



**Edenred**  
For an easier life

# Shareholders' Newsletter

NOVEMBER 2010



Jacques Stern, Chairman and Chief Executive Officer

“ This first shareholders' newsletter provides a snapshot of the new business and a description of the growth drivers that will enable us to deliver 6% to 14% growth in issue volume and at least 10% growth in funds from operations over the medium-term. ”

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Edenred :  
**world leader**  
in prepaid service  
vouchers

▶ Cont'd on page 2



Innovative  
**products**

▶ Cont'd on page 4



A **strategy**  
underpinned  
by a powerful  
ambition

▶ Cont'd on page 6



A federating  
**corporate**  
project

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**Increased momentum**  
in the third  
quarter  
**up 9.7%**

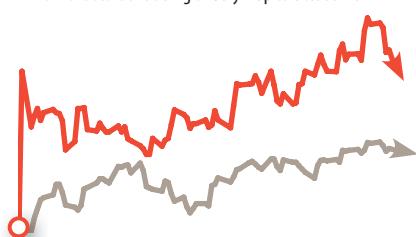
(like-for-like issue volume)

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## Edenred's stock market performance

From the start of trading on July 2 up to October 29

— Edenred — SBF 120



**Edenred share price**  
**30%** gain

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**Shareholder**  
calendar



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# Edenred, world leader in prepaid service vouchers

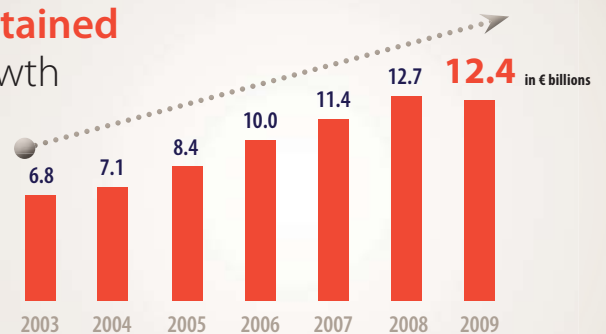
Operations in **40** countries  
**6,000** employees



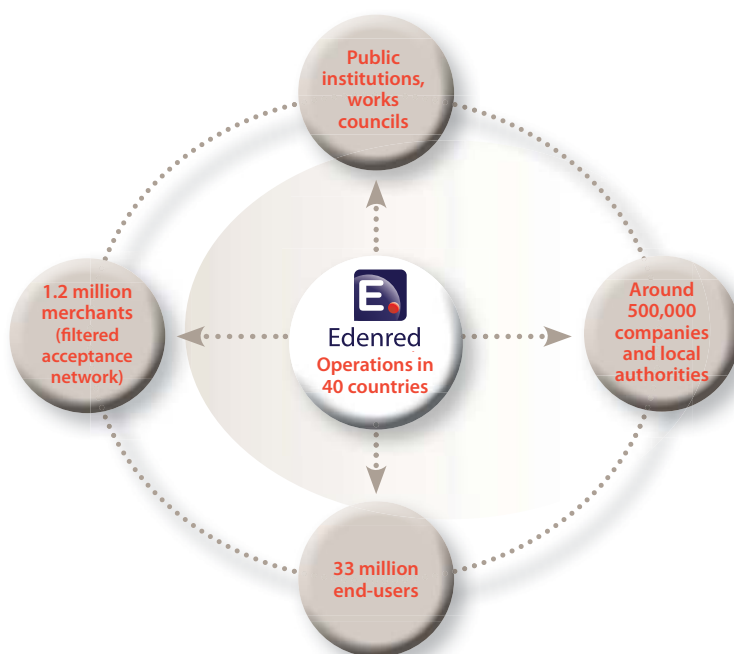
**€12.4 billion** issue volume\*  
in 2009

\* Issue volume corresponds to the aggregate face value of vouchers and prepaid cards issued by Edenred

## Sustained growth



Average growth in issue volume since 2003: **10.5%**  
Compound annual growth rate



## A business model based on a **win-win proposition**

Edenred's business model is based on a product and service offer that represents a win-win proposition for all stakeholders:

- **Public institutions, works councils and local authorities** are looking for solutions to make social policies more efficient, deliver their benefits and improve the traceability of funds allocated to benefit programs.
- **Companies**, in a constant commitment to being seen as a good place to work, want to reward their teams and optimize their business performance.
- **End-users** appreciate our simple, practical services that make their lives easier and increase their purchasing power.
- **Affiliated merchants and service provider networks** enjoy greater customer loyalty, higher revenues and more secure transactions.

# Dear Fellow Shareholder,

**JACQUES STERN**  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

“

**This is my first letter to you as Chief Executive Officer of our new company, Edenred.**

Paris, Friday July 2, 2010, 9:00 am



## Edenred IPO successfully completed

The shares' reference price was set at €11.40 per share, determined based on the closing price quoted for Accor shares on July 1, 2010. Edenred's market capitalization amounted to €2.58 billion on the morning of the stock market listing and €3.55 billion on October 29.

You played a key role in the Company's creation, by approving the Accor Group demerger at the June 29 Shareholders' Meeting, and I'm very grateful to you for making that decision. Thanks to your support and the outstanding commitment of our teams, we have created the world's leading prepaid services company, with a new name and a new corporate identity that were unveiled last June.

With a 50-year success story, Edenred has solid foundations and a recognized presence in 40 countries. The new Board of Directors and new management team have defined an assertive strategy for growth in both emerging and developed markets. Our Company's initial public offering on July 2 – the largest listing of a domestic company on NYSE Euronext's European

market in the past two years – was a major milestone in this strategy, making us highly visible to investors and the financial community.

This first shareholders' newsletter provides a snapshot of the new company and, more particularly, a description of the growth drivers that will enable us to deliver 6% to 14% growth in issue volume and at least 10% growth in funds from operations over the medium-term. As regards the short-term, we have raised our 2010 EBIT target to between €310 million and €330 million. This is in response to the faster growth in issue volume observed in the third quarter thanks to our strong innovation capabilities and our deep presence in emerging markets, particularly Latin America where economic conditions are currently very favorable.

Thank you for your confidence and for your continued support. I'm pleased and proud that you are joining us in this new adventure and look forward to seeing you at the Actionaria Fair in Paris on November 19 and 20.

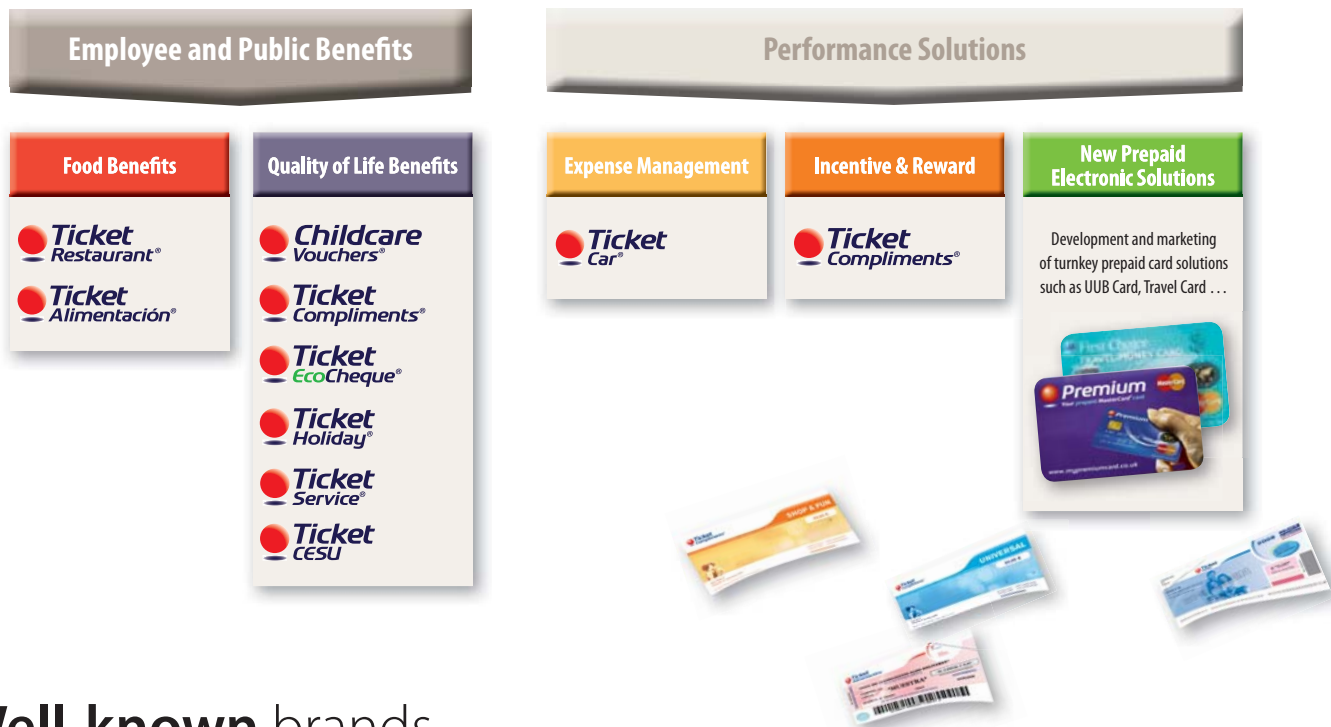
”



## ➔ Innovative products or how to improve both employee quality of life and company performance

Edenred, world leader in prepaid service vouchers, offers two categories of products:

- **Employee and public benefits related to food and quality of life.**  
These products help companies motivate and retain employees and improve their performance by enhancing their working environment, contributing to their well-being and increasing their purchasing power.
- **Performance products in the areas of expense management, incentives and rewards and new prepaid solutions.**  
These products enable companies to control costs more effectively and optimize their expense reporting processes while also generating cost savings. Employees also benefit, by avoiding the need to pay expenses out of their own pockets and then claim them back.



## ➔ Well-known brands

Edenred may be a new company but some of its products have existed for many years and are very well known. For example, Ticket Restaurant®, Ticket Alimentación®, Ticket Car®, Ticket Compliments® and Ticket Kadeos® are flagship brands not only in France, Italy and Brazil but also in countries such as Romania, Belgium and Hungary.

## A meaningful corporate identity

The new name, Edenred, was announced in early June.

The corporate brand's new logo is comprised of different components that give it a distinctive identity.



**The square**, which calls to mind web-based social networks. "E", the first letter in Edenred, creates a strong sense of community and shared expertise.

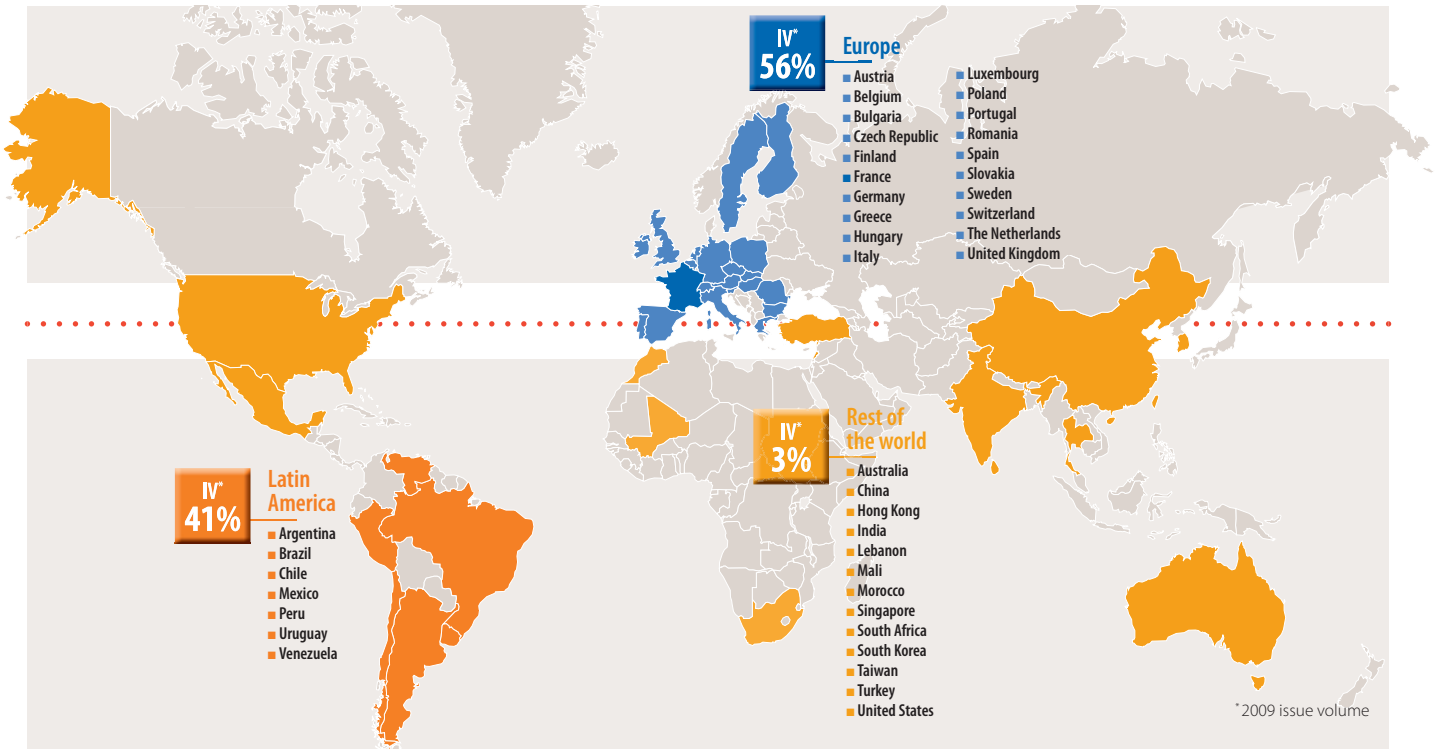
**The sphere**, the universal symbol of the Earth, expressing our global presence.

**The red ball**, that has traditionally symbolized our different products and services.

**For an easier life**, a baseline that expresses our emphasis on ensuring that everything we do improves the daily experience, enhances wellbeing and makes life easier.

## A global presence

A European company that generates over **50%** of issue volume in fast-growing emerging markets



### Edenred employees worldwide

6,104 employees at December 31, 2009

France: **1,096**

Rest of Europe: **1,808**

**48%**

Latin America: **2,286**

Rest of the world: **914**

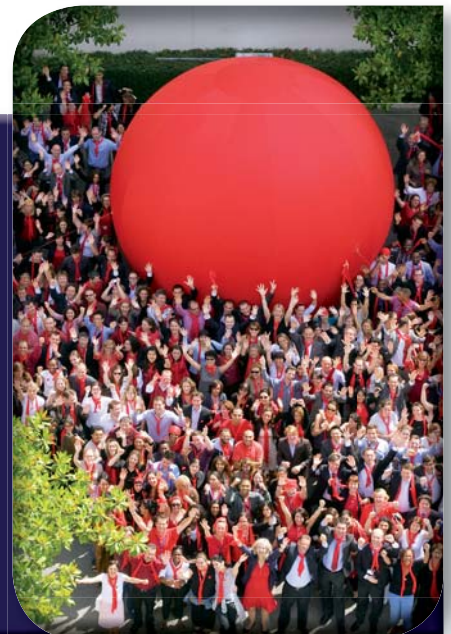
**52%**

## A federating corporate project

“Edenred” expresses a powerful commitment to growth, as embodied in the Company’s EDEN corporate project. The name “EDEN” comes from the initials of the project’s French slogan “Entreprendre Différemment ENsemble,” which has been translated as “Moving Forward Differently Together.”

Introduced in January 2010 and deployed by the Company’s 6,000 employees, the project is underpinned by five core values that define the Company’s corporate personality and culture:

- **Entrepreneurial spirit**, driving our growth dynamic
- **Innovation**, delivering competitive advantage
- **Performance**, providing a measure of our effectiveness
- **Simplicity**, facilitating our relations with our customers, partners and colleagues
- **Sharing**, to fully leverage our knowledge and expertise by working as a network.

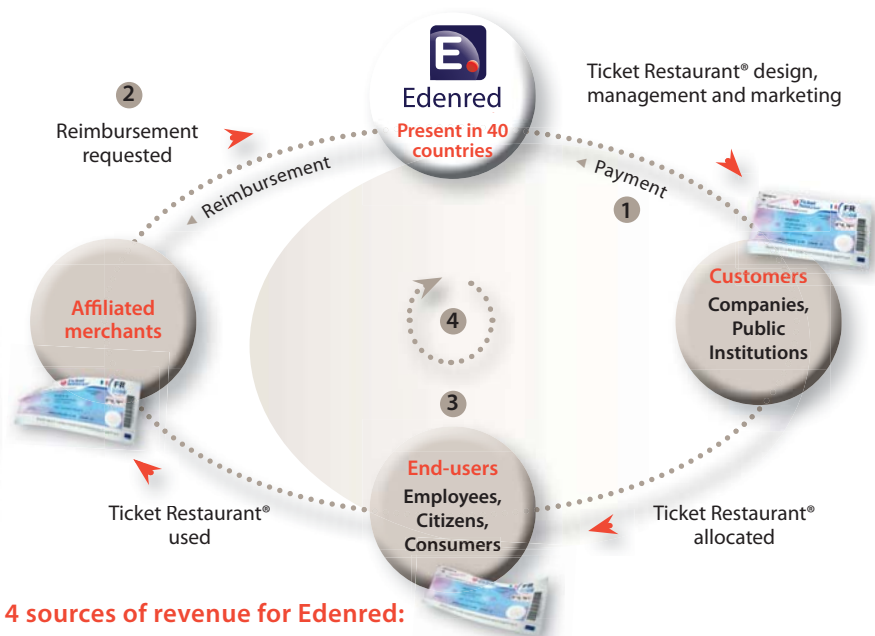


## ➔ A unique **Business model**

### **Ticket Restaurant®:** a flagship product now used in 30 countries

Created in 1962 by Jacques Borel, Ticket Restaurant® vouchers allow employees with no access to cafeteria facilities to have lunch outside the workplace in a participating restaurant of their choice. They provide a simple alternative to corporate foodservices, while fostering employee loyalty.

All or part of the vouchers' face value is exempt from employer and employee payroll taxes, in line with government public health policies designed to ensure that employees and constituents enjoy a balanced diet.



#### 4 sources of revenue for Edenred:

- 1 Customer fees
- 2 Merchant fees
- 3 Lost or expired products
- 4 Financial revenue generated by the float

## ➔ A **strategy** underpinned by a powerful ambition

Edenred has defined an **issue volume growth strategy** to achieve its goal of becoming the **undisputed world leader in the prepaid service voucher market**. The three planks of this strategy are **innovation**, **paperless migration** (with the shift from paper to electronic media) and **systematic geographic and product deployment**.

### 4 levels to drive strong worldwide growth

- 1 • **Create new products and roll out existing products to new geographic markets**
- 2 • **Increase the number of customers and deploy cross-sale to existing clients**  
The penetration rate<sup>(1)</sup> is still fairly low, at less than 30% in both emerging and developed markets.
- 3 • **Increase the average voucher face value**
- 4 • **Extend our geographic footprint**  
Operations in 40 countries, 6 to 8 new countries to be added by 2016

2 to 4%

2 to 5%

1 to 3%

1 to 2%

Issue volume  
growth target<sup>(2)</sup>

**6 to 14%  
per year**

(1) Ratio between the number of service voucher holders and the potential market (active populations in cities with no access to cafeteria facilities)

(2) Organic growth target, excluding acquisitions, in an environment where the number of people in paid work is stable.

## ➔ Revenue

for the first nine months of 2010,

with faster third-quarter growth confirming the uptrend

Issue  
volume



up 9.7% LfL\* ➔

(up 13.7% LfL in 3<sup>rd</sup> quarter)

- Face value of prepaid vouchers and checks issued by Edenred and amount credited to prepaid cards.
- Faster growth in issue volume led by vibrant economies and strong marketing performances in Latin America as well as by first signs that unemployment rates are stabilizing in Western Europe.

Operating  
revenue



up 5.9% LfL\* ➔

(up 9.5% LfL in 3<sup>rd</sup> quarter)

- Sales of products and services related to Edenred's business.
- Commissions paid by customers and affiliated merchants plus the value of lost or expired products.

Financial  
revenue



down 21.1% LfL\* ➔

(down 11.6% LfL in 3<sup>rd</sup> quarter)

- Interest revenue generated by investing the float.
- Currently severely affected by lower worldwide interest rates.

\*At constant exchange rates and based on a comparable scope of consolidation

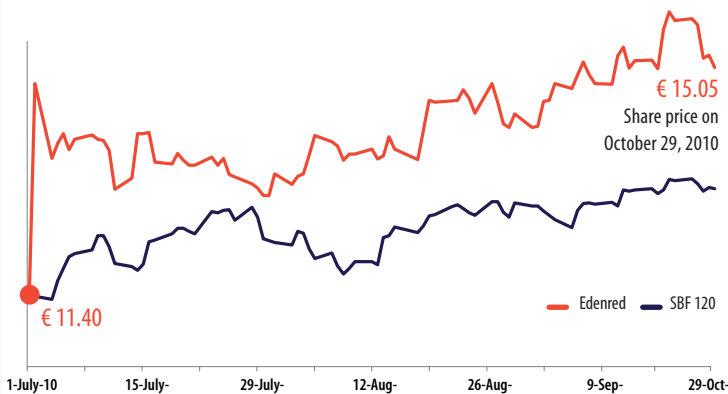
2010 full-year EBIT target of **€310 million** to **€330 million**

## ➔ A new Board of Directors in line with good governance practices

- **12 directors**, including 7 independent directors
- **A Vice Chairman** acting as the preferred contact for shareholders that do not have seats on the Board
- A corporate governance benchmark – the **AFEP/MEDEF code**
- **3 women** on the Board (representing 25% of members)
- **3 nationalities** represented on the Board
- **3 Committees of the Board** (audit and risks, commitments, compensation and appointments)

## Edenred share performance

from the listing date on July 2 to October 29



€11.40 : technical reference price on July 2, 2010

SBF 120 index up 15.2%

Edenred share price up 30.0%

Listed on NYSE Euronext Paris (included in the CAC next 20 index)

Traded in Compartment A

ISIN code: FR0010908533

Number of shares: 225,897,396

Market capitalization: €3.55bn

### Register your Edenred shares

Société Générale

Département Titre Bourse • Comptes

32, rue du Champ-de-Tir • BP 81236 • 44312 Nantes Cedex 3 • France

Phone: +33 (0) 2 51 85 67 89 • Fax: +33 (0) 2 51 85 57 01

## Shareholder calendar

### November 19/20, 2010

#### Actionaria Fair in Paris

Jacques Stern, Chairman and Chief Executive Officer, will participate in the CEOs' forum starting at 1:45 pm on November 20

### December 16, 2010

Meeting with shareholders in Lyon

### January 18, 2011

Publication of fourth-quarter 2010 revenue

### February 24, 2011

Publication of annual results

### May 13, 2011

Annual Shareholders' Meeting

## Potential capital gain

on the sale of Edenred shares

If you sell the Edenred shares attributed to you on July 2, 2010 in connection with the demerger from Accor, the taxable capital gain will be calculated on a cost base of €11.40 per share.

This gain will be taxable according to the applicable tax regime and your personal situation in the year the shares are sold.

## Shareholder relations

■ Every day, check out our financial information at [www.edenred.com](http://www.edenred.com)

■ For information, contact the Shareholder Relations unit

[relations.actionnaires@edenred.com](mailto:relations.actionnaires@edenred.com)  
[www.edenred.com](http://www.edenred.com)

### Shareholder Relations Unit

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