

shareholders' newsletter

SEPTEMBER 2012

“ Dear shareholders,

In this newsletter you will discover a **summary presentation of the Group's first-half results**, which were announced in late August. Our **good performance**, with increases of 9.5% in issue volume and 14.5% in funds from operations, are the result of the strong performance and determination of all our teams in 39 countries.

Emerging markets, where growth is of course more robust than in developed countries, **now account for 60% of our issue volume**.

This steady, sustained growth in issue volume – a key indicator for our business model – illustrates the consistency of our strategic plan.

Backed by the four organic growth drivers defined in July 2010, we are continuing to focus – as you will see in this newsletter – on innovation, geographic expansion, new client gains and the gradual shift to paperless solutions.

Furthermore, in all our countries, we are every day reaffirming our commitment to **corporate social responsibility** by addressing challenges related to our operations, such as promoting a balanced, high-quality diet.

Encouraged by our achievements and results in Edenred's first two years as a standalone company, we remain more than ever **focused on strong, sustainable, year-on-year growth**.

Thank you for your confidence and loyalty. ”

Jacques Stern,
Chairman and Chief Executive Officer



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First-half 2012

● GOOD RESULTS...

€7.9 billion in issue volume:

up 9.5%* Issue volume corresponds to the total face value (such as the monetary value of a Ticket Restaurant® voucher) of the prepaid services provided to corporate and public sector clients. It is our Group's key financial performance indicator.

€511 billion in revenue: up 7.3%*

up 7.3%* **Operating revenue**, which comes from the fees paid by clients and restaurants, food shops and other affiliated merchants, amounted to €465 million for the six months ended June 30, 2012.

The float (or negative working capital requirement), corresponding to the cash received from corporate clients for prepaid services that has not yet been reimbursed to affiliated merchants, is invested to generate **financial revenue**, which totaled €44 million in first-half 2012. Total revenue, corresponding to the sum of operating revenue and financial revenue amounted to €511 million for the period.

€170 million in EBIT:

up 8.1%*

Funds from operations (FFO) of €131 million:

up 14.5%* This indicator measures the generation of cash flow.

* Like-for-like (i.e. excluding disposals, acquisitions and the currency effect).

● ...THANKS TO A CONSISTENT STRATEGY

Innovation

Of the 26 new solutions announced for the July 2011-December 2012 period, 20 have already been launched, including Ticket Frete® in Brazil (see page 3).

Geographic expansion

The Group confirms its target of opening six to eight new countries between 2010 and 2016.

New client gains

In the first half, new contracts were signed with Banco Itau in Brazil, La Poste in France and dairy producer Lala in Mexico. Presented below among the events of the past six months, the targeted acquisition of Comprocard in Brazil will help to expand the client portfolio.

The digital transition

By year-end 2012, 50% of issue volume will be generated by paperless solutions, thereby facilitating day-to-day operations for all of our stakeholders.

HIGHLIGHTS OF THE FIRST HALF

Edenred enters the Japanese market and strengthens its position in Brazil through two acquisitions aligned with its strategy.

Edenred announced that it had entered Japan – its 39th country – with the acquisition of Barclay Vouchers, the only company in the local meal voucher market.

At the same time, the Group has strengthened its positions in Latin America through the acquisition of Comprocard, a Brazilian food voucher issuer.

With the two transactions, Edenred is pursuing its geographic expansion with the goal of opening in six to eight countries by 2016 and is reaffirming its targeted acquisitions strategy.

Japan: Edenred's 39th country

With the acquisition of Barclay Vouchers, Edenred has entered Japan, its 39th country, following the opening in Finland in 2011. Thus the Group has reaffirmed its commitment to strengthening its presence in the Asia-Pacific region, which is a strategic growth territory, especially in terms of geographic development.

Brazil, Edenred's largest market

Brazil, which is Edenred's largest market, still has strong growth potential for the Group. With double-digit growth in first-half issue volume, business is very dynamic in all its families of solutions.

The acquisition of Comprocard enables Edenred to consolidate its leadership in prepaid services vouchers in the country.

Focus on one of the 4 families of solutions: Expense management

Edenred provides companies with solutions that streamline control procedures for their employees' business-related expenses, thereby generating cost savings. At the same time, these services mean employees do not have to advance cash to pay for business expenses. Unlike Employee Benefits, such as Ticket Restaurant®, this family of solutions does not qualify for any exemption from income tax or payroll taxes.

At end-June 2012, this family of solutions accounted for 10% of the Group's €7.9 billion in total issue volume, a sharp 28% increase like-for-like. That's because for more than a decade, Edenred has leveraged its recognized expertise in this segment as well as its leadership position in Latin America through the Ticket Car® program, originally used to let employees purchase fuel while on business trips. Expanded to cover vehicle maintenance expenses and developed in Chile, Argentina and Mexico, this program currently accounts for the most issue volume in this category of solution.



This strong position has prompted the Group to step up the deployment of its comprehensive, high value-added offerings in the two main market segments, which are vehicle fleet management and travel and entertainment expenses.

Among the nine solutions launched in 2011 or currently being developed – in addition to the 16 others already deployed by the Group – Ticket Frete® alone represents a potential market of €23 billion and 500,000 independent truckers. Ticket Frete® will gradually drive growth in issue volume, which at June 30, 2012 totaled €4 million for this solution.

The **pre-paid card** can be used to pay for fuel, hotel stays and motorway tolls, as well as truck driver compensation. It also responds to Brazilian regulatory restrictions imposed on road transport professionals and independent truck drivers as part of a government policy to increase tax collection.

The Edenred offering stands out from others in the market thanks to the Group's partnerships with:

- **Itau**, one of Brazil's most extensive banking networks.
- The **MasterCard** acceptance network.
- **Motorway toll operators** thanks to the interoperability of Ticket Frete® with their electronic payment systems.

These partnerships are presented in more detail on a special web portal for customers.



3 topical questions for an Executive Committee member

1 **Edenred has developed many services since the Ticket Restaurant® solution was first introduced in France in 1962. How did Edenred's becoming a standalone company in July 2010 facilitate its development?**

The independence acquired in the two years since the demerger has provided the Group with greater visibility for our stakeholders as the only international, listed "pure player" in the sector, with a new identity based on the Edenred brand. This independence has also involved:

- A Board of Directors dedicated to our operations and which in particular has expanded our expertise in new technologies, human resources management and innovation.
- A new senior management team that emphasizes local responsibility, consistent with the Group's strategic challenges.
- A strong and sustainable growth strategy. Deployed in three phases called Win 2010, Conquer 2012 and Invent 2016, the new strategy has set targets that focus on two key business indicators – issue volume and cash-flow generation – in line with our specific business model.
- The strong commitment of our teams to a federating corporate project and a shared ambition, to be the referent for our customers.

2 **What structures have been set up to promote innovation within the Group?**

Innovation is one of the foundations of Edenred's strategy of increasing issue volume. That's why we have put together the resources needed to launch and deploy solutions. A pipeline was created in 2011 to provide employees with a comprehensive vision of initiatives pursued in the countries. It includes some 150 projects that are monitored from creation to completion.

This system requires little additional spending since our solutions are deployed on in-house platforms. Innovation requires additional operating costs evaluated at around €4 million for 2012.

Thanks to this organization, 20 solutions have already been launched. Representing a 20% increase compared with year-end 2010, the contribution to growth from the 26 solutions scheduled for the July 2011-December 2012 period is expected to be greater than 2% in 2013 although it was only 0.8% in 2011.

Gilles Coccoli
Executive Vice President,
Strategy and Development



3 **The Group currently has operations in 39 countries. What strategy are you pursuing to explore opportunities in other countries?**

We've introduced a geographic growth strategy based on launching operations in new countries as well as on acquiring local companies involved in related businesses. To pursue this strategy, we've created a pre-development research unit to explore various countries. Over the past two years, 25 have been studied in-depth with regard to certain criteria, in particular:

- Growth and development potential in line with Edenred's objectives
- A stable political and social environment
- An expanding economy
- Clear evidence of a potential market for each solution.

Among the countries studied, 15 have been chosen, 13 are still under consideration and 2 have been opened – Finland with the launch of the Ticket Mind & Body® solution followed by Ticket Restaurant® and more recently, in July, Japan through a targeted acquisition (see page 2).

Expanding the geographic presence is crucial since it increases our potential for strong, sustainable growth. We're aiming to achieve the objective we set in July 2010 of opening in six to eight new countries by year-end 2016. They will gradually help to increase sales volume by 1 to 2% after 2014.

Corporate social responsibility

Edenred has embarked on a social responsibility approach aligned with its core business and structured around three main priorities: nutritional balance, the environment, and solidarity with local communities.

1 Promoting a balanced, high-quality diet



FOOD named one of the best projects financed by the EC's Health and Consumers Department

Since 2008, Edenred has been involved in the FOOD program (Fighting Obesity through Offer and Demand), working with around 20 public-sector partners in eight European countries. Thanks to the program, a wide array

of tools to promote balanced nutrition during the workday have been created and distributed to employees and restaurant operators. FOOD has been recognized as one of the 20 best projects financed by the EC's 2008-2013 Health Reform in the area of health, launched by SANCO, the Directorate General for Health and Consumers.

* For more information:
http://ec.europa.eu/health/programme/publications/index_en.htm



Edenred Uruguay recognized for its initiatives in favor of balanced nutrition

The Nutritional Balance program® has been chosen as one of the best examples of corporate social responsibility in Uruguay by DERES, a non-profit organization that promotes CSR practices in the country. Represented by its mascot Gustino, the program targets users of the Ticket Restaurant® and Ticket Alimentación® solutions. Its purpose is to help consumers develop healthier eating habits by informing them of sound nutritional choices, whether they are dining in restaurants or purchasing products to prepare at home.

2 The environment

Another successful Earth Day in 2012

Celebrated every year on April 22, World Earth Day is a major event for Edenred, which takes part through a broad range of subsidiary initiatives.

Last April, more than 2,800 Edenred employees in 32 countries organized an array of highly creative events. These included a cleanup operation in Slovakia, awareness-building videos presented in Austria and Venezuela, eco-driving training sessions for teams in France and other countries, an environmentally responsible rally in Mexico and vegetarian days in Belgium and Hong Kong.



The Slovak team cleaned up a protected area on the banks of the Danube in which there are vestiges of a primitive forest.



Edenred has brought online its new fun-filled, interactive site called Edenred City

Edenred City is a representation of the company's three worlds: offices, the production facility, and environmental services for clients and affiliates. Using computer graphics, Edenred City presents a close-up of the different challenges, illustrates action levers through a number of best practices implemented by the countries and provides employees with advice on how to make a difference in their day-to-day activities.

* Experience Edenred's world differently with a visit to Edenred City:
<http://www.edenred.com/static/LetsGoGreen/FR/index.html>

3 Two local solidarity-based initiatives

- Since 2011, Edenred France has offered employees the opportunity to take **solidarity leave** – with a financial participation by the Group – in coordination with Planètes Urgences, a non-profit organization. This summer, employees traveled to Benin and Madagascar where they tutored schoolchildren and supported and enhanced the capabilities of the local population.

- Since 2009, employees of Edenred's Venezuelan subsidiary have been paying calls on hospital patients to provide them with a moment of sharing and happiness. In two years, 76 volunteers have given their time to help improve daily life for nearly 3,000 patients. Last spring, volunteers also took part in a spontaneous event in Caracas to raise public awareness of their action.

Edenred included in the FTSE4Good ethical investment index for the second year in a row

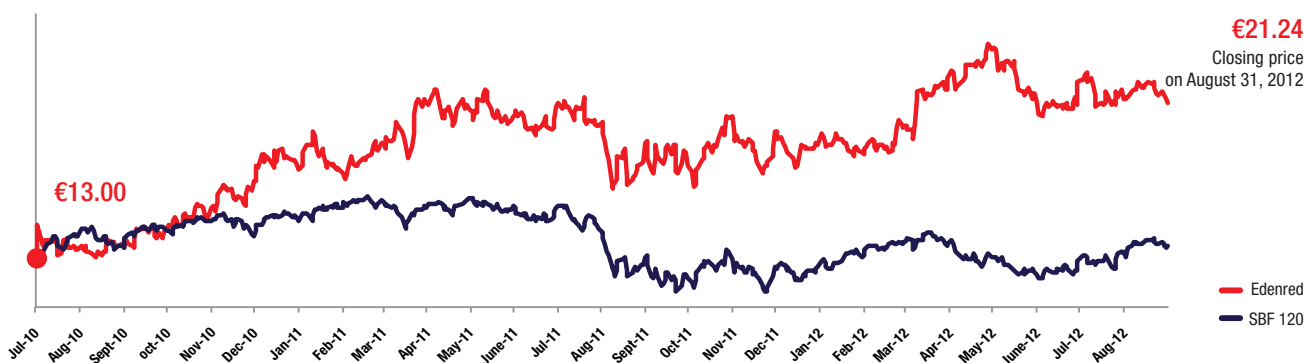
Created to measure corporate performance with regard to widely respected social responsibility standards, the FTSE4Good index once again recognized Edenred for its commitment in such areas as environmental stewardship, governance, human rights, training and diversity. Of the 305 European companies name, only 45 are French.

For more information about the Group's corporate social responsibility initiatives:
<http://www.edenred.com/fr/Corporate-social-responsibility/Pages/default.aspx>

* The interactive version of the Shareholders' Newsletter with clickable links can be found at edenred.com, on the Shareholder's Area page in the Finance section.



INVESTOR RELATIONS From the start of trading on July 2, 2010 to August 31, 2012



Opening price on July 2, 2010: €13.00

Increase in the SBF 120 index: 5.3%

Increase in the Edenred share price: 63.4%

Listed on NYSE: Euronext Paris (included in the SBF 120 and CAC next 60 indices)

Traded in: Compartment A

ISIN code: FR0010908533

Shares outstanding: 225,897,396

Market capitalization: €4.8 billion at August 31, 2012

PRACTICAL INFORMATION

To register your shares

Société Générale - Département Titres Bourse - Comptes - 32, rue du Champ-de-Tir - BP 81236 - 44312 Nantes Cedex
Tel.: 02 51 85 67 89 (local rates when calling in France)

Investor relations contacts

For any requests, please contact the Shareholder Relations office

N° Vert 0 805 652 662 Only from France
Appel gratuit depuis un poste fixe

Shareholders in France may use a toll-free number for 24/7 access to information on the share price, a summary of the latest press releases and the investor calendar can be accessed 24/7. The Shareholder Relations team is also available at this number to take your inquiries during business hours (9 am to 6 pm CEST, Monday to Friday).

Relations.actionnaires@edenred.com

Send us your email address to subscribe to our shareholder mailing list and automatically receive a link to our press releases (mainly concerning the quarterly, interim and annual results).

UPCOMING EVENTS

October 17, 2012

Third-quarter 2012 revenue

February 13, 2013

Full-year 2012 results

April 17, 2013

First-quarter 2013 revenue

May 24, 2013

Annual Shareholders' Meeting

FOR MORE INFORMATION

Get the latest
financial news
and all our publications in the
Finance and Group sections
on edenred.com.

MEETINGS WITH SHAREHOLDERS

Meetings are regularly organized for shareholders in France. If you wish to receive an invitation, please send us your address details.

November 15, 2012 Bordeaux

November 19, 2012 Toulouse

December 6, 2012 Paris

Upcoming events are posted on the edenred.com website, on the Shareholders' Area page in the Finance section.

