

shareholders'

newsletter

APRIL 2012

“ Dear shareholders,

Some of you have been with us for many years, supporting **Ticket Restaurant®** through its various stages of development. More recently, a large number of you participated in the **creation of Edenred and in its IPO** following the demerger from Accor in **June 2010**.

In slightly over 18 months, our young Company has demonstrated its **ability to grow** through a robust marketing drive and commitment to innovation. Fueled by the pioneering spirit of our **6,000 employees** in **38 countries**, we are now able to offer corporate clients a wide array of solutions that make life easier for their employees. The success of these solutions was reflected in our **2011 performance**. In light of the positive results, which were led by our deeply-rooted presence in emerging markets, we are in a position to share the benefits of growth with you by paying a dividend of **€0.70** per share, up **40%**, if you so approve at the **Annual Shareholders' Meeting on May 15**.

Please take the time to read this newsletter to develop a better understanding of your Company and of what is driving the momentum behind its strategy of strong and sustainable growth.

Thank you for your confidence and loyalty. ”



Jacques Stern,
Chairman and Chief Executive Officer

A year of strong momentum

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4 innovative families of solutions

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A strategy of strong and sustainable growth

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Corporate social responsibility

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A year of strong momentum

● A HIGHLY EFFECTIVE BUSINESS MODEL

€15 billion in issue volume:

up 9.7 %* in line with the medium-term growth target of 6%-14% a year. Issue volume corresponds to the total face value (such as the monetary value of a Ticket Restaurant® voucher) of the prepaid services provided to corporate and public sector clients. It is our key business volume indicator.

€1 billion in revenue

up 9.7 %*: Operating revenue, which comes from the fees paid by clients and affiliated merchants, amounted to €940 million in 2011.

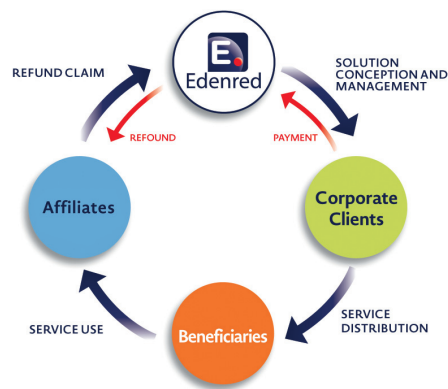
The float (or negative working capital requirement), corresponding to the cash received from clients for prepaid services that has not yet been reimbursed to affiliated merchants, is invested to generate financial revenue, which totaled €92 million in 2011. Financial revenue is added to operating revenue to calculate total consolidated revenue, which amounted to €1,032 million for the year.

€355 million in EBIT

up 11.2 %*, and at the high end of the €340-€360 million target range.

Funds from operations (FFO) of €257 million

up 20.8 %*, far exceeding our normalized growth¹ target of more than 10% per year. FFO is an indicator of cash-generating capacity.



Recurring profit after tax of €203 million: up 23.1%*, to €0.90 per share.

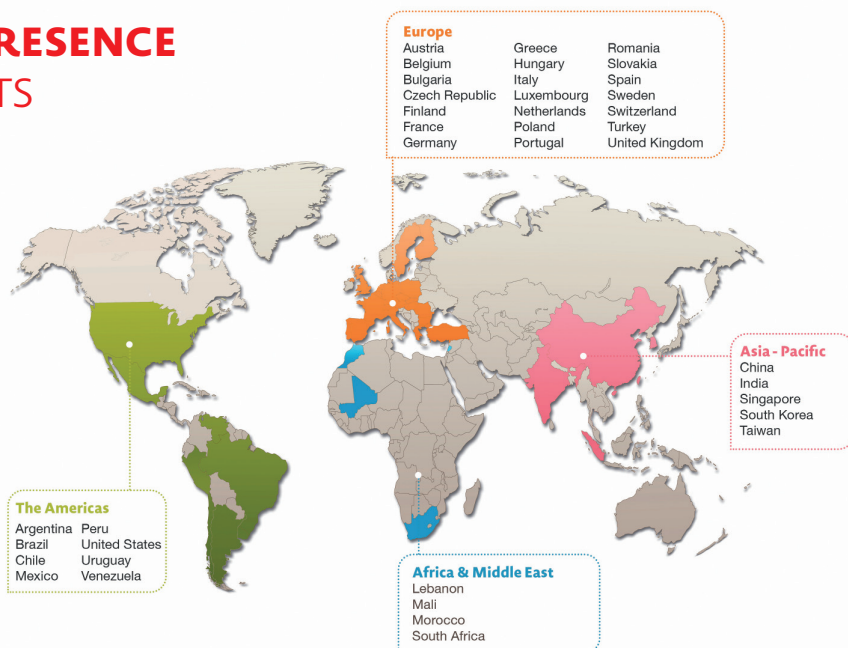
Recommended **dividend²: €0.70** per share for an **80%** payout ratio and **up 40%** on the 2010 dividend.

1. Normalized growth is the objective that management considers to be attainable if unemployment does not rise.

2. Subject to approval by shareholders at the May 15, 2012 Annual Meeting. * Like-for-like.

● A DEEPLY ROOTED PRESENCE IN EMERGING MARKETS

With issue volume of over **€15 billion** in 2011, Edenred designs and delivers solutions that make employees' lives easier and improve the efficiency of organizations. Now present in **38 countries on 5 continents**, we are capturing the economic vitality of **emerging markets**, notably in Latin America, which account for **58%** of total issue volume. This **broad geographic footprint**, supported by **local sales forces** with an intimate understanding of their clients, constitutes a solid foundation for generating **strong, sustainable growth**.



4 innovative families of solutions

Issue volume, which totaled €15.2 billion in 2011, is generated by four families of solutions offered to corporate clients to make their employees' lives easier.

MAKING DAILY LIFE EASIER FOR EMPLOYEES

Designed to improve the eating habits of employees and their families, **Ticket Restaurant®** and **Ticket Alimentación®** solutions are now offered in 30 countries and account for nearly 80% of total issue volume. The other benefit solutions help to improve employee quality of life.

Based on the partial or full exemption from certain payroll and other taxes, this family of solutions offers an effective way for governments to stimulate the local economy and discourage off-the-books work (particularly in the food and human services sectors). It also generates additional business, especially for merchants, leading to more job creation and higher corporate tax and VAT revenue.



> Edenred innovation

In addition to the previously introduced **Ticket Alimentación® card**, the **Ticket Restaurant® card** was launched in **Mexico** in 2011. The solution is already a part of life for nearly **50,000 employees**, who appreciate its ability to increase their food purchasing power.

In **Germany**, the recently launched **Ticket Plus® card** provides employees with an additional €44 a month to purchase fuel and food.



> Edenred innovation

In late 2011, **Ticket Frete®** was introduced in **Brazil** in response to new legislation designed to increase tax collection from trucking companies and independent truckers. The card can be used to pay for fuel, hotels and tolls, as well as driver salaries. The represents a potentially huge market, worth some €23 billion.

Also in late 2011, our **French teams** built on the **Ticket Clean Way®** concept to launch the “**EPI card**”, a personal protective and safety equipment cleaning solution for four million professionals in the construction industries.

OPTIMIZING BUSINESS EXPENSE MANAGEMENT

With issue volume of **€1.3 billion**, Edenred is the leading provider of solutions to manage business expenses (fuel, travel expenses, etc.), particularly in Latin America.



INCENTIVIZING AND REWARDING PERFORMANCE

With the **Ticket Kadéos®** and **Ticket Compliments®** range of closed and open-loop voucher and gift card solutions, Edenred supports incentive and rewards programs run by companies and public institutions, mainly through their works councils.

> Edenred innovation

The **TicketXpress®** solution was recently launched in **South Korea** to support incentive campaigns deployed by a local employer. It is based on MMS barcodes sent to an eligible employee's cellphone, which can be redeemed in affiliated restaurants for a variety of offers, such as special discounts and loyalty points.



> Edenred innovation

Edenred was selected in a tender by the **State of Madhya Pradesh** in **India** to manage a **food development program** for the region's most underprivileged populations.

Solutions have also been introduced in **Chile** to cover part of university students' food and tuition expenses.

SUPPORTING THE MANAGEMENT OF PUBLIC SOCIAL BENEFIT PROGRAMS

Designed to improve the purchasing power of certain categories of the population, these solutions help local authorities and public institutions ensure that the allocated funds are used as intended.



A strategy of strong and sustainable growth

After setting up the conditions to be a standalone company in July 2010, Edenred reinforced its foundations in 2011, in order to generate strong sustainable growth. Our 6,000 employees are now committed to the same ambition: be the referent for clients, affiliated merchants and beneficiaries by offering differentiated solutions and delivering a unique quality of service.

A VISION TO DRIVE THE GROWTH STRATEGY

Issue volume growth of **6% -14%** per year
Growth in funds from operations (FFO) of more than **10%** per year

The primary objective of our strategy is to deliver sustained strong growth in issue volume by activating four long-term drivers:

● Increasing penetration rates in existing markets: **2% to 5% growth per year**

Accounting for most of the growth in issue volume (5.3% in 2011), this driver enjoys substantial room for further expansion, in as much as some 80% of population in our 38 host countries does not yet have access to this type of solution.

● Innovation : **2% to 4% growth per year**

Innovation represents the heart of our growth strategy, as we carefully track how employee lives are changing and anticipate their emerging professional and personal needs. A total of 26 new solutions have recently been or will be introduced by the end of 2012, representing a 20% increase in the number of solutions, compared to 2010.

● Geographic expansion: **1% to 2% growth per year**

Edenred plans to expand operations in one to two new countries in 2012, and reach the goal of six to eight new countries to its footprint by end-2016. The focus will be in emerging markets, which offer the most promising growth opportunities.

● Higher face values: **1% to 3% of growth per year**

Through marketing initiatives targeting corporate clients and public authorities, Edenred aims to increase the face value of its vouchers and cards, in line with rising disposable incomes and price inflation. This driver represents strong growth potential, particularly in emerging markets.

In addition to these powerful organic growth drivers, we also intend to pursue a selective acquisitions strategy to gain new market share. In late 2010 and in 2011, two acquisitions carried out in Italy and Romania helped to consolidate our leadership in the meal voucher market.

ACCELERATING THE DIGITAL TRANSITION

50% digital issue volume by end-2012, and more than **70%** by 2016

Our second strategic priority is to transition to digital prepaid services, so that paper media are gradually replaced by cards, the Internet and mobile phones. This major technological shift will make life easier for all of our stakeholders, including clients (better control and traceability of dedicated funds, more streamlined processes and logistics), beneficiaries (simpler, faster to use solutions and a broader range of related services) and affiliates (lower administrative costs).

As a driver of faster issue volume growth, the digital shift is enabling us to deploy solutions more efficiently and creating new capacity for innovation.

In addition, it is enhancing the business model, 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.
- **reduce** the cost base by around 5% to 10%, mainly by lowering production and logistics expenses.

By speeding up this process, we were able to shift 41% of our solutions to digital media by the end of 2011, versus 34% at the end of 2010. This was largely thanks to Latin America, the quickest region to embrace these technologies, with 70% of solutions digital by end-2011. In Europe, the digital transition is just getting underway, with 11% of solutions converted to digital format by the end of 2011.

A SUCCESSFUL DIGITAL TRANSITION: TICKET RIKSKORTET®



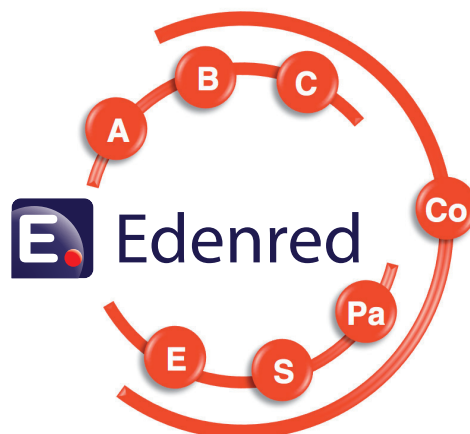
Launched in late 2011, Ticket Rikskortet® is a Swedish meal voucher that offers users the ability to check their accounts 24/7 either online and via an interactive voice server. By the end of December, or two months after launch, 4,000 local beneficiaries were already using the solution.

Corporate social responsibility

An essential component of our strategic vision is the commitment of everyone across the organization to paying careful attention to all our stakeholders:

Affiliated merchants, **B**eneficiaries and **C**lients;
Employees, **S**hareholders,
Public authorities and **C**ommunity.

As a responsible corporate citizen, Edenred also stays attuned to emerging social trends in order to respond to the concerns of civil society in ways aligned with its core competencies.



This process is structured around three main objectives:

1

Promoting a balanced, high-quality diet

Edenred is continuing to fulfill its commitment to preventing obesity and alleviating unfair access to balanced nutrition by joining forces with political, economic and social experts across Europe in **the Fighting Obesity through Offer and Demand (FOOD) program**.

Over the past two years, the program has brought together **25 public and private partners** in France, Belgium, Spain, Italy, the Czech Republic and Sweden. The partners include government ministries, universities and nutrition research centers, international organizations, European foodservice industry representatives and non-profit organizations.

After the period co-financed with the European Commission ended in April 2011, the partners decided to pursue the program, with two new countries, Slovakia and Portugal, joining during the year and bringing the number of countries involved in development to eight.



2

The environment

Edenred has a limited impact on the environment because its operations are mainly service related. Nevertheless, we are committed to better understanding and reducing this impact by actively involving all of our highly motivated employees in the process.

In 2011, all of the Ticket Restaurant® and Ticket Service® vouchers issued by Edenred in France were transitioned to **100% recycled and FSC-certified paper**. Starting in 2012, this major shift will help to save 7,650 trees per year, as well as the nearly 25 million liters of water and 1,125,000 KWh of energy used in the production of these 300 million vouchers a year.

In February 2012, Edenred Brazil earned ISO 14001 certification, raising the total number of accredited country organizations (representing a third of all employees) to four.

3

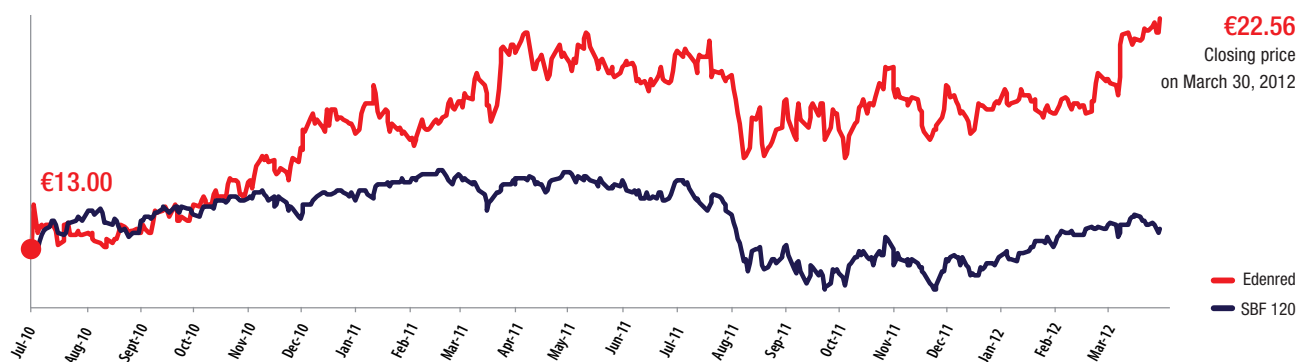
Solidarity

In every host country, Edenred employees support community outreach programs aligned with our operations, which are a part of daily life for local employees and citizens. These initiatives may involve donations, skills sharing or programs in which Edenred stakeholders frequently play an active role.

In 2011, our employees dedicated a total of **689 days to sponsorship initiatives on behalf of non-profit projects, and 429 non-profit organizations** received financial support. The total amount donated to non-profits in 2011 came to nearly **€920,000**.



SHAREHOLDER RELATIONS From the start of trading on July 2, 2010 to March 31, 2012



Opening price on July 2, 2010: **€13.00**

Increase in the SBF 120 index: **6.0%**

Increase in the Edenred share price: **73.5%**

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

Traded in Compartment A

ISIN code: FR0010908533

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

Market capitalization: **€5.1 billion** at March 30, 2012

PRACTICAL INFORMATION

To register your shares

Société Générale - Département Titre Bourse - Comptes - 32, rue du Champ-de-Tir - BP 81236 - 44312 Nantes Cedex 3

Voice server: 02 51 85 67 89 (local rates when calling in France)

Shareholder relations contacts

For any requests, please contact the Shareholder Relations office

N° Vert 0 805 652 662 Only from France

Appel gratuit depuis un poste fixe

Shareholders in France may use a toll-free number for 24/7 access to information on the share price, a summary of the latest press releases and the investor calendar. The Shareholder Relations team is also available at this number to take your inquiries during business hours (9 am to 6 pm CEST, Monday to Friday).

Relations.actionnaires@edenred.com

Send us your email address to subscribe to our shareholder mailing list and automatically receive a link to our press releases (mainly concerning the quarterly, interim and annual results).

UPCOMING EVENTS

May 15, 2012

Annual Shareholders' Meeting

July 18, 2012

Second-quarter 2012 revenue

August 30, 2012

First-half 2012 results

MEETINGS WITH SHAREHOLDERS

Meetings are regularly organized for shareholders in France. If you wish to receive an invitation, please send us your address details.

November 15, 2012 Bordeaux

November 19, 2012 Toulouse

Other meetings are planned during the year. The dates will be published in the Shareholder area of the corporate website, edenred.com, in the Finance section.

ANNUAL SHAREHOLDERS' MEETING

The Annual Shareholders' Meeting will be held on Tuesday, May 15, 2012 at 10:00 am.

To request a notice of meeting or to cast a postal vote, please contact your financial intermediary from April. Shareholders whose shares are registered directly with our registrar, Société Générale - Département Titre Bourse in Nantes (France), will automatically receive their notice of meeting.

FOR MORE INFORMATION

Get the latest financial news and all our publications in the **Finance and Group** sections on edenred.com

