Edenred

PRESS RELEASE

July 24, 2015

FIRST-HALF 2015

Solid growth in business and financial results

- **Strong like-for-like improvement in financial results in the first half of 2015**
  - **Issue volume** up **9.6%** to €9,110 million
  - **Total revenue** up **7.8%** to €539 million
  - **EBIT** up **14.6%** to €165 million
  - **Funds from operations** up **14.9%** to €148 million
- **Sustained improvement in financial results on a reported basis**
  - **EBIT** up **11.5%**
  - **Recurring earnings per share** up **10.7%**
- **First-half 2015 highlights**
  - Development on the French **Employee Benefits** market through an increased stake in **ProwebCE**
  - Reinforced growth strategy for the **Expense Management** business thanks to the finalization of the acquisition of a 34% interest in **UTA** in Germany and an important sales partnership set up in Brazil with **Daimler**
  - **Further progress in the shift to digital solutions**, which accounted for **66%** of total issue volume at June 30, 2015
- **Annual like-for-like targets confirmed**
  - **8% to 14%** growth in **issue volume**
  - An **operating flow-through ratio**[1] of more than **50%**
  - More than **10%** growth in **funds from operations**[2] (FFO)

[1] Ratio of the like-for-like change in operating EBIT to the like-for-like change in operating revenue.
[2] Before non-recurring items.

FIRST-HALF 2015 RESULTS

At its meeting on July 23, 2015, the Board of Directors reviewed the consolidated financial statements for the six months ended June 30, 2015.

First-half 2015 financial metrics

(in € millions)	First-half 2014	First-half 2015	% change Reported	% change Like-for-like[3]
Issue volume	**8,320**	**9,110**	**+9.5%**	**+9.6%**
Operating revenue with issue volume[4]	397	428	+7.5%	+9.1%
Operating revenue without issue volume	53	75	+45.0%	+3.8%
Financial revenue	36	36	-1.5%	0.0%
Total revenue	**486**	**539**	**+10.8%**	**+7.8%**
Operating EBIT	112	129	+15.8%	+19.5%
Financial EBIT	36	36	-1.5%	0.0%
Total EBIT	**148**	**165**	**+11.5%**	**+14.6%**
Net profit, Group share	70	82	+17.3%	
Recurring net profit after tax	82	91	+12.5%	
Recurring earnings per share (in €)	0.36	0.40	+10.7%	

First-half 2015 issue volume up 9.6% like-for-like to €9.1 billion

Issue volume totaled **€9,110 million** in first-half 2015, a like-for-like increase of **9.6%** that was in line with the Group's annual organic growth target of 8% to 14%.

Compared to first-half 2014 like-for-like growth (12.3%), the like-for-like growth in issue volume over the six months to June 30, 2015 (9.6%) represents an excellent performance. It was achieved against a tough basis for comparison, since issue volume growth in first-half 2014 was boosted by a strong contribution from Portuguese operations[5] (around 200 points of growth). Moreover, as expected, there was a lower contribution from increased face values in first-half 2015 compared to first-half 2014 (around 100 bp).

[3] At constant scope of consolidation and exchange rates.
[4] Issue volume.
[5] Strong growth following new legislation introduced in June 2013 encouraging the adoption of meal vouchers.

Reported growth stood at 9.5% for the period, after taking into account:

- The 0.8% positive impact from changes in the scope of consolidation, which included the acquisitions of Bonus (Brazil) and Nets Prepaid (Finland)

- The 0.9% negative currency effect in the period, primarily due to the 4.8% decline in the Brazilian real against the euro and the 61.3% fall in the exchange rate of the Venezuelan bolivar fuerte[6].

- **Issue volume by region**

Like-for-like growth	First-quarter 2015	Second-quarter 2015	First-half 2015
Latin America	+17.3%	+13.4%	+15.2%
Europe	+2.7%	+4.3%	+3.5%
Rest of the World	+16.0%	+16.9%	+16.4%
TOTAL	**+10.0%**	**+9.3%**	**+9.6%**

In **Latin America**, issue volume for the first half was up **15.2%** like-for-like at **€4.6 billion**, including a 13.4% rise in the second quarter.

In **Brazil**, first-half issue volume rose by 11.9% like-for-like in a much less favorable economic environment than in 2014. Despite a significant rise in unemployment, issue volume for the Employee Benefits business was up 8.0% like-for-like, reflecting the solid fundamentals of the business, which benefited from higher penetration and increased face values. Expense Management solutions enjoyed very strong 27.5% like-for-like growth.

In **Hispanic Latin America**, issue volume grew 21.3% like-for-like, thanks to solid performances in the Employee Benefits (up 19.9%) and Expense Management (up 23.0%) businesses. **Mexico,** Edenred's biggest market in the region, posted strong 20.8% organic growth over the period, against a tough comparison basis for the Employee Benefits business since June 2015[7]. This performance also reflects a strong showing in the Expense Management business.

In **Europe,** first-half issue volume was **€4.2 billion**, up **3.5%** like-for-like. This growth reflects more favorable trends in the **second quarter**, with an acceleration in issue volume growth to 4.3%.

[6] The average exchange rate for the first half was VEF 176.48/€ and corresponds to the average of the SICAD II exchange rate used between January 1 and February 11, 2015 and the new SIMADI exchange rate used for the rest of the period. Since the SICAD II exchange rate no longer exists since February 11, the Group chose to apply the most conservative rate.
[7] Following favorable new regulations introduced in 2014.

France reported 3.8% like-for-like growth in the first half, on the back of solid 4.4% growth for the Ticket Restaurant® meal voucher business, partly driven by increased sales of the Ticket Restaurant® card. More than 110,000 employees benefitted from a Ticket Restaurant® card at end-June, of which around 40% relate to new client wins, making the Group the leader in the shift to digital in France.

In **Italy,** the 3.0% like-for-like rise in private sector issue volume largely offset the expected decline in the public sector. Issue volume continued to grow in **Central European countries** (up 5.7% like-for-like over the first half), thanks to a more favorable economic environment.

During the period, the **United Kingdom** recorded 2.2% growth in issue volume for Childcare Vouchers®.

Lastly, issue volume in the **Rest of the World** was up **16.4%** like-for-like in the first half, driven mainly by strong growth in **Turkey**, the region's primary contributor.

- **Issue volume by growth driver**

In the first half, the Group's four growth drivers contributed to the **9.6%** like-for-like growth in issue volume as follows:

  - **Increased penetration rates in existing markets** added **4.6%**, reflecting market momentum and a good performance by the sales teams.

  - **Increased voucher face values**, mainly in emerging markets, added **2.5%**.

  - **Creation and deployment of new solutions** added **2.3%**, including in particular the contributions from the **Ticket Plus® Card** launched in Germany in March 2012 and **Ticket Cultura®** lauched in Brazil in October 2013.

  - **Geographic expansion** added **0.2%**, thanks to the contributions from operations in **Finland**, **Japan** and **Colombia**.

Total revenue up 7.8% like-for-like to €539 million

Like-for-like growth	**First-quarter 2015**	**Second-quarter 2015**	**First-half 2015**
Operating revenue with issue volume	+9.0%	+9.2%	+9.1%
Operating revenue without issue volume	+4.0%	+3.7%	+3.8%
Financial revenue	+2.7%	-2.7%	0.0%
Total revenue	**+8.0%**	**+7.7%**	**+7.8%**

Total revenue for the first six months of 2015 amounted to **€539 million**, representing a like-for-like increase of **7.8%** over the prior-year period. Total revenue comprises operating revenue with issue volume (up 9.1% like-for-like), operating revenue without issue volume (up 3.8% like-for-like) and financial revenue (stable like-for-like).

On a reported basis, the year-on-year change was a rise of **10.8%**, after taking into account the 4.2% positive impact from changes in the scope of consolidation and the 1.2% negative currency effect.

- **Operating revenue with issue volume up 9.1% like-for-like**

Operating revenue with issue volume increased by **9.1%** like-for-like to **€428 million**.

The difference between growth in issue volume and growth in operating revenue with issue volume, which results from various mix effects, was 50 bp in the first half, less than the structural 150 bp difference expected in the medium term. The smaller difference in the first half reflects the rise in client fees in several countries, along with the withdrawal from some large but low-margin contracts.

Operating revenue with issue volume by region

Like-for-like growth	**First-quarter 2015**	**Second-quarter 2015**	**First-half 2015**
Latin America	+14.8%	+14.5%	+14.6%
Europe	+3.2%	+3.3%	+3.3%
Rest of the World	+13.2%	+11.8%	+12.5%
TOTAL	**+9.0%**	**+9.2%**	**+9.1%**

- **Financial revenue stable like-for-like**

Financial revenue remained stable like-for-like at **€36 million**, reflecting a robust 13.7% like-for-like increase in **Latin America** and a 13.3% like-for-like contraction in **Europe**, reflecting interest rate trends in these regions.

First-half 2015 EBIT up 14.6% like-for-like and 11.5% on a reported basis

Total EBIT came in at **€165 million** for first-half 2015, up 11.5% on a reported basis and up 14.6% like-for-like. Changes in the scope of consolidation had a positive €1 million impact, while the currency effect was a negative €6 million. Total EBIT comprises operating EBIT and financial EBIT, which corresponds to financial revenue.

First-half 2015 operating EBIT by region

(in € millions)	First-half 2014	First-half 2015	% change	
			Reported	Like-for-like
Latin America	77	87	+14.2%	+21.3%
Europe	45	48	+8.8%	+3.2%
Rest of the World	1	3	*n/a*	*n/a*
Worldwide structures	(11)	(9)	-16.2%	-26.7%
TOTAL	**112**	**129**	**+15.8%**	**+19.5%**

Operating EBIT (which excludes financial revenue) rose by **19.5%** like-for-like to **€129 million**, a good performance that reflected an operating flow-through ratio of 57%, in line with the target of more than 50%.

Operations in **Latin America** reported an excellent performance, with operating EBIT up **21.3%** like-for-like driven by the region's dynamic growth. In **Europe**, organic operating EBIT growth was **3.2%**.

Recurring earnings per share up 10.7%

After deducting €21 million in net financial expense, €56 million in tax expense and €2 million in minority interests, **recurring net profit after tax** came to **€91 million** versus €82 million in the first half of 2014. **Recurring earnings per share** was up 10.7%. **Net profit, Group share** totaled **€82 million** for first-half 2015, up from €70 million in the six months to June 30, 2014.

A solid financial position

The Edenred business model generates significant cash-flow. In the first half of 2015, funds from operations before non-recurring items (**FFO**) totaled **€148 million**, a year-on-year increase of **14.9%** like-for-like that was in line with the Group's target of over 10% growth per year.

A total of **€191 million** in dividends were paid to Edenred SA shareholders in relation to 2014, for a payout ratio of 97% of 2014 recurring profit after tax.

After taking into account the €60 million negative currency effect in the first half as well as non-recurring items, the Group had net debt of **€841 million** at June 30, 2015 (versus €669 million at end-June 2014). This includes €232 million related mainly to the acquisition of a 34% interest in UTA and to the additional interest acquired in ProwebCE during the first half of 2015.

FIRST-HALF HIGHLIGHTS

First-half 2015 was shaped by a number of achievements aligned with the Group's strategy for delivering strong, sustainable growth.

Increased 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[8].

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. Through this platform, employees can order gift vouchers or cards and take advantage of discounts on more than one million products and services offered by partner merchants.

Thanks to ProwebCE's key positioning with a portfolio of more than 7,000 clients representing 5 million employee beneficiaries, Edenred is strengthening its presence in the French works council market, which is estimated to be worth over €15 billion and in which the penetration rate is still fairly low[9].

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.

While Edenred has had an interest of around 10% in the ProwebCE holding company since 2012, **it is increasing its stake to 62%**, alongside ProwebCE founder Patrice Thiry, his management team and the Alpha Group. The transaction, which was carried out based on a attractive acquisition multiple[10], will be accretive to earnings from 2015.

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

On February 27, 2015, Edenred **finalized its acquisition of a 34% stake in UTA**, a leading issuer of fuel cards for heavy vehicle fleets in Europe. The transaction represents an investment of **around €150 million** and will be accretive to earnings as from 2015.

This acquisition gives Edenred a unique opportunity to speed up its growth in the Expense Management market. The alliance between UTA and Edenred will help drive faster sales growth of UTA's heavy vehicle fleet solutions, particularly in Central and Eastern Europe. It will also enable the European launch of a new solution for the light vehicle segment, which will gradually be rolled out by Edenred to its clients in Europe.

The transaction also includes an option to purchase additional shares, exercisable from 2017, which will enable Edenred to increase its stake in UTA to 51%.

[8] 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.
[9] 20% of works councils in France have an e-commerce platform.
[10] 2015e EBITDA multiple of less than 10x.

New partnership with Daimler in Brazil

With more than 25 years of experience in Brazil's fuel card market via Ticket Car®, its flagship solution, Edenred partners with the Daimler group to launch **MercedesServiceCard, a service card co-branded with Ticket Car®** and intended for the Brazilian road transportation market.

The partnership will give Mercedes-Benz heavy vehicle customers in Brazil the opportunity to access two services using a **single card**. In addition to **paying for fuel expenses** using the features and network of the **Ticket Car® solution**, customers will also gain access to the **Mercedes-Benz network of maintenance workshops** for truck servicing and repairs. Edenred will be responsible for issuing and processing the new solution, which will notably give users access to its network of more than 11,000 affiliated service stations across Brazil.

The Daimler group is a major leading player in the heavy vehicle market in Brazil, with around 450,000 Mercedes-Benz trucks currently on the roads and more than 30,000 new vehicles registered in 2014.

The Group expects the transaction to contribute an additional 2% to 3% approximately to total issue volume in Brazil in 2016, with the contribution set to accelerate in subsequent years.

Further progress in the shift to digital

At the end of first-half 2015, digital solutions accounted for 66% of the Group's issue volume.

Just over one year after its launch, there were more than 110,000 **Ticket Restaurant®** card holders in France at end-June, of which around 40% relate to new client wins. Already, 8% of all beneficiaries of the Group in France have a **Ticket Restaurant®** card, making Edenred the **leader** in the shift to digital on the French market.

The Group continues to seek innovative digital solutions for the French market and has launched a pilot mobile payment project for meal vouchers in partnership with Orange and Mastercard. Edenred will also shortly launch[11] a second version of its Ticket Restaurant® card. The new card has been developed based on a private network model using the Conecs electronic transaction data acquisition and transmission infrastructure.

[11] Launch planned for between the fourth quarter of 2015 and the first quarter of 2016.

2015 OUTLOOK

In the second half of 2015, **issue volume** growth is expected to follow the trends observed in the second quarter and remain solid. It will reflect, in Latin America, a less favorable economic environment in Brazil and a tough basis for comparison in Mexico[12], and, in Europe, continued acceleration in growth. The difference between growth in **issue volume** and growth in **operating revenue with issue volume** is expected to be around 100 bp for 2015 as a whole[13]. **Financial revenue** is expected to remain stable over the year, as the decline in Europe is offset by growth in Latin America.

In this context, the Group has set a **full-year EBIT target of between €365 million and €380 million**. This objective takes into account an estimated negative currency effect of €23 million[14].

The Group confirms its strong and sustainable like-for-like growth targets:

- **8% to 14% annual growth in issue volume**
- **An operating flow-through ratio of more than 50%**
- **More than 10% annual organic growth in funds from operations (FFO)**

GOVERNANCE

As announced on May 18, Jacques Stern will cease to serve as Edenred's Chairman and Chief Executive Officer on July 31, 2015. The Board of Directors will meet before this date to make a decision about Edenred's governance.

[12] Following favorable new regulations introduced in 2014.
[13] The average difference expected in the medium term is 150 bp.
[14] Calculated using closing exchange rates at June 30, 2015 as the average rates over the second half of the year.

UPCOMING EVENTS

October 13, 2015: Third-quarter 2015 revenue.

February 11, 2016: Full-year 2015 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

In € millions	Q1 2014	Q1 2015	Q2 2014	Q2 2015	H1 2014	H1 2015
France	713	735	662	696	1,375	1,431
Rest of Europe	1,302	1,346	1,318	1,395	2,620	2,741
Latin America	1,902	2,284	2,122	2,274	4,024	4,558
Rest of the world	145	188	156	192	301	380
Total	**4,062**	**4,553**	**4,258**	**4,557**	**8,320**	**9,110**

In %	Q1 Change reported	Q1 Change L/L	Q2 Change reported	Q2 Change L/L	H1 Change reported	H1 Change L/L
France	3.1%	3.1%	5.1%	4.5%	4.1%	3.8%
Rest of Europe	3.3%	2.4%	5.9%	4.2%	4.6%	3.3%
Latin America	20.1%	17.3%	7.2%	13.4%	13.3%	15.2%
Rest of the world	30.0%	16.0%	23.4%	16.9%	26.6%	16.4%
Total	**12.1%**	**10.0%**	**7.0%**	**9.3%**	**9.5%**	**9.6%**

Operating revenue with issue volume

In € millions	Q1 2014	Q1 2015	Q2 2014	Q2 2015	H1 2014	H1 2015
France	30	31	28	30	58	61
Rest of Europe	66	68	67	71	133	139
Latin America	91	104	100	105	191	209
Rest of the world	7	10	8	9	15	19
Total	**194**	**213**	**203**	**215**	**397**	**428**

In %	Q1 Change reported	Q1 Change L/L	Q2 Change reported	Q2 Change L/L	H1 Change reported	H1 Change L/L
France	4.1%	2.9%	6.4%	2.7%	5.2%	2.8%
Rest of Europe	3.9%	3.3%	4.7%	3.6%	4.3%	3.5%
Latin America	14.3%	14.8%	4.5%	14.5%	9.1%	14.6%
Rest of the world	28.4%	13.2%	17.9%	11.8%	22.9%	12.5%
Total	**9.7%**	**9.0%**	**5.3%**	**9.2%**	**7.5%**	**9.1%**

Operating revenue without issue volume

	Q1		Q2		H1	
In € millions	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**
France	5	6	6	20	11	26
Rest of Europe	11	11	9	8	20	19
Latin America	5	6	7	7	12	13
Rest of the world	5	8	5	9	10	17
Total	**26**	**31**	**27**	**44**	**53**	**75**

	Q1		Q2		H1	
In %	**Change reported**	**Change L/L**	**Change reported**	**Change L/L**	**Change reported**	**Change L/L**
France	8.3%	10.6%	n/a	-0.7%	n/a	4.8%
Rest of Europe	-7.2%	-15.0%	-0.1%	-3.1%	-3.9%	-9.4%
Latin America	24.4%	27.6%	2.2%	15.4%	12.5%	21.0%
Rest of the world	78.9%	12.1%	66.4%	6.2%	72.5%	9.1%
Total	**18.3%**	**4.0%**	**71.7%**	**3.7%**	**45.0%**	**3.8%**

Financial Revenue

In € millions	Q1 2014	Q1 2015	Q2 2014	Q2 2015	H1 2014	H1 2015
France	5	4	4	3	9	7
Rest of Europe	4	4	5	5	9	9
Latin America	8	10	8	8	16	18
Rest of the world	1	1	1	1	2	2
Total	**18**	**19**	**18**	**17**	**36**	**36**

In %	Q1 Change reported	Q1 Change L/L	Q2 Change reported	Q2 Change L/L	H1 Change reported	H1 Change L/L
France	-17.7%	-17.7%	-21.9%	-21.9%	-19.7%	-19.7%
Rest of Europe	-6.1%	-7.6%	-5.3%	-7.6%	-5.7%	-7.6%
Latin America	18.9%	19.2%	-2.6%	8.3%	8.0%	13.7%
Rest of the world	43.4%	26.9%	25.7%	19.1%	33.7%	22.6%
Total	**3.7%**	**2.7%**	**-6.6%**	**-2.7%**	**-1.5%**	**0.0%**

Total revenue

In € millions	Q1 2014	Q1 2015	Q2 2014	Q2 2015	H1 2014	H1 2015
France	40	41	38	53	78	94
Rest of Europe	81	83	81	84	162	167
Latin America	104	120	115	120	219	240
Rest of the world	13	19	14	19	27	38
Total	**238**	**263**	**248**	**276**	**486**	**539**

In %	Q1 Change reported	Q1 Change L/L	Q2 Change reported	Q2 Change L/L	H1 Change reported	H1 Change L/L
France	2.1%	1.5%	42.0%	-0.7%	21.5%	0.5%
Rest of Europe	1.9%	0.3%	3.5%	2.2%	2.7%	1.2%
Latin America	15.1%	15.8%	3.8%	14.1%	9.2%	14.9%
Rest of the world	47.8%	13.6%	35.9%	10.2%	41.6%	11.8%
Total	**10.2%**	**8.0%**	**11.4%**	**7.7%**	**10.8%**	**7.8%**

EBIT

In € millions	H1 2014	H1 2015	Change reported	Change L/L
France	17	18	8.3%	-11.0%
Rest of Europe	46	46	0.3%	1.6%
Latin America	93	105	13.1%	20.0%
Rest of the world	3	5	n/a	n/a
Worldwide structures	(11)	(9)	-16.2%	-26.7%
Total	**148**	**165**	**11.5%**	**14.6%**