

shareholders'

newsletter

OCTOBER 2014

Dear shareholders,

As usual, it has been a busy past few months for the Group, filled with events and innovations that I would like to share with you, as they reflect the entrepreneurial drive that plays such a key role in achieving our objectives for strong and sustainable growth.

This is particularly true for our expense management business, which enjoyed strong organic growth over the period, as well as growth through acquisition. In this Shareholders Letter, you will read about our latest acquisition, that of UTA, a major player in the European fuel card market. This transaction offers an exceptional opportunity by allowing Edenred to become a global player in this area and to make the business of expense management the second pillar of our offering.

We are also pursuing our strategy of launching new solutions and expanding geographically, for example with the introduction of a unique expense management solution in France called Ticket Travel Pro® and the opening of our 42nd country (Russia).

In addition, we are continuing to transition our solutions to digital format, as with the Ticket Restaurant® card launched in France last April.

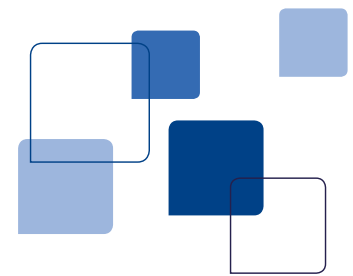
Lastly, we are proud to have achieved dynamic organic growth since the beginning of the year. Reported growth improved during the third quarter, thanks to a smaller unfavorable currency effect. As a result, we confirm our full-year growth objectives.

In closing, I would like to thank you once again for your support and loyalty.



Jacques Stern,
Chairman and Chief Executive Officer

**We confirm
our full-year
growth
objectives**



Recent events and latest figures

[PAGE 2](#)

Alliances and acquisitions

[PAGE 3](#)

The digital transition in France

[PAGE 4](#)

Environmental responsibility

[PAGE 5](#)

Share data and practical information

[PAGE 6](#)

Recent

events and ...

CHANGES IN THE EXECUTIVE COMMITTEE

- > Konstantinos Voyiatzis has replaced Gilles Bonin as Executive Vice President, Technology and Strategic Information Systems.
- > Philippe Relland-Bernard has joined the Committee in his role as Executive Vice President, Legal Affairs, Tax and Insurance. He also serves as Board Secretary of the Group.

Find full details of the Executive Committee by [clicking here](#)

INNOVATION

- > Launch of Ticket Travel Pro®, a unique solution in France's expense management market.

ALLIANCE

- > Edenred teams up with American Express to offer a unique joint fuel card solution for Mexico.

ACQUISITIONS

- > Edenred is pursuing its geographic expansion and has strengthened its growth opportunities through a number of acquisitions, including:
 - C3 CARD, a payroll card company in the United Arab Emirates.
 - Daripodarki, the leading player in Russia's mono-brand gift card resale market.
 - CardTrend, a provider of fuel card management software solutions for key oil & gas industry players based in Southeast Asia.
 - A 34% stake in UTA, one of Europe's leading issuers of fuel cards for heavy vehicle fleets.

See pages 3 and 4 for more details

AWARDS

- > **2014 Annual General Meeting Award:** Edenred took home the SBF 120 Trophy, claiming the top spot in the 2014 Annual General Meeting Awards organized each year by the Capitalcom financial communications agency.

You can find details of the AGM of May 13 by [clicking here](#)

- > **2014 Transparency Awards:** Edenred was honored in the CAC Large 60 category on the overall quality of its regulated financial communications. The Transparency Awards are attributed each year by regulated financial communications agency Labrador.

You can find all of the Group's regulated information by [clicking here](#)

latest figures

STEADY ORGANIC GROWTH

+12.0%

€12.64 billion

in issue volume for the nine months to September 30.

+8.1%

€740 million

in total revenue for the nine months to September 30.

+13.2%

€148 million

in EBIT for the first half.

+11.9%

€109 million

in funds from operations for the first half.

You can find the glossary of key financial terms by [clicking here](#)

THE DIFFERENCE BETWEEN ORGANIC AND REPORTED RESULTS

Organic or "like-for-like" growth attests to our ability to develop our business. Reported growth takes into account both changes in scope of consolidation (disposals and acquisitions) and currency effects over the year. In the first half of 2014 (H1), the decline in the Brazilian real against the euro and the change in the exchange rate of the Venezuelan bolivar fuerte impacted reported figures. However, in the third quarter of 2014, reported growth in issue volume came to 4.8% versus 1.5% in the first half of the year thanks to a reduction in this currency effect.

ORGANIC GROWTH OBJECTIVES FOR FULL-YEAR 2014 CONFIRMATION

Issue volume growth of 8% to 14%.

Funds from operations growth of at least 10% over the year.

EBIT between €335 million and €350 million.

You can find the full press release by [clicking here](#)

Alliances and acquisitions

EXPENSE MANAGEMENT MARKET

Among its strategic priorities, Edenred pursued its development in the expense management market⁽¹⁾, with the goal of increasing this segment's contribution to consolidated issue volume to 20% in 2016. At year-end 2013, expense management solutions for businesses accounted for 12% of total issue volume.

SPOTLIGHT ON RECENT DEVELOPMENTS

Edenred teams up with American Express to offer a unique joint fuel card solution for Mexico

American Express clients can now benefit from a solution combining the specific features of the Ticket Car[®] fuel card and American Express financing and credit facilities. This solution will also answer the credit needs of companies, especially in the small and mid-sized segment.

Acquisition of Cardtrend in Asia

Cardtrend provides customized fuel card management software solutions to key oil & gas industry players that are based in Southeast Asia.

Acquisition of C3 CARD, a key player in the payroll card market in the United Arab Emirates

Edenred has acquired a 50% stake in C3 CARD, a payroll card company in the United Arab Emirates. C3 CARD's payroll cards offer a simple, secure solution for paying employees who do not have a bank account, while allowing client businesses to comply with the local Wage Protection System, which requires wage traceability.

With this transaction, Edenred is expanding its operations into the Gulf region and pursuing its **geographic development plan, which calls for the opening of three new country markets by 2016.**

Acquisition of UTA (Union Tank Eckstein), a key player in the European fuel card market

This acquisition gives Edenred a unique opportunity to speed up its growth in the expense management market.

Backed by more than 50 years of experience, UTA provides expense management solutions for heavy vehicle fleets to more than 60,000 European clients, of which nearly 70% are based in Germany.

Present in 40 European countries, UTA offers a card that can be used in a network of more than 34,000 affiliated service stations and a settlement solution of tolls. It also offers high value-added services.

With around €300 billion spent each year on fuel for business travel, the European B2B fuel card market offers significant growth potential. Solutions that provide access to a multi-brand network of service stations are still underdeveloped in Europe, particularly in the light vehicle segment.

The alliance between UTA and Edenred will help drive faster sales growth of UTA's heavy vehicle fleet solutions, particularly in Central and Eastern Europe. It will also enable the European launch of a new solution for the light vehicle segment, which will gradually be rolled out by Edenred to its 300,000 clients in Europe.

Ticket Travel Pro[®], another recent example of development in Edenred's family of expense management solutions, is presented on page 4 in the news on the digital transition in France.

⁽¹⁾ For more information about the four families of solutions, [click here](#)

The digital transition in France

The transition to digital solutions represents an important turning point for all stakeholders in the Edenred business model – clients, affiliates, beneficiaries and public authorities – that want to cut costs, optimize processes, streamline and rapidly deploy solutions, and ensure the control and traceability of dedicated funds. It also offers the possibility of collecting and analyzing transaction data, enabling us to create new value-added services.

Edenred has made digital innovation a strategic lever. Since 2010, the Group has stepped up the pace of digital transition, driving up digital issue volume to more than 60% of the consolidated total at June 30, 2014, compared with 30% at end-2009. This moves us closer to our goal of achieving 75% of issue volume in digital format by 2016.

Among the regions in which the Group operates, the digital transition is at an advanced stage in Latin America, with almost 90% of transactions already digitalized at end-2013. In Europe, the transition launched in 2010 is accelerating and digital issue volume now represents 23% of the region's total, compared with 15% at end-2012. Two recently launched solutions were outlined in a press release.



The Ticket Restaurant® card, an innovative employee benefits solution for the French market

Launched in April, the Ticket Restaurant® card reflects the progress made in the digital transition in France and offers a host of value-added services, including:

- > A personal extranet area for each beneficiary that features all card-related information, and a Ticket Restaurant® mobile application, available for free on iPhone and Android, which enables users to establish the geolocation of the closest restaurants and to consult their most recent transactions.
- > An online customer area where cards can be automatically loaded, thereby reducing the related costs and facilitating the logistics of managing this employee benefit.

Enhanced visibility for restaurants through the www.carte-ticket-restaurant.fr website and the Ticket Restaurant® mobile application.

End-September: 60,000 cards in circulation.



Launch of Ticket Travel Pro®, a unique solution in the expense management market in France

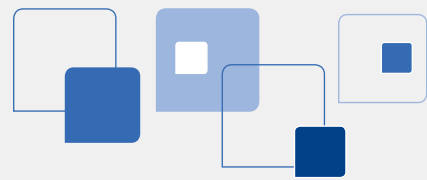
Employee business travel expenses, the third largest cost structure component for French companies, represent a key challenge for employers. In September 2014, Edenred launched a solution that meets cost control requirements by simplifying administrative tasks – resulting in time saved, added flexibility when programming cards and enhanced security.

The Ticket Travel Pro® card also offers a number of new value-added services:

- > An online booking service accessible via the Internet, tablets and smartphones, offering unbeatable rates from Edenred's partners.
- > An "expense accounts" area simplifying administrative tasks for managers and employees, who no longer need to advance their own funds to cover their travel costs.

This first-of-its-kind solution in the expense management market will also help the Group achieve the objective announced in 2013 of generating over 20% of its issue volume in this segment by 2016.

Environmental responsibility



Edenred's corporate social responsibility strategy takes action in three main areas: promoting healthy eating, protecting the environment and community outreach.

EDENRED GOES GREEN!

Each year we mobilize our energy to limit environmental impact

OUR HISTORICAL COMMITMENT

2011 Engage in a responsible use of paper

2012 Understand our environmental impact and take actions

2013 Reduce our food footprint

2014 Stop Wasting

28%
Recycling initiatives

24%
Reusing initiatives

20%
Reducing initiatives

28% Preserving initiatives = Trees planting OR Forest cleaning

OUR EMPLOYEES' ENGAGEMENT

2894 employees involved in **25** countries

WE CONTINUE TO ENGAGE ALL YEAR TO PRESERVE THE ENVIRONMENT

ideal green
for business

DISCOVER OUR EARTH DAY INITIATIVES ON THIS MAP

“Ideal green” covers the strategy’s environmental aspects, and aims to improve the environmental performance of each entity. To achieve this goal, Ideal green has identified two main drivers:

- > **The eco-design of solutions**, which is an approach that takes environmental aspects into account in all stages of a product’s lifecycle, from the extraction of the raw materials needed for production to end-of-life handling.
- > **Carefully controlled consumption** of energy and raw materials in operating units.

Key figures (at end-2013 versus 2012):

- **3% less paper used to produce vouchers**
- **5% less waste produced**
- **2% less energy used.**

PIONEERING ECO-DESIGN IN FRANCE

One of Edenred’s main environmental impacts is related to its paper vouchers. Fully **60%** of the Group’s subsidiaries already use eco-friendly paper both for voucher production and everyday office use. They also recycle vouchers at the end of their useful life. In addition, Edenred is extensively involved in the development of paperless media. Its target is to move **75% of its solutions to digital format** by 2016.

In January 2012, Edenred France began printing all of its Ticket Restaurant® and Ticket Service® vouchers on 100% FSC®-certified recycled paper. This has made Edenred France the only French issuer to combine FSC certification and 100% recycled paper. **This has made Edenred France the only French issuer to combine FSC certification and 100% recycled paper.**

Each year, the shift to 100% recycled FSC paper is saving:

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

Along with the Group’s Brazilian and UK subsidiaries, Edenred France is also certified to ISO 14001, which validates its environmental management system. In all, these entities account for around 50% of the Group’s total issue volume.

EDENRED EMPLOYEES GET INVOLVED IN EARTH DAY

Every year on April 22, Edenred celebrates Earth Day by encouraging its employees to organize actions to raise their stakeholders’ awareness of environmental issues.

The focus this year was waste reduction. You will find a map charting the initiatives carried out for this year’s Earth Day by the 26 subsidiaries taking part in this event by [clicking here](#)

Ideal meal Day

“Share your Ideal Meal” is the theme of the contest organized for World Food Day in a bid to promote healthy eating. From October 16 to October 22, 2014, everyone was invited to post a photo of their ideal meal on Twitter.

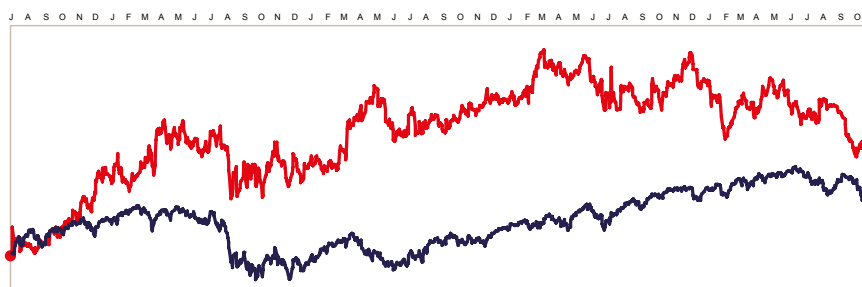
For more details, [click here](#)



Share data and practical information

SHARE PERFORMANCE

From the July 2010 IPO to October 15, 2014



SHAREHOLDERS' AREA

For information, please [click here](#)



ANNUAL GENERAL MEETING AND DIVIDEND

Shareholders approved all of the resolutions tabled at the Annual General Meeting of May 13, 2014, including the payment of a dividend of €0.83 per share for 2013, with the option of reinvesting half of this amount in new shares.

Shareholders representing over 67% of Edenred's capital chose to reinvest their dividend.

The total cash dividend amounted to €123 million.



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Share details

Listed on:
NYSE Euronext Paris
Compartment A

ISIN code: FR0010908533

Shares outstanding:
229,690,645

Main indices:
SBF120 and CAC Large 60,
FTSE4Good, DJSI

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2015 Investor calendar

February 12:
Full-year 2014 results

April 14:
First-quarter 2015 revenue

April 30:
Annual General Meeting

July 24:
First-half 2015 results

October 13:
Third-quarter 2015 revenue