Consolidated financial statements and notes

December 31, 2014

Edenred

Contents

1. Consolidated financial statements........2

2. Notes to the consolidated financial statements…………………………….....9

1. Consolidated financial statements

1.1. CONSOLIDATED INCOME STATEMENT

1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1.3 CONSOLIDATED BALANCE SHEET

- **Consolidated assets**
- **Consolidated liabilities**

1.4. CONSOLIDATED STATEMENT OF CASH FLOWS

1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1.1. CONSOLIDATED INCOME STATEMENT

(in € millions)	Notes	December 2013	December 2014
Issue Volume	4/5	**17 119**	**17 713**
Operating revenue with IV	4/5	830	843
Operating revenue w/o IV	4/5	120	115
Financial revenue	4/5	80	76
Total revenue	4/5	**1 030**	**1 034**
Operating expenses	6	(654)	(653)
Depreciation, amortization and provisions	7	(33)	(38)
EBIT	4/5	**343**	**343**
Net financial expense	8	(41)	(46)
Operating profit before tax and non-recurring items		**302**	**297**
Other income and expenses	9	(28)	(30)
Profit before tax		**274**	**267**
Income tax expense	10	(103)	(99)
NET PROFIT		**171**	**168**
Net Profit, Group Share		**160**	**164**
Net Profit, Non-controlling interests		11	4
Weighted average number of shares outstanding (in thousands)	11	224 773	224 601
Earnings per share, groupe share (in euros)	11	**0,71**	**0,73**
Diluted earnings per share (in euros)	11	0,70	0,72

1.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	December 2013	December 2014
Net profit	**171**	**168**
Items that may be subsequently reclassified to profit or loss		
Currency translation adjustement	(136)	(89)
Change in fair value of financial instruments	(16)	2
Tax on items that may be subsequently reclassified to profit or loss	5	(1)
Items that will not be reclassified to profit or loss		
Actuarial gains and losses on defined benefit plans	6	(2)
Tax on items that will not be reclassified to profit or loss	(2)	0
Other comprehensive income, net of tax	**(143)**	**(90)**
TOTAL COMPREHENSIVE INCOME	**28**	**78**
Comprehensive income, Group share	**27**	**81**
Comprehensive income, Non-controlling interests	**1**	**(3)**

1.3. CONSOLIDATED BALANCE SHEET

Consolidated assets

(in € millions)	Notes	December 2013	December 2014
Goodwill	12/15	**574**	**570**
Intangible assets	13/15	**132**	**160**
Property, plant and equipment	14/15	**58**	**44**
Non-current financial assets		31	21
Deferred tax assets	10	49	70
TOTAL NON-CURRENT ASSETS		**844**	**865**
Trade receivables	16	902	1 035
Inventories, other receivables and accruals	16	296	286
Restricted cash	27	770	797
Current financial assets	20	13	51
Other marketable securities	21/24	883	665
Cash and cash equivalents	21/24	433	425
TOTAL CURRENT ASSETS		**3 297**	**3 259**
TOTAL ASSETS		**4 141**	**4 124**

Consolidated liabilities

(in € millions)	Notes	December 2013	December 2014
Issued capital	17	452	458
Treasury shares	17	(47)	(47)
Consolidated retained earnings		(1 788)	(1 766)
Cumulative compensation costs - share-based payments		43	64
Cumulative fair value adjustments of financial instruments		(5)	(4)
Cumulative actuarial gains (losses) on defined benefit plans		(5)	(7)
Currency translation reserve		(123)	(205)
Net profit, Group share		160	164
Equity attributable to owners of the parent company		**(1 313)**	**(1 343)**
Non-controlling interests	19	23	23
Total Equity		**(1 290)**	**(1 320)**
Non-current debt	22/24	1 462	1 307
Other non-current financial liabilities	22/24	67	46
Non-current provisions	25	28	32
Deferred tax liabilities	10	85	96
TOTAL NON-CURRENT LIABILITIES		**1 642**	**1 481**
Current debt	22/24	3	2
Other current financial liabilities	22/24	33	26
Current provisions	25	50	40
Vouchers in circulation	27	3 398	3 615
Trade payables	16	61	67
Current tax liabilities	16	17	16
Other payables	16	187	169
Bank overdrafts	22/24	40	28
TOTAL CURRENT LIABILITIES		**3 789**	**3 963**
TOTAL EQUITY AND LIABILITIES		**4 141**	**4 124**

1.4. CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	Notes	December 2013	December 2014
+ EBITDA		376	381
- Net financial expense (1)	8	(39)	(46)
- Income tax paid		(91)	(95)
- Elimination of non-cash revenue and expenses included in EBITDA		15	19
- Elimination of provision movements included in net financial expense and income tax		1	2
= Funds from operations before non recurring items (FFO)		**262**	**261**
+ Decrease (increase) in working capital	27	183	160
+ Recurring decrease (increase) in restricted cash	27	(63)	(36)
= Net cash from operating activities		**382**	**385**
+ Non-recurring gains (losses) (including restructuring costs) received/paid		(9)	(31)
+ Non-recurring decrease (increase) in restricted cash	27	-	(1)
= Net cash from operating activities including non-recurring transactions (A)		**373**	**353**
- Recurring expenditure	28	(47)	(50)
- External acquisition expenditure	28	(138)	(72)
+ Proceeds from disposals of assets		(2)	5
= Net cash from (used in) investing activities (B)		**(187)**	**(117)**
+ Shares issues by subsidiaries		1	83
- Capital reduction		(4)	-
- Dividends paid		(194)	(193)
+ (Purchases) sales of treasury shares		(42)	(42)
+ Increase (Decrease) in debt (2)		**115**	**(79)**
+ Acquisition of non-controlling interests		0	-
= Net cash from (used in) financing activities (C)		**(124)**	**(231)**
- Net foreign exchange difference and fair value adjustment (D)		**(62)**	**(1)**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	24	**0**	**4**
+ Cash and cash equivalents at beginning of period		393	393
- Cash and cash equivalents at end of period		393	397
= NET CHANGE IN CASH AND CASH EQUIVALENTS	24	**0**	**4**

(1) Including €40 million of financial interests effectively paid. No dividends have been received from external companies.
(2) Net debt (Note 24), excluding net cash.

Cash and cash equivalents at end of the period can be analyzed as follows:

(in € millions)	Notes	December 2013	December 2014
+ Cash and cash equivalents	21	433	425
- Bank overdrafts	22	(40)	(28)
= CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**393**	**397**

1.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Currency translation reserve (1)	Cumulative actuarial gains (losses) on defined benefit plans	Cumulative fair value adjustments of financial instruments	Cumulative compensation costs share based payments	Treasury shares	Retained earnings and net profit for the period (2)	External changes in consolid-ation scope	Equity attributable to owners of the parent company	Total non-controlling interests	Total equity
December 31, 2012	3	(9)	6	32	(5)	(1 050)	(34)	(1 057)	24	(1 033)
Issue of share capital	-	-	-	-	-	-	-	**-**	-	**-**
- in cash	-	-	-	-	-	(4)	-	**(4)**	1	**(3)**
Dividends paid	-	-	-	-	-	(185)	-	**(185)**	(9)	**(194)**
Effect of changes in consolidation scope	-	-	-	-	-	-	(63)	**(63)**	6	**(57)**
Compensation costs for the period - share-based payments	-	-	-	11	-	-	-	**11**	-	**11**
(Acquisitions) / disposals of treasury shares	-	-	-	-	(42)	-	-	**(42)**	-	**(42)**
Other comprehensive income	(126)	4	(11)	-	-	-	-	**(133)**	(10)	**(143)**
Net profit for the period	-	-	-	-	-	160	-	**160**	11	**171**
Total comprehensive income	**(126)**	**4**	**(11)**	**-**	**-**	**160**	**-**	**27**	**1**	**28**
December 31, 2013	**(123)**	**(5)**	**(5)**	**43**	**(47)**	**(1 079)**	**(97)**	**(1 313)**	**23**	**(1 290)**
Increase (decrease) in share capital	-	-	-	-	-	-	-	**-**	-	**-**
- in cash	-	-	-	-	-	-	-	**-**	(0)	**(0)**
- cancellation of treasury shares	-	-	-	-	-	(37)	-	**(37)**	-	**(37)**
- option exercised	-	-	-	-	-	22	-	**22**	-	**22**
- dividends reinvested in new shares	-	-	-	-	-	61	-	**61**	-	**61**
Dividends paid ('3)	-	-	-	-	-	(185)	-	**(185)**	(4)	**(189)**
Effect of changes in consolidation scope	-	-	-	-	-	-	19	**19**	7	**26**
Compensation costs for the period - share-based payments	-	-	-	21	-	(7)	-	**14**	-	**14**
(Acquisitions) / disposals of treasury shares (4)	-	-	-	-	0	(5)	-	**(5)**	-	**(5)**
Other comprehensive income	(82)	(2)	1	-	-	-	-	**(83)**	(7)	**(90)**
Net profit for the period	-	-	-	-	-	164	-	**164**	4	**168**
Total comprehensive income	**(82)**	**(2)**	**1**	**-**	**-**	**164**	**-**	**81**	**(3)**	**78**
December 31, 2014	**(205)**	**(7)**	**(4)**	**64**	**(47)**	**(1 066)**	**(78)**	**(1 343)**	**23**	**(1 320)**

(1) The €(82) million unfavorable net exchange difference on foreign operations between December 31, 2013 and December 31, 2014 was mainly due to the depreciation of the Venezuelan bolivar fuerte (€(50) million impact) against the euro.

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

(3) Shareholders at the Annual Meeting on May 13, 2014, approved a 2013 dividend of €0.83 per share with the option of reinvesting 50% of this dividend in new shares. The dividends were paid in cash for €124 million euros and distributed in new shares for €61 million euros.

(4) The effect of changes in the scope of consolidation mainly includes €35 million arising from updating the measurement assumptions used for the call option on shares held by non-controlling interests in Repom and the recognition of the call options on shares held by non-controlling interests acquired during the period..

(5) The movement in treasury shares reflects € (39) million in the buyback of self-owned shares and €(3) million in liquidity contract transaction; compensated by the cancellation of self-owned-shares for €37 million and the delivery of performance shares for €5 million.

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

	GBP	BRL	MXN	ARS	SEK	VEF	USD
December 31, 2013	0.83	3.26	18.07	8.99	8.86	15.58	1.38
December 31, 2014	**0.78**	**3.22**	**17.87**	**10.28**	**9.39**	**60.69**	**1.21**

2. Notes to the consolidated financial statements

Note 1. Basis of preparation of financial statements....10
Note 2. Accounting policies....16
Note 3. Changes in consolidation scope and significant events....28
Note 4. Segment information....32
Note 5. Change in issue volume, revenue and EBIT....36
Note 6. Operating expenses....36
Note 7. Depreciation, amortization and provisions....37
Note 8. Net financial expense....37
Note 9. Other income and expenses....37
Note 10. Income tax....38
Note 11. earnings per share....41
Note 12. Goodwill....42
Note 13. Intangible assets....44
Note 14. Proprety, plant and equipment....45
Note 15. Impairment tests....46
Note 16. Receivables and payables....47
Note 17. Shareholder’s equity....49
Note 18. Potential ordinary shares....50
Note 19. Non-controlling interests....53
Note 20. Current financial assets....53
Note 21. Cash and cash equivalent and other marketable securities....54
Note 22. Debt and other financial liabilities....54
Note 23. Financial instruments and market risk management....56
Note 24. Net debt and net cash....62
Note 25. Provisions....63
Note 26. Reconciliation of funds from operations....68
Note 27. Working capital, Service vouchers in circulation and restricted cash....68
Note 28. Capital expenditure....69
Note 29. Claims and litigation....70
Note 30. Off-balance sheet commitments....72
Note 31. Additional information about jointly controlled entities....72
Note 32. Related parties transactions....73
Note 33. Compensation paid to corporate officers....73
Note 34. Auditor’s fees....74
Note 35. Subsequent events....74
Note 36. Main consolidated companies at December 31, 2014....75

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 manages solutions that improve the efficiency of organizations and purchasing power to individuals.

By ensuring that allocated funds are used specifically 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, Repom*, 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, 2014, 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 2013, 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, 2014, 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, 2014

Standards, amendments and interpretations came into effect on January 1, 2014 and were adopted for use in the European Union as of that date.

		Applicable for annual periods beginning on or after	Description	Applicable for annual periods beginning on or after
STANDARDS				
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.	As of January 1 2014, the Group used the proportionate method to consolidate just one non material company; which is now fully consolidated. The impact of applying this standard is not material.
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.	
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.	
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.	This standard has no material impact.
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.	This standard has no material impact.
AMENDMENTS				
IFRS 10, IFRS 11 and IFRS 12	Transition guidance	January 1, 2014	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 disclosure relating to unconsolidated structured entitie under IFRS 12 are not required.	As of January 1 2014, the Group used the proportionate method to consolidate just one non material company; which is now fully consolidated. The impact of applying this standard is not material.
IFRS 10, IFRS 12 and IAS 27R	Investment entities	January 1, 2014	These amendments, which apply to a particular class of business qualified 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 interpretation.
IAS 32	Offsetting Financial Assets and Financial Liabilities	January 1, 2014	IAS 32 clarifies the requirements for offsetting financial assets and financial liabilities.	The standard concerns disclosure and has no impact on reported amounts.
IAS 36	Impairment of assets (disclosure)	January 1, 2014	These amendments clarify the application scope of required disclosure regarding non-financial assets impairment.	The amendment concerns disclosure and has no impact on reported amounts.
IAS 39	Financial instruments : novation of derivatives and continuation of hedge accounting	January 1, 2014	IAS 39 allows an entity continuing the application of hedge accounting for a derivative when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations.	No material impact identified.

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, 2014 and are applicable for annual periods beginning after January 1, 2014:

		Applicable for annual periods beginning on or after	Description	Impacts on Edenred's consolidated financial statements in the first year of application
Annual IFRS Improvements	2010-2012 cycle	July 1, 2014	The improvements make amendments to the following standards: IFRS 2 "Share based payment" The amendment specifies the definition of "vesting conditions" as it creates two sub notions of "performance condition" and "service condition". IFRS 3 "Business combination" The amendment specifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date. IFRS 8 " Operating segments" The amendment requires companies to: a) Disclose the judgements made by management in applying aggregation criteria to operating segments b) Reconcile the total of the reportable segments's assets to the entity's assets. IFRS 13 "Fair value measurement" The amendment completes the issuing of this standard by explaining that amendment upon IFRS 9 and IAS 39 did not remove the ability to measure short term receivables and payables with not stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial. IAS 16 "Property plant and equipment" and IAS 38 "intangible assets" Amendments are related to the gross carrying amount revaluation method and precise method to determine amounts of cumulated depreciation. IAS 24 " Related party disclosure" The amendment precises that when an entity provides key management services to the reporting entity, the related party corresponding is the entity. Therefore, amounts to be disclosed are fees paid and not compensation given to key management officers.	No material impact identified

Annual IIFRS improvements	2011-2013 cycle	July 1, 2014	The improvements make amendments to the following standards: IFRS 1"First adoption of IFRS" The amendment precises that in its first IFRS financial statement, the entity has the choice, but is not mandatory to apply standard which early application are allowed. IFRS 3 "Business combination" The amendment excludes from the scope of application joint venture and joint operations. It also precises that the exclusion is only related to financial statements of both kinds of partnership. IFRS 13 "Fair value measurement" The amendment precises the ability to measure financial assets and liabilities fair value on a net basis, applied to all contracts in the scope of IFRS 9 and IAS 39 without any obligation of being in the scope of IAS 32. IAS 40 "Investing property" The amendment precises that the IFRS 3R should be applied independently of the application of IAS 40 for investing property acquisitions.	Not expected material impact identified.
IFRIC 21	Taxes	January 1, 2014	IFRIC 21 " Levies" The interpretation precises how to account for taxes excluded from IAS 12 scope of application. It precises that their treatment should be done according to trigger event occurrence as defined into IAS 37. Expected impacts relate to half-year period.	Investigations allow us to conclude that the application of the interpretation would have no significant impact on half-year accounts.
	IAS 19 amendment "Employees contributions"	July 1, 2014	IAS 19 "Employees contributions" The amendment applies to employee's contributions for defined benefits plans.	Enhanced practices are consistent with our treatment.

B. 4. Standards, amendments and interpretations adopted by the European Union that are applicable in future periods

As of December 31, 2014, standards in the process of being adopted by the European Union:

		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 9	Financial instruments – classification and measurement	January 1, 2018	IFRS 9 finalised the first of the three steps in IASB project related to financial instruments to replace IAS 39 "financial instruments": recognition and measurement.	No changes have been identified.
IFRS 15	Revenue from ordinary activities from contracts with customers	January 1, 2017	IFRS 15 introduces a single model of revenue recognition from customer's contracts. By contrast with previous standards upon revenues (IAS 11, IAS 18, IFRIC 13, IFRIC 18 & SIC 31, it is based on the core principle of control transfer, and not anymore risk& rewards transfer. This single model allows two way recognition model which are over the time or point of time. The five analytic steps are: - Identify the contract with the customer - Identify the performance obligations in the contract - Determine the transaction price - Allocate the transaction price to the performance obligations in the contract - Recognise revenue when (or as) the entity satisfies a performance obligation	The group has started the analysis of the standard in order to define an action plan able to reach requirements and challenges. For now, potential impacts are not identified.
	2012-2014 Cycle	January 1, 2016	IFRS 5 "Non-current assets held for sale" The amendment adds specific guidance for method of disposal considered. It particularly modifies how to account for assets held-for-distribution to owners. IFRS 7 "Financial instruments: disclosure" The amendment clarifies how to determine interaction with servicing contract, and specify how to apply this to condensed interim financial statements. IAS 19 "Employee benefits" The amendment clarifies, for the high quality corporate bonds, which discounted rate should be used. It also specifies that it should be assessed at currency level and not country level. IAS 34 "Interim financial reporting" The amendment clarifies the meaning of "elsewhere in the interim report" and requires a cross-reference to allow user to find the information.	No material impact expected

AMENDMENTS				
IFRS 11	Accounting for acquisition of interests in a joint operations	January 1, 2016*	This amendment defines how to account for an interest acquisition in a joint operation in which activity constitutes a business, as defined in IFRS 3 “Buisness combination”	No material impact identified
IAS 16 & IAS 38	Clarification of acceptable methods of depreciation and amortisation	January 1, 2016*	The amendment precises that a depreciation method that is based on revenue is not appropriate.	Non applicable to Edenred
IAS 27	Application of equity method in separate financial statements	January 1, 2016*	This amendment allows an entity to account for investment in subsidiaries using equity method as described in IAS 28.	No material impact identified
IFRS 10 & IAS 28	Sale or contribution of assets between an investor and its associate or Joint venture	January 1, 2016*	The amendment narrows the discrepancy between the two standards and clarifies that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business as defined in IFRS 3R.	Non applicable to Edenred

** 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 measurement of the goodwill and the acquired intangible assets (see Note 2.C, Note 2.E.1, 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.A&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.

Particularly, given the economic environment in Venezuela, the Group made the judgment-based decision to apply for 2014 yearly consolidated accounts the available exchange rate most representative of the economic situation to the Group knowledge (Note 2.C.6).

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 over which the Group exercises, directly or indirectly, significant influence are accounted for by the equity method.

In accordance with IFRS 10 – Consolidated Financial Statements, control over an entity has been determined based on a review of the criteria specified in the standard, which is not limited to the voting power held in the entity (more than 50%); an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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.

As part of certain acquisitions and/or business combinations, the Group has granted commitments to buy back minority shareholders' holdings. The exercise price of these options can be fixed or calculated following a predefined formula, and they can be exercised at any time or at a set date.

IAS 27 (revised) states that all equity security transactions between controlling and non-controlling shareholders not involving a loss of control must be recognized directly in equity.

The Group records a financial liability at its present value for the puts granted to the minority shareholders of the entities concerned. Subsequent changes to the commitment's value are recognized with adjustments to the equity attributable to owners of the parent company.

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 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 during the acquisition period.

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. If their fair value can be reliably estimated, they are measured at fair value through equity.

If no reliable estimate can be made, they are measured at historical cost, corresponding to the acquisition price plus transaction costs.

When there is objective evidence that the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognized in the income statement. If the recoverable amount subsequently represents more than the carrying amount, the impairment loss may be reversed.

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 "Other 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 pensions, 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 fully recognized immediately in equity.

The net defined benefit obligation is recognized in the balance sheet under "Long-term provisions".
For defined benefit plans, current and past service costs and benefits paid are recognized in "Operating expenses".
Plan curtailments or settlements: interest costs and income on the liability and the asset are fully recognized in "Net financial expense".
For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity.
However, actuarial gains and losses related to current employees' long-term benefits, particularly long-service awards and loyalty bonuses, are recognized immediately in "Net financial expense".

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, February 27, 2012, February 18, 2013 and February 17, 2014.

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 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.
- 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. Other income and expenses

Other 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.
- 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 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;
- 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;
- Proceeds from disposals of assets.

Cash flows from financing activities include:

- Changes in equity;
- Changes in debt;
- Dividend payments;
- Purchases / sales of treasury shares;
- 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 (adjusted to exclude shares held in treasury stock 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 S.A.

Registered name: Edenred S.A.

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

These financial statements were approved for publication by the Board of Directors of Edenred on February 11, 2015.

Note 3. CHANGES IN CONSOLIDATION SCOPE AND SIGNIFICANT EVENTS

A. 2014 changes in consolidation scope

A. 1. Main acquisitions and developments

In January 2014, Edenred acquired for €25 million euros **Nets Prepaid**, the leader of benefit market in Finland. Nets Prepaid offers meal benefits and recreational benefits for more than 10,000 clients and 120,000 beneficiaries. Issue volume amounted to more than €200 million in 2012.

In May 2014, Edenred announced that it has acquired a 50% interest in **C3 CARD**, a payroll card company in the United Arab Emirates. As a key player in the payroll card market in the United Arab Emirates, C3 CARD manages solutions for more than 2,000 clients (businesses and financial institutions). 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 wages traceability. Founded in 2007, C3 CARD has enjoyed very fast growth, recording business volume of more than €1 billion and revenue of nearly €5 million in 2013.

In July 2014, Edenred is teaming up with **American Express** to offer a unique joint fuel card solution for Mexico. American Express will now offer its clients a solution combining the specific features of the Ticket Car® fuel card and American Express financing and credit facilities.

In October 2014, Edenred has acquired a 70% stake in **Cardtrend**, a provider of fuel card management software solutions. Cardtrend operates white-label fuel card programs on behalf of key oil & gas industry players that are based in Southeast Asia. Cardtrend provides its customers with customized software solutions allowing them to manage the fuel cards that theyissue and distribute, as well as their loyalty programs.

In October 2014, Edenred has also acquired 50% of **Daripodarki**, the leading player in Russia's mono-brand gift card resale market. Leveraging its unique offering of mono-brand gift cards for over 150 major brands, Daripodarki enables over 1,300 companies to reward their partners and employees on special occasions or during incentive campaigns. Some 450,000 Russian employees benefit from Daripodarki's gift card solutions.

B. 2013 changes in the consolidation scope

B. 1. Main acquisitions and developments

In February 2013, following approval by the Brazilian competition authorities, Edenred confirmed the acquisition of a 62% stake in **Repom**, the Brazilian market leader in expense management solutions for independent truckers, for an amount of €53 million. With a portfolio of more than 100 clients and a network of 900 service stations, Repom achieved a volume of activity of €1,090 million in 2012. The total difference between the cost of the business combination and the acquisition date fair value of the net assets acquired has been allocated (before deferred tax) to the customer lists for €14 million, the residual difference (€44 million) being allocated to the goodwill. Edenred also has cross put and call options for the remaining Repom shares, exercisable as from May 2018 and estimated at a discounted value of €52 million as at December 31, 2013.

In February 2013, Edenred announced the acquisition of **Big Pass**, the second largest provider of employee benefits solutions in Colombia. With 3,000 clients, 180,000 beneficiaries and 28,000 affiliated merchants, Big Pass reported issue volume of nearly €100 million in 2012. The transaction price was based on Big Pass's enterprise value (acquisition price + net debt assumed and working capital position) and amounted to about €10 million. The total difference between the cost of the business combination and the acquisition date fair value of the net assets acquired has been allocated to the customer lists for €2 million and goodwill for the residual difference (€9 million).

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

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

In June 2013, Edenred acquired **Opam**, a Mexican provider of employee benefits solutions that reported issue volume of nearly €140 million in 2012. The transaction was based on an enterprise value of €15 million plus a contingent consideration of €2 million. The total difference between the cost of the business combination and the acquisition date fair value of the net assets acquired has been allocated (before deferred tax) to the customer lists for €3 million and goodwill for the residual difference (€14 million).

C. Significant events

C. 1. Launch of the Ticket Restaurant® card

Following the publication of a decree enabling paperless meal vouchers in France, on **March 7, 2014**, Edenred announced the launch of the Ticket Restaurant® card. Issued in the beneficiary's name and reloaded by the company each month, the three-year, prepaid card is accepted in the usual payment terminals installed with Ticket Restaurant®-affiliated restaurants and merchants. This innovative solution was made available for all companies as soon as the decree came into effect on April 2, 2014.

C. 2. Payment of the 2013 dividend

At the Annual Meeting on **May 13, 2014**, Edenred shareholders approved the payment of a 2013 dividend of €0.83 per share, with the option of reinvesting 50% of the dividend in new shares.

At the close of the reinvestment period, which ran from May 20 to June 5, this option had been chosen by shareholders owning more than 67% of Edenred shares.

This led to the issue of 2,914,150 new shares of Edenred common stock, representing 1.3% of the share capital, which have been settled and traded on the Euronext Paris stock market on June 18, 2014.

The new shares carry dividend rights from January 1, 2014 and rank *pari passu* with existing shares of Edenred common stock. Following the issue, the Company's share capital comprises 228,811,546 shares.

The total cash dividend, in an amount of €124 million, has been paid on June 18, 2014.

C. 3. Amendment to the revolving loan agreement

Edenred signed on **June 20, 2014** an amendment agreement to its € 700 million 5 - years revolving loan facility with a 16 banks pool. The transaction offers significantly improved financing conditions, attesting the market's confidence in Edenred and its sound financial situation. It extends the maturity of the facility for new 5 year duration with a final maturity in June 2019 and lengthens the average maturity of Edenred's financing.

C. 4. Launch of Ticket Travel Pro®

Edenred, leader in prepaid corporate services, has announced in France, on **September 4, 2014** the launch of Ticket Travel Pro®, an integrated solution that optimizes employees' business travel expenses, before, during and after their trip. Employee business travel expenses, the third largest cost structure component for French companies, represent a key challenge for employers. This launch is aligned with Edenred's corporate strategy to generate 20% of its issue volume in the Expense management market by 2016.

C. 5. Change of the Bolivar Fuerte exchange rate in 2013

Significant events of the year

On **February 13, 2013,** the Venezuelan government devalued the bolivar fuerte (VEF) and announced the withdrawal of the SITME rate which, at VEF 5.3 to the dollar, was the less favorable official rate. The new exchange rate with the US dollar was established at VEF 6.3 per dollar.

In **March 2013**, the Venezuelan government launched the SICAD forex system with a first auction of USD 200 million to local businesses without any fixed exchange rate.

In **April 2013**, Nicolás Maduro's victory in the presidential elections was challenged by the opposition, leading to political instability.

In **July 2013**, the Venezuelan government set up a new system of regular US dollar auctions at an exchange rate of more than VEF 6.3, under control of CADIVI. The exchange rate for the first USD 170 million allocation, for companies operating in specific sectors of the economy, was not made public. Similarly, no exchange rates were announced for the weekly auctions of less than USD 100 million held between October and December.

On **December 23, 2013**, the Venezuelan government published a new official exchange rate of VEF 11.3 to the dollar for transactions carried out by non-resident individuals, with an annual ceiling of USD 10,000.

Edenred's position

The financial statements of Edenred's Venezuelan subsidiaries were translated as follows:

- at the rate of VEF 5.3 to the dollar for the year ended December 31, 2012;
- at the rate of VEF 6.3 to the dollar for all periods between January 1 and September 30, 2013.

The Group has therefore decided to translate the financial statements of its Venezuelan subsidiaries for the year ended December 31, 2013 at the least favorable rate (VEF 11.3 to the dollar).

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

The impact of translating 2012 financial statements of the Venezuelan subsidiaries presented in bolivars at the least favorable exchange rate (VEF 11, 3 to the dollar) is as follows:

- Issue volume: €(784) million, i.e. -4.7%;
- Total revenue: €(47) million, i.e. -4.4%;
- EBIT: €(29) million, i.e. -7.9%;
- Net profit: €(20) million, i.e. -9.7%;
- Net debt: +€154 million.

C. 6. Change of the Bolivar Fuerte exchange rate as of December 31, 2014

Significant events of the year

In **January 2014,** the Venezuelan government stated that the official exchange rate was unchanged at VEF 6.3 to the dollar, under CADIVI system, and that the SICAD auctions would be stepped up. Companies allocated dollars in the SICAD auctions will be authorized to use these funds to settle transactions and to pay license and management fees. The exchange rate for the Central Bank's most recent auction was announced as being VEF 11.36 to the dollar.

On **March 24, 2014,** the Venezuelan government introduced a new flexible exchange rate system, called SICAD II. The Venezuelan Central Bank is publishing since the SICAD II exchange rates on a daily basis. This system is available for both individuals and companies wishing to obtain US dollars. The first published exchange rate was of 51.86 Bolivar Fuerte for 1 US dollar. The latest published exchange rates fluctuated around 49.9 Bolivar Fuerte for 1 US dollar. The total daily granted amount is estimated around 40 to 45 million US dollars. Edenred managed to obtain almost 1 million of US dollars at an average exchange rate of 50.41 Bolivar Fuerte for 1 US dollar.

Edenred's position

The financial statements of Edenred's Venezuelan subsidiaries are translated as follows:

- Average exchange rate: average of all exchange rates of Bolivar Fuerte against the US dollar published since the implementation by the Venezuelan government of SICAD II system, retroactive from January 1, 2014, translated to EUR, i.e. VEF 66.35 to euro.
- Closing exchange rate: last SICAD II exchange rate of Bolivar Fuerte to the US dollar, published before the end of the month of December, translated to EUR, i.e. VEF 60.69 to euro.

The impact of translating 2013 financial statements of the Venezuelan subsidiaries presented in bolivars at selected exchange rates for conversion of 2014 financial statement is as follows:

- Issue volume: €(753) million, i.e. -4.4%;
- Total revenue: €(43) million, i.e. -4.2%;
- EBIT: €(25) million, i.e. -7.4%;
- Net profit: €(18) million, i.e. -11.2%;
- Net debt: €+133 million.

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 S.A. holding company, regional headquarters and companies with no operating activity.

Transactions between segments are not material.

A. 2014 information

A. 1. Income statement

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Elimi-nations	December 2014
ISSUE VOLUME	**2 880**	**5 342**	**8 851**	**640**	**-**	**-**	**17 713**
Operating revenu with issue volume	127	270	413	33	-	-	**843**
Other operating revenue	21	45	24	25	-	-	**115**
Financial Revenue	17	20	35	4	-	-	**76**
Total external Revenue	**165**	**335**	**472**	**62**	**-**	**-**	**1 034**
Inter-segment revenue	-	5	-	-	-	(5)	**-**
TOTAL REVENUE FROM OPERATING SEGMENTS	**165**	**340**	**472**	**62**	**-**	**(5)**	**1 034**
EBIT FROM OPERATING SEGMENTS	**40**	**100**	**213**	**9**	**(19)**	**-**	**343**

A. 2. Balance sheet

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Elimi-nations	December 2014
Goodwill	92	191	242	45	-	-	**570**
Intangible assets	31	47	58	11	13	-	**160**
Property, plant and equipment	4	15	19	4	2	-	**44**
Non-current financial assets	(1)	1	3	2	16	-	**21**
Deferred tax assets	2	22	19	1	26	-	**70**
Non-current assets	**128**	**276**	**341**	**63**	**57**	**-**	**865**
Current assets	**791**	**773**	**1 316**	**181**	**198**	**-**	**3 259**
Total ASSETS	**919**	**1 049**	**1 657**	**244**	**255**	**-**	**4 124**
Equity and non-controlling interests	**245**	**649**	**531**	**50**	**(2 795)**	**-**	**(1 320)**
Non-current liabilities	**9**	**72**	**38**	**11**	**1 351**	**-**	**1 481**
Current liabilities	**665**	**328**	**1 088**	**183**	**1 699**	**-**	**3 963**
Total EQUITY AND LIABILITIES	**919**	**1 049**	**1 657**	**244**	**255**	**-**	**4 124**

B. 2013 information

B. 1. Income statement

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structure	Elimi-nations	December 2013
ISSUE VOLUME	**2 757**	**4 904**	**8 824**	**634**	**-**	**-**	**17 119**
Operating revenue generated by issue volume	121	253	425	31	-	-	**830**
Other operating revenue	21	52	25	22	-	-	**120**
Operating Revenue	**142**	**305**	**450**	**53**	**-**	**-**	**950**
Financial Revenue	21	21	34	4	-	-	**80**
Total external Revenue	**163**	**326**	**484**	**57**	**-**	**-**	**1 030**
Inter-segment revenue	-	4	-	-	-	(4)	**-**
TOTAL REVENUE FROM OPERATING SEGMENTS	**163**	**330**	**484**	**57**	**-**	**(4)**	**1 030**
EBIT FROM OPERATING SEGMENTS	**43**	**97**	**218**	**3**	**(18)**	**-**	**343**

B. 2. Balance sheet

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Elimi-nations	December 2013
Goodwill	91	190	253	40	-	-	**574**
Intangible assets	27	47	42	5	11	-	**132**
Property, plant and equipment	4	17	33	3	1	-	**58**
Non-current financial assets	0	4	13	3	11	-	**31**
Deferred tax assets	2	23	6	1	17	-	**49**
Non-current assets	**124**	**281**	**347**	**52**	**40**	**-**	**844**
Current assets	**770**	**762**	**1 224**	**156**	**385**	**-**	**3 297**
Total ASSETS	**894**	**1 043**	**1 571**	**208**	**425**	**-**	**4 141**
Equity and non-controlling interests	**220**	**686**	**512**	**48**	**(2 756)**	**-**	**(1 290)**
Non-current liabilities	**8**	**67**	**27**	**5**	**1 535**	**-**	**1 642**
Current liabilities	**666**	**290**	**1 032**	**155**	**1 646**	**-**	**3 789**
Total EQUITY AND LIABILITIES	**894**	**1 043**	**1 571**	**208**	**425**	**-**	**4 141**

C. Change in issue volume

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2014 Issue volume	2 880	5 342	8 851	640	-	**17 713**
2013 Issue volume	2 757	4 904	8 824	634	-	**17 119**
Change	+123	+438	+27	+6	-	**+594**
Reported change in %	+4,5%	+9,0%	+0,3%	+0,9%	+0,0%	**+3,5%**
LIKE-FOR-LIKE CHANGE	**+123**	**+245**	**+1 590**	**+100**	**-**	**+2 058**
LIKE-FOR-LIKE CHANGE in %	**+4,5%**	**+5,0%**	**+18,0%**	**+15,8%**	**+0,0%**	**+12,0%**

D. Change in revenues

D. 1. Total revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2014 Total external revenue	165	335	472	62	-	**1 034**
2013 Total external revenue	163	326	484	57	-	**1 030**
Change	+2	+9	(12)	+5	-	**+4**
Reported change in %	+1,3%	+2,7%	(2,6)%	+10,7%	-	**+0,5%**
LIKE-FOR-LIKE CHANGE	**+2**	**+1**	**+77**	**+5**	**-**	**+85**
LIKE-FOR-LIKE CHANGE in %	**+1,1%**	**+0,3%**	**+15,8%**	**+9,7%**	**-**	**+8,3%**

D. 2. Operating revenue with IV

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2014 Operating revenue with IV	127	270	413	33	-	**843**
2013 Operating revenue with IV	121	253	425	31	-	**830**
Change	+6	+17	(12)	+2	-	**+13**
Reported change in %	+4,8%	+6,9%	(2,8)%	+8,7%	-	**+1,7%**
LIKE-FOR-LIKE CHANGE	**+4**	**+10**	**+71**	**+5**	**-**	**+90**
LIKE-FOR-LIKE CHANGE in %	**+3,5%**	**+4,2%**	**+16,7%**	**+13,2%**	**-**	**+10,8%**

D. 3. Financial revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2014 Financial revenue	17	20	35	4	-	**76**
2013 Financial revenue	21	21	34	4	-	**80**
Change	(4)	(1)	+1	-	-	**(4)**
Reported change in %	(13,7)%	(6,3)%	+0,7%	+2,2%	-	**(4,7)%**
LIKE-FOR-LIKE CHANGE	**(2)**	**(2)**	**+6**	**-**	**-**	**+2**
LIKE-FOR-LIKE CHANGE in %	**(9,6)%**	**(10,0)%**	**+16,1%**	**+26,2%**	**-**	**+3,2%**

E. Change in EBIT

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2014 EBIT	40	100	213	9	(19)	**343**
2013 EBIT	43	97	218	3	(18)	**343**
Change	(3)	+3	(5)	+6	(1)	**-**
Reported change in %	(5,9)%	+3,3%	(2,3)%	N/A	+6,4%	**+0,0%**
LIKE-FOR-LIKE CHANGE	**(2)**	**+2**	**+46**	**+4**	**+0**	**+50**
LIKE-FOR-LIKE CHANGE in %	**(5,0)%**	**+2,5%**	**+21,0%**	**N/A**	**+1,0%**	**+14,4%**

Note 5. CHANGE IN ISSUE VOLUME, REVENUE AND EBIT

Changes in issue volume, revenue and EBIT between 2013 and 2014 break down as follows:

			Δ December 2014 / December 2013							
(in € millions)	December 2013	December 2014	Organic growth		Changes in consolidation scope		Currency effect		Total change	
			In €M	in %	In €M	in %	In €M	in %	**In €M**	**in %**
ISSUE VOLUME	**17 119**	**17 713**	**+2 058**	**+12,0%**	**+354**	**+2,1%**	**(1 818)**	**(10,6)%**	**+594**	**+3,5%**
Operating revenue generated by issue volume	830	843	+90	+10,8%	+16	+2,1%	(93)	(11,2)%	+13	+1,7%
Other operating revenue	120	115	(7)	(6,1)%	+6	+4,1%	(4)	(2,8)%	(5)	(4,8)%
Financial revenue - Unrestricted float	64	62	+4	+7,3%	+1	+2,5%	(7)	(11,1)%	(2)	(1,3)%
Financial revenue - Restricted cash	16	14	(2)	(12,5)%	(1)	(5,0)%	+1	+0,0%	(2)	(17,5)%
Financial Revenue	**80**	**76**	**+2**	**+3,2%**	**-**	**+1,0%**	**(6)**	**(8,9)%**	**(4)**	**(4,7)%**
TOTAL REVENUE	**1 030**	**1 034**	**+85**	**+8,3%**	**+22**	**+2,2%**	**(103)**	**(10,0)%**	**+4**	**+0,5%**
EBIT	**343**	**343**	**+50**	**+14,4%**	**+7**	**+2,0%**	**(57)**	**(16,5)%**	**-**	**+0,0%**

Note 6. OPERATING EXPENSES

(in € millions)	December 2013	December 2014
Employee benefit expense	(302)	(302)
Other operating expenses (1)	(352)	(351)
TOTAL OPERATNG EXPENSES (2)	**(654)**	**(653)**

(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 2014.

(2) As December 31, 2014 the currency effect impact the operating expenses for €44 million.

Note 7. DEPRECIATION, AMORTIZATION AND PROVISIONS

Depreciation, amortization and provisions can be analyzed as follows:

(in € millions)	December 2013	December 2014
Amortization	(33)	(38)
Provisions and depreciation	0	0
TOTAL	**(33)**	**(38)**

Note 8. NET FINANCIAL EXPENSE

(in € millions)	December 2013	December 2014
Gross borrowing cost	(43)	(47)
Hedging instruments	4	6
Interests income from short term bank deposits and equivalent	2	0
Net borrowing cost	(37)	(41)
Net foreign exchange gains / (losses)	3	1
Other financial income and expenses, net	(7)	(6)
NET FINANCIAL EXPENSE	**(41)**	**(46)**

Note 9. OTHER INCOME AND EXPENSES

Other income and expenses can be analyzed as follows:

(in € millions)	December 2013	December 2014
Movements on restructuring provisions	(8)	4
Restructuring costs and reorganization	(5)	(20)
Restructuring expenses	**(13)**	**(16)**
Impairment of goodwill	(0)	(1)
Impairment of intangible assets	-	(4)
Total impairment losses	**(0)**	**(5)**
Other capital gains or losses	0	(1)
Provision movements	(10)	2
Non-recurring gains and losses, net	(5)	(10)
Other non-recurring income and expenses, net	**(15)**	**(9)**
TOTAL OTHER INCOME AND EXPENSES	**(28)**	**(30)**

A. Restructuring costs

Restructuring costs in 2014 correspond mainly to reorganization costs in several subsidiaries, mainly expenses incurred as a result of digital transition projects.

B. Impairment losses

In 2014, the review of the goodwill and intangible assets has led to a complementary impairment of Riskuponger (Sweden) for € (4) million.

C. Other non-recurring income and expenses

Other non-recurring income and expenses were as follows:

- In 2014, mainly development fees for €(3) million, write-off of intangible assets for €(2) million and other non-recurring costs in subsidiaries.
- In 2013, mainly development fees for €(5) million, several provisions for risks for €(4) million and write-off of intangible assets for €(3) million.
-

Note 10. INCOME TAX

A. Income tax expense for the period

(in € millions)	December 2013	December 2014
Current taxes	(110)	(110)
Provisions for tax risks	(7)	3
SUB-TOTAL: CURRENT TAXES	**(117)**	**(107)**
Deferred taxes on temporary differences arising or reversing during the period	13	9
Deferred taxes arising from changes in tax rates or rules	1	(1)
SUB-TOTAL: DEFERRED TAXES	**14**	**8**
TOTAL INCOME TAX ENPENSE	**(103)**	**(99)**

Income tax expense includes the 3% surtax on distributed earnings, for € (4) million.

The group set aside € (1) million of provisions following ongoing tax disputes.

Tax risk provisions amounting to € (7) million set aside in 2013 have been released and used for €4 million in 2014.

B. Tax proof

(in € millions)	December 2013	December 2014
Operating profit before tax (a)	**274**	**267**
Non-deductible impairment losses	0	1
Elimination of intercompany capital gains	-	0
Other	13	12
TOTAL PERMANENT DIFFERENCES (NON-DEDUCTIBLES EXPENSES) (b)	**13**	**13**
Untaxed profit and profit taxed at a reduced rate (c)	**(33)**	**(11)**
Profit taxable at the standard rate (d) = (a) + (b) + (c)	**254**	**269**
Standard tax rate in France (e)	**34,43%**	**34,43%**
Theoretical tax at standard rate (f) = (d) x (e)	**(87)**	**(93)**
Adjustments for:		
. Differences in foreign tax rates	8	10
. Unrecognized tax losses for the period	(3)	(2)
. Utilisation of previously unrecognised tax losses	2	0
. Effect of changes in future tax rates	1	(1)
. Net change in provision for tax risks	(7)	(1)
. Other items	(15)	(10)
TOTAL ADJUSTMENTS (g)	**(14)**	**(4)**
Actual tax at standard rate (h) = (f) + (g)	**(101)**	**(97)**
Tax at reduced rate (i)	**(2)**	**(2)**
INCOME TAX EXPENSE (j) = (h) + (i)	**(103)**	**(99)**

C. Normative tax rate

(in € millions)	December 2013	December 2014
Operating profit before tax	274	267
Adjustment related to the other income and expenses	28	30
Operating profit before tax and other income and expenses	**302**	**297**
Income tax expense	(103)	(99)
Tax adjustement related to the other income and expenses	(8)	(8)
Adjustment of other unusual items (1)	13	8
Standard Group Income tax expense	**(98)**	**(99)**
STANDARD INCOME TAX	**32,6%**	**33,2%**

(1) Including € (1) million in provisions for tax risks and € (4) million in tax on distributed earnings.

D. Details of recognized deferred tax assets and liabilities

(in € millions)	December 2013	December 2014
Temporary differences between taxable and book profit of the individual entities	17	18
Temporary differences arising from consolidation adjustments	10	20
Recognized deferred tax assets on tax losses	22	32
SUB-TOTAL: DEFERRED TAX ASSETS	**49**	**70**
Temporary differences between taxable and book profit of the individual entities	17	18
Temporary differences arising from consolidation adjustments	68	78
SUB-TOTAL: DEFERRED TAX LIABILITIES	**85**	**96**
NET DEFERRED TAX ASSET (LIABILITY)	**(36)**	**(26)**

E. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2014 amounted to €32 million, in which €11 million in Worldwide Structures (Edenred SA), €8 million in China and €4million in United Kingdom.

In December 31, 2013, unrecognized deferred tax assets amounted to €29 million.

In December 31, 2014, unrecognized deferred tax assets corresponded to tax losses in the amount of €32 million, including €3 million expiring between N+1 and N+4, €2 millionexpiring N+5 and beyond and €27 million without temporal limit. Earnings per share

Note 11. EARNINGS PER SHARE

A. Net earning per share

At December 31, 2014, the Company's share capital was made up of 228,811,546 ordinary shares.

At December 31, 2014, the average number of ordinary shares outstanding breaks down as follows:

in shares	December 2013	December 2014
EDENRED'S SHARE CAPITAL AT CLOSING	**225 897 396**	**228 811 546**
Outstanding shares at beginning of period	**225 640 489**	**223 841 132**
Number of shares issued for 2013 dividend paid	-	2 914 150
Number of shares cancelled during the period	259 066	-
Number of shares from exercised of stock-options plans	-	1 622 871
Number of shares cancelled	(259 066)	(1 622 871)
Issued shares at period-end	**-**	**2 914 150**
Treasury shares not related to the liquidity contract (1)	(1 790 100)	(6 906)
Treasury shares under the liquidity contract	(9 257)	(124 743)
Treasury shares	**(1 799 357)**	**(131 649)**
OUTSTANDING SHARES AT PERIOD-END	**223 841 132**	**226 623 633**
Adjustment to calculate w eighted average number of issued shares	(10 647)	(1 333 323)
Adjustment to calculate w eighted average number of treasury shares	942 226	(689 497)
Total weighted average adjustment	**931 579**	**(2 022 821)**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE PERIOD	**224 772 711**	**224 600 812**

(1) During the period, a total of 1,874,177 own shares were bought back at an average price of €21.16 per share

In addition, stock options representing 3,155,279 ordinary shares and 3,499,455 performance shares were granted to employees from 2010 to 2014. Conversion of all of these potential shares would have the effect of increasing the number of shares outstanding to 233,278,367 shares.

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, 2014 to December 31, 2014 for Plans 1, 2, 3 et 4 (€22.64), and
- from February 7, 2014 to December 31, 2014 for Plan 5 (€22.65),

the diluted weighted average number of shares outstanding at December 31, 2014 was 229,039,996.

Operating profit after tax	December 2013	December 2014
Net Profit - Group share *(in € millions)*	**160**	**164**
Weighted average number of issued shares (in thousands)	225 887	227 478
Weighted average number of shares held in treasury (in thousands)	(1 114)	(2 877)
Number of shares used to calculate basis earnings per share *(in thousands)*	**224 773**	**224 601**
BASIC EARNINGS PER SHARE *(IN €)*	**0,71**	**0,73**
Number of shares resulting from the exercise of stock options *(in thousands)*	1 861	1 611
Number of shares resulting from performance shares grants *(in thousands)*	2 038	2 828
Number of shares used to calculate diluted earnings per share *(in thousands)*	**228 672**	**229 040**
Diluted earnings per share *(in €)*	**0,70**	**0,72**

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 other 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 2013	December 2014
Net profit (in € millions)	**171**	**168**
Other income and expenses adjustement, net *(in € millions)*	33	30
Net Profit, Non-controlling interests adjustment *(in € millions)*	(11)	(4)
Recurring profit after tax, Group share *(in € millions)*	**193**	**194**
Number of shares used to calculate basic earnings per share *(in thousands)*	**224 773**	**224 601**
RECURRING PROFIT AFTER TAX. GROUPE SHARE PER SHARE *(IN €)*	**0,86**	**0,86**

Note 12. GOODWILL

(in € millions)	December 2013	December 2014
Goodw ill	724	724
Less accumulated impairment losses	(150)	(154)
GOODWILL, NET	**574**	**570**

(in € millions)	December 2013	December 2014
Brazil	184	177
France (Ticket Cadeaux)	91	91
Mexico	48	53
United Kingdom	61	50
Italy	46	46
Romania	36	32
Finland	-	19
Sw eden	19	19
Japan	24	17
USA	12	13
Czech Republic	12	12
Dubaï	-	8
Colombia	9	7
Portugal	8	6
Other (individually representing less than €10 million)	24	20
GOODWILL, NET	**574**	**570**

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

(in € millions)	December 2013	December 2014
NET GOODWILL AT BEGINNING OF PERIOD	**528**	**574**
Goodwill recognized on acquisitions for the period and other increases	79	39
. Finland (Nets Prepaid 's customer list acquisition)	-	19
. Mexico	14	8
. Dubai (C3 Card acquisition)	-	8
. Malaysia (Cardtrend acquisition)	-	3
. Brazil (Repom acquisition)	44	-
. Colombia (Big Pass acquisition)	9	-
. Brazil (Comprocard final allocation)	6	-
. Portugal (BES joint venture)	6	-
. Other acquisitions	0	1
Goodwill written off on disposals for the period	-	-
Impairment losses	(0)	-
Currency translation adjustement	(35)	(40)
Put options on non-controlling interests recognized / remeasured during the period and other	2	(2)
Reclassification and other movements	-	(1)
NET GOODWILL AT END OF PERIOD	**574**	**570**

Note 13. INTANGIBLE ASSETS

(in € millions)	December 2013	December 2014
COST		
Kadéos brand (1)	19	19
Other brands	19	21
Contractual customer relationships (2)	88	111
Licenses and software	145	156
Other	57	56
TOTAL COST	**328**	**363**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
Brands	(6)	(10)
Contractual customer relationships	(51)	(58)
Licenses and software	(99)	(93)
Other	(40)	(42)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(196)**	**(203)**
INTANGIBLE ASSETS, CARRYING VALUE	**132**	**160**

(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 2013	December 2014
CARRYING VALUE OF INTANGIBLE ASSETS AT BEGINNING OF PERIOD	**113**	**132**
Intangible assets of newly-consolidated companies	25	12
Internally-generated assets	33	34
Additions	2	13
Amortization for the period	(20)	(25)
Impairment losses for the period	(3)	(7)
Disposals	(0)	(0)
Currency translation adjustement	(10)	(0)
Reclassifications	(8)	1
CARRYING VALUE OF INTANGIBLE ASSETS AT END OF PERIOD	**132**	**160**

The following intangible assets are the main assets considered as having an indefinite useful life:

(in € millions)	December 2013	December 2014
Kadéos brand	19	19
Rikskuponger brand	8	3
Prepay brand	2	2

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 2013	December 2014
Land	0	0
Buildings	20	7
Fixtures	26	23
Equipment and furniture	98	102
Assets under construction	4	4
COST	**148**	**136**

(in € millions)	December 2013	December 2014
Buildings	(1)	(1)
Fixtures	(14)	(14)
Equipment and furniture	(75)	(77)
ACCUMULATED DEPRECIATION	**(90)**	**(92)**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	**(90)**	**(92)**

(in € millions)	December 2013	December 2014
Land	0	0
Buildings	19	6
Fixtures	12	9
Equipment and furniture	23	25
Assets under construction	4	4
PROPERTY, PLANT AND EQUIPMENT, NET	**58**	**44**

Changes in the carrying amount of property, plant and equipment during the period were as follows:

(in € millions)	December 2013	December 2014
NET PROPERTY, PLANT AND EQUIPMENT AT BEGINNING OF PERIOD	87	58
Property, plant and equipment of newly-consolidated companies	1	2
Additions	14	15
Disposals	(0)	(0)
Depreciation for the period	(13)	(13)
Impairment losses for the period	(0)	(0)
Currency translation adjustement	(30)	(17)
Reclassifications	(1)	(1)
NET PROPERTY, PLANT AND EQUIPMENT AT END OF PERIOD	**58**	**44**

Note 15. IMPAIRMENT TESTS

A. Impairment losses

Cumulative impairment losses on property, plant and equipment and intangible assets amounted to €(190) million at December 31, 2014 (€(182) million at December 31, 2013). An impairment losses amounting to €(4) million were recognized during the year (none in 2013).

CGUs impacted by cumulated impairment losses are detailed as follows:

	December 2014											
	France - Kadéos				Other countries				Total			
(in € millions)	Gross value	Accumu-lated depre-ciation	Accumu-lated impair-ment losses	**Net value**	Gross value	Accumu-lated depre-ciation	Accumu-lated impair-ment losses	**Net value**	Gross value	Accumu-lated depre-ciation	Accumu-lated impair-ment losses	**Net value**
Goodwill	196	-	(105)	**91**	528	-	(49)	**479**	724	-	(154)	**570**
Brands	19	-	-	**20**	21	(5)	(5)	**10**	40	(5)	(5)	**30**
Customer lists	21	(8)	(13)	**-**	90	(29)	(8)	**53**	111	(37)	(21)	**53**
Other intangible assets	25	(17)	(8)	**-**	187	(108)	(2)	**77**	212	(125)	(10)	**77**
Tangible assets	3	(3)	-	**-**	133	(89)	-	**44**	136	(92)	-	**44**
TOTAL	**264**	**(28)**	**(126)**	**110**	**959**	**(231)**	**(64)**	**664**	**1 223**	**(259)**	**(190)**	**774**

	December 2013											
	France - Kadéos				Other countries				Total			
(in € millions)	Gross value	Accumu-lated depre-ciation	Accumu-lated impairme nt losses	**Net value**	Gross value	Accumu-lated depre-ciation	Accumu-lated impairme nt losses	**Net value**	Gross value	Accumu-lated depre-ciation	Accumu-lated impairme nt losses	**Net value**
Goodwill	196	-	(105)	**91**	528	-	(45)	**483**	724	-	(150)	**574**
Brands	19	-	-	**19**	19	(5)	(1)	**13**	38	(5)	(1)	**32**
Customer lists	21	(8)	(13)	**-**	67	(22)	(8)	**37**	88	(30)	(21)	**37**
Other intangible assets	25	(17)	(8)	**-**	177	(112)	(2)	**63**	202	(129)	(10)	**63**
Tangible assets	3	(3)	-	**-**	145	(87)	-	**58**	148	(90)	-	**58**
TOTAL	264	(28)	(126)	**110**	936	(226)	(56)	**654**	1 200	(254)	(182)	**764**

Assets with indefinite useful lives were tested for impairment as of December 31, 2014 using the method described in Note 2.E.5 “Recoverable amount of assets”.

B. Key assumptions

In 2014, the discount rate applied is based on the Group WACC (Weighted Average Cost of Capital) of 9.2% (9.4% in 2013).

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	
	2013	**2014**	**2013**	**2014**
France	7,2%	7,3% - 7,7%	2,0%	2,0%
Rest of Europe	7,7% - 10,2%	6,4% - 13,0%	2,0%	1,5% - 3,0%
Latin America	9,3% - 20,0%	10,1% - 19,1%	2,0%	2,0% - 4,0%
Rest of the world	9,2% - 12,2%	6,8% - 15,7%	2,0%	2,0%

C. Sensitivity analysis

C. 1. Rate sensitivity

(in € millions)	Discount rate sensitivity				Perpuity growth rate sensitivity			
	+100 bp	+50 bp	-50 bp	-100 bp	-100 bp	-50 bp	+50 bp	+100 bp
France	-	-	-	-	-	-	-	-
Rest of Europe	(2)	(1)	1	3	(2)	(1)	1	2
Latin America	-	-	-	-	-	-	-	-
Rest of the w orld	-	-	-	-	-	-	-	-

At December 31, 2014 variation upon WACC (weighted average cost of capital) and perpuity growth rate would have had an impact only on countries from Europe (expect France).

In this zone a 50- bps increase in the discount rate would have decreased the recognized impairment losses by about €2 million. A 100-bps increase would have increased the recognized impairment losses by about €4 million.

In this zone, a 50- bps fall in the perpetuity growth rate would have increased the recognized impairment losses by about €1 million. A 100- bps fall would have increased the recognized impairment losses by about €2 million.

C. 2. Flow sensitivity

(in € millions)	Business growth sensitivity		Margin rate sensitivity	
	-10%	+10%	-100 bp	+100 bp
France	-	-	-	-
Rest of Europe	(1)	1	(1)	1
Latin America	(3)	-	-	-
Rest of the w orld	-	-	-	-

At December 31, 2014, a 10% fall in the rate of business growth would have increased the recognized impairment losses by about €4 million.

A 100-bps fall in the margin rate would have increased the recognized impairment losses by about €1 million.

Note 16. RECEIVABLES AND PAYABLES

A. Trade receivables and related provisions

(in € millions)	December 2013	December 2014
Gross	928	1 063
Provisions	(26)	(28)
TRADE RECEIVABLES, NET	**902**	**1 035**

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 2013	December 2014
Inventories	16	15
VAT recoverable	73	58
Employee advances and prepaid payroll taxes	4	4
Other prepaid and recoverable taxes	22	23
Other receivables	173	177
Other prepaid expenses	11	12
GROSS VALUE	**299**	**289**
Provisions	(3)	(3)
INVENTORIES AND OTHER RECEIVABLES AND ACCRUALS, NET	**296**	**286**

C. Details of other payables and accruals

(in € millions)	December 2013	December 2014
VAT payable	22	24
Wages and salaries and payroll taxes payable	53	54
Other taxes payable	13	11
Corporate tax	17	16
Other payables	87	73
Deferred income	12	7
OTHER PAYABLES AND ACCRUALS	**204**	**185**

D. Receivables and payables by maturity

(in € millions)	Due within 1 year	Due in 1 to 5 years	Beyond 5 years	December 2014
Inventories	15	-	-	15
Trade receivables, gross amount	1 063	-	-	1 063
VAT recoverable	58	-	-	58
Employee advances and prepaid payroll taxes	4	-	-	4
Other prepaid and recoverable taxes	23	-	-	23
Other receivables	177	-	-	177
CURRENT ASSETS	**1 340**	**-**	**-**	**1 340**
Trade payables	67	-	-	67
VAT payable	24	-	-	24
Wages and salaries and payroll taxes payable	54	-	-	54
Other taxes payable	27	-	-	27
Other payables	73	-	-	73
CURRENT LIABILITIES	**245**	**-**	**-**	**245**

Note 17. SHAREHOLDER'S EQUITY

A. Share capital

At December 31, 2014, the Company's capital was made up of 228,811,546 shares with a par value of €2 each, all fully paid.

The 228,811,546 shares are ordinary shares with rights to all distributions of interim and final dividends, reserves or equivalent amounts.

Change in capital in number of shares :

	December 2013	December 2014
At January, 1st	**225 897 396**	**225 897 396**
Capital increase linked to the 2013 dividends payments	-	2 914 150
Shares issued on conversion of performance share rights	259 066	-
Shares issued on exercise of stock options	-	1 622 871
Shares cancelled during the period	(259 066)	(1 622 871)
At December, 31st	**225 897 396**	**228 811 546**

B. Treasury stock

(In Shares number)	December 2013	December 2014
Detentions at the opening	**256 907**	**2 056 264**
Shares purchases		
Repurchase agreements	2 049 166	1 874 177
Liquidity contracts	9 257	124 743
Shares Sales		
Disposals	-	-
Purchase option exercise, bonus shares and capital allocations	-	(244 400)
Shares cancellation	(259 066)	(1 622 871)
Detentions at the closing	**2 056 264**	**2 187 913**

Edenred S.A. shares held by the Company are measured at cost and recorded as a deduction from equity under "Treasury stock". At December 31, 2014, a total of 2,187,913 shares were held in treasury, including 159,000 shares purchased under the liquidity contract. At December 31, 2013, a total of 2,056,264 shares were held in treasury, including 34,257 shares purchased under the liquidity contract.

From November 3, 2014, Edenred assigned to Oddo Corporate Finance the custody of the liquidity contract which complies with the code of ethics published by the Association Française des Marchés Financiers (AMAFI) on March 8, 2011 and is recognized by France's securities regulator, Autorité des Marchés Financiers on March 21, 2011. During 2014, 1,432,573 Edenred shares were purchased under the contract and 1,273,573 shares were sold for respectively €33 million and €30 million.

The liquidity contract with Exane BNP Paribas signed in November 2011 remained ended up on November 3, 2014. The contract complied with the code of ethics published by the Association Française des Marchés Financiers (AMAFI) and was recognized by France's securities regulator, Autorité des Marchés Financiers. During 2014, 1,727,973 Edenred shares were purchased under the contract and 1,762,230 shares were sold for €39 million. During 2013, 2,691,208 Edenred shares were purchased under the contract and 2,681,951 shares were sold for €66 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. 2014 dividends

At the Edenred Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2014, the Board of Directors will recommend paying a dividend of €0.84 per share, representing a total payout of €192 million.

Subject to approval by the Shareholders' Meeting, this dividend will be granted during the first half of 2015. The dividend is not recognized under liabilities in the financial statements at December 31, 2014 as these financial statements are presented before appropriation of profit.

C. 2. 2013 dividends

At the Annual Meeting on May 13, 2014, Edenred shareholders approved the payment of a 2013 dividend of €0.83 per share, with the option of reinvesting 50% of the dividend in new shares.

At the close of the reinvestment period, which ran from May 20 to June 5, this option had been chosen by shareholders owning more than 67% of Edenred shares.

This led to the issue of 2,914,150 new shares of Edenred common stock, representing 1.3% of the share capital, which have been settled and traded on the Euronext Paris stock market on June 18, 2014.

The new shares carry dividend rights from January 1, 2014 and rank pari passu with existing shares of Edenred common stock. Following the issue, the Company's share capital comprises 228,811,546 shares.

The total cash dividend, in an amount of €124 million, has been paid on June 18, 2014.

Note 18. POTENTIAL ORDINARY SHARES

A. Stock option plans

The main characteristics of the current stock option plan at December 31, 2014 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	3.7 years	4.3 years	5.3 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% of options exercised after 5 years
- 35% of options exercised after 6 years
- 5% of options exercised after 7 years
- 5% of options exercised 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.

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, 2014 are detailed below:

	December 2013		December 2014	
	Number of options	average exercise price	Number of options	average exercise price
OPTIONS OUTSTANDING AT THE BEGINING OF PERIOD	**4 938 150**	**14,72 €**	**4 857 525**	**14,74 €**
Options granted	-	-	-	-
Options cancelled or expired	(80 625)	13,69 €	(79 375)	14,03 €
Options exercised	-	-	(1 622 871)	13,69 €
OPTIONS OUTSTANDING AT THE BEGINING OF PERIOD	**4 857 525**	**14,74 €**	**3 155 279**	**15,30 €**
OPTIONS EXERCISABLE AT THE END OF PERIOD	**-**	**-**	**2 183 129**	**13,69 €**

Weighted average exercise price is €15.30 in 2014 and was €14.74 in 2013.

The total cost of share-based payments granted to the Group employees amounted to €2.8 million at December 31, 2010, €3.3 million at December 31, 2011, €3.7 million at December 31, 2012 , €1.1 million at December 31, 2013 and €1.2 million at December 31, 2014.

B. Performance share plans

B. 1. Main Characteristics

Edenred's Boards Directors of August 6, 2010, March 11, 2011, February 27, 2012 and February 18, 2013 and February 17, 2014 carried to the conditional attribution of respectively 912,875; 805,025; 867,575; 845,900 and 824,000 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. Performance share are granted definitively after the vesting period on a pro rata temporis basis even in the event of a departure within the vesting period. Those shares definitively acquired can't exceed 100% of the initial amount granted.

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.

For the February 18, 2013 plan :

(i) For 80% of the shares granted, internal performance conditions based on like-for-like growth in:
- Issue volume
- Funds from operations (FFO)

(ii) For 20% of the shares granted, an external market-based performance condition based on:
- Edenred's total shareholder return (TSR) compared with that of SBF 120 companies

For the February 17, 2014 plan :

(i) For 80% of the shares granted, two internal performance targets, they concern like-for-like growth in:
- Issue volume.
- Funds from operations before non-recurring items (FFO).

(ii) For 20% of the share granted, a market performance target, which concerns:
- Edenred's total shareholder return (TSR) compared with the average TSR of the companies included in the SBF 120 index.

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

Performance objectives were met in 2010, 2011, 2012, 2013 and 2014.

B. 2. Fair value of performance share plans

The fair value of performance shares corresponds to the share price on the day of the granting, net of the expected dividends payment during the vesting period. For French tax residents the two-year lock-up period lead to a valuation of an illiquidity risk based on a loan to employee interest rate. The latest is equal to the interest rate applied by a credit institution to a private client with average financial capacities. For 2014 plan the discounting rate amounts to 14.4%.

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, €18.69, €19.72 and €14.12 under the 2011, 2012, 2013 and 2014 plans respectively for French tax residents and to €17.78, €17.61, €19.18 and €14.58 under the 2011, 2012, 2013 and 2014 plans respectively for residents of other countries.

Costs related to performance share plans recognized in 2011, 2012, 2013 and 2014 amounted respectively to €4.3 million, €9.1 million, €9.8 million and €13.4 million.

Note 19. NON-CONTROLLING INTERESTS

(in € millions)	
At December 31, 2012	**24**
Non-controlling interests in profit for the period	11
Dividends paid to non-controlling interests	(9)
Capital increase by issued shares	1
Currency translation adjustment	(10)
Changes in consolidation scope	6
At December 31, 2013	**23**
Non-controlling interests in profit for the period	4
Dividends paid to non-controlling interests	(4)
Capital increase by issued shares	(0)
Currency translation adjustment	(7)
Changes in consolidation scope	7
At December 31, 2014	**23**

As separate items, non-controlling interests are not material for consolidating entity.

Note 20. CURRENT FINANCIAL ASSETS

	December 2013			December 2014		
In € millions	Gross value	Depre-ciation	Net value	Gross value	Depre-ciation	Net value
Other current financial assets	4	(1)	3	5	(1)	4
Receivables on disposal of assets	-	-	-	-	-	-
Derivatives	10	-	10	47	-	47
CURRENT FINANCIAL ASSETS	**14**	**(1)**	**13**	**52**	**(1)**	**51**

Note 21. CASH AND CASH EQUIVALENT AND OTHER MARKETABLE SECURITIES

	December 2013			December 2014		
In € millions	Gross value	Depre-ciation	Net value	Gross value	Depre-ciation	Net value
Cash at bank and on hand	105	-	105	129	-	129
Term deposits in less than 3 months	316	-	316	288	-	288
Bonds and other negociable debt securities	-	-	-	-	-	-
Interest-bearing bank accounts	-	-	-	-	-	-
Mutual fund units in cash in less than 3 months	12	-	12	8	-	8
CASH AND CASH EQUIVALENTS	**433**	**-**	**433**	**425**	**-**	**425**
Term deposits in more than 3 months	855	(3)	852	664	(3)	661
Bonds and other negociable debt securities	31	-	31	4	-	4
Interest-bearing bank accounts	-	-	-	-	-	-
Mutual fund units in cash in more than 3 months	-	-	-	-	-	-
OTHER MARKETABLE SECURITIES	**886**	**(3)**	**883**	**668**	**(3)**	**665**
TOTAL CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES	**1 319**	**(3)**	**1 316**	**1 093**	**(3)**	**1 090**

Other marketable securities include €65 million in investments denominated in Venezuelan bolivar fuerte (at the exchange rate of SICAD 2 since February 15 for VEF 50 per U.S. dollar at the application date and for VEF 49.93 per U.S dollar per average on 2014), of which €45 million are balanced in the liability side by the structural working capital of the Venezuelan subsidiaries.

Note 22. DEBT AND OTHER FINANCIAL LIABILITIES

	December 2013			December 2014		
In € millions	Non-current	Current	Total	Non-current	Current	Total
Bonds	1 265	-	1 265	1 307	-	1 307
Bank borrowings	197	3	200	-	2	2
DEBT	**1 462**	**3**	**1 465**	**1 307**	**2**	**1 309**
BANK OVERDRAFTS	**-**	**40**	**40**	**-**	**28**	**28**
Deposits	8	1	9	12	1	13
Purchase commitments	59	3	62	32	9	41
Derivatives	-	20	20	-	10	10
Other	-	9	9	2	6	8
OTHER FINANCIAL LIABILITIES	**67**	**33**	**100**	**46**	**26**	**72**
DEBT AND OTHER FINANCIAL LIABILITIES	**1 529**	**76**	**1 605**	**1 353**	**56**	**1 409**

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.

In October 2013, Edenred successfully placed a €250 million issue of 7-year fixed-rate bonds, maturing in October 30, 2020 with an annual coupon of 2.625%

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, 2011, 2012 and 2013, the Group repaid respectively €200 million, €100 million, €325 million and €75 million in advance.

In 2014, the Group paid down its bank debt by €200 million during the second half of 2014, which extended the average maturity of its debt. Now, as a result of previous paid down, the Group has no more bank debt left to pay back as of December 31, 2014.

B. Maturities of debt analysis

B. 1. Book value

B. 1. 1. At December 31, 2014

(in € millions)	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	2020 and beyond	December 2014
Total debt and other financial liabilities	56	12	823	20	5	493	1 409
Total	**56**	**12**	**823**	**20**	**5**	**493**	**1 409**

B. 1. 2. At December 31, 2013

(in € millions)	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018	2019 and beyond	December 2013
Total debt and other financial liabilities	76	199	1	799	53	477	1 605
Total	**76**	**199**	**1**	**799**	**53**	**477**	**1 605**

B. 2. Credit facilities

In April 2013, Edenred announced the signature of a five-year €700 million syndicated credit facility (see note 3.C.3).

The new facility has lengthened the average maturity of Edenred's debt by replacing the existing €528 million in confirmed lines of credit, which were set up in June 2010 and scheduled to expire in June 2014. The new facility, of a total duration of 5 years, has lengthened the average maturity of Edenred's debt.

At December 31, 2013, Edenred had available €707 million of undrawn committed borrowings facilities including €700 million expiring at the end of April 2018 and €7 million expiring in the middle of 2014. These facilities are for general corporate purposes.

In June 2014, the Group signed an amendment agreement to its €700 million revolving loan facility settled in April 2013; it also extended the maturity. This transaction offers significantly improved financing conditions, attesting the market's confidence in Edenred and its sound financial situation. The new credit facility's maturity, of a total duration of 5 years, is extended to June 2019 and enables to lengthen the average maturity of Edenred's financing.

As of December 31, 2014, Edenred had € 700 million outstanding credit facilities expiring on June 2019. These facilities will be used for general corporate purposes and to support group activities.

Note 23. FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

A. Rate risk

A. 1. Analysis by fixe/variable interest rate

A. 1. 1. Before hedging

Debt without hedging breaks down as follows:

	December 2013			December 2014		
In € millions	**Amount**	**Rate**	**% of total debt**	**Amount**	**Rate**	**% of total debt**
Fixed rate debt (1)	1 265	3,40%	86%	1 307	3,40%	100%
Variable rate debt	200	1,78%	14%	2	7,60%	0%
TOTAL DEBT	**1 465**	**3,18%**	**100%**	**1 309**	**3,41%**	**100%**

(1) The rates mentioned for the fixed rate debt correspond to the contractual rates (that are 3.625%, 3.75% and 2.625%) 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 2013			December 2014		
In € millions	**Amount**	**Rate**	**% of total debt**	**Amount**	**Rate**	**% of total debt**
Fixed rate debt	536	3,18%	37%	436	3,21%	33%
Variable rate debt	929	2,52%	63%	873	2,41%	67%
TOTAL DEBT	**1 465**	**2,76%**	**100%**	**1 309**	**2,68%**	**100%**

A. 2. Interest rate hedges

At December 31, 2014, a €1,365 million notional amount in interest rate hedges is outstanding, including €900 million for fixed rate debt hedge, €150 million for variables rate debt hedge and €315 million for variable rate investment hedge. Both interest rate hedges were set up with options' swaps.

(in € millions)	Notional amount	Fair value	2015	2016	2017	2018	2019	2020 and beyond
BRL : Receiving fixed-rate swaps (1)	315	(7)	-	82	124	78	31	-
EUR : Paying fixed-rate swaps	117	(1)	67	-	-	-	-	50
EUR : Paying variable-rate swaps	900	38	-	-	550	-	-	350
EUR : collar	33	(0)	33	-	-	-	-	-
TOTAL	**1 365**	**30**	**100**	**82**	**674**	**78**	**31**	**400**

(1) 1 015 million of Brazilian real (BRL) equivalent of €315 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, after hedge accounting; 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, 2014 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	-	-	1	1
TOTAL	**1**	**(8)**	**1**	**1**

* 100-bps fall in interest rates or fall to 0% if less (no sensitivity tests based on negative rates)

B. Foreign exchange risk

B. 1. Currency analysis

B. 1. 1. Before hedging

Debt without hedging breaks down as follows:

	December 2013			December 2014		
In € millions	Amount	Rate	% of total debt	Amount	Rate	% of total debt
EUR	1 462	3,18%	100%	1 307	3,40%	100%
Other currencies	3	5,95%	0%	2	7,69%	0%
TOTAL DEBT	**1 465**	**3,18%**	**100%**	**1 309**	**3,16%**	**100%**

B. 1. 2.After hedging

Debt after interest rate hedging breaks down as follows:

In € millions	December 2013			December 2014		
	Amount	Rate	% of total debt	Amount	Rate	% of total debt
EUR	1 459	2,75%	100%	1 302	2,65%	99%
Other currencies	6	6,21%	0%	7	6,68%	1%
TOTAL DEBT	**1 465**	**2,76%**	**100%**	**1 309**	**2,74%**	**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, 2014, currency derivatives had an aggregate positive fair value of €8 million, as:

(in € millions)	Notional amount	Fair value	2015	2016	2017	2018	2019	2020 and beyond
GBP	158	6	158	-	-	-	-	-
SEK	13	(0)	13	-	-	-	-	-
CZK	33	(0)	33	-	-	-	-	-
MXN	69	1	69	-	-	-	-	-
JPY	14	(0)	14	-	-	-	-	-
Other	16	(0)	16	-	-	-	-	-
FORWARD PURCHASES AND CURRENCY SWAPS	**303**	**7**	**303**	**-**	**-**	**-**	**-**	**-**
BRL	39	1	39	-	-	-	-	-
ZAR	3	(0)	3	-	-	-	-	-
USD	1	0	1	-	-	-	-	-
RUB	1	0	1	-	-	-	-	-
HKD	1	(0)	1	-	-	-	-	-
FOWARD SALES AND CURRENCY SWAPS	**45**	**1**	**45**	**-**	**-**	**-**	**-**	**-**
TOTAL	**348**	**8**	**348**	**-**	**-**	**-**	**-**	**-**

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) €17 million, Mexico (MXN) €2 million and Venezuela (VEF) €1 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, 2014. 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, 2014

(in € millions)	Dec 2014 Carrying amount	Contractual flows	2015	2016	2017	2018	2019	2020 and beyond
Bonds	1 307	1 307	-	-	821	-	-	486
Bank borrowings	2	2	2	-	-	-	-	-
Future interests	N/A	181	44	44	37	15	15	26
Debt	**1 309**	**1 490**	**46**	**44**	**858**	**15**	**15**	**512**
Bank overdrafts	28	28	28	-	-	-	-	-
Other financial liabilities	72	72	26	12	2	20	5	7
Future interests	N/A	(39)	(9)	(10)	(8)	(4)	(3)	(5)
Bank overdrafts and other financial liabilities	**100**	**61**	**45**	**2**	**(6)**	**16**	**2**	**2**
Total debt and other financial liabilities	**1 409**	**1 551**	**91**	**46**	**852**	**31**	**17**	**514**

C. 2. At December 31, 2013

(in € millions)	Dec 2013 Carrying amount	Contractual flows	2014	2015	2016	2017	2018	2019 and beyond
Bonds	1 265	1 265	-	-	-	799	-	466
Bank borrowings	200	200	3	197	-	-	-	-
Future interests	N/A	230	46	47	44	37	15	41
Debt	**1 465**	**1 695**	**49**	**244**	**44**	**836**	**15**	**507**
Bank overdrafts	40	40	40	-	-	-	-	-
Other financial liabilities	100	100	33	1	1	1	53	11
Future interests	N/A	6	(5)	(5)	(1)	3	2	12
Bank overdrafts and other financial liabilities	**140**	**146**	**68**	**(4)**	**(0)**	**4**	**55**	**23**
Total debt and other financial liabilities	**1 605**	**1 841**	**117**	**240**	**44**	**840**	**70**	**530**

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, 2014, 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.

Its maximum exposure to a single financial counterparty represented less than 15% of the total funds invested at the closing date.

E. Financial instruments

E. 1. Fair value of financial instruments

(in € millions)	Carrying value December 2014	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 receiva-bles	Derivative instru-ments
ASSETS								
Non-current financial assets	21	21	-	-	-	-	21	-
Trade receivables, net	1 035	1 035	-	-	-	-	1 035	-
Employee advances and prepaid payroll taxes	4	4	-	-	-	-	4	-
Other receivables, net	31	31	-	-	-	-	31	-
Other prepaid expenses	12	12	-	-	-	-	12	-
Restricted cash	797	797	-	-	797	-	-	-
Current financial assets	51	51	-	-	-	-	4	47
Other marketable securities	665	665	-	-	665	-	-	-
Cash and cash equivalents	425	425	8	-	288	-	129	-
TOTAL	**3 041**	**3 041**	**8**	**-**	**1 750**	**-**	**1 236**	**47**
LIABILITIES								
Non-current debt	1 307	1 389	-	-	-	1 389	-	-
Other non-current financial liabilities	46	46	-	-	-	46	-	-
Current debt	2	2	-	-	-	2	-	-
Bank overdrafts	28	28	-	-	-	28	-	-
Other current financial liabilities	26	26	-	-	-	16	-	10
Vouchers in circulation	3 615	3 615	-	-	-	-	3 615	-
Trade payables	67	67	-	-	-	-	67	-
Wages and salaries and payroll taxes payable	54	54	-	-	-	-	54	-
Other payables	52	52	-	-	-	-	52	-
Deferred income	7	7	-	-	-	-	7	-
TOTAL	**5 204**	**5 286**	**-**	**-**	**-**	**1 481**	**3 795**	**10**

E. 2. Fair value analysis of financial assets and liabilities

(in € millions)	Fair value December 2014	Level 1*	Level 2*	Level 3*
ASSETS				
Current financial assets	47	-	47	-
Other marketable securities	-	-	-	-
Cash and cash equivalents	8	8	-	-
TOTAL	**55**	**8**	**47**	**-**
LIABILITIES				
Non-current debt	-	-	-	-
Other non-current financial liabilities	-	-	-	-
Current debt	-	-	-	-
Bank overdrafts	-	-	-	-
Other current financial liabilities	10	-	10	-
TOTAL	**10**	**-**	**10**	**-**

** 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 2013			December 2014		
In € millions	**IFRS classification**	**Fair value**	**Notional amount**	**Face value**	**Fair value**	**Notional amount**	**Face value**
Derivative financial instruments - asset position							
Interest rate instruments	*Fair Value Hedge*	-	-	-	34	850	-
Interest rate instruments	*Trading*	-	-	-	4	50	-
Currency intruments	*Fair Value Hedge*	3	-	162	8	-	240
Currency intruments	*Net Investment Hedge*	-	-	-	1	-	39
Currency intruments	*Trading*	3	-	87	-	-	-
Derivative financial instruments - liability position							
Interest rate instruments	*Cash-Flow Hedge*	(7)	555	-	(8)	415	-
Interest rate instruments	*Fair Value Hedge*	(3)	900	-	-	-	-
Interest rate instruments	*Trading*	-	-	-	-	50	-
Currency intruments	*Fair Value Hedge*	(7)	-	124	(1)	-	69
NET DERIVATIVE FINANCIAL INSTRUMENTS		**(11)**	**1 455**	**373**	**38**	**1 365**	**348**

Derivative instruments were measured at December 31, 2014 by applying a credit valuation adjustment (CVA) in accordance with IFRS 13.

The CVA for a given counterparty is calculated by calculating the result of : Exposure (i.e. the market value of the derivative instruments purchased from the counterparty, if positive) x Probability of Default x Loss Given Default. Credit valuation adjustments at December 31, 2014 were not material.

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)	December 2013	New operations	Change in Fair Value change	P&L recycling result	December 2014
Financial instruments in Cash-Flow Hedge (after tax)	(5)	(2)	2	1	**(4)**

Note 24. NET DEBT AND NET CASH

(in € millions)	December 2013	December 2014
Non-current debt	1 462	1 307
Other non-current financial liabilities	67	46
Current debt	3	2
Other current financial liabilities	33	26
Bank overdrafts	40	28
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	**1 605**	**1 409**
Current financial assets	(13)	(51)
Other marketable securities	(883)	(665)
Cash and cash equivalents	(433)	(425)
TOTAL CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	**(1 329)**	**(1 141)**
NET DEBT	**276**	**268**

(in € millions)	December 2013	December 2014
Net debt at beginning of period	**(85)**	**276**
Increase (decrease) in non-current debt	161	(155)
Increase (decrease) in other non-current financial liabilities	51	(21)
Decrease (increase) in other marketable securities	115	218
Decrease (increase) in cash and cash equivalents, net of bank overdrafts	(0)	(4)
Increase (decrease) in other financial assets and liabilities	34	(46)
Increase (decrease) in net debt	**361**	**(8)**
NET DEBT AT END OF PERIOD	**276**	**268**

Note 25. PROVISIONS

A. Provisions at December, 31, 2014

Movements in non-current provisions between January 1, 2014 and December 31, 2014 can be analyzed as follows:

(in € millions)	December 2013	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifi-cations and changes in scope	December 2014
- Provisions for pensions and loyalty bonuses	28	2	3	(0)	(2)	1	(0)	32
- Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT PROVISIONS	**28**	**2**	**3**	**(0)**	**(2)**	**1**	**(0)**	**32**

Movements in current provisions between January 1, 2014 and December 31, 2014 can be analyzed as follows:

(in € millions)	December 2013	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifi-cations and changes in scope	December 2014
- Provisions for tax litigations	18	-	2	(2)	(3)	0	0	15
- Restructuring provisions	10	-	4	(8)	(0)	(1)	(0)	5
- Provisions for claims and litigation and other contingencies	22	-	3	(3)	(2)	0	0	20
TOTAL CURRENT PROVISIONS	**50**	**-**	**9**	**(13)**	**(5)**	**(1)**	**(0)**	**40**

Taken individually, there is no significant litigation, with the exception of those presented in the Note 29 – Claims and litigations.

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 2013	December 2014
EBIT	(13)	(0)
Net financial expense	(1)	(1)
Restructuring costs and impairment losses	(13)	6
Income tax expenses	(7)	3
TOTAL	**(34)**	**8**

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' 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 the Worldwide Structures (19% of the obligation at December 31, 2014) and in France (4% of the obligation at December 31, 2014)
  - 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 of each year.
  - the related obligation is covered by a provision
- Length-of-service awards in Italy (6% of the obligation in 2014):
  - 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 (30% of the obligation in 2014), in the Worldwide Structures (23% of the obligation in 2014) and in Belgium (12% of the obligation in 2014). Pension benefit obligations are determined by reference to and employees' years of service and final salary. They are funded by payments to external organizations that are legally separate from Edenred.
- The Edenred Group'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.

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				
2013	**France**	**United Kingdom**	**Belgium**	**Italy**	**Worldwide Structures**	**Other countries**
Rate of futur salary increase	3,0%	3,4%	3,0%	2,0%	3%-4%	3% - 10%
Discount rate	3,0%	4,5%	3,0%	3,0%	3,0%	3% - 9,2%

		Rest of Europe				
2014	**France**	**United Kingdom**	**Belgium**	**Italy**	**Worldwide Structures**	**Other countries**
Rate of futur salary increase	3,0%	4,0%	3,0%	2,0%	3,0%	2% - 7%
Discount rate	2,0%	4,0%	2,0%	2,0%	2,0%	2% - 5%

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, 2014

(in € millions)	**Pension plans**	**Other defined benefit plans (*)**	**Total**
Present value of funded obligation	20	-	20
Fair value of plan assets	(14)	-	(14)
Surplus / (Deficit)	**6**	**-**	**6**
Present value of unfunded obligation	-	26	26
Unrecognized past service cost	-	-	-
Amount paid in advance	-	-	-
LIABILITIES RECOGNIZED IN THE BALANCE SHEET	**6**	**26**	**32**

** Including length-of-service awards and loyalty bonuses*

At December 31, 2013

(in € millions)	**Pension plans**	**Other defined benefit plans (*)**	**Total**
Present value of funded obligation	16	-	16
Fair value of plan assets	(12)	-	(12)
Surplus / (Deficit)	**4**	**-**	**4**
Present value of unfunded obligation	-	24	24
Unrecognized past service cost	-	-	-
Amount paid in advance	0	-	0
LIABILITIES RECOGNIZED IN THE BALANCE SHEET	**4**	**24**	**28**

** Including lenght-of-service awards and loyalty bonuses*

Funded status of post-employment defined benefit plans by region

(in € millions)	Pension plans 2014								2014	2013
		Rest of Europe								
	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other countries	Total	Other plans	Total	Total
Projected benefit obligation at beginning of period	**1**	**10**	**5**	**2**	**16**	**2**	**37**	**3**	**40**	**44**
Service costs	1	-	0	-	1	-	2	1	3	2
Interest costs	-	0	-	-	1	0	1	-	1	2
Employee contributions	-	-	-	-	-	-	-	-	-	0
Past service costs	-	-	-	-	-	0	0	-	0	0
Curtailments and settlements	-	-	-	-	-	(0)	(0)	-	(0)	(0)
Acquisitions/(Disposals)	(0)	0	0	0	0	-	0	-	0	-
Benefits paid	-	-	(0)	(0)	(0)	(0)	(1)	-	(1)	(1)
Acturial (gains) losses	-	2	0	0	0	-	3	-	3	(5)
Currency translation adjustment	-	1	-	-	(0)	-	1	-	1	(2)
Total other	-	-	-	-	-	-	(0)	-	(0)	-
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	**2**	**13**	**5**	**3**	**18**	**2**	**43**	**4**	**47**	**40**

(in € millions)	France	Rest of Europe: United Kingdom	Rest of Europe: Belgium	Rest of Europe: Italy	Worldwide Structures	Other countries	Total	Other plans	Total 2014	Total 2013
Fair value of plan assets at beginning of period	**-**	**8**	**3**	**-**	**-**	**1**	**12**	**-**	**12**	**11**
Financial income	-	0	0	-	-	-	0	-	0	0
Actual return on plan assets	-	0	0	-	-	-	0	-	0	0
Employer contributions	-	1	1	-	-	-	2	-	2	1
Employee contributions	-	-	-	-	-	-	-	-	-	0
Benefits paid	-	(0)	(0)	-	-	-	(0)	-	(1)	(0)
Settlements	-	-	-	-	-	-	-	-	-	-
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Currency translation adjustment	-	(1)	-	-	-	-	(1)	-	(1)	(0)
Total other	-	-	-	-	-	-	-	-	-	-
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**-**	**8**	**4**	**-**	**-**	**1**	**13**	**-**	**13**	**40**

(in € millions)	France	Rest of Europe: United Kingdom	Rest of Europe: Belgium	Rest of Europe: Italy	Worldwide Structures	Other countries	Total	Other plans	Total 2014	Total 2013
Plan deficit at beginning of period *	**1**	**4**	**2**	**2**	**16**	**0**	**25**	**3**	**28**	**34**
Provision at end of period	2	4	1	3	18	-	28	4	32	28
Past service costs not recognized *	-	-	-	-	-	-	-	-	-	-
Surplus booking in assets	-	-	-	-	-	-	-	-	-	(0)
PLAN DEFICIT AT END OF PERIOD	**2**	**4**	**1**	**3**	**18**	**-**	**28**	**4**	**32**	**28**

* Including length-of-service awards and loyalty bonuses

(in € millions)	France	Rest of Europe United Kingdom	Belgium	Italy	Worldwide Structures	Other countries	Total	Other plans	Total 2014	Total 2013
Service costs	**0**	**0**	**0**	**0**	**1**	**0**	**2**	**-**	**2**	**2**
Net interest income	-	0	-	-	1	-	1	-	1	2
Amortization of past service costs	-	-	-	-	-	-	-	-	-	0
(Gains) / losses related to curtailments and settlements	-	-	-	-	-	-	-	-	-	(0)
COST OF THE PERIOD	**0**	**0**	**0**	**0**	**2**	**0**	**3**	**-**	**3**	**4**
Actuarial gains and losses recognized in equity	**-**	**2**	**-**	**(0)**	**(0)**	**-**	2	**-**	**2**	**(6)**

Charges in pension liabilities between January 1, 2013 and December 31, 2014

(in € millions)	Amount
Liability at January 1, 2013	**34**
Cost for the year	4
Benefits paid	(2)
Actuarial gains and losses for the period recognized in equity	(6)
Effect of changes in consolidation scope	0
Currency translation adjustment	(2)
Liability at December 31, 2013	**28**
Cost for the year	3
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	2
Effect of changes in consolidation scope	0
Currency translation adjustment	0
LIABILITY AT December 31, 2014	**32**

Actuarial gains and losses arising from changes in assumptions and experience adjustments

(in € millions)	December 2013	December 2014
Actuarial gains and losses - experience adjustments	(0)	(2)
Actuarial gains and losses - changes in demographical assumptions	(5)	1
Actuarial gains and losses - changes in financial assumptions	(1)	3
Fair value of plan assets	**(6)**	**2**

Sensitivity analysis

At December 31, 2014, a 0.5-point increase (decrease) in the discount rate would lead to a €5.0 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 2013	December 2014
Net profit, Group Share	160	164
Non-controlling interests	11	4
Depreciation, amortization and provision expenses	37	41
Deferred taxes	(14)	(8)
Change in financial provisions	1	2
Writte-off	-	2
Expenses related to share-based payments	11	15
Non cash impact of the other income and expenses	18	(1)
Difference betw een income tax paid and income tax expense	28	11
FUNDS FROM OPERATIONS INCLUDING NON-RECURRING ITEMS	**252**	**230**
(Gains) losses on disposals of assets, net	(0)	1
(Gains) losses on non-recurring transactions (including restructuring costs)	10	30
FUNDS FROM OPERATIONS	**262**	**261**

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 2013	December 2014	Change December 2014 / December 2013
Inventories, net	15	14	(1)
Trade receivables, net	902	1 035	133
Other receivables and accruals, net	281	272	(9)
Working capital requirments - assets	**1 198**	**1 321**	**123**
Trade payables	61	67	6
Other payables	187	169	(18)
Vouchers in circulation	3 398	3 615	217
Working capital requirements - liabilities	**3 646**	**3 851**	**205**
NEGATIVE WORKING CAPITAL	**2 448**	**2 530**	**82**
Corporate tax liabilities	17	16	(1)
NEGATIVE WORKING CAPITAL (incl. Corporate tax liabilities)	**2 465**	**2 546**	**81**

(in € millions)	December 2014
Working capital at beginning of period	**2 448**
Change in w orking capital (1)	160
Development Expenditure	(2)
Disposals	0
Other income and expenses	-
Provisions	2
Currency translation adjustment	(77)
Reclassification to other balance sheet items	(1)
Net change in working capital	**82**
WORKING CAPITAL AT END OF PERIOD	**2 530**

(1) See Statement of Cash Flows table 1.4

B. Net change in restricted cash

Restricted cash corresponds mainly to service voucher reserved funds which use is regulated. The countries concerned are France (€594 million), United Kingdom (€130 million) and Romania (€41 million).

(in € millions)	December 2014
Restricted cash at beginning of period	**(770)**
Like-for-like change for the period (1)	(36)
Reclassification from cash and cash equivalents to restricted cash (2)	19
Currency translation adjustment	(10)
Net change in restricted cash	**(27)**
RESTRICTED CASH AT END OF PERIOD	**(797)**

(1) See Statement of Cash Flows table 1.4

(2) Reclassification into cash & cash equivalent

Note 28. CAPITAL EXPENDITURE

Capital expenditure in the last two periods breaks down as follows:

(in € millions)	2013	2014
Recurring expenditure	47	50
Development expenditure	138	72
Total capital expenditure	**185**	**122**

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 related to VAT payments and failure to produce a schedule tracking capital gains subject to tax deferral.

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.

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

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

On February 16, 2011, the company appealed the decision before the Versailles Administrative Court of Appeal.

On March 6th, 2014, the Versailles Administrative Court of Appeal handed down a judgment partially giving effect to the company's motion. Indeed, the Court ordered tax break of VAT related penalties for a principal amount of € 2.3 million and nevertheless maintained in the company's responsibility the fine for failure to produce the monitoring of the capital gains subject to tax deferral.

The Company decided to appeal the decision in cassation before the Council of State against the Court's sentence maintaining the fine for failure to produce the monitoring of the capital gains subject to tax deferral.

Given the lack of suspensory effect of the appeal, the Company beneficiated of the payment of €3.1 million (including moratory interests for €0.7 million).

B. Dispute with PPR (which has been substituted for Fnac in the procedure) and Conforama

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

The three steps of legal proceedings of this litigation are: emergency hearing, proceedings on the merits 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 share purchase agreement, the Court stated that the parties should submit their disputes to arbitration.

Accentiv Kadéos brought an action against this ruling. After a decision of the Paris Court of Appeals stating that it was not competent to hear the case, against which Kering and Conforama appealed in cassation.

On February 12, 2014, the Cassation Court rejected the appeal in cassation of Kering and Conforama: Paris Commercial Court is competent to hear the case.

At the same time, 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. Given the decision of the Court of Cassation on February 12, 2014, the arbitrational Court ruled on April 15, 2014 that it was not competent to hear the case. The arbitration proceeding is now closed.

As a consequence, the Commercial Court was seized to rule about the merits of the dispute.

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

C. ICSID dispute

Due to a change in regulatory and tax framework in Hungary related to the emission conditions of meal and food vouchers, in August 2013, Edenred filed a claim for arbitration against the Hungarian government before the International Center for Settlement of Investment Disputes (ICSID).

D. Tax audit and tax litigation in Italy

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

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

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

The dispute has been brought before the jurisdiction of the relevant court in Milan that ruled in favor of Edenred and Accord on March 25th, 2014. The administration appealed the decision.

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 consolidated income statement.

E. Tax litigation in Brazil

E. 1. Municipal tax

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

The reassessment amounts to BRL 7.7 million, and Ticket Serviços also faces claims for late interests, fines and inflation adjustments estimated at BRL 47.3 million at December 31, 2014.

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 163.5 million at December 31, 2014. The Company's motion before the Brazilian courts was denied in the first instance and is now the subject of an appeal.

The Company's motion before the Administrative chamber of appeal was denied on September 23, 2014. This decision has been appealed by the company.

Based on the opinion of its tax advisors, Edenred believes that the probability of a favorable outcome is high. Consequently, no related provision has been set aside in the financial statements.

E. 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 interests, fines and inflation adjustments estimated at BRL 187.2 million at December 31, 2014.

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 second instance. The Company is waiting to be officially notified of the decision.

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 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 granted to third parties amount to €94 million as of December 31, 2014 and to €118 million as of December 31, 2013.

December 31, 2014 amount breaks down as follows:

- Voucher sale guarantees given to public sector entities in Italy for a total of €50 million, including €33 million expiring in less than one year, €5 million expiring in 1 to 5 years and €12 million expiring beyond 5 years (€62 million as of December 31, 2013).
- Bank bonds issued in Brazil for €11 million (€9 mllion as of December 31, 2013);
- Purchase commitments in the amount of €9 million as of December 31, 2014 corresponding to capital commitments given to the Partech VI investment fund that have been called;
- €4million bid bond issued in Venezuela, expiring in 2015;

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 commitments received

Off-balance sheet commitments received from third parties as of December 31, 2014 amounted to €4 million. They consisted mainly of €4 million in guarantees received from clients in Brazil in exchange for post-payment facilities granted by Repom for the same amount.

Note 31. ADDITIONAL INFORMATION ABOUT JOINTLY CONTROLLED ENTITIES

Nil

Note 32. RELATED PARTIES TRANSACTIONS

For the purpose of applying IAS 24, the Group has identified the following related parties:

- All fully or accounted for by the equity method.
- 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 accounted for by the equity method.

Relations between the parent company and its jointly-controlled entities 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 two periods presented were as follows

		Transaction amount		Receivables		Payables		Off-balance sheet commitments	
(in € millions)	Type of transaction	December 2013	December 2014	December 2013	December 2014	December 2013	December 2014	December 2013	December 2014
ACCOR S.A.	Inter-entity billings	(1)	-	-	-	-	-	-	-
	Loans	-	-	-	-	-	-	-	-
	Dividends	-	-	-	-	-	-	-	-

Note 33. COMPENSATION PAID TO CORPORATE OFFICERS

(in € millions)	December 2013	December 2014
Short-term benefits	12	11
Post-employment benefits	0	0
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	5	4
TOTAL COMPENSATION	**17**	**15**

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)	December 2013	December 2014	December 2013	December 2014	December 2013	December 2014	December 2013	December 2014
Audit								
Statutory audit, certification, consolidated and individual statement audit								
- Issuer	(0,5)	(0,5)	18%	17%	(0,2)	(0,2)	100%	100%
- Fully consolidated subsidiaries	(2,2)	(2,1)	74%	67%				
Other w ork and services directly related to the statutory audit								
- Issuer	(0,0)	(0,0)	1%	-	-	-	-	-
- Fully consolidated subsidiaries	(0,1)	(0)	4%	0,0	-	-	-	-
SUB-TOTAL	(2,8)	(2,8)	97%	88%	(0,2)	(0,2)	100%	0%
Other services provided by the network to the fully consolidated subsidiaires								
- Legal, tax and social matters	(0,0)	(0,1)	1%	1%				
- Other	(0,1)	(0,3)	2%	11%				
SUB-TOTAL	(0,1)	(0,4)	3%	12%				
TOTAL	**(2,9)**	**(3,2)**	**100%**	**100%**	**(0,2)**	**(0,2)**	**100%**	**0%**

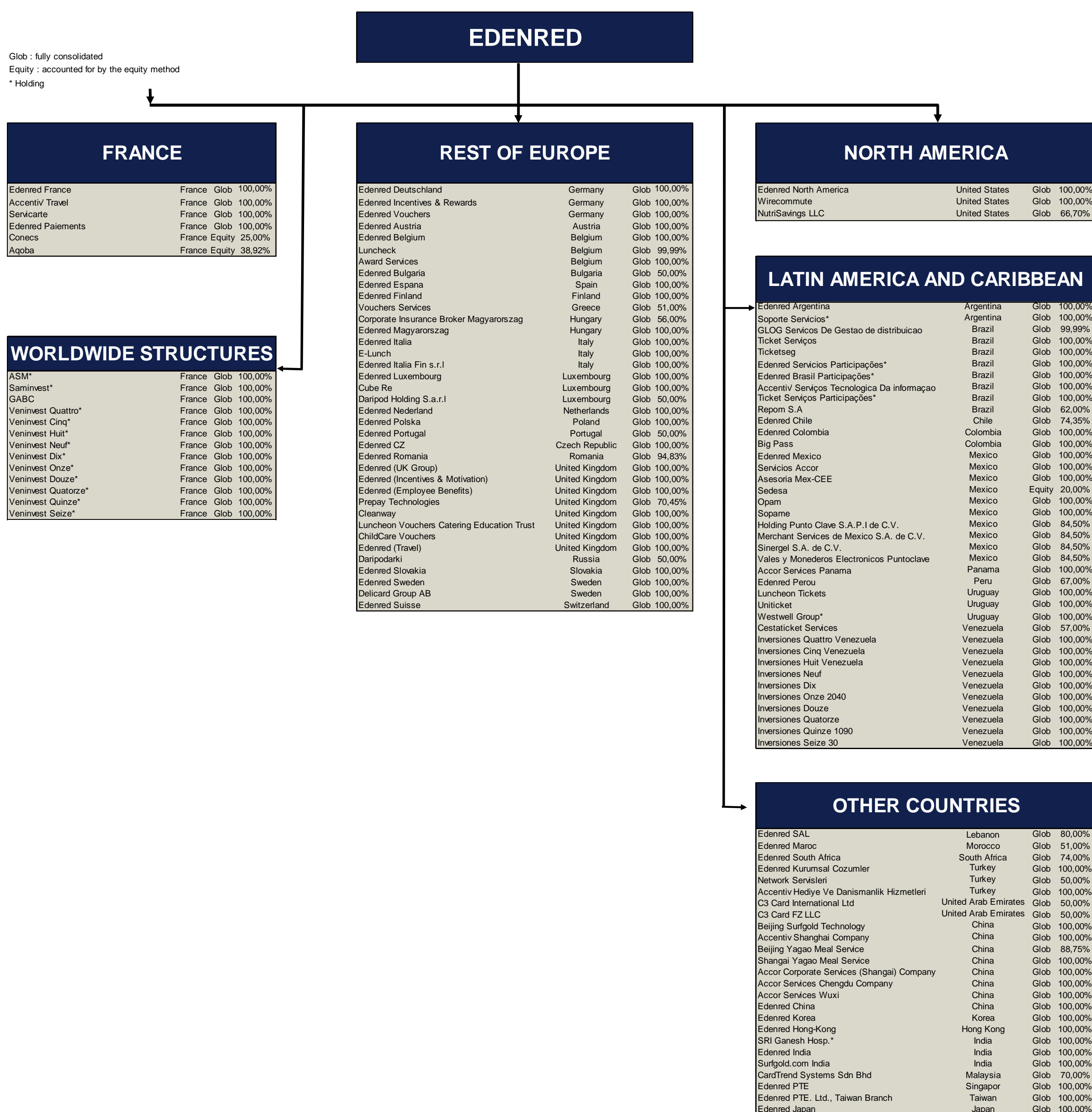
Note 35. SUBSEQUENT EVENTS

In October 2014, Edenred has announced the acquisition of a 34% interest in Union Tank Eckstein (UTA), a leading issuer of fuel cards for heavy vehicle fleets in Europe. The transaction is expected to be closed on first quarter of 2015 and is representing an investment of around €150 million. The transaction is accompanied by an option to purchase an additional 17% interest, exercisable between 2017 and 2019, which will enable Edenred to increase its stake to 51%.

Edenred's 34% interest in UTA will be accounted for by the equity method from 2015.

Note 36. MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2014

The main consolidated companies are presented below:



Glob : fully consolidated
Equity : accounted for by the equity method
* Holding

EDENRED

FRANCE

Company	Country	Method	%
Edenred France	France	Glob	100,00%
Accentiv' Travel	France	Glob	100,00%
Servicarte	France	Glob	100,00%
Edenred Paiements	France	Glob	100,00%
Conecs	France	Equity	25,00%
Aqoba	France	Equity	38,92%

WORLDWIDE STRUCTURES

Company	Country	Method	%
ASM*	France	Glob	100,00%
Saminvest*	France	Glob	100,00%
GABC	France	Glob	100,00%
Veninvest Quattro*	France	Glob	100,00%
Veninvest Cinq*	France	Glob	100,00%
Veninvest Huit*	France	Glob	100,00%
Veninvest Neuf*	France	Glob	100,00%
Veninvest Dix*	France	Glob	100,00%
Veninvest Onze*	France	Glob	100,00%
Veninvest Douze*	France	Glob	100,00%
Veninvest Quatorze*	France	Glob	100,00%
Veninvest Quinze*	France	Glob	100,00%
Veninvest Seize*	France	Glob	100,00%

REST OF EUROPE

Company	Country	Method	%
Edenred Deutschland	Germany	Glob	100,00%
Edenred Incentives & Rewards	Germany	Glob	100,00%
Edenred Vouchers	Germany	Glob	100,00%
Edenred Austria	Austria	Glob	100,00%
Edenred Belgium	Belgium	Glob	100,00%
Luncheck	Belgium	Glob	99,99%
Award Services	Belgium	Glob	100,00%
Edenred Bulgaria	Bulgaria	Glob	50,00%
Edenred Espana	Spain	Glob	100,00%
Edenred Finland	Finland	Glob	100,00%
Vouchers Services	Greece	Glob	51,00%
Corporate Insurance Broker Magyarorszag	Hungary	Glob	56,00%
Edenred Magyarorszag	Hungary	Glob	100,00%
Edenred Italia	Italy	Glob	100,00%
E-Lunch	Italy	Glob	100,00%
Edenred Italia Fin s.r.l	Italy	Glob	100,00%
Edenred Luxembourg	Luxembourg	Glob	100,00%
Cube Re	Luxembourg	Glob	100,00%
Daripod Holding S.a.r.l	Luxembourg	Glob	50,00%
Edenred Nederland	Netherlands	Glob	100,00%
Edenred Polska	Poland	Glob	100,00%
Edenred Portugal	Portugal	Glob	50,00%
Edenred CZ	Czech Republic	Glob	100,00%
Edenred Romania	Romania	Glob	94,83%
Edenred (UK Group)	United Kingdom	Glob	100,00%
Edenred (Incentives & Motivation)	United Kingdom	Glob	100,00%
Edenred (Employee Benefits)	United Kingdom	Glob	100,00%
Prepay Technologies	United Kingdom	Glob	70,45%
Cleanway	United Kingdom	Glob	100,00%
Luncheon Vouchers Catering Education Trust	United Kingdom	Glob	100,00%
ChildCare Vouchers	United Kingdom	Glob	100,00%
Edenred (Travel)	United Kingdom	Glob	100,00%
Daripodarki	Russia	Glob	50,00%
Edenred Slovakia	Slovakia	Glob	100,00%
Edenred Sweden	Sweden	Glob	100,00%
Delicard Group AB	Sweden	Glob	100,00%
Edenred Suisse	Switzerland	Glob	100,00%

NORTH AMERICA

Company	Country	Method	%
Edenred North America	United States	Glob	100,00%
Wirecommute	United States	Glob	100,00%
NutriSavings LLC	United States	Glob	66,70%

LATIN AMERICA AND CARIBBEAN

Company	Country	Method	%
Edenred Argentina	Argentina	Glob	100,00%
Soporte Servicios*	Argentina	Glob	100,00%
GLOG Servicos De Gestao de distribuicao	Brazil	Glob	99,99%
Ticket Serviços	Brazil	Glob	100,00%
Ticketseg	Brazil	Glob	100,00%
Edenred Servicios Participações*	Brazil	Glob	100,00%
Edenred Brasil Participações*	Brazil	Glob	100,00%
Accentiv' Serviços Tecnologica Da informaçao	Brazil	Glob	100,00%
Ticket Serviços Participações*	Brazil	Glob	100,00%
Repom S.A	Brazil	Glob	62,00%
Edenred Chile	Chile	Glob	74,35%
Edenred Colombia	Colombia	Glob	100,00%
Big Pass	Colombia	Glob	100,00%
Edenred Mexico	Mexico	Glob	100,00%
Servicios Accor	Mexico	Glob	100,00%
Asesoria Mex-CEE	Mexico	Glob	100,00%
Sedesa	Mexico	Equity	20,00%
Opam	Mexico	Glob	100,00%
Sopame	Mexico	Glob	100,00%
Holding Punto Clave S.A.P.I de C.V.	Mexico	Glob	84,50%
Merchant Services de Mexico S.A. de C.V.	Mexico	Glob	84,50%
Sinergel S.A. de C.V.	Mexico	Glob	84,50%
Vales y Monederos Electronicos Puntoclave	Mexico	Glob	84,50%
Accor Services Panama	Panama	Glob	100,00%
Edenred Perou	Peru	Glob	67,00%
Luncheon Tickets	Uruguay	Glob	100,00%
Uniticket	Uruguay	Glob	100,00%
Westwell Group*	Uruguay	Glob	100,00%
Cestaticket Services	Venezuela	Glob	57,00%
Inversiones Quattro Venezuela	Venezuela	Glob	100,00%
Inversiones Cinq Venezuela	Venezuela	Glob	100,00%
Inversiones Huit Venezuela	Venezuela	Glob	100,00%
Inversiones Neuf	Venezuela	Glob	100,00%
Inversiones Dix	Venezuela	Glob	100,00%
Inversiones Onze 2040	Venezuela	Glob	100,00%
Inversiones Douze	Venezuela	Glob	100,00%
Inversiones Quatorze	Venezuela	Glob	100,00%
Inversiones Quinze 1090	Venezuela	Glob	100,00%
Inversiones Seize 30	Venezuela	Glob	100,00%

OTHER COUNTRIES

Company	Country	Method	%
Edenred SAL	Lebanon	Glob	80,00%
Edenred Maroc	Morocco	Glob	51,00%
Edenred South Africa	South Africa	Glob	74,00%
Edenred Kurumsal Cozumler	Turkey	Glob	100,00%
Network Servisleri	Turkey	Glob	50,00%
Accentiv Hediye Ve Danismanlik Hizmetleri	Turkey	Glob	100,00%
C3 Card International Ltd	United Arab Emirates	Glob	50,00%
C3 Card FZ LLC	United Arab Emirates	Glob	50,00%
Beijing Surfgold Technology	China	Glob	100,00%
Accentiv Shanghai Company	China	Glob	100,00%
Beijing Yagao Meal Service	China	Glob	88,75%
Shangai Yagao Meal Service	China	Glob	100,00%
Accor Corporate Services (Shangai) Company	China	Glob	100,00%
Accor Services Chengdu Company	China	Glob	100,00%
Accor Services Wuxi	China	Glob	100,00%
Edenred China	China	Glob	100,00%
Edenred Korea	Korea	Glob	100,00%
Edenred Hong-Kong	Hong Kong	Glob	100,00%
SRI Ganesh Hosp.*	India	Glob	100,00%
Edenred India	India	Glob	100,00%
Surfgold.com India	India	Glob	100,00%
CardTrend Systems Sdn Bhd	Malaysia	Glob	70,00%
Edenred PTE	Singapor	Glob	100,00%
Edenred PTE. Ltd., Taiwan Branch	Taiwan	Glob	100,00%
Edenred Japan	Japan	Glob	100,00%