Edenred

PRESS RELEASE

April, 14, 2015

FIRST-QUARTER 2015 REVENUE

Sustained growth in issue volume, up 10% like-for-like

- **Sustained organic growth in the first quarter, with:**
  - **Issue volume up 10.0% like-for-like to €4,553 million**, reflecting dynamic growth in Latin America (up 17.3%), a good performance in Europe (up 2.7%) and strong growth in the Rest of the World (up 16.0%).
  - **Total revenue up 8.0% like-for-like to €263 million**, reflecting **a 9.0% rise in operating revenue with issue volume** and a **2.7% rise in financial revenue**.
- **Slightly positive currency effect over the period**
- **Objective[1] of 8% to 14% growth in issue volume over the medium term confirmed**

(in € millions)	First-quarter 2014	First-quarter 2015	% change Reported	% change Like-for-like[2]
Issue volume	**4,062**	**4,553**	**+12.1%**	**+10.0%**
Operating revenue with IV[3]	194	213	+9.7%	+9.0%
Operating revenue without IV	26	31	+18.3%	+4.0%
Financial revenue	18	19	+3.7%	+2.7%
Total revenue	**238**	**263**	**+10.2%**	**+8.0%**

[1] Normalized organic growth target for the 2010-2016 period. Normalized growth is the objective that the Group considers to be attainable if the number of people in work does not decline.
[2] At constant scope of consolidation and exchange rates.
[3] Issue volume.

Issue volume up 10.0% like-for-like at €4.6 billion

Issue volume for the first quarter of 2015 was **up 10.0% like-for-like** at **€4,553 million**.

The reported increase was 12.1%, after taking into account the **0.7% positive impact of changes in the scope of consolidation** and the **1.4% positive currency effect**. The currency impact reflects an appreciation in certain currencies over the period, particularly the Brazilian real (up 0.5%) and the Mexican peso (up 7.6%). It also takes into account a 49.0% fall in the Venezuelan bolivar fuerte[4].

- **Issue volume by region**

Like-for-like growth	First-quarter 2015
Latin America	+17.3%
Europe	+2.7%
Rest of the World	+16.0%
TOTAL	**+10.0%**

In **Latin America**, issue volume for the quarter was **up 17.3%** like-for-like at **€2,284 million**, reflecting a good performance from sales teams in the region.

In **Brazil**, first-quarter issue volume rose by 12.8% like-for-like in a difficult economic environment. This rise reflects a dynamic performance from the Employee Benefits business (up 10.0% like-for-like), which benefited from higher penetration rates and increased face values. Expense Management solutions enjoyed sustained 25.4% like-for-like growth, thanks to the gain of new clients.

In **Hispanic Latin America**, issue volume grew 25.5% like-for-like, reflecting a good performance from the Employee Benefits (up 26.5% like-for-like) and Expense Management (up 26.1% like-for-like) businesses.
Mexico, Edenred's biggest market in the region, posted strong 25.0% like-for-like growth over the quarter, in line with the acceleration observed in second half 2014 following the favorable new regulations introduced during that year.

In **Europe,** issue volume was **€2,081 million**, up **2.7%** like-for-like over the quarter.

In **France,** issue volume was up 3.1% like-for-like, despite a challenging basis for comparison for the Ticket CESU business. This performance reflects solid 4.5% growth for the Ticket Restaurant® meal voucher business, driven partly by increased sales of the Ticket Restaurant® card: over 90,000 employees had a Ticket Restaurant® card at end-March, 40% of whom relate to new clients.

[4] The average exchange rate for the first quarter was VEF 134/€ and corresponds to the average of the SICAD II exchange rate used between January 1 and February 12, 2015 and the new SIMADI exchange rate used for the rest of the period. Since the SICAD exchange rate no longer existed as of February 12, the Group chose to apply the most conservative rate.

First-quarter issue volume remained stable in **Italy**, where private sector issue volume was up 2.4% like-for-like, while public sector business contracted as expected.
Issue volume in Central European countries grew 6.3% like-or-like over the first quarter, thanks to new clients and a more favorable economic environment.
Lastly, in the **United Kingdom**, first-quarter issue volume for Childcare Vouchers was up 1.7%.

Issue volume in the **Rest of the World** climbed **16.0%** on a like-for-like basis over the quarter, driven mainly by strong growth in **Turkey**, the region's primary contributor.

Overall, first-quarter issue volume grew 10.0% like-for-like against a **challenging basis for comparison**, with issue volume growth of 13.7% in first-quarter 2014 driven by a strong contribution from **Portugal**[5] (for around 200 bp). Moreover, as expected, there was a lower contribution from increased **face values**[6] in Q1 2015 (for around 100 bp).

Total revenue up 8.0% like-for-like at €263 million

Like-for-like growth	**First-quarter 2015**
Operating revenue with issue volume	+9.0%
Operating revenue without issue volume	+4.0%
Financial revenue	+2.7%
Total revenue	**+8.0%**

Total revenue for the first quarter of 2015 amounted to **€263 million**, **up 8.0%** like-for-like. Total revenue comprises operating revenue with issue volume (up 9.0% like-for-like), operating revenue without issue volume (up 4.0% like-for-like) and financial revenue (up 2.7% like-for-like).

On a reported basis, the period-on-period change was a rise of **10.2%**, after taking into account the 1.1% positive impact from changes in the scope of consolidation and the 1.1% positive currency effect.

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[5] Strong growth following new legislation introduced in June 2013 encouraging the adoption of meal vouchers.
[6] On February 12, the Group announced that it expected a lower contribution from increased face values in 2015 due to a global slowdown in inflation.

- **Operating revenue with issue volume up 9.0% like-for-like**

Operating revenue with issue volume increased by **9.0%** like-for-like to **€213 million** in first-quarter 2015.

The difference between the growth in issue volume and the growth in operating revenue with issue volume was 100 bp in the first quarter, slightly lower than the structural 150 bp difference expected in the medium term. This is linked to various mix effects (types of solutions, countries and contracts), of which the main effect is related to the growth of the Expense Management business.

Operating revenue with issue volume by region

Like-for-like growth	**First-quarter 2015**
Latin America	+14.8%
Europe	+3.2%
Rest of the World	+13.2%
TOTAL	**+9.0%**

- **Financial revenue up 2.7% like-for-like**

Financial revenue rose **2.7%** like-for-like to **€19 million**. This results from a solid 19.2% like-for-like increase in **Latin America** and a 12.4% like-for-like decline in **Europe** reflecting interest rate trends in the two regions. This performance is in line with the Group's expectations of stable financial revenue over full-year 2015.

Conclusion

In the first quarter of 2015, the Group reported solid **10.0% like-for-like growth in issue volume**, mainly reflecting sustained growth in Latin America (up 17.3%) and a good performance in Europe (up 2.7%).

Total revenue over the period rose **8.0% like-for-like**, reflecting sound growth in operating revenue with issue volume (up 9.0%) and a slight increase in financial revenue (up 2.7%).

Currency effects had a slightly positive impact over the quarter. However, the comparative exchange rate basis for the Brazilian real[7] will be less favorable over the coming quarters.

Edenred confirms its medium-term objective of 8% to 14% organic growth in issue volume per year.

[7] Average exchange rate of BRL 3.24/€ in Q1 2014, 3.06 in Q2, 3.02 in Q3 and 3.18 in Q4.

Quarterly information

- ### Finalization of the acquisition of a 34% stake in Union Tank Eckstein (UTA)

On February 27, 2015, Edenred finalized its **acquisition of a 34% interest in UTA**, a leading issuer **in the European fuel card market for heavy vehicle fleets**. The transaction represents an investment of around **€150 million**.

The acquisition of UTA, announced on October 20, 2014, gives Edenred a unique opportunity to speed up its growth in the Expense Management market. The transaction includes an **option to purchase** additional shares, **exercisable from 2017**, which will enable Edenred to increase its stake to **51%**.

- ### Placement bond issue

On March 3, 2015, Edenred **successfully placed a €500 million 10-year 1.375% bond issue**. The bond issue was placed with around 200 international institutional investors and was more than five times oversubscribed, confirming the market's confidence in the Group's credit quality.

In particular, this new bond issue has enabled the Group to repurchase[8] €290 million of its 3.625% outstanding bonds due in October 2017, representing 36% of the aggregate nominal value. As a result, the Group has refinanced part of its bond issue due in 2017 before the maturity date, and has significantly increased the average life of its debt to six years.

The transaction will be accretive to earnings from 2015.

- ### Edenred increases its stake in ProwebCE

On March 25, 2015, **Edenred and the ProwebCE management team joined forces to acquire 100% of the capital of ProwebCE,** the French leader in solutions for works councils[9].

ProwebCE offers a comprehensive range of solutions for works councils, which includes **management and accounting software** and an **e-commerce platform** that enables employees to use the funds allocated to them annually by their works council to purchase culture and leisure-related goods and services. In particular, employees can use the platform to order gift vouchers or cards and to take advantage of discounts on more than one million products and services offered by partnered merchants. With a portfolio of more than 7,000 clients, representing 5 million employee beneficiaries, ProwebCE generated **€8 million in EBITDA**[10] in 2014.

Through this transaction, Edenred is strengthening its presence in the works council market, which is estimated at more than €15 billion. The alliance will enable Edenred to expand its Employee Benefits offering and will create new growth opportunities thanks to the sales synergies between the two companies.

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[8] Partial debt tender offer announced on February 24, 2015 and expired on March 2, 2015.

[9] Mandatory in France for all companies with more than 50 employees, works councils ("*comités d'entreprises*") are made up of employee representatives. Their main purpose is to provide social and cultural activities for the company's employees. Works councils are subsidized by the company via a mandatory contribution that must be at least equivalent to 0.2% of gross payroll.

[10] EBITDA determined in accordance with IFRS.

While Edenred has had an around 10% interest in ProwebCE holding company since 2012, **it is now increasing its stake to 64%**, alongside ProwebCE founder Patrice Thiry, his management team and the Alpha Group.

The transaction, representing an amount of **€50 million**, is subject to approval by French competition authorities and will be accretive to earnings from 2015.

Upcoming events

April 30, 2015: Annual Shareholders Meeting

July 24, 2015: First-half revenue and results

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****.*
Listed on the Euronext Paris stock exchange, Edenred operates in 42 countries, with more than 6,000 employees, nearly 660,000 companies and public sector clients, 1.4 million affiliated merchants and 41 million beneficiaries. In 2014, total issue volume amounted to €17.7 billion, of which almost 60% was generated in emerging markets.

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Appendices

Issue volume

	Q1	
In € millions	2014	2015
France	713	735
Rest of Europe	1,302	1,346
Latin America	1,902	2,284
Rest of the world	145	188
Total	4,062	4,553

	Q1	
In %	Change reported	Change L/L
France	3.1%	3.1%
Rest of Europe	3.3%	2.4%
Latin America	20.1%	17.3%
Rest of the world	30.0%	16.0%
Total	12.1%	10.0%

Operating Revenue with Issue Volume

In € millions	Q1 2014	Q1 2015
France	30	31
Rest of Europe	66	68
Latin America	91	104
Rest of the world	7	10
Total	194	213

In %	Q1 Change reported	Q1 Change L/L
France	4.1%	2.9%
Rest of Europe	3.9%	3.3%
Latin America	14.3%	14.8%
Rest of the world	28.4%	13.2%
Total	9.7%	9.0%

Operating Revenue without Issue Volume

	Q1	
In € millions	2014	2015
France	5	6
Rest of Europe	11	11
Latin America	5	6
Rest of the world	5	8
Total	26	31

	Q1	
In %	Change reported	Change L/L
France	8.3%	10.6%
Rest of Europe	-7.2%	-15.0%
Latin America	24.4%	27.6%
Rest of the world	78.9%	12.1%
Total	18.3%	4.0%

Financial Revenue

	Q1	
In € millions	2014	2015
France	5	4
Rest of Europe	4	4
Latin America	8	10
Rest of the world	1	1
Total	18	19

	Q1	
In %	Change reported	Change L/L
France	-17.7%	-17.7%
Rest of Europe	-6.1%	-7.6%
Latin America	18.9%	19.2%
Rest of the world	43.4%	26.9%
Total	3.7%	2.7%

Total Revenue

In € millions	Q1 2014	Q1 2015
France	40	41
Rest of Europe	81	83
Latin America	104	120
Rest of the world	13	19
Total	238	263

In %	Q1 Change reported	Q1 Change L/L
France	2.1%	1.5%
Rest of Europe	1.9%	0.3%
Latin America	15.1%	15.8%
Rest of the world	47.8%	13.6%
Total	10.2%	8.0%