General Manager of Immobilière Hôtelière. He has been Managing Director Europe of Colony Capital since 1999.

Anne Bouverot,* Director General of GSMA, the international association of mobile network operators

- Business address: 5, New Street Square, London EC4A 3BF, United Kingdom.
- Director since June 29, 2010. Her term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ended December 31, 2012. Pursuant to the recommendation of the Compensation and Appointments Committee, at the Annual Shareholders Meeting on May 24, 2013, the Board of Directors will propose that Ms. Bouverot be re-elected as director (see section 8, page 240).
- A graduate of École Normale Supérieure and of Télécom Paris, Anne Bouverot was Vice-President, Global Bid Management at Global One from 1996 to 2002. In August 2004, she became Chief of Staff for the Chief Executive Officer of Orange Group and then, in November 2006, Executive Vice-President, International Business Development, at France Telecom. She has also been a director of Groupama SA since October 2008. In September 2011, she became Director General and Member of the Board of GSMA, the international association of mobile network operators.

Philippe Citerne,* former Chief Operating Officer of Société Générale

- Business address: Bain & Cy 50, avenue Montaigne 75008, Paris, France.
- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ended December 31, 2012. Pursuant to the recommendation of the Compensation and Appointments Committee, at the Annual Shareholders' Meeting on May 24, 2013, the Board of Directors will propose that Mr. Citerne be re-elected as director (see section 8, page 240).
- After graduating from Ecole Centrale de Paris and holding a number of positions in the French Finance Ministry, Philippe Citerne joined Société Générale in 1979, where he served as Vice-President of Economic Research, Vice-President Finance and Vice-President Human Relations, prior to becoming director, Deputy Chief Executive Officer and Chief Operating Officer from 1997 to April 2009. He is the Vice-Chairman of the Board of Directors of Accor.

Gabriele Galateri de Genola,* Chairman of Assicurazioni Generali S.p.A.

- Business address: Piazza Cordusio 2, 20123 Milan, Italy.
- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ended December 31, 2013.
- Gabriele Galateri di Genola, who has an MBA from Columbia University, held various positions at Saint-Gobain, then at Fiat beginning in 1977. He was appointed Chief Operating Officer of Ifil in 1986 and Chief Executive Officer in 1993. He was Chairman of Mediobanca until June 2007. Mr. Galateri de Genola was appointed Chairman of Assicurazioni Generali S.p.A. in April 2011.

Françoise Gri,* Chief Executive Officer of the Pierre & Vacances – Center Parcs Group

- Business address: Centerparcs L'Artois-Espace pont de Flandre, 11 rue de Cambrai, 75947 Paris Cedex 19, France.
- Director since June 29, 2010. Her term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ended December 31, 2012. Pursuant to the recommendation of the Compensation and Appointments Committee, at the Annual Shareholders' Meeting on May 24, 2013, the Board of Directors will propose that Ms. Gri be re-elected as director (see section 8, page 240).
- A graduate of Ensimag, Françoise Gri joined the IBM Group in 1981. She was appointed Director of the E-business Solutions Marketing and Sales division of IBM EMEA in 1996, and then Director of Commercial Operations for IBM EMEA in 2000. After serving as Chairman and Chief Executive Officer of IBM France from 2001 to 2007, Ms. Gri was Chairman of ManpowerGroup France and Southern Europe from 2007 and 2012, before joining the Pierre & Vacances – Center Parcs Group in 2013 as Chief Executive Officer.

Roberto Oliveira de Lima,* Managing Partner of Grau Gestão de Ativos and Director of Telefônica Brasil

- Business address: Grau Gestão de Ativos Rua Afonso Braz 579 3° andar Vila Nova Conceição São Paulo SP CEP 04511 001, Brazil.
- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ended December 31, 2012. Pursuant to the recommendation of the Compensation and Appointments Committee, at the Annual Shareholders' Meeting on May 24, 2013, the Board of Directors will propose that Mr. Oliveira de Lima be re-elected as director (see section 8, page 240).
- Roberto Oliveira de Lima has an MBA from Fundação Getúlio Vargas University and a masters degree in Strategic Planning from Institut Supérieur des Affaires – Groupe HEC. He held various management positions in information technology and finance with Rhodia and Saint-Gobain before joining Accor where, over a period of 17 years, he successively held the positions of Treasury Manager, Chief Financial Officer and Executive Vice-President. From 1999 to 2005, Mr. Oliveira de Lima was the Chairman and Chief Executive Officer of the Credicard Group in Brazil. Since November 7, 2011, he has been a member of the Board of Directors of Telefônica Brasil S.A.

Bertrand Meheut,* Chairman of the Canal+ Group Executive Board

- Business address: 1, place du Spectacle, 92130 Issy-Les-Moulineaux, France.
- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2015.
- A graduate of Ecole des Mines de Paris, Bertrand Meheut spent most of his career with Rhône-Poulenc and later Aventis CropScience, serving as Deputy Chief Operating Officer, Europe, in charge of corporate services for the Agro division, and then successively as Chief Executive Officer of the German subsidiary, Deputy Chief Executive Officer of Rhône-Poulenc Agro and Executive Vice-President and Chief Operating Officer Europe. Following the merger of Rhône-Poulenc and Hoechst to form Aventis, Mr. Meheut was appointed Chief Executive Officer of Aventis CropScience. He joined Canal+ Group in 2002 and is currently Chairman of its Executive Board.

Virginie Morgon, Member of the Eurazeo Executive Board

- Business address: 32, rue de Monceau 75008 Paris, France.
- Director from June 29, 2010 to March 5, 2013. Virginie Morgon stepped down from the Board on March 6, 2013 following the sale by the Eurazeo Group of its entire interest in the capital of Edenred.
- Virginie Morgon graduated from Institut d'Études Politiques de Paris and holds a master's degree in economics and management from Bocconi University in Milan. A member of the Eurazeo Executive Board since January 2008, she co-leads the investment team. After working as an investment banker in New York and London and then Paris from 1991 to 2000, she was a senior partner of Lazard Frères et Cie, Paris, from 2001 to 2007.

Nadra Moussalem, Principal of Colony Capital Europe

- Business address: 6, rue Christophe Colomb, 75008 Paris, France.
- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2015.
- A graduate of École Centrale de Lyon, Nadra Moussalem joined Colony Capital in 2000 where he became Managing Director of Colony Capital Europe in 2007 and Principal in 2010. He is also a director of Distribuidora Internacional de Alimentación S.A. (DIA).

Patrick Sayer, Chairman of the Executive Board of Eurazeo

- Business address: 32, rue de Monceau 75008 Paris, France.
- Director from June 29, 2010 to March 5, 2013. Patrick Sayer stepped down from the Board on March 6, 2013 following the sale by the Eurazeo Group of its entire interest in the capital of Edenred.
- A graduate of École Polytechnique and École des Mines de Paris, Patrick Sayer was a senior partner at Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co in New York. He participated in the creation of Fonds Partenaires from 1989 to 1993 and later helped redefine the investment strategy of Gaz et Eaux, which was subsequently renamed Eurazeo. He has been Chairman of Eurazeo's Executive Board since May 2002.

Jacques Stern, Chairman and Chief Executive Officer of Edenred

- Business address: 166-180, boulevard Gabriel-Péri 92245 Malakoff Cedex, France.
- Director since June 29, 2010, Chairman and Chief Executive Officer. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2013.
- A graduate of École Supérieure de Commerce de Lille, Jacques Stern began his career as an auditor with Price Waterhouse. He joined Accor in 1992 as head of the Consolidation Department and then held various other finance positions before becoming Finance Director in 2003. In March 2005, he became member of the Accor Management Board in charge of Finance. In 2006, Jacques Stern was appointed Chief Financial Officer, Executive Vice-President in charge of Purchasing & Information Systems, and Member of the Executive Committee. In 2009, he became Senior Executive Vice-President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development, Information Systems and Purchasing. On December 15, 2009, he was appointed Deputy Chief Executive Officer in charge of Accor Services and Finance. On June 29, 2010, he was named Chairman and Chief Executive Officer of the Edenred Group.

5.1.1.2 Absence of conflicts of interest

There are no family relationships between the members of the Board of Directors.

No loans or guarantees have been granted or issued by the Company in favor of any member of the Board of Directors. No assets that are necessary for the conduct of the Company's business are owned by a director or a member of his or her family.

There are no potential conflicts of interests between any duties to Edenred of the members of the Company's administrative, or management bodies or the members of senior management and their private interests.

To the best of the Company's knowledge, in the last five years:

- no director has been convicted of any fraudulent offence;
- no director has been associated with any bankruptcy, receivership or liquidation;
- no director has been the subject of any official public incrimination and/or sanction by any statutory or regulatory authority;
- no director has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

5.1.1.3 Members of the Executive Committee

The members of the Executive Committee are:

Jacques Stern

Chairman and Chief Executive Officer of Edenred

Gilles Bonnin

Executive Vice-President, Technology and Strategic Information Systems

Jean-Louis Claveau

Chief Operating Officer, Hispanic Latin America and North America

Gilles Coccoli

Executive Vice-President, Strategy & Development

Laurent Delmas

Chief Operating Officer, France

Philippe Dufour

Executive Vice-President, Alternative Investments

Arnaud Erulin

Chief Operating Officer, Central Europe and Scandinavia

Graziella Gavezotti

Chief Operating Officer, Southern Europe

Loïc Jenouvrier

Chief Financial Officer in charge of Legal Affairs

Oswaldo Melantonio Filho

Chief Operating Officer, Brazil

Laurent Pellet

Chief Operating Officer, Asia-Pacific

Jeanne Renard

Executive Vice-President, Human Resources and Corporate Social Responsibility

Bernard Rongvaux

Chief Operating Officer, Northern Europe, Middle East and Africa

5.1.1.4 Other directorships and positions held by the members of the Board of Directors

The following details of other directorships and positions held by members of the Board of Directors are based on the information provided to the Company by the individuals concerned:

Members	Directorships and positions held as of December 31, 2012	Directorships and positions held in the last five years
Jean - Paul Bailly Born November 29, 1946 Number of Edenred shares: 600	**Companies controlled by La Poste** La Poste SA – Chairman and Chief Executive Officer Geopost SA – Permanent representative of La Poste – Director Sofipost SA – Permanent representative of La Poste – Director La Banque Postale SA – Chairman of the Supervisory Board Sopassure SA – Director La Banque Postale Asset Management SA – Member of the Supervisory Board CNP Assurances SA – Director Poste Immo SA – Permanent representative of La Poste – Director **Other companies** Accor SA (listed company) – Director Edenred SA (listed company) – Director	GDF Suez SA – Director representing the French State SF 12 SAS – Permanent representative of La Poste – Chairman Systar SA – Director Financière Systra SNC – Legal Manager Xelian SA – Permanent representative of La Poste – Director
Sébastien Bazin Born November 9, 1961 Number of Edenred shares: 1,000	**Companies controlled by Colony Capital LLC** *France* Colony Capital SAS – Chairman Colillkirch France SAS – Chairman Colfilm SAS – Chairman Bazeo Europe SAS – Chairman ColSpa SAS – Chief Executive Officer ColSpa SAS – Legal representative of Colony Capital SAS, Chairman of ColSpa SAS **Other companies** *France* Société d'exploitation Sports et Evénements – Chairman and Chief Executive Officer Holding Sports et Evénements – Chairman and Chief Executive Officer Accor SA (listed company) – Director Edenred SA (listed company) – Director Carrefour SA (listed company) – Director ANF Immobilier SA (Les Ateliers du Nord de la France) Member of the Supervisory Board Toulouse Cancéropôle SAS – Chief Executive Officer CC Europe Invest Sarl – Legal Manager Société du Savoy à Méribel Sarl – Legal Manager Nina SC – Legal Manager Colmed Sarl – Legal Manager Haute Roche SC – Legal Manager Madeleine Michelis – Legal Manager Ranelagh – Legal Manager George V 302 SC – Legal representative of Colony Capital SAS Data 4 SAS – Chairman *Luxembourg* Sisters Soparfi SA – Chief Executive Officer *Switzerland* La Tour SARL – Legal Manager La Tour Réseau de Soins SA – Director Permanence de la Clinique de Carouge – Director	*France* Groupe Lucien Barrière – Vice-Chairman of the Supervisory Board Buffalo Grill – Vice-Chairman of the Supervisory Board Paris Saint-Germain Football – Chairman of the Supervisory Board Château Lascombes – Chairman of the Board of Directors Lucia SA – Chairman and Chief Executive Officer Moonscoop IP SA – Director Colony Le Chalet EURL – Legal Manager Colony Santa Maria SNC – Legal Manager Colony Santa Maria EURL – Legal Manager Colony Pinta SNC – Legal Manager Immobilière Lucia et Compagnie – Legal Manager Lucia 92 et Compagnie – Legal Manager Immobiloisir Serre Chevalier – Legal Manager Colwine SAS – Chairman Colmassy SARL – Legal Manager Colbison SAS – Chairman SAIP – Chairman SAS Spazio – Chairman Coladria SAS – Chairman Front de Seine Participations – Chairman Lucia Investissement SAS – Chairman *Belgium* RSI SA – Chairman

Members	Directorships and positions held as of December 31, 2012	Directorships and positions held in the last five years
Anne Bouverot Born March 23, 1966 Number of Edenred shares: 500	**Companies controlled by GSMA** *Switzerland* GSMA SV (international association of mobile network operators) – Director General *United States* GSMA Ltd (GSMA's event-management subsidiary) – Member of the Board of Directors **Other companies** *France* Edenred SA (listed company) - Director Groupama SA – Director, Member of the Audit Committee and Chairman of the Agreements Committee	*Switzerland* GSMA (international association of mobile network operators) – Member of the Board of Directors representing France Telecom Orange *France* France Telecom Orange SA – Member of the Scientific Advisory Board Orange SA – Director *United States* France Telecom North America – Chairman
Philippe Citerne Born April 14, 1949 Number of Edenred shares: 500	*France* Telecom & Management SudParis (Institut) – Non-executive Chairman Accor SA (listed company) – Director Rexecode (non-profit organisation) – Director MK2 – Member of the Supervisory Board Edenred SA (listed company) – Director	*France* Société Générale – Chief Operating Officer Société Générale – Representative on the Supervisory Board of the Fonds de Garantie des Dépôts Sopra Group (listed company) – Director Systèmes Technologiques d'Echanges et de Traitement (STET) – Chairman *Russia* Rosbank – Director
Gabriele Galateri Born January 11, 1947 Number of Edenred shares: 500	*Brazil* TIM Serviços eo Participacoes SA – Chairman TIM Participaçoes SA – Director and Member of the Compensation Committee *France* Edenred SA (listed company) – Director and Member of the Compensation and Appointments Committee Italy Assicurazioni Generali SpA (listed company) – Chairman Telecom Italia SpA (listed company) – Director and Member of the Compensation Committee Italmobiliare S.p.A (listed company) – Director Saipem SpA (listed company) – Director Italian Technology Institute (IIT) – Chairman Accor Hospitality Italy Srl – Director Azimut-Benetti SpA – Director Lavazza SpA – Director FAI (Italian Environmental Fund) - Director Accademia Nazionale di Santa Cecilia Foundation - Director Giorgio Cini Foundation – Member of the General Council and Executive Committee Studium Generale Marcianum Venise – Director *United States* Columbia Business School – Member of the International Advisory Board	*Germany* Commerzbank A.G.- Member of the Frankfurt Central Advisory Board *Brazil* TIM Participaçoes SA – Chairman *France* Accor SA (listed company) - Director *Switzerland* San Faustin NV – Member of the Supervisory Committee Italy RCS Mediagroup S.p.A – Vice-Chairman Assicurazioni Generali SpA (listed company) – Vice-Chairman Telecom Italia SpA (listed company) – Chairman of the Board of Directors Fondazione Rosselli, Turin – Director Banca Esperia S.p.A – Director European Oncology Institute (EOI) – Director Assonime – Director New Roman Business Foundation – Director Fiera di Genova S.p.A – Director Utet S.p.A – Director Savigliano Savings Bank – Director Carige Bank – Director Confindustria – Member of the Executive Committee and the Board of Directors Fondazione Ravello – Director and Member of the General Council Union of Naples Industrialists – Vice-Chairman of the "Banda Larga" project – Member of the Executive Committee, the Board of Directors and management Pirelli & C. S.p.A – Director and member of the shareholders' pact Assolombarda – Member of the Management Board

Members	Directorships and positions held as of December 31, 2012	Directorships and positions held in the last five years
Françoise Gri Born December 21, 1957 Number of Edenred shares: 500	**Companies controlled by ManpowerGroup** ManpowerGroup France – Chairman ManpowerGroup – Executive Vice-Chairman **Other companies** Edenred SA (listed company) – Director Crédit Agricole SA (listed company) – Director Rexel – Member of the Supervisory Board (resigned on February 11, 2013) Medef – Member of the Ethics Committee Institut de l'Entreprise – Vice-Chairman Conseil Économique, Social et Environnemental – Advisor	IBM France – Chairman and Chief Executive Officer STX – Director Fondation Agir contre l'Exclusion – Vice-Chairman Ecole Centrale de Paris – Director
Roberto Oliveira de Lima Born April 1, 1951 Number of Edenred shares: 1,000	*France* Edenred SA (listed company) – Director *Brazil* Telefonica Brasil SA (listed company) – Director Rodobens Negocios Imobiliarios SA (listed company) – Director Companhia Brasileira de Distribuiçao – Director Natura Cosmeticos SA (listed company) – Director *South Africa* MIH Holdings (listed company) – Director	*Brazil* Telemig Celular Participacaoes SA – Chairman and Chief Executive Officer Telemig Celular SA – Chairman and Chief Executive Officer Vivo Participacoes SA – Chairman and Chief Executive Officer Vivo SA – Chairman and Chief Executive Officer Portelcom Participacoes SA – Chairman and Chief Executive Officer Ptelecom Brasil SA – Chairman and Chief Executive Officer TBS Celular Participacoes Ltda – Chairman and Chief Executive Officer
Bertrand Meheut Born September 22, 1951 Number of Edenred shares: 500	**Companies controlled by Canal+** Canal+ France SA – Chairman of the Management Board Groupe Canal+ SA – Chairman of the Management Board Société d'Édition de Canal Plus SA (listed company) – Chairman of the Board of Directors Studio Canal SA – Chairman of the Supervisory Board Kiosque SNC – Permanent representative of Canal+ France SA, Legal Manager Sport+ SA – Permanent representative of Groupe Canal+ SA, Director Canal+ Régie SAS – Chairman **Other companies** Accor SA (listed company) – Director Aquarelle – Director Edenred SA (listed company) – Director Cinemathèque – Director	Canal+ Overseas SAS – Member of the Executive Board Vivendi SA – Member of the Management Board Canal+ Editions SNC – Permanent representative of Group Canal+, Co-Legal Manager SFR – Director Kiosque Sport SAS – Chairman Canal+International Development SA – Chairman of the Board of Directors Canal+ Finance SA – Permanent representative of Canal+, Director Canal+ Régie SA – Chairman of the Executive Board Kiosque SNC – Permanent representative of Groupe Canal+, Legal Manager StudioCanal SA – Chairman of the Board of Directors NPA Production SNC – Permanent representative of Canal+, Legal Manager Canal+ SA renamed Société d'Édition de Canal+ – Chairman and Chief Executive Officer CanalSatellite SA renamed Canal+ Distribution – Director Canal+ Distribution SA – Chairman of the Board of Directors Canal+ Active SA – Chairman Holding Sports & Evénements – Chairman of the Board of Directors

Members	Directorships and positions held as of December 31, 2012	Directorships and positions held in the last five years
Virginie Morgon Member of the Board of Directors until March 5, 2013 Born November 26, 1969 Number of Edenred shares: 500	**Companies controlled by Eurazeo** *France* Eurazeo (listed company) – Member of the Management Board Eurazeo PME – Chairman of the Supervisory Board LH APCOA – Chief Executive Officer *Germany* Apcoa Parking AG – Chairman of the Supervisory Board Apcoa Group GmbH – Managing Director Apcoa Parking Holdings GmbH – Chairman of the Advisory Board *Italy* Broletto 1 Srl – Chairman of the Board of Directors Euraleo Srl – Legal Manager Moncler Srl – Vice-Chairman of the Board of Directors Sportswear Industries Srl – Director **Other companies** *France* Edenred SA (listed company) – Director and Member of the Audit and Risks Committee Accor SA (listed company) – Director Women's Forum (WEFCOS), Member of the Board of Directors *Italy* Intercos SpA – Legal Manager	*France* Groupe B&B Hôtels – Chairman of Supervisory Board OFI Private Equity Capital (renamed Eurazeo PME Capital) – Chairman of Supervisory Board LT Participations – Pernanent representative of Eurazeo on Board *Germany* Apcoa Parking Holdings GmbH - Vice-Chairman of the Advisory Board
Nadra Moussalem Born July 4, 1976 Number of Edenred shares: 500	*France* Edenred SA (listed company) – Director and Member of the Audit and Risks Committee SC 30GV 301 – Legal Manager SC 30GV 302 – Legal Manager Data IV Services – Legal Manager *Spain* Distribuidora Internacional de Alimentacion SA (listed company) – Director *Luxembourg* Cedar Trust – Legal Manager CT Real Estate – Legal Manager Sisters Soparfi S.A. – Director Data Genpar Sarl – Legal Manager	Front de Participation SAS – Member of the Management Committee Front de Seine Hotel – Representative of Front de Seine Participations

Members	Directorships and positions held as of December 31, 2012	Directorships and positions held in the last five years
Patrick Sayer Member of the Board of Directors until March 5, 2013 Born November 20, 1957 Number of Edenred shares: 500	**Companies controlled by Eurazeo** *France* Eurazeo SA (listed company) – Chairman of the Management Board ANF Immobilier SA (listed company) – Vice-Chairman of the Supervisory Board Europcar Group – Director Holdelis – Chairman of the Board of Directors Legendre Holding 19 – Chief Executive Officer Investco 3d Bingen (non-trading company) – Legal Manager Eurazeo Capital Investissement (formerly Eurazeo Partners) – Chairman *Italy* Moncler Srl – Director Sportswear Industries Srl – Director Germany APCOA Parking Holdings GmbH – Member of the Advisory Board **Other companies** *France* Rexel SA (listed company) – Vice-Chairman of the Supervisory Board Accor SA (listed company) – Director Edenred SA (listed company) – Director *Italy* Gruppo Banca Leonardo – Director United Kingdom Colyzeo Investment Advisors – Director *United States* Tech Data Corporation (listed company) – Member of Board of Directors	*France* ANF Immobilier SA – Chairman of the Supervisory Board Groupe Lucien Barrière – Permanent representative of ColAce SARL on the Supervisory Board Legendre Holding 18 – Chairman of the Board of Directors Europcar Group – Chairman of the Board of Directors B&B Hôtels – Chairman of the Supervisory Board Ipsos – Director SASP Paris Saint Germain Football – Director Legendre Holding 11 – Chief Executive Officer Immobilière Bingen – Chief Executive Officer Legendre Holding 8 – Chief Executive Officer Presses Universitaire de France – Member of the Supervisory Board SASP Paris Saint-Germain Football – Member of the Supervisory Board Partena – Partner and Legal Manager Investco 1 Bingen (non-trading company) – Legal Manager *Italy* Euraleo Srl – Legal Manager *Luxembourg* BlueBirds Participations SA – Chairman of the Board of Directors RedBirds Participations SA – Director *Germany* Apcoa Parking Holdings GmbH – Chairman of the Advisory Board Apcoa Parking AG – Chairman of the Supervisory Board

Members	Directorships and positions held as of December 31, 2012	Directorships and positions held in the last five years
Jacques Stern Born September 19, 1964 Number of Edenred shares: 7,295	*France* Edenred SA (listed company) – Chairman and Chief Executive Officer Voyage Privé.com – Director Conecs SAS – Director *Italy* Edenred Italia Srl. – Director United Kingdom Edenred (UK Group) Limited – Chairman	*France* Accor SA – Chief Operating Officer ASM SA – Chairman and Chief Executive Officer Edenred Participations SAS – Chairman IBL SAS – Chairman ASH SAS – Representative of Accor, Chairman SODETIS – Legal Manager Club Méditerranée – Director Groupe Lucien Barrière – Permanent representative of Accor SA on the Board of Directors Groupe Lucien Barrière – Member of the Supervisory Board Accor.Com – Permanent representative of Accor SA on the Board of Directors Société Française de Participations et d'Investissement Européens – Permanent representative of Accor SA on the Board of Directors Devimco – Permanent representative of Accor SA on the Board of Directors Société de Participation et d'Investissements de Motels – Permanent representative of IBL on the Board of Directors ACCOR.Com – Permanent representative of Saminvest on the Board of Directors Go Voyages – Permanent representative of Soparac on the Board of Directors Lyeurope SAS – Member of the Supervisory Committee *Austria* Accor Austria AG – Member of the Supervisory Board *Belgium* Accordination – Managing Director Edenred Belgium – Permanent representative of Soparac on the Board of Directors *Brazil* Hotelaria Accor Brasil – Director Ticket Servicos – Director *United States* IBL LLC – Chairman Carousel Hotel Corporation – Director Red Roof Inn – Director Accor Lodging North America Inc. – Director Accor North America Inc. – Director *Italy* Accor Hospitality Italia Srl – Director Scapa Italia Srl – Director Accor Partepazioni Italia Srl – Director *Switzerland* Sodenos – Chairman

5.1.2 PRACTICES OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

5.1.2.1 Practices and powers of the Board of Directors

Membership of the Board of Directors (Article 12 of the bylaws)

The Company is administered by the Board of Directors with at least three and no more than eighteen members, except where otherwise permitted pursuant to the law, particularly following a merger.

The age limit for holding office as a director is 75. Directors who reach the age of 75 are deemed to have automatically resigned at the close of the first Shareholders Meeting held after their 75th birthday.

In addition, no more than one third of the Board members may be aged over 70.

These age limits also apply to the permanent representatives of corporate directors.

If, as a result of a director reaching the age of 70, the one-third proportion referred to above is exceeded, the oldest director will be deemed to have automatically resigned with immediate effect.

Directors are elected on the basis prescribed by law by ordinary resolution of the Shareholders Meeting, for a four-year term. They may be re-elected.

Exceptionally, shareholders may decide to elect one or more directors for a term of less than four years so that Board members retire by rotation.

If one or more seats on the Board become vacant, the Board of Directors may provisionally appoint directors to fill said seats, subject to ratification at the next Ordinary Shareholders Meeting, on the basis prescribed by law.

A decision by shareholders not to ratify the appointment would not invalidate the Board's decisions and actions during the period up to said Meeting.

Directors are appointed by the Board to fill a vacant seat for the remainder of the previous director's term.

For as long as the Company's shares are traded on a regulated market, each director is required to hold 500 registered Edenred shares.

Powers of the Board of Directors (Article 13 of the bylaws)

The Board of Directors decides the Company's strategy and oversees its implementation. It examines all issues relating to the efficient conduct of the business and makes all decisions concerning the Company, within the limits of the corporate purpose and except for those decisions that, by law, can only be made by shareholders in General Meeting.

In addition to those matters which, by law, require the Board's prior authorization, the Board of Directors' bylaws list the decisions of the Chief Executive Officer or the Chief Operating Officers that can only be made with the Board's authorization (see section 5.1.2.2 of this Registration Document).

The Board of Directors may decide to issue bonds in accordance with the provisions of the law, and may give a one-year authorization to one or several of its members, or to the Chief Executive Officer or, with the latter's agreement, to one or more Chief Operating Officers, to carry out bond issues and set the related terms and conditions on the Board's behalf.

The Board of Directors may assign specific permanent or temporary responsibilities to one or more of its members or to any person outside the Board.

It may decide to set up Committees tasked with examining issues submitted to them by the Board or its Chairman. These Committees report to the Board, which decides on their membership and terms of reference. On June 29, 2010, the Board set up an Audit and Risks Committee, a Commitments Committee and a Compensation and Appointments Committee (see section 5.1.2.5 of this Registration Document, page 96).

Quorum and majority (Article 15 of the bylaws)

The Board of Directors can validly conduct business provided that at least half of its members are present.

Directors who participate in meetings by videoconference or any other appropriate telecommunication system on the basis allowed by the applicable laws and regulations may be taken into account in the calculation of the quorum and voting majority, by decision of the Board.

Directors may give proxy to another director, in writing, to represent them at a Board meeting, provided that no director may represent more than one fellow director at any given meeting.

Decisions of the Board are made by a majority vote of the directors present or represented.

In the case of a split decision, the Chairman has the casting vote.

Decisions of the Board of Directors (Article 15 of the bylaws)

The Board of Directors meets as frequently as necessary in the Company's interest. Meetings are called by the Chairman and are held at the Company's headquarters or at any other venue specified by the Chairman.

Meetings may be called by any method, including orally, by the Chairman, or by the Board Secretary at the Chairman's request.

Meetings may also be held at the request of at least one-third of the directors or the Chief Executive Officer, to discuss a specific agenda.

If the Chairman is unable to fulfill his duties, meetings may be called by the director appointed as acting Chairman or by the Vice-Chairman (or one of the Vice-Chairmen) or by the Chief Executive Officer if he sits on the Board.

Meetings are chaired by the Chairman of the Board or, in his absence, by the Vice-Chairman (or one of the Vice-Chairmen) or by any other director designated by the Board.

The Chief Executive Officer, the Chief Operating Officer, other members of management, the members of the Strategy and Development Department, the Auditors or any other person with specific knowledge of the matters concerned may be invited by the Chairman to attend all or part of a Board meeting.

Directors and all other persons invited to attend Board meetings are required to treat all information disclosed during the meeting as strictly confidential and generally act with discretion.

5.1.2.2 Board of Directors' bylaws

At its meeting on June 29, 2010, the Board of Directors adopted bylaws describing its procedures and practices. These bylaws are in addition to the legal and regulatory provisions applicable to Boards of Directors and the relevant provisions of the Company's bylaws. They specify the Board's organizational and operational framework, as well as the powers and responsibilities of the Board and the Committees of the Board (see section 5.1.2.5 Committees of the Board of Directors, page 96, for a description of these Committees).

Independent directors (Article 1 of the Board of Directors' bylaws)

At least half of the members of the Board of Directors are independent based on the criteria set forth in the AFEP/MEDEF Corporate Governance Code for Listed Companies dated April 2010.

Every year, the Board of Directors assesses each director's independence in relation to these criteria. The conclusions of the assessment are disclosed to shareholders and the public in the Annual Report.

Board meetings (Article 2 of the Board of Directors' bylaws)

The Board of Directors generally holds at least five meetings a year, including one to review the budget and one to conduct a strategic review of the Group's operations. The proposed dates of each year's meetings are sent to the directors no later than November 30 of the previous year. Meetings are called by mail, e-mail or fax or verbally by the Secretary to the Board.

Part of at least one meeting a year is devoted to assessing the Board's efficiency and effectiveness, to identify possible areas for improvement. In addition, the Board of Directors conducts a formal self-assessment at least once every three years.

For the purpose of calculating the quorum and voting majority, directors who take part in meetings by any method that allows them to be identified and to take an active part in the discussion are considered as being physically present, in accordance with the applicable laws and regulations.

Information given to the Board (Article 3 of the Board of Directors' bylaws)

The directors are provided with all the information they consider necessary to fulfill their duties.

Before each meeting, directors are sent a meeting file containing background information on all agenda items that need to be examined in advance, unless this is impossible for confidentiality or practical reasons.

In addition, the directors are kept regularly informed between meetings of all significant events and transactions in the life of the Group. In particular, they receive copies of all press releases issued by the Company as well as a periodic summary of financial analysts' research reports on the Group and, when necessary, the actual reports.

The Board is informed at least once a year of the Group's strategy and main policies in the areas of Human Resources, organization and information systems, and discusses these strategies and policies at periodic intervals. The Board is also informed on a regular basis of the Company's financial communications strategy.

The directors can ask the Chairman and Chief Executive Officer for copies of any additional documents that they consider necessary to make an informed contribution to Board discussions. The Chairman and Chief Executive Officer may ask the Board for its opinion before supplying the documents concerned.

The directors can also ask the Chairman and Chief Executive Officer to arrange for them to meet with members of senior management, with or without the executive director being present.

Restrictions on senior management's powers (Article 4 of the Board of Directors' bylaws)

In addition to the matters requiring the Board's prior authorization under the law, particularly Articles L.225-35 and L.225-38 of France's Commercial Code, the Board has decided to impose the same requirement for the following:

- approval of the annual budget;
- financial commitments (defined as commitments related to the purchase or sale of assets or majority or minority interests, direct investments, lease commitments, loans or advances to entities in which neither the Company nor any of its subsidiaries holds the majority of the shares and voting rights, and commitments to participate in share issues by such entities) in excess of €50 million. However, the Chairman and Chief Executive Officer may contract bank loans for up to €250 million without the Board's specific prior authorization, provided that the loan fits in with the Group's Board-approved financing strategy;
- transactions affecting the Group's strategy or business scope;
- share buybacks in excess of €1 billion in any given year;
- bond issues governed by Article L.228-40 of France's Commercial Code for an amount in excess of €1 billion.

Vice-Chairman of the Board of Directors (Article 5 of the Board of Directors' bylaws)

Article 14 of the Company's bylaws allows for the appointment by the Board of one or two Vice-Chairmen to lead Board meetings in the Chairman's absence.

Article 5 of the Board of Directors' bylaws states that the Vice-Chairman or Vice-Chairmen are selected from among the independent directors and appointed for their term as director.

In addition to the role vested in him by the Company bylaws, the Vice-Chairman, as senior independent director, acts as the preferred contact for the other independent directors. Whenever necessary and at least once a year, he or she organizes and leads a meeting reserved exclusively for independent directors to allow them to discuss certain issues outside full Board meetings. The meeting agenda is set by the Vice-Chairman but each independent director is able to raise any other issues not included on the agenda. After the meeting, the Vice-Chairman can arrange to meet the Chairman and Chief Executive Officer to inform him of all or certain of the independent directors' comments or requests. If appropriate, he may also decide to comment on the discussions with the independent directors during meetings of the full Board.

The Vice-Chairman also oversees responses to requests from shareholders not represented on the Board, makes himself available to hear their comments and suggestions and, where possible, answers their questions after consulting the Chairman and Chief Executive Officer. To this end, he has been assigned a specific e-mail address that may be used by any person who wants to send him their comments or ask questions: philippe.citerne@edenred.com. The Board of Directors is informed by the Vice-Chairman about all of his contacts with shareholders.

The Vice-Chairman also oversees formal self-assessments of the Board's practices and approves the self-assessment report. He may intervene with the Chairman and Chief Executive Officer concerning the items to be included on the agenda of Board meetings. In all cases, he approves the annual summary of strategic issues to be included on the agenda of Board meetings, as submitted to him by the Chairman and Chief Executive Officer. Lastly, he may be called upon to deal with any conflicts of interest involving Board members.

In light of its decision to combine the functions of Chairman of the Board of Directors and Chief Executive Officer since June 29, 2010, the Board decided to appoint an independent director – Philippe Citerne – as Vice-Chairman of the Board.

5.1.2.3 Chairman of the Board of Directors

Appointment of the Chairman of the Board of Directors (Article 14 of the bylaws)

The Board of Directors elects one of its members to serve as Chairman, for the duration of his or her term as director. The Chairman may be re-elected to this position.

The age limit for holding office as Chairman is 70. If the Chairman reaches the age of 70 during his or her term, he or she is deemed to have automatically resigned from this position at the close of the first Shareholders Meeting held after his or her 70th birthday.

Role and responsibilities of the Chairman of the Board of Directors (Article 14 of the bylaws)

The Chairman's role and responsibilities are specified in the applicable laws and the Company's bylaws.

He or she chairs meetings of the Board of Directors, organizes and leads the work of the Board and reports to shareholders on the Board's work at General Meetings.

He or she also ensures that the Company's administrative, management and supervisory bodies function efficiently and that the directors are in a position to fulfill their duties.

The Chairman chairs Shareholders Meetings and prepares the reports to shareholders required by law. The Board of Directors may decide to combine the functions of Chairman and Chief Executive Officer, either when the Chairman is appointed or subsequently, in which case the Chairman is concerned by the provisions of the law and the Company's bylaws applicable to the Chief Executive Officer.

5.1.2.4 Executive Management

Organization of executive management (Article 17 of the bylaws)

In accordance with the law, the Company is managed by and under the responsibility of the Chairman and Chief Executive Officer or by a Chief Executive Officer appointed by the Board.

The decision to separate or combine the positions of Chairman and Chief Executive Officer is made by a majority vote of the directors present or represented at the relevant Board meeting.

At the Board's discretion, this decision may apply until such time as the Board decides otherwise, by a majority vote of the directors present or represented at the meeting.

If the Chairman of the Board is also the Chief Executive Officer, the following provisions of the bylaws apply to the Chairman.

Appointment of the Chief Executive Officer (Article 18 of the bylaws)

When the Board of Directors chooses to separate the duties of Chairman and those of Chief Executive Officer, it appoints the Chief Executive Officer from among the directors or from outside the Board, it fixes the duration of his or her term of office, which cannot, should the case arise, exceed the term of his or her duties as director, it determines his or her compensation and, if necessary, the limits of his or her powers.

The age limit for holding office as a Chief Executive Officer is 65. If the Chief Executive Officer reaches the age of 65 during his or her term, he or she is deemed to have automatically resigned from this position at the close of the first Shareholders Meeting held after his or her 65th birthday.

Powers of the Chief Executive Officer (Article 18 of the bylaws)

The Chief Executive Officer has the broadest powers to act in all circumstances in the Company's name, within the limits of the corporate purpose and except for those powers that the law specifically attributes to the Shareholders Meeting or the Board of Directors.

He or she represents the Company in its dealings with third parties.

The actions of the Chief Executive Officer are binding on the Company, even when they fall outside the corporate purpose, unless the Company can prove that the third party knew or, under the circumstances, could not fail to be aware that this was the case. The fact that the bylaws have been published does not constitute adequate proof.

The Chief Executive Officer may be authorized by the Board to issue guarantees on the Company's behalf, up to a maximum amount specified by the Board. Any such authorization may not be given for a period of more than one year, whatever the duration of the guaranteed commitments.

The Chief Executive Officer and the Chief Operating Officers may delegate their authority to any persons of their choice, with or without the right of substitution, subject to the restrictions provided for by law.

Chief Operating Officers (Article 19 of the bylaws)

The Board of Directors may appoint up to five natural persons as Chief Operating Officers to assist the Chief Executive Officer, at the latter's request.

The age limit for holding office as a Chief Operating Officer is 65. If a Chief Operating Officer reaches the age of 65 during his or her term, he or she is deemed to have automatically resigned from this position at the close of the first Shareholders Meeting held after his or her 65th birthday.

The extent and duration of the Chief Operating Officers' powers is determined by the Board of Directors in agreement with the Chief Executive Officer.

However, in their dealings with third parties, the Chief Operating Officers have the same powers as the Chief Executive Officer.

If the position of Chief Executive Officer becomes vacant for whatever reason, the Chief Operating Officers continue to fulfill their duties and responsibilities until a new Chief Executive Officer is appointed, unless the Board of Directors decides otherwise.

5.1.2.5 Committees of the Board of Directors

The Board of Directors may decide to set up Committees tasked with examining issues submitted to them by the Board or its Chairman. These Committees report to the Board, which decides on their membership and terms of reference. There are currently three Committees of the Board – the Audit and Risks Committee, the Commitments Committee and the Compensation and Appointments Committee. Their rules of procedure are included in the Board of Directors' bylaws.

Audit and Risks Committee

Members

As of December 31, 2012, the members of the Audit and Risks Committee were Philippe Citerne, Jean-Paul Bailly, Anne Bouverot, Virginie Morgon and Nadra Moussalem.

The Committee's Chairman, Philippe Citerne, is an independent director.

All of its members have expert knowledge of financial and accounting matters. Three of the members as of December 31, 2012 were qualified by the Board of Directors as independent directors, representing 60% compared with the 66% ratio recommended in the AFEP/MEDEF Corporate Governance Code. The Board considered however that the Committee's independence was assured by the appointment of the Vice-Chairman, who is also the senior independent director, as its Chairman.

Since the March 6, 2013 resignation of Virginie Morgon, one of the representatives on the Board of Eurazeo which has sold its entire interest in the capital of Edenred, the Audit and Risks Committee now comprises Philippe Citerne, Jean-Paul Bailly and Anne Bouverot. Three quarters of these members are qualified by the Board of Directors as independent directors, and the Committee's membership therefore now complies with the recommendations of the AFEP/MEDEF Corporate Governance Code.

Terms of reference

The Audit and Risks Committee is responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next; its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure (mission defined in European Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, transposed into French law by Government order 2008-1278 of December 8, 2008, and in the June 14, 2010 guidelines of the Autorité des marchés financiers). To this end, the Committee:

- reviews the interim and annual consolidated financial statements and the annual financial statements of the Company, prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;
- reviews the scope of consolidation and the reasons for excluding any entities;
- assesses the Group's risk exposures and material off-balance sheet commitments, as well as the effectiveness of the risk management system, and receives a copy of the Chief Financial Officer's detailed report on these matters;
- obtains assurance concerning the effectiveness of the Group's system of internal control by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the Internal Audit program and of the results of the internal audits carried out since the last presentation;
- reviews the external auditors' audit plan and the results of their audits. It receives a copy of the auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the auditors' appointment is due to expire, oversees the auditor selection procedure and reviews the proposals submitted by the various candidates, expresses an opinion on the proposed fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of auditor;
- validates the categories of additional audit-related work that the Auditors and the members of their networks may be asked to perform in accordance with the applicable laws and regulations;
- is informed, at the end of each year, of the fees paid by Group companies to the auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees, as well as on its assessment of the auditors' level of independence.

Meetings

The Audit and Risks Committee meets at least three times a year. One meeting – attended by the Head of Internal Audit – is devoted to reviewing the effectiveness of the internal control system.

The Committee may make enquiries of the Auditors without the executive director and/or the Chief Financial Officer being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meeting are issued by the Committee Chairman and include the meeting agenda.

Meetings to review the interim and annual financial statements are held at least three days prior to the Board meeting called to approve the financial statements.

The members of the Audit and Risks Committee receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group. The Chairman and Chief Executive Officer, the Chief Financial Officer and the auditors have a standing invitation to attend Audit and Risks Committee meetings.

Commitments Committee

Members

As of December 31, 2012, the Commitments Committee was made up of Jean-Paul Bailly, Sébastien Bazin, Roberto Oliveira de Lima, Bertrand Meheut and Patrick Sayer. Three-fifths of the members were qualified as independent directors by the Board of Directors.

The Chairman is Sébastien Bazin.

Since the March 6, 2013 resignation of Patrick Sayer, one of the representatives on the Board of Eurazeo which has sold its entire interest in the capital of Edenred, the Commitments Committee now comprises Jean-Paul Bailly, Sébastien Bazin, Roberto Oliveira de Lima and Bertrand Meheut. Three-quarters of these members are qualified as independent directors by the Board of Directors.

Terms of reference

The Commitments Committee is responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- any transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base (mainly entry in a new business or withdrawal from an existing business), whatever the amount of the commitment;
- mergers, demergers or asset transfers;
- changes to the Company's corporate purpose;
- any immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:
  - acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value;
  - direct investments, for example for the creation of a business or expenditure on technological developments;

- lease commitments, measured on the basis of the market value of the leased asset;
- loans or advances to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and commitments to participate in share issues by such entities;
- bilateral or syndicated borrowings equal to or in excess of €250 million.

Meetings

Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman or the Chairman and Chief Executive Officer.

The Committee's recommendations must be endorsed by the Board of Directors before the related commitments are entered into by the Group.

Compensation and Appointments Committee

Members

As of December 31, 2012, the Compensation and Appointments Committee comprised Gabriele Galateri di Genola, Sébastien Bazin, Philippe Citerne, Françoise Gri and Patrick Sayer. Three-fifths of the members were qualified as independent directors by the Board of Directors.

It is chaired by Gabriele Galateri di Genola, who is an independent director.

Since the March 6, 2013 resignation of Patrick Sayer, one of the representatives on the Board of Eurazeo which has sold its entire interest in the capital of Edenred, the Compensation and Appointments Committee comprises Gabriele Galateri di Genola, Sébastien Bazin, Philippe Citerne and Françoise Gri. Three-quarters of these members are qualified as independent directors by the Board of Directors.

Terms of reference

The Compensation and Appointments Committee's role is to prepare the Board of Directors' decisions concerning the executive director's compensation and the Group's policy with respect to stock option plans (and, if applicable, performance share plans). It also participates in preparing senior management succession plans.

To this end, the Committee:

- appointments:
  - makes recommendations, in liaison with the Chairman and Chief Executive Officer, regarding the executive director's succession plan and the selection of candidates for election as directors. In selecting possible directors, the Committee takes into consideration the need for balance in the Board's membership and ensures that each candidate not only has the required capabilities but is also in a position to devote sufficient time to the Board's business. The objective is for directors to have the range of experience and skills necessary to enable the Board to carry out its duties effectively with the required objectivity and independence vis-à-vis both senior management and any given shareholder or group of shareholders;
  - is informed of the succession plan concerning members of the Group's Executive Committee.
- compensation:
  - examines the executive director's short-term compensation (salary and bonus), medium- and long-term incentives such as performance shares and stock options, pension arrangements and all other in-kind benefits, and makes recommendations on these issues;
  - defines and implements the rules for setting the executive director's bonus, while ensuring that the rules are consistent with the annual appraisal of the executive director's performance and with the Group's medium-term strategy;
  - expresses an opinion to the Board of Directors regarding the general stock option and performance share policy and the plan or plans proposed by the Chairman and Chief Executive Officer. It is informed of and expresses an opinion on the compensation policy for members of the Group Executive Committee and reviews the policy's consistency;
  - issues a recommendation to the Board of Directors on the overall amount of directors' fees to be submitted to shareholders for approval. It makes proposals to the Board of Directors concerning the fee allocation rules and the individual amounts to be paid to each director based on their attendance at Board meetings and, where applicable, meetings of Committees of the Board;
  - reviews the policy regarding employee share issues and any such issues proposed by the Chairman and Chief Executive Officer;
  - reviews liability insurance cover taken out by the Company on behalf of the executive director;
  - approves the information provided to shareholders in the Registration Document regarding i) the executive director's compensation; ii) the principles and methods used to set such compensation; and iii) the stock options granted to and exercised by the executive director.

Meetings

The Compensation and Appointments Committee holds at least two meetings per year. Calls to meetings are issued by the Committee Chairman and include the meeting agenda.

5.1.2.6 Director's Charter

To comply with the best practices of corporate governance, on June 29, 2010 the Company's Board of Directors adopted a Director's Charter that applies to all directors, irrespective of whether they meet the independence criteria set out in the AFEP/MEDEF Corporate Governance Code of April 2010.

Duty of due care

Directors must carry out their duties as they see fit in the best interests of the Company. They must be committed to constantly improving their knowledge of the Group and its businesses, and they have a duty of vigilance which includes warning of any problems of which they may become aware. They must devote the necessary time and attention to their duties as a director, making every effort to attend all meetings of the Committees to which they belong, meetings of the Board of Directors and Shareholders Meetings.

In addition to complying with the legal and regulatory provisions related to multiple directorships, each director is responsible for ascertaining whether his/her duties as a director of the Company are compatible with the directorships or positions that he/she holds in other companies, in particular as regards the workload. Each director is required to disclose periodically to the Company the directorships that he/she holds in any other company in order to enable the Company to comply with its statutory disclosure obligations in this regard.

Duty of information

Directors have a duty to request the information that they consider necessary to carry out their duties from the Company's management *via* the Chairman and Chief Executive Officer or the Board Secretary. They can ask the Chairman and Chief Executive Officer to arrange meetings for them with members of the Group's senior management, to be held with or without the Chairman and Chief Executive Officer being present.

When a new director takes up office, the Board Secretary provides him/her with an information pack containing the Company's bylaws, the Board of Directors' bylaws, the Director's Charter as well as the principal laws and regulations dealing with directors' responsibilities.

Directors may ask the Board Secretary at any time for explanations of the scope of these laws and regulations and their resulting rights and obligations.

Directors' independence and conflicts of interests

Directors are expected to demonstrate a high level of independence in all circumstances, in terms of their analyses, judgments, decisions and actions.

They agree not to solicit or accept any benefit that would be likely to affect their independence.

Any director that is directly or indirectly in a position of a conflict of interest – even potentially – with respect to the interest of the Company because of the positions that he/she holds, and/or any interests that he/she has elsewhere, must inform the Chairman and Chief Executive Officer or any individual designated by the Chairman and Chief Executive Officer. A director in a position of a conflict of interest may not take part in the discussion of the matter concerned or the related vote and may therefore be asked to leave the room while the discussion and vote are taking place.

When they are first elected and every year thereafter, no later than January 31, directors are required to disclose in writing all ties that they have with Group companies, their managers, suppliers, customers, partners or competitors. The disclosure document is sent to the Chairman and Chief Executive Officer with a copy to the Board Secretary.

Duty of discretion and confidentiality

Directors have a general duty of discretion and confidentiality in the interest of the Company. To that end, they undertake to treat as strictly confidential all non-public information to which they have access, and all matters discussed during meetings of the Board and any of its Committees of which they are members, as well as the opinions expressed and the votes cast during the meetings.

In addition, except for the Chief Executive Officer and Chief Operating Officer, who are called upon to act as the Company's spokesperson, directors are required to liaise with the Chairman and Chief Executive Officer before engaging in any communications with the media on subjects that concern or may affect the Group, the Company, or its corporate governance structures.

Trading in Company securities by the directors

Directors have access to inside information which, if made public, could affect the price of the Company's shares or any other securities issued by the Company. Consequently, in accordance with the applicable laws and regulations, directors must not:

- use inside information to trade in the Company's securities either directly or through an intermediary;
- knowingly allow a third party to carry out transactions in the Company's securities based on inside information;
- disclose inside information to third parties, deliberately or through indiscretion.

In addition, without prejudice to the laws and regulations on insider trading, periods known as "negative windows" are determined each year, during which directors may not trade in the Company's shares or any other securities issued by the Company (including exercising stock options), either directly or through an intermediary, even *via* the trading of derivatives. The negative windows correspond to (i) the 30 calendar days preceding the date of publication of the annual and interim consolidated financial statements, the day of publication and the following day, and (ii) the 15 calendar days preceding the date of publication of quarterly revenue figures, the day of publication and the following day.

Directors are given details of the negative windows each year by the Board Secretary. In addition, they are notified immediately by the Board Secretary of any specific negative windows that will apply due to financial or strategic transactions planned by the Group.

Directors may not hedge the risks of losses on their Company shares or stock options.

Each director is responsible for reporting to France's securities regulator (Autorité des marchés financiers) and to the Company (through the Board Secretary) any transactions in the Company's shares or any other securities issued by the Company carried out by him/her or any persons closely associated with him/her.

Directors may consult the Board Secretary at any time regarding the implications of the negative windows system and the conditions of its application to any specific case.

5.1.2.7 Secretary to the Board of Directors

Pursuant to the Company's bylaws, the Board of Directors names a Secretary who need not be a director.

The Board Secretary calls members to meetings of the Board of Directors when requested to do so by the Chairman and Chief Executive Officer and draws up the minutes of Board meetings, which are then submitted to the Board for approval. He/she sends the meeting files to directors according to the procedure described in Article 3 of the Board of Directors' bylaws and generally responds to requests from directors for information about their rights and obligations, the Board's practices or the life of the Company.

His/her duties also include obtaining up-to-date copies of the documents disclosing directors' potential conflicts of interest, as provided for in Article 3 of the Director's Charter.

Lastly, the Board Secretary attends the meetings of the Board Committees as needed, at the request of the Chairman and Chief Executive Officer or the Committee Chairmen and may also be given the task of sending meeting files to the Committee members.

Philippe Rélland-Bernard was named Secretary to the Board at the Board meeting of June 29, 2010.

5.1.2.8 Directors' fees

On the recommendation of the Compensation and Appointments Committee, the Board of Directors allocates the annual amount of directors' fees awarded by the Shareholders Meeting based in particular on each director's attendance rate at Board meetings and at meetings of any Committee of which he or she is a member.

Allocation is based on the following principles:

- the duties of Vice-Chairman of the Board of Directors are compensated with a fixed portion of a flat amount defined by the Board of Directors;
- the duties of Committee Chairman are compensated with a fixed portion of a flat amount defined by the Board of Directors for each Committee;
- the duties of Committee member are compensated with a fixed portion of a flat amount defined by the Board of Directors and with a variable portion based on attendance at meetings, which will not exceed the amount of the fixed portion;
- half of the available balance of the directors' fees is allocated equally between all of the directors and any non-voting directors. The other half is allocated based on the number of Board meetings attended by each director (and non-voting director, if any) during the previous year;
- no directors' fees are awarded to directors who also hold the position of Chairman of the Board, Chairman and Chief Executive Officer, Chief Executive Officer or Deputy Chief Executive Officer do not receive directors' fees;
- directors' fees are paid within three months of the fiscal year-end.

5.2 SHAREHOLDERS' MEETINGS

5.2.1 NOTICE OF MEETING (ARTICLE 23 OF THE BYLAWS)

Shareholders' Meetings are called as provided for by law.

In accordance with the applicable regulations, all shareholders are entitled to attend and take part in Shareholders' Meetings in person or by proxy, whatever the number of shares held. The shares must be registered in the name of the bank or broker that manages the shareholder's securities account in accordance with Article L.228-1, paragraph 7, of France's Commercial Code (or, if the shares are not traded on a regulated market, in the shareholder's name) in the Company's share register no later than midnight Paris time on the fourth business day preceding the Shareholders' Meeting. If the shares are held in bearer form (and are traded on a regulated market), they must be recorded in a bearer share account kept by one of the accredited intermediaries mentioned in Article L.542-1, paragraphs 2 to 7, of France's Monetary and Financial Code, by the same deadline. These formalities must be carried out in compliance with the applicable laws and regulations.

The recording of bearer shares in an account kept by an accredited intermediary is evidenced by an *attestation de participation* to be issued by the intermediary in accordance with the applicable laws and regulations.

Shareholders' Meetings take place at the Company's registered office or at any other venue specified in the notice of meeting.

5.2.2 CONDUCT OF SHAREHOLDERS MEETINGS (ARTICLE 24 OF THE BYLAWS)

All shareholders have the right to attend or be represented at Shareholders' Meetings on the basis specified by law.

They may vote by post in accordance with Article L.225-107 of France's Commercial Code. The proxy/postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with the applicable laws and regulations.

The Board may decide, when the Meeting is called, to include in the calculation of the quorum and voting majority, shareholders who are participating by videoconference or by any other telecommunications medium that allows them to be identified, in accordance with the laws and regulations that determine the acceptable types of media and the conditions for their application.

Electronic signatures of proxy/postal voting forms by shareholders or their legal representative must be:

- secure signatures complying with the applicable laws and regulations; or
- registered by the shareholder with a unique username and password on the Company's dedicated website, if one exists, in accordance with the applicable laws and regulations. This electronic signature process will be considered as a reliable process of identifying shareholders and matching them with their votes/proxies within the meaning of the first sentence of the second paragraph of Article 1316-4 of France's Civil Code.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director designated by the Board. Otherwise, the meeting elects its own Chairman.

The function of Scrutineer of the Meeting is fulfilled by the two shareholders present at the Meeting who hold or represent the largest number of voting rights and who consent to take on the role. The Bureau thus formed names a Secretary, who may or may not be a shareholder.

An attendance register is kept, pursuant to the law.

Copies or excerpts of the Meeting minutes may be certified by the Chairman of the Board of Directors, the Chairman of the meeting, or the meeting Secretary.

Ordinary and Extraordinary Shareholders' Meetings fulfilling the relevant quorum and voting majority requirements exercise the powers vested in them by law.

5.3 CORPORATE GOVERNANCE

The Group's system of corporate governance is based on the AFEP/MEDEF Corporate Governance Code for Listed Companies published in October 2003, as amended by AFEP/MEDEF recommendations dated October 6, 2008 and April 19, 2010. The only exceptions to the Code concern (i) the principle that executive directors should not also have an employment contract: the Chairman and Chief Executive Officer continues to have an employment contract with the Company for the reasons explained in section 5.4 Executive Director's Compensation, of this Registration Document; (ii) the performance conditions associated with the stock options granted to the Chairman and Chief Executive Officer in 2012, for the reasons explained in section 5.4.1.2 Directors' and Managers' Interests, page 106, and (iii) the membership of the Audit and Risks Committee prior to March 6, 2013, for the reasons explained in section 5.1.2.5 Committees of the Board of Directors, page 96. The April 2010 consolidated version of the Corporate Governance Code is available on request from AFEP and MEDEF and from the Company's headquarters. It can also be downloaded from www.codeafep-medef.com.

The following table lists the significant exceptions to the application of the AFEP/MEDEF Code recommendations:

AFEP/MEDEF recommendation	Explanations	Reference
Employment contract of executive directors – Article 19	Chairman and Chief Executive Officer's employment contract maintained due to his long period of service	Section 5.4.1 – Chairman and Chief Executive Officer's employment contract
Two-thirds of the members of the Audit and Risks Committee to be independent directors – Article 14-1	Three independent members, including the Vice-Chairman who is the senior independent director. On March 6, 2013, Virginie Morgon and Patrick Sayer, directors representing Eurazeo, stepped down from the Board following the sale of Eurazeo's entire interest in the capital of Edenred. Since then, three-quarters of the members of the Audit and Risks Committee aredirectors qualified as independent by the Board of Directors. The Committee's membership therefore now complies with the AFEP/MEDEF Code recommendations.	Section 5.1.2.5 – Committees of the Board of Directors
Performance conditions associated with the stock options granted to the executive officer in 2012 – Article 20-2	The Chairman and Chief Executive Officer has also been granted performance share rights and Edenred's stock market performance constitutes in itself a condition for exercising the options. The Chairman and Chief Executive Officer will not be granted any stock options without performance conditions in 2013. The Company therefore now complies withthe AFEP/MEDEF Code recommendations in this regard.	Section 5.4.1.2 – Directors' and managers' interests

5.4 EXECUTIVE DIRECTOR'S COMPENSATION, DIRECTORS' AND MANAGERS' INTERESTS

5.4.1 EXECUTIVE DIRECTOR'S COMPENSATION AND POTENTIAL COMMITMENTS TOWARDS THE EXECUTIVE DIRECTOR

The policy concerning the Chairman and Chief Executive Officer's compensation complies with the provisions of the April 2010 version of the AFEP/MEDEF Corporate Governance Code for Listed Companies concerning executive directors.

Chairman and Chief Executive Officer's compensation

The Chairman and Chief Executive Officer's compensation is set by the Board of Directors based on the recommendation of the Compensation and Appointments Committee and on a comparative analysis of compensation practices in comparable companies.

At its meeting of February 22, 2012, the Board maintained the Chairman and Chief Executive Officer's gross annual salary at €700,000 and, at its meeting of February 12, 2013, decided to keep his gross annual salary at the same amount for 2013.

The Board also set the criteria for determining the Chairman and Chief Executive Officer's 2013 bonus, based on Group performance objectives. These performance objectives include: i) quantitative targets based on consolidated EBIT for the year, for 50% of the bonus, and total shareholder return (TSR), an overall indicator combining share price appreciation and dividends, for 10%; and ii) qualitative targets, including deployment of the Group's strategy worldwide, for 20%, and fulfillment of management objectives, for 20%.

Depending on his performance in relation to these various performance objectives for the year, the bonus may range from 0% to 100% of his salary, rising to up to 150% if the objectives are exceeded.

Chairman and Chief Executive Officer's employment contract

In addition to being an executive director since 2009, the Chairman and Chief Executive Officer has an employment contract signed with Accor SA in 1992 and transferred to Edenred on June 29, 2010 at the time of the Services division spin-off.

The Board of Directors decided that applying the AFEP/MEDEF recommendation of terminating the Chairman and Chief Executive Officer's employment contract when he took up this position would deprive him of the rights he had accumulated during his time with the Group, particularly his seniority-based rights. In line with the recommendation of the Compensation and Appointments Committee, the Board therefore decided to suspend Jacques Stern's employment contract for the duration of his term as Chairman and Chief Executive Officer, without terminating it.

At its meeting on June 29, 2010, the Board of Directors authorized the signature of an addendum to Mr. Stern's employment contract, providing for the payment of a termination benefit corresponding to the sum of the severance pay attributable to him by law and under the collective bargaining agreement based on his 18 years' service as an employee of the Group. The addendum also states that if Mr. Stern were to leave the Group, resulting in the termination of his employment contract, his cumulative rights to (i) termination benefits (other than statutory severance pay) under his employment contract and (ii) compensation for loss of office as Chairman and Chief Executive Officer would be capped at an amount equal to two years' compensation as Chairman and Chief Executive Officer, in line with AFEP/MEDEF recommendations.

At its meeting on February 23, 2011, the Board also authorized the signature of a second addendum to Mr. Stern's employment contract, providing for the payment of a special termination benefit if his employment contract were to be terminated within six months of a decision by the Board not to renew his appointment as Chairman and Chief Executive Officer. This special termination benefit would be in addition to the severance pay attributable to him by law and under the collective bargaining agreement, provided that the sum of these benefits did not exceed the equivalent of two years' average compensation (including bonuses) paid to him as Chairman and Chief Executive Officer. The special termination benefit would be payable only if at least three of the five performance criteria applicable for the determination of his compensation for loss of office as Chairman and Chief Executive Officer (as decided at the Board meetings of June 29 and August 24, 2010) were to be met. In addition, the reductions applicable to the compensation for loss of office if only two, one or none of the performance criteria were to be met would also apply to the special termination benefit.

Compensation for loss of office payable to the Chairman and Chief Executive Officer

Jacques Stern will be entitled to compensation for loss of office in the event that his appointment as Chairman of the Board or as Chief Executive Officer is terminated, other than as a result of a serious offence or gross negligence, or is not renewed.

No compensation for loss of office will be payable if, within twelve months of his departure, Jacques Stern becomes eligible for a basic State pension and, consequently, for pension benefits under the Company's supplementary pension plan. The compensation payable would not exceed the equivalent of two years' total gross annual compensation as Chairman and Chief Executive Officer, defined as:

- his annual salary as of the date when his appointment as Chairman and Chief Executive Officer ends; plus
- the average annual bonus received or receivable for his last two years as Chairman and Chief Executive Officer prior to his appointment ending.

The compensation for loss of office as defined above would be subject to certain performance criteria, including:

- like-for-like growth in issue volume compared with the previous year;
- like-for-like growth in operating revenue compared with the previous year;
- operating revenue/issue volume margin of at least 5%;
- like-for-like growth in free cash flow compared with the previous year;
- increase in the Company's share price at least equal to 85% of the increase in the NYSE Euronext Paris SBF 120 index over the Reference Period or, if the index falls over the Reference Period, decline in the Company's share price of no more than 125% of that of the index over the Reference Period.

Performance in meeting each of these five criteria will be measured over the three years (including 2010 as the case may be) preceeding the year in which his appointment as Chairman and Chief Executive Officer is terminated (the "Reference Period"). Each of the first four criteria will be deemed to have been met if the related objective is achieved for at least two of the three years in the Reference Period (or a single year if the appointment is terminated before three full years have passed, including 2010 as the case may be).

Payment of the maximum compensation for loss of office will depend on at least three of these five performance criteria being met, as observed by the Board of Directors on the basis prescribed by the laws in force when his appointment as Chairman and Chief Executive Officer is terminated. If only two of the criteria are met, 75% of the maximum compensation for loss of office will be paid; if only one of the criteria is met, 50% of the maximum compensation will be paid; and if no criterion is met, no compensation will be paid.

The compensation for loss of office payable to Jacques Stern will be reduced, if necessary, so that the sum of (i) the compensation for loss of office and (ii) the termination benefit payable under his employment contract (excluding statutory severance pay) does not exceed the equivalent of two years' gross annual compensation as Chairman and Chief Executive Officer as described above.

The Board of Directors also decided that, in the event that his appointment is terminated in one of the circumstances described above, Jacques Stern will retain the benefit of all of the stock options and performance share rights initially allocated to him under plans in force when his appointment is terminated, provided that the performance conditions attached to the options or performance share rights are met.

Unemployment insurance

The Company has taken out private unemployment insurance for the Chairman and Chief Executive Officer under a plan set up by the Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC). After participating in the plan for 12 months, the Chairman and Chief Executive Officer may opt for a 24-month benefit period. He is covered by the GSC's "Formule 70" plan entitling him to benefits equal to 70% of his taxable professional income, capped at eight times the ceiling for calculating Social Security contributions (€290,976 for 2012).

Death/disability insurance and supplementary pension benefits

The Chairman and Chief Executive Officer is covered by a death/disability insurance plan set up for employees, which has been extended to include the executive director.

He also participates in the Group's top-hat pension plan set up for certain senior executives whose annual compensation represents five times the annual ceiling for calculating Social Security contributions.

This plan comprises a defined contribution plan ("Article 83" plan) and a defined benefit plan ("Article 39" plan).

- under the defined contribution plan, the Company pays an annual contribution representing up to 5% of five times the annual ceiling for calculating Social Security contributions;
- under the defined benefit plan, the Company is committed to paying an annuity to plan participants when they retire, based on principles that comply with AFEP/MEDEF recommendations:
  - rights to potential supplementary pension benefits are accumulated gradually by year of participation and correspond on average to 2% of gross annual compensation;
  - the overall replacement rate represented by all benefits paid under compulsory plans and Edenred supplementary pension plans is capped at 35% of the average reference compensation for the best three years out of the executive director's last ten years before retirement;

- to qualify for benefits under the plan, the executive director must end his career with the Group, have participated in the plan for at least five years and completed at least fifteen years' service with the Group. The pension payable under the top-hat plan is reduced by the amount of the pension payable under the defined contribution plan referred to above.

If the executive director leaves the Group before being eligible to claim pension benefits under the general plan, he forfeits the right to benefits under the defined benefit top-hat plan but retains the right to benefits under the defined contribution plan.

Table 10: Commitments given to the executive director

	Employment contract		Supplementary pension benefits		Compensation or benefit payable in the case of appointment to a new position, termination/removal from office or transfer		Non-compete indemnity	
Executive director	YES	NO	YES	NO	YES	NO	YES	NO
Jacques STERN								
Chairman and Chief Executive Officer Current term began: Current term ends:	(Suspended since June 29, 2010)		x		x			x

Table 1: Compensation, stock options and performance share rights granted to the executive director *(in €)*

Jacques STERN	2010 (Accor)	2010 (Edenred)	2011	2012
Compensation for the year (see Table 2 for details)	612,491	1,135,756	1,512,176	1,405,980
Value of stock options granted during the year (see Table 4 for details)		628,634	365,040	280,639
Value of performance share rights granted during the year (see Table 6 for details)		747,357	783,300	719,511
TOTAL	**612,491**	**2,511,747**	**2,660,516**	**2,406,130**

Table 2: Compensation paid to the executive director *(in €)*

	2010 (Accor)		2010 (Edenred)		2011		2012	
Jacques STERN	**Due**	**Paid**	**Due**	**Paid**	**Due**	**Paid**	**Due**	**Paid**
Salary	300,000	300,000	312,639	312,639	700,000	700,000	700,000	700,000
Incentive bonus		400,007	785,104		805,000	785,104	700,000	805,000
Exceptional bonus	300,000	500,000						
Directors' fees	8,903	8,903						
Benefits-in-kind	3,588	3,588	3,588	3,588	7,176	7,176	5,980	5,980
Vacation pay under the employment contract			34,425					
TOTAL	**612,491**	**1,212,498**	**1,135,756**	**316,227**	**1,512,176**	**1,492,280**	**1,405,980**	**1,510,980**

5.4.1.1 Directors' fees

The Shareholders Meeting of June 29, 2010 set the total annual fees payable to directors at €500,000, which the Board of Directors has powers to allocate on the recommendation of the Compensation and Appointments Committee.

In accordance with the Corporate Governance Code, principles governing the allocation of total annual directors' fees among the members of the Board of Directors, as decided at the Board meeting of February 22, 2012, include:

- a variable portion that takes into account directors' attendance at Board meetings;
- an additional amount for members of the Board Committees;
- an amount that reflects the level of responsibility assumed and time spent.

In accordance with the above principles:

- no fees are allocated to the Chairman and Chief Executive Officer;
- a fixed fee of €10,000 is allocated to the Vice-Chairman of the Board of Directors;
- the members of the Board Committees each receive a fixed fee of €7,678 and the Chairmen of the Committees of the Board each receive an additional €5,000;
- in addition, the Chairmen and other members of the Committees of the Board receive a fee of €1,919 for each meeting attended during the year (including by videoconference);
- lastly, all Board members receive a fixed fee of €12,430 each plus a fee of €2,486 for each meeting attended during the year (including by video conference).

Table 3: Directors' fees and other compensation paid to non-executive directors

Board of Directors *(in €)*	Fees payable for 2011	Fees paid in 2011	Fees payable for 2012	Fees paid in 2012
Jean-Paul Bailly	48,205 (1)	19,930(1)	42,920	48,205 (1)
Sébastien Bazin (2)	52,834	25,040	56,730	52,834
Anne Bouverot	37,219	19,890	33,890	37,219
Philippe Citerne	71,665	38,840	68,649	71,665
Gabriele Galateri di Genola	39,362	24,290	42,728	39,362
Françoise Gri	41,820	20,185	38,295	41,820
Bertrand Meheut	28,388	16,090	33,890	28,388
Virginie Morgon (3)	39,705	19,890	38,295	39,705
Nadra Moussalem (2)	39,705	19,890	38,295	39,705
Roberto Oliveira de Lima	33,360	14,485	36,376	33,360
Patrick Sayer (3)	45,719	23,140	47,325	45,719
TOTAL	**477,982**	**241,670**	**477,393**	**477,982**

(1) The fees shown in the table are paid to La Poste.

(2) The fees shown in the table are paid to Colony Capital.

(3) Stepped down from the Board on March 6, 2013. The fees shown in the table were paid to Eurazeo.

5.4.1.2 Directors' and Managers' Interests

Stock option plans

Under the terms of the May 10, 2010 shareholder authorization, the number of options granted may not be exercisable for shares representing more than 7% of the Company's share capital as determined immediately after the Spin-Off. The stock option plan terms are decided by the Board of Directors and the options are granted by the Chairman and Chief Executive Officer on the Board's behalf. In accordance with the AFEP/MEDEF Corporate Governance Code, the stock option grants are made at the same time every year, after the annual results have been published (except for the 2010 options, due to the timing of the Edenred Group's creation). Options are not granted systematically to a given category of employees, but are designed to reward personal performance, measured in terms of the results obtained or individual achievements.

A stock option plan was set up in 2012 under which a total of 382,800 stock options were granted to 18 grantees (the executive director, members of the Executive Committee and senior executives) at an exercise price of €19.30, corresponding to the average of the closing prices quoted for Edenred shares over the twenty trading days preceding the grant date (February 27, 2012).

No stock options will be granted in 2013.

Table 8: Details of stock options plans currently in progress

INFORMATION ABOUT STOCK OPTIONS

	2010 Plan	2011 Plan	2012 Plan
Grant date	Aug. 6, 2010 (1)	March 11, 2011 (2)	Feb. 27, 2012 (3)
Total options, of which options granted to	4,235,500	611,700	382,800
Jacques STERN	**240,000**	**72,000**	**66,000**
Start of exercise period	Aug. 7, 2014	March 12, 2015	Feb. 28, 2016
Expiry date	Aug. 6, 2018	March 11, 2019	Feb. 27, 2020
Exercise price	13.69	18.81	19.03
Options exercised as of December 31, 2012	0	0	0
Cumulative number of options canceled or forfeited	274,750	5,100	12,000
Options outstanding at the year-end	3,960,750	606,600	370,800
TOTAL	**4,235,500**	**611,700**	**382,800**

(1) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of June 29, 2010.
(2) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2011.
(3) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 22, 2012.

Table 4: Stock options granted during the year to the executive director by Edenred SA or any other Group company

Name of the executive director	Plan no. and date	Type of options	Value based on the method used in the consolidated financial statements (1) *(in €)*	Number of options granted during the year	Exercise price *(in €)*	Exercise period
Jacques STERN	2012 Feb. 27, 2012	Options to purchase new shares	280,639	66,000	19.03	Feb. 28, 2016 to Feb. 27, 2020

(1) Stock options are measured at their theoretical value at the grant date determined using the Black & Scholes option pricing model, in accordance with AFEP/MEDEF guidelines set out in the Corporate Governance Code for Listed Companies, rather than at the value of the compensation received. Stock options are forfeited if the grantee leaves the Group before the start of the exercise period.

Table 5: Stock options exercised during the year by the executive director

Name of the executive director	Plan no. and date	Number of options exercised during the year	Exercise price *(in €)*
Jacques STERN		None	
TOTAL		**NONE**	

Shares representing 40% of the net gain realized on exercise of the options must be held in registered form by the Chairman and Chief Executive Officer for as long as he remains in office.

Depending on the number of Edenred shares held when the first options are exercised, the number of shares concerned by this restriction may be reduced in line with the spirit of the AFEP/MEDEF recommendations of October 2008 and April 2010.

Based on the recommendation of the Compensation and Appointments Committee, the Board of Directors decided not to attach any performance conditions to the stock options granted to the executive director as recommended by AFEP/MEDEF, because the Company also has a performance share plan, and Edenred's stock market performance constitutes in itself a condition for exercising the options.

The executive director and members of the Executive Committee who receive stock options are banned by the Company from hedging the related equity risk.

Table 9: Stock options granted to and exercised by the top ten grantees other than the executive director

Date of the Shareholders Meeting	Total options granted/ exercised	Exercise price *(in €)*	2012 Plan dated February 27, 2012
Options granted in 2012 to the ten employees other than the executive director who received the largest number of options (aggregate information)	247,800	19.03	247,800
Options exercised in 2012 to the ten employees other than the executive director who exercised the largest number of options (aggregate information)	n/a	n/a	n/a
TOTAL	**247,800**		**247,800**

Performance share plans

Under the terms of the May 10, 2010 shareholder authorization, the number of performance share rights granted may not represent more than 4% of the Company's share capital as determined immediately after the Spin-Off.

The performance share plan terms are decided by the Board of Directors, and the plans are implemented by the Chairman and Chief Executive Officer on the Board's behalf. In accordance with the AFEP/MEDEF Corporate Governance Code, performance share rights are granted at the same time every year, after the annual results have been published (except for the 2010 grants, due to the timing of the Edenred Group's creation). Performance share rights are not granted systematically to a given category of employees, but are designed to reward personal performance, measured in terms of the results obtained or individual achievements.

Under the 2012 performance share plan set up pursuant to the authorization given by the Shareholders Meeting of May 10, 2010, rights to 867,575 shares were granted to 391 grantees in some forty countries (the executive director, members of the Executive Committee, senior executives and middle managers), representing 0.38% dilution.

The plan period is five years. Performance share rights granted to French tax residents are subject to a three-year vesting period followed by a two-year lock-up and rights granted to residents of other countries are subject to a five-year vesting period without any lock-up.

The Group's performance objectives, measured year-on-year over three years, concern like-for-like growth in issue volume and funds from operations (FFO).

A total of 38,500 performance share rights were granted to the Chairman and Chief Executive Officer by decision of the Board of Directors on February 22, 2012 based on the recommendation of the Compensation and Appointments Committee. The shares are subject to the same performance conditions as for the other grantees.

Pursuant to the authorization given by the Shareholders Meeting of May 10, 2010 and the recommendation of the Compensation and Appointments Committee, at its meeting on February 12, 2013 the Board of Directors decided to set up a 2013 performance share plan. This plan will be based on the resolution to be presented at the forthcoming Annual Shareholders Meeting authorizing the Board to grant performance share rights and waiving shareholders' pre-emptive right to subscribe for the shares. The plan details are presented on page 242 of this Registration Document.

Table 8: Details of performance share plans currently in progress

INFORMATION ABOUT PERFORMANCE SHARES

	2010 Plan	2011 Plan	2012 Plan
Grant date	Aug. 6, 2010 (1)	March 11, 2011 (2)	Feb. 27, 2012 (3)
Total number of performance share rights granted, of which rights granted to:	912,875	805,025	867,575
Jacques STERN	60,000	42,000	38,500
Vesting date (4)	Aug. 7, 2013 or Aug. 7, 2015	March 12, 2014 or March 12, 2016	Feb. 28, 2015 or Feb. 28, 2017
End of lock-up period (5)	Aug. 6, 2018	March 11, 2019	Feb. 27, 2020
Performance conditions	2010 = consolidated EBIT and like-for-like growth in issue volume 2011 and 2012 = like-for-like growth in issue volume and funds from operations (FFO)*	Like-for-like growth in issue volume and funds from operations (FFO)*	Like-for-like growth in issue volume and funds from operations (FFO)*
Number of vested shares at December 31, 2012	0	0	0
Cumulative number of canceled and forfeited performance share rights	50,682	35,522	16,550
Performance share rights outstanding at December 31, 2012	862,193	769,503	851,025
TOTAL	**912,875**	**805,025**	**867,575**

* *Before non-recurring items*

(1) *Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of June 29, 2010.*

(2) *Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2011.*

(3) *Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 22, 2012.*

(4) *Three years for French tax residents and five years for non-residents.*

(5) *Only concerns French tax residents.*

Table 6: Performance share rights granted to the executive director

Performance share rightss granted to the executive director during the year by Edenred or other Group companies	Plan no. and date	Number of performance share rights granted during the year	Value based on the method used in the consolidated financial statements (1)	Vesting date	End of lock-up period	Performance conditions
Jacques STERN	2012 Date: Feb. 27, 2012	38,500	719,511	Feb. 28, 2015	Feb. 28, 2017	Like-for-like growth in issue volume and funds from operations (FFO)*
TOTAL						

* *Before non-recurring items*

(1) *Performance share rights are measured at their theoretical value at the grant date determined using the Black & Scholes option pricing model, in accordance with AFEP/MEDEF guidelines set out in the Corporate Governance Code for Listed Companies, rather than at the value of the compensation received. Performance share rights are forfeited if the grantee leaves the Group before the vesting date, or if the performance conditions are not met.*

Table 7: Performance share rights exercisable by the executive director

Performance share rights that became exercisable during the period for each corporate officer	Plan no. and date	Number of performance share rights exercisable during the year	Performance conditions
Jacques STERN		Néant	
TOTAL		**NONE**	

Fifteen percent of the performance shares granted under the August 6, 2010, March 11, 2011 and February 27, 2012 plans must be held in registered form for as long as the Chairman and Chief Executive Officer remains in office. Depending on the number of Edenred shares held when the lock-up period expires, the number of shares concerned by this requirement may be reduced in line with the spirit of the AFEP/MEDEF recommendations of October 2008 and April 2010.

The executive director and members of the Executive Committee who receive performance share rights are banned by the Company from hedging the related equity risk.

Table 9: Performance share rights granted to and performance shares received by the top ten grantees other than the executive director

Date of the Shareholders Meeting	Number of performance share rights granted	2012 Plan dated February 27, 2012
Performance share rights granted in 2012 to the ten employees other than the executive director who received the largest number of rights (aggregate information)	153,950	153,950
Vested performance shares received in 2012 by the ten employees other than the executive director who received the largest number of vested shares (aggregate information)	n/a	n/a
TOTAL	**153,950**	**153,950**

SUMMARY OF TRANSACTIONS IN THE COMPANY'S SHARES

Schedule of transactions involving shares of the Company carried out during the past fiscal year, within the meaning of Article L. 621-18-2 of France's Monetary and Financial Code

Edenred director concerned	Transaction	Number of shares
Jacques Stern	Sale of shares	4,916
Arnaud Erulin	Sale of shares	272

5.4.2 STATUTORY AND DISCRETIONARY PROFIT-SHARING PLANS

Information about statutory and discretionary profit-sharing plans is provided in Chapter 4 Corporate Social Responsibility, page 61 section 4.1.3.2 Employee motivation c) Compensation and benefits.

5.5 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS TO THE ANNUAL SHAREHOLDERS MEETING ON THE PREPARATION AND ORGANIZATION OF BOARD OF DIRECTORS' MEETINGS AND INTERNAL CONTROL PROCEDURES

The following report was prepared and approved before Virginie Morgon and Patrick Sayer, representatives of Eurazeo, stepped down from the Board of Directors on March 6, 2013 following the Eurazeo Group's sale of its entire interest in the capital of Edenred. The consequences of their resignations are described in section 5.1 of this Registration Document, page 84.

This report to shareholders for the year ended December 31, 2012 on the preparation and organization of Board of Directors' meetings and on internal control procedures has been drawn up in compliance with Article L.225-37 of France's Commercial Code.

It was reviewed by the Audit and Risks Committee on February 8, 2013 and approved by the Board of Directors on February 12, 2013. It is based on the document entitled "The Internal Control System Reference Framework" issued by the Working Group set up by French securities regulator Autorité des marchés financiers. The following description of the Company's internal control procedures is organized in line with the template provided in the Reference Framework.

Edenred complies with the Corporate Governance Code for Listed Companies published by Association française des entreprises privées (AFEP) and Mouvement des entreprises de France (MEDEF) in April 2010, except for the recommendation that the Chairman and Chief Executive Officer should not have an employment contract. The reasons for this exception are explained in the section "Executive Director's Compensation." The April 2010 consolidated version of the Corporate Governance Code is available on request from AFEP and MEDEF and from the Company's headquarters.

5.5.1 ORGANIZATION AND PROCEDURES OF THE BOARD OF DIRECTORS

The framework for the preparation and organization of Board meetings results from French company law and the related regulations, from the Company's bylaws and from the Board of Directors' bylaws which also describe the procedures of the Committees of the Board (see the section "Board of Directors' bylaws" in this Registration Document).

For details of the membership of the Board of Directors and the criteria used to assess directors' independence, see the sections "Members of the Administrative and Management Bodies" and "Practices of the Administrative and Management Bodies" of this Registration Document.

Of the twelve members of the Board of Directors, nine are men and three are women, representing 25% of the Board members in accordance with the French Act of January 27, 2011. The Board's membership therefore complies with the current rules and the gender parity recommendations of the AFEP/MEDEF Corporate Governance Code.

Three nationalities are represented on the Board of Directors (French, Brazilian and Italian), enhancing Edenred's international vision and reflecting its geographic reach.

Each Board member is required to comply with the Director's Charter, which is also presented in this Registration Document.

The Board of Directors met five times in 2012. Calls to meeting were sent by e-mail and by mail, with the agenda, generally eight days before the meeting date. The directors received all necessary information to enable them to fulfill their duties. Background information about agenda items was sent to them sufficiently well in advance (generally eight days ahead of the meeting) to allow them to make an informed contribution to the Board's discussions. In the period between two meetings, directors were kept regularly informed of significant events and transactions involving the Group and were sent copies of all press releases issued by the Company.

On the initiative of Philippe Citerne, Vice-Chairman of the Board and senior independent director, the independent directors met once during 2012 to discuss various issues such as how to protect the interests of shareholders not represented on the Board, the method whereby shareholders would be represented by the independent directors, the Group's results and dividend policy, and the business's growth outlook.

The Board meetings lasted 4 hours and 40 minutes on average, and the participation rate was approximately 90%.

During the various meetings, the Board approved the interim and annual financial statements, as well as the Group's financial communication processes, reviewed the budget, prepared the Annual Shareholders' Meeting and approved the resolutions to be tabled at the meeting. The Board also reviewed the notifications received under disclosure threshold rules and monitored changes in the Company's ownership structure; set the compensation of the Chairman and Chief Executive Officer; granted stock options and performance share rights; allocated directors' fees; proposed the re-election of four directors and the re-appointment of one of the auditors and one of the alternate auditors. It reviewed the independence criteria applied to directors and the specific financial and other expertise of the members of the Audit and Risks Committee, as well as the ratio of men and women on the Board of Directors, and renewed the authorizations given to the Chairman and Chief Executive Officer to carry out bond issues and to issue guarantees in the Company's name, as well as to implement the share buyback program subject to shareholder approval.

Part of each meeting was devoted to discussing the Group's business, strategy, results, cash position, capital expenditure and acquisition projects. In particular, the Board discussed France's 2012 amended Finance Bill and its impact on Edenred, the European e-money directive (PSD2/EMD) and the digital transition strategy in France. On the recommendation of the Commitments Committee, the Board authorized the acquisition of Repom in Brazil. The September 2012 Board meeting was held at Edenred Brazil's headquarters and was attended by the members of the Group's Executive Committee. The meeting was an opportunity not only to discuss the Company's medium and long-term strategy, but also to meet the Brazilian subsidiary's Management Committee.

Pursuant to Article 9 of the AFEP/MEDEF Corporate Governance Code and Article 2 of the Board of Directors' bylaws, the Board is required to assess its ability to meet the needs of shareholders that have entrusted it with the Company's management. This self-assessment entails the regular review of the Board's membership, organization, practices and procedures and includes a review of the Committees of the Board.

In 2012, the Board devoted part of one of its meetings to assessing its practices and procedures, with a view to identifying opportunities to improve its efficiency. The discussion was based on an anonymous questionnaire specific to Edenred that was sent to all of the directors earlier in the year.

It enabled the directors to share their observations and unanimously conclude that the work of the Board and its Committees was entirely satisfactory. The directors asked for more information about Edenred's competitive environment, with a comprehensive, detailed strategic review presented more regularly and a more formal timetable to bring specific operational issues to the fore. They also want to introduce more formal processes in all areas of the business, including by developing risk assessment and measurement procedures. Lastly, they proposed that closed-door meetings should be held to discuss succession plans and compensation issues. Based on these comments, it was decided that the Chairman and Chief Executive Officer should draw up an annual plan covering the key strategic issues to be included on the agenda of the various Board meetings, and that a specific Board meeting should be held once every 18 months to discuss the Group's strategic plan. In 2012, this meeting was held at Edenred Brazil's headquarters.

A formal assessment will be conducted at a later date.

Board discussions and decisions in some areas are prepared by specialized Board Committees made up of directors appointed by the Board for the duration of their term as director. These Committees examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They report regularly to the Board on their work and inform the Board of their observations, opinions, proposals or recommendations.

To assist them in their work, the Board Committees may commission technical reports from Company management or external consultants. In both cases, the Chairman and Chief Executive Officer is notified in advance. In 2012, the Compensation and Appointments Committee identified and retained a firm of consultants to assist it in its task.

The Board Committees may also arrange meetings with members of Company management responsible for the areas under review, with or without the executive director being present. In this case also, the Chairman and Chief Executive Officer is informed in advance.

Since June 29, 2010 the Board has had three standing committees:

- the Audit and Risks Committee;
- the Commitments Committee;
- the Compensation and Appointments Committee.

The Board can also set up one or several special committees. No special committees were created in 2012.

Each Committee is chaired by one of its members, designated by the Board.

The Committee Chairman appoints a person (who need not be a Committee member) to act as Secretary.

The Chairman of each Committee may ask for the Committee to be consulted on any matters falling within its terms of reference that have not been referred to it.

Each Committee periodically reviews its rules of procedure and proposes to the Board any changes that are considered necessary.

The Board Committees do not have any decision-making authority.

The **Audit and Risks Committee** met three times in 2012, to prepare the Board's review and approval of the annual financial statements of the Company, the interim and annual consolidated financial statements and the annual budget, in line with its terms of reference as set out in the Board of Directors' bylaws. The Committee members also discussed legal and tax risks, policies governing the investment of available cash and the work of the auditors. Audit and Risks Committee meetings are attended not only by its members but also by the Chairman and Chief Executive Officer, the Chief Financial Officer and the auditors. The Board Secretary, the Vice-President, Group Management Control, the Vice-President, Consolidation and Financial Control, the head of Internal Audit, the Vice-President, Tax and the Group Treasurer may also be invited to attend.

The Audit and Risks Committee has five members with the expert knowledge of financial and accounting matters needed to fulfill the Committee's duties. It is chaired by the Vice-Chairman, who is also the senior independent director. Three of the Committee's members are qualified by the Board of Directors as being independent directors, representing 60% compared with the 66% ratio recommended in the AFEP/MEDEF Corporate Governance Code. However, the Board considers that the Committee's independence is assured by the appointment of the Vice-Chairman, who is also the senior independent director, as its Chairman.

Audit and Risks Committee meetings in 2012 lasted on average two hours. The attendance rate was 87%.

The **Commitments Committee**, which met twice in 2012, is responsible for preparing Board meetings and making recommendations to the Board, mainly on the following matters:

- any transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business scope;
- any mergers, demergers or significant asset transfers;
- changes to the Company's corporate purpose;
- financial commitments in excess of €50 million per transaction;
- bilateral or syndicated borrowings equal to or in excess of €250 million;
- transactions involving the Company's shares carried out in application of Article L.225-209 of France's Commercial Code which exceed one million shares per transaction and a cumulative two million shares per year.

In 2012, the Commitments Committee reviewed the way that the acquisitions process is organized, as well as the latest acquisition projects. The meetings lasted an average of one and a half hours and the attendance rate was 100%.

The **Compensation and Appointments Committee**, which met four times in 2012, drew up recommendations to the Board on the executive director's compensation, in line with its terms of reference as set out in the Board of Directors' bylaws.

The compensation and benefits paid to the executive director are decided by the Board of Directors, based on the recommendation of the Compensation and Appointments Committee. See the section "Executive director's compensation, directors' and managers' interests" for details, including a description of the policies for determining management compensation and the directors' fees payable to the members of the Board, as well as a summary of directors' transactions in Edenred shares, and of directors' and employees' interests in the Company's capital (presentations of stock option plans, performance share plans, statutory and discretionary profit-sharing plans).

In 2012, the Compensation and Appointments Committee made recommendations concerning the Chairman and Chief Executive Officer's 2011 bonus, his salary for 2012, the performance criteria to be applied to determine his 2012 bonus, performance share and stock option grants, the allocation of directors' fees and the re-election of four directors. The Committee also reviewed the compensation paid to the Executive Committee members, the criteria applied to determine whether directors qualify as independent, the Audit and Risks Committee members' specific skills in the area of finance, and the ratio of men and women on the Board of Directors.

The Compensation and Appointments Committee has five members, three of whom – including the Chairman – are independent directors.

Meetings of the Compensation and Appointments Committee in 2012 lasted an average of one and a half hours, and the attendance rate was 90%.

Calls to meetings of the Committees of the Board are issued by the Committee Chairman and include the meeting agenda.

5.5.2 CONDITIONS AND PROCEDURES FOR PARTICIPATING IN SHAREHOLDERS MEETINGS

The conditions and procedures for participating in Shareholders Meetings are set out in Article 24 of the Company's bylaws.

A summary is provided in the section "Capital and Ownership Structure" of this Registration Document, page 223.

5.5.3 RESTRICTIONS ON THE POWERS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

As allowed by French law and the Company's bylaws, the Board of Directors decided not to separate the positions of Chairman of the Board of Directors and Chief Executive Officer.

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations.

In addition, the Board of Directors:

a) approves the annual budget and financing plan and the multi-year plan presented by the Chairman and Chief Executive Officer;

b) reviews and approves the Group's overall strategy, at least once a year, in accordance with Article 2 of the Board's bylaws;

c) authorizes in advance the following decisions:

- any and all immediate or deferred financial commitments representing more than €50 million per transaction. "Financial commitments" are defined as:
- acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value;
- any and all direct investments, for example for the creation of a business or expenditure on technological developments;
- lease commitments, measured on the basis of the market value of the leased asset;
- any and all loans or advances to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities;
- any and all bilateral or syndicated bank loans for amounts over €250 million per year, the Chairman and Chief Executive Officer being authorized to obtain bank loans of up to €250 million per year without obtaining prior approval from the Board of Directors, provided that the commitment is consistent with and complies with the annual Group financing policy as previously approved by the Board of Directors. In this case, the Chairman and Chief Executive Officer informs the Board of Directors of the transactions after they have been completed. The Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed;
- any and all transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base (mainly entry in a new business or withdrawal from an existing business), whatever the amount of the commitment;
- any and all transactions involving the Company's shares carried out in application of Article L.225-209 of France's Commercial Code which exceed one million shares per transaction and a cumulative two million shares per year;

d) sets, each year, the total amount up to which the Chairman is authorized to issue guarantees, bonds and endorsements, which may not exceed €250 million per year, with the Chairman and Chief Executive Officer being required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization;

e) sets, each year, the total amount of bond issues that can be undertaken by the Chairman and Chief Executive Officer pursuant to Article L.228-40 of France's Commercial Code, which may not exceed €250 million per year;

f) discusses and decides on any proposed changes to the Group's management structure and reviews information about the main organizational changes.

5.5.4 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

5.5.4.1 Internal control definition and objectives

The Edenred Group observes the highest standards in terms of internal control and financial information. Internal control is a process defined and implemented by the Board of Directors, management and employees to provide reasonable assurance regarding the achievement of objectives in the following areas:

- application of the instructions and directional guidelines fixed by Executive Management;
- compliance with the applicable laws and regulations, and adherence to the Group's corporate values;
- prevention and control of operational risks, financial risks and the risks of error or fraud;
- optimization of internal processes to guarantee operational efficiency and efficient use of resources;
- production of high quality, fairly stated accounting, financial and management information.

To fulfill each of these objectives, the Group has defined and implemented the main principles of internal control, based to a large extent on the Internal Control Framework defined in the 1992 report of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and on the Internal Control Reference Framework issued by the AMF, as last updated in July 2010.

These principles are underpinned by:

- management policies that foster the development of an internal control culture and promote integrity;
- the identification and analysis of risk factors that may prevent the Group from meeting its objectives;
- an organization and procedures designed to ensure that the strategies defined by Executive Management are implemented;
- periodic reviews of control activities to seek out potential areas of improvement;
- procedures for the communication of information about internal control.

By helping to anticipate and control the risks involved in not meeting the objectives the Company has set for itself, the internal control system plays a key role in conducting and monitoring its various activities. However, internal control cannot provide an absolute guarantee that the Company's objectives will be met.

One of the objectives of the internal control system is therefore to anticipate and control the risks arising in the course of the Company's business, as well as the risk of errors or fraud, particularly in the areas of accounting and finance. However, as stated in the AMF's Internal Control Reference Framework, internal control procedures cannot provide an absolute guarantee that the Company's objectives will be met, no matter how well the system is designed or how well the procedures are applied.

The following description of the Company's internal control systems was prepared based on the AMF's Internal Control Reference Framework and its application guide.

5.5.4.2 Summary description of internal control procedures

The internal control system described below covers the parent company and all of its consolidated subsidiaries, which are responsible for implementing the instructions and directional guidelines fixed by Executive Management, including internal control objectives. Each subsidiary's internal control system includes both the procedures defined at Group level and business-specific procedures that take account of the subsidiary's organization, culture, risk factors and specific operating environment. As the parent company, Edenred SA is responsible for ensuring that adequate internal controls exist and are applied, in particular to the accounting, financial and operating procedures of the subsidiaries included in the scope of consolidation.

5.5.4.3 Main participants in the system of internal control

Internal control procedures are part of the policies defined by the Board of Directors and are implemented under the direct responsibility of the heads of the operating divisions and corporate functions. Internal control is everyone's responsibility, from corporate officers to front-line employees.

The main structures responsible for overseeing the internal control system are as follows:

Executive Management

In accordance with the law and the Company's bylaws, the Chairman and Chief Executive Officer represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances. The situations where exercise of the Chairman and Chief Executive Officer's powers is subject to the prior approval of the Board of Directors are described in section 3 of this report.

For the purpose of carrying out his duties, the Chairman and Chief Executive Officer has set up an **Executive Committee** comprising representatives from all of the operating divisions and corporate functions. The Executive Committee members are:

Representing the regions and countries:

- Chief Operating Officer, Hispanic Latin America and North America;
- Chief Operating Officer, France;
- Chief Operating Officer, Central Europe and Scandinavia;
- Chief Operating Officer, Southern Europe;
- Chief Operating Officer, Brazil;

- Chief Operating Officer, Asia-Pacific;
- Chief Operating Officer, Northern Europe, Middle East and Africa.

Representing the corporate functions:

- Executive Vice-President, Strategy and Development;
- Executive Vice-President, Alternative Investments;
- Chief Financial Officer in charge of Legal Affairs;
- Executive Vice-President, Information Systems and Technology;
- Executive Vice-President, Human Resources and Corporate Social Responsibility.

Group Finance

The Chief Financial Officer in charge of Legal Affairs is responsible for implementing the Group's financial policies, in particular by communicating to the subsidiaries the accounting principles and standards used to prepare the consolidated financial statements.

Group Finance is organized around the following departments:

- Legal Affairs, including the Tax, Risk Management and Insurance units;
- Group Treasury, Financing and Credit Management;
- Group Management Control, responsible for overseeing the following units:
  - Consolidation and Financial Control,
  - Group Accounting,
  - Group Financial Information Systems;
- Corporate Finance, Mergers and Acquisitions;
- Group Accounting Principles and Standards;
- Financial Communications ;
- The Group Internal Audit Department, which includes the Operational Internal Audit teams and Internal Information Systems Audit teams.

The Financial Controllers for the different operating regions report directly to the Chief Financial Officer in charge of Legal Affairs, working closely and regularly with the Regional Executive Vice-Presidents.

Group Finance maintains regular contact with the external auditors, who audit the financial statements of the Company and the Group in accordance with the applicable laws and regulations.

Group Internal Audit and Group Information Systems Audit

Reporting to the Chief Financial Officer in charge of Legal Affairs, the Group Internal Audit Department is one of the cornerstones of the internal control system, responsible for helping to develop internal control tools and standards and for performing audits based on the annual audit program approved by the Audit and Risks Committee of the Board of Directors.

Internal audit is defined in professional standards as "an independent, objective assurance and consulting activity designed to add value and improve an organization's operations and information systems. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes." The internal auditors help the Group to meet its objectives by assessing its risk management, control and governance processes according to a systematic and methodical approach, and making proposals to improve their efficiency.

The Internal Audit Department's procedures are fully aligned with this definition.

The role of the Group Internal Audit team is to assess whether all of the Group's facilities and business processes comply with internal rules and procedures, detect any cases of non-compliance with the applicable laws and obtain assurance that the Group's assets are adequately protected. They also assess the efficiency of the Group's business processes and ensure that appropriate measures are in place to prevent and control operational risks.

Group Internal Audit coordinates its audit plans with the external auditors' work plans. In 2012, the Group Internal Audit Department comprised nine auditors (the department manager, six operations auditors and two information systems auditors).

Legal Affairs, Risk Management, Tax and Insurance

The Group Legal Department is responsible for ensuring that the Group complies with all applicable laws and regulations in all of its host countries, protecting the Group's assets and businesses as a whole and defending the interests of the Group, as well as the professional interests of its executive director and employees.

It contributes to internal control in four main areas:

- by drafting and updating standard contracts and contract templates for the most common transactions (purchases of IT and other goods and services, general conditions of sale, product claims, etc.), along with procedures for their use;
- by making proposals to the Executive Committee regarding the rules to be applied for delegations of authority and for the distribution and protection of confidential information, introducing these rules and monitoring their correct application worldwide;
- by selecting external legal advisors, monitoring their services and performance and tracking their billings in liaison with the Management Control Department;
- by transposing international standards and guidelines into Group operational requirements.

The Group Legal Department's Insurance unit is tasked with purchasing adequate insurance cover for the Group's risk exposures. The Group determines its insurance policy on a global, consolidated basis as well as on a local basis. Global insurance programs have been set up with pools of leading insurers and specific additional cover is purchased locally when required.

The Group Risk Manager in charge of the Insurance unit is responsible for mapping the Group's major risks with input from the Internal Audit and Information Systems Audit teams.

The Group Tax Department's responsibilities in the area of internal control are to ensure that the Group fulfills its obligations and complies with the applicable tax rules. They include:

- identifying the Group's risk exposures and implementing policies and procedures to address and attenuate tax risks;
- monitoring material tax disputes and tax audits of Group entities;
- aligning the tax practices of the various Group entities and checking with the Group's tax advisors that major transactions comply with the applicable tax laws;
- selecting tax advisors for all Edenred geographies, monitoring their services and related billings.

Group Treasury, Financing and Credit Management

This department is responsible for the tracking, security, transparency and efficiency of the Group's cash management and financing transactions. Its activities include:

- managing financial resources to preserve the Group's liquidity position, in agreement with the Chief Financial Officer;
- managing cash positions;
- quantifying and hedging financial risks (particularly currency and interest rate risks);
- managing banking relationships;
- supporting subsidiaries in their management choices and assisting executive management in arranging financing for new projects.

Consolidation and Group Financial Control

The Consolidation and Group Financial Control teams were combined in 2012 to form a single department.

Role of the Financial Control unit: Group Financial Control is responsible for producing monthly, quarterly and annual consolidated income statements. The items in the income statements of the subsidiaries and the corporate functions are tracked and analyzed by means of physical and financial indicators, which are compared at monthly intervals with the budget and prior year actual results. The unit also produces the data for the Group's published quarterly revenue reports.

This work serves as the basis for the preparation and transmission to the Executive Committee of management reports, supported by variance analyses and analyses of material trends identified from the subsidiaries' monthly management reporting packages.

The Executive Committee attaches considerable importance to the Group's planning process, leading to the preparation of the annual budget that rolls down the Group's strategy into operational action plans. It is the responsibility of Group Financial Control to issue appropriate instructions and guidelines for the teams involved in preparing the budgets.

It coordinates the planning and budget control system, which is backed by an instruction manual describing the management rules to be applied by all entities, as well as the budgeting, forecasting and management reporting procedures.

Role of the Consolidation unit: The consolidation process consists of consolidating Group companies at the level of the ultimate parent company, Edenred SA, which owns all of these companies either directly or indirectly. Each consolidated subsidiary produces a consolidation package in accordance with Group accounting policies and IFRS, based on accounting data generated by their local information systems.

The Consolidation unit issues instructions prior to each period-end, setting out the reporting deadlines and describing any changes in standards, rules or principles that will apply for the first time. It also provides regular training on consolidation tools and standards. On receipt of the packages, the Consolidation unit performs the customary checks and controls before launching the consolidation process. The package reviews are an opportunity to check the accounting treatment applied to recognize and measure significant, unusual and non-recurring transactions.

To help improve the quality of financial information reported by consolidated subsidiaries, the Chief Executive Officer and the Finance Director of each consolidated or non-consolidated subsidiary is required to issue to the Group a representation letter at each half-yearly and annual close, certifying that (i) the financial statements comply with Group accounting policies and principles, (ii) internal controls over the preparation and processing of the financial statements are effective and (iii) there have been no irregularities involving employees or management. The subsidiaries' management also provide additional Human Resources information for the calculation of pension obligations, as well as comments on material events for the period and a description of any items that – individually or cumulatively – have a material impact on the understanding and measurement of the subsidiary's financial statements.

The Consolidation team also produces the financial statements and notes published in the Group's annual reports.

Group Financial Information Systems

The Group's accounting and financial information system is designed to ensure the security, reliability, timely availability and traceability of information.

It is based on a reporting and consolidation system that covers all of the Group's operations, thereby ensuring consistency of accounting data at company and Group levels. A specifically designed user manual has been prepared and issued to the employees concerned, in order to guarantee that the systems are correctly used and that the information obtained is appropriate and relevant.

The Group has also set up processes to ensure the security of the accounting and financial information system, as well as the integrity of the data involved. These include regular back-ups and programmed controls that trigger warnings in the event of incorrect data entries.

The accounting and financial information system is regularly updated to keep pace with changes in the Group's specific needs.

The network and all centralized applications are tested periodically to ensure that they are adequately protected against intrusion risk, and regular security audits are also performed.

5.5.4.4 Internal communication of information and procedures related to accounting and financial information

The Group ensures that relevant information is communicated in a timely manner to all persons concerned by the system of internal control so that they can perform their duties in accordance with the Group's standards. To this end, a set of procedures describing best practices and reporting processes has been circulated internally.

Internal controls over accounting and financial information are designed to provide assurance that (i) the financial information produced by consolidated subsidiaries is reliable, (ii) the financial information published by the Group is fairly stated and complies with the true and fair view principle and (iii) adequate safeguards are in place to protect against the risk of errors, inaccuracies or omissions in the Group's financial statements. Edenred refers to the AMF's Internal Control Reference Framework and the guide to its application to internal controls over accounting and financial information.

Corporate values and principles

The Group's internal control system forms part of the corporate values expressed by the Board of Directors and Executive Management and communicated to all employees. Rules of conduct and integrity have been drawn up covering the areas of employee behavior and relations with customers, shareholders, business partners and competitors.

The Internal Audit Charter aims to provide a Group-level cross-functional view of Internal Audit resources and methodologies, as well as the methods used to communicate the results of internal audits. It defines the framework for Internal Audit activities within the Group, based on the professional guidelines issued by IFACI and other bodies which require internal auditors to observe the highest ethical standards. The Internal Audit Charter is signed by the Group's Chairman and Chief Executive Officer, the Chief Financial Officer in charge of Legal Affairs, the head of Group Internal Audit, and the members of the Executive Committee whose names and responsibilities are presented in section 5.1.1.3 of this Registration Document, page 86.

Procedure manuals and accounting principles

A Finance Manual is issued to all Group Finance Departments, describing the closing process for the monthly management accounts and setting out the Group's charts of accounts, consolidation principles, accounting standards and policies. The Manual also includes the Treasury Charter, which describes cash management procedures, the principles to be followed concerning the holding of payment instruments and the approval of expenditures, as well as the role and organization of cash pooling systems.

In addition, a presentation of International Accounting Standards/ International Financial Reporting Standards has been prepared by the Group Management Control Department and made available to all Group employees concerned.

Lastly, consolidation instructions detailing the financial reporting schedule and specific adjustments to be made to the subsidiaries' local financial statements are issued every six months to the various Finance Directors and consolidation teams and are archived on the Finance Intranet.

The subsidiaries' consolidation packages, including adjustments to comply with Group policies, are prepared by the local accounting teams using as a reference the Group Finance Manual which describes the accounting recognition and measurement rules. The manual presents the basic concepts applied for the preparation of the financial statements, such as the going concern, accounting period and reliability concepts. It is regularly updated to reflect changes in French laws and regulations governing the preparation of consolidated financial statements.

The Finance Manual also describes in detail Group principles for the recognition, measurement and presentation of the main financial statement items, including:

- descriptions and definitions of income statement items, and the consistency tests to be performed such as the tax proof;
- rules governing the recognition and presentation of balance sheet and off-balance sheet items;
- rules governing the measurement of certain items based on estimates;
- accounting and reporting principles for intra-group transactions.

Reporting procedure

Group Financial Control is responsible for overseeing the reporting procedure specified in the Finance Manual. This procedure requires local teams to submit monthly reporting packages comprising an analysis of key business indicators and the main components of income, in the format prescribed by the Group. All reporting data submitted by local subsidiaries must be analyzable both by nature and by function.

The reporting procedure is designed to provide a detailed analysis of monthly changes in consolidated financial and operating results, to support resource allocation decisions and measure the efficiency of the various organizations. Reported data are compared to the budget and to prior year actuals, to detect any emerging trends or unexplained variances.

Internal audit reports

A draft report is prepared after each Internal Audit, setting out the auditors' observations, identified risks and related recommendations. This report is sent to the management of the audited entity, which prepares an action plan when required. A summarized version of this draft report may also be sent on request to the members of the Executive Committee.

The final report, which includes the corrective action plan prepared by the audited entity, is then sent to the members of the Group Executive Committee in charge of overseeing operational and financial matters for the entity concerned.

The Audit and Risks Committee receives a half-yearly summary from the Group Internal Audit Department of the internal audits carried out during the period, including a status report on the annual audit plan, an assessment of the quality of internal control in the audited entities, the internal auditors' main observations and action plans decided on by the parties concerned.

5.5.4.5 Identifying and analyzing risks

The Group identifies and analyzes the key risks that, if they occurred, would affect its ability to fulfill its objectives. It takes the appropriate measures to limit the probability of these risks occurring and the consequences if they do.

Identifying risks

The Group is exposed to a number of risks in the normal course of business.

These risks, together with the related control procedures, are described in the "Risk Factors" section of this Registration Document. They include liquidity risks, counterparty risks, currency and interest rate risks, business risks and legal risks (including litigation and arbitration risks). The "Risk Factors" section also includes a description of the Group's insurance policy.

Internal control procedures are implemented under the direct responsibility of the heads of the operating divisions and corporate functions and Group Internal Audit and form part of an ongoing process of identifying, assessing and managing risks.

In line with this overall process the Group has developed internal control self-assessments, based on analyzing the internal control risks inherent in each business and identifying key control issues.

Internal control self-assessments

The Group places considerable emphasis on preparing, issuing and monitoring internal control self-assessment procedures alongside existing internal control standards and processes. The self-assessment procedures are implemented by all Edenred subsidiaries that sell prepaid vouchers and cards.

Data obtained from the internal control self-assessment process are periodically centralized at country level, with the assistance of the Group Internal Audit team. The results are analyzed by Group Internal Audit, which prepares an annual executive summary for the Group Executive Committee and the Audit and Risks Committee.

Internal audit programs for units where the self-assessment system has been deployed include a quantitative measurement, *via* a rating system, of the gap between the self-assessment and the internal auditors' assessment of the level of internal control. By analyzing these gaps, it is possible to evaluate the quality of the self-assessment procedures implemented by the unit manager.

Internal control risk mapping

Internal control risk maps are prepared based on the results of internal audits and above-mentioned self-assessments. These maps, which highlight issues that require priority action, are included in the relevant Internal Audit reports and are periodically presented in summary form to the Executive Committee and the Audit and Risks Committee.

A mapping system covering all internal and external risk factors is in the process of being developed by the Risk Management unit, assisted by Group Internal Audit and Group Information Systems Audit. The system will provide data in a standard form concerning each entity's perceived level of risk exposure, to be used to prepare any necessary action plans.

The Risk Management unit of the Legal Department supports the operating divisions in implementing the corrective measures in order to mitigate the major identified risks.

Group risk mapping

The Risk Management unit of the Legal Department is responsible for implementing procedures in association with the Executive Committee that anticipate and appropriately address the Group's risk exposures, with the support of the operating divisions and corporate functions.

The unit's approach consists of (i) developing tools to monitor risk trends and prioritize the Group's main risks, and (ii) devising a risk prevention strategy aimed at reducing the frequency and seriousness of identified risks.

The Insurance unit, which is part of the Risk Management unit, is responsible for financing Group risks, in particular by setting up appropriate insurance cover.

Information systems security

The Information Systems Security Department advises and assists Group management in defining its IT security policy. It is also responsible for ensuring that the policy is properly implemented and applied, by identifying, organizing, coordinating and leading security programs, prevention programs and corrective measures in all of the Group's host countries.

5.5.4.6 Control activities

To improve control of identified risks, the Group has set up control procedures that comply with its standards and cover both operating and financial information processes.

Preparing and controlling the consolidated financial statements

The consolidated financial statements are prepared by the Management Control Department of Group Finance based on information reported by the subsidiaries' Chief Executive Officers and Finance Directors. The format of the consolidation packages is determined by the Group.

The subsidiaries are responsible for the information contained in their consolidation packages and are required to make formal representations to Group Finance about the fairness of reporting data and its conformity with Group accounting standards and policies.

The Consolidation unit carries out systematic controls of the consolidation packages submitted by the subsidiaries. A detailed schedule for reviewing the packages is prepared and sent to the employees concerned.

In connection with their audit of the consolidated financial statements, the external auditors review the consolidation packages transmitted by the subsidiaries included in the scope of their audit. Group Internal Audit also reviews from time to time the proper application of Group accounting standards and policies by the subsidiaries and reports to Group Finance any issues identified during the review.

The consolidated financial statements are examined by the Chief Financial Officer prior to their review by the Audit and Risks Committee in preparation for approval by the Board of Directors.

Group Internal Audit and Group Information Systems Audit assignments

Group Internal Audit carries out its audit assignments based on an audit program validated by the Executive Committee and the Audit and Risks Committee. The main types of assignments, as described in the Internal Audit Charter, are as follows:

- **operations audits**, which are aimed at evaluating the reliability and effectiveness of the operating entities' internal control systems, as well as ensuring that they comply with Group standards. These audits mainly include checking that the internal control self-assessments have been properly and regularly performed by the operating entities. Comparing the results of the internal audits with the results of the self-assessments serves to close the internal control loop;
- **organizational and procedural audits**, which are aimed at helping the divisions to optimize and adapt their procedures and operating processes, notably when rolling out cross-functional projects that lead to a change in organization structures;
- **specific audits**. Review assignmevare referred to as specific audits when they comply with the professional standards applicable to internal auditors and fall within their remit. They can concern issues applicable to one or more operating units or to a particular country, function or process;
- **IT function audits**, which are performed by the two specialized information systems auditors to ensure that best practices are applied in relation to the organization and management of the audited entities' information systems;
- **audits of applications and processes**, which are aimed at ensuring that the manual and automated checks in place provide an appropriate level of internal control in view of the operations covered by the applications concerned;
- **project management audits**, which are designed to validate the implementation of best IT project management practices;
- **acquisition audits**, which are conducted as part of the decision-making process for Group acquisitions when the target's business has highly technological components. Their scope depends on the underlying objectives of the acquisition, but their general aim is to identify any risks relating to the Group's ability to maintain and develop the target's information systems.

Internal audit plans are determined based on the internal control risk map and self-assessment questionnaires. The objective is for each entity to be audited at least once every three or four years. The duration of each Internal Audit depends on the context, but they generally involve three auditors spending two weeks on-site. A report is drawn up at the end of each audit, describing the organization of each process and the auditors' recommendations. Copies of the report are given to the audited entity, the manager responsible for the entity, the members of the Executive Committee and the Chairman and Chief Executive Officer.

Measures are taken by the management of the audited entities to eliminate the identified internal control weaknesses and make any necessary improvements. Where necessary, the Group Internal Audit team performs a follow-up visit within the next twelve months, to check that the action plans have been duly implemented.

The head of Group Internal Audit prepares half-yearly and yearly summaries of the internal audits carried out by his teams during the year for presentation to the Executive Committee and to the Audit and Risks Committee, which checks that the department has the necessary resources and makes any observations or recommendations that it considers necessary.

Lastly are IT security audits, which help to ensure the security of the Group's technological platforms. They are primarily performed by the Information Systems Security Department, which reports to Group Information Systems, but they may also fall within the scope of assignments carried out by the Information Systems Audit team.

5.5.4.7 Monitoring internal control

Internal control procedures are regularly reviewed to ensure that they are appropriate and aligned with the Group's objectives, particularly in view of the risks specific to each business and the costs of performing the controls.

The main structures responsible for overseeing the internal control system are as follows:

The Audit and Risks Committee

The Board of Directors' bylaws define the Audit and Risks Committee's membership, terms of reference and procedures. The Audit and Risks Committee is responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure. To this end, the Committee:

- reviews the interim and annual consolidated financial statements and the annual financial statements of the Company, prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;
- reviews the scope of consolidation and the reasons for excluding any entities;
- reviews the Group's risk management policy and ensures that adequate systems are in place;
- assesses the Group's risk exposures and material off-balance sheet commitments, and receives a copy of the Chief Financial Officer's detailed report on these matters;
- obtains assurance concerning the effectiveness of the Group's system of internal control, by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the Internal Audit program and of the results of the internal audits carried out since the last presentation;
- reviews the external auditors' audit plan and the results of their audits. It receives a copy of the auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the auditors' appointment is due to expire, oversees the auditor selection procedure and reviews the proposals submitted by the various candidates, expresses an opinion on the proposed fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of auditor;
- validates the categories of additional audit-related work that the auditors and the members of their networks may be asked to perform in accordance with the applicable laws and regulations;
- is informed, at the end of each year, of the fees paid by Group companies to the auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees, as well as on its assessment of the auditors' level of independence.

The Audit and Risks Committee has between three and five members with the expert knowledge of financial and accounting matters needed to fulfill the Committee's duties. At least two-thirds of the members are qualified by the Board of Directors as independent directors. It is chaired by an independent director.

The Audit and Risks Committee meets at least three times a year. One meeting – attended by the heads of Group Internal Audit and Information Systems Audit – is devoted to reviewing the effectiveness of the internal control system.

The Committee may make enquiries of the auditors without the executive director and/or the Chief Financial Officer, being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meeting are issued by the Committee Chairman and include the meeting agenda. Meetings to review the interim and annual financial statements are held at least three days prior to the Board meeting called to approve the financial statements. The members of the Audit and Risks Committee receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group.

The Chairman and Chief Executive Officer, the Chief Financial Officer and the auditors have a standing invitation to attend Audit and Risks Committee meetings.

5.6 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OFTHE BOARD OF DIRECTORS

(Year ended December 31, 2012)

This is a free translation into English of the Statutory Auditors' 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 our capacity as Statutory Auditors of Edenred and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2012.

It is the Chairman's responsibility to prepare and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you our observations on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris, March 1st, 2013

The Statutory Auditors

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

6 FINANCIAL STATEMENTS

6.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2012

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information relating to the specific verification of information given in the Group's Management Report. This report should be read in conjunction 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 Annual General Meetings, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the accompanying consolidated financial statements of Edenred;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Edenred performs impairment tests on goodwill and intangible assets with indefinite useful lives at least once a year and whenever there is an indication that an asset may be impaired, in accordance with the method set out in Note 2.E.5 to the consolidated financial statements "Recoverable amount of assets". We have reviewed the method used to perform such impairment tests and the overall consistency of the assumptions used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's Management Report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, March 1st, 2013

The Statutory Auditors

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

6.2 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

6.2.1. CONSOLIDATED INCOME STATEMENT

(in € millions)	Notes	December 2011	December 2012
Issue volume	**4/5**	**15,188**	**16,657**
Operating revenue	4/5	940	976
Financial revenue	4/5	92	91
Total revenue	**4/5**	**1,032**	**1,067**
Operating expenses	6	(648)	(666)
Depreciation, amortization and provisions	7	(29)	(34)
EBIT	**4/5**	**355**	**367**
Net financial expense	8	(40)	(36)
Operating profit before tax and non-recurring items		**315**	**331**
Non-recurring income and expenses, net	9	(7)	(25)
Profit before tax		**308**	**306**
Income tax expense	10	(103)	(103)
NET PROFIT		**205**	**203**
Net profit, Group share		**194**	**183**
Net Profit, Non-controlling interests		11	20
Weighted average number of shares outstanding *(in thousands)*	11	225,828	225,625
Earnings per share, Group share *(in euros)*	**11**	**0.86**	**0.81**
Diluted earnings per share *(in euros)*	11	0.85	0.80

6.2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	December 2011	December 2012
Net profit	**205**	**203**
Currency translation adjustement	(46)	(58)
Change in fair value of financial instruments	(4)	13
Actuarial gains and losses on defined benefit plans	(4)	(9)
Tax impact recognized in equity	**2**	**(1)**
Other comprehensive income, net of tax	**(52)**	**(55)**
TOTAL COMPREHENSIVE INCOME	**153**	**148**
Comprehensive income, Group share	**142**	**128**
Comprehensive income, Non-controlling interests	11	20

6.2.3 CONSOLIDATED BALANCE SHEET

Consolidated assets

(in € millions)	Notes	December 2011	December 2012
Goodwill	**12**	**509**	**528**
Intangible assets	**13**	**101**	**113**
Property, plant and equipment	**14**	**55**	**87**
Non-current financial assets		4	10
Deferred tax assets	10	39	37
TOTAL NON-CURRENT ASSETS		**708**	**775**
Trade receivables	16	990	1,092
Inventories, other receivables and accruals	16	301	315
Restricted cash	27	689	709
Current financial assets	20	11	39
Other marketable securities	21	1,085	998
Cash and cash equivalents	21	437	436
TOTAL CURRENT ASSETS		**3,513**	**3,589**
TOTAL ASSETS		**4,221**	**4,364**

Consolidated liabilities

(in € millions)	Notes	December 2011	December 2012
Issued capital	17	452	452
Treasury shares	17	(6)	(5)
Consolidated retained earnings		(1,740)	(1,719)
Cumulative compensation costs – share-based payments		14	32
Cumulative fair value adjustments of financial instruments		(3)	6
Cumulative actuarial gains (losses) on defined benefit plans		(3)	(9)
Currency translation reserve		61	3
Net profit, Group share		194	183
Equity attributable to owners of the parent		**(1,031)**	**(1,057)**
Non-controlling interests	19	20	24
Total Equity		**(1,011)**	**(1,033)**
Non-current debt	22	1,390	1,301
Other non-current financial liabilities	22	8	16
Non-current provisions	25	24	34
Deferred tax liabilities	10	86	91
TOTAL NON-CURRENT LIABILITIES		**1,508**	**1,442**
Current debt	22	3	2
Bank overdrafts	22	35	43
Other current financial liabilities	22	23	26
Current provisions	25	29	21
Vouchers in circulation	27	3,400	3,608
Trade payables	16	73	62
Other payables and income tax payable	16	161	193
TOTAL CURRENT LIABILITIES		**3,724**	**3,955**
TOTAL EQUITY AND LIABILITIES		**4,221**	**4,364**

6.2.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	Notes	December 2011	December 2012
+ EBITDA		384	401
- Net financial expense (1)	8	(40)	(36)
- Income tax	10	(97)	(102)
- Elimination of non-cash revenue and expenses included in EBITDA		9	18
- Elimination of provision movements included in net financial expense and income tax		1	1
= Funds from operations before non recurring items (FFO)		**257**	**282**
+ Decrease (increase) in working capital	27	140	107
+ Recurring decrease (increase) in restricted cash	27	(56)	(19)
= Net cash from operating activities		**341**	**370**
+ Non-recurring gains (losses) (including restructuring costs) received/paid		(22)	(20)
= Net cash from (used in) operating activities including non-recurring transactions (A)		**319**	**350**
- Recurring expenditure	28	(35)	(40)
- Development expenditure	28	(34)	(76)
+ Proceeds from disposals of assets		47	7
= Net cash from (used in) investing activities (B)		**(22)**	**(109)**
+ Non-controlling interests in share issues by subsidiaries		3	-
- Dividends paid		(124)	(174)
+ (Purchases) sales of treasury shares		(6)	1
+ Increase (Decrease) in debt (2)		**(33)**	**(72)**
+ Acquisition of non-controlling interests (3)		-	(15)
= Net cash from (used in) financing activities (C)		**(160)**	**(260)**
- Net foreign exchange difference and fair value adjustment (D)		**(73)**	**10**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	**24**	**64**	**(9)**
+ Cash and cash equivalents at beginning of period		338	402
- Cash and cash equivalents at end of period		402	393
= NET CHANGE IN CASH AND CASH EQUIVALENTS	**24**	**64**	**(9)**

(1) Including €31 million of cash financial interests. No dividend had been received from external companies.
(2) Net debt (Note 24), excluding net cash.
(3) The amount mainly includes the acquisition of 45% of non-controlling-interests in the Brazilian subsidiary Accentiv Mimetica, now 100% owned.

Cash and cash equivalents at end of the period can be analyzed as follows:

(in € millions)	Notes	December 2011	December 2012
+ Cash and cash equivalents		437	436
- Bank overdrafts		(35)	(43)
= CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**402**	**393**

6.2.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Currency translation reserve [1]	Cumulative actuarial gains (losses) on defined benefit plans	Cumulative fair value of financial instruments	Cumulative compensation costs – share based payments	Treasury Shares	Retained earnings and profit for the period [2]	External changes in consolidation scope [3]	Shareholders equity	Total non-controlling interests	Total equity
December 31, 2010 IFRS	**107**	**-**	**-**	**6**	**-**	**(1,156)**	**(18)**	**(1,061)**	**17**	**(1,044)**
Issue of share capital										
• in cash	-	-	-	-		-	-	**-**	3	**3**
Dividends paid	-	-	-	-		(113)	-	**(113)**	(11)	**(124)**
Effect of changes in consolidation scope	-	-	-	-		(0)	(1)	**(1)**	-	**(1)**
Compensation costs for the period – share-based payments	-	-	-	8		-	-	**8**	-	**8**
(Acquisitions)/disposals of treasury shares	-	-	-	-	(6)	-	-	**(6)**	-	**(6)**
Other comprehensive income	(46)	(3)	(3)	-		-	-	**(52)**	0	**(52)**
Net profit for the period	-	-	-	-		194	-	**194**	11	**205**
TOTAL COMPREHENSIVE INCOME	**(46)**	**(3)**	**(3)**	**-**		**194**	**-**	**142**	**11**	**153**
December 31, 2011 IFRS	**61**	**(3)**	**(3)**	**14**	**(6)**	**(1,075)**	**(19)**	**(1,031)**	**20**	**(1,011)**
Issue of share capital										
• in cash	-	-	-	-	-	-	-	**-**	-	**-**
Dividends paid [4]	-	-	-	-	-	(158)	-	**(158)**	(16)	**(174)**
Effect of changes in consolidation scope	-	-	-	-	-	-	(15)	**(15)**	(0)	**(15)**
Compensation costs for the period – share-based payments	-	-	-	18	-	-	-	**18**	-	**18**
(Acquisitions)/disposals of treasury shares	-	-	-	-	1	-	-	**1**	-	**1**
Other comprehensive income	(58)	(6)	9	-	-	-	-	**(55)**	0	**(55)**
Net profit for the period	-	-	-	-	-	183	-	**183**	20	**203**
TOTAL COMPREHENSIVE INCOME	**(58)**	**(6)**	**9**	**-**	**-**	**183**	**-**	**128**	**20**	**148**
DECEMBER 31, 2012	**3**	**(9)**	**6**	**32**	**(5)**	**(1,050)**	**(34)**	**(1,057)**	**24**	**(1,033)**

(1) The € (58) million unfavorable net exchange difference on foreign operations between December 31, 2011 and December 31, 2012 is mainly due to the depreciation of the Brazilian Real (€55 million negative 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) The acquisitions of additional non-controlling interests have been recognized directly in equity for an amount of € (15) million as of December 31, 2012. These mainly include the acquisition of 45% of non-controlling-interests in the Brazilian subsidiary Accentiv Mimetica, now 100% owned.

(4) As decided by shareholders at the Annual Meeting on May 15, 2012, Edenred paid out dividends totaling €158 million (€0.70 per share) during first-half 2012.

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

	GBP	BRL	MXN	ARS	SEK	VEF	USD
December 2010	0.86	2.22	16.55	5.31	8.97	7.08	1.34
December 2011	0.84	2.42	18.05	5.57	8.91	6.86	1.29
December 2012	**0.82**	**2.70**	**17.18**	**6.49**	**8.58**	**6.99**	**1.32**
Dec. 2012 vs Dec. 2011	(2.3)%	+11.9%	(4.8)%	+16.5%	(3.7)%	+2.0%	+2.0%

6.2.6. KEY RATIOS AND INDICATORS

(in € millions)	Notes	December 2011	December 2012
Like-for-like growth in issue volume [(1)]		+9.7%	+10.1%
Total net margin (EBIT/Issue volume)		2.3%	2.2%
Net operating margin (EBIT- financial revenue)/Issue volume		1.7%	1.7%
Like-for-like growth in FFO [(1)]	2.1	+20.8%	+13.4%
Unlevered free cash flow (in € millions)	2.2	268	283
Adjusted FFO/Adjusted net debt	2.3	92.8%	109.6%

(1) Based on comparable scope of consolidation and constant exchange rates.

6.2.6.1 Growth in funds from operations is calculated as follows:

(in € millions)	Notes	December 2011	December 2012
+ EBITDA		384	401
- Net financial expense	8	(40)	(36)
- Income tax	10	(97)	(102)
- Elimination of non-cash revenue and expenses included in EBITDA		9	18
- Elimination of provision movements included in net financial expense and income tax		1	1
= Funds from operations before non recurring items (FFO)		**257**	**282**
FFO growth		20.8%	9.9%
Like-for-like FFO growth [(1)]		20.8%	13.4%

(1) Based on comparable scope of consolidation and constant exchange rates.

6.2.6.2 Unlevered free cash-flow:

(in € millions)	Notes	December 2011	December 2012
EBIT	**5**	**355**	**367**
Elimination of financial revenue from unrestricted float	5	(76)	(75)
Adjusted EBIT		**279**	**292**
Standard tax rate	10	32.0%	31.2%
Tax on adjusted EBIT		**(89)**	**(91)**
Elimination of depreciation, amortization and provisions	**7**	**29**	**34**
Recurring expenditure	**28**	**(35)**	**(40)**
Decrease/(Increase) in working capital	**27**	**140**	**107**
Recurring decrease/(increase) in restricted cash	**27**	**(56)**	**(19)**
UNLEVERED FREE CASH FLOW		**268**	**283**
Net debt at end of period	**24**	**(74)**	**(85)**

6.2.6.3 Adjusted Funds from Operations/Adjusted net debt

(in € millions)	Notes	December 2011	December 2012
Net Debt/(cash) at period end	**24**	**(74)**	**(85)**
Standard & Poor's adjustement: 20% of Treasury and current financial assets		304	287
Standard & Poor's adjustement: Capitalization of rents and pensions (estimated)		67	68
Net Debt/(cash) adjusted		**297**	**270**
FFO	26	257	282
Standard & Poors adjustement: capitalization of rents and pensions (estimated)		18	14
Adjusted FFO		**275**	**296**
ADJUSTED FFO/ADJUSTED NET DEBT (ESTIMATED)		**92.8%**	**109.6%**

6.2.7 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

A. Introduction

A.1 Business description

Edenred, which invented the *Ticket Restaurant*® meal voucher and is the world leader in prepaid corporate services, designs and delivers solutions that make employees' lives easier and improve the efficiency of organizations.

By ensuring that allocated funds are used as intended, these solutions enable companies to more effectively manage their:

- Employee benefits (*Ticket Restaurant*®, *Ticket Alimentación*®, *Ticket CESU*, *Childcare Vouchers*®, etc.);
- Expense management process (*Ticket Car*®, *Ticket Clean way*®, *Ticket Frete*®, etc.);
- Incentive and rewards programs (*Ticket Compliments*®, *Ticket Kadéos*®, etc.).

The Group also supports public institutions in managing their social programs.

A.2 Management of the Group's capital structure

The Group's main capital management objective is to maintain a satisfactory credit rating and robust capital ratios in order to facilitate business operations and maximize shareholder value.

Its capital structure is optimized to keep pace with changes in economic conditions by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management policies and procedures were unchanged for the two periods presented.

B. Accounting standards

B.1 General framework

As required by European Commission regulation 1606/2002/EC dated July 19, 2002, the Edenred consolidated financial statements for the year ended December 31, 2012, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union as of that date. They include comparative financial information for the year 2011, prepared in accordance with the same principles and conventions and the same standards.

IFRS are downloadable from the European Commission's website: **http://www.ec.europa.eu/internal_market/accounting/ias/index_en.htm**.

At December 31, 2012, the accounting standards and interpretations adopted by the European Union were the same as the International Financial Reporting Standards (including IFRSs, IASs and Interpretations) published by the International Accounting Standards Board ("IASB"), with the exception of IAS 39, which was only partially adopted.

The difference between the standard as published by the IASB and as adopted by the European Union does not have a material impact on the Edenred consolidated financial statements because the currently unadopted provisions of IAS 39 will have no impact on the Group's financial statements when they are adopted by the European Union and become applicable by the Group.

As a result, the Group's consolidated financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

The financial statements of consolidated companies prepared in accordance with local accounting principles have been restated to conform to Group policies prior to consolidation. All consolidated companies have a December 31 year-end.

B.2 Standards, amendments and interpretations applicable from January 1, 2012

Amendment to IFRS 7 "Financial Instruments: Disclosures – Transfers of Financial Assets" came into effect on January 1, 2012 and was adopted for use in the European Union as of that date. A financial asset has been transferred if, and only if, the entity:

- transfers the contractual rights to receive the cash flows of that financial asset; or
- retains the contractual rights to receive the cash flows of that financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

The purpose of the amendment is to:

- help users of financial statements to have a better understanding of transactions involving the transfer of financial assets (*e.g.*, securitizations), including the possible effects of any risks that may remain with the transferor; and
- require entities to provide additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Edenred does not carry out any transfers of financial assets and this amendment therefore has no impact on the Group's consolidated financial statements.

B.3 Standards, amendments and interpretations adopted by the European Union that are applicable in future periods

Edenred has not chosen to early adopt the following standards, amendments and interpretations that had been adopted by the European Union as of December 31, 2012 and are applicable for annual periods beginning after January 1, 2012:

		Applicable for annual periods beginning on or after	Description	Potential impact on Edenred's consolidated financial statements in the first year of application
STANDARDS				
IFRS 13	Fair Value Measurement	January 1, 2013	IFRS 13 defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements.	Not expected to have a material impact.
IFRS 10	Consolidated Financial Statements	January 1, 2014 *	IFRS 10 redefines the principle of control, with the result that its application may lead to changes in a group's scope of consolidation.	No changes have been identified.
IFRS 11	Joint Arrangements	January 1, 2014 *	IFRS 11 redefines the different types of joint arrangement and the consolidation method to be applied in each case. It also bans the use of the proportionate consolidation method.	The impact of applying this standard will not be material, as the Group uses the proportionate method to consolidate just two companies, none of which is material.
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2014 *	IFRS 12 presents in a single standard the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.	The standard concerns disclosures and has no impact on reported amounts.
IAS 27 revised	Separate Financial Statements	January 1, 2014 *	The revised version of IAS 27 sets out the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates in the separate financial statements.	The revised standard has no impact on the consolidated financial statements.
IAS 28 revised	Investments in Associates and Joint Ventures	January 1, 2014 *	The revisions have been made to align IAS 28 with the changes arising from the publication of IFRS 10, IFRS 11 and IFRS 12.	The revised standard has no impact on the consolidated financial statements.
AMENDMENTS				
IAS 1	Presentation of Other Comprehensive Income	July 1, 2012	This amendment requires items that will be reclassified (or 'recycled') to profit or loss at a future point in time to be presented separately from items that will never be reclassified.	The standard concerns the presentation of the financial statements and has no impact on reported amounts.
IAS 12	Deferred taxes – Recovery of Underlying Assets	January 1, 2013	This amendment introduces a rebuttable presumption that the carrying amount of an asset will be recovered through sale. This presumption applies to: • investment property measured using the fair value model in IAS 40 "Investment Property"; and • property, plant and equipment or intangible assets measured using the revaluation model in IAS 16 "Property, plant and equipment" or IAS 38 "Intangible assets".	This amendment has no impact on Edenred, as the Group does not have any investment property measured using the fair value model or any property, plant and equipment or intangible assets measured using the revaluation model.

		Applicable for annual periods beginning on or after	Description	Potential impact on Edenred's consolidated financial statements in the first year of application
IAS 19	Employee Benefits	January 1, 2013	The main changes introduced in the amendment are as follows: • changes in defined benefit obligations and plan assets must now be recognized when they occur, thus eliminating the corridor approach; • the expected return on plan assets must be measured using the same discount rate as that applied to measure the defined benefit liability; • past service costs are now recognized in full in profit or loss for the period of the plan change, including unvested past service costs that were previously recognized over the vesting period; • new disclosures are required for defined benefit plans.	These amendments are not expected to have a material impact as the Group does not currently apply the corridor approach.
IFRS 7	Disclosure of Offsetting Financial Assets and Financial Liabilities	January 1, 2013	The amendment requires entities to disclose additional information about certain financial instruments.	The standard concerns disclosures and has no impact on reported amounts.
IAS 32	Offsetting Financial Assets and Financial Liabilities	January 1, 2014	The amendment clarifies the requirements for offsetting financial assets and financial liabilities.	This amendment is not expected to have a material impact.
INTERPRETATIONS				
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013	The interpretation clarifies the accounting treatment of stripping costs in the production phase of a surface mine.	Edenred is not concerned by this interpretation.

* *Entities are required to adopt all of these standards at the same time.*

B.4 Standards, amendments and interpretations not yet adopted by the European Union

The following standards, amendments and interpretations were in the process of being adopted by the European Union as of December 31, 2012:

		Applicable for annual periods beginning on or after IASB date	Description	Potential impact on Edenred's consolidated financial statements in the first year of application
STANDARDS				
IFRS 9	Financial Instruments	January 1, 2015 *	IFRS 9 is the first in the three phases of the project to replace IAS 39 «Financial Instruments: Recognition and Measurement».	This standard is not expected to have a material impact.
AMENDMENTS				
Annual Improvements	2009-2011 cycle	January 1, 2013 *	The improvements make amendments to five standards: **1. IFRS 1 "First-time Adoption of International Financial Reporting Standards"** **a)** Repeated application of IFRS 1 The amendment applies to entities that have applied IFRSs in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with IFRS. Entities in this situation have two options: • prepare financial statements in accordance with IFRS 1 (repeat application); or • apply IFRSs retrospectively in accordance with IAS 8. **b)** Borrowing costs related to qualifying assets that are capitalized before the date of transition to IFRS After the date of transition to IFRS, borrowing costs to be included in the cost of qualifying assets are determined in accordance with IAS 23 "Borrowing Costs". Borrowing costs for periods prior to the date of transition to IFRS are not restated. **2. IAS 1 "Presentation of Financial Statements"** The amendment clarifies the IAS 1 requirements for comparative information when an entity prepares financial statements that include more than the minimum comparative information requirements. It also clarifies the requirement for presentation of a third opening balance sheet at the beginning of the prior period as of result of: • a change in accounting policy; or • retrospective restatements; or • reclassifications that have a material impact on the prior period opening balance sheet. **3. IAS 16 "Property, Plant and Equipment"** The amendment clarifies that items such as spare parts, stand-by or servicing equipment are required to be classified as property, plant and equipment (PPE) when they meet the definition of PPE, and are classified as inventory when the definition is not met. **4. IAS 32 "Financial Instruments: Presentation"** The amendment clarifies that income tax relating to distributions to holders of an equity instrument and income tax relating to transaction costs of an equity transaction are required to be accounted for in accordance with IAS 12 "Income Taxes". **5. IAS 34 "Interim Financial Reporting»** The amendment clarifies that total assets and liabilities for a particular reportable segment need to be disclosed if, and only if: • a measure of total assets or of total liabilities (or both) is regularly provided to the chief operating decision maker; and • there has been a material change from those measures disclosed in the last annual financial statements for that reportable segment.	Not expected to have a material impact.

		Applicable for annual periods beginning on or after IASB date	Description	Potential impact on Edenred's consolidated financial statements in the first year of application
IFRS 10, IFRS 11 and IFRS 12	Transition guidance	January 1, 2013 *	These amendments clarify the transition guidance for IFRS 10 and reduce the disclosure requirements by requiring only one comparative period to be restated. In addition, comparatives for the disclosures relating to unconsolidated structured entities under IFRS 12 are not required.	These amendments are not expected to have a material impact.
IFRS 10, IFRS 12 and IAS 27	Investment entities	January 1, 2014 *	These amendments, which apply to a particular class of business that qualify as investment entities, provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them.	Edenred is not concerned by this amendment.
INTERPRETATIONS				
None				

* *These standards, amendments or interpretations are not applicable until they have been adopted by the European Union.*

C. Use of estimates and judgment

The preparation of financial statements implies the use of estimates and assumptions that can affect the reported amount of certain assets and liabilities, income and expenses, as well as the information disclosed in the notes to the financial statements. Edenred's management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and the current economic situation. Reported amounts in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments made by management in preparing the financial statements relate to the following items:

- the valuation of the goodwill and the acquired intangible assets (see Note 2.C, Note 12 and Note 13);
- the estimation of the recoverable amount of assets (see Note 2.E. 5, Note 12, Note 13, Note 14 and Note 15);
- the provisions and post-employment benefits (see Note 2.K, Note 2.L and Note 25);
- the deferred taxes (see Note 2.N and Note 10.D);
- the share-based payments (see Note 2.O and Note 18);
- the financial instruments (see Note 2.Q and Note 23).

When a specific transaction is not covered by any standards or interpretations, management uses its judgment in developing and applying an accounting policy that results in the production of relevant and reliable information. As a result, the financial statements provide a true and fair view of the Group's financial position, financial performance and cash flows and reflect the economic substance of transactions.

The main accounting policies and methods are presented hereafter.

NOTE 2 ACCOUNTING POLICIES

A. Consolidation methods

The companies over which the Group exercises exclusive de jure or de facto control, directly or indirectly, are fully consolidated.

Companies controlled and operated jointly by Edenred and a limited number of partners under a contractual agreement are proportionally consolidated.

Companies over which the Group exercises significant influence are accounted for by the equity method. Significant influence is considered as being exercised when the Group owns between 20% and 50% of the voting rights.

In accordance with IAS 27 – Consolidated and Separate Financial Statements, potential voting rights held by the Group that are currently exercisable or convertible (call options) are taken into account to determine the existence of control over the company concerned. However, no account is taken of potential rights that cannot be exercised until the occurrence of a future event.

B. Business combinations

Since January 1, 2010, following the adoption of IFRS 3 (revised) – Business Combinations and IAS 27 (revised) – Consolidated and Separate Financial Statements, the Group has accounted for business combinations and changes in percentage ownership in accordance with the new standards, in line with the accounting policies described above.

C. Goodwill

In the year following the acquisition of a consolidated company, fair value adjustments are made to the identifiable assets and liabilities acquired. For this purpose, fair values are determined in the new subsidiary's local currency.

In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate.

C.1 Positive goodwill

Goodwill, representing the excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date, is recognized in assets under "Goodwill". Goodwill mainly results from the expected synergies and other benefits arising from the business combination.

In accordance with IFRS 3 (revised), which is applicable to business combinations carried out on or after January 1, 2010, each time it acquires a less than 100% interest in an entity, the Group must choose whether to measure the non-controlling interest at fair value or as the non-controlling interest's proportionate share of the acquiree's identifiable net assets (with no change possible later in the event of an additional interest being acquired that does not transfer control). If the business is measured at its total fair value including non-controlling interests, goodwill attributable to non-controlling interests is also recognized.

Goodwill arising on the acquisition of associates – corresponding to companies over which the Group exercises significant influence – is included in the carrying amount of the associate concerned.

Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is reported separately.

In accordance with IFRS 3 – Business Combinations, goodwill is not amortized but is tested for impairment at least once a year and more frequently if there is any indication that it may be impaired. The methods used to test goodwill for impairment are described in the note 2.E. 5. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in profit.

C.2 Negative goodwill

Negative goodwill, representing the excess of the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date over the cost of the business combination, is recognized immediately in profit.

D. Foreign currency translation

The presentation currency is the Euro.

The balance sheets of foreign subsidiaries are translated into euros at the exchange rate on the balance sheet date (closing exchange rate), and their income statements are translated at the average rate for the period. Differences arising from translation are recorded as a separate component of equity and recognized in profit on disposal of the business.

E. Non-current assets

E.1 Intangible assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, in accordance with IAS 38 – Intangible Assets.

The Group's main brands are considered as having indefinite useful lives and are therefore not amortized. Their carrying amount is reviewed at least once a year and more frequently if there is any indication that they may be impaired. If their recoverable amount determined according to the criteria applied at the acquisition date is less than their carrying amount, an impairment loss is recognized (see Note 2.E. 5).

Other intangible assets (software, licenses and customer lists) are considered as having finite useful lives. They are amortized on a straight-line basis over their useful lives, as follows:

- licenses: life of the license;
- customer list: 3 to 15 years;

- software: 2 to 7 years.

Identifiable intangible assets recognized in a business combination are initially recognized at amounts determined by independent valuations, performed using relevant criteria for the business concerned that can be applied for the subsequent measurement of the assets. Identifiable brands are measured based on multiple criteria, taking into account both brand equity and their contribution to profit. Customer lists are measured based on the cost of acquiring new customers.

E.2 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16 – Property, Plant and Equipment.

Assets under construction are measured at cost less any accumulated impairment losses. They are depreciated from the date when they are put in service.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, determined by the components method, from the date when they are put in service. The main depreciation periods applied are as follows:

- building improvements, fixtures and fittings: 5 to 15 years;
- equipment and furniture: 4 to 7 years.

E.3 Investment properties

Investment properties are those properties held to earn rentals and for capital appreciation.

Investment properties are measured at cost less accumulated depreciation and impairment losses if any.

Investment properties are depreciated on a straight-line basis over their estimated useful lives, determined by the components method. Buildings are depreciated over 40 years. Other components are depreciated over the same periods as other property, plant and equipment.

E.4 Other non-current financial assets

Investments in non-consolidated companies are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Gains and losses arising from re-measurement at fair value are recognized directly in equity (under "Cumulative fair value adjustments to financial instruments") and are reclassified to the income statement when the investment is sold. In the case of a significant or prolonged decline in value, an irreversible impairment loss is recognized in profit.

An impairment test is performed whenever there is objective evidence indicating that an investment's recoverable amount may be less than its carrying amount. Possible indications of impairment include a fall in the share price if the investee is listed, evidence of serious financial difficulties, observable data indicating a measurable decline in estimated cash flows, or information about significant changes in the economic, financial or political environment with an adverse effect on the investee. Whenever there is an indication that an investment may be impaired, an impairment test is performed by comparing the investment's recoverable amount to its carrying amount. Recoverable amount is estimated using the methods described in Note 2.E. 5.

E.5 Recoverable amount of assets

In accordance with IAS 36 – Impairment of Assets, the carrying amounts of goodwill, intangible assets, property, plant and equipment, and investment properties are tested for impairment when there is any indication that they may be impaired. Assets with an indefinite useful life – corresponding solely to goodwill and brands – are tested at least once a year.

E.5.1 Indications of impairment

Indications of impairment are as follows:

- a 15% drop in like-for-like operating revenue; or
- a 20% drop in like-for-like EBITDA; or
- any events or changes in the economic environment indicating a current risk of impairment.

E.5.2 Cash-Generating Units

Impairment tests are performed at the level of the Cash-Generating Unit (CGU).

CGUs are homogeneous groups of assets whose continuous use generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

All intangible assets, including goodwill, and all items of property, plant and equipment are allocated to CGUs.

CGUs are identified by country. For the main countries, they are identified by type of solution (Employee Benefits, Expense Management and Incentive & Rewards) if there are very different activities with separated commercial teams and customer portfolios.

Methods used to determine recoverable amounts

Impairment tests consist of comparing the carrying amount of a CGU with its recoverable amount.

The recoverable amount of a CGU is the higher of:

- its fair value less costs to sell; and
- its value in use.

The recoverable amount of a CGU is determined:

- firstly, by the EBITDA multiples method (fair value approach);
- and then, by the discounted cash flows method (value in use approach) if the test on EBITDA multiples is unsatisfactory.

a) Valuation by the EBITDA multiples method

The EBITDA multiples method is considered to be the best method of calculating fair value less costs to sell, representing the best estimate of the price at which a CGU could be sold on the market on the valuation date.

The method consists of calculating the CGU's average EBITDA for the last two years and applying a multiple based on the CGU's geographic location and the specific country risk.

The multiples applied correspond to the average transaction multiples observed on the market.

If the recoverable amount is less than the carrying amount, it is recalculated using the discounted cash flows method.

b) Valuation by the discounted cash flows method

The projection period is limited to five years, unless the use of a longer period is justified such as at the bottom of the economic cycle. Cash flows are discounted at a rate corresponding to the year-end weighted average cost of capital. The perpetuity growth rate is aligned with the economic outlook in each of the countries concerned.

E.5.3 Measurement of impairment losses

If the recoverable amount is less than the carrying amount, an impairment loss is recognized in an amount corresponding to the lower of the impairments calculated by the EBITDA multiples and discounted cash flows methods. Impairment losses are recognized in the income statement under "Non-recurring income and expenses" (see Note 2.T. 9).

E.5.4 Reversal of impairment losses

In accordance with IAS 36 – Impairment of Assets, impairment losses on goodwill as well as on intangible assets with a finite useful life, such as licenses and software, are irreversible. Impairment losses on property, plant and equipment and on intangible assets with an indefinite useful life, such as brands, are reversible in the case of a change in estimates used to determine their recoverable amount.

F. Inventories

Inventories are measured at the lower of cost and net realizable value, in accordance with IAS 2 – Inventories. Cost is determined by the weighted average cost method.

G. Receivables

Trade and other receivables are initially recognized at fair value. They are subsequently measured at amortized cost, net of any impairment losses recorded in the income statement. An impairment loss is recognized when the total amount receivable is not recoverable in accordance with the originally agreed terms.

H. Restricted cash

Restricted cash corresponds to service voucher reserve funds. These funds, which are equal to the face value of service vouchers in circulation, are subject to specific regulations in some countries such as France for the products *Ticket Restaurant*® and *Ticket CESU*, United Kingdom and Romania. In particular, use of the funds is restricted and they must be clearly segregated from the Group's other cash. The funds remain Edenred's property and are invested in interest-bearing financial instruments.

I. Prepaid expenses

Prepaid expenses correspond to expenses paid during the period that relate to subsequent periods. They are reported in the balance sheet under "Other receivables and accruals".

J. Treasury stock

Edenred shares held by the Group are recorded as a deduction from consolidated equity at purchase cost. Capital gains/losses on disposal of Edenred shares are recognized directly in equity and do not affect profit for the financial year.

K. Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognized when the Group has a present obligation (legal, contractual or implicit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined based on the best estimate of the expenditure required to settle the obligation.

Provisions for restructuring costs are recorded when the Group has a detailed formal plan for the restructuring and the plan's main features have been announced to those affected by it.

Provisions for losses due to voucher theft are calculated for reported thefts based on a percentage of the stolen vouchers' aggregate face value corresponding to the Group's best estimate of the proportion of those vouchers that will be cashed in.

L. Pensions and other post-employment benefits

The Group operates various supplementary pension, length-of-service award and other post-employment benefit plans in accordance with the laws and practices of the countries where it operates.

These plans are either defined contribution or defined benefit plans.

Under defined contribution plans, the Group pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions to these plans are recognized immediately as an expense.

For defined benefit plans, the Group's obligation is determined in accordance with IAS 19 – Employee Benefits.

The Group's obligation is determined by the projected unit credit method based on actuarial assumptions related to future salary levels, retirement age, mortality, staff turnover and discount rates. These assumptions take into account the macroeconomic situation and other specific circumstances in each country.

Pension and other retirement benefit obligations recognized in the balance sheet correspond to the discounted present value of the defined benefit obligation less the fair value of plan assets. Any surpluses, corresponding to the excess of the fair value of plan assets over the projected benefit obligation, are recognized only when they represent the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity.

The net defined benefit obligation is recognized in the balance sheet under "Long-term provisions".

M. Translation of foreign currency transactions

Foreign currency transactions are recognized and measured in accordance with IAS 21 – Effects of Changes in Foreign Exchange Rates. As prescribed by this standard, each Group entity translates foreign currency transactions into its functional currency at the exchange rate on the transaction date.

Foreign currency receivables and payables are translated into euros at the exchange rate on the balance sheet date (closing exchange rate). Foreign currency financial liabilities measured at fair value are translated at the exchange rate on the valuation date. Gains and losses arising from translation are recognized in "Other financial income and expenses, net", except for gains and losses on financial liabilities measured at fair value which are recognized in equity.

N. Taxes

The income tax is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

In accordance with IAS 12 – Income Taxes, deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base using the liability method. This method consists of adjusting deferred taxes at each period-end, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The effects of changes in tax rates (and tax laws) are recognized in the income statement for the period in which the change is announced.

Deferred taxes are recognized for all temporary differences, except when the difference arises from the initial recognition of non-deductible goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable profit.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates and joint ventures except when:

- the Group is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for ordinary and evergreen tax loss carry forwards only when it is probable that the asset will be recovered in the foreseeable future.

Deferred taxes are normally recognized in the income statement. However, when the underlying transaction is recognized in equity, the related deferred tax is also recorded in equity.

Since January 1, 2010, adjustments to deferred tax assets acquired in a business combination are recognized in profit or loss without a corresponding adjustment to goodwill.

In accordance with IAS 12, deferred taxes are not discounted.

In France, the "taxe professionnelle" local business tax has been replaced in the 2010 Finance Act by the "Contribution Economique Territoriale" tax (CET). The CET comprises two separate taxes, as follows:

- a tax assessed on the rental value of real estate («CFE»). Similar to the «taxe professionnelle», it fulfills the criteria for recognition as an operating expense;
- a tax assessed on the value added by the business («CVAE»), which has some of the characteristics of a tax on income, as defined in IAS 12.

In a press release dated January 14, 2010, France's National Accounting Board, the Conseil National de la Comptabilité, stated that each business should exercise its own judgment to determine the accounting classification of the CVAE.

After analyzing the CVAE, Edenred decided that it had characteristics of an income tax. This change had no material impact on the consolidated financial statements.

O. Share-based payments

O.1 Stock option plans

IFRS 2 "Share-based Payment" applies to the stock option plans set up by the Board of Directors on August 6, 2010, March 11, 2011 and February 27, 2012. These plans do not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the end of the vesting period.

The fair value of services received as consideration for the stock options is measured by reference to the fair value of the options at the grant date. The fair value of the options is determined using the Black & Scholes option pricing model. The grant date is defined as the date when the plan's terms and conditions are communicated to Group employees: it corresponds to the date on which the Board of Directors approved the plan.

The fair value of the options is recognized on a straight-line basis over the vesting period for the relevant plan. The cost is included in employee benefit expense, with a corresponding adjustment to equity. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to equity.

O.2 Performance share plans

IFRS 2 "Share-based Payment" also applies to the performance share plans set up by the Board of Directors on August 6, 2010, March 11, 2011 and February 27, 2012.

The recognition principles are the same as those applied to stock option plans.

The number of performance shares is reviewed annually based on changes in the probability of the performance objectives being met.

P. Service vouchers in circulation

Service vouchers in circulation are recognized as short-term liabilities at face value.

Q. Financial instruments

Financial assets and liabilities are recognized and measured in accordance with IAS 39 – Financial Instruments, Recognition and Measurement, and its amendments.

Financial assets and liabilities are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Q.1 Financial assets

Financial assets are classified between the three main categories defined in IAS 39, as follows:

- "Loans and receivables" mainly comprise time deposits and loans to non-consolidated companies. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss – corresponding to the difference between the carrying amount and the recoverable amount (*i.e.* the present value of expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. It may be reversed if the recoverable amount increases in a subsequent period;
- "Held-to-maturity investments" mainly comprise bonds and other marketable securities intended to be held to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss – corresponding to the difference between the carrying amount and the recoverable amount (*i.e.* the present value of expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. It may be reversed if the recoverable amount increases in a subsequent period.

  For these two categories, initial fair value is equivalent to acquisition cost, because no material transaction costs are incurred;
- "Available-for-sale financial assets" mainly comprise investments in non-consolidated companies, mutual fund units and money market securities. These assets are measured at fair value, with changes in fair value recognized in equity. The fair value of listed securities corresponds to market price (level 1 valuation technique) and that of mutual funds corresponds to their published net asset value (level 2 valuation technique). For unlisted securities, fair value is estimated based on the most appropriate criteria applicable to each individual investment using valuation techniques that are not based on observable data (level 3 valuation technique). Securities that are not traded on an active market, for which fair value cannot be reliably estimated, are carried in the balance sheet at historical cost plus any transaction expenses. When there is objective evidence of a significant or prolonged decline in value, the cumulative unrealized loss recorded in equity is reclassified to the income statement.

Q.2 Bank borrowings

Interest-bearing drawdowns on lines of credit and bank overdrafts are recognized for the amounts received, net of direct drawdown costs.

Q.3 Other financial liabilities

Other financial liabilities are measured at amortized cost. Amortized cost is determined by the effective interest method, taking into account the costs of the issue and any issue or redemption premiums.

Q.4 Other financial liabilities

The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of its business. Hedged risks are currency and interest rate risks.

In accordance with IAS 39, derivatives are initially recognized at cost. They are subsequently measured at fair value at each period-end. The accounting treatment of changes in fair value of derivatives depends on their intended use and the resulting designation.

Most interest rate and foreign currency derivatives used by Edenred are designated as hedging instruments. In accordance with IAS 39, hedge accounting is applicable in particular if, and only if:

- at the time of setting up the hedge, there is a formal designation and documentation of the hedging relationship;
- the effectiveness of the hedging relationship can be demonstrated from the outset and at each balance sheet date, prospectively and retrospectively.

Financial instruments designated as hedging instruments

When derivatives are designated as hedging instruments, their accounting treatment varies depending on whether they are designated as:

- a fair value hedge of an asset or a liability or of an unrecognized firm commitment; or
- a cash flow hedge.

Fair value hedge

A fair value hedge is a hedge of the exposure to changes in the fair value of a financial asset, a financial liability or an unrecognised firm commitment.

The gain or loss from remeasurement at fair value of the hedging instrument is recognized in profit on a symmetrical basis with the loss or gain from remeasurement at fair value of the hedged item. These two remeasurements offset each other within the same line items in the income statement, except for the ineffective portion of the hedge.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in future cash flows associated with an existing asset or liability, or a highly probable forecast transaction.

The effective portion of the gain or loss from remeasurement at fair value of the hedging instrument is recognized in equity and the ineffective portion is recognized in the income statement for the period.

Cumulative gains or losses in equity are recycled to the income statement in the period when the hedged item affects profit.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss carried in equity at the time remains in equity and is recognized in the income statement when the forecast transaction is ultimately recognized in the income statement.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss carried in equity is immediately transferred to the income statement.

R. Cash and cash equivalents

Cash and cash equivalents include bank balances and short-term investments in money market instruments. These instruments mainly correspond to bank time deposits risk free and interest-bearing demand deposits. They have initial maturities of three months or less, are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value.

In accordance with IAS 39, marketable securities are measured at fair value, with changes in fair value recognized in profit under "Net financial expense".

S. Other marketable securities

Instruments that have initial maturities of more than three months are reported under "Marketable securities". These instruments are highly liquid and are subject to an insignificant risk of changes in value due to interest rate and foreign exchange rate changes. However, they are no longer classified as cash and cash equivalents in line with the guidance issued by France's securities regulator (AMF recommendation no.2011-16 applicable for the 2011 year-end closing). This line item also includes restricted cash, corresponding to cash and cash equivalents subject to restrictions due to regulations such as exchange controls that are specific to a country.

Both cash and cash equivalents and marketable securities are taken into account for the calculation of net debt. Net debt is presented in Note 24 "Net debt and net cash".

T. Presentation of the income statement and the statement of cash flows

T.1 Issue volume

Issue volume corresponds to the face value of prepaid vouchers issued during the period plus the amount loaded on prepaid cards.

It is tracked for all vouchers and cards in circulation that are managed by Edenred.

T.2 Operating revenue

In accordance with IAS 18 – Revenue, operating revenue corresponds to the value of goods and services sold in the ordinary course of business by fully and proportionally consolidated companies.

It is measured at the fair value of the consideration received or receivable, net of all discounts and rebates, VAT and other sales taxes, in compliance with IAS 18.

Operating revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. If there is significant uncertainty about the collectability of revenue, it is not recognized until the uncertainty is removed.

There are two types of operating revenue:

T.2.1 Operating revenue generated by issue volume

Operating revenue generated by issue volume corresponds to operating revenue generated by prepaid vouchers managed by Edenred.

For all of these products, recognized revenue comprises:

- commissions received from client companies on the sale of prepaid vouchers and cards and all related amounts billed to clients such as delivery costs, card sales and voucher customization costs. These amounts are recognized in revenue when the prepaid vouchers and cards are issued and delivered to clients;
- affiliate contributions («Network fees»), corresponding to the margin deducted from the amount reimbursed to the affiliate that provides the service, and any related billings such as up-front payments, monthly subscription fees and electronic payment terminal sales or rentals. These contributions and billings are recognized in revenue when the vouchers or cards are issued to the extent that the processing transaction cannot be dissociated from the issuance transaction, and an accrual is booked for the future processing costs;

- profits on vouchers and cards that expire without being reimbursed. To take into account commercial practices in each country (refunds of expired service vouchers and other commercial gestures), these profits are recognized gradually once the vouchers have expired;
- revenue from advertisements printed on vouchers and cards. This revenue is recognized on the billing date to the advertiser.

T.2.2 Other operating revenue

Other operating revenue corresponds essentially to revenue from value-added services such as incentive programs, human services and event-related services. The corresponding revenue is the amount billed to the client and is recognized on delivery of the solutions.

T.3 Financial revenue

This is interest generated by investing cash over the period between:

- the issue date and the reimbursement date for vouchers; and
- the loading date and the redeeming date for cards.

The interest represents a component of operating revenue and as such is included in the determination of revenue.

T.4 EBITDA

EBITDA includes operating revenue and expenses and rental expense.

T.5 Depreciations, amortization and provisions

Depreciation, amortization and provision expenses reflect the operating costs of holding assets.

T.6 EBIT

EBIT corresponds to EBITDA after the operating costs of holding mainly non-tangible assets. It is used as the benchmark for determining senior management and other executive compensation, as it reflects the economic performance of the business.

It is also the basis for calculating operating margin (EBIT/Issue volume ratio).

T.7 Net financial expense

This item includes:

- interest expense or income on borrowings, other financial liabilities and loans and receivables;
- exchange gains and losses on financial transactions; and
- movements on financial provisions.

T.8 Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items corresponds to the results of operations of the Group's businesses less the related financing cost. Net financial expense represents an integral part of operating profit before tax and non-recurring items, as it contributes to the performance indicator used by Edenred in its investor communications.

T.9 Non-recurring income and expenses

Non-recurring income and expenses include:

- restructuring costs, corresponding to all the costs incurred in connection with restructuring operations;
- impairment losses recorded in accordance with IAS 36 – Impairment of Assets; and
- gains and losses on disposals of fixed assets, non-operating provision movements and other non-operating gains and losses.

The transactions concerned are not directly related to the management of continuing operations.

T.10 Operating profit before tax

Operating profit before tax corresponds to profit after income and expenses that are unusual in terms of their amount and frequency and that do not relate directly to the Group's ordinary activities.

T.11 Operating profit before non-recurring items

Operating profit before non-recurring items corresponds to operating profit before tax and non-recurring items less income tax on recurring income for the period. It is stated net of non-controlling interests.

T.12 Statement of cash flows

The statement of cash flows is presented on the same basis as the management reporting schedules used internally to manage the business. It shows cash flows from operating, investing and financing activities.

Cash flows from operating activities include:

- funds from ordinary activities, before non-recurring items;
- cash received and paid on non-recurring transactions;
- changes in working capital; and
- changes in restricted cash.

Cash flows from investing activities comprise:

- recurring expenditure to maintain in a good state of repair operating assets held at January 1 of each year;
- development expenditure, including the fixed assets and working capital of newly consolidated subsidiaries and additions to fixed assets of existing subsidiaries; and
- proceeds from disposals of assets.

Cash flows from financing activities include:

- changes in equity;
- changes in debt;
- dividend payments;
- purchases/sales of treasury shares; and
- acquisition of non-controlling interests.

U. Earnings per share

U.1 Net earnings per share

Basic earnings per share are calculated by dividing net profit (Group share) by the weighted average number of shares outstanding during the year.

U.2 Diluted earnings per share

Diluted earnings per share are calculated based on the average number of outstanding shares, as adjusted to include the weighted average number of shares that would result from the exercise, during the year, of existing stock options and any other dilutive instruments.

V. Other information

Current assets and liabilities are assets and liabilities that the Group expects to recover or settle:

- in the normal course of business; or
- within twelve months of the period-end.

W. Information about Edenred SA

Registered name: Edenred SA

Registered office: Immeuble Colombus, 166-180 Boulevard Gabriel Péri, 92245 Malakoff – France

Société anonyme with a Board of Directors. Share capital: €451,794,792

Registered in Nanterre: R.C.S. 493 322 978

NAF code: 6420Z

The Board of Directors of Edenred approved these financial statements for publication on February 12, 2013.

NOTE 3 CHANGES IN THE CONSOLIDATION SCOPE AND SIGNIFICANT EVENTS

A. 2012 changes in the consolidation scope

A.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 the customer lists for €10 million and goodwill for the residual difference (€16 million).

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).

B. 2011 changes in the consolidation scope

B.1 Organic growth and acquisitions

In **January 2011**, Edenred announced the acquisition of **RistoChef**, Italy's seventh-largest provider of meal vouchers. With more than 1,800 customers and a nearly 3% market share, RistoChef, a wholly-owned subsidiary of the Elior group, generated an estimated issue volume of around €70 million in 2010.

This transaction enables Edenred to consolidate its leadership position in Italy, with more than 40% market share.

The transaction was based on an enterprise value of €9 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 provisionally allocated (before deferred tax) under "customer lists" for €4 million. The remaining excess amount accounted for as goodwill amounted to €10 million.

In **October 2011**, Edenred acquired the petrol card business of **CGI**, Mexico's sixth largest petrol card seller. The value of acquired assets amounted to €4 million, including a contingent consideration of €2 million payable in 2012. Based on initial analysis and provisionally, the total cost has been mainly allocated to "customer lists".

B.2 Disposal of assets

Based on the strategic review of its business portfolio, Edenred divested certain business assets relating to employee assistance programs that provide employees with advice and psychological support (Employee Assistance Program).

B.2.1 Divestment of the stake in EAP France and its interest in BEA

In **April 2011**, Edenred sold its entire stake in EAP France and its interest in corporate concierge provider BEA to Europ Assistance France (51%) and Malakoff Médéric (49%) for €4 million, giving rise to a capital gain of €3 million.

The business, which does not have any issue volume, contributed €5 million to consolidated revenue in 2010.

B.2.2 Divestment of the stake in WorkPlace Benefits and its subsidiaries

In **May 2011**, Edenred sold its stake in the American company WorkPlace Benefits and its subsidiaries to the main shareholder (a private individual) for €3 million, giving rise to a capital gain of €1 million.

The business, which does not have any issue volume, contributed €9 million to consolidated revenue in 2010.

B.2.3 Divestment of the stake in Davidson Trahaire and its subsidiaries

In August 2011, Edenred sold its stake in the Australian company Davidson Trahaire, a Human Resources consultancy specialized in employee assistance programs and other corporate psychology services. The business, which does not have any issue volume, contributed respectively €18 million and €13 million to consolidated revenue in 2010 and in 2011.

Based on a total consideration of AUD 48.5 million, or around €35 million, this transaction gave rise to a capital gain of €16 million.

C. Significant event

C.1 Private placement notes issue

During first half-year 2012, Edenred successfully placed a €225 million issue of 10-year fixed-rate bonds, maturing in May 23, 2022 and paying 3.75% interest.

The purpose of the issue is to strengthen the Group's liquidity, diversify its financial resources and extend the average maturity of its debt. The proceeds have been used to pay down bank debt.

NOTE 4 SEGMENT INFORMATION

Chief operating decision maker

Edenred's chief operating decision maker is executive management assisted by the Executive Committee. Executive management makes decisions about resources to be allocated to the operating segments and assesses their performance.

Executive management decisions are based on data produced by the Group's internal reporting system. The internal reporting system presents information at the country level.

Aggregation

In the Group's internal reporting system, country-level information is aggregated into four geographical areas:

- France;
- Rest of Europe;
- Latin America;
- Rest of the world.

Except France, the presented segments are thus an aggregation of operating segments performed in accordance with IFRS 8 principles.

In addition to the similarity of long-term economic characteristics, IFRS 8 lists five aggregation criteria:

a) the nature of the products and services;

b) the nature of the production processes;

c) the type or class of customer for their products and services;

d) the methods used to distribute their products or provide their services; and

e) if applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities.

The "Rest of Europe" and "Latin America" aggregations meet all the criteria mentioned above.

The "Rest of the world" segment aggregates the countries that are not included in "France", "Rest of Europe" and "Latin America".

Finally, the "Worldwide structures" include the Edenred SA holding company, regional headquarters and companies with no operating activity.

Transactions between segments are not material.

A. 2012 information

A.1 Income statement

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Eliminations	Total Dec. 2012
ISSUE VOLUME	**2,620**	**4,646**	**8,804**	**587**	**-**	**-**	**16,657**
Operating revenue generated by issue volume	117	248	445	28	-	-	838
Other operating revenue	21	61	34	22	-	-	138
Operating Revenue	**138**	**309**	**479**	**50**	**-**	**-**	**976**
Financial Revenue	**20**	**28**	**39**	**4**	**-**	**-**	**91**
Total external Revenue	**158**	**337**	**518**	**54**	**-**	**-**	**1,067**
Inter-segment revenue	**-**	**3**	**-**	**-**	**-**	**(3)**	**-**
TOTAL REVENUE FROM OPERATING SEGMENTS	**158**	**340**	**518**	**54**	**-**	**(3)**	**1,067**
EBIT FROM OPERATING SEGMENTS	**45**	**95**	**243**	**3**	**(19)**	**-**	**367**

A.2 Balance sheet

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Eliminations	Total Dec. 2012
Goodwill	91	182	215	40	-	-	528
Intangible assets	23	48	29	6	7	-	113
Property, plant and equipment	6	14	63	3	1	-	87
Non-current financial assets	-	1	1	3	5	-	10
Deferred tax assets	2	23	3	1	8	-	37
Non-current assets	**122**	**268**	**311**	**53**	**21**	**-**	**775**
Current assets	**747**	**756**	**1,587**	**164**	**335**	**-**	**3,589**
TOTAL ASSETS	**869**	**1,024**	**1,898**	**217**	**356**	**-**	**4,364**
Equity and non-controlling interests	**179**	**615**	**556**	**51**	**(2,434)**	**-**	**(1,033)**
Non-current liabilities	**13**	**66**	**32**	**5**	**1,326**	**-**	**1,442**
Current liabilities	**677**	**343**	**1,310**	**161**	**1,464**	**-**	**3,955**
TOTAL EQUITY AND LIABILITIES	**869**	**1,024**	**1,898**	**217**	**356**	**-**	**4,364**

B. 2011 information

B.1 Income statement

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Eliminations	Total Dec. 2011
ISSUE VOLUME	**2,598**	**4,770**	**7,337**	**484**	**-**	**-**	**15,188**
Operating revenue generated by issue volume	120	255	386	22	-	-	782
Other operating revenue	24	72	28	34	-	-	158
Operating Revenue	**144**	**327**	**414**	**56**	**-**	**-**	**940**
Financial Revenue	**20**	**32**	**36**	**3**	**-**	**-**	**92**
Total external Revenue	**164**	**359**	**450**	**59**	**-**	**-**	**1,032**
Inter-segment revenue	-	-	-	-	-	-	-
TOTAL REVENUE FROM OPERATING SEGMENTS	**164**	**359**	**450**	**59**	**-**	**-**	**1,032**
EBIT FROM OPERATING SEGMENTS (1)	**46**	**111**	**206**	**3**	**(11)**	**-**	**355**

(1) *In 2011, the Group changed the management fee billing system between Edenred SA (classified in "Worldwide Structures") and its various subsidiaries. To reflect this change, €(11) million have been reclassified from Worldwide Structures to the operating segments in the table above. These classifications have no effect on total EBIT.*

B.2 Balance sheet

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Eliminations	Total Dec. 2011
Goodwill	91	187	215	16	-	-	509
Intangible assets	22	50	23	1	5	-	101
Property, plant and equipment	7	11	32	4	1	-	55
Non-current financial assets	1	1	1	1	-	-	4
Deferred tax assets	3	15	11	2	8	-	39
Non-current assets	**124**	**264**	**282**	**24**	**14**	**-**	**708**
Current assets	**764**	**734**	**1,391**	**142**	**482**	**-**	**3,513**
TOTAL ASSETS	**888**	**998**	**1,673**	**166**	**496**	**-**	**4,221**
Equity and non-controlling interests (1)	**153**	**424**	**541**	**21**	**(2,150)**	**-**	**(1,011)**
Non-current liabilities	**12**	**63**	**26**	**1**	**1,406**	**-**	**1,508**
Current liabilities (1)	**723**	**511**	**1,106**	**144**	**1,240**	**-**	**3,724**
TOTAL EQUITY AND LIABILITIES	**888**	**998**	**1,673**	**166**	**496**	**-**	**4,221**

(1) *In 2011, the Group changed the management fee billing system between Edenred SA (classified in "Worldwide Structures") and its various subsidiaries. To reflect this change, €11 million in "Current Liabilities" and € (11) million in "Equity" have been reclassified from Worldwide Structures to the other operating segments in the table above. These reclassifications have no effect on total current liabilities or total equity.*

C. Change in issue volume

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2012 Issue volume	2,620	4,646	8,804	587	-	16,657
2011 Issue volume	2,598	4,770	7,337	484	-	15,188
Reported change	+22	(124)	+1,467	+104	-	+1,469
Reported change in %	+0.8%	(2.6)%	+20.0%	+21.2%	-	+9.7%
LIKE-FOR-LIKE CHANGE	**+82**	**(145)**	**+1,559**	**+45**	**-**	**+1,541**
LIKE-FOR-LIKE CHANGE IN %	**+3.2%**	**(3.0)%**	**+21.3%**	**+9.2%**	**-**	**+10.1%**

D. Change in revenues

D.1 Total revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2012 Total external revenue	158	337	518	54	-	1,067
2011 Total external revenue	164	359	450	59	-	1,032
Reported change	(6)	(22)	+68	(5)	-	+35
Reported change in %	(3.4)%	(6.1)%	+15.0%	(9.6)%	-	+3.3%
LIKE-FOR-LIKE CHANGE	**+9**	**(17)**	**+79**	**+4**	**-**	**+75**
LIKE-FOR-LIKE CHANGE IN %	**+5.3%**	**(4.9)%**	**+17.5%**	**+8.7%**	**-**	**+7.3%**

D.2 Operating revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2012 Operating revenue	138	309	479	50	-	976
2011 Operating revenue	144	327	414	56	-	940
Reported change	(6)	(17)	+65	(6)	-	+36
Reported change in %	(3.6)%	(5.3)%	+15.5%	(11.5)%	-	+3.7%
LIKE-FOR-LIKE CHANGE	**+8**	**(15)**	**+75**	**+4**	**-**	**+72**
LIKE-FOR-LIKE CHANGE IN %	**+5.9%**	**(4.6)%**	**+18.0%**	**+7.3%**	**-**	**+7.7%**

D.3 Financial revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2012 Financial revenue	20	28	39	4	-	91
2011 Financial revenue	20	32	36	3	-	92
Reported change	(0)	(5)	+3	+1	-	(1)
Reported change in %	(2.1)%	(13.4)%	+9.5%	+23.4%	-	(0.7)%
LIKE-FOR-LIKE CHANGE	**+0**	**(2)**	**+4**	**+1**	**-**	**+3**
LIKE-FOR-LIKE CHANGE IN %	**+1.6%**	**(7.0)%**	**+10.8%**	**+33.4%**	**-**	**+3.2%**

E. Change in EBIT

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2012 EBIT	45	95	243	3	(19)	367
2011 EBIT (1)	46	111	206	3	(11)	355
Reported change	(1)	(16)	+37	(0)	(8)	+12
Reported change in %	(2.4)%	(14.7)%	+18.1%	(8.5)%	+68.7%	+3.3%
LIKE-FOR-LIKE CHANGE	**+4**	**(14)**	**+41**	**+3**	**(3)**	**+31**
LIKE-FOR-LIKE CHANGE IN %	**+8.9%**	**(13.1)%**	**+20.1%**	**+87.3%**	**+23.5%**	**+8.7%**

(1) In 2011, the Group changed the management fee billing system between Edenred SA (classified in "Worldwide Structures") and its various subsidiaries. To reflect this change, € (11) million have been reclassified from Worldwide Structures to the operating segments in the table above. These classifications have no effect on total EBIT.

NOTE 5 CHANGE IN ISSUE VOLUME, REVENUE AND EBIT

Changes in issue volume, revenue and EBIT between 2011 and 2012 break down as follows:

			Δ December 2012/December 2011							
			Organic growth		Changes in consolidation scope		Currency effect		Total change	
(in € millions)	Dec. 2011	Dec. 2012	In €M	in %	In €M	in %	In €M	in %	In €M	in %
ISSUE VOLUME	**15,188**	**16,657**	**+1,541**	**+10.1%**	**+114**	**+0.8%**	**(186)**	**(1.2)%**	**+1469**	**+9.7%**
Operating revenue generated by issue volume	782	838	+70	+9.0%	(2)	(0.3)%	(12)	(1.6)%	+56	+7.1%
Other operating revenue	158	138	+2	+1.0%	(22)	(13.8)%	-	-	(20)	(12.8)%
Operating Revenue	**940**	**976**	**+72**	**+7.7%**	**(24)**	**(2.7)%**	**(12)**	**(1.3)%**	**+36**	**+3.7%**
Financial revenue – *Unrestricted* float	76	75	+3	+3.7%	(3)	(3.3)%	(1)	(1.4)%	(1)	(1.0)%
Financial revenue – Restricted cash	16	16	+0	+1.2%	+0	+0.3%	(0)	(0.5)%	+0	+1.0%
Financial Revenue	**92**	**91**	**+3**	**+3.2%**	**(3)**	**(2.7)%**	**(1)**	**(1.2)%**	**(1)**	**(0.7)%**
TOTAL REVENUE	**1,032**	**1,067**	**+75**	**+7.3%**	**(27)**	**(2.7)%**	**(13)**	**(1.3)%**	**+35**	**+3.3%**
EBIT	**355**	**367**	**+31**	**+8.7%**	**(12)**	**(3.4)%**	**(7)**	**(2.0)%**	**+12**	**+3.3%**

NOTE 6 OPERATING EXPENSES

(in € millions)	December 2011	December 2012
Employee benefit expense	(284)	(298)
Other operating expenses (1)	(364)	(368)
TOTAL OPERATNG EXPENSES (2)	**(648)**	**(666)**

(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 € (18) million in December 2012.

(2) As December 31, 2012 the currency effect impact the operating expenses for €6 million.

NOTE 7 DEPRECIATION, AMORTIZATION AND PROVISIONS

Depreciation, amortization and provisions can be analyzed as follows:

(in € millions)	December 2011	December 2012
Amortization	(31)	(34)
Provisions and depreciation	2	(0)
TOTAL	**(29)**	**(34)**

NOTE 8 NET FINANCIAL EXPENSE

(in € millions)	December 2011	December 2012
Gross borrowing cost	(47)	(43)
Hedging instruments	(0)	1
Interests income from short term bank deposits and equivalent	8	3
Net borrowing cost	**(39)**	**(39)**
Net foreign exchange gains/(losses)	4	4
Other financial income and expenses, net	(5)	(1)
NET FINANCIAL EXPENSE	**(40)**	**(36)**

NOTE 9 NON-RECURRING INCOME AND EXPENSE

Non-recurring income and expenses can be analyzed as follows:

(in € millions)	December 2011	December 2012
Movements on restructuring provisions	(1)	3
Restructuring costs	(4)	(4)
Restructuring costs	**(5)**	**(1)**
Impairment of goodwill	(20)	(6)
Impairment of intangible assets	(4)	(1)
Total impairment losses	**(24)**	**(7)**
Other capital gains or losses	25	(2)
Provision movements	1	6
Non-recurring gains and losses, net	(4)	(21)
Other non-recurring income and expenses, net	**22**	**(17)**
TOTAL NON-RECURRING INCOME AND EXPENSES, NET	**(7)**	**(25)**

A. Restructuring costs

Restructuring costs in 2011 correspond mainly to reorganization costs at the level of the Executive Committee and regional management.

B. Impairment losses

In 2012, the review of the goodwill and intangible assets has led to a complementary impairment of Edenred Incentives & Rewards Deutshland (Quasar) for €6 million.

In 2011, the review of the goodwill and intangible assets has led to a complementary impairment of Edenred Incentives & Rewards Deutshland (Quasar) for €6 million and €2 million, respectively as well as €9 million for Edenred Singapour (Surfgold) and €7 million for Tintelingen.

C. Other non-recurring income and expenses

Other non-recurring income and expenses were as follows:

- in 2012, mainly the €11 million VAT reassessment in Italy (see Note 29. C.2);
- in 2011, mainly gains on the disposal of Davidson Trahaire for €16 million, BEA/EAP for €3 million and Workplace Benefits in United States for €1 million (see. Note 3. B.2).

NOTE 10 INCOME TAX

A. Income tax expense for the period

(in € millions)	December 2011	December 2012
Current taxes	(97)	(102)
SUB-TOTAL: CURRENT TAXES	**(97)**	**(102)**
Deferred taxes on temporary differences arising or reversing during the period	(6)	(1)
Deferred taxes arising from changes in tax rates or rules	-	(0)
SUB-TOTAL: DEFERRED TAXES	**(6)**	**(1)**
TOTAL INCOME TAX ENPENSE	**(103)**	**(103)**

B. Tax proof

(in € millions)	December 2011	December 2012
Operating profit before tax (a)	**308**	**306**
Non-deductible impairment losses	(11)	(12)
Elimination of intercompany capital gains	-	-
Other	17	14
TOTAL PERMANENT DIFFERENCES (NON-DEDUCTIBLES EXPENSES) (b)	**6**	**2**
Untaxed profit and profit taxed at a reduced rate (c)	**(25)**	**22**
Profit taxable at the standard rate (d) = (a) + (b) + (c)	**289**	**330**
Standard tax rate in France (e)	**34.43%**	**34.43%**
Theoretical tax at standard rate (f) = (d) x (e)	**(100)**	**(114)**
Adjustments for:		
• differences in foreign tax rates	9	8
• unrecognized tax losses for the period	(5)	(5)
• utilisation of previously unrecognised tax losses	2	13
• effect of changes in future tax rates	-	(0)
• other items	(6)	(3)
TOTAL ADJUSTMENTS (g)	**(0)**	**13**
Actual tax at standard rate (h) = (f) + (g)	**(100)**	**(101)**
Tax at reduced rate (i)	**(3)**	**(2)**
INCOME TAX EXPENSE (j) = (h) + (i)	**(103)**	**(103)**

C. Normative tax rate

(in € millions)	December 2011	December 2012
Operating profit before tax	308	306
Adjustment related to non-recurring income and expenses, net	7	25
Operating profit before tax and non-recurring items	**315**	**331**
Income tax expense	(103)	(103)
Tax adjustement related to the non-recurring income and expenses	2	(0)
Standard Group Income tax expense	**(101)**	**(103)**
STANDARD INCOME TAX	**32.0%**	**31.2%**

D. Details of recognized deferred tax assets and liabilities

(in € millions)	December 2011	December 2012
Temporary differences between taxable and book profit of the individual entities	21	14
Temporary differences arising from consolidation adjustments	17	13
Recognized deferred tax assets on tax losses	1	10
SUB-TOTAL: DEFERRED TAX ASSETS	**39**	**37**
Temporary differences between taxable and book profit of the individual entities	15	17
Temporary differences arising from consolidation adjustments	71	74
SUB-TOTAL: DEFERRED TAX LIABILITIES	**86**	**91**
NET DEFERRED TAX ASSET (LIABILITY)	**(47)**	**(54)**

E. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2012 amounted to €39 million, in which €19 million in Worldwide Structures, €4 million in United Kingdom, €6 million in China, €2 million in Germany and €2 million in India. Deferred tax assets recognized in 2012 in respect of historical tax loss carryforwards amounted to €7 million in the United Kingdom and €2 million in Brazil.

In December 31, 2011, unrecognized deferred tax assets amounted to €52 million.

In December 31, 2012, unrecognized deferred tax assets corresponded to tax losses in the amount of €39 million, including €2 million expiring between N+1 and N+4, €8 million expiring N+5 and beyond and €29 million without temporal limit.

NOTE 11 EARNINGS PER SHARE

A. Net earnings per share

At December 31, 2012, the Company's share capital was made up of 225,897,396 ordinary shares.

At December 31, 2012, the average number of ordinary shares outstanding breaks down as follows:

	December 2011	December 2012
EDENRED'S SHARE CAPITAL AT CLOSING	**225,897,396**	**225,897,396**
Outstanding shares at beginning of period	**225,897,396**	**225,585,933**
Treasury shares not related to the liquidity contract	(231,907)	-
Treasury shares under the liquidity contract	(79,556)	54,556
Treasury shares	**(311,463)**	**54,556**
OUTSTANDING SHARES AT PERIOD-END	**225,585,933**	**225,640,489**
Effect of treasury shares on the weighted average number *of shares*	**241,869**	**(15,038)**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE PERIOD	**225,827,802**	**225,625,451**

In addition, stock options representing 4,938,150 ordinary shares and 2,482,721 performance shares were granted to employees in 2010, 2011 and 2012. Conversion of all of these potential shares would have the effect of increasing the number of shares outstanding to 233,061,360.

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, 2012 to December 31, 2012 for Plans 1 and 2 (€21.77); and
- from February 27, 2012 to December 31, 2012 for Plan 3 (€22.27).

The diluted weighted average number of shares outstanding in 2012 was 228,626,475.

	December 2011	December 2012
Net Profit – Group share *(in € millions)*	**194**	**183**
Weighted average number of ordinary shares *(in thousands)*	225,897	225,586
Weighted average number of treasury shares *(in thousands)*	(69)	39
Number of shares used to calculate basic earnings per share *(in thousands)*	**225,828**	**225,625**
BASIC EARNINGS PER SHARE *(IN €)*	**0.86**	**0.81**
Number of shares resulting from the exercise of stock options *(in thousands)*	3,091	1,953
Number of shares resulting from performance shares grants *(in thousands)*	343	1,048
Number of shares used to calculate diluted earnings per share *(in thousands)*	**229,262**	**228,626**
DILUTED EARNINGS PER SHARE *(IN €)*	**0.85**	**0.80**

B. 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 break down as follows:

	December 2011	December 2012
Net profit *(in € millions)*	**205**	**203**
Non-recurring income and expenses adjustement, net *(in € millions)*	7	25
Net Profit, Non-controlling interests adjustment *(in € millions)*	(11)	(20)
Tax adjustment related to the non-recurring income and expenses *(in € millions)*	2	(0)
Recurring profit after tax, Group share *(in € millions)*	**203**	**208**
Number of shares used to calculate basic earnings per share *(in thousands)*	**225,828**	**225,625**
DILUTED RECURRING PROFIT AFTER TAX, GROUP SHARE PER SHARE *(IN €)*	**0.90**	**0.92**

NOTE 12 GOODWILL

(in € millions)	December 2011	December 2012
Goodwill	658	684
Less accumulated impairment losses	(149)	(156)
GOODWILL, NET	**509**	**528**

(in € millions)	December 2011	December 2012
Brazil	165	168
France (Ticket Cadeaux)	91	91
United Kingdom	61	61
Italy	46	46
Romania	37	37
Mexico	32	35
Japan	-	24
Sweden	19	20
USA	13	12
Czech Republic	12	12
Other (individually representing less than €10 million)	33	22
GOODWILL, NET	**509**	**528**

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

(in € millions)	Notes	December 2011	December 2012
NET GOODWILL AT BEGINNING OF PERIOD		**551**	**509**
Goodwill recognized on acquisitions for the period and other increases		**11**	**42**
• Italy (RistoChef acquisition)		10	-
• Japan (Barclay Vouchers acquisition)		-	24
• Brazil (Comprocard acquisition)		-	16
• Mexico (CGI final allocation)		-	2
• United Kingdom (Buy-out of non controling interests)		1	-
Goodwill written off on disposals for the period		**(15)**	**-**
Impairment losses	**9**	**(20)**	**(6)**
Currency translation adjustement		**(16)**	**(17)**
Put options on non-controlling interests recognized/remeasured during the period and other		**(2)**	**-**
Reclassification and other movements		**-**	**-**
NET GOODWILL AT PERIOD-END		**509**	**528**

NOTE 13 INTANGIBLE ASSETS

(in € millions)	December 2011	December 2012
COST		
Kadéos brand (1)	19	19
Other brands	20	21
Contractual customer relationships (2)	71	81
Licenses and software	130	139
Other	40	44
TOTAL COST	**280**	**304**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
Brands	(8)	(8)
Contractual customer relationships	(46)	(50)
Licenses and software	(91)	(95)
Other	(34)	(38)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(179)**	**(191)**
INTANGIBLE ASSETS, NET	**101**	**113**

(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)	December 2011	December 2012
NET INTANGIBLE ASSETS AT BEGINNING OF PERIOD	**96**	**101**
Additions	5	16
Internally-generated assets	23	23
Intangible assets of newly-consolidated companies	3	0
Amortization for the period	(19)	(21)
Impairment losses for the period *	(4)	(1)
Disposals	(3)	(0)
Currency translation adjustement	(1)	(3)
Reclassifications	1	(2)
NET INTANGIBLE ASSETS AT END OF PERIOD	**101**	**113**

* *In 2011 and 2012, see Note 9.*

The following intangible assets are considered as having an indefinite useful life:

(in € millions)	December 2011	December 2012
Kadéos brand	19	19
Rikskuponger brand	7	8
Prepay brand	2	2
Other brands	3	3
INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES	**31**	**32**

Most brands have been qualified as having an indefinite useful life because the Group considers that there is no foreseeable limit to the period in which they can be used.

NOTE 14 PROPRETY, PLANT AND EQUIPMENT

(in € millions)	December 2011	December 2012
Land	0	0
Buildings	19	42
Fixtures	24	31
Equipment and furniture	89	97
Assets under construction	2	3
COST	**134**	**173**

(in € millions)	December 2011	December 2012
Buildings	(1)	(1)
Fixtures	(11)	(13)
Equipment and furniture	(67)	(72)
Assets under construction	-	-
ACCUMULATED DEPRECIATION	**(79)**	**(86)**
ACCUMULATED IMPAIRMENT LOSSES	**-**	**-**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	**(79)**	**(86)**

(in € millions)	December 2011	December 2012
Land	0	0
Buildings	18	41
Fixtures	13	18
Equipment and furniture	22	25
Assets under construction	2	3
PROPERTY, PLANT AND EQUIPMENT, NET	**55**	**87**

Changes in the carrying amount of property, plant and equipment during the period were as follows:

(in € millions)	December 2011	December 2012
NET PROPERTY, PLANT AND EQUIPMENT AT BEGINNING OF PERIOD	**40**	**55**
Property, plant and equipment of newly-consolidated companies	19	37
Additions	12	17
Disposals	(4)	(7)
Depreciation for the period	(12)	(13)
Impairment losses for the period	-	-
Currency translation adjustement	0	(2)
Reclassifications	-	(0)
NET PROPERTY, PLANT AND EQUIPMENT AT END OF PERIOD	**55**	**87**

NOTE 15 IMPAIRMENT TESTS

A. Impairment losses

Cumulated impairment losses on tangible and intangible assets amounted to €190 million at December 31, 2012 (€183 million at December 31, 2011). The net impairment expense of the period amounted to €7 million (€24 million in 2011).

CGUs impacted by cumulated impairment losses are detailed as follows:

	December 2012											
	France – Kadéos				Other countries				Total			
(in € millions)	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value
Goodwill	196	-	(105)	**91**	488	-	(51)	**437**	684	-	(156)	528
Brands	19	-	-	**19**	21	(5)	(3)	**13**	40	(5)	(3)	32
Customer lists	21	(8)	(13)	**-**	60	(21)	(8)	**31**	81	(29)	(21)	31
Other intangible assets	25	(17)	(8)	**-**	158	(106)	(2)	**50**	183	(123)	(10)	50
Tangible assets	3	(3)	-	**-**	170	(83)	-	**87**	173	(86)	-	87
TOTAL	**264**	**(28)**	**(126)**	**110**	**897**	**(215)**	**(64)**	**618**	**1,161**	**(243)**	**(190)**	**728**

	December 2011											
	France – Kadéos				Other countries				Total			
(in € millions)	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value
Goodwill	196	-	(105)	**91**	462	-	(44)	**418**	658	-	(149)	509
Brands	19	-	-	**19**	20	(5)	(3)	**12**	39	(5)	(3)	31
Customer lists	21	(8)	(13)	**-**	50	(17)	(8)	**25**	71	(25)	(21)	25
Other intangible assets	25	(17)	(8)	**-**	145	(98)	(2)	**45**	170	(115)	(10)	45
Tangible assets	3	(3)	0	**0**	131	(76)	-	**55**	134	(79)	0	55
TOTAL	**264**	**(28)**	**(126)**	**110**	**808**	**(196)**	**(57)**	**555**	**1,072**	**(224)**	**(183)**	**665**

Assets with indefinite useful lives were tested for impairment as of December 31, 2012 using the method described in Note 2.E. 5 “Recoverable amount of assets”.

B. Key assumptions

In 2012, the discount rate applied is based on the Group weighted average cost of capital of 9, 5% (9, 0% en 2011). As the Group has operations in a very large number of countries, discount rates are set by main geographical region taking into account specific risk factor:

	Discount rates		Perpetuity growth rates	
	2011	2012	2011	2012
France	7.0%	7.40%	2.00%	2.00%
Rest of Europe	7.0% - 10.5%	8.0% - 1.9%	2.00%	2.00%
Latin America	10.2% - 11.0%	9.4% - 11.3%	2.00%	2.00%
Rest of the world	10.2% - 12.9%	11.5% - 12.2%	2.00%	2.00%

C. Sensitivity analysis

C.1 Rate sensitivity

	Discount rate sensitivity				Perpuity gross rate sensitivity			
(in € millions)	+100 bp	+50 bp	-50 bp	-100 bp	-100 bp	-50 bp	+50 bp	+100 bp
France	(8)	(1)	-	-	(6)	-	-	-
Rest of Europe	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-
Rest of the world	-	-	1	1	-	-	-	-

At December 31, 2012, a 100-basis point decrease in the perpetuity gross rate would have had the effect of increasing recognized impairment losses by €6 million. A 50-basis or a 100-basis point decrease in the discount rate would have had the effect of decreasing recognized impairment losses by €1 million. A 50-basis point increase in the discount rate would have had the effect of increasing recognized impairment losses by €1 million and a 100-basis point increase in the discount rate would have had the effect of increasing recognized impairment losses by €8 million.

C.2 Flow sensitivity

	Business growth sensitivity		Margin rate sensitivity	
(in €millions)	-10%	+10%	-100 bp	+100 bp
France	-	-	-	-
Rest of Europe	-	-	-	-
Latin America	-	-	-	-
Rest of the world	-	-	-	1

At December 31, 2012, a 10% change in the rate of business growth would not have had any impact on the impairment losses accounted for in 2012. A 100-basis point increase in the margin rate would have had the effect of decreasing recognized impairment losses by €1 million.

NOTE 16 RECEIVABLES AND PAYABLES

A. Trade receivables and related provisions

(in € millions)	December 2011	December 2012
Gross	1,017	1,120
Provisions	(27)	(28)
TRADE RECEIVABLES, NET	**990**	**1,092**

Provisions for impairment in value of trade receivables correspond to numerous separate provisions, none of which are material. Past-due receivables are tracked individually and regular estimates are made of potential losses in order to increase the related provisions if and when required.

B. Details of inventories, other receivables and accruals

(in € millions)	December 2011	December 2012
Inventories	11	14
VAT recoverable	128	101
Employee advances and prepaid payroll taxes	3	3
Other prepaid and recoverable taxes	24	21
Other receivables	127	166
Other prepaid expenses	11	13
GROSS	**304**	**318**
Provisions	(3)	(3)
INVENTORIES AND OTHER RECEIVABLES AND ACCRUALS, NET	**301**	**315**

C. Details of other payables and accruals

(in € millions)	December 2011	December 2012
VAT payable	20	24
Wages and salaries and payroll taxes payable	52	56
Other taxes payable	(8)	16
Other payables	80	83
Deferred income	17	14
OTHER PAYABLES AND ACCRUALS	**161**	**193**

D. Receivables and payables by maturity

(in € millions)	Due within 1 year	Due in 1 to 5 years	Beyond 5 years	December 2012
Inventories	14	-	-	14
Trade receivables, gross amount	1,120	-	-	1,120
VAT recoverable	99	2	-	101
Employee advances and prepaid payroll taxes	3	-	-	3
Other prepaid and recoverable taxes	21	-	-	21
Other receivables	166	-	-	166
CURRENT ASSETS	**1,423**	**2**	**-**	**1,425**
Trade payables	62	-	-	62
VAT payable	24	-	-	24
Wages and salaries and payroll taxes payable	56	-	-	56
Other taxes payable	16	-	-	16
Other payables	83	-	-	83
CURRENT LIABILITIES	**241**	**-**	**-**	**241**

NOTE 17 SHAREHOLDER'S EQUITY

A. Share capital

At December 31, 2012, the Company's capital was made up of 225,897,396 shares with a par value of €2 each, all fully paid.

The 225,897,396 shares are ordinary shares with rights to all distributions of interim and final dividends, reserves or equivalent amounts.

B. Treasury stock

Edenred shares held by the Company are measured at cost and recorded as a deduction from equity under "Treasury stock". At December 31, 2012, a total of 256,907 shares were held in treasury (311,463 at December 31, 2011), including 25,000 shares purchased under the liquidity contract.

No Edenred shares were bought back on the market in 2012.

The liquidity contract with Exane BNP Paribas signed in November 2011 remained in effect during 2012. The contract complies with the code of ethics published by the Association Française des Marchés Financiers (AMAFI) and is recognized by France's securities regulator, Autorité des marchés financiers. During 2012, 3,044,384 Edenred shares were purchased under the contract for €66 million and 3,098,940 shares were sold for €67 million.

The funds allocated to the liquidity contract but not invested in Edenred shares represent liquid assets and are classified as "Cash and cash equivalents".

C. Dividends

C.1 2012 dividends

At the Edenred Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2012, the Board of Directors will recommend paying a dividend of €0.82 per share, representing a total payout of €185 million.

Subject to approval by the Shareholders' Meeting, this dividend will be paid during the second half of 2013. The dividend is not recognized under liabilities in the financial statements at December 31, 2012 as these financial statements are presented before appropriation of profit.

C.2 2011 dividends

The Shareholders' Meeting held on May 15, 2012 decided to pay a 2011 dividend of €0.70 per share. This dividend was paid on May 31, 2012 for a total amount of €158.1 million.

NOTE 18 POTENTIAL ORDINARY SHARES

A. Stock option plans

The main characteristics of the current stock option plan at December 31, 2012 are summarized in the table below:

	Plan 1	Plan 2	Plan 3
Date of shareholder authorization	May 10, 2010	May 10, 2010	May 10, 2010
Grant date by the Board of Directors	August 6, 2010	March 11, 2011	February 27, 2012
Duration of the plan	8 years	8 years	8 years
Starting date of the exercise period	August 7, 2014	March 12, 2015	February 28, 2016
Expiry date of the exercise period	August 6, 2018	March 11, 2019	February 27, 2020
Expected life of the options	5.7 years	6.3 years	7.3 years
Exercise price	€13.69	€18.81	€19.03
Number of grantees at the grant date	455	58	18
Number of options at the grant date	4,235,500	611,700	382,800

The fair value of the options at the grant date has been determined using the Black & Scholes option-pricing model. The main data and assumptions used for the fair value calculations are as follows:

	Plan 1	Plan 2	Plan 3
Grant date by the Board of Directors	August 6, 2010	March 11, 2011	February 27, 2012
Data at the grant date			
Number of options	4,235,500	611,700	382,800
Edenred share price	€13.45	€20.04	€20.36
Exercise price	€13.69	€18.81	€19.03
Duration of the plan	8 years	8 years	8 years
Expected volatility	27.20%	28.80%	26.50%
Risk-free interest rate	1.79%	2.73%	1.72%
Expected dividend yield	2.55%	2.43%	2.81%
OPTION FAIR VALUE	**€2.62**	**€5.07**	**€4.25**
PLAN FAIR VALUE	**€11.1M**	**€3.1M**	**€1.6M**

Maturity of stock options

The Group has decided to base the assumed exercise dates of stock options on observed exercise dates under previous plans in the Accor Group. The schedule that is applied is as follows:

- 35% of options exercised after 4 years;
- 20% after 5 years;
- 35% after 6 years;
- 5% after 7 years;
- 5% after 8 years.

Maturities of stock options correspond to the options' expected lives.

Share price volatility

Edenred's volatility assumptions are based on the period covered by its liquidity contract, representing seven months up to May 23, 2012.

However, as the options have an eight-year life, the Group Edenred also calculated the historical volatility over eight years for three companies operating in the same business segment. Average volatility for these companies was consistent with the rate used for the Group Edenred.

Risk free interest rate

The risk-free interest rate is the implied yield available on zero-coupon issues by the French Government at the grant date.

Stock option subscription plans at December 31, 2012 are detailed below:

	December, 31 2011		December, 31 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	**4,208,500**	**€13.69**	**4,674,700**	**€14.36**
Options granted	611,700	€18.81	382,800	€19.03
Options cancelled or expired	(145,500)	€13.69	(119,350)	€14.45
Options exercised	-	-	-	-
OPTIONS OUTSTANDING AT END OF PERIOD	**4,674,700**	**€14.36**	**4,938,150**	**€14.72**
OPTIONS EXERCISABLE AT END OF PERIOD	**-**	**-**	**-**	**-**

Weighted average exercise price was €14.36 in 2011 and €14.72 in 2012.

The total cost of share-based payments granted to the Group employees amounted to €3.7 million at December 31, 2012, €3.3 million at December 31, 2011 and €2.8 million at December 31, 2010.

B. Performance share plans

Edenred's Boards Directors of August 6, 2010, March 11, 2011 and February 27, 2012 carried to the conditional attribution of respectively 912,875, 805,025 and 867,575 performance shares.

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

The performance objectives are as follows:

For the August 6, 2010 plan:

- for half of the shares granted, like-for-like growth in issue volume for the years 2010,2011 and 2012;
- for 33% of the shares granted, like-for-like growth in funds from operations for the years 2011 and 2012;
- for 17% of the shares granted, the 2010 consolidated EBIT target.

For the March 11, 2011 and February 27, 2012 plans:

- for half of the shares granted under the 2011 plan and half of the shares granted under the 2012 plan, like-for-like growth in issue volume for the years 2011, 2012 and 2013 under the 2011 plan and the years 2012, 2013 and 2014 under the 2012 plan;
- for half of the shares granted under the 2011 plan and half of the shares granted under the 2012 plan, like-for-like growth in funds from operations for the years 2011, 2012 and 2013 under the 2011 plan and the years 2012, 2013 and 2014 under the 2012 plan.

Performance objectives were met in 2011 and 2012.

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. It amounted to €18.65 and €18.69 under the 2011 and 2012 plans respectively for French tax residents and to €17.78 and €17.61 under the 2011 and 2012 plans respectively for residents of other countries.

Costs related to performance share plans recognized in 2012 and 2011 amounted respectively to €9.1 million and €4.3 million.

NOTE 19 NON-CONTROLLING INTERESTS

(in € millions)	
At December 31, 2010	**17**
Non-controlling interests in profit for the period	11
Dividends paid to non-controlling interests	(11)
Issue of share capital	3
Currency translation adjustment	0
Changes in consolidation scope	(0)
At December 31, 2011	**20**
Non-controlling interests in profit for the period	20
Dividends paid to non-controlling interests	(16)
Issue of share capital	-
Currency translation adjustment	(0)
Changes in consolidation scope	(0)
AT DECEMBER 31, 2012	**24**

NOTE 20 CURRENT FINANCIAL ASSETS

	December 2011			December 2012		
(in € millions)	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Other current financial assets	1	(1)	0	2	(1)	1
Receivables on disposal of assets	1	-	1	-	-	-
Derivatives	10	-	10	38	-	38
CURRENT FINANCIAL ASSETS	**12**	**(1)**	**11**	**40**	**(1)**	**39**

NOTE 21 CASH AND CASH EQUIVALENT AND OTHER MARKETABLE SECURITIES

	December 2011			December 2012		
(in € millions)	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Cash at bank and on hand	146	-	146	138	-	138
Term deposits in less than 3 months	215	-	215	287	-	287
Bonds and other negociable debt securities	-	-	-	-	-	-
Interest-bearing bank accounts	66	-	66	(0)	-	(0)
Mutual fund units in cash in less than 3 months	10	-	10	11	-	11
CASH AND CASH EQUIVALENTS	**437**	**-**	**437**	**436**	**-**	**436**
Term deposits in more than 3 months	995	-	995	908	-	908
Bonds and other negociable debt securities	90	(0)	90	91	(1)	90
Interest-bearing bank accounts	-	-	-	-	-	-
Mutual fund units in cash in more than 3 months	-	-	-	(0)	-	(0)
OTHER MARKETABLE SECURITIES	**1,085**	**(0)**	**1,085**	**999**	**(1)**	**998**
TOTAL CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES	**1,522**	**(0)**	**1,522**	**1,435**	**(1)**	**1,434**

NOTE 22 DEBT AND OTHER FINANCIAL LIABILITIES

	December 2011			December 2012		
(in € millions)	Non-current	Current	Total	Non-current	Current	Total
Bonds	794	-	794	1,027	-	1,027
Bank borrowings	596	3	599	274	2	276
DEBT	**1,390**	**3**	**1,393**	**1,301**	**2**	**1,303**
BANK OVERDRAFTS	**-**	**35**	**35**	**-**	**43**	**43**
Deposits	8	2	10	11	1	12
Purchase commitments	-	4	4	5	4	9
Derivatives	-	9	9	-	9	9
Other	0	8	8	(0)	12	12
OTHER FINANCIAL LIABILITIES	**8**	**23**	**31**	**16**	**26**	**42**
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	**1,398**	**61**	**1,459**	**1,317**	**71**	**1,388**

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

A. 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 (see Note 3.C.1).

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 December 31, 2012 is repayable in installments in June 2015.

B. Maturities of debt analysis

B.1 Book value

B.1.1 At December 31, 2012

(in € millions)	2013	2014	2015	2016	2017	2018 and beyond	Dec. 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.1.2 At December 31, 2011

(in € millions)	2012	2013	2014	2015	2016	2017 and beyond	Dec. 2011
Total debt and other financial liabilities	61	3	301	300	0	794	1,459
TOTAL	**61**	**3**	**301**	**300**	**0**	**794**	**1,459**

B.2 Credit facilities

At December 31, 2012, Edenred had available €584 million of undrawn committed borrowings facilities including €528 million expiring in the middle of 2014. These facilities are for general corporate purposes.

NOTE 23 FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

A. Rate risk

A.1 Analysis by interest rate

A.1.1 Before hedging

Debt without hedging breaks down as follows:

	December 2011			December 2012		
(in € millions)	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Fixed rate debt [(1)]	794	3.58%	57%	1,027	3.60%	79%
Variable rate debt	599	2.67%	43%	276	1.60%	21%
TOTAL DEBT	**1,393**	**3.18%**	**100%**	**1,303**	**3.18%**	**100%**

(1) The rates mentioned for the fixed rate debt correspond to the contractual rates (that is 3.625% for year 2011 and 3.625% and 3,75% for 2012) applied among exact days of the year divided by 360.

A.1.2 After hedging

Debt after interest rate hedging breaks down as follows:

	December 2011			December 2012		
(in € millions)	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Fixed rate debt	1,142	3.41%	82%	555	3.33%	43%
Variable rate debt	251	2.50%	18%	748	2.23%	57%
TOTAL DEBT	**1,393**	**3.24%**	**100%**	**1,303**	**2.70%**	**100%**

A.2 Interest rate hedges

At December 31, 2012, a €1,297 million notional amount in interest rate hedges is outstanding, including €725 million for fixed rate debt hedge, €350 million for variables rate debt hedge and €222 million for variable rate investment hedge. Both interest rate hedges were set up with swaps and options.

(in € millions)	Notional amount	Fair value	2013	2014	2015	2016	2017	2018 and beyond
BRL: Receiving fixed-rate swaps [(1)]	222	21	-	185	37	-	-	-
EUR: Paying fixed-rate swaps	250	(5)	100	-	150	-	-	-
EUR: Paying variable-rate swaps	300	8	-	-	-	-	250	50
EUR: Paying variable-rate swaps with options	425	6	-	-	-	-	250	175
EUR: collar	100	(1)	-	-	100	-	-	-
TOTAL	**1,297**	**29**	**100**	**185**	**287**	**-**	**500**	**225**

(1) 600 million of Brazilian real (BRL) equivalent of €222 million.

A.3 Sensitivity analysis

Edenred is exposed to the risk of fluctuations in interest rates, given:

- the cash flows related to variable rate debt; and
- derivative financial instruments eligible for cash flow hedge accounting for the ineffective portion of the hedging relationships.

However, changes in the effective value portion of derivatives eligible for cash flow hedge accounting are recognized directly in equity and have no effect on profit or loss.

The analysis below has been prepared assuming that the amount of the debt and the notional amounts of derivative instruments at December 31, 2012 remains constant over one year.

A 100-basis point change in interest rates (mainly the 3-month Euribor) would have the following impacts on equity and pre-tax income at year-end:

	Result		Equity	
(in € millions)	**decrease in interest rates of 100 bp**	**increase in interest rates of 100 bp**	**decrease in interest rates of 100 bp**	**increase in interest rates of 100 bp**
Debt at variable rate after hedge accounting	1	(8)	-	-
Derivatives	22	(5)	(3)	1
TOTAL	**23**	**(13)**	**(3)**	**1**

B. Foreign exchange risk

B.1 Currency analysis

B.1.1 Before hedging

Debt without hedging breaks down as follows:

	December 2011			December 2012		
(in € millions)	**Amount**	**Rate**	**% of total debt**	**Amount**	**Rate**	**% of total debt**
EUR	1,390	3.18%	100%	1,301	3.18%	100%
Other currencies	3	3.88%	0%	2	2.87%	0%
TOTAL DEBT	**1,393**	**3.18%**	**100%**	**1,303**	**3.18%**	**100%**

B.1.2 After hedging

Debt after interest rate hedging breaks down as follows:

	December 2011			December 2012		
(in € millions)	**Amount**	**Rate**	**% of total debt**	**Amount**	**Rate**	**% of total debt**
EUR	1,387	3.23%	100%	1,296	2.69%	99%
Other currencies	6	5.58%	0%	7	5.09%	1%
TOTAL DEBT	**1,393**	**3.24%**	**100%**	**1,303**	**2.70%**	**100%**

B.2 Currency hedges

For each currency, the notional amount corresponds to the amount of currency sold or purchased forward. Fair value corresponds to the difference between the amount of the currency sold (purchased) and the amount of the currency purchased (sold), converted in both cases at the period-end forward exchange rate.

All currency transactions carried out by the Group, as listed below, are hedging transactions. They consist of designated hedges of intra-group loans and borrowings in foreign currencies and correspond to documented fair value hedging relationships.

At December 31, 2012, currency derivatives had an aggregate positive fair value of €0.1 million, as:

(in € millions)	Notional amount	Fair value	2013	2014	2015	2016	2017	2018 and beyond
GBP	149	(1)	149					
SEK	59	0	59					
CZK	34	(0)	34					
MXN	18	1	18					
HUF	9	(0)	9					
Other	7	(0)	7					
FORWARD PURCHASES AND CURRENCY SWAPS	**276**	**0**	**276**					
ZAR	3	(0)	3					
PLN	2	(0)	2					
FOWARD SALES AND CURRENCY SWAPS	**5**	**(0)**	**5**					
TOTAL	**281**	**0**	**281**					

B.3 Sensitivity analysis

A change of 10% in currency exchange rates of the major currencies would have the following impact on the EBIT: Brazil (BRL) €14.5 million, Venezuela (VEF) €4.9 million and Mexico (MXN) €1.7 million.

C. Liquidity risk

The tables below show the repayment schedule of debt, interest included.

Future cash flows relating to interest are calculated using market interest rates at December 31, 2012. Variable rates are estimated by reference to forecast rates and fixed rates are known in advance. Future cash flows represented by debt repayments are estimated based on the assumption that the facilities will not be rolled over at maturity.

C.1 At December 31, 2012

(in € millions)	Dec. 2012 Carrying amount	Contractual flows	2013	2014	2015	2016	2017	2018 and beyond
Bonds	1,027	1,027	-	-	-	-	803	224
Bank borrowings	276	276	2	-	274	-	-	-
Future interests	N/A	229	42	42	40	37	31	37
DEBT	**1,303**	**1,532**	**44**	**42**	**314**	**37**	**834**	**261**
Bank overdrafts	43	43	43	-	-	-	-	-
Other financial liabilities	42	42	26	4	2	1	1	8
Future interests	N/A	(13)	(6)	(5)	(4)	(3)	(1)	6
BANK OVERDRAFTS AND OTHER FINANCIAL LIABILITIES	**85**	**72**	**63**	**(1)**	**(2)**	**(2)**	**-**	**14**
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	**1,388**	**1,604**	**107**	**41**	**312**	**35**	**834**	**275**

C.2 At December 31, 2011

(in € millions)	Dec. 2011 Carrying amount	Contractual flows	2012	2013	2014	2015	2016	2017 and beyond
Bonds	794	794	-	-	-	-	-	794
Bank borrowings	599	599	3	-	298	298	-	-
Future interests	N/A	212	44	43	41	33	29	22
DEBT	**1,393**	**1,605**	**47**	**43**	**339**	**331**	**29**	**816**
Bank overdrafts	35	35	35	-	-	-	-	-
Other financial liabilities	31	31	23	3	3	2	-	-
Future interests	N/A	5	2	2	1	0	-	-
BANK OVERDRAFTS AND OTHER FINANCIAL LIABILITIES	**66**	**71**	**60**	**5**	**4**	**2**	**-**	**-**
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	**1,459**	**1,676**	**107**	**48**	**343**	**333**	**29**	**816**

D. Credit and counterparty risk

In the normal course of business, the Group is exposed to the risk of counterparties being unable to honor their contractual obligations.

For example, the Group is exposed to credit risk in the event of default by its customers and to counterparty risk in respect of its investments of cash and its purchases of derivative instruments.

With several tens of thousands of corporate and public authority customers at December 31, 2012, the Group has a highly diversified customer base. Moreover, they include all types of entities, ranging from large and medium-sized corporates to national, regional and local public authorities.

As a result, default by a single customer would have a very limited impact on the Group.

The Group diversifies its exposure to financial counterparties by investing available cash with a variety of leading financial institutions. About 80% of investments are with institutions rated investment grade.

At December 31, 2012, its maximum exposure to a single financial counterparty represented less than 15% of the total funds invested at that date.

E. Financial instruments

E.1 Fair value of financial instruments

(in € millions)	Carrying value Dec. 2012	Fair value	Financial assets at fair value through profit and loss	Available-for-sale financial assets	Financial assets carried	Financial liabilities at amortized cost	Loans and receivables	Derivative instruments
ASSETS								
Non-current financial assets	10	10					10	
Trade receivables, net	1,092	1,092					1,092	
Employee advances and prepaid payroll taxes	3	3					3	
Other receivables, net	164	164					164	
Other prepaid expenses	13	13					13	
Restricted cash	709	709			709			
Current financial assets	39	39					1	38
Other marketable securities	998	998			998			
Cash and cash equivalents	436	436	11		197		228	
TOTAL	**3,464**	**3,464**	**11**	**-**	**1,904**	**-**	**1,511**	**38**
LIABILITIES								
Non-current debt	1,301	1,453				1,453		
Other non-current financial liabilities	16	16				16		
Current debt	2	2				2		
Bank overdrafts	43	43				43		
Other current financial liabilities	26	26				17		9
Vouchers in circulation	3,608	3,608				3,608		
Trade payables	62	62				62		
Wages and salaries and payroll taxes payable	56	56				56		
Other payables	83	83				83		
Deferred income	14	14				14		
TOTAL	**5,211**	**5,363**	**-**	**-**	**-**	**5,354**	**-**	**9**

E.2 Fair value analysis of financial assets and liabilities

(in € millions)	Fair value December 2012	Level 1*	Level 2*	Level 3*
ASSETS				
Current financial assets	38		38	
Other marketable securities	-			
Cash and cash equivalents	11	11		
TOTAL	**49**	**11**	**38**	**-**
LIABILITIES				
Non-current debt	-			
Other non-current financial liabilities	-			
Current debt	-			
Bank overdrafts	-			
Other current financial liabilities	9		9	
TOTAL	**9**	**-**	**9**	**-**

* *The fair value hierarchy comprises the following levels:*

- *Level 1: fair value assessed by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;*
- *Level 2: fair value assessed by reference to quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);*
- *Level 3: fair value assessed by reference to inputs related to the asset or liability that is not based on market data (unobservable inputs).*

E.3 Derivative financial instruments

		December 2011			December 2012		
(in € millions)	IFRS classification	Fair value	Notional amount	Face value	Fair value	Notional amount	Face value
Derivative financial instruments – asset position							
Interest rate instruments	*Cash-Flow Hedge*				21	222	
Currency intruments	*Fair Value Hedge*				8	300	
Interest rate instruments	*Trading*	3	248		6	425	
Interest rate instruments	*Fair Value Hedge*	7		249	3		118
Derivative financial instruments – liability position							
Interest rate instruments	*Cash-Flow Hedge*	(4)	350		(6)	350	
Currency intruments	*Fair Value Hedge*	(5)		58	(3)		163
NET DERIVATIVE FINANCIAL INSTRUMENTS		**1**	**598**	**307**	**29**	**1,297**	**281**

F Cumulative fair value of financial instruments

Changes in retained earnings related to fair value of financial instruments are detailed in the table below:

(in € millions)	Dec. 2011 IFRS	New operations	Change in Fair Value change	P&L recycling result	December 2012
Financial instruments in Cash-Flow Hedge (after tax)	(3)	10	(1)	-	6

NOTE 24 NET DEBT AND NET CASH

(in € millions)	December 2011	December 2012
Non-current debt	1,390	1,301
Other non-current financial liabilities	8	16
Current debt	3	2
Bank overdrafts	35	43
Other current financial liabilities	23	26
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	**1,459**	**1,388**
Current financial assets	(11)	(39)
Other marketable securities	(1,085)	(998)
Cash and cash equivalents	(437)	(436)
TOTAL CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	**(1,533)**	**(1,473)**
NET DEBT	**(74)**	**(85)**

(in € millions)	December 2011	December 2012
Net debt at beginning of period	**25**	**(74)**
Increase (decrease) in non-current debt	(97)	(89)
Increase (decrease) in other non-current financial liabilities	(4)	8
Decrease (increase) in other marketable securities	63	87
Decrease (increase) in cash and cash equivalents, net of bank overdrafts	(64)	9
Increase (decrease) in other financial assets and liabilities	3	(26)
Increase (decrease) in net debt	**(99)**	**(11)**
NET DEBT AT END OF PERIOD	**(74)**	**(85)**

NOTE 25 PROVISIONS

A. Provisions at December 31, 2012

Movements in non-current provisions between January 1, 2012 and December 31, 2012 can be analyzed as follows:

(in € millions)	Dec. 31, 2011	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifi-cations and changes in scope	Dec. 31, 2012
Provisions for pensions and loyalty bonuses	24	9	3	(1)	0	(1)	(0)	34
Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT PROVISIONS	**24**	**9**	**3**	**(1)**	**0**	**(1)**	**(0)**	**34**

Movements in current provisions between January 1, 2012 and December 31, 2012 can be analyzed as follows:

(in € millions)	Dec. 31, 2011	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifi-cations and changes in scope	Dec. 31, 2012
Tax provisions	6	-	1	(0)	(0)	(1)	1	7
Restructuring provisions	5	-	1	(4)	(0)	0	(0)	2
Provisions for claims and litigation and other contingencies	18	-	4	(3)	(6)	(0)	(1)	12
TOTAL CURRENT PROVISIONS	**29**	**-**	**6**	**(7)**	**(6)**	**(1)**	**0**	**21**

Taken individually, there are no litigations above €2 million, with the exception of those presented in the Note 29.

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)	December 2011	December 2012
EBIT	1	(4)
Net financial expense	(1)	-
Restructuring costs and impairment losses	2	9
Income tax expense	-	-
TOTAL	**2**	**5**

B. Provisions for pensions and other post-employment benefits

B.1 Description of the plans

Group employees receive various short-term benefits (paid vacation, paid sick leave and profit-shares) and long-term benefits (long-service awards, long-term disability benefits, loyalty bonuses and seniority bonuses), as well as various post-employment benefits provided under defined contribution and defined benefit plans (length-of-service awards payable on retirement, pension benefits).

Short-term benefit obligations are recognized in the balance sheets of the Group entities concerned.

Post-employment benefits are provided under either defined contribution or defined benefit plans.

B.1.1 Defined contribution plans

Obligations under these plans are funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The external organization is responsible for all benefit payments and the Group has no liability beyond the payment of contributions. Examples of defined contribution plans include the government-sponsored basic pension and supplementary pension (ARRCO/AGIRC) schemes in France and defined contribution pension schemes in other countries.

Contributions to these plans are recognized in the period to which they relate.

B.1.2 Defined benefit plans

Benefit obligations under the Group's defined benefit plans are generally funded by plan assets, with any unfunded portion recognized as a liability at the balance sheet date.

The defined benefit obligation (DBO) is determined by the projected unit credit method, based on actuarial assumptions concerning future salary levels, retirement age, mortality rates, staff turnover rates and the discount rate. These assumptions take into account the macro-economic situation and other specific circumstances in each host country.

Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity, in accordance with Group accounting policy.

At Edenred, the main post-employment defined benefit plans concern:

- length-of-service awards in France (22% of the obligation at December 31, 2012):
  - these are lump-sum payments made to employees on retirement. They are determined by reference to the employee's years of service and final salary,
  - the calculation is based on parameters defined by Corporate Finance and Human Resources in November of each year,
  - the related obligation is covered by a provision;
- length-of-service awards in Italy (6% of the obligation at December 31, 2012):
  - these are lump-sum payments made to employees when they retire, resign or are laid off. They are determined by reference to the employee's years of service and final salary,
  - the related obligation is covered by a provision;
- pensions: the main defined benefit pension plans are for employees in the United Kingdom (29% of the obligation at December 31, 2012), in the Worldwide Structures (29% of the obligation at December 31, 2012) and in Belgium (10% of the obligation at December 31, 2012). Pension benefit obligations are determined by reference to employees' years of service and final salary. They are funded by payments to external organizations that are legally separate from Edenred.

B.2 Actuarial assumptions

Actuarial valuations are based on a certain number of long-term parameters supplied by the Group, which are reviewed each year.

		Rest of Europe				
2011	**France**	**United Kingdom**	**Belgium**	**Italy**	**Worldwide Structures**	**Other countries**
Rate of futur salary increase	3.0%	3.0%	3.0%	2.0%	3%-4%	2%-10%
Discount rate	4.50%	5.00%	4.50%	4.50%	4.50%	4% - 8.68%
Expected return on 2011 plan assets	N/A	5.75%	4.50%	N/A	N/A	N/A
Expected return on 2012 plan assets	N/A	5.75%	4.50%	N/A	N/A	N/A

		Rest of Europe				
2012	**France**	**United Kingdom**	**Belgium**	**Italy**	**Worldwide Structures**	**Other countries**
Rate of futur salary increase	3.0%	3.0%	3.0%	2.0%	3%-4%	2%-10%
Discount rate	3.00%	4.00%	3.00%	3.00%	3.00%	2% - 8.5%
Expected return on 2012 plan assets	N/A	5.75%	4.50%	N/A	N/A	N/A
Expected return on 2013 plan assets	N/A	5.50%	4.50%	N/A	N/A	N/A

The assumptions concerning the expected return on plan assets and the discount rate applied to calculate the present value of benefit obligations were determined based on the recommendations of independent experts. The discount rate was based on an analysis of investment grade corporate bond yields in each region. The calculation method was designed to obtain a discount rate that was appropriate in light of the timing of cash flows under the plan.

Edenred's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly of the classes of assets held in insurers' general portfolios managed according to conservative investment strategies. As a result, the expected long-term return on plan assets is estimated on the basis of the guaranteed yield offered by the insurance companies, ranging from 3.00% to 3.25% depending on the country, plus a spread of 100 to 125 basis points. This method takes into account the techniques used by insurance companies to smooth investment yields and ensures that yield assumptions are reasonable (*i.e.* below the rates of AA-rated corporate bonds).

B.3 Funded status of post-employment defined benefit plans and long-term employee benefits

The method used by the Group is the Projected Unit Credit method.

At December 31, 2012

(in € millions)	Pension plans	Other defined benefit plans *	Total
Present value of funded obligation	17	-	17
Fair value of plan assets	(11)	-	(11)
Surplus/(Deficit)	**6**	**-**	**6**
Present value of unfunded obligation	-	27	27
Unrecognized past service cost	-	1	1
Amount paid in advance	-	-	-
LIABILITIES RECOGNIZED IN THE BALANCE SHEET	**6**	**28**	**34**

* *Including lenght-of-service awards and loyalty bonuses.*

At December 31, 2011

(in € millions)	Pension plans	Other defined benefit plans *	Total
Present value of funded obligation	13	-	13
Fair value of plan assets	(10)	-	(10)
Surplus/(Deficit)	**3**	**-**	**3**
Present value of unfunded obligation	-	19	19
Unrecognized past service cost	-	1	1
Amount paid in advance	1	-	1
LIABILITIES RECOGNIZED IN THE BALANCE SHEET	**4**	**20**	**24**

* *Including lenght-of-service awards and loyalty bonuses.*

Funded status of post-employment defined benefit plans by region

(in € millions)	Pension plans 2012 France	Rest of Europe United Kingdom	Rest of Europe Belgium	Rest of Europe Italy	Worldwide Structures	Other countries	Total	Other plans	2012 Total	2011 Total
Projected benefit obligation at beginning of period	**1**	**9**	**4**	**2**	**12**	**1**	**29**	**3**	**32**	**25**
Service costs	0	0	0	0	1	0	1	1	2	2
Interest costs	0	1	0	0	0	0	1	0	1	1
Employee contributions	-	-	0	-	-	-	0	-	0	0
Past service costs	-	-	-	-	-	-	-	-	-	-
Curtailments and settlements	(0)	-	-	-	0	-	0	(0)	0	(0)
Acquisitions/(Disposals)	-	-	-	-	-	0	0	-	0	0
Benefits paid	(0)	(0)	(0)	(0)	-	(0)	(0)	(0)	(1)	(1)
Acturial (gains) losses	0	2	0	0	6	0	9	0	9	4
Currency translation adjustment	-	0	-	-	-	0	0	(1)	(1)	(0)
Total other	-	-	-	-	-	-	-	0	0	2
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	**1**	**12**	**4**	**2**	**19**	**2**	**40**	**4**	**44**	**32**

(in € millions)	France	Rest of Europe United Kingdom	Rest of Europe Belgium	Rest of Europe Italy	Worldwide Structures	Other countries	Total	Other plans	Total 2012	Total 2011
Fair value of plan assets at beginning of period	**-**	**6**	**3**	**-**	**-**	**1**	**10**	**-**	**10**	**8**
Actual return on plan assets	-	1	0	-	-	0	1	-	1	1
Employer contributions	-	0	0	-	-	-	0	-	0	1
Employee contributions	-	-	0	-	-	-	0	-	0	0
Benefits paid	-	(0)	(0)	-	-	-	(0)	-	(0)	(1)
Settlements	-	-	-	-	-	-	-	-	-	-
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Currency translation adjustment	-	0	-	-	-	-	0	-	0	0
Total other	-	-	-	-	-	-	-	-	-	1
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**-**	**7**	**3**	**-**	**-**	**1**	**11**	**-**	**11**	**10**

(in € millions)	France	Rest of Europe: United Kingdom	Belgium	Italy	Worldwide Structures	Other countries	Total	Other plans	Total 2012	Total 2011
Plan deficit at beginning of period	**1**	**3**	**1**	**2**	**12**	**0**	**19**	**3**	**22**	**17**
Provision at end of period	**2**	**5**	**1**	**2**	**19**	**1**	**30**	**4**	**34**	**24**
Past service costs not recognized	(1)	-	-	-	-	-	(1)	-	(1)	(1)
Surplus booking in assets	-	(0)	-	-	-	(0)	(0)	-	(0)	(1)
PLAN DEFICIT AT END OF PERIOD	**1**	**5**	**1**	**2**	**19**	**1**	**29**	**4**	**33**	**22**

(in € millions)	France	Rest of Europe: United Kingdom	Belgium	Italy	Worldwide Structures	Other countries	Total	Other plans	Total 2012	Total 2011
Service costs	**0**	**0**	**0**	**0**	**1**	**-**	**1**	**1**	**2**	**2**
Interest costs	0	1	0	0	1	-	1	0	1	1
Expected return on plan assets	-	(0)	(0)	-	-	-	(0)	-	(0)	(0)
Amortization of past service costs	(0)	-	-	-	-	-	(0)	-	(0)	(0)
(Gains)/losses related to curtailments and settlements	(0)	-	-	-	0	-	0	(0)	0	(0)
Amortization of actuarial gains and losses for post-employment defined benefit plans	-	-	-	-	-	-	-	-	-	(0)
COST OF THE PERIOD	**0**	**0**	**0**	**0**	**1**	**-**	**2**	**1**	**3**	**2**
Actuarial gains and losses recognized in equity	**0**	**2**	**0**	**0**	**6**	**0**	**9**	**-**	**9**	**4**

Charges in pension liabilities between January 1, 2011 and December 31, 2012

(in € millions)	Amount
Liability at January 1, 2011	**18**
Cost for the year	2
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	4
Effect of changes in consolidation scope	1
Currency translation adjustment	(0)
Liability at December 31, 2011	**24**
Cost for the year	3
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	9
Effect of changes in consolidation scope	0
Currency translation adjustment	(1)
LIABILITY AT DECEMBER 31, 2012	**34**

Actuarial gains and losses arising from changes in assumptions and experience adjustments

(in € millions)	December 2011	December 2012
Projected benefit obligation		
Actuarial gains and losses – experience adjustments	2	2
Actuarial gains and losses – changes in assumptions	2	7
Fair value of plan assets		
Actuarial gains and losses – experience adjustments	-	-

Details of plan assets

Detail of plan assets	United Kingdom	Belgium
Equities	40%	≤ 20%
Bonds	36.3%	≥ 80%
Other	23.7%	≤ 5%

Sensitivity analysis

At December 31, 2012, a 0.5-point increase (decrease) in the discount rate would lead to a €3.7 million decrease (increase) in the projected benefit obligation. The impact on the cost for the year would not be material.

NOTE 26 RECONCILIATION OF FUNDS FROM OPERATIONS

(in € millions)	December 2011	December 2012
Net profit, Group share	194	183
Non-controlling interests	11	20
Depreciation, amortization and provision expenses	30	39
Deferred taxes	6	1
Change in financial provisions	1	1
Expenses related to share-based payments	8	13
Non cash impact of the other non-recurring income and expenses	24	(2)
FUNDS FROM OPERATIONS INCLUDING NON-RECURRING ITEMS	**274**	**255**
(Gains) losses on disposals of assets, net	(25)	2
(Gains) losses on non-recurring transactions (including restructuring costs)	8	25
FUNDS FROM OPERATIONS	**257**	**282**

NOTE 27 WORKING CAPITAL, SERVICE VOUCHERS IN CIRCULATION AND RESTRICTED CASH

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

(in € millions)	December 2011	December 2012	Change Dec. 2011/Dec. 2012
Inventories, net	10	13	3
Trade receivables, net	990	1,092	102
Other receivables and accruals, net	291	302	11
Working capital items – assets	**1,291**	**1,407**	**116**
Trade payables	73	62	(11)
Other payables	161	193	32
Vouchers in circulation	3,400	3,608	208
Working capital items – liabilities	**3,634**	**3,863**	**229**
WORKING CAPITAL	**2,343**	**2,456**	**113**

(in € millions)	December 2012
Working capital at beginning of period	**2,343**
Change in working capital [(1)]	107
Development Expenditure	23
Disposals	(0)
Non-recurring income and expenses	-
Provisions	1
Currency translation adjustment	(19)
Reclassification to other balance sheet items	1
Net change in working capital	**113**
WORKING CAPITAL AT END OF PERIOD	**2,456**

(1) See statement of cash flows table 1.4.

B. Net change in restricted cash

Restricted cash corresponds mainly to service voucher reserve funds which use is regulated. The countries concerned are France (€581 million), United Kingdom (€74 million) and Romania (€40 million).

(in € millions)	December 2012
Restricted cash at beginning of period	**689**
Like-for-like change for the period [(1)]	19
Reclassification from cash and cash equivalents to restricted cash [(1)]	-
Currency translation adjustment	1
Net change in restricted cash	**20**
RESTRICTED CASH AT END OF PERIOD	**709**

(1) See statement of cash flows table 1.4.

NOTE 28 CAPITAL EXPENDITURE

Capital expenditure in the last two periods breaks down as follows:

(in € millions)	2011	2012
Recurring expenditure	35	40
Development expenditure	34	76
TOTAL CAPITAL EXPENDITURE	**69**	**116**

NOTE 29 CLAIMS AND LITIGATION

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 concerning 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 fulfill certain contractual obligations, particularly the obligation to exclusively distribute the Kadéos card up until December 31, 2011. The dispute arose because 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. Accentiv' Kadéos refutes the Court's position and has appealed the decision. The appeal is scheduled to be heard on February 21, 2013.

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. The International Court of Arbitration is due to rule on whether it is competent to conduct the arbitration proceedings in 2013.

Edenred believes that Fnac and Conforama's claims are without merit. Consequently, no related provision has been set aside in the 2012 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 wrote 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 consolidated income statement. There were no developments in this matter in 2012.

C.2 Tax audit

Following a tax audit, the Italian tax authorities contested Edenred Italy's recovery of VAT on invoices issued by affiliated merchants for reimbursement of vouchers accepted by the merchants. The reassessment concerned the period until the end of 2010 when the form of the product concerned was changed.

Edenred Italy accepted the reassessment and is currently waiting to receive an order to pay the VAT and related penalties and late interest for a total of €11.2 million based on estimates at December 31, 2012. This amount has been provided for in the 2012 financial statements.

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 interest, fines and inflation adjustments estimated at BRL 34.3 million at December 31, 2012.

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 114.7 million at December 31, 2012.

The Company 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 2012 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 190.7 million at December 31, 2012.

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, Ticket Serviços believes that the probability of a favorable outcome is high. No income statement effect has been recorded in Edenred's 2012 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 30 OFF-BALANCE SHEET COMMITMENTS

A. Off-balance sheet commitments given

Off-balance sheet commitments given amount to €140 million at December 31, 2012 and €100 million at December 31, 2011.

The December 31, 2012 amount breaks down as follows:

- voucher sale guarantees given to public sector entities in Italy for a total of €65 million, including €42 million expiring in less than one year, €6 million expiring in 1 to 5 years and €17 million expiring beyond 5 years (€81 million at December 31, 2011);
- purchase commitments in the amount of €14 million at December 31, 2012 corresponding to capital commitments given to the Partech VI investment fund that have been called;
- commitment to purchase 62% of Brazilian company Repom for €53 million (see Note 35);
- bank bonds issued in Brazil for €6 million (€1 million at December 31, 2011);
- other off-balance sheet commitments given for €2 million.

To the best of the Group's knowledge and in accordance with generally accepted accounting principles, no commitments given have been omitted from the above list.

B. Off-balance sheet commitment received

There is no off-balance sheet commitment received at December 31, 2012.

NOTE 31 ADDITIONAL INFORMATION ABOUT JOINTLY-CONTROLLED ENTITIES

At December 31, 2012, Edenred held shares in two jointly-controlled entities for which the current and non-current assets and liabilities, income and expenses attributable to the Group are individually not material.

NOTE 32 RELATED PARTIES TRANSACTIONS

For the purpose of applying IAS 24, the Group has identified the following related parties:

- all fully or proportionally consolidated companies;
- all members of the Executive Committee and the members of their direct families;
- all companies in which a member of the Executive Committee holds material voting rights;
- Accor S.A.

All fully or proportionally consolidated companies.

Relations between the parent company and its subsidiaries and joint ventures are presented in Note 31. Transactions between the parent company and its subsidiaries constitute related party transactions that are eliminated in consolidation. Hence, they are not disclosed in these notes. However, transactions between the parent company and its joint ventures were not material in the periods presented.

Members of the Executive Committee

Transactions with members of the Executive Committee are disclosed in full in Note 33.

Companies in which a member of the Executive Committee of Edenred holds material voting rights

All transactions with companies in which a member of the Executive Committee holds material voting rights represent transactions carried out in the normal course of business on arm's length terms and are not material.

Accor S.A.

Transactions with Accor S.A. during each of the three periods presented were as follows:

		Transaction amount		Receivables		Payables		Off-balance sheet commitments	
(in € millions)	**Type of transaction**	**Dec. 2011**	**Dec. 2012**	**Dec. 2011**	**Dec. 2012**	**Dec. 2011**	**Dec. 2012**	**Dec. 2011**	**Dec. 2012**
ACCOR S.A.	Inter-entity billings	-	(1)	1	-	-	-	-	-
	Loans	-	-	-	-	-	-	-	-
	Dividends	-	-	-	-	-	-	-	-

NOTE 33 COMPENSATION PAID TO CORPORATE OFFICERS

	December 31, 2011	December 31, 2012
(in € millions)	Expense	Expense
Short-term benefits	10	11
Post-employment benefits	1	0
Other long-term benefits	-	-
Termination benefits	-	1
Share-based payments	3	5
TOTAL COMPENSATION	**14**	**17**

NOTE 34 AUDITOR'S FEES

The table below shows the total fees billed by the Auditors that were recognized in the income statement for the periods presented:

	Deloitte & Associés				Didier Kling & Associés			
	Amount without VAT		%		Amount without VAT		%	
(in € millions)	2011	2012	2011	2012	2011	2012	2011	2012
Audit								
Statutory audit, certification, consolidated and individual statement audit								
• Issuer	(0.4)	(0.4)	16%	15%	(0.2)	(0.2)	96%	100%
• Fully consolidated subsidiaries	(1.9)	(2.0)	69%	66%				
Other work and services directly related to the statutory audit								
• Issuer	(0.2)	(0.2)	6%	6%	(0.0)	-	4%	-
• Fully consolidated subsidiaries	(0.1)	(0.2)	3%	6%				
SUB-TOTAL	**(2.6)**	**(2.8)**	**94%**	**93%**	**(0.2)**	**(0.2)**	**100%**	**100%**
Other services provided by the network to the fully consolidated subsidiaires								
• Legal, tax and social matters	(0.0)	(0.1)	1%	3%				
• Other	(0.1)	(0.1)	5%	4%				
SUB-TOTAL	**(0.1)**	**(0.2)**	**6%**	**7%**				
TOTAL	**(2.7)**	**(3.0)**	**100%**	**100%**	**(0.2)**	**(0.2)**	**100%**	**100%**

NOTE 35 SUBSEQUENT EVENTS

A. Organic growth and acquisitions

In December 2012, Edenred announced the acquisition of a 62% stake in Repom, the Brazilian market leader in expense management solutions for independent truckers. With a portfolio of more than 100 clients and a network of 900 service stations, Repom achieved a business volume of nearly €840 million in 2011. The cost of this transaction amounts to €53 million, recorded as an off-balance sheet commitment at December 31, 2012 (see Note 30. Off-balance sheet commitments) since the acquisition of Repom is subject to approval by Brazilian competition authorities. Edenred also has an option to purchase the remaining Repom shares, exercisable as from January 2018.

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 and amounted to less than €10 million.

B. Devaluation of the Bolivar Fuerte

On February 8, 2013, the Venezuelan government announced its intention to devalue the Bolívar Fuerte (VEF). This measure is expected to be made official on February 13, 2013.

Currently trading at a fixed exchange rate of 4.3/USD, Venezuela's currency would trade at 6.3/USD, *i.e.* a devaluation of 46.5%.

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

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

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

If the devaluation is confirmed, full-year impacts for the Group will be as follows:

- 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 36 MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2012

The main consolidated companies are presented below:

EDENRED

FRANCE

Edenred France	France	IG	100.00%
Accentiv' Kadeos	France	IG	100.00%
Accentiv' Travel	France	IG	100.00%
Servicarte	France	IG	97.63%
AS Formation	France	IG	100.00%
Fidetel	France	IP	50.00%
Conecs	France	MEE	25.00%

NORTH AMERICA

Edenred North America	United States	IG	100.00%
Wirecommute	United States	IG	100.00%
Commuter Check Services Corporation	United States	IG	100.00%

OTHER COUNTRIES

Edenred SAL	Lebanon	IG	80.00%
Edenred Maroc	Morocco	IG	51.00%
Edenred South Africa	South Africa	IG	74.00%
Edenred Kurumsal Cozumler	Turkey	IG	100.00%
Network Servisleri	Turkey	IP	50.00%
Accentiv Hediye Ve Danismanlik Hizmetleri	Turkey	IG	100.00%
Beijing Surfgold Technology	China	IG	100.00%
Accentiv Shanghai Company	China	IG	100.00%
Beijing Yagao Meal Service	China	IG	88.75%
Shangai Yagao Meal Service	China	IG	100.00%
Accor Corporate Services (Shangai) Company	China	IG	100.00%
Accor Services Chengdu Company	China	IG	100.00%
Accor Services Wuxi	China	IG	70.00%
Edenred China	China	IG	100.00%
Edenred Korea	Korea	IG	100.00%
Edenred Hong-Kong	Hong Kong	IG	100.00%
Royal Image Direct Marketing	India	IG	100.00%
Expert Service Mauritius*	India	IG	100.00%
SRI Ganesh Hosp.*	India	IG	100.00%
Edenred India	India	IG	100.00%
Surfgold.com India	India	IG	100.00%
Edenred PTE	Singapor	IG	100.00%
Edenred PTE. Ltd.. Taiwan Branch	Taiwan	IG	100.00%
Edenred Japan	Japan	IG	100.00%

REST OF EUROPE

Edenred Deutschland	Germany	IG	100.00%
Edenred Incentives & Rewards	Germany	IG	100.00%
Edenred Vouchers	Germany	IG	100.00%
Edenred Austria	Austria	IG	100.00%
Edenred Belgium	Belgium	IG	100.00%
Luncheck	Belgium	IG	99.99%
Award Services	Belgium	IG	100.00%
Edenred Bulgaria	Bulgaria	IG	97.00%
Edenred Espana	Spain	IG	100.00%
Edenred Finland	Finland	IG	100.00%
Vouchers Services	Greece	IG	51.00%
Corporate Insurance Broker Magyarorszag	Hungary	IG	56.00%
Edenred Magyarorszag	Hungary	IG	100.00%
Edenred Solutions Hongrie	Hungary	IG	100.00%
Edenred Italia	Italy	IG	100.00%
E-Lunch	Italy	IG	100.00%
Ristochef	Italy	IG	100.00%
Edenred Luxembourg	Luxembourg	IG	98.00%
Soltis BV*	Netherlands	IG	88.91%
Edenred Nederland	Netherlands	IG	100.00%
Tintelingen	Netherlands	IG	100.00%
Edenred Polska	Poland	IG	99.99%
Edenred Portugal	Portugal	IG	100.00%
Fidelis	Portugal	IG	100.00%
Edenred CZ	Czech Republic	IG	100.00%
Edenred Romania	Romania	IG	94.83%
Edenred (UK Group)	United Kingdom	IG	100.00%
Edenred (Incentives & Motivation)	United Kingdom	IG	100.00%
Edenred (Employee Benefits)	United Kingdom	IG	68.31%
Prepay Technologies	United Kingdom	IG	68.75%
Cleanway	United Kingdom	IG	100.00%
Luncheon Vouchers Catering Education Trust	United Kingdom	IG	100.00%
ChildCare Vouchers	United Kingdom	IG	100.00%
Edenred (Travel)	United Kingdom	IG	100.00%
Edenred Slovakia	Slovakia	IG	100.00%
Edenred Sweden	Sweden	IG	100.00%
Delicard Group AB	Sweden	IG	100.00%
Edenred Suisse	Switzerland	IG	100.00%

LATIN AMERICA AND CARIBBEAN

Edenred Argentina	Argentina	IG	100.00%
Soporte Servicios*	Argentina	IG	100.00%
GLOG Servicos De Gestao de distribuicao	Brazil	IG	99.99%
Ticket Serviços	Brazil	IG	100.00%
Ticketseg	Brazil	IG	100.00%
Edenred Servicios Participações*	Brazil	IG	100.00%
Edenred Brasil Participações*	Brazil	IG	100.00%
Accentiv' Serviços Tecnologica Da informaçao	Brazil	IG	100.00%
Edenred Chile	Chile	IG	74.35%
Edenred Colombia	Colombia	IG	100.00%
Edenred Mexico	Mexico	IG	100.00%
Servicios Edenred	Mexico	IG	100.00%
Asesoria Mex-CEE	Mexico	IG	100.00%
Sedesa	Mexico	MEE	20.00%
Edenred Panama	Panama	IG	100.00%
Edenred Perou	Peru	IG	67.00%
Luncheon Tickets	Uruguay	IG	100.00%
Uniticket	Uruguay	IG	100.00%
Westwell Group*	Uruguay	IG	100.00%
Cestaticket Services	Venezuela	IG	57.00%
Edenred Venezuela	Venezuela	IG	100.00%
Inversiones Quattro Venezuela	Venezuela	IG	100.00%
Inversiones Cinq Venezuela	Venezuela	IG	100.00%
Inversiones Huit Venezuela	Venezuela	IG	100.00%
Inversiones Neuf	Venezuela	IG	100.00%
Inversiones Onze 2040	Venezuela	IG	100.00%
Inversiones Douze	Venezuela	IG	100.00%
Inversiones Quatorze	Venezuela	IG	100.00%
Inversiones Quinze 1090	Venezuela	IG	100.00%
Inversiones Seize 30	Venezuela	IG	100.00%

WORLDWIDE STRUCTURES

ASM*	France	IG	100.00%
Saminvest*	France	IG	100.00%
Veninvest Quattro*	France	IG	100.00%
Veninvest Cinq*	France	IG	100.00%
Veninvest Huit*	France	IG	100.00%
Veninvest Neuf*	France	IG	100.00%
Veninvest Dix*	France	IG	100.00%
Veninvest Onze*	France	IG	100.00%
Veninvest Douze*	France	IG	100.00%
Veninvest Quatorze*	France	IG	100.00%
Veninvest Quinze*	France	IG	100.00%
Veninvest Seize*	France	IG	100.00%

IG: fully consolidated

IP: consolidated using the proportional method

MEE: accounted for by the equity method

** Holding*

6.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2012

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report also includes information relating to the specific verification of information given in the Management Report. This report should be read in conjunction 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 Annual General Meetings, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the accompanying financial statements of Edenred;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2012, and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to the matter set out in Note 1 "Summary of significant accounting policies" to the financial statements which describes the change in accounting method related to IT development costs.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

Investments have been valued in accordance with the accounting methods described in Note 1.2 to the Company's financial statements "Summary of significant accounting policies – Investments". As part of our audit, we have reviewed the appropriateness of the methods used and assessed the assumptions used.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND DISCLOSURES

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Pursuant to the law, we have verified that the Management's Report contains the appropriate disclosures as to the acquisition of equity and controlling interests and the identity of and percentage interests and votes held by shareholders.

Paris and Neuilly-sur-Seine, March 1st, 2013

The Statutory Auditors

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

6.4 PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

6.4.1 BALANCE SHEET AT DECEMBER 31, 2012

Assets

(in € millions) *(net book values)*	Notes	December 2011	December 2012
Fixed assets			
Intangible assets			
Licenses, trademarks and rights of use	(2-3)	2	1
Other intangible assets	(2-3)	5	38
Total intangible assets		**7**	**39**
Property and equipment			
Machinery and equipment			
Other property and equipment	(2-3)	1	1
Assets under construction			
Total property and equipment		**1**	**1**
Investments			
Shares in subsidiaries and affiliates	(2-6-7-17-24)	1,731	1,871
Loans and advances to subsidiaries and affiliates	(2-5-7-16-17)	1,755	1,587
Other investments	(2)	4	10
Total investments		**3,490**	**3,468**
TOTAL FIXED ASSETS		**3,498**	**3,508**
Current assets			
Inventories		**-**	**-**
Prepayments to suppliers			
Receivables			
Trade receivables	(4-7-16-17)	14	9
Other receivables	(4-7-16-17)	115	97
Cash and cash equivalents			
Marketable securities	(8)	381	152
Cash		25	104
TOTAL CURRENT ASSETS		**535**	**362**
Accruals and other assets			
Prepaid expenses	(9-16)	1	1
Deferred charges	(9)	8	6
Bond redemption premiums	(9)	2	1
Conversion differences	(10)	14	8
TOTAL ACCRUALS AND OTHER ASSETS		**25**	**16**
TOTAL ASSETS	**(1)**	**4,058**	**3,886**

Liabilities and shareholders' equity

(in € millions)	Notes	December 2011	December 2012
Shareholders' equity			
Share capital	(13)	452	452
Additional paid-in capital	(13)	602	602
Legal reserve	(13)	45	45
Untaxed reserves			
Others reserves			
Retained earmings		38	259
Net profit for the year	(13)	378	56
Untaxed provisions			
TOTAL SHAREHOLDERS' EQUITY		**1,515**	**1,414**
Provisions			
Provisions for contingencies	(7)	9	12
Provisions for charges	(7)	12	20
TOTAL PROVISIONS		**21**	**32**
Liabilities			
Bonds	(15)	807	1,037
Bank borrowings	(15)	606	286
Other borrowings	(15) (17)	1,078	1,094
Trade payables	(15)	6	6
Accrued taxes and payroll costs	(15)	9	9
Due to suppliers of fixed assets	(15)		
Other liabilities	(15)	1	1
TOTAL LIABILITIES		**2,507**	**2,433**
Accruals and other liabilities			
Deferred income			
Conversion differences	(10)	15	7
TOTAL ACCRUALS AND OTHER LIABILITIES		**15**	**7**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**(1)**	**4,058**	**3,886**

6.4.2 INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

(in € millions)	Notes	December 2011	December 2012
Operating revenue			
Sales of goods and services		24	26
Net revenue	**(18)**	**24**	**26**
Own work capitalized			3
Reversals of depreciation, amortization and provisions and expense transfers		61	1
Other income		30	27
TOTAL OPERATING INCOME		**115**	**57**
Operating expenses			
Purchases of goods for resale		-	-
Purchases of raw materials and supplies		-	-
Other purchases and external charges		32	35
Taxes other than on income		5	5
Wages and salaries		17	18
Payroll taxes		9	10
Depreciation, amortization and provision expense			
Depreciation and amortization of fixed assets	(3)	1	1
Additions to provisions for impairment of fixed assets			
Additions to provisions for impairment of current assets		2	2
Additions to provisions for contingencies and charges		5	8
Other expenses		60	1
TOTAL OPERATING EXPENSES		**131**	**80**
Operating loss		**(16)**	**(23)**
Joint ventures			
Share of profits from non-managed joint ventures and transferred losses of managed joint ventures		-	-
Share of losses of non-managed joint ventures and transferred profits from managed joint ventures		-	-
Financial income	**(20)**		
Income from investments in subsidiaries and affiliates	(17)	163	149
Income from investment securities and long-term loans			
Other interest income	(17)	14	13
Financial provision reversals and expense transfers		34	5
Foreign exchange gains		4	
TOTAL FINANCIAL INCOME		**215**	**167**
Financial expenses			
Additions to financial amortization and provisions		19	25
Interest expense	(17)	85	78
Foreign exchange losses		20	
TOTAL FINANCIAL EXPENSES	**(20)**	**124**	**103**
NET FINANCIAL INCOME	**(20)**	**91**	**64**

(in € millions)	Notes	December 2011	December 2012
RECURRING PROFIT BEFORE TAX		**75**	**41**
Non-recurring income			
Non-recurring income one revenue transactions		-	-
Non-recurring income on capital transactions		334	41
Non-recurring provision reversals and expense transfers		6	8
TOTAL NON-RECURRING INCOME		**340**	**49**
Non-recurring expenses			
Non-recurring expense on revenue transactions			
Non-recurring expense on capital transactions		44	44
Non-recurring additions to depreciation, amortization and provisions		5	
TOTAL NON-RECURRING EXPENSES		**49**	**44**
Net non-recurring income	**(21)**	**291**	**5**
Income tax	(22)	(12)	(10)
TOTAL INCOME		**670**	**273**
TOTAL EXPENSES		**292**	**217**
NET PROFIT		**378**	**56**

The financial statements of Edenred SA have been prepared in accordance with French generally accepted accounting principles and the Plan Comptable Général statutory chart of accounts. All amounts are stated in millions of euros unless otherwise specified.

The notes below relate to the balance sheet at December 31, 2012 before appropriation of profit for the year, which shows total assets of €3,886 million, and to the 2012 income statement, which shows net profit for the year of €56 million.

The financial statements cover the 12-month period from January 1 to December 31, 2012.

Edenred SA's individual financial statements are included in the consolidated financial statements of the Edenred Group.

The preparation of financial statements requires the use of estimates and assumptions that can affect the carrying amount of certain assets and liabilities, income and expenses, and the information disclosed in the notes to the financial statements. Management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and the current economic situation. Items in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments made by management in the preparation of these financial statements concern the valuation and useful lives of intangible assets, property and equipment, and investments, as well as the amount of provisions for claims, litigation and contingencies and the assumptions underlying the calculation of pension obligations.

The main assumptions applied by the Company are presented in the relevant notes to the financial statements.

Significant events

To streamline the Group's legal structure, on July 31, 2012, Edenred SA dissolved its Edenred Participations subsidiary without first liquidating its assets.

The dissolution was approved at the Board of Directors' meeting on May 15, 2012. In accordance with Article 1844-5, paragraph 3, of the French Civil Code, it was effected by merging Edenred Participations into Edenred SA based on the net book values of Edenred Participations' assets and liabilities in its balance sheet on the legal dissolution date (see Note 2).

During the second half of 2012, Edenred SA made advance repayments of €325 million on a term loan set up on June 23, 2010. The balance outstanding on the loan now amounts to €275 million, repayable on June 30, 2015.

In May 2012, Edenred SA carried out a €225 million private placement notes issue. The 10-year notes will fall due on May 23, 2012. They pay interest at a fixed rate of 3.75%.

6.4.3 NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the accounting standards contained in the 1999 Plan Comptable Général, as approved by the government order of June 22, 1999, and all of the rules issued by the CRC since that date. The only change in accounting methods in 2012 compared with the previous year concerned software development costs which have been capitalized since January 1, 2012, in line with the recommended method under French GAAP. In prior years, software development costs were recognized as an expense, for €2 million in 2011 and €1.6 million in 2010.

The significant accounting policies used are as follows:

1.1 Intangible assets and property and equipment

Intangible assets and property and equipment are stated at cost (including incidental expenses) or contributed value.

They are amortized or depreciated on a straight-line basis over their estimated useful lives, as follows:

- software is amortized over two to five years;
- licenses are amortized over three to five years;
- office and computer equipment are depreciated over three to ten years.

Software development costs are recognized as intangible assets in accordance with the recommended method (PCG, art. 361–1). They are amortized over their period of use, ranging from 5 to 10 years, depending on the number of Group units that use the application.

1.2 Investments

Shares in subsidiaries and affiliates are stated at cost or contributed value. Transaction costs on these assets are recorded in the income statement.

At each year-end, the Company determines whether there are any indications that the investments are impaired. The main indications are:

- below-budget performance;
- a steep fall in revenue or profit.

Where necessary, investments are written down to their present value, corresponding to the higher of fair value and value in use. Value in use takes into account the investee's current and forecast earning's performance and the value of the Company's share of net assets. When a business plan has been drawn up for impairment tests carried out for the consolidated financial statements, enterprise value is used.

An impairment loss is recognized if value in use is less than cost.

Additional provisions may be recorded to write down loans and advances to the investee and, where necessary, a provision for contingencies is also recorded to cover the Company's share of the investee's negative net worth.

Impairment losses may be reversed in subsequent periods if the investee's financial position improves, provided that this does not have the effect of increasing the carrying amount to above cost.

1.3 Receivables

Receivables are stated at nominal value. They are written down when it is probable that their carrying amount will not be recovered in full.

1.4 Marketable securities

Marketable securities are stated at the lower of cost and market value.

1.5 Revenue

Revenues correspond to fees invoiced to subsidiaries under the Master Services Agreement. Other service revenues correspond to fees invoiced to subsidiaries for the secondment of staff and for loan guarantees.

1.6 Other income

Other income corresponds to brand license fees invoiced to subsidiaries.

1.7 Provisions

In accordance with standard CRC 2000-06 on liabilities, a provision is recorded when the Company has an obligation towards a third party that can be reliably estimated and is probable of giving rise to an outflow of economic resources, without any inflow of economic resources of at least an equivalent value being expected.

Managers and employees are paid a length-of-service award on retirement and various long-service awards during their career with the Company.

A provision is recorded for the Company's liability for these awards, based on the vested rights of managers and employees at the balance sheet date, in accordance with CNC recommendation 2003 R-01.

The provision is determined by the projected unit credit method and includes payroll taxes.

Actuarial gains and losses on retirement benefit obligations are recognized directly in the income statement.

1.8 Borrowings

Debt issuance costs are initially recognized in deferred charges and are amortized over the life of the debt by the effective interest method. Debt issue premiums are also amortized over the life of the debt.

If all or part of the debt is repaid early, the issue premiums are written off on an accelerated basis.

1.9 Foreign currency transactions

Income and expenses in foreign currencies are converted into euros at the exchange rate prevailing on the transaction date.

Foreign currency receivables, payables and cash balances are converted at the year-end rate.

Conversion differences are recognized in assets or liabilities.

A provision is recorded for conversion losses that are not hedged.

1.10 Currency risks

Currency risks arising on the conversion of euro cash reserves into foreign currencies to meet part of the financing needs of foreign subsidiaries are hedged by swaps with the same maturities as the loans to subsidiaries Unrealized exchange gains and losses are recorded in the balance sheet under “Conversion differences”.

1.11 Stock option and performance share plans

The Company applies standard CRC 2008-15 of December 4, 2008 on the accounting treatment of performance share plans. This standard requires a liability to be recognized when it is probable that obligations under performance share plans will be satisfied by allocating existing shares covering the amount of the probable outflow of economic resources.

As the Company’s obligations under its performance share plans will be satisfied by issuing new shares, no liability has been recorded in the financial statements at December 31, 2012.

1.12 Non-recurring income and expenses

This item corresponds mainly to:

- restructuring costs, *i.e.* costs arising on restructuring operations initiated by the Company.
- gains and losses on disposals of fixed assets, and non-operating provisions, gains and losses.

Non-recurring items are items that are not directly related to the Company’s ordinary operations.

1.13 Income tax

Edenred SA pays taxes under the group relief system introduced in the French Act of December 31, 1987, which allows the tax losses of tax group members to be set off against the taxable profits of other members in certain circumstances. The applicable tax rules are set out in Articles 223A *et seq* of the French General Tax Code.

Under this system, each tax group member records the tax that it would have paid if it had been taxed on a stand-alone basis. The benefit or expense arising from applying the group relief system is recorded in full in the accounts of Edenred SA.

NOTE 2 FIXED ASSETS AT DECEMBER 31, 2012

Items *(in € millions)*	Cost at Jan. 1, 2012	Acquisitions and inter-item transfers	Retirements and disposals and inter-item transfers	Other	Cost at Dec. 31, 2012
Intangible assets					
Trademarks and rights of use	-	-	-		-
Licences, purchased software and software development costs	15	1			16
Other intangible assets [(5)]	5	31			36
Prepayments		1			1
TOTAL INTANGIBLE ASSETS	**20**	**33**	**-**	**-**	**53**
Property and equipment					
Machinery and equipment					-
Other property and equipment	2				2
Assets under construction					-
Prepayments					-
TOTAL PROPERTY AND EQUIPMENT	**2**	**-**	**-**	**-**	**2**
Investments					
Shares in subsidiaries and affiliates [(1)] [(3)]	1,946	534	(380)		2,100
Loans and advances to subsidiaries and affiliates [(2)]	1,758	3	(172)		1,589
Other investment securities [(6)]	-	8			8
Other loans	-				-
Other investments [(4)]	4				4
Total investments	3,708	545	(552)	-	3,701
TOTAL FIXED ASSETS	**3,730**	**578**	**(552)**	**-**	**3,756**

(1) See Note 6 for details.
(2) See Note 5 for details.
(3) Including a €334 million increase following the merger of Edenred Participations into Edenred SA.
(4) The Company holds 231,907 of its own shares (not including shares held for the liquidity contract).
(5) Including €36 million corresponding to the accounting deficits on the merger of ASH (€5 million) and Edenred Participations (€31 million) into Edenred SA.
(6) Including €5 million corresponding to the Company's investment in the Partech VI investment fund and €3 million in Edenred Argentina shares recognized following the merger of Edenred Participations into Edenred SA.

NOTE 3 AMORTIZATION AND DEPRECIATION AT DECEMBER 31, 2012

Items *(in € millions)*	Cost at January 1, 2012	Increase	Decrease	At December 31, 2012
Intangible assets				
Trademarks and rights of use	-	-	-	-
Licenses, purchased software and software development costs	13.5	0.5	-	14
Other intangible assets				-
TOTAL AMORTIZATION	**13.5**	**0.5**	**-**	**14**
Property and equipment				
Machinery and equipment	-	-		-
Other property and equipment	1.0	0.5		1.5
TOTAL DEPRECIATION	**1.0**	**0.5**	**-**	**1.5**
TOTAL AMORTIZATION AND DEPRECIATION	**15**	**1**	**-**	**15.5**

NOTE 4 RECEIVABLES[(1)] AT DECEMBER 31, 2012

(in € millions)	At December 31, 2011 Costs	At decembre 31, 2012 Costs
Prepayments to suppliers		
Trade receivables	**14**	**9**
Other receivables	**122**	**108**
Supplier-related receivables		
Recoverable VAT and other taxes	*19*	*4*
Currrent accounts with subsidiaries	*101*	*103*
Other	*2*	*1*
TOTAL	**136**	**117**

(1) Including prepayments to suppliers.

All receivables are due within one year.

NOTE 5 LOANS AND ADVANCES TO SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2012

(in € millions)	At January 1, 2012	Increases	Decreases	Other	At December 31, 2012
Edenred España	100		(11)		89
Edenred Belgium	715		(51)		664
Edenred France	435				435
Edenred Italia	505		(110)		395
Edenred South Africa	3				3
Cestaticket [(1)]	0	2			2
Lunch Company	0	1			1
TOTAL	**1,758**	**3**	**(172)**		**1,589**

(1) Corresponding to dividends receivable in Venezuela, recognized following the merger of Edenred Participations into Edenred SA.

NOTE 6 CHANGE IN INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

	At December 31, 2011			Business acquisitions and purchases of newly issued shares, mergers		Disposals		At December 31, 2012			
Company	Number of shares	Amount *(in € millions)*	% interest	Number of shares	Amount *(in € millions)*	Number of shares	Amount *(in € millions)*	Number of shares	Amount *(in € millions)*	% interest	Provisions *(in € millions)*
Servicarte SAS (1)	37,770	1	94.43%	1,280	1			39,050	2	97.63%	
Accentiv' Kadéos (1)	2,107,673	219	98.30%	36,453	4			2,144,126	223	100.00%	145
Accentiv'Travel (1)	1,572,800	14	98.30%	27,200				1,600,000	14	100.00%	12
Edenred France SAS (1)	23,839,995	412	98.30%	412,290	7			24,252,285	419	100.00%	
VENINVEST QUATTRO (2)	644,380	7	100.00%					644,380	6	100.00%	
VENINVEST CINQ (2)	738,131	7	100.00%					738,131	7	100.00%	
VENINVEST SEPT (2)	677,863	7	100.00%			(677,863)	(7)	0	0	0.00%	
VENINVEST HUIT (2)	678,947	7	100.00%					678,947	7	100.00%	
Edenred Participations SAS (3)	7,753,719	322	100.00%			(7,753,719)	(322)	0	0	0.00%	
AS-GES (Ex Servepar)	3,043	1	25.36%			(3,043)	(1)	0	0	0.00%	
AS Formation (1)	37,422	7	98.32%	639				38,061	7	100.00%	7
SAMINVEST (1)	12,000	2	60.00%	6,000	276			18,000	278	90.00%	
VENINVEST NEUF (2)				559,366	6			559,366	6	100.00%	
VENINVEST ONZE (2)				548,487	5			548,487	5	100.00%	
VENINVEST DOUZE (2)				945,388	9			945,388	9	100.00%	
VENINVEST QUINZE (2)				456,953	5			456,953	5	100.00%	
VENINVEST SEIZE (2)				507,712	5			507,712	5	100.00%	
VENINVEST QUATORZE (2)				456,953	5			456,953	5	100.00%	
Edenred Austria GmbH (Austria) (1)	15,410	2	98.30%	267				15,677	2	100.00%	
Edenred Belgium (1)	3,538,030	815	100.00%		50			3,538,030	865	100.00%	
Edenred Portugal LDA (1)	372,642	4	98.30%	6,444				379,086	4	100.00%	2
Edenred Deutschland GmbH (Germany) (1)	16,379,542	9	98.30%	283,268	11			16,662,810	20	100.00%	
Edenred España SA (Spain) (1)	88,989	2	98.30%	1,538	27			90,527	29	100.00%	
Edenred Bulgaria Ad (Bulgaria) (1)	32,325	2	95.30%	577				32,902	2	96.99%	1
Westwell Group SA (Uruguay) (1)	1,832,351	2	98.30%	31,689				1,864,040	2	100.00%	
Edenred Peru SA (Peru) (1)	861,034	1	66.23%	9,966				871,000	1	67.00%	1
Edenred Panama SA (1)	1,228,750	1	98.30%	21,250				1,250,000	1	100.00%	1
Royal Images Direct Marketing Pty (India) (1)	2,051,521	7	98.30%	35,478				2,086,999	7	100.00%	4
Shanghai Yagao Meal Service Card Company (China) (1)	8,109,750	6	98.30%	140,250				8,250,000	6	100.00%	6
Beijing Yagao Meal Service Card Company (China) (1)	1,749,500	2	87.48%	25,500				1,775,000	2	88.75%	2
Edenred (India) Pvt Ltd (India)	20,872,598	13	94.33%	23,678				20,896,276	13	94.34%	5

Company	At December 31, 2011			Business acquisitions and purchases of newly issued shares, mergers		Disposals		At December 31, 2012			
	Number of shares	Amount *(in € millions)*	% interest	Number of shares	Amount *(in € millions)*	Number of shares	Amount *(in € millions)*	Number of shares	Amount *(in € millions)*	% interest	Provisions *(in € millions)*
Edenred Singapore Pte Ltd (Singapore) (1)	6,283,484	15	98.30%	108,667				6,392,151	15	100.00%	15
Edenred s.a.l (Lebanon) (1)	2,544,747	1	78.30%	55,250				2,599,997	2	80.00%	1
Surfgold Com Pvt Ltd India				1,568,991	1			1,568,991	1	100.00%	
Accentiv' Shanghai Company (China)	650,000	1	100.00%					650,000	1	100.00%	
Servicios Empresariales De Colombia S.A.	2,078,770	2	95.00%	37,198				2,115,968	2	96.70%	2
Cestaticket Services C.A. (Venezuela)	3,318,000	11	55.30%	102,000	5			3,420,000	16	57.00%	
INVERSIONES DIX VENEZUELA SA	3,885,514	25	100.00%				(9)	3,885,514	16	100.00%	11
Edenred Brasil Participacoes SA (Brazil)	198,669	1	7.04%					198,669	1	7.04%	
Edenred Suisse SA (Switzerland)	800	1	100.00%					800	1	100.00%	1
Edenred China	100,000,000	11	100.00%	40,000,000	5			140,000,000	16	100.00%	
Edenred Japon (Japan)				10,100	30			10,100	30	100.00%	
INVERSIONES NEUF (Venezuela) (2)				37,497	6	(37,497)	(6)	0	0	0.00%	
INVERSIONES ONZE (Venezuela) (2)				36,000	5	(36,000)	(5)	0	0	0.00%	
INVERSIONES DOUZE (Venezuela) (2)				62,122	9	(62,122)	(9)	0	0	0.00%	
INVERSIONES SEIZE (Venezuela) (2)				73,494	11	(73,494)	(11)	0	0	0.00%	
INVERSIONES QUATORZE (Venezuela) (2)				30,000	5	(30,000)	(5)	0	0	0.00%	
INVERSIONES QUINZE (Venezuela) (2)				30,000	5	(30,000)	(5)	0	0	0.00%	
Edenred Polska (Poland)	239,582	4	99.99%	1				239,583	4	99.99%	4
Edenred Italia SRL (Italy) (1)				101,300	17			101,300	17	1.70%	3
Edenred UK Group Limited (United Kingdom) (1)				227,692	3			227,692	3	1.70%	
Edenred Sweden AB (1)				1,696	1			1,696	1	1.70%	
Edenred Mexico (1)				1,772,729	3			1,772,729	3	1.70%	
Edenred Roumania SRL (Romania) (1)				11,411	5			11,411	5	1.70%	3
Edenred Servicos Participacoes AS (1)				1,965,553	10			1,965,553	10	1.70%	
Edenred CZ (1)				230	1			230	1	1.70%	
Other (1) (4)	577,697	2		1,663,359	1	(51,162)		2,189,894	3		3
TOTAL	**215,013,448**	**1,946**		**52,433,916**	**534**	**(8,754,900)**	**(380)**	**258,692,464**	**2,100**		**229**

(1) *Including 6,828,871 shares acquired following the merger of Edenred Participations into Edenred SA, for €334 million.*
(2) *Conversion of part of the dividends receivable into shares in new Venezuelan companies and sale of these shares to the Veninvests companies.*
(3) *Including 7,753,719 Edenred Participations valued at €322 million, removed from the balance sheet following the merger of Edenred Participations into Edenred SA.*
(4) *«Other» corresponds to various investments representing individually less than €1 million.*

NOTE 7 PROVISIONS AND ASSET IMPAIRMENTS AT DECEMBER 31, 2012

Items *(in € millions)*	At Jan. 1, 2012	Increases	Decreases: Surplus provisions	Decreases: Utilized provisions	At Dec. 31, 2012
Untaxed provisions					
Excess tax depreciation				-	-
TOTAL UNTAXED PROVISIONS	**-**	**-**	**-**	**-**	**-**
Provisions for contingencies					
Claims and litigation			-	-	-
Foreign exchange losses		1			1
Other (1)	9	10	(8)		11
TOTAL PROVISIONS FOR CONTINGENCIES	**9**	**11**	**(8)**	**-**	**12**
Provisions for charges (2)					
Pension and other post-retirement benefit obligations	12	8			20
Taxes					-
Other					-
TOTAL PROVISIONS FOR CHARGES	**12**	**8**	**-**	**-**	**12**
TOTAL PROVISIONS	**21**	**19**	**(8)**	**-**	**32**
Impairments					
Intangible assets					-
Property and equipment					-
Investments * (3) (4)	218	20	(2)	(2)	234
Trade receivables					-
Other receivables *	7	3			10
TOTAL IMPAIRMENTS	**225**	**23**	**(2)**	**(2)**	**244**
TOTAL PROVISIONS AND IMPAIRMENTS	**246**	**42**	**(10)**	**(2)**	**276**

Income statement impact of movements in provisions	Increases	Decreases
Operating income and expenses	8	
Financial income and expenses	23	(4)
Non-recurring income and expenses		(8)
Movements with no income statement impact	11	
TOTAL	**42**	**(12)**

* *Recorded in accordance with the accounting policy described in Note 1.2*

(1) *Other provisions for contingencies correspond mainly to provisions for risks related to subsidiaries for €11 million, including Shanghai Yagao Meal (€7 million) and Surfgold. Movements in this item primarily reflect i) additions to provisions for risks related to subsidiaries for €10 million and ii) reversals of provisions for risks related to subsidiaries for €8 million.*

(2) *Provisions for changes correspond mainly to provisions for pensions and other post-employment benefit obligations for €19 million.*
The €8 million increase in this item in 2012 was due to a reduction in the discount rate to 4.5% from 3%, doubling of the «Fillon» tax and changes in actual salaries.

(3) *Asset impairments mainly concern shares in subsidiaries and affiliates, including Accentiv Kadeos (€145 millions), Surfgold Singapore (€15 million), Accentiv Travel (€12 million), Inversiones 10 Venezuela SA (€11 million), AS Formation (€7 million), and Shanghai Yagao Meal (€6 million), Royal Image Direct (€4 million), Lunch Company (€4 million).*
Movements for the year were as follows:
- *Additions to provisions for impairment included €20 million on shares in subsidiaries and affiliates, of which €10 million recognized following the merger of Edenred Participations into Edenred SA;*
- *Provision reversals of €4 million on shares in subsidiaries and affiliates, mainly AS GES for €1 million following this company's liquidation, and Royal Image Direct for €1 million.*

(4) *Including €3 million in impairments of loans and advances to subsidiaries and affiliates.*

Pension and other post-employment benefit obligations and underlying actuarial assumptions

	December 31, 2012
Discount rate	3,0%
Mortality tables	tgh-tgf2005
Rate of future salary increases	3%
Retirement age	65
Voluntary or compulsory retirement	Voluntary
Payroll tax rate	46%

	December 31, 2012
Provisions for pensions and other post-retirement benefit obligations at December 31, 2011	11,7
Service cost	0,6
Interest cost	0,5
Benefit payments for the period	
Actuarial (gains)/losses	6,3
Plan amendments	
Provisions for pensions and other post-retirement benefit obligations at December 31, 2012	19,1

NOTE 8 MARKETABLE SECURITIES PORTFOLIO

(in € millions)	December 31, 2011 Cost	December 31, 2012 Cost
Term deposits	215	60
Term accounts	90	75
Retail certificates of deposit	65	2
Money market funds – Liquidity contract	9	9
Edenred SA shares – Liquidity contract	1	1
Accrued interest	1	5
TOTAL	**381**	**152**

Term deposits and accounts and retail certificates of deposit are financial assets held to maturity.
The fair value of money market funds corresponds to their net asset value.

NOTE 9 ACCRUALS AND OTHER ASSETS AT DECEMBER 31, 2012

(in € millions)	At January 1, 2012 Net	Increases	Decreases	At December 31, 2012 Net
Deferred charges				
Debt issuance costs (1)	4		(2)	2
Bond issuance costs (2)	4		(1)	4
TOTAL	**8**	**-**	**(3)**	**6**
Bond issue premiums				
Issue premiums	2		(1)	1
TOTAL	**2**	**-**	**(1)**	**1**
Prepaid expenses				
IT maintenance fees – Insurance premiums – Other fees	1			1
TOTAL	**1**	**-**	**-**	**1**

(1) The decree in debt issuance costs reflects amortization for the period for €1 million and accelerated amortization of €1.3 million following the €325 million partial early repayment.

(2) The increase in bond issuance costs concerns the new €225 million bond issue carried out on May 23, 2012.

NOTE 10 CONVERSION DIFFERENCES

(in € millions)	At December 31, 2011	At December 31, 2012
Assets		
Decrease in receivables (1)	7	7
Increase in payables (2)	7	1
TOTAL	**14**	**8**
Conversion differences in liabilities		
Increase in receivables (2)	10	5
Decrease in payables (2)	5	2
TOTAL	**15**	**7**

(1) Mainly conversion losses arising on currency swaps and cash balances.

(2) Corresponding to the conversion of borrowings from and loans to foreign subsidiaries, cash balances and currency swaps.

NOTE 11 ACCRUED INCOME

Accrued income is included in the following balance sheet items *(in € millions)*	At December 31, 2011	At December 31, 2012
Loans and advances to subsidiaries and affiliates		2
Trade receivables	2	2
Marketable securities	1	5
Cash	1	1
TOTAL	**4**	**10**

NOTE 12 ACCRUED EXPENSES

Accrued expenses are included in the following balance sheet items *(in € millions)*	At December 31, 2011	At December 31, 2012
Bonds	7	12
Bank borrowings		
Other borrowings	10	11
Trade payables	4	4
Accrued taxes and payroll costs	7	7
Other liabilities	1	1
TOTAL	**29**	**35**

NOTE 13 CHANGES IN SHAREHOLDERS' EQUITY

(in € millions)	At December 31, 2011	Appropriation of 2011 net profit	Shares issued/ (canceled)	Other	2012 net profit	At December 31, 2012
Number of shares outstanding [1]	**225,897,396**					**225,897,396**
Share capital	452					452
Additional paid-in capital	602					602
Legal reserve	45					45
Untaxed reserves	-					-
Other reserves	-					-
Retained earnings	38	221				259
Net profit for the year	378	(378)			56	56
Untaxed provisions	-					-
TOTAL SHAREHOLDERS' EQUITY	**1,515**	**(157)** [2]	**0**	**-**	**56**	**1,414**

(1) Par value of €2. At December 31, 2012, Edenred SA held 256,907 of its own shares, representing 0.11% of the capital directly (see Note 2 (d)) and under the liquidity contract (see Note 8).

(2) Dividends of €157 million paid on May 31, 2012.

NOTE 14 STOCK OPTION AND PERFORMANCE SHARE PLANS

Stock option plan	2010 Plan	2011 Plan	2012 Plan
Grant date	Aug. 6, 2010	March 11, 2011	Feb. 27, 2012
Vesting date	Aug. 7, 2014	March 12, 2015	Feb. 28, 2016
Expiry date	Aug. 6, 2018	March 11, 2019	Feb. 27, 2020
Exercise price *(in €)*	13.69	18.81	19.03
Value used for calculating the 10% contribution sociale surtax *(in €)*	2.62	5.07	4.2521
Vesting conditions	Continued presence within the Group as of August 6, 2014 (except in the specific circumstances provided for in the plan rules)	Continued presence within the Group as of March 11, 2015 (except in the specific circumstances provided for in the plan rules)	Continued presence within the Group as of February 27, 2016 (except in the specific circumstances provided for in the plan rules)
Number of options granted at the plan launch	4,235,500	611,700	382,800
Number of options outstanding at December 31	-	-	-
Number of options granted in 2010, 2011 and 2012	4,235,500	611,700	382,800
Number of options exercised since the plan launch	-	-	-
Number of options cancelled since the plan launch	274,750	5,100	12,000

Performance share plans	2010 Plan	2011 Plan	2012 Plan
Grant date	Aug. 6, 2010	March 11, 2011	Feb. 27, 2012
Vesting date	Aug. 7, 2013 or Aug. 7, 2015 (1)	March 12, 2014 or March 12, 2016 (2)	Feb. 28, 2015 or Feb. 28, 2017 (3)
Value used for calculating the 10% contribution sociale surtax *(in €)*	12.46	18.06	18,6886
Vesting conditions	1/3 based on 2010 EBIT and issue volume targets 1/3 based on 2011 FFO and issue volume targets 1/3 based on 2012 FFO and issue volume targets	1/3 based on 2011 FFO and issue volume target 1/3 based on 2012 FFO and issue volume target 1/3 sur FFO 2013 and issue volume target	1/3 based on 2012 FFO and issue volume targets 1/3 based on 2013 FFO and issue volume targets 1/3 based on 2014 FFO and issue volume targets
Number of performance shares granted at the plan launch	912,875	805,025	867,575
Number of performance shares outstanding at December 31	0	0	0
Number of performance shares granted in 2010, 2011 and 2012	912,875	805,025	867,575
Number of performance shares exercised in 2010, 2011 and 2012	0	0	0
Number of performance shares canceled in 2010, 2011 and 2012	0	0	0
Number of performance shares exercised since the plan launch	0	0	0
Number of performance shares cancelled since the plan launch	50,682	35,522	16,550
Potential number of new shares to be issued if performance conditions met	862,193	769,503	851,025

(1) August 7, 2013 for French tax residents and August 7, 2015 for non-residents.

(2) March 11, 2014 for French tax residents and March 11, 2016 for non-residents.

(3) February 27, 2015 for French tax residents and February 27, 2017 for non-residents.

NOTE 15 MATURITIES OF DEBT AND PAYABLES AT DECEMBER 31, 2012

(in € millions)	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Financial debts				
Bonds (1) (3)	1,037	12	800	225
Bank borrowings (1) (3)	286	11	275	
Other borrowings (2) (3)	1,094	875	219	-
Operating payables				
Trade payables (3)	6	6	-	-
Other payables	-			-
Accrued taxes and payroll costs (3)	9	9	-	-
Due to suppliers of fixed assets (3)	-	-	-	-
Other liabilities (3)	1	1	-	-
Deferred income (3)	-	-	-	-
TOTAL	**2,433**	**914**	**1,294**	**225**

(1) 2010 and 2012 bond issue (gross amount).
Borrowings repaid during the year amounted to €325 million (gross amount).
Bonds issued during the year amounted to €225 million (gross amount)
(2) Current account advances and borrowings from subsidiaries.
(3) Breakdown by currency (in € millions):

Debt by currency	
CZK	38
EUR	2,113
GBP	149
HUF	15
MXN	19
JPY	20
SEK	64
CHF	2
SGD	2
USD	11
TOTAL	**2,433**

NOTE 16 MATURITIES OF RECEIVABLES AT DECEMBER 31, 2012

(in € millions)	Total	Due within 1 year	Due beyond 1 year
Receivables included in fixed assets			
Loans and advances to subsidiaries and affiliates (1)	1,589	6	1,583
Other loans (1)	-		
Other investments (1)	4	4	
Receivables included in current assets			
Trade receivables (1)	10	10	-
Other receivables (1)	108	108	-
Accrued expenses (1)	1	1	-
TOTAL	**1,712**	**129**	**1,583**

(1) Breakdown by currency (in € millions):

Receivables by currency	
EUR	1,703
USD	1
INR	2
SEK	2
VEF	2
Other	2
TOTAL	**1,712**

NOTE 17 RELATED PARTY TRANSACTIONS (1)

(in € millions)	2011	2012
Assets		
Shares in subsidiaries and affiliates	1,946	2,099
Loans and advances to subsidiaries and affiliates	1,758	1,589
Other investment securities		3
Trade receivables	15	9
Other receivables	101	102
Liabilities		
Other borrowings	1,078	1,094
Trade payables	2	2
Income and expenses		
Income from investments in subsidiaries and affiliates	163	149
Other financial income	2	2
Financial expenses	34	32

(1) Companies that are fully consolidated in the Edenred Group consolidated financial statements are deemed to be related parties.

NOTE 18 BREAKDOWN OF NET REVENUE

(in € millions)	2011	2012
France	5	6
TOTAL FRANCE	**5**	**6**
International	19	20
TOTAL INTERNATIONAL	**19**	**20**
TOTAL NET REVENUE	**24**	**26**

NOTE 19 MANAGEMENT COMPENSATION AND EMPLOYEE INFORMATION

Compensation paid to members of the Company's administrative and supervisory bodies

(in € millions)	2011	2012
Members of the Executive Committee (excluding payroll taxes) and the Board of Directors	4	7
In 2012, the number of Executive Committee members was increased with the appointment of three new members.		
Number of employees		
Employee category		
Managers	146	151
Supervisors	3	3
Administrative staff (interns)		10
Apprentices	2	4
TOTAL	**151**	**168**

The Company had 168 employees at December 31, 2012, including 5 employees seconded to subsidiaries.

Statutory training entitlement ("DIF")

In accordance with Recommendation 2004F issued by the Urgent Issues Task Force of the French National Accounting Board, Edenred did not set aside any provisions relating to employees' statutory training entitlement under the "DIF" scheme in its 2012 financial statements.

At December 31, 2012, Edenred employees had accumulated a total of 6,778 training hours under this entitlement.

NOTE 20 NET FINANCIAL INCOME

(in € millions)	2011	2012
Income from investments in subsidiaries and affiliates	**163**	**149**
Dividends received from subsidiaries	104	92
Interest received on intra-group loans and receivables	59	57
Other interest income	**14**	**13**
Interest income on current accounts advances	2	2
Interest income on interest rate and currency swaps	4	5
Other interest income	8	6
Reversals of provisions for financial items	**34**	**5**
Reversals of provisions for impairment of shares in subsidiaries and affiliates	16	5
Reversals of provisions for impairment of other receivables	1	
Reversals of provisions for contingencies and charges	17	
Foreign exchange gains	**4**	
Financial income	**215**	**167**
Interest expense	**(85)**	**(78)**
Interest paid on bonds	(29)	(34)
Interest paid on bank borrowings	(18)	(9)
Interest paid on other borrowings	(5)	(3)
Interest paid on current accounts advances	(3)	(2)
Interest paid on loans from subsidiaries	(30)	(30)
Amortization and provisions – financial assets	**(19)**	**(25)**
Additions to provisions for impairment of shares in subsidiaries and affiliates	(15)	(11)
Additions to provisions for impairment of loans	(1)	
Additions to provisions for impairment of current assets	(3)	(3)
Amortization of bond issue premiums		
Additions to provisions for contingencies and charges		(11)
Foreign exchange losses	**(20)**	
Financial expenses	**(124)**	**(103)**
NET FINANCIAL INCOME	**91**	**64**

NOTE 21 NON-RECURRING ITEMS

In 2012, total non-recurring items represented net income of €5 million before tax, breaking down as follows:

	2011	2012
Gains (losses) on disposals of intangible assets and property and equipment		
Gains (losses) on disposals and liquidations of investments [(1)]	290	(3)
Additions to provisions for subsidiaries' losses	(5)	
Reversals of provisions for risks related to subsidiaries	6	8
NET NON-RECURRING INCOME	**291**	**5**

(1) In 2012, mainly the liquidation of AS-GES and Académie Turquie. In 2011, mainly the sale of 30% of Saminvest.

NOTE 22 INCOME TAX AND CONSOLIDATION

A. Income tax expense of Edenred SA

Edenred SA reported a tax loss for the year of €20 million.

Income tax expense (benefit) breaks down as follows:

(in € millions)	2011	2012
Tax on Recurring profit	(21)	(6)
Tax on non-recurring items	26	1
Income tax expense (benefit)	(5)	(5)

Potential deferred taxes arising from deductible and taxable temporary differences, including tax loss carryforwards, represented a net asset of €25 million at December 31, 2012.

B. Tax group

Edenred SA and its eligible French subsidiaries elected for the group relief system governed by Article 223A of the French General Tax Code on March 18, 2011. The election applies as from the 2011 tax year.

The tax group members in 2012 were:

- Saminvest;
- ASM;
- Edenred France;
- Veninvest Quatro*;
- Veninvest Cinq*;
- Veninvest Huit*;
- Accentiv' Kadéos;
- Accentiv' Travel;
- AS Formation;
- Servicarte.

* *Companies included in the tax group as from 2012.*

C. Group relief benefit

In 2012, a net group relief benefit of €13 million including tax credits was recorded in Edenred SA's accounts.

Income tax payable by the tax group for 2011 amounted to €3 million.

D. Consolidation

Edenred SA is the consolidating entity for the Edenred Group.

NOTE 23 OFF-BALANCE SHEET COMMITMENTS GIVEN AND RECEIVED

Off-balance sheet commitments

Off-balance sheet commitments given at December 31, 2012 break down as follows:

At December 31 *(in € millions)*	Within 1 year	1 to 5 years	Beyond 5 years	December 31, 2011	December 31, 2012
Total renovation commitments		-	-		
Guarantees given (1)	11	13		24	24
Guarantees for bank borrowings (2)	10			10	10
TOTAL GUARANTEE COMMITMENTS	**21**	**13**	**0**	**34**	**34**

(1) Corresponding to bonds given to banks on behalf of subsidiaries for €9 million and capital commitments of €15 million given to the Partech international VI investment fund.

(2) Corresponding to guarantees for bank loans given on behalf of subsidiaries.

Hedging instruments

Currency hedges

The following tables analyze the notional amount of currency hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2012:

Forward sales and currency swaps *(in € millions)*	**Expiring in 2013**	**December 31, 2012** **Notional amount**
ZAR	3	3
PLN	2	2
HKD	0	0
FORWARD SALES	**5**	**5**

Forward purchases and currency swaps *(in € millions)*	**Expiring in 2013**	**December 31, 2012** **Notional amount**
GBP	150	150
SEK	59	59
CZK	34	34
MXN	18	18
HUF	9	9
USD	5	5
CHF	2	2
Forward purchases	**276**	**276**
TOTAL CURRENCY HEDGES	**281**	**281**

For each currency, the notional amount corresponds to the amount of currency sold or purchased forward. Fair value corresponds to the difference between the amount of the currency sold (purchased) and the amount of the currency purchased (sold), converted in both cases at the period-end forward exchange rate.

All the currency instruments listed above are used for hedging purposes. They are designated and documented fair value hedges of intra-group loans and borrowings that qualify for hedge accounting

At December 31, 2012, currency instruments had a positive fair value of €0.1 million.

Interest rate hedges

The following tables analyze the notional amount of interest rate hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2012:

(in € millions)	**2012 notional amount**	**2013**	**2014**	**Beyond**
Interest rate swaps where Edenred is the fixed rate borrower EUR Euribor/Fixed rate	250	100	100	150
Interest rate collars where Edenred is the fixed rate borrower	100			100
Interest rate hedges where Edenred is the variable rate borrower EUR Euribor/Fixed rate	725			725

The notional amount corresponds to the amount covered by the interest rate hedge. Fair value represents the amount that would be receivable or payable if the positions were unwound on the market.

All the interest rate instruments listed above are used for hedging purposes.

At December 31, 2012, interest rate instruments had a positive fair value of €7.2 million.

NOTE 24 MAIN SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2012

		(in thousands of local currency units)			Carrying amount of shares		
Subsidiaries and affiliates	**Currency**	**Share capital**	**Reserves**	**% interest**	**Cost**	**Net**	**Provisions**
A- Subsidiaries and affiliates with a carrying amount in excess of 1% of Edenred SA's capital							
1- Subsidiaries (at least 50%-owned)							
a) French subsidiaries							
Accentiv'Kadeos 166-180 bd Gabriel-Péri 92240 Malakoff	EUR	17,153	35,319	100.00%	222,763	77,712	145,051
Accentiv'Travel 166-180 bd Gabriel-Péri 92240 Malakoff	EUR	2,400	(356)	100.00%	14,183	2,243	11,940
Edenred France 166-180 bd Gabriel-Péri 92240 Malakoff	EUR	388,037	(3,865)	100.00%	419,234	419,234	
Accor Service Formation 166-180 bd Gabriel-Péri 92240 Malakoff	EUR	190	(6,806)	100.00%	7,488	0	7,488
VENINVEST QUATTRO 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	6,444	(11)	100.00%	6,444	6,444	
VENINVEST CINQ 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	7,381	(11)	100.00%	7,381	7,381	
VENINVEST HUIT 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	6,789	(11)	100.00%	6,789	6,789	
SAMINVEST 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	3,060	306	90.00%	277,515	277,515	
VENINVEST NEUF 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	5,594		100.00%	5,594	5,594	
VENINVEST ONZE 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	5,485		100.00%	5,485	5,485	
VENINVEST DOUZE 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	9,454		100.00%	9,454	9,454	
VENINVEST QUINZE 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	4,570		100.00%	4,570	4,570	
VENINVEST SEIZE 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	5,077		100.00%	5,077	5,077	
VENINVEST QUATORZE 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	4,570		100.00%	4,570	4,570	

(in € thousands)

Outstanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue *(local currency)*	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2012 exchange rate
	-	44,241	44,241	9,275	9,275	5,480	1.00000
		842	842	(77)	(77)	-	1.00000
506,241	-	103,289	103,289	(43,289)	(43,289)		1.00000
6,230	-	128	128	200	200		1.00000
	-	0	-	(3)	(3)		1.00000
	-	0	-	(3)	(3)		1.00000
	-	0	-	(3)	(3)		1.00000
-	-	0	-	52,576	52,576	34,373	1.00000
32	-	0	-	(38)	(38)		1.00000
33	-	0	-	(38)	(38)		1.00000
52	-	0	-	(58)	(58)		1.00000
4	-	0	-	(5)	(5)		1.00000
5,853	-	0	-	(11)	(11)		1.00000
4	-	0	-	(5)	(5)		1.00000

		(in thousands of local currency units)			Carrying amount of shares		
Subsidiaries and affiliates	**Currency**	**Share capital**	**Reserves**	**% interest**	**Cost**	**Net**	**Provisions**
b) Foreign subsidiaries							
Edenred Belgium	EUR	58,608	193,041	100.00%	865,415	865,415	
Edenred Deutschland GmbH (Germany)	EUR	1,520	19,058	100.00%	19,651	19,395	256
Edenred España SA (Spain)	EUR	11,544	11,569	100.00%	29,102	29,102	
Royal Image Direct Marketing Pty (India) (1)	INR	5,863	87,474	100.00%	6,881	2,624	4,257
Shangai Yagao Meal Service Card Company Ltd (India)	CNY	63,066	(109,964)	100.00%	6,362	34	6,328
Edenred India Pvt Ltd (India) (1)	INR	221,512	234,778	94.34%	13,008	8,505	4,503
Edenred Singapore Pte Ltd (Singapore)	SGD	15,800	(16,838)	100.00%	14,772	0	14,772
Cestaticket Services C.A. (Venezuela)	VEF	6,000	19,036	57.00%	16,309	16,309	
Inversiones Dix Venezuela SA	VEF	17,485	25,269	100.00%	15,798	4,542	11,256
Edenred China	CNY	140,836	(14,381)	100.00%	15,570	15,570	
Barclays Vouchers Co Ltd	JPY	495,000	(198,364)	100.00%	29,624	29,624	
Edenred Polska Sp Zo.o. (Poland)	PLN	11,980	(5,969)	99.99%	4,682	769	3,913
2- Affiliates (10% to 50%-owned by Edenred SA)							
a) French companies							
b) Foreign companies							
3- Other (less than 10%-owned by Edenred SA)							
a) French companies							
b) Foreign companies							
Edenred Italie SRL Via GB Pirelli 19 Milano Italia	EUR	5,959	105,434	1.70%	16,717	13,364	3,353
Edenred Roumania SRL	RON	183,241	(20,879)	1.70%	4,572	1,643	2,929
Edenred Servicos E Participacoes S/A	BRL	138,261	113,699	1.70	9,608	9,608	
B-Investments with a carrying amount of less than 1% of Edenred SA's capital							
a) French companies							
Servicarte 166-180 bd Gabriel-Péri 92240 Malakoff	EUR	610	434	97.63%	1,999	1,999	
Edenred Partners 166-180 bd Gabriel-Péri 92240 Malakoff	EUR	15		100.00%	15	15	
ASM 166-180 bd Gabriel-Péri 92240 Malakoff	EUR	100	(11)	99.92%	100	100	

(in € thousands)

Outstanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue *(local currency)*	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2012 exchange rate
676,385	-	51,998	51,998	(60,118)	(60,118)	23,033	1.00000
-	-	4,983	4,983	(10,760)	(10,760)	-	1.00000
89,866	-	16,019	16,019	(13,479)	(13,479)		1.00000
	-	1,004,402	14,639	(18,661)	(272)	-	68.6103
	-	71	9	(13,837)	(1,706)	-	8.11140
-	-	292,064	4,257	(69,356)	(1,011)	-	68.6103
2,105	-	4,170	2,596	(2,295)	(1,429)	-	1.60650
-	-	584,393	85,742	244,011	35,801	16,611	6.81570
-	-	0	-	2,319	340	-	6.81570
-	-	3,487	430	(7,454)	(919)	-	8.11140
		236,599	2,305	89,677	874		102.64100
982	-	2,647	633	(5,794)	(1,385)	-	4.18380
395,000		1,067,774	1,067,774	(67,559)	(67,559)		1.00000
		59,317	13,308	(12,682)	(2,845)		4.45710
		0	0	311,358	124,126	1,671	2.50840
-	-	12,179	12,179	2,108	2,108	2,383	1.00000
			-		0		1.00000
144	-		-	(5)	(5)	-	1.00000

Subsidiaries and affiliates	Currency	Share capital	Reserves	% interest	Cost	Net	Provisions
		(in thousands of local currency units)			Carrying amount of shares		
VENINVEST DIX 166-180 bd Gabriel-Péri 92240 Malakoff	EUR	15		100.00%	15	15	
Activitiz 4 bis rue Saint-Sauveur 75002 Paris (1)	EUR	49	483	9.89%	250	0	250
b) Foreign companies							
Soltis BV Weena 695 3013 AM Rotterdam (Netherlands)	EUR	140	(87)	100.00%	494	391	103
Edenred Austria GmbH Am Euro Platz 1, A-1120 Wien (Austria)	EUR	1,600	276	100.00%	1,589	1,589	
Edenred Magyarorszag KFT (Hungary)	HUF	44,500	1,036,747	1.69%	187	111	76
Vouchers Services SA 33 Avenue Galatsiou 11141 Athens Greece	EUR	500	52	1.70%		0	
Edenred Portugal LDA (Portugal)	EUR	379	195	100.00%	3,637	1,415	2,222
Edenred UK Group Limited 50 Vauxhall Bridge Road, London SW1V 2RS UK	GBP	13,394	47,527	1.70%	3,117	3,117	
Edenred North America Inc	USD	15,616	12,158	100.00%	333	333	
Edenred Sweden Liljeholmsstranden 3 105 40 Stockholm	SEK	9,973	28,626	1.70%	897	500	397
Edenred Mexico SA de CV Lago Rodolfo 29 Granada CP 11520 Mexico DF	MXN	175,154	35,706	1.70%	3,256	3,256	
Corporate Insurance Boker Magyarorszag KFT (Hungary)	HUF	50,000	(20,619)	56.00%	105	55	50
Edenred Bulgaria ad 137 Tzarigradsko Shausse Blvd Sofia 1784, Bulgaria	BGN	3,392	(48)	97.00%	2,480	1,704	776
Luncheon Tickets SA José Enrique Rodo 2123, Montevideo Uruguay	UYU	5,236	3,758	1.74%	231	231	
Westwell Group SA José Enrique Rodo 2123, Montevideo Uruguay	USD	1,864	451	100.00%	2,209	2,209	
Edenred Peru SA (Peru)	PEN	1,300	(1,155)	67.00%	1,138	48	1,090
Edenred Panama SA	PAB	1,250	(1,432)	100.00%	1,024	0	1,024
Edenred South Africa (Proprietary) Ltd (South Africa)	ZAR	5,000	(39,852)	74.00%	424	0	424
Edenred Maroc SAS 110 bd Zerktouni Casablanca	MAD	11,000	(18,759)	51.00%	496	0	496
Beijing Yagao Meal Service Card Company Ltd (China)	CNY	16,439	(19,427)	88.75%	1,854	0	1,854
Edenred Slovakia (Slovakia)	EUR	664	91	1.70%	309	309	
Expert Services Mauritius	USD	25	(88)	100.00%		0	
Surgold India PVT Ltd (India) (1)	INR	15,690	10,522	100.00%	658	526	132
Edenred s.a.l (Lebanon)	LBP	3,250,000	(3,618,875)	80.00%	1,559	680	879

(in € thousands)

Outstanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue *(local currency)*	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2012 exchange rate
			-	(4)	(4)		1.00000
-	-	2,286	2,286	145	145	-	1.00000
-	-	0	-	10	10	-	1.00000
-	-	1,189	1,189	36	36	-	1.00000
		977,199	3,378	(229,707)	(794)		289.31100
		4,505	4,505	1,480	1,480		1.00000
-	-	3,335	3,335	(247)	(247)		1.00000
		1,388	1,711	14,591	17,985	165	0.81130
-	-	315	245	(1,307)	(1,016)		1.2860
1,402		82,137	9,434	3,932	452		8.7062
-	-	955,920	56,541	206,908	12,238	159	16.9068
-	-	0	-	0	0	-	289.311
-	-	2,090	1,069	(85)	(43)	-	1.95580
		229,160	8,812	108,568	4,175		26.00650
-	-	0	-	1,678	1,305	836	1.2860
-	-	3,221	950	(759)	(224)	-	3.39200
-	-	0	-	(6)	(5)	-	1.28600
2,730	-	14,463	1,370	(3,871)	(367)	-	10.55330
-	-	2,521	227	(4,157)	(374)	-	11.1005
-	-	3,121	385	(10,479)	(1,292)	-	8.11140
		9,056	9,056	2,610	2,610	43	1.00000
-	-	0	-	0	0	-	1.28600
-	-	658,418	9,596	(38,562)	(562)	-	68.6103
-	-	1,366,912	707	(64,889)	(34)	-	1934.26

Subsidiaries and affiliates	Currency	Share capital *(in thousands of local currency units)*	Reserves	% interest	Carrying amount of shares: Cost	Net	Provisions
Accentiv' Shanghai Company (China)	CNY	7,041	(1,812)	100.00%	650	650	
Edenred Kurumsal Coz.A.S (Turkey)	TL	2,980	7,987	1.70%	55	55	
G Log Servicos de Gestao de Distribuicao Ltda (Brazil)	BRL	10	432	1.70%	1	1	
EDENRED COLOMBIA S.A.S (Colombia)	COP	218,818	742,884	96.70%	2,084	370	1,714
Edenred Solutions KFT (Hungary)	HUF	44,500	1,035,251	1.69%	187	0	187
Ticketseg - Corretora de Seguros S/A (Brazil)	BRL	2,526	619	0.43%	8	8	
Ticket Serviços SA (Brazil)	BRL	36,501	238,324	0.11%	230	230	
Edenred Bresil Participacoes SA (Brazil)	BRL	482,634	(45,868)	7.04%	1,328	1,328	
Edenred Suisse SA	CHF	800	(390)	100.00%	547	0	547
Accentiv Servicos Tecnologia da Informacoa S/A	BRL	21,114	(3,240)	0.31%	387	387	
Edenred CZ S.R.O Na Porici 5, Praha 1, Czech Republic	CZK	13,500	1,035,891	1.70%	725	725	
3-Other investments							
1-Subsidiaries and affiliates (at least 10%-owned by Edenred SA)							
a) French subsidiaries (aggregate)					996,547	832,068	164,479
b) Foreign subsidiaries (aggregate)					1,068,071	1,016,504	51,567
2-Other investments (less than 10%-owned by Edenred SA)							
a) French companies (aggregate)					2,379	2,129	250
b) Foreign companies (aggregate)					32,199	20,228	11,971
TOTAL (NOTE 28)					**2,099,196**	**1,870,929**	**228,267**

Provisional unaudited balance sheet data:

(1) Balance sheets at March 31, 2012.

Not including Servicarte Tunisia (02750) wound up in the year it was formed, for which the necessary legal documents are not available to permit its removal from the accounts.

(in € thousands)

Outstanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue *(local currency)*	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2012 exchange rate
-	-	26,152	3,224	631	78	-	8.11140
		24,136	10,427	15,143	6,542		2.31470
		4,565	1,820	(31)	(12)		2.50840
-	-	0	-	(231,437)	(100)	-	2310.35
		306,044	1,058	78,723	272		289.31
		1,095	435	946	376		2.52
-	-	713,826	284,574	292,787	116,723	107	2.50840
-	-	0	-	317,975	126,764	6,807	2.50840
-	-	387	321	(266)	(221)	-	1.20520
		52,259	20,834	5,573	2,222		2.50840
		432,578	17,205	64,404	2,561		25.14320
518,449	0					39,853	
1,164,338	0					41,315	
144	0					2,383	
4,132	0					8,117	
1,687,063	**0**					**91,668**	

NOTE 25 FIVE-YEAR FINANCIAL SUMMARY

Description *(in € millions)*	**2008**	**2009**	**2010**	**2011**	**2012**
1 – Capital at December 31					
Share capital	-	-	452	452	452
Number of shares in issue	370	370	225,897,396	225,897,396	225,897,396
Number of convertible bonds		-	-	-	-
2 – Results of operations					
Net revenues	-	-	18	24	26
Profit before tax, depreciation, amortization and provision expense	-	-	222	297	68
Income tax	-	-	-	13	10
Net profit	-	-	152	378	56
Total dividend	-	-	113	158	185 (1)
3 – Per share data *(in €)*					
Earnings/(loss) per share after tax, before depreciation, amortization and provision expense	(10.75)	(10.77)	0.98	1.31	0.30
Earnings/(loss) per share	(10.75)	(10.77)	0.67	1.67	0.25
Dividend per share	-	-	0.50	0.70	0.82
4 – Employee information					
Number of employees (2)	-	-	136	148	160
Total payroll			(5)	(17)	(18)
Total benefits			(4)	(9)	(9)

(1) 2012 recommended dividend based on 225,897,396 shares.

(2) Average employees for the year.

7 INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

7.1 INFORMATION ABOUT THE COMPANY

7.1.1 COMPANY NAME

The Company's name is Edenred.

7.1.2 REGISTRATION DETAILS AND APE CODE

The Company is registered in Nanterre under no. 493 322 978. Its APE business identifier code is 6420Z.

7.1.3 INCORPORATION DATE AND TERM

The Company was incorporated on December 14, 2006 for a 99-year term as a *société par actions simplifiée*. It was converted into a *société anonyme* on April 9, 2010.

7.1.4 REGISTERED OFFICE, LEGAL FORM AND GOVERNING LAW

The Company's registered office is at 166 to 180 boulevard Gabriel-Péri, 92240 Malakoff, France.

Phone: +33 1 74 31 75 00.

The Company is a *société anonyme* with a Board of Directors governed by the laws of France, mainly the provisions of the *Code de Commerce* (Commercial Code).

7.1.5 CORPORATE PURPOSE

The corporate purpose is set out in Article 3 of the bylaws, which are obtainable on request from the Company's headquarters and may be consulted at www.edenred.com/en/Finance.

The Company's corporate purpose is to engage in the following activities, in France and abroad, for its own account and on behalf of third parties:

- the design, development, promotion, marketing and management of paper and paperless service vouchers and, more generally, of all employee and public benefits, incentive and rewards, and expense management services;
- the development, promotion and operation of any and all information systems needed to support the development and implementation of the voucher and other activities described above, including related consulting services, and the management of associated financial transactions;
- the provision of consulting services, analyses and expertise in assessing the administrative, technical and financial resources needed to develop and implement service voucher policies and policies related to the above activities;
- the acquisition, by any method, of interests in any and all companies and ventures in France or abroad that have a similar or related purpose;
- the deployment of all public relations and communication initiatives related to the above service activities, including the organization of symposia, seminars, meetings, conventions, shows and events;
- the provision of short, medium and long-term financing and cash management services for subsidiaries and sister companies. To this end, the Company may (i) obtain any and all loans in France or abroad, in euros or in foreign currencies, (ii) make loans and advances in euros or in foreign currencies, and (iii) carry out any and all treasury, short-term investment and hedging transactions;
- generally, the carrying out of any and all commercial, industrial, financial, securities and real estate transactions related directly or indirectly to the corporate purpose and all similar or related purposes or that facilitate the fulfillment of said purpose.

To fulfill its corporate purpose, the Company may carry out actions or transactions of any type and size and in any location, including the creation of new companies, the acquisition of shares or rights in existing companies, through a capital increase or otherwise, a company acquisition or a merger, that (i) contribute or may contribute to, or facilitate or may facilitate the conduct of the activities defined above or (ii) directly or indirectly preserve the commercial, industrial or financial interests of the Company, its subsidiaries or its business partners.

7.2 INFORMATION ABOUT THE COMPANY'S SHARES

7.2.1 DESCRIPTION OF THE COMPANY'S SHARES

7.2.1.1 Type, class and listing – ISIN

At December 31, 2012, the Company's capital was made up of 225,897,396 shares with a par value of €2 each, all fully paid.

The 225,897,396 shares are ordinary shares with rights to all distributions of interim and final dividends, reserves or equivalent amounts.

All of the shares are listed on NYSE Euronext Paris (compartment A) under ISIN FR0010908533 (ticker symbol: EDEN). Edenred is included in the CAC Large 60 index.

7.2.1.2 Governing law and competent courts

The Company's shares are governed by the laws of France.

The courts of the district where the Company has its registered office have jurisdiction over disputes where the Company is defendant. In disputes where the Company is plaintiff, the court of jurisdiction will be designated depending on the type of dispute, unless otherwise specified in France's Civil Procedure Code.

7.2.1.3 Form of the shares and procedures for recognizing ownership

The Company's shares may be held in registered or bearer form, at the choice of the shareholder.

In application of Article L.211-3 of France's Monetary and Financial Code, ownership of the Company's shares is not evidenced by certificates but by an entry in a securities account kept by the Company or an authorized intermediary. The rights of shareholders are evidenced by an entry in their name in the books kept by:

- the Company's registrar, Société Générale (32 rue du Champ-de-Tir, BP 81236 – 44312 Nantes Cedex 3, France), for registered shares ;
- a bank or broker chosen by the shareholder and recognized by the Company's registrar, Société Générale (32 rue du Champ-de-Tir, BP 81236 – 44312 Nantes Cedex 3, France), for registered shares;
- a bank or broker chosen by the shareholder, for bearer shares.

Settlement/delivery of transactions in the Company's shares is carried out through Euroclear France, as central securities depository.

Shares are transferred by book entry and the transfer of title results from their being recorded in the buyer's securities account, in accordance with Articles L. 211-15 and L. 211-17 of France's Monetary and Financial Code.

Securities services are provided by the Company's registrar, Société Générale (32 rue du Champ-de-Tir, BP 81236 – 44312 Nantes Cedex 3, France).

7.2.1.4 Rights attached to the Company's shares

From the time of issue, the Company's shares are subject to all of the provisions of the Company's bylaws, as adopted by the Shareholders Meeting of June 29, 2010. Based on current French law and the Company's bylaws, the main rights attached to the shares are as follows:

Dividend rights

Each year, 5% of profit for the year, less any losses brought forward from prior years, is transferred to the legal reserve until such time as the legal reserve represents one-tenth of the share capital. The process resumes if the legal reserve subsequently falls to below one-tenth of the share capital for whatever reason.

The balance, plus any retained earnings brought forward from prior years, is available for distribution to shareholders in the form of dividends, in accordance with the applicable laws and regulations.

The Annual Shareholders Meeting called to approve the financial statements may decide to pay a dividend to all shareholders.

The Shareholders Meeting may decide to offer shareholders the option of reinvesting all or part of any interim or final dividend in shares of the Company, in accordance with the applicable laws and regulations. Dividends not claimed within five years of the payment date will be time-barred and will be paid over to the French State.

The Shareholders Meeting may decide, before paying a dividend, to deduct from distributable profit any amounts that it thinks fit to be credited to retained earnings or to one or more general or special reserve accounts to be used for any purposes decided by shareholders.

The Shareholders Meeting may also decide to distribute unrestricted reserves, as allowed by law, in which case the related resolution will specify the reserve accounts from which the dividend is to be deducted.

However, except in the case of a capital reduction, no such distribution may be made to shareholders if the Company's equity represents less than the sum of its share capital and restricted reserves, or would represent less than that amount as a result of the distribution.

Dividends paid to non-residents are subject to French withholding tax (see section 7.2.1.8 of this Registration Document, page 225).

New shares are issued cum rights and rank *pari passu* with existing shares. They carry rights to all interim and final dividends and all distributions of reserves or equivalent amounts decided after their issue.

Voting rights

The voting rights attached to shares are proportionate to the portion of capital they represent. All shares have the same par value and therefore one voting right is attached to each share.

However, as allowed by Article 24 of the Company's bylaws, shares registered in the name of the same holder for at least two years have double voting rights.

In the case of a share issue paid up by capitalizing reserves, profits or additional paid-in capital, the new shares allocated in respect of shares with double voting rights also have double voting rights from the time of issue.

Registered shares converted into bearer shares or sold to a different shareholder lose their double voting rights. However, transfers through inheritance, liquidation of marital assets or an *inter vivos* transfer to a spouse or to a relative in the ascending or descending line do not result in the loss of double voting rights or a break in the qualifying period. The merger of the Company has no impact on double voting rights, provided that the bylaws of the surviving company allow for their exercise.

Article 24 of the Company's bylaws stipulates that voting rights attached to shares held by beneficial and non-beneficial owners are exercisable at Ordinary and Extraordinary Shareholders Meetings by the beneficial owner, except that the non-beneficial owner may also vote in his or her own name when the resolution requires a unanimous vote of all of the shareholders.

Pre-emptive right to subscribe for securities in the same class

Under current French law, shareholders have a pre-emptive right to subscribe for any new shares issued for cash (including shares issued upon exercise of rights), proportionately to their stake in the Company's capital.

The Shareholders Meeting that decides or authorizes a share issue may decide to cancel shareholders' pre-emptive right for the entire issue or for one or several tranches of the issue, in which case the Meeting may decide as an alternative to set a fixed period during which shareholders may subscribe on a priority basis. For issues offered to the public or that are the subject of a private placement governed by Article L. 411-2-II of France's Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders, the issue price must be determined in compliance with Article L. 225-136 of the Commercial Code. Any such issues may not represent more than 20% of the capital per year.

The Shareholders Meeting may decide to restrict participation in a share issue to certain named persons or to certain categories of persons with specified characteristics, in accordance with Article L. 225-138 of the Commercial Code.

The Shareholders Meeting that decides or authorizes a share issue may also decide to restrict participation to the shareholders of another company that is the target of a public stock-for-stock offer initiated by Edenred in application of Article L. 225-148 of the Commercial Code. Shares issued in payment for contributed assets are subject to the specific procedure provided for in Article L. 225-147 of the Commercial Code.

During the subscription period, the pre-emptive rights may be stripped from the underlying shares and traded separately. Alternatively, they may be sold with and on the same terms as the underlying shares. Shareholders may individually waive their pre-emptive subscription rights in application of Articles L. 225-132 and L. 228-91 of the Commercial Code.

Right to a share of the Company's profits

Shareholders are entitled to a share of the Company's profits on the basis defined in Articles L. 232-10 *et seq.* of the Commercial Code.

Right to a share of any liquidation surplus

Shares in all classes entitle their holders to a share of the Company's net assets and, if applicable, the liquidation surplus equal to the portion of the share capital that they represent, taking into account any returns of capital and any unpaid portion of the par value.

From the Company's point of view, all shares are indivisible.

Buyback clause – conversion clause

The bylaws do not include any share buyback or conversion clauses.

Identification of shareholders

The Company uses all methods provided by French legislation to obtain information about the identity of holders of current or future rights to vote at Shareholders Meetings.

Disclosure thresholds

Any shareholder, acting alone or in concert with other shareholders, that becomes the owner of (or ceases to own) a number of shares representing a percentage of the capital or voting rights corresponding to a statutory disclosure threshold is required to notify the Company on the basis required by the applicable laws and regulations. Failure to comply with this obligation will expose the shareholder to the sanctions provided for in the applicable laws and regulations.

In addition, any shareholder or any group of shareholders acting alone or in concert, that acquires or raises its interest to 1% of the capital or voting rights is required to disclose its interest to the Company by registered letter with return receipt requested sent to the head office, within four trading days of the transaction date or the signature of any agreement resulting in the disclosure threshold being crossed, whatever the date on which the shares are recorded in the holder's account. The notification must include details of the total number of shares and/or share equivalents held and the number of voting rights held.

The same disclosure rules will apply to any increase in a shareholder's interest by any multiple of 0.5% of the capital or voting rights beyond 1% and to any reduction in a shareholder's interest by any multiple of 1% of the capital or voting rights. In the case of failure to comply with the applicable disclosure rules, at the request of one or several shareholders representing at least 3% of the Company's capital or voting rights, as duly recorded in the minutes of the Shareholders Meeting, the undisclosed shares will be stripped of voting rights at all Shareholders Meetings held in the two years following the date when the omission is remedied.

In addition, as well as making the statutory disclosures, any shareholder or group of shareholders acting in concert, that becomes the owner of a number of shares representing more than one-twentieth of the Company's capital or voting rights, is required to include in its disclosure to the Company details of its intentions regarding the shares over the next twelve months, covering in particular the information referred to in Article L. 233-7 VII, paragraph 2, of the Commercial Code.

At the end of each successive twelve-month period following the initial disclosure, if the shareholder continues to hold a number of shares representing more than one-twentieth of the Company's capital or voting rights, it is required to notify the Company of its intentions for the following twelve months.

The Company will have the right to inform the public and shareholders of the said shareholder's disclosed intentions, or of the shareholder's failure to comply with this requirement.

For the application of the above disclosure provisions of the bylaws, disclosable interests include the shares or voting rights referred to in Article L. 233-9-I of the Commercial Code.

7.2.1.5 Restrictions on the sale of the shares

The bylaws do not include any restrictions on the sale of the Company's shares. A detailed description of the commitments given by the Company and some of its shareholders is provided in section 7.2.1.9, on the next page.

7.2.1.6 French regulations governing public tender offers

The Company is subject to French laws and regulations governing compulsory public tender offers, public buyout offers and squeeze-out procedures.

Compulsory public tender offers

The situations in which a public tender offer must be made for all of the shares and share equivalents of a Company listed on a regulated market are specified in Article L. 433-3 of the Monetary and Financial Code and Articles 234-1 *et seq.* of the General Rules of the Autorité des marches financiers (AMF).

Public buyout offer and squeeze-out procedure

The procedure for filing a buyout offer and the compulsory buyout of minority shareholders in a company whose shares are listed on a regulated market is specified in Article L. 433-4 of the Monetary and Financial Code, and Articles 236-1 *et seq*. (public buyout offer), 237-1 et seq. (squeeze-out procedure following a public buyout offer) and 237-14 *et seq*. (squeeze-out procedure following a public tender offer) of the AMF's General Rules.

7.2.1.7 Public offer for the Company's shares made during the current or previous financial year

No public offer for the Company's shares has been made during the current or previous financial year.

The following items could have an impact in the event of a public tender offer for the Company's shares (information disclosed in application of Article L. 225-100-3 of France's Commercial Code):

- **capital structure**: see section 7.3.1, page 230, which presents the capital structure and ownership of voting rights, including the percentage of the capital and voting rights held by Colday and Legendre Holding 19, which have together signed a shareholders' pact;
- **agreements providing for the payment of compensation for loss of office or other termination benefits to members of the Board of Directors or to employees if they stand down, resign, are removed from office or terminated other than for gross misconduct or if their employment ends due to a change of control**: see section 5.4, page 103;
- **employee share ownership system**: in accordance with Article L. 214-40 of France's Monetary and Financial Code, the decision to tender to a public purchase or exchange offer Edenred shares held in a corporate mutual fund set up in connection with an employee share ownership system is made by the fund's Supervisory Board;
- **long-term financing**: bonds and bank borrowings for a total of €1,300 million excluding accrued interest could become immediately repayable in the event of a change of control, by decision of any individual lender bank or bond holder. (Article 4 c – Redemption at the option of the Bond Holders – of the Prospectuses for the bond issues dated October 4, 2010 and May 21, 2012 and Clause 7.3 – Mandatory prepayment on change of control – of the Term Loan agreement dated June 23, 2010.)

7.2.1.8 Tax regime applicable to the Company's shares

This section outlines the rules governing French withholding tax applicable to the Company's dividends, based on current French legislation. It does not take into account the effects of any international tax treaties that may apply to individual shareholders. Shareholders are encouraged to seek advice from their tax adviser concerning their specific situation. Shareholders that are not resident in France for tax purposes are required to also comply with the tax rules in force in their country of residence. French tax residents are required to comply with applicable French tax laws.

a) Withholding tax on dividends distributed to shareholders not domiciled in France for tax purposes

In principle, dividends paid by the Company are subject to withholding tax deducted by the paying agent, when the shareholder's tax domicile or headquarters is located outside France. Except as specified below, withholding tax is deducted at the rate of (i) 21% when the shareholder is an individual and is resident in a Member State of the European Union or a European Economic Area country that has signed a tax treaty with France containing a clause providing for administrative assistance in combatting tax fraud and evasion, (ii) 15% when the shareholder is a non-profit organization headquartered in such a country, that would be taxed under Article 206-5 of France's General Tax Code if it were headquartered in France and meets the criteria set out in paragraphs 580 *et seq*. of Instruction BOI-IS-CHAMP-10-50-10-40-20120912, and (iii) 30% in all other cases.

Withholding tax is not deducted from dividends distributed to foreign investment funds that are tax residents of a Member State of the European Union or a country or territory that has signed a tax treaty with France containing a clause providing for administrative assistance in combatting tax fraud and evasion, and that (i) raise capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors, and (ii) have similar characteristics to the French investment funds governed by paragraph 1, 5 or 6 of Article L. 214-1-I of France's Monetary and Financial Code.

The withholding tax may be reduced or cancelled in application of international tax treaties or of Article 119 *ter* of France's General Tax Code which applies in some circumstances to corporate shareholders resident in the European Union.

In addition, provided that they meet the conditions set out in Instruction BOI-RPPM-RCM-30-30-20-40-20120912, corporate shareholders that hold at least 5% of the Company's capital and voting rights may, under certain circumstances, be exempt from withholding tax if their seat of management is located in a Member State of the European Union or a European Economic Area country that has signed a double taxation agreement with France containing a clause providing for administrative assistance in combatting tax fraud and evasion.

However, dividends paid by the Company will be subject to 75% withholding tax from January 1, 2013, whatever the shareholder's tax residence (unless an international tax treaty applies that provides for a lower rate), if they are paid outside France to an "uncooperative country or territory" within the meaning of Article 238-0 A of the General Tax Code. The list of uncooperative countries and territories is published by ministerial order and updated annually.

Shareholders concerned by these rules are encouraged to seek advice from their tax adviser, in order to determine whether the new legislation on uncooperative countries and territories applies to them and/or whether they qualify for withholding tax relief or exemption. Shareholders are also invited to seek advice about the procedure to be followed to apply international tax treaty provisions, in particular as provided for in Instruction BOI-INT-DG-20-20-20-20-20120912 which describes the "standard" and "simplified" procedures for claiming withholding tax relief or exemption.

(b) Withholding tax on dividends distributed to individual shareholders domiciled in France for tax purposes

As of January 1, 2013, with some exceptions, dividends distributed by the Company to individual shareholders domiciled in France will be subject to 21% withholding tax that will be deductible from the income tax due by them for that year. If the paying agent is based in France, the withholding tax will be deducted at source. However, if the paying agent is based outside France, the shareholder will be responsible for declaring the dividend income and paying the corresponding withholding tax within 15 days of receiving the dividend.

The withholding tax will not apply to dividends received on shares held in a French PEA personal equity plan.

Individual shareholders will be able to apply for an exemption from this withholding tax under certain conditions if they belong to a fiscal household (*foyer fiscal*) whose reference taxable income (as defined in Article 1417-IV of the General Tax Code) for the previous year but one was less than €50,000 for single taxpayers or less than €75,000 for joint taxpayers.

In addition, regardless of whether the 21% withholding tax applies or not, all dividends paid to individuals domiciled in France are subject to *prélèvements sociaux* social welfare surtaxes at the aggregate rate of 15.5%. These levies are withheld at source and are in addition to the individual's personal income tax liability.

Shareholders concerned by these taxes are encouraged to seek advice from their tax adviser about personal income tax rules.

7.2.1.9 Lock-up commitment

The shareholders' pact between Legendre Holding 19, a company owned and controlled by Eurazeo, and Colony Capital (represented by Colday [1]) ended on March 6, 2013 after Eurazeo sold all of its 23.1 million Edenred shares, representing 10.2% of the Company's capital, via Legendre Holding 19.

(1) Colday SARL is controlled by investment funds Colony Investors VIII, L.P. and Colyzeo Investors II L.P., which are managed by investment firm Colony Capital, LLC.

7.2.2 SHARE BUYBACK PROGRAM

7.2.2.1 Authorization granted by the Annual Shareholders Meeting of May 15, 2012

The Shareholders Meeting of May 15, 2012 gave the Board of Directors an eighteen-month authorization to trade in the Company's shares on the stock market.

The shares may not be purchased at a price of more than €30 and may not be sold at a price of less than €15. However, the minimum price will not apply to shares sold upon exercise of stock options (or to stock grants). In such cases, the sale price or consideration will be determined in accordance with the provisions of the plan concerned. The maximum and minimum sale price may be adjusted to reflect the impact of any corporate actions.

The maximum number of shares that may be acquired under this authorization is set at 22,589,739, corresponding to a total investment of no more than €677,692,170 based on the maximum purchase price of €30 per share authorized above.

The authorization may be used to purchase, sell or transfer shares for the following purposes:

- to purchase shares for cancellation, in connection with a capital reduction decided or authorized by the Company's shareholders in an Extraordinary Meeting;
- to purchase shares for allocation on exercise of stock options granted under plans governed by Articles L. 225-177 *et seq*. of France's Commercial Code, or to members of an employee stock ownership plan governed by Articles L. 3332-1 *et seq*. of the Labor Code or to recipients of stock grants made under plans governed by Articles L. 225-197-1 *et seq.* of the Commercial Code;
- to purchase shares for allocation on conversion, redemption, exchange or exercise of share equivalents;
- to purchase shares representing up to 5% of the Company's capital to be held in treasury for subsequent remittance in exchange or payment in connection with external growth or restructuring transactions, including a merger, demerger, or asset contribution, in accordance with market practices approved by the Autorité des marchés financiers;
- to make a market in the Company's shares under a liquidity contract entered into with an investment service provider that complies with the code of ethics recognized by the Autorité des marchés financiers.

The program may also be used for any other purpose currently authorized or that may be authorized at a future date under the applicable laws or regulations, provided that the Company issues a press release notifying shareholders of said use.

7.2.2.2 Implementation of the share buyback program in 2012

The authorization granted by shareholders on May 15, 2012 was used during the year.

At the year-end, 256,907 shares, representing 0.11% of the share capital, were held directly or indirectly by the Company.

(a) Transactions carried out by the Company

No transactions were carried out by the Company in its own shares during 2012.

In 2011, the Company bought back 231,907 shares at an average price of €17.36 per share, representing a total of €4 million.

(b) Transactions carried out under the liquidity contract

On November 3, 2011, the Company signed a liquidity contract with Exane BNP Paribas to maintain a liquid market for its shares on the NYSE Euronext Paris market. Automatically renewable every December 31, the contract complies with the AMAFI code of ethics recognized by the Autorité des marchés financiers.

Resources allocated to the liquidity contract included:

- cash: €10 million;
- Edenred shares: none.

During 2012, under the liquidity contract, the Company:

- purchased 3,044,384 shares at an average price of €21.68 per share, representing a total of €66 million; and
- sold 3,098,940 shares at an average price of €21.64 per share, representing a total of €67 million.

As a result of the transactions carried out in 2011, at December 31, 2012 the Company held 25,000 shares under the liquidity contract, acquired at an average price of €23.30 per share, for a total of €0.6 million.

In addition, the Company's balance sheet at December 31, 2012 included €9.6 million in marketable securities held under the liquidity contract.

7.2.2.3 Summary of Edenred share transactions carried out by the Company

Pursuant to Instruction 2005-06 issued by the Autorité des marchés financiers on February 22, 2005, transactions carried out by the Company in its own shares between July 2, 2010 and December 31, 2012 are summarized below.

- percentage of capital held by the Company directly and indirectly: 0.11% at December 31, 2012;
- number of shares canceled over the last twenty-four months: none;
- number of shares held in treasury: 256,907, of which:
  - shares bought back for cancellation: 231,907,
  - shares held at the year-end under the liquidity contract: 25,000.

The total amount of transaction fees excluding tax was €0.1 million in 2012.

7.2.3 FINANCIAL AUTHORIZATIONS

At the Ordinary and Extraordinary Shareholders Meetings of May 10, 2010 and May 15, 2012, shareholders granted the Board of Directors the following authorizations:

Type of authorization	Date of authorization	Nominal amount authorized	Duration and expiry date	Utilization in 2011	Utilization in 2012
Corporate action					
Issue of shares and compound securities	Shareholders Meeting of May 15, 2012 13th, 14th, 15th, 16th, 17th, 18th and 19th resolutions	(par value)	26 months – July 15, 2014		
• With pre-emptive subscription rights		€225 million			
• Without pre-emptive subscription rights		€67.5 million			
• In connection with a stock-for-stock offer		€67.5 million			
• In payment for contributed assets		10% of the capital			
• Increase in the amount of any issues that are oversubscribed		15% of the amount of the initial issue			
Issuance of new shares by capitalizing reserves, retained earnings or additional paid-in capital		€225 million			
Employee share issue	Shareholders Meeting of May 15, 2012 20th resolution	2% of the capital as at the close of the Shareholders Meeting of May 15, 2012	26 months – July 15, 2014		
Stock option and performance share plans					
Stock option plans	Shareholders Meeting of May 10, 2010 11th resolution	7% of the post-Spin-Off capital	38 months – July 10, 2013	Board meeting of February 23, 2011 Granted 611,700 stock options	Board meeting of February 22, 2012 Granted 382,800 stock options
Performance share plans	Shareholders Meeting of May 10, 2010 12th resolution	4% of the post-Spin-Off capital	38 months – July 10, 2013	Board meeting of February 23, 2011 Granted 805,025 performance share rights	Board meeting of February 22, 2012 Granted 867,575 performance share rights

7.2.4 SHARE EQUIVALENTS

The Company has not issued any share equivalents.

However, it should be noted that:

- the maximum number of new shares that could be issued under stock option plans is 4,938,150;
- the maximum number of new or existing shares that could be granted in respect of performance share rights that have not yet vested is 2,482,721.

For a description of stock option plans and performance share plans, see pages 106 and 108.

7.2.5 SHARES NOT REPRESENTING CAPITAL

The Company has not issued any shares not representing capital. There are no other potential ordinary shares.

7.2.6 CHANGES IN CAPITAL

Changes in capital over the past five years

		Amount of the change in capital *(in euros)*			
Year	**Changes in capital over the past five years**	**Par value**	**Premium**	**New capital** *(in euros)*	**New number of shares**
2006	Initial capital	37,000		37,000	370
2010	Capital reduction	11,900		25,100	251
	Issue of shares	11,900	100	37,000	370
	50-for-1 stock-split	37,000		37,000	18,500
	Shares issued in payment for assets contributed by Accor SA	451,757,792	647,427,593.63	451,794,792	225,897,396

7.3 OWNERSHIP STRUCTURE

7.3.1 OWNERSHIP OF SHARES AND VOTING RIGHTS

At December 31, 2012, the Company's capital consisted of 225,897,396 shares representing a total of 258,038,096 voting rights, of which 257,782,314 were exercisable.

The Company had 3,082 registered shareholders representing 18% of the Company's capital and voting rights.

The Company's ownership structure at December 31, 2010, 2011 and 2012 was as follows:

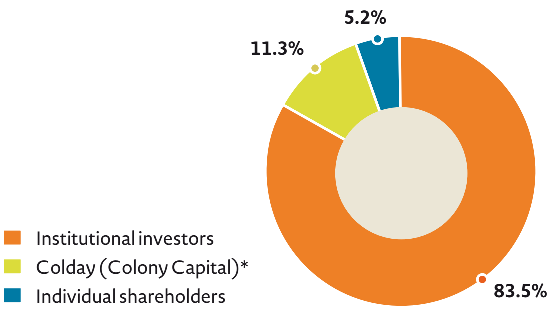
	At December 31, 2010			At December 31, 2011			At December 31, 2012		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
Coltime (Colony Capital)	13,276,085	5.88%	5.88%	-	-	-	-	-	-
Colday (Colony Capital)	25,506,869	11.29%	11.29%	25,506,869	11.29%	11.29%	25,506,869	11.29%	14.07%
TOTAL FOR COLONY CAPITAL	38,782,954	17.17%	17.17%	25,506,869	11.29%	11.29%	25,506,869	11.29%	14.07%
Legendre Holding 19 (Eurazeo)	23,061,291	10.21%	10.21%	23,061,291	10.21%	10.21%	23,061,291	10.21%	14.94%
Eurazeo SA	-	-	-	-	-	-	170,235	0.08%	0.07%
TOTAL FOR EURAZEO	23,061,291	10.21%	10.21%	23,061,291	10.21%	10.21%	23,231,526	10.29%	15.01%
Total for shareholders acting in concert (1)	**61,844,245**	**27.38%**	**27.38%**	**48,568,160**	**21.50%**	**21.50%**	**48,738,395**	**21.58%**	**29.08%**
Morgan Stanley Investment Management	**19,944,400**	**8.83%**	**8.83%**	**22,653,117**	**10.03%**	**10.03%**	**22,653,117**	**10.03%**	**8.78%**
Other institutional investors	**118,204,697**	**52.33%**	**52.33%**	**143,533,472**	**63.54%**	**63.54%**	**142,592,517**	**63.12%**	**55.47%**
Individual shareholders	**11,104,254**	**4.91%**	**4.91%**	**10,831,184**	**4.79%**	**4.79%**	**11,656,460**	**5.16%**	**6.56%**
Edenred (held in treasury) (2)	**-**	**-**	**-**	**311,463**	**0.14%**	**0.14%**	**256,907**	**0.11%**	**0.10%**
TOTAL	**225,897,396**	**100.00%**	**100.00%**	**225,897,396**	**100.00%**	**100.00%**	**225,897,396**	**100.00%**	**100.00%**

Sources: Euroclear France, Edenred share register, additional survey and disclosures made to the Autorité des marchés financiers.

(1) The shareholders' pact ended on March 6, 2013 after Eurazeo sold all of its 23.1 million Edenred shares, representing 10.2% of the Company's capital, via Legendre Holding 19.

(2) The voting rights associated with shares held in treasury are not exercisable.

Following the sale by Eurazeo of its stake in the Company, the ownership structure at March 6, 2013 was as follows:



The free float represents 88.7% of outstanding shares

**Reference shareholder*

In a press release dated March 5, 2013, Colony Capital reaffirmed its medium-term commitment to remaining Edenred's reference shareholder.

During the year, the following registered intermediaries and fund managers notified the Autorité des marchés financiers of changes in their interests, in accordance with disclosure threshold rules:

Registered intermediary or fund manager	Disclosure date	AMF reference number	Increase or decrease in interest	Number of shares held	% capital	Number of voting rights	% voting rights
Southeastern Asset Management	July 2, 2010	210C0598	Increase	14,600,878	6.46%	14,600,878	6.46%
Franklin Resources	July 7, 2010	210C0618	Increase	12,904,219	5.71%	12,904,219	5.71%
Morgan Stanley Investment Management	July 8, 2010	210C0620	Increase	14,102,853	6.24%	14,102,853	6.24%
Caisse des Dépôts et Consignations/ Fonds Stratégique d'Investissement	July 8, 2010	210C0621	Increase	19,549,639	8.65%	19,549,639	8.65%
Franklin Resources	August 27, 2010	210C0850	Decrease	11,253,997	4.98%	11,253,997	4.98%
Franklin Resources	September 3, 2010	210C0868	Increase	11,381,568	5.04%	11,381,568	5.04%
Franklin Resources	September 29, 2010	210C0979	Decrease	11,086,640	4.91%	11,086,640	4.91%
Caisse des Dépôts et Consignations/ Fonds Stratégique d'Investissement	October 11, 2010	210C1048	Decrease	2,884,974	1.28%	2,884,974	1.28%
Southeastern Asset Management	July 25, 2011	211C1338	Decrease	0	0.00%	0	0.00%
Barclays Plc	July 27, 2011	211C1363	Increase	7,023,379	3.11%	7,023,379	3.11%
Morgan Stanley Investment Management	August 3, 2011	211C1498	Increase	22,653,117	10.03%	22,653,117	10.03%
Coltime	January 16, 2012	212C0082	Decrease	0	0.00%	0	0.00%
Eurazeo SA/Legendre Holding 19	October 2, 2012	212C1293	Increase	23,251,526	10.29%	38,753,836	15.01%
Colday SARL	October 2, 2012	212C1293	Increase	25,506,869	11.29%	36,333,586	14.07%
Legendre Holding 19	March 15, 2013	213C0348	Decrease	0	0.00%	0	0.00%

Shareholders' pacts

The shareholders' pact between Legendre Holding 19, a company owned and controlled by Eurazeo, and Colony Capital (represented by Colday [(1)]) ended on March 6, 2013 after Eurazeo sold all of its 23.1 million Edenred shares, representing 10.2% of the Company's capital, *via* Legendre Holding 19.

The Company is not aware of any other agreements between shareholders relating to its shares.

Voting rights of the main shareholders

As of December 31, 2012, each Edenred share entitled its holder to one vote.

Agreements that may lead to a change of control

None.

(1) Colday SARL is controlled by investment funds Colony Investors VIII, L.P. and Colyzeo Investors II L.P., which are managed by investment firm Colony Capital, LLC.

7.3.2 DIVIDENDS

Year	Shares outstanding at December 31	Dividend for the year *(in euros)* – Net	Dividend for the year *(in euros)* – Total	Paid on	Share price *(in euros)* – High	Share price *(in euros)* – Low	Share price *(in euros)* – Year-end	Yield based on year-end price
2010	225,897,396	0.50	0.50	May 31, 2011	19.01	11.40	17.71	2.82%
2011	225,897,396	0.70	0.70	May 31, 2012	22.64	15.40	19.02	3.68%
2012	225,897,396	0.82 (1)	0.82 (1)	(2)	24.79	18.31	23.30	3.52%

(1) To be recommended at the Annual Shareholders Meeting on May 24, 2013.

(2) To be recommended at the Annual Shareholders Meeting on May 24, 2013 for payment on May 31, 2013.

No interim dividend was paid in 2012. Dividends are paid by Euroclear France.

Dividends not claimed within five years from the date of payment are forfeited, as provided for by law.

At the Annual Shareholders Meeting of May 24, 2013, the Board of Directors will recommend setting the 2012 dividend at €0.82 per share, payable in cash.

7.4 MARKET FOR EDENRED SECURITIES

MARKET FOR EDENRED SHARES

Edenred shares are traded on the NYSE Euronext Paris stock exchange (Compartment A) and are included in the CAC Large 60 index. They are also included in the following stock market indices: SBF 120, SBF 250, CAC High Dividend, CAC All-Share, Euronext 100 and MSCI Standard Index Europe.

The shares were initially listed at a reference price of €11.40. On the first day of trading (July 2, 2010), the shares opened at €13 and closed at €14.80.

On December 31, 2012, the shares closed at €23.30 and the Company's market capitalization stood at €5.3 billion.

EDENRED SHARE PRICES AND TRADING VOLUMES (ISIN: FR0010908533)

(in €)	Average closing price	High	Low	Trading volume
2012				
January	19.04	19.75	18.31	8,407,849
February	19.21	20.48	18.51	8,913,620
March	21.45	22.80	19.26	10,716,400
April	23.20	24.79	21.70	9,628,807
May	22.62	24.64	21.32	11,029,003
June	21.15	22.70	20.49	9,477,038
July	21.79	23.00	20.92	7,832,816
August	21.90	22.50	21.24	3,891,725
September	21.81	22.50	20.85	5,534,391
October	22.67	23.38	21.79	5,913,151
November	23.24	24.23	22.28	6,384,643
December	23.41	23.85	22.78	4,564,465
2013				
January	23.51	24.16	22.85	5,536,454
February	25.04	26.74	23.56	6,955,245

Source: NYSE Euronext Paris.

SHAREHOLDER SERVICES

Shareholder services are provided by:

Société Générale Securities Services
SGSS/SBO/CSS/BOC
32, rue du Champ-de-Tir
BP 81236 – 44312 Nantes Cedex 3
France

8 ANNUAL SHAREHOLDERS' MEETING

8.1 PRESENTATION OF PROPOSED RESOLUTIONS

8.1.1 APPROVAL OF THE FINANCIAL STATEMENTS AND APPROPRIATION OF PROFIT

The purpose of the **first resolution** is to approve the annual financial statements of Edenred SA for the year ended December 31, 2012, which show net profit of €56,266,225.

The purpose of the **second resolution** is to approve the consolidated financial statements of the Edenred Group for the year ended December 31, 2012.

The **third resolution** concerns the appropriation of profit and payment of a dividend. Shareholders are invited to set the 2012 dividend at €0.82 per share, representing a 17% increase over the 2011 dividend and a payout rate of 90% of recurring net profit after tax. The dividend would be payable from May 31, 2013.

The dividend per share for the previous two years was as follows:

- 2010 : €0.50;
- 2011 : €0.70.

8.1.2 RE-ELECTION OF DIRECTORS

In the **fourth to seventh resolutions**, shareholders are invited to re-elect Anne Bouverot, Philippe Citerne, Françoise Gri and Roberto Oliveira de Lima as directors for the four-year term specified in the bylaws. All four directors fulfill the independence criteria set out in the AFEP/MEDEF Corporate Governance Code and in 2012 attended more than 75% of the meetings of the Board and the Committee of which they were members.

Board members are proposed for re-election, on the recommendation of the Compensation and Appointments Committee, based on the following criteria: the number of independent directors, which should represent the majority of the Board's membership, the directors' technical skills and their attendance rate at Board and Committee meetings, and how well the Board reflects Edenred's international scope and its policy of gender equality. Biographical details for these directors are provided in section 5.1 of this Registration Document, page 84.

Provided they are re-elected, the Board plans to confirm Anne Bouverot's appointment as member of the Audit and Risks Committee, Philippe Citerne's appointment as Vice-Chairman of the Board, Chairman of the Audit and Risks Committee and member of the Compensation and Appointments Committee, Françoise Gri's appointment as member of the Compensation and Appointments Committee, and Roberto Oliveira de Lima's appointment as member of the Commitments Committee.

8.1.3 AUTHORIZATIONS GIVEN TO THE BOARD OF DIRECTORS

8.1.3.1 Authorization to trade in the Company's shares

The purpose of the **eighth resolution** is to authorize the Board of Directors to trade in Edenred SA shares on the Company's behalf, subject to compliance with the applicable laws. This authorization is being sought for a period of 18 months from the date of the Meeting and will supersede the authorization given by the Annual Meeting of May 13, 2012 (10th resolution).

The purposes for which the shares could be bought back under the program are presented in section 7.2.2, page 227, and listed in the resolution. The authorization may not be used while a takeover bid for the Company is in progress.

Shares could not be bought back for a price of more than €35 and the Company would not be authorized to buy back more than 22,589,739 shares (i.e. 10% of the total shares outstanding at February 12, 2013). The maximum amount invested in the buyback program would therefore be €790,640,865.

The previous authorization for the same purpose granted by shareholders on May 15, 2012 (11th resolution) was not used during the year.

A total of 256,907 Edenred shares are currently held in treasury, representing 0.11% of the capital at December 31, 2012.

8.1.3.2 Authorization to reduce the capital by canceling shares

In the **ninth resolution** shareholders are invited to authorize the Board of Directors to cancel all or some of the shares bought back pursuant to the 8th resolution and to reduce the capital accordingly. The number of shares canceled in any given 24-month period would not exceed 10% of the total shares outstanding.

This authorization would be valid for a period of 18 months and is the subject of a special report by the Auditors. It will supersede the authorization given by the Annual Meeting of May 15, 2012 (12th resolution).

The previous authorization for the same purpose granted by shareholders on May 15, 2012 was not used during the year.

8.1.3.3 Authorization to grant performance shares without pre-emptive subscription rights for existing shareholders

In the **tenth resolution**, shareholders are asked to authorize the Board of Directors to grant performance shares in accordance with Article L.225-197-1 of the Commercial Code.

The aims of the performance share plan would be to:

- incentivize Group managers to embrace the long-term strategic plan and meet its objectives (see sections 1.3.2 and 1.3.4);
- retain key talents, a critical challenge for a young, fast changing service company;
- align managers' interests with those of Edenred's shareholders, while also increasing their awareness of the specific challenges faced by a listed company.

When the performance share rights are granted by the Board of Directors, based on the recommendation of the Compensation and Appointments Committee, this will mark the beginning of a period of at least three years at the end of which, if the performance conditions set by the Board are fulfilled, the grantees will acquire the shares. There will follow a further period of at least two years during which the shares cannot be sold (referred to as the "lock-up period"). To use this system outside France while also avoiding grantees in these other countries being subject to punitive income tax and payroll tax costs, the Board of Directors may set the vesting period for these grantees at five years or more and shorten or waive the lock-up period.

The number of performance share rights granted during the 26-month authorization period will not exceed 1.5% of the capital and the aggregate par value of the shares concerned by the rights will be deducted from the blanket ceiling provided for in the second paragraph of the 13th resolution of the Annual Shareholders Meeting of May 15, 2012 or, if applicable, the blanket ceiling set in any new resolution to the same effect adopted while this authorization is in force. In addition, the number of performance share rights granted in a single year will not exceed 1.0% of the capital.

No more than 8% of the performance share rights may be granted to the executive director and no more than 25% may be granted to the members of the Executive Committee, comprising 12 persons other than the executive director as of December 31, 2012. The plan is intended for the roughly 360 top managers in the Group.

At least three performance criteria will apply, with performance against these criteria measured over a period of three consecutive fiscal years, and the performance shares will vest as follows:

- 40% if the target for like-for-like issue volume growth is met;
- 40% if the target for like-for-like growth in funds from operations (FFO) is met;
- 20% if the stock market performance target is met, corresponding to Edenred's total shareholder return (TSR) compared with the average TSR for companies included in the SBF 120 index.

The two operating performance targets above are specific to the Group's business and correspond to the issue volume and FFO growth objectives announced to the market when the 2010-216 strategy was presented. See section 1.3.4, page 16. The purpose of the stock market performance criterion is to align management and shareholder interests, and raise managers' awareness of the specific challenges faced by a listed company.

The Board of Directors will set the performance ranges (lower and upper limits) for each criterion based on the recommendation of the Compensation and Appointments Committee.

The performance criteria, assessed over three consecutive fiscal years as from the launch of each plan, are as follows:

Organic issue volume growth

Organic issue volume growth of less than 8%	0%
Organic issue volume growth between 8% and 9%	50%
Organic issue volume growth between 9% and 10%	75%
Organic issue volume growth between 10% and 12%	100%
Organic issue volume growth of 12% or more	125%

Organic growth in FFO

Organic growth in FFO of less than 8%	0%
Organic growth in FFO between 8% and 10%	50%
Organic growth in FFO between 10% and 12%	75%
Organic growth in FFO between 12% and 14%	100%
Organic growth in FFO of 14% or more	125%

Edenred TSR/SBF 120 TSR

If Edenred TSR less than 100% of SBF 120 TSR	0%
If Edenred TSR between 100% and 102.5% of SBF 120 TSR	50%
If Edenred TSR between 102,5% and 105% of SBF 120 TSR	75%
If Edenred TSR between 105% and 107.5% of SBF 120 TSR	100%
If Edenred TSR more than 107.5% of SBF 120 TSR	125%

Edenred's TSR measures the total return for shareholders, taking into account growth in the share price and the dividends paid to shareholders.

Growth in the share price will be assessed by comparing the average of the daily closing prices quoted for Edenred shares over the performance assessment period (three years from January 1 of the first year of the plan) to the Edenred closing share price on the last day of the year preceding the plan's start date. The increase calculated on the above basis will then be adjusted to include the dividends paid during the period on a prorated basis, to calculate Edenred's TSR.

The SBF 120 TSR will be calculated based on the TSR of each SBF 120 company and their weighting in the index.

There will be no changes in the performance conditions as described above during the life of the plans set up pursuant to this authorization.

The level of achievement of the performance targets will be assessed based on the information provided by Edenred's Finance Department.

The Board of Directors will confirm these performance assessments at the meeting held to approve the annual financial statements, after consulting the Compensation and Appointments Committee. The Board's assessment will be final and will not be subject to any right of appeal. Each grantee will be personally informed of the level of achievement of the performance criteria, by the procedure provided for in the Plan rules.

The number of shares that vest based on the level of fulfillment of the performance criteria will not exceed 100% of the rights initially granted by the Board of Directors for each plan.

Grantees may be awarded existing shares bought back for this purpose or newly issued shares. If grantees are awarded newly issued shares, the authorization will automatically entail the waiver by shareholders, in favor of the grantees, of their pre-emptive right to subscribe for the said shares as well as their right to the portion of retained earnings, profit or additional paid-in capital that will be transferred to the capital account to pay up the vested shares, as and when the shares vest.

This resolution supersedes the authorization to grant stock options that was given to the Board of Directors in 2010 and that shareholders are not being asked to renew.

The long-term incentive plan set up by the Company in 2013 has been established on the same basis as the authorization being sought at the Annual Shareholders Meeting.

8.1.4 POWERS TO CARRY OUT FORMALITIES

The purpose of the **eleventh resolution** is to authorize the bearer of an original, extract or copy of the minutes of the Shareholders Meeting to carry out any and all filing and other formalities required by law.

8.2 ORDINARY RESOLUTIONS

FIRST RESOLUTION (APPROVAL OF THE 2012 PARENT COMPANY FINANCIAL STATEMENTS)

Having considered the parent company financial statements for the year ended December 31, 2012, the Chairman's report, the Board of Directors' Management Report and the Auditors' reports, the shareholders approve the financial statements of the parent company for the year ended December 31, 2012, which show net profit for the year of €56,266,225, as well as all the transactions reflected in said financial statements or described in said reports.

In application of Article 223 *quater* of the French Tax Code, the shareholders also approve the aggregate amount of non-deductible costs and expenses referred to in Article 39 paragraph 4 of said Code, which amounted to €91,162 for 2012, and the tax paid thereon, which was €31,387.

SECOND RESOLUTION (APPROVAL OF THE 2012 CONSOLIDATED FINANCIAL STATEMENTS)

Having considered (i) the Chairman's report, (ii) the Board of Directors' Management Report, included in the Group Management Report in accordance with Article L.233-26 of the Commercial Code, and (iii) the Auditors' reports, the shareholders approve the consolidated financial statements for the year ended December 31, 2012 as presented, as well as the transactions reflected in said financial statements, which show consolidated net profit for the year of €183 million, or described in the Group Management Report.

THIRD RESOLUTION (APPROPRIATION OF 2012 PROFIT AND DIVIDEND)

Having noted that the Company recorded net profit of €56,266,225 in 2012 and that €258,514,483 in retained earnings were brought forward from the prior year, for a total of €314,780,708 available for distribution, the shareholders resolve, in accordance with the Board of Directors' recommendation, to appropriate this amount as follows:

- dividends €185,025,200.98 [(1)]
- retained earnings €129,755,507.02

The dividend per share will amount to €0.82, payable from May 31, 2013, with an ex-dividend date of May 28, 2013. The dividends on shares held in treasury or that are cancelled before the payment date will be allocated to the "Retained earnings" account.

The shareholders resolve that, if the number of shares carrying dividend rights at the ex-dividend date is higher or lower than 225,640,489, the amount appropriated to dividends will be increased or decreased accordingly and the amount appropriated to the "Retained earnings" account will be determined according to the actual amount paid out.

As provided for in Article 158-3-2 of the French Tax Code, shareholders who are resident for tax purposes in France will qualify for the 40% tax relief on the whole amount of their dividend (€0.82).

Dividends for the last three years were as follows (information disclosed in application of Article 243 *bis* of the French Tax Code):

- 2011 dividend per share of €0.70 paid on May 31, 2012, representing a total payout of €158,128,177;
- 2010 dividend per share of €0.50 paid on May 31, 2011, representing a total payout of €112,948,698;
- no dividends were paid for 2009.

(1) The total amount to be distributed as dividends presented here is based on the number of shares carrying dividend rights at December 31, 2012, which was 225,640,489. However, the number of shares carrying dividend rights may change between January 1, 2013 and the ex-dividend date, depending in particular on changes to the number of shares held in treasury, the final number of performance shares that vest during the period and the number of stock options exercised (if the grantee has dividend rights under the plan's terms and conditions).

As provided for in Article 158-3-2 of the French Tax Code, shareholders who were resident for tax purposes in France qualified for the 40% tax relief on the whole amount of their 2010 and 2011 dividend, unless they had elected to be taxed at the flat rate of 19% for 2010 and 21% for 2011 (plus *prélèvement sociaux* surtaxes) in application of Article 117 *quater* of said Code.

FOURTH RESOLUTION (RE-ELECTION AS A DIRECTOR OF ANNE BOUVEROT)

The shareholders re-elect Anne Bouverot as a director for a four-year term commencing at the close of this Meeting and expiring at the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2016.

FIFTH RESOLUTION (RE-ELECTION AS A DIRECTOR OF PHILIPPE CITERNE)

The shareholders re-elect Philippe Citerne as a director for a four-year term commencing at the close of this Meeting and expiring at the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2016.

SIXTH RESOLUTION (RE-ELECTION AS A DIRECTOR OF FRANÇOISE GRI)

The shareholders re-elect Françoise Gri as a director for a four-year term commencing at the close of this Meeting and expiring at the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2016.

SEVENTH RESOLUTION (RE-ELECTION AS A DIRECTOR OF ROBERTO OLIVEIRA DE LIMA)

The shareholders re-elect Roberto Oliveira de Lima as a director for a four-year term commencing at the close of this Meeting and expiring at the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2016.

EIGHTH RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO TRADE IN THE COMPANY'S SHARES)

The shareholders, having considered the report of the Board of Directors, authorize the Board, with the right of delegation provided for by law, to buy back the Company's shares either directly or indirectly pursuant to Articles L.225-209 *et seq*. of the Commercial Code, for the following purposes:

- to cancel all or some of the acquired shares in connection with a capital reduction authorized by the shareholders, either in the ninth extraordinary resolution below or in any similar resolution that supersedes the aforementioned resolution while this authorization is still valid;
- to allocate shares upon exercise of stock options granted under plans governed by Articles L.225-177 *et seq*. of the Commercial Code or any similar plan;

- to grant or sell shares to employees in settlement of amounts due under the statutory profit-sharing scheme or through any employee savings or stock ownership plan or similar, in accordance with Articles L.3332-1 *et seq*. of the Labor Code;
- to grant shares under plans governed by Articles L.225-197-1 *et seq*. of the Commercial Code;
- to fulfill any obligations associated with stock option plans or other allocations of shares to employees or the executive director of the Company or any related company;
- to allocate shares on conversion, redemption, exchange or exercise of securities with rights to shares;
- to subsequently remit shares (in exchange or payment or otherwise) in connection with external growth or restructuring transactions, including a merger, demerger, or asset contribution, in accordance with market practices approved by the Autorité des marchés financiers;
- to make a market or ensure liquidity of the Company's shares under a liquidity contract entered into with an investment services provider that complies with the code of ethics recognized by the Autorité des marchés financiers.

The program may also be used for any other purpose currently authorized or that may be authorized at a future date under the applicable laws or regulations, provided that the Company issues a press release notifying shareholders of said use.

Shares may be bought back, sold or otherwise transferred at any time except when a takeover bid for the Company is in progress, in accordance with the applicable regulations.

The maximum purchase price under this authorization is €35 (or the equivalent sum in another currency on the same date). However, this maximum price only applies to purchases decided on or after the date of this Meeting and not to outstanding forward purchases of shares carried out under an authorization granted at a previous Shareholders Meeting. The maximum purchase price may be adjusted as necessary to reflect the impact of any corporate actions.

In application of Article L.225-209 of the Commercial Code, the shareholders resolve that the number of shares that may be acquired under this authorization is subject to the following limits:

- the number of shares purchased under the buyback program may not exceed 10% of the total number of shares outstanding, i.e. 22,589,739 shares based on the number of shares outstanding at December 31, 2012. In addition, the maximum number of shares purchased into treasury and subsequently remitted in connection with a merger, demerger or asset contribution may not exceed 5% of the Company's share capital and, where shares have been purchased under a liquidity contract in compliance with the Autorité des marchés financiers' General Regulations, the number of shares taken into account to calculate the 10% limit referred to above will correspond to the number of shares purchased less the number of shares resold during the period of the authorization;
- the number of shares held in treasury at any time may not exceed 10% of the total number of shares outstanding at that date.

The shareholders resolve that (i) the purchase, sale or transfer of shares may be effected and settled by any method, on the basis and within the limits prescribed by the laws and regulations in force on the transaction date, in one or several transactions *via* regulated markets, multilateral trading facilities, systematic internalisers or over-the-counter, including through block purchases or sales, through public offers of purchase or exchange, through the use of options or derivatives – particularly, the purchase or sale of puts or calls – traded *via* regulated markets, multilateral trading facilities, systematic internalisers or over-the-counter, through the allocation of shares on conversion, redemption, exchange or exercise of share equivalents or by any other means either directly or *via* an investment services provider, and that (ii) the entire buyback program may be implemented through a block trade.

Based on the maximum purchase price of €35 per share authorized above, the total amount allocated to this buyback program cannot exceed €790,640,865.

The shareholders give full powers to the Board of Directors – which may be delegated as provided for by law – to use this authorization, including to place any and all buy and sell orders, enter into any and all contracts, notably for the keeping of registers of share purchases and sales, make any and all filings with the regulatory authorities, and generally do whatever is necessary.

The shareholders cancel, with immediate effect, the authorization given in the 11th resolution of the Annual Meeting of May 15, 2012 and resolve that this authorization shall be valid for a period of eighteen months from the date of this Meeting.

8.3 EXTRAORDINARY RESOLUTIONS

NINTH RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO REDUCE THE COMPANY'S CAPITAL BY CANCELING SHARES)

Having considered the report of the Board of Directors and the Auditors' report on capital reductions carried out by canceling shares, in accordance with Articles L.225-209 *et seq*. of the Commercial Code, the shareholders:

1. authorize the Board of Directors to reduce the Company's capital, on one or several occasions, by canceling all or some of the shares bought back or held by the Company, provided that the number of shares canceled in any 24-month period does not exceed 10% of the total shares outstanding;
2. give full powers to the Board of Directors – which may be delegated as provided for by law – to:
   - carry out the capital reduction or reductions,
   - determine the final amount and the terms and conditions of the share cancellations and place the capital reduction(s) on record,
   - charge the difference between the carrying amount of the canceled shares and their par value to any reserve or premium accounts,
   - amend the Company's bylaws to reflect the new capital, carry out any necessary filing and other formalities, and generally do whatever is necessary,

   all in compliance with the laws and regulations in force when this authorization is used.

This authorization is granted for a period of twenty-four months from the date of the Meeting and supersedes the authorization granted in the 12th resolution of the Annual Meeting of May 15, 2012.

TENTH RESOLUTION (AUTHORIZATION TO GRANT PERFORMANCE SHARES WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS FOR EXISTING SHAREHOLDERS)

Having considered the report of the Board of Directors and the Auditors' special report, in accordance with Articles L.225-197-1, L.225-197-2 *et seq*. of the Commercial Code, the shareholders:

- authorize the Board of Directors to grant performance share rights, exercisable for new or existing shares, on one or several occasions;
- resolve that the performance share rights may be granted to the employees or certain categories of employees of the Company and/or directly or indirectly related entities or groupings within the meaning of Article L.225-197-2 of the Commercial Code and/or the executive directors of the Company or related companies or groupings fulfilling the conditions specified in Article L.225-197-1, II of the Commercial Code;
- resolve that the Board of Directors will draw up the list of grantees, and determine the individual or collective performance criteria associated with the share rights;
- resolve that the total number of performance shares granted pursuant to this resolution may not exceed 1.5% of the total shares outstanding on the date of the Board of Directors' decision, not including any additional shares to be issued or granted to protect the grantees' rights in the case of any corporate actions carried out during the vesting period;
- resolve that the number of performance share rights granted to the Company's executive director pursuant to this authorization may not exceed 8% of the total number of performance share rights granted as specified above;
- resolve that the number of performance share rights granted to the members of the Company's Executive Committee pursuant to this authorization may not exceed 25% of the total number of performance share rights granted as specified above;
- resolve that the aggregate par value of the shares to be issued immediately or at a future date pursuant to this authorization will be deducted from the blanket ceiling provided for in the second paragraph of the 13th resolution of the Annual Shareholders Meeting of May 15, 2012 or, if applicable, the blanket ceiling set in any new resolution to the same effect adopted while this authorization is in force;
- resolve that the performance shares will vest as follows:

- For all or some of the shares, by decision of the Board of Directors, at the end of a vesting period of at least three years, in which case the shares will be subject to a two-year lock-up as from the end of the vesting period; or
- For all or some of the shares, by decision of the Board of Directors, at the end of a vesting period of at least five years, without any lock-up period being applied.

- resolve, however, that in the event that the grantee is classified as disabled in category 2 or category 3 defined in Article L.341-4 of France's Social Security Code or the equivalent classification in the grantee's home country, the shares will vest immediately and will not be subject to any lock-up;
- give the Board of Directors full powers to implement this authorization – which may be delegated as provided for by law – and to:
  - determine whether the performance share rights will be exercisable for new or existing shares and, if appropriate, determine otherwise before the shares vest,
  - draw up the list of grantees and determine the categories of grantees, decide the allocation of performance share rights among the employees and executive directors of the Company or the related companies or groupings defined above and the number of performance share rights to be granted to each grantee,
  - set the terms and, if applicable, the allocation criteria, including the minimum vesting period and the lock-up period applicable to each grantee, as provided for above, provided that for the performance share rights granted to the executive director, the Board of Directors shall either (i) decide that the vested performance shares may not be sold for as long as he holds office as an executive director, or (ii) set the number of performance shares that must be held in registered form for as long as he holds office,
  - set the number of performance shares subject to a vesting period of at least three years and the number subject to a vesting period of at least five years,
  - decide to increase the minimum vesting and/or lock-up periods,
  - allow for the temporary suspension of the right to exercise the performance share rights, for a period of no more than three months, in the case of any financial transactions involving the exercise of a right attached to the Company's shares,
  - place on record the actual vesting dates and the dates from which the shares will be freely transferable, taking into account any legal restrictions,
  - in the case of an issue of new shares, transfer an amount equal to the aggregate par value of the shares from retained earnings, profit or additional paid-in capital to the capital account, place on record the capital increase carried out pursuant to this authorization, amend the bylaws to reflect the new capital and generally carry out all necessary procedures and formalities;
- authorize the Board of Directors, if necessary during the vesting period, to adjust the number of performance share rights to take into account the effects of any corporate actions in order to protect the grantees' rights;
- note that in the event that new shares are issued, this authorization will result, at the end of the vesting period, in a capital increase paid up by capitalizing retained earnings, profit, or additional paid-in capital, such that existing shareholders will waive their rights to the capitalized portion of retained earnings, profit, or additional paid-in capital as well as their pre-emptive right to subscribe to the shares to be issued to the holders of the performance share rights.

This authorization is given for a period of eighteen months from the date of this Meeting. It supersedes, with immediate effect, the authorization given in the twelfth resolution of the Annual Shareholders Meeting of May 10, 2010.

8.4 ORDINARY RESOLUTIONS

ELEVENTH RESOLUTION (POWERS TO CARRY OUT FORMALITIES)

The shareholders give full powers to the bearer of an original, extract or copy of the minutes of this Meeting to carry out any and all filing and other formalities required by law.

8.5 STATUTORY AUDITORS' SPECIAL REPORTS

8.5.1 STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL DECREASE BY CANCELLATION OF SHARES

Combined Ordinary and Extraordinary Shareholders' Meeting of May 24, 2013

Ninth resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of Edenred and pursuant to the provisions of Article L.225-209 of the French Commercial Code (*Code de commerce*) concerning capital share decreases by cancellation of shares, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed share capital decrease.

Shareholders are requested to confer all necessary powers to the Board of Directors, during a period of twenty-four months starting from the May 24, 2013 Shareholders' Meeting, to cancel, on one or more occasions, and up to a maximum of 10% of the share capital in any twenty-four month period, the shares purchased by the Company pursuant to the authorization to purchase its own shares under the provisions of Article L.225-209 of the French Commercial Code.

We performed the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to this engagement. Those procedures consisted in examining whether the reasons for and the terms and conditions of the proposed share capital decrease, which does interfere with the equal treatment of shareholders, are due and proper.

We have no matters to report on the reasons for or terms and conditions of the proposed capital decrease.

Paris and Neuilly-sur-Seine, March 1st, 2013

The Statutory Auditors

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

8.5.2 STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION FOR THE FREE GRANTING OF EXISTING SHARES AND/OR SHARES TO BE ISSUED TO EMPLOYEES AND/OR CORPORATE OFFICERS

Combined Ordinary and Extraordinary Shareholders' Meeting of May 24, 2013

Tenth resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Article L.225-197-1 of the French Commercial Code (*Code de Commerce*), we have prepared this report on the proposed free granting of existing shares and/or shares to be issued to certain categories of employees and/or corporate officers of Edenred and affiliated companies within the meaning of Article L.225-197-2 of the French Commercial Code, a transaction on which you are asked to vote.

Based on its report, shareholders are requested to authorize the Board of Directors to grant, for a period of twenty-six months, for no consideration and on one or more occasions, existing shares and/or shares to be issued, subject to performance conditions.

It is the role of the Board of Directors to prepare a report on the transaction which it wishes to conduct. It is our role, where necessary, to comment on the information which is communicated to you on the proposed transaction.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying that the proposed terms and conditions presented in the Board of Directors' report comply with the provisions provided for by law.

We have no comments to make on the information given in the Board of Directors' report relating to the proposed free granting of shares, subject to performance conditions.

Paris and Neuilly-sur-Seine, March 1st, 2013

The Statutory Auditors

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

8.5.3 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

Annual Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2012

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of Edenred, we present below our report on related party agreements and commitments.

Our responsibility is to report to shareholders, based on the information provided, about the main terms and conditions of agreements and commitments that have been disclosed to us or that we discovered during our audit, without commenting on their relevance or substance or seeking to identify any undisclosed agreements or commitments.

Under the provisions of Article R.225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

In addition, it is our responsibility to report to shareholders, in accordance with Article R.225-31 of the Commercial Code, on any agreements and commitments approved by shareholders that were in effect during the fiscal year.

We performed the procedures that we considered necessary under the professional guidelines applicable in France. Those guidelines require that we carry out the necessary procedures to verify the consistency of the information disclosed to us with the source documents.

I Agreements and commitments submitted to the Shareholders' Meeting for approval

Agreements and commitments authorized during the year

Pursuant to Article L.225-38 of the French Commercial Code, we hereby advise you that we have not been informed of any agreements or commitments signed during the year to be approved by the Annual General Meeting.

II Agreements and commitments previously approved by the Shareholders' Meeting

Agreements and commitments authorized during prior years

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed of the following agreements and commitments, previously approved by the shareholders in prior years and having continuing effect during the year:

a) Agreements concluded with the Accor Group

Persons concerned: Jean-Paul Bailly, Virginie Morgon, Sébastien Bazin, Patrick Sayer, Philippe Citerne, Bertrand Meheut, common directors of Edenred and Accor groups

Four agreements, covering the performance of the following services, were concluded with the Accor Group in 2010 out of which two remain effective till then end of June 2013:

- IT services master agreement (security, hosting, facilities management, maintenance, etc.), for a term of two years;
- agreement covering the use, support, maintenance and functional administration of the Grand Back accounting software for a term of three years;

The amounts assumed during the year regarding these agreements total €172,000 and €640,499, respectively.

b) Agreements and commitments concluded with Jacques Stern, Chairman and Chief Executive Officer

The following agreements and commitments, concluded in 2010 and 2011 continued in effect in 2012, without having become yet enforceable :

- addendum to the employment contract enabling the transfer to Edenred of Jacques Stern's employment contract concluded in 1992 with Accor and providing for the payment of a termination benefit corresponding to the sum of the severance pay attributable to him by law and under the collective bargaining agreement and maintaining his 18 years' service as an employee of Accor, it being understood that his cumulative rights to termination benefits (other than statutory severance pay) under his employment contract and compensation for loss of office as executive director would be capped at an amount equal to two years' compensation as Chairman and Chief Executive Officer;
- second addendum to Mr. Stern's employment contract, signed in 2011, providing for the payment of a special termination benefit if his employment contract were to be terminated by the Company within six months of a decision by the Board not to renew his appointment as Chairman and Chief Executive Officer. This special termination benefit would be in addition to the severance pay attributable to him by law and under the collective bargaining agreement, provided that the sum of these benefits did not exceed the equivalent of two years' average compensation (including bonuses) paid to him as Chairman and Chief Executive Officer. The special termination benefit would be payable only if the performance criteria applicable for the determination of his compensation for loss of office as Chairman and Chief Executive Officer were met;
- allocation of a compensation for loss of office in the event that his appointment as Chairman and Chief Executive Officer is terminated, other than as a result of professional misconduct, or is not renewed. The compensation payable would not exceed the equivalent of double Mr. Stern's total gross annual compensation as Chairman and Chief Executive Officer, defined as:

- his annual salary as of the date when his appointment as Chairman and Chief Executive Officer ended, plus
- the average annual bonus received or receivable for his last two years as Chairman and Chief Executive Officer prior to his appointment ending.

The compensation for loss of office as defined above would be subject to certain performance criteria measured over the three years preceding the year in which his appointment as Chairman and Chief Executive Officer was terminated.

The compensation payable to Mr. Stern would be reduced, if necessary, so that the sum of the compensation for loss of office and the termination benefit payable under his employment contract (excluding statutory severance pay) did not exceed the equivalent of two years' gross annual compensation as Chairman and Chief Executive Officer.

The Board of Directors has also decided that in the event his appointment was terminated in one of the circumstances described above, Mr. Stern would retain the benefit of all the stock options and performance shares initially allocated to him under plans in force when his appointment was terminated, provided that the performance conditions attached to the options or performance shares were met.

- subscription of private unemployment insurance with a guarantee capped at eight times the ceiling for calculating Social Security contributions. With respect to 2012, the Company paid €12,220.92 in premiums to the Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC);
- extension of the employee death and disability insurance scheme and supplementary pension to the Chairman and Chief Executive Officer. During the year, Edenred paid the sum of €5,592.60 to JP Colonna – CGAM with respect to this extension;
- participation of the Chairman and Chief Executive Officer in the Edenred defined contribution and defined benefit pension plans on the same basis as certain senior executives of the Company:
  - the defined contribution plan represents total annual contributions of €9,093, as assumed by your Company for 2012,
  - under the defined benefit plan, the Company is committed to paying an annuity to plan participants when they retire, provided that they are still on the Company's payroll at that date. In the case of executive directors, the pension benefit is equal to 2% of their gross annual compensation per year of participation in the plan, less the amount of benefits received under the defined contribution plan.

c) Conclusion of a Tax matters agreement with a subsidiary of the Accor Group

Persons concerned: Jean-Paul Bailly, Virginie Morgon, Sébastien Bazin, Patrick Sayer, Philippe Citerne, Bertrand Meheut, common directors of Edenred and Accor groups

In connection with a reassessment of the registration fees decided by the Italian tax authorities, following the demerger operations of the Accor Group covering a total €27.4 million, jointly and severally against a subsidiary of the Accor Group and four member entities of the Edenred Group; the two groups, contesting the reassessment, concluded on December 19, 2011 an agreement to equally share the risk and potential cost.

No expense was recognised in Edenred 2012 financial statements, as this litigation has not evolved since 2011.

Neuilly-sur-Seine and Paris, March 1st, 2013

The Statutory Auditors

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

9 ADDITIONAL INFORMATION

9.1 INVESTOR RELATIONS AND DOCUMENTS AVAILABLE TO THE PUBLIC

In addition to the Annual Shareholders Meeting and the events organized to present the annual results, Edenred keeps both private and institutional shareholders informed of the latest developments on a highly responsive daily basis. This information is tailored to the specific needs of different types of shareholders and financial analysts while constantly complying with the principle of equal access to information.

The Company's press releases and historical financial information are available on the Edenred website (www.edenred.com) and the website of the Autorité des marchés financiers (www.amf-france.org). Copies may also be obtained from the Company's headquarters, 166-180 boulevard Gabriel-Péri – 92245 Malakoff, France. The bylaws and the minutes of Shareholders Meetings, the financial statements of the Company and the Group, the Auditors' reports and all other corporate documents are available for consultation in paper format at the Company's headquarters.

MEETINGS WITH INVESTORS

In 2012, Edenred met some 590 representatives of 285 financial institutions, held 13 roadshows in Europe, the United States and Canada, and participated in nine investor conferences in France and the United States.

The Group also met with individual shareholders at shareholder events in Bordeaux, Toulouse and Paris (France).

INVESTOR AND SHAREHOLDER PUBLICATIONS

All of the Group's financial news and publications can be accessed in the "Finance" section of the www.edenred.com website, which serves as a comprehensive investor relations database. The site carries live and deferred webcasts of results presentations and Annual Shareholders Meetings, as well as real-time tracking of the share price. It also includes a section dedicated to individual shareholders.

Statutory documents are available for consultation at the Company's administrative headquarters, 166-180 boulevard Gabriel-Péri - 92245 Malakoff, France.

Regulatory filings are issued electronically through a professional disclosure service that complies with the criteria set out in the AMF's General Regulations. The filings are also available on the corporate website.

SHAREHOLDER CONTACT

Virginie Monier

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Edenred, Immeuble Columbus

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92245 Malakoff Cedex, France

Individual shareholders

E-mail: relations.actionnaires@edenred.com

Voice server: 0 805 652 662

(Toll-free from a fixed line in France)

Shareholders can call this number at any time to obtain general information about the Group, the share price and guidelines for becoming a registered shareholder.

Institutional investors

E-mail: investor.relations@edenred.com

Phone: +33 1 74 31 86 26

Fax: +33 1 74 31 98 03

9.2 PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE ACCOUNTS

9.2.1 PERSONS RESPONSIBLE

9.2.1.1 Person responsible for the Registration Document

Jacques Stern, Chairman and Chief Executive Officer of Edenred

9.2.1.2 Statement by the person responsible for the Registration Document

"I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that, to the best of my knowledge, (i) the 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 Edenred and the consolidated companies, and (ii) the Management Report presented from page 27 represents a fair view of the business, results and financial position of Edenred and its consolidated companies and provides a description of the main risks and uncertainties to which they are exposed.

I obtained a statement from the Auditors at the end of their engagement affirming that they have examined the information about the financial position and the accounts contained in the Registration Document and have read the whole of the Document."

Jacques Stern

Chairman and Chief Executive Officer of Edenred

Paris, April 4, 2013

9.2.2 AUDITORS

Statutory Auditors

Deloitte & Associés

David Dupont-Noel

185, avenue Charles-de-Gaulle

BP 136

92203 Neuilly-sur-Seine Cedex

France

Appointed for six years at the May 15, 2012 Annual Shareholders Meeting.

Didier Kling & Associés

Didier Kling

41, avenue de Friedland

75008 Paris

France

Appointed for six years at the April 9, 2010 Annual Shareholders Meeting.

Alternate Auditors

BEAS

William Di Cicco

195, avenue Charles-de-Gaulle

92200 Neuilly-sur-Seine

France

Appointed on the same basis and for the same period as Deloitte & Associés.

CREA

Bernard Roussel

41, avenue de Friedland

75008 Paris

France

Appointed on the same basis and for the same period as Didier Kling & Associés.

9.3 FEES PAID TO THE AUDITORS

The following table presents the fees paid to the Auditors and the members of their networks by the Group for 2011 and 2012:

	Deloitte & Associés				Didier Kling & Associés			
	Amount (excluding tax)		%		Amount (excluding tax)		%	
(in € millions)	2011	2012	2011	2012	2011	2012	2011	2012
Audit services								
Statutory and contractual audit services								
• Edenred SA	(0.4)	(0.4)	16%	15%	(0.2)	(0.2)	96%	100%
• Fully consolidated subsidiaries	(1.9)	(2.0)	69%	66%				
Other audit-related services								
• Edenred SA	(0.2)	(0.2)	6%	6%	(0.0)	-	4%	-
• Fully consolidated subsidiaries	(0.1)	(0.2)	3%	6%				
SUB-TOTAL	**(2.6)**	**(2.8)**	**94%**	**93%**	**(0.2)**	**(0.2)**	**100%**	**100%**
Other services								
• Legal and tax advice	(0.0)	(0.1)	1%	3%				
• Other	(0.1)	(0.1)	5%	4%				
SUB-TOTAL	**(0.1)**	**(0.2)**	**6%**	**7%**				
TOTAL	**(2.7)**	**(3.0)**	**100%**	**100%**	**(0.2)**	**(0.2)**	**100%**	**100%**

9.4 INFORMATION ON HOLDINGS

Information relating to the undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses is provided in the notes to consolidated financial statements under Note 36 “Main Consolidated Companies at December 31, 2012”, on page 188.

9.5 THIRD PARTY INFORMATION

Not applicable.

9.6 INFORMATION INCORPORATED BY REFERENCE

In accordance with Article 28 of European Commission Regulation (EC) 809/2004, the Registration Document incorporates by reference the following information:

2010 REGISTRATION DOCUMENT

The 2010 Registration Document was filed on April 13, 2011 with the Autorité des marchés financiers under number R.11-013. It includes:

- the consolidated financial statements and corresponding Auditors' report presented, respectively, on pages 173 to 231 and page 99 of Edenred's 2010 Registration Document;
- the pro forma financial statements and corresponding Auditors' report presented, respectively, on pages 100 to 172 and page 98 of Edenred's 2010 Registration Document;
- the pro forma financial information presented on pages 21 to 34 of Edenred's 2010 Registration Document;
- sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Registration Document.

2011 REGISTRATION DOCUMENT

The 2011 Registration Document was filed on April 06, 2012 with the Autorité des marchés financiers under number R.12-010. It concerns:

- the consolidated financial statements and corresponding Auditors' report presented on pages 106 to 172 of Edenred's 2011 Registration Document;
- the pro forma financial information presented on pages 21 to 34 of Edenred's 2011 Registration Document;
- sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Registration Document.

9.7 CONCORDANCE TABLE

The table below provides cross references between the pages in the Registration Document and the key information required under Annex I of European Commission Regulation (EC) 809/2004 dated April 29, 2004.

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page
1.	**Persons responsible**		
1.1	Persons responsible for the information in the Registration Document	9.2.1 Persons responsible	251
1.2	Statement by the person responsible for the Registration Document	9.2.1 Persons responsible	251
2.	**Auditors**		
2.1	Name and address of the issuer's statutory auditors	9.2.2 Auditors	251
2.2	Names of auditors who resigned, were removed or were not re-appointed during the period	Not applicable	
3.	**Selected financial information**		
3.1	Selected historical financial information	2.1.1 Consolidated results	28
3.2	Selected financial information for interim periods and comparative data from the same period in the prior financial year	Not applicable	
4.	**Risk factors**	**3 Risk factors**	43
5.	**Information about the Company**		
5.1	History and development of the Company	1.2 Milestones	13
5.1.1	*Legal and commercial name*	7.1.1 Company name	222
5.1.2	*Place of registration and registration number*	7.1.2 Registration details and APE code	222
5.1.3	*Date of incorporation and the length of life of the Company*	7.1.3 Incorporation date and term	222
5.1.4	*Domicile and legal form of the Company, the legislation under which the Company operates, its country of incorporation, and the address and telephone number of its registered office*	7.1.4 Registered office, legal form and governing law 1.4 Regulatory environment	222 22
5.1.5	*Important events in the development of the issuer's business*	6.2 Note 3 Changes in scope of consolidation and significant events	146
5.2	Investments		
5.2.1	*Description of the Company's principal investments for each financial year for the period covered by the historical financial information*	6.2 Note 28 Capital expenditure	183
5.2.2	*Description of the principal investments that are in progress*	1.1.2.2 Sustained strong growth with little capital investment 1.3.2 A three-step strategy to generate strong and sustainable growth	6 17
5.2.3	*Information concerning the issuer's principal future investments on which it has already made firm commitments*	1.3.2 A three-step strategy to generate strong and sustainable growth	17
6.	**Business overview**		
6.1	Principal activities	1.1 Corporate profile	4
6.1.1	*Description of the nature of the issuer's operations and its principal activities*	1.1 Corporate profile	4
6.1.2	*Significant new products and/or services that have been introduced*	1.3.2 A three-step strategy to generate strong and sustainable growth	17
6.2	Principal markets	1.1.3 The global leader in prepaid corporate services 2.1.1.2 Analysis of consolidated financial results	7 28

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page
6.3	Exceptional factors that have influenced the information given pursuant to items 6.1 and 6.2	2.1.1.2 Analysis of consolidated financial results	28
6.4	Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.6 Intellectual property	25
6.5	The basis for statements made by the issuer regarding its competitive position	1.1.3 The global leader in prepaid corporate services	7
7.	**Organizational structure**		
7.1	Description of the Group and the issuer's position within the Group	5.1.1.3 Members of the Executive Committee	86
		2.2 Description of the business	38
		6.2 Note 36 Main consolidated companies at December 31, 2012	188
7.2	List of significant subsidiaries	9.4 Information on holdings	252
		6.2 Note 36 Main consolidated companies at December 31, 2012	188
8.	**Property, plant and equipment**		
8.1	Existing or planned material tangible fixed assets, including leased properties	1.7 Real estate rights	25
8.2	Environmental issues that may affect the utilization of tangible fixed assets	Not applicable	
9.	**Operating and financial review**		
9.1	Description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period for which historical financial information is required	2.1 Results of operations	28
9.2	Operating results	2.1.1.2 Analysis of consolidated financial results	28
9.2.1	*Significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations*	2.1.1.2 Analysis of consolidated financial results	28
9.2.2	*Changes in net sales or revenues, and narrative discussion of the reasons for such changes*	2.1.1.2 Analysis of consolidated financial results	28
9.2.3	*Governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, the Company's operations*	2.1.1.2 Analysis of consolidated financial results	28
10.	**Capital resources**		
10.1	Information concerning the issuer's capital resources (both short and long term)	2.1.1.4 Liquidity and financial resources	33
10.2	Sources and amounts of the issuer's cash flows	2.1.1.4 Liquidity and financial resources	33
10.3	Information on the borrowing requirements and funding structure of the issuer	2.1.1.4 Liquidity and financial resources	33
10.4	Information regarding any restrictions on the use of capital resources	2.1.1.4 Liquidity and financial resources	33
10.5	Information regarding the anticipated sources of funds	2.1.1.4 Liquidity and financial resources	33
11.	**Research and development, patents and licenses**		
	Description of the issuer's research and development policies and amount spent on issuer-sponsored research and development activities	Not applicable	

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page
12.	**Trend information**		
12.1	Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Registration Document	1.3 Strategic vision, investment strategy and outlook	14
12.2	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	6.2 Note 35 Subsequent events	187
13.	**Profit forecasts or estimates**	**Not applicable**	
14.	**Administrative, management and supervisory bodies and senior management**		
14.1	Information about the principal activities of the following persons, and statement that they have not been convicted of any fraudulent offences • members of the administrative, management or supervisory bodies; • any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business	5.1.1.1 Membership of the Board of Directors	84
14.2	Potential conflicts of interests between any duties to the issuer of members of the administrative, management and supervisory bodies or senior managers and their private interests and or other duties	5.1.2.6 Director's Charter	99
	Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1 was selected as a member of the administrative, management or supervisory bodies or as a member of senior management	5.1.1 Members of the administrative and management bodies	84
	Details of any restrictions agreed by the persons referred to in item 14.1 on the disposal within a certain period of time of their holdings in the issuer's securities	7.2.1.9 Lock-up commitment	226
15.	**Remuneration and benefits of the persons referred to in item 14.1**		
15.1	Remuneration paid and benefits in kind granted to such persons by the issuer and its subsidiaries	5.4.1 Executive director's compensation	103
15.2	Total amounts set aside or accrued to provide pension, retirement or similar benefits	5.4.1 Executive director's compensation	103
16.	**Board practices**	**5.1.2 Practices of the administrative and management bodies**	93
16.1	Date of expiration of the current term of office of the members of the administrative, management or supervisory bodies	5.1.1.1 Membership of the Board of Directors	84
16.2	Members of the administrative, management or supervisory bodies' service contracts	5.1.1.1 Membership of the Board of Directors	84
16.3	Information about the issuer's Audit Committee and Remuneration Committee	5.1.2 Practices of the administrative and management bodies	93
16.4	Statement of compliance with the country of incorporation's corporate governance regime	5.3 Corporate governance	102
17.	**Employees**		
17.1	Number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information and breakdown	4.1.1.1 Human Resources data at December 31, 2012	55
17.2	Shareholdings and stock options	5.4.1.2 Directors' and managers' interests	106
	With respect to each person referred to in item 14.1, information as to their share ownership and any options over such shares in the issuer	5.1.1.1 Membership of the Board of Directors	84
17.3	Arrangements for involving the employees in the capital of the issuer	5.4.1.2 Directors' and managers' interests	106

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page
18.	**Major shareholders**		
18.1	Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law	7.3.1 Ownership structure	230
18.2	Different voting rights	7.3.1 Ownership structure	230
18.3	Statement of whether the issuer is directly or indirectly owned or controlled and description of the measures in place to ensure that such control is not abused	Not applicable	
18.4	Arrangements which may result in a change in control of the issuer	7.3.1 Ownership structure	230
18.5	Public offer made during the current or previous financial year	7.2.1.7 Public offer for the Company's shares	225
18.6	Shareholders' pacts	7.2.1.9 Lock-up commitment	226
		7.3.1 Shareholders' pacts	230
19.	**Related party transactions**	**2.1.4 Main related-party transactions**	37
		6.2 Note 32 Related party transactions	185
20.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
20.1	Historical financial information	6.2 Consolidated financial statements and notes	125
20.3	Own and consolidated annual financial statements	6.2 Consolidated financial statements and notes	125
		6.4 Parent company financial statements and notes	190
20.4	Auditing of historical annual financial information	6.1 Auditors' report on the consolidated financial statements	124
20.4.1	*Statement that the historical financial information has been audited*	6.1 Auditors' report on the consolidated financial statements	124
20.4.2	*Other information in the Registration Document which has been audited by the Auditors*	6.3 Auditors' report on the financial statements	189
20.4.3	*Where financial data in the Registration Document is not extracted from the issuer's audited financial statements, statement of the source of the data and statement that the data is unaudited*	Not applicable	
20.5	Age of latest financial information	6.2 Note 1 Basis of preparation of financial statements	134
20.6	Interim and other financial information	Not applicable	
20.7	Dividend policy	7.3.2 Dividends	232
20.7.1	*Dividend per share*	7.3.2 Dividends	232
20.8	Legal and arbitration proceedings	3.6. Legal and arbitration proceedings	50
20.9	Significant change in the issuer's financial or trading position	2.1.7 Subsequent events	37
21.	**Additional information**		
21.1	Share capital	7.2 Information about the Company's shares	223
21.1.1	*The amount of issued capital, the number of shares, the par value per share, and reconciliation of the number of shares outstanding at the beginning and end of the year*	7.2.1.1 Type, class and listing – ISIN	223
		7.2.6. Changes in capital	229
21.1.2	*Shares not representing capital*	7.2.5 Shares not representing capital	229

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page
21.1.3	*Number, book value and face value of shares in the issuer held by the issuer itself or by subsidiaries of the issuer*	7.3.1 Ownership structure	230
21.1.4	*Convertible securities, exchangeable securities or securities with warrants*	Not applicable	
21.1.5	*Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital*	Not applicable	
21.1.6	*Information about any capital of any member of the Group which is under option or agreed to be put under option*	Not applicable	
21.1.7	*History of share capital, highlighting information about any changes, for the period covered by the historical financial information*	7.2.6. Changes in capital	229
21.2	Memorandum and articles of association	5.1.2 Practices of the administrative and management bodies	93
		5.2 Shareholders Meetings	101
21.2.1	*Corporate purpose*	7.1.5 Corporate purpose	222
21.2.2	*Summary of provisions of the issuer's articles of association with respect to the members of the administrative, management and supervisory bodies*	5.1.2 Practices of the administrative and management bodies	93
21.2.3	*Rights, preferences and restrictions attaching to each class of the existing shares*	7.2.1 Description of the Company's shares	223
21.2.4	*Description of what action is necessary to change the rights of holders of the shares*	5.2.2 Conduct of Shareholders Meetings (Article 24 of the bylaws)	101
21.2.5	*Description of the conditions governing the manner in which Annual General Meetings and Extraordinary General Meetings of Shareholders are called*	5.2.1 Notice of Meeting (Article 23 of the bylaws)	101
21.2.6	*Description of any provision of the issuer's articles of association that would have an effect of delaying, deferring or preventing a change in control of the issuer*	Not applicable	
21.2.7	*Indication of the articles of association, if any, governing the ownership threshold above which shareholder ownership must be disclosed*	7.2.1.4 Rights attached to the Company's shares	223
21.2.8	*Conditions imposed by the memorandum and articles of association governing changes in the capital, where such conditions are more stringent than is required by law*	Not applicable	
22.	**Material contracts**	2.1.1.6 Material contracts	36
23.	**Third party information and statement by experts and declarations of any interests**	9.5. Third party information	252
24.	**Documents on display**	9.1 Investor relations and documents available to the public	250
25.	**Information on holdings**		
	Information relating to the undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	9.4 Information on holdings	252

9.8 CROSS-REFERENCE TABLE WITH THE ANNUAL FINANCIAL REPORT

The 2012 Registration Document contains all of the information required to be included in the Annual Financial Report governed by Article L.451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Page(s)
1.	**Parent company financial statements**	190
2.	**Consolidated financial statements**	112
3.	**Management Report (within the meaning of the Monetary and Financial Code)**	
3.1	Information provided in compliance with Article L.225-100 of the Commercial Code	
	Revenue analysis	30
	Earnings analysis	28
	Balance sheet analysis	34
	Key Human Resources and environmental indicators	53
	Main risks and uncertainties	37
3.2	Information provided in compliance with Article L.225-100-3 of the Commercial Code	
	Items that could have an impact in the event of a public tender offer for the Company's shares	225
3.3	Information provided in compliance with Article L.225-211 of the Commercial Code	
	Share buyback	227
4.	**Statement by the persons responsible for the Annual Financial Report**	251
5.	**Auditors' reports on the parent company and consolidated financial statements**	189 ; 124
6.	**Auditors' fees**	252
7.	**Report of the Chairman on internal control**	111
8.	**Auditors' report on the report of the Chairman on internal control**	122

9.9 MANAGEMENT REPORT CROSS-REFERENCE TABLE

The Management Report cross-reference table is presented pursuant to Articles L.225-100 *et seq*. of the French Commercial Code.

		Registration Document disclosure(s)	Page
Business Review			
1	Company's position and activity during the year	2.1.1.2 Analysis of consolidated financial results	28
2	Results of the Company, its subsidiaries and the companies it controls	2.2 Management Report for the Edenred parent company	38
3	Key financial performance indicators	2.1.1.1 Introduction 2.1.1.5 Management ratios	28 36
4	Analysis of business trends, results and financial position	2.1 Results of operations	28
5	Subsequent events	2.1.7 Subsequent events	37
6	Developments and outlook	2.1.2 Foreseeable developments 1.3 Strategic vision, investment strategy and outlook	37 14
7	Research and development activities	2.1.5 None	37
8	Supplier payments	2.2 Management Report for the Edenred parent company	38
9	Description of the main risks and uncertainties	2.1.3 Main risks and uncertainties	37
10	Information on the use of financial instruments	2.1.1.4 Liquidity and financial resources 3.3 Market risks	33 46
11	Investments over the past two years	6.2.4 Consolidated statement of cash flows 1.3 Strategic vision, investment strategy and outlook	129 14
12	Material acquisitions of equity interests in companies headquartered in France	2.2 Management Report for the Edenred parent company	38
Social and environmental responsibility			
15	Information on the manner in which the Company takes into account the social and environment impact of its operations	4. Corporate Social Responsibility	53
16	Key social and environmental indicators	9.9 Cross-reference table for social, societal and environmental data	260
Corporate Governance			
17	Body chosen to carry out the executive management of the Company	5.1.1.3 Members of the Executive Committee	86
18	List of all the directorships and positions held by each of the executive directors during the year	5.1.1.4 Other directorships and positions held by the members of the Board of Directors	87
19	Breakdown of fixed, variable and exceptional components of such compensation and benefits, and calculation criteria	5.4 Executive directors' compensation, directors' and managers' interests	103
20	Commitments of any kind benefiting the executives	5.4.1 Executive director's compensation and potential commitments towards the executive director	103
21	Terms and conditions for the transfer of bonus shares allocated to executives during their terms of office	5.4.1.2 Directors' and managers' interests	106
22	Transactions involving the Company's shares carried out by executives and persons closely related to them	5.1.2.6 Director's Charter 5.4.1.2 Directors' and managers' interests	99 106

		Registration Document disclosure(s)	Page
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23	Ownership structure and changes during the year	7.3 Ownership structure	230
24	Employee share ownership	5.4.1.2 Directors' and managers' interests	106
		5.4.2 Statutory and discretionary profit-sharing plans	110
25	Purchase and sale by the Company of its own shares	7.2.2 Share buyback program	227
26	Names of and stakes held in controlled companies	6.2.7 Note 36 to the Consolidated financial statements	188
27	Disposals of shares to adjust for cross-shareholdings	N/A	
28	Dividends and other distributed income paid over the previous three years	7.3.2 Dividends	232
29	Information likely to have an impact in the event of a takeover bid	7.2.1.7 Public offer for the Company's shares made during the current or previous financial year	225
Other Information			
30	Disallowed expenses	2.2 Management Report for the Edenred parent company	38
31	Five-year financial summary	6.4.3 Note 25 to the parent company financial statements	220
32	Injunctions or fines for anticompetitive practices	N/A	
33	Information on stock option plans for executive directors and employees	5.4.1.2 Directors' and managers' interests	106
34	Information on bonus shares granted to executive directors and employees	5.4.1.2 Directors' and managers' interests	106
35	Summary table of authorizations in force to increase the share capital and use of such authorizations during the year	7.2.3. Financial authorizations	228

9.10 CROSS-REFERENCE TABLE FOR SOCIAL, SOCIETAL AND ENVIRONMENTAL DATA

Cross-reference table between French Decree 2012-557 of April 24, 2012 and the information provided in the Registration Document

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1.2	Hirings and terminations	4.1.1.1 Human Resources data at December 31, 2012 4.1.3.1 Organizational performance a) Hiring	55 58
1.3	Compensation and changes in compensation	4.1.3.2 Employee motivation	60
2.	**Working hours**	4.1.1 Key figures	55
2.1	Organization of working hours	4.1.1.3 Working hours	57
2.2	Absenteeism	4.1.1.1 Human Resources data at December 31, 2012	55
3.	**Employee relations**	4.1.3.3 Workplace environment	62
3.1	Organization of social dialogue, particularly the rules and procedures governing information, consultation and negotiation with employees	4.1.3.3 Workplace environment a) Social dialogue	62
3.2	Collective agreements	4.1.3.3 Workplace environment a) Social dialogue	62
4.	**Health and safety**	4.1.3.3 Workplace environment d) Workplace health, safety and well-being	65
4.1	Health and safety conditions	4.1.3.3 Workplace environment d) Workplace health, safety and well-being	65
4.2	Workplace health and safety agreements signed with unions or employee representatives	4.1.3.3 Workplace environment d) Workplace health, safety and well-being	65
4.3	Frequency and severity of workplace accidents and occupational illnesses	4.1.1.1 Human Resources data at December 31, 2012	55
5.	**Training**	4.1.3.1 Organizational performance	58
5.1	Training policies	4.1.3.1 Organizational performance b) Training and skills development	60
5.2	Total number of training hours	4.1.1.1 Human Resources data at December 31, 2012	55
6.	**Equal Opportunity**	4.1.3.3 Workplace environment	65
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6.2	Employment and hiring of people with disabilities	4.1.3.3 Workplace environment b) Diversity	63
6.3	Non-discrimination policy	4.1.3.3 Workplace environment b) Diversity	63
7.	**Compliance with and promotion of the ILO's fundamental conventions relating to:**	4.1.1.3 Working hours 4.1.3.3 Workplace environment	57 65
7.1	Freedom of association and the effective recognition of the right to collective bargaining	4.1.3.3 Workplace environment a) Social dialogue	62
7.2	Eliminating discrimination with respect to employment and occupation	4.1.3.1 Organizational performance a) Hiring	58
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2.	**Relations with individuals or organizations engaged by the Company**	4.2.4.2 Relations with individuals or organizations engaged by the Company	75
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3.	**Subcontractors and suppliers**	4.2.4.3 Subcontractors	75
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4.	**Fair practices**	4.2.4.4 Fair practices	76
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