2013 REGISTRATION DOCUMENT

This document includes the annual financial report

Edenred

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The information required in the Annual Financial Report is identified in the Contents table by the AFR pictogram AFR

2013 REGISTRATION DOCUMENT

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The original French version of this translated Reference Document was recorded with the Autorité des marchés financiers with the number R.13-011 on March 31, 2014 in accordance with article 212-13 of the General Regulations of the Autorité des marchés financiers.

It may be used in connection with a financial transaction in conjunction with an Information Memorandum approved by the Autorité des marchés financiers. This document was prepared by the issuer and is binding on its signatories.

FINANCIAL AND OPERATIONAL GLOSSARY

ACCEPTANCE NETWORK

Network of affiliated merchants that accepts the Group's vouchers as a payment instrument. There are three types of acceptance networks for the Group's card-based products:

- **closed loop:** the card is issued by an affiliated merchant under its own brand (e.g. Carrefour, Walmart, Starbucks) and is only accepted in its outlets.
- **filtered loop:** the card is issued only under the issuer's brand and is redeemable in a certain number of sales outlets, selected by the issuer who designed the prepaid service (meal card, food card, fuel card, gift card, etc.).
- **open loop:** solutions (for example, gift cards, prepaid cards and payroll cards) that are cobranded by the acceptance network and the issuer. They are accepted anywhere.

AFFILIATED MERCHANT

Businesses that accept the Group's vouchers as a payment instrument, as part of a contractual relationship.

BENEFICIARIES

End users of the prepaid benefit or service, who receive the vouchers from their employer or a public institution.

CLIENT COMMISSION

Commission billed to Edenred's clients (companies, non-profits and public institutions), comprising a variable component calculated as a percentage of issue volume.

DIGITAL TRANSITION

The transition from paper to digital (cards, Internet, smartphone apps, etc.).

EBIT

EBIT corresponds to total revenue (operating and financial) less operating expenses, depreciation, amortization and non-operating provisions, and includes:

- operating EBIT;
- financial EBIT.

EBIT is presented in Note 2.T6 to the consolidated financial statement, on page 157. It is broken down between operating EBIT (EBIT excluding financial revenue), and financial EBIT (corresponding to financial revenue).

FACE VALUE

Amount marked on the payment voucher, or the credit on a digital solution.

FLOAT

Vouchers in circulations less trade receivables.

FREE CASH FLOW

It is analysed in Section 2.1.1.4 on page 37.

FUNDS FROM OPERATIONS BEFORE NON-RECURRING ITEMS (FFO)

Funds from operations before non-recurring items (FFO) corresponds to EBITDA less net financial expense, income tax paid, non-cash revenue and expenses included in EBITDA, provision movements included in net financial expense, income tax expense and non-recurring taxes. This management ratio is discussed in Section 2.1.1.5 on page 38 and in Note 26 to the consolidated financial statement on page 194.

ISSUE VOLUME

Total face value of the prepaid service vouchers and cards issued by Edenred to its corporate and public sector clients.

LIKE-FOR-LIKE

At constant exchange rates and scope of consolidation.

MERCHANT COMMISSION

Commission paid by Edenred affiliated merchants are based on the vouchers' face value. When the vouchers are presented for reimbursement, Edenred pays to the merchant the face value less the amount of its commission.

NORMALIZED GROWTH

Normalized growth means the level of growth that the Group believes it can achieve in an economic environment in which there is no increase in unemployment. It is calculated on a like-for-like basis.

OPERATING FLOW-THROUGH RATIO

Ratio between the like-for-like change in operating EBIT and the like-for-like change in operating revenue.

PENETRATION RATE

The ratio between the number of beneficiaries of a service voucher and the eligible active population, which depends on the applicable regulations in the country concerned.

REVENUE

Total Group revenue includes:

- operating revenue generated directly by prepaid services with and without issue volume; and
- financial revenue, generated by investing the float.

Operating revenue with issue volume includes:

- commission paid by clients;
- commission paid by affiliated merchants when vouchers are presented for reimbursement;
- profits on vouchers that are lost or expire without being reimbursed.

Operating revenue without issue volume corresponds to revenue generated by value added businesses 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.

Financial revenue is interest generated by investing cash over the period between:

- the voucher's issue date and reimbursement date for prepaid vouchers;
- the top-up date and the date the credit is used for prepaid cards.

RECURRING PROFIT AFTER TAX

Recurring profit after tax corresponds to net profit less non-recurring items (including tax), less minority interests. Edenred uses this performance indicator to determine its dividend payout ratio.

TAKE-UP RATE

Ratio of operating revenue with issue volume to total issue volume.

UNLEVERED FREE CASH FLOW

Unlevered free cash flow is an indicator of the Company's cash-generating capacity. It is presented in Section 2.1.1.4 on page 37.

WORKING CAPITAL REQUIREMENT

The net balance of operating uses of funds and operating sources of funds. Its calculation is presented in Note 27 to the consolidated financial statements on page 195. In the Prepaid Services business, working capital requirement is structurally negative with Edenred receiving funds from clients before having to reimburse its affiliated merchants.

1

PRESENTATION OF THE GROUP

1.1 CORPORATE PROFILE

1.1.1 UNIQUE EXPERTISE AND POSITIONING

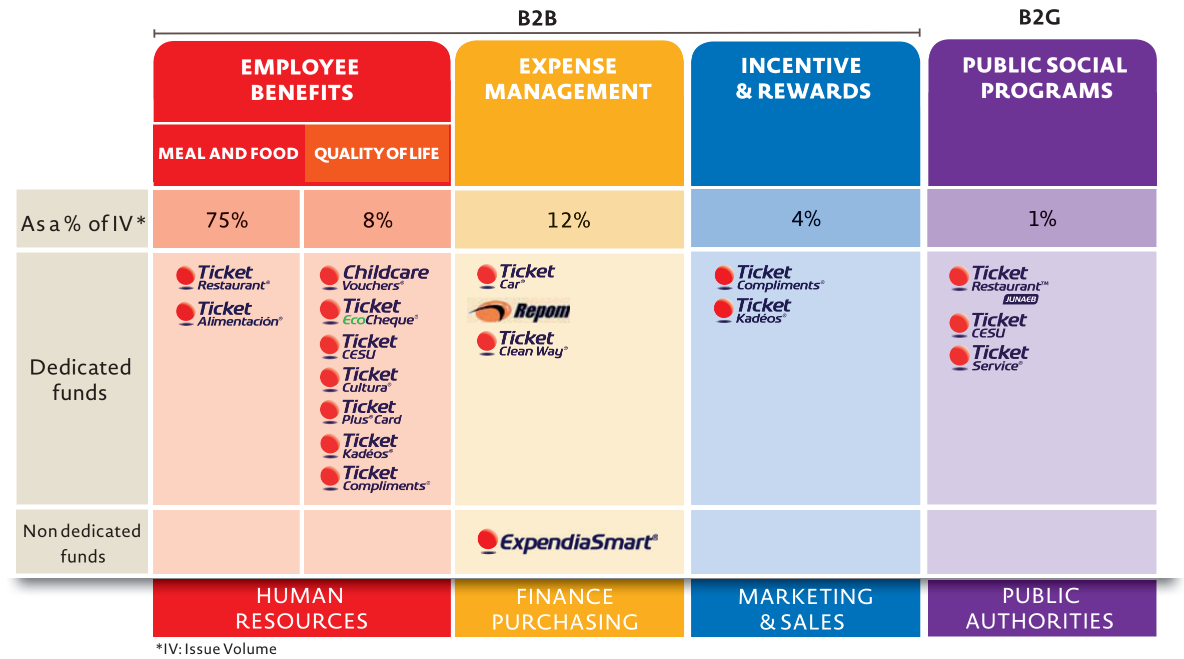
Edenred, which invented the *Ticket Restaurant®* meal voucher and is the world leader in prepaid corporate services, designs and manages solutions that improve the efficiency of organizations and purchasing power to individuals.

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** processes (*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**.

Four Types Of Solutions



In the course of its business, Edenred maintains relations with several stakeholders:

- **companies and public sector clients,** concerned with being an attractive employer, with motivating their teams and optimizing their performance;
- **beneficiaries,** who appreciate the simplicity and convenience of service cards and vouchers in making their lives easier;
- **affiliated merchants,** seeking to increase their revenue, retain their customers and secure their transactions;
- **public authorities,** looking to improve the effectiveness of their social and economic policies, to deliver benefits and to ensure the traceability of funds allocated to benefit programs.

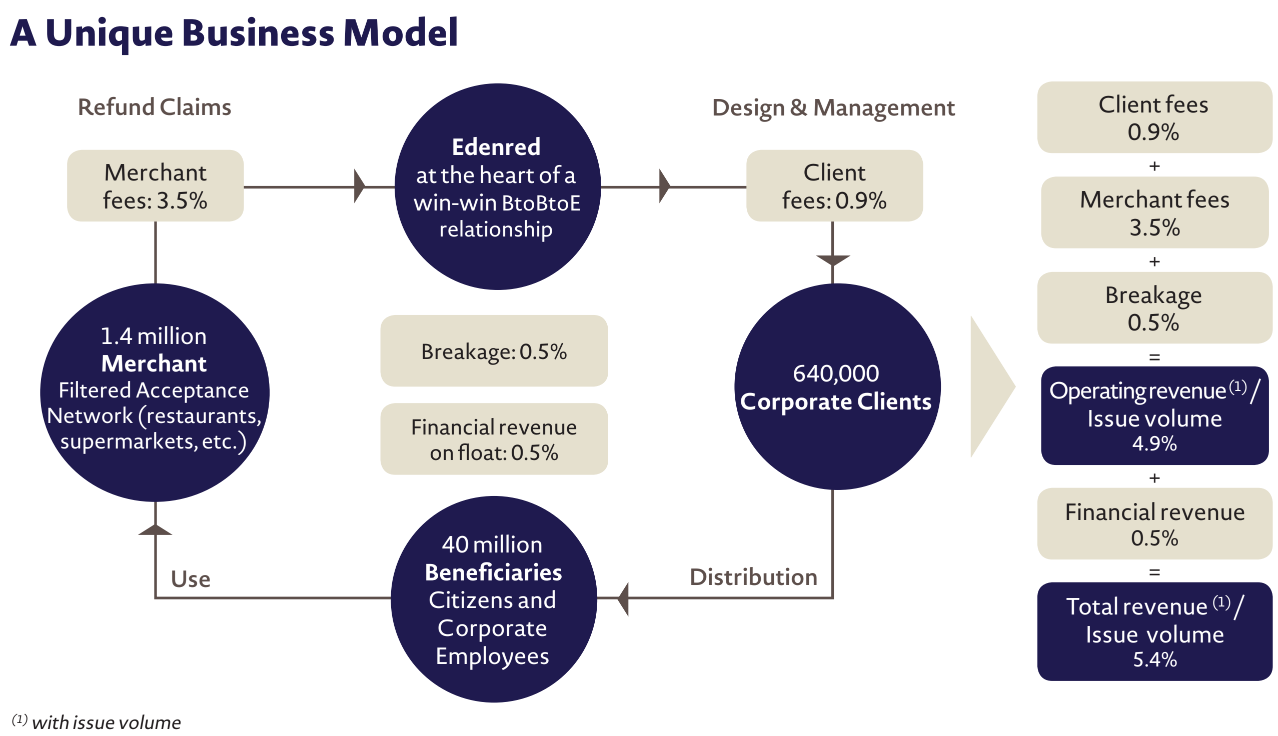
Listed on the NYSE Euronext Paris stock exchange [(1)], Edenred operates in 40 countries, with more than 6,000 employees, nearly 640,000 companies and public sector clients, 1.4 million affiliated merchants and 40 million beneficiaries. In 2013, total issue volume amounted to €17.1 billion, of which almost 60% was generated in emerging markets.

(1) Listed on NYSE Euronext Paris in Compartment A (ISIN: FR0010908533).

1.1.2 A BUSINESS MODEL THAT GENERATES STRONG SUSTAINABLE GROWTH AND REQUIRES LITTLE CAPITAL INVESTMENT

1.1.2.1 Description of the business model

The Group's business model, illustrated below, is based on win-win relationships with stakeholders.



One of the Group's key indicators is **issue volume**, corresponding to the total face value of the prepaid service vouchers and cards issued by Edenred to its corporate and public sector clients.

Revenue comprises operating revenue generated directly by the supply of prepaid service vouchers and cards and financial revenue generated by investing the negative working capital requirement [(1)].

Operating revenue corresponds to revenue from the sale of solutions and services. It includes operating revenue linked to issue volume that is generated by prepaid vouchers (€830 million in 2013) and operating revenue without issue volume (€120 million in 2013), mainly consisting of billings for services such as the management of incentive and rewards programs for Group clients.

Operating revenue linked to issue volume represented 4.9% of issue volume in 2013, breaking down as follows:

- commissions received from clients 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, representing an average of 0.9% of issue volume in 2013;
- commissions received from affiliated merchants (restaurants, supermarkets, retail chains, service stations, etc.), representing an average of 3.5% of 2013 issue volume. When beneficiaries have spent their prepaid vouchers with affiliated merchants, the merchants present the vouchers to Edenred for reimbursement of their face value, net of a commission. This is Edenred's second source of revenue. Affiliated merchants generally join the program by signing a contract drawn up individually that specifies the commission rate as well as the basis for reimbursing vouchers.

(1) Corresponding to the investment of funds received from clients (total voucher face values) and not yet reimbursed to affiliated merchants.

The commission rate generally depends on the type and size of the merchant network and the reimbursement period selected by the merchant when a choice is offered;

- profits on vouchers that are lost or expire without being reimbursed, corresponding to the face value of vouchers that have not been presented by their expiry date. These profits represented 0.5% of 2013 issue volume.

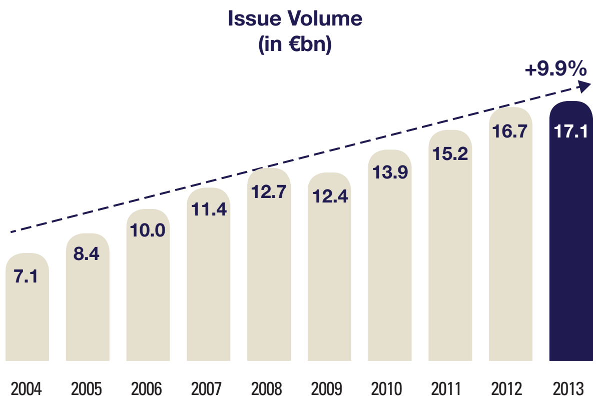
The negative working capital requirement, corresponding to the cash received from clients for prepaid services that has not yet been reimbursed to affiliated merchants, is invested to generate **financial revenue** that is added to operating revenue to calculate the Group's total revenue. In 2013, financial revenue represented 0.5% of issue volume.

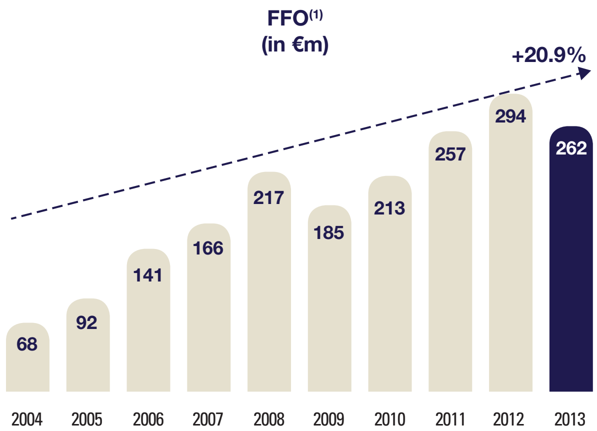
Total revenue, including operating revenue with and without issue volume as well as financial revenue, represented €1.0 billion in 2013.

1.1.2.2 Strong and sustainable growth with little capital investment

Edenred has multiple drivers of strong and sustainable issue volume growth (see section 1.3). Since 2003, reported issue volume has increased by an average 9.9% per year.

The business model also generates considerable amounts of cash. Since 2004, reported funds from operations before non-recurring items (FFO) have grown by 20.9% per year on average. Other key features of the business model are the negative working capital requirement and limited capital requirement. Recurring capital expenditure by the Group is in the region of €50 million per year.





This sustainable business model is also based on extensive diversification in terms of geographies, solutions, clients and media. Diversification plays a critical role in maintaining consistent performance by spreading risks more widely.

(1) FFO: Funds From Operations before non-recurring items.

1.1.3 THE GLOBAL LEADER IN PREPAID CORPORATE SERVICES

1.1.3.1 Overview of the prepaid services market

In a market representing an estimated €121 billion [(1)], Edenred is today positioned as the **world leader in B2B prepaid services**, with issue volume of €17 billion in 2013. Its solutions cover three segments:

- Employee benefits (83% of issue volume);
- Expense management (12% of issue volume);
- Incentive and rewards (4% of issue volume).

The main international competitors in these markets are:

- Sodexo and Chèque Déjeuner in the employee benefits segment; and
- FleetCor and WEX Inc. in expense management.

In each host market, Edenred also faces competition from local players, such as Alelo in Brazil and Qui Group in Italy.

In its three main markets – Brazil, France and Mexico – Edenred is the market leader [(1)].

As well as its direct competitors, Edenred may face indirect competition from a diverse range of companies in each of its operating segments. For example, international and local banks, financial service providers, service station operators, travel agencies, software solution providers, marketing firms and gift package providers, may compete with prepaid services companies.

Globally, Edenred also develops **solutions for public social programs** ("B2G solutions", 1% of issue volume). This €116 billion market [(2)] is served by local and multinational companies that offer prepaid solutions for the implementation of public policies in the areas of social protection, culture, education, sport and professional training.

In addition to competitors in the prepaid corporate services and public social programs markets, many companies already offer **prepaid services for end consumers (mainly gift cards or payroll cards)**. For example, the mature North American prepaid services market has seen strong growth in the Business-to-Consumer (B2C) segment served by financial institutions and specialist companies. Edenred, which is not currently present in these adjacent markets, nevertheless strategically monitors their development through a partnership signed with venture capital firm Partech International in December 2011 and through the Alternative Investments unit set up to provide capital and support to companies offering value-added services to different types of stakeholders.

Lastly, prepaid services for businesses, public institutions and consumers are a component of a much larger **payment ecosystem**. Edenred has occasion to interact with various players in the payment value chain, such as banks, merchant acquirers [(3)], payment system networks, payroll management companies, payment terminal and card manufacturers, payment processors and loyalty program managers.

The Group's international position is a core strength that supports:

- the drive to become the preferred partner of public authorities in the areas of employee benefits and public social programs;
- the roll-out of Edenred's expertise and solutions in new countries;
- the delivery of economies of scale;
- the development of European and Latin American authorization platforms, that are used to process payments from digital media developed by Edenred.

(1) Source: 2013 internal estimate.

(2) Source: 2010 internal estimate (see November 2011 Investor day presentation, available on the Company's website edenred.com).

(3) Companies specialized in installing payment terminals at merchants.

1.1.3.2 A solutions offer that improve the efficiency of organizations and purchasing power to individuals

Edenred responds to companies' concerns by offering a comprehensive suite of solutions for managing their employee benefits, business expense claims and incentive and rewards programs. The Group also supports public institutions in managing their social programs.

Employee benefits

Employee benefits are a win-win proposition for all stakeholders:

- **public institutions:** Edenred's employee benefits solutions represent a method of enhancing the effectiveness of governments' social or economic policies, delivering benefits and ensuring the traceability of funds allocated to social programs. Their social usefulness qualifies them for income tax and/or payroll tax exemptions. For governments, the lost tax revenue is generally offset by the positive direct and indirect effects of employee benefit programs, which help to boost the revenues of local trades people, creating jobs and increasing tax revenues, particularly corporate income tax and value-added tax. These solutions are an efficient tool for combatting development of the informal economy (particularly in the food and human services sectors). From a public health perspective, a key attraction of employee benefits solutions (particularly meal and food vouchers) is that they help beneficiaries and their families to enjoy a healthier diet. They also benefit the economy by boosting workers' motivation and raising productivity levels, reducing absenteeism, workplace accidents and cases of food poisoning. In addition, they represent a simple alternative to corporate catering structures for small and medium-sized enterprises;
- **companies and public sector clients:** given that all or part of the employer's contribution to financing the benefits is tax-exempt, employee benefits are a cost-effective way for employers to boost employee compensation and thereby enhance their attractiveness as part of a broader Human Resources strategy. In France, for example, the portion of the meal vouchers' face value paid by the employer is exempt from social security contributions and payroll tax, within the limits prescribed by law (€5.33 per voucher in 2014). In a survey of employers [1], 73% of respondents said that the meal voucher system helped to improve their image as a good place to work, while 61% said that it was a strong argument in their favor when hiring employees. With 640,000 clients at December 31, 2013, Edenred has an extremely diversified client portfolio;
- **beneficiaries:** employee benefits solutions increase beneficiaries' purchasing power, as the employer's contribution to financing these solutions is exempt or partially exempt from personal income tax. In a survey of employees conducted in France [1], 94% of respondents said that they valued their meal vouchers and 81% considered that offering meal vouchers made companies more attractive employers;
- **affiliated merchants:** employee benefit solutions are also a highly effective method of boosting the businesses of affiliated merchants (restaurants, grocery stores, etc.), because they help these merchants to attract and retain a new category of "employee-consumer" customers who represent a totally secure source of revenue. In France, around 15% of revenues in the foodservices sector are generated by meal vouchers. In a survey of restaurants [1] 57% of respondents said that meal vouchers generated a significant proportion of their revenues and 81% considered that meal vouchers represented a means of retaining customers. At year-end 2013, Edenred's worldwide affiliated merchant network comprised 1.4 million service providers operating in a wide range of businesses, including restaurants, supermarkets, retailers, grocery stores and service stations.

There are several types of employee benefit solutions:

- **food-related employee benefits:** the Group offers two types of solutions: meal vouchers and food vouchers, currently offered in 33 countries:
  - the first solution invented by the Group in France, back in 1962, ***Ticket Restaurant***® allows employees to buy lunch outside their workplace, in an affiliated restaurant or other foodservice outlet of their choice. It is a simple alternative to corporate catering structures, particularly for small and medium-sized enterprises, that helps companies to foster employee loyalty. The employer's contribution to the cost of the meal, corresponding to all or part of the vouchers' face value, is generally deductible from its taxable profit. It is also generally exempt from personal income tax in the hands of the employee. In addition, all or part of the vouchers' face value is exempt from employer and employee payroll taxes;
  - ***Ticket Alimentación***® increases beneficiaries' purchasing power and improves their diet by allowing them to pay for groceries in neighborhood stores and supermarkets not only for themselves but for their entire family. Launched by Edenred in 1983 in Mexico, under the name **Vale Despensas**®, the solution

(1) IPSOS survey carried out in July 2010 among 400 employers, 800 employees and 400 restaurant owners using meal vouchers.

has since been rolled out to other Latin American countries, including Brazil in 1990, and more recently to certain countries in Central Europe;

- in 2013, another unique employee benefits offer was launched in the United States. The new solution, known as ***NutriSavings***®, helps employees to adopt a healthier diet by providing them with more information about the nutritional quality of their grocery purchases while also giving them additional purchasing power. Employees who join the NutriSavings® program set objectives with their companies to improve the nutritional quality of their shopping baskets as measured by a score that can be consulted online *via* computer or smartphone. In addition to incentives from employers for meeting these objectives, program participants will receive eCoupon savings on nutritionally balanced products. In addition to helping to improve employees' health, this solution also helps companies to reduce their healthcare-related expenses.

- **employee benefits to improve quality of life.** Building on the outstanding success of *Ticket Restaurant*® and *Ticket Alimentación*®, the Group has developed a range of solutions that allow employers to help finance the cost of essential services that make employees' lives easier. Examples include:
  - childcare solutions, with ***Childcare Vouchers***®, one of Edenred's flagship programs the United Kingdom, and ***Ticket Guardería***® in Spain. These solutions enable employers that don't have workplace daycare facilities to help employees pay for having their children looked after while they are at work. They respond to the needs of all the players concerned. For the State, the total or partial exemption from payroll taxes and income tax of the employer's contribution is the most cost-effective solution to the acute needs created by recent social trends, particularly the growing number of working mothers. For companies too, childcare vouchers represent a simpler and far more cost-effective solution than the alternatives, such as setting up a workplace daycare center. As a result, even medium, small and very small businesses can include them in the benefits package offered to employees. Moreover, the vouchers don't just increase beneficiaries' purchasing power, they also ensure that the funds are effectively spent on childcare. For beneficiaries, they represent a flexible solution as they can be used to pay for all types of childcare, provided by centers or individuals that are affiliated with accredited voucher issuers,
  - human services solutions, with the *Ticket CESU* in France which is used by companies to help their employees to pay for services in the home,
  - commuting cost solutions such as ***Commuter Check***® in the United States and ***Ticket Transporte***® in Brazil and Spain, which allow employers to reduce the cost of their employees' daily commute,
  - solutions that encourage purchases of environmentally friendly products, such as the ***Ticket EcoCheque***® offered in Belgium,
  - solutions for purchases of staple goods, such as the ***Ticket Plus***® ***Card*** launched in Germany in 2013 that enables companies to offer their employees additional purchasing power of up to €44 per month for their food and fuel purchases from a large network of affiliated merchants,
  - solutions for cultural purchases, such as the ***Ticket Cultura***® launched in Brazil in 2013 that enables companies to distribute funds for the purchase of cultural goods and services.

In some countries, companies can also award tax-exempt gift vouchers to employees in connection with certain events (a wedding, birth of a child, Christmas, etc.).

Edenred's employee benefits programs are being enhanced with the addition of new services. These services are being deployed by developing online service platforms in some countries, such as ***Benefity Café*** in the Czech Republic, to help Human Resources Departments manage their employee benefits policies more efficiently, promote them among employees and scale back administrative processes and costs. Integrated in clients' own information systems, the platforms also provide greater flexibility to beneficiaries by enabling them to manage their benefit transactions online.

In some countries, the Group also offers new analytics services for clients, such as surveys of compensation practices in the client's industry and analyses of benefit use to assess the effectiveness of employee benefit programs.

Expense management

Efficient and transparent business expense management represents an important source of leverage for companies looking to improve their performance. Having recognized this, Edenred offers solutions to companies to help them control their employees' business expenses and optimize expense reporting processes, while at the same time generating cost savings. For employees, these solutions mean not having to pay expenses out of their own pockets and claim reimbursements. Although based on a similar model to employee benefits, they do not qualify for any exemption from income tax or payroll taxes. They can be accepted in both open and closed loop networks.

The Group is present in three segments:

- **Fuel and fleet expense management** (fuel and maintenance expenditure for cars or trucks)

The flagship ***Ticket Car***® solution simplifies the process of managing vehicle fleets and delivers cost savings of around 10-20%. It has become a valuable tool for managing fuel and maintenance costs, not only for Company cars but also for truck fleets. Incorporating a payment card for users and a management platform, the solution allows companies to track and better manage this type of expense, thanks to pre-configured user profiles covering, for example, mileage, telemetry parameters, type of fuel, authorized service stations and service outlays. Launched in Brazil in 1990, the solution has since been rolled out to Mexico, Chile and Argentina, positioning Edenred as the market leader [(1)] in Latin America. Today, *Ticket Car*® contributes most of the issue volume in the expense management segment;

- **Travel and entertainment expenses management**

Edenred offers solutions that enable companies to efficiently manage their employees' travel expenses (plane or train tickets, accommodation, meals, etc.), comprising a dedicated web platform that can be pre-configured by the Company and preloaded payment cards that can be used by employees to pay their travel expenses. These solutions allow companies to oversee and manage the entire expense cycle - before, during and after each trip - from the booking of plane or train tickets to the automatic processing of the expense claim. They also incorporate a customizable reporting system to control and monitor expenses. One example is ***ExpendiaSmart***®, an innovative solution launched in Italy in 2011 that overcomes the problem of employees having to pay their expenses out of pocket and then claim reimbursements;

- **Sector-specific expenses**

The Group also offers solutions that meet the needs of specific markets, such as ***Repom***® in Brazil and ***Ticket Clean way***® in France:

  - The December 2012 acquisition of ***Repom***®, the leader in Brazil's "frete" market, has extended Edenred's offer in this segment, which encompasses all the costs incurred by major manufacturers and trucking companies for the outsourced delivery of goods by independent truck drivers. ***Repom***® prepaid cards cover all of an independent trucker's expenses, including fuel, restaurants and tolls, as well as his payment for goods delivery. They also enable industrial and trucking companies to track and manage these expenses easily and efficiently. This highly promising market, which is estimated at nearly €35 billion [(2)] and is still relatively unpenetrated, should be boosted by the Brazilian government's recent introduction of fines and tax incentives in a bid to put service transactions by independent truck drivers on a more formal basis.
  - The ***Ticket Clean way***® is used by employees to pay for the cleaning of their work clothes. The Company issues the employee a smartcard or paper voucher-based cleaning allowance that can be used in a network of affiliated service providers. Launched in France in 1995, *Ticket Clean way*® has recently been deployed in other European countries. In late 2011, *Ticket Clean way*® introduced the "EPI card", a personal protective equipment cleaning solution for clients in France. The card enables employers to ensure that the protective equipment worn by their employees is of optimal quality by tracking the number of times it has been cleaned. In this way, it addresses an everyday safety concern shared by four million professionals in France's construction, manufacturing, defense and transportation industries. This differentiating solution illustrates the Group's capacity for innovation and opens up a potential €128 million market [(3)].

Incentive and rewards programs

To drive enhanced corporate performance, Edenred offers a wide range of incentive and rewards solutions designed to be used by companies to motivate sales teams, provide incentives for distribution networks, and retain consumers. Although based on the same model as employee benefits, like expense management solutions they do not qualify for any exemption from income tax or payroll taxes. They can be accepted in open or closed loop networks.

- examples of incentive and rewards products include gift vouchers and cards that clients distribute to beneficiaries who purchase products in affiliated stores. The Group's two main incentive and rewards brands are ***Ticket Compliments***® and ***Ticket Kadéos***®,

(1) IPSOS survey carried out in July 2010 among 400 employers, 800 employees and 400 restaurant owners using meal vouchers.

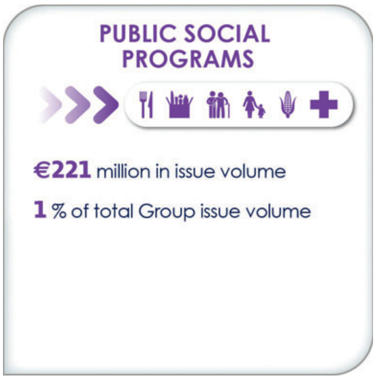
(2) Source: GMV study for Edenred and Synamap study. 2011 data.

(3) Source : 2013 internal estimate.

a range of closed-loop and open-loop gift vouchers and cards for companies and works councils (for distribution to employees) and public sector clients (for their social programs);

- in the Asia-Pacific region, Europe and Brazil, we also partner companies in implementing motivation, incentivization and loyalty-building strategies thanks to an end-to-end service offer that encompasses the essential first step of developing a business marketing strategy (targeting their distribution networks, resellers and employees), analyzing relationship data and creating customizable online platforms and, last but not least, distributing the rewards (gift vouchers, gift cards, gift packs, incentive travel, etc.).

Public social programs



Public authorities and institutions also use Edenred's services for the management and distribution of social benefits, in order to enhance the effectiveness of their policies in this area, in particular by improving the traceability of the funds allocated to the programs. The Group's public social program solutions help public authorities and institutions to keep better track of funds earmarked to improve the purchasing power of certain categories of the population.

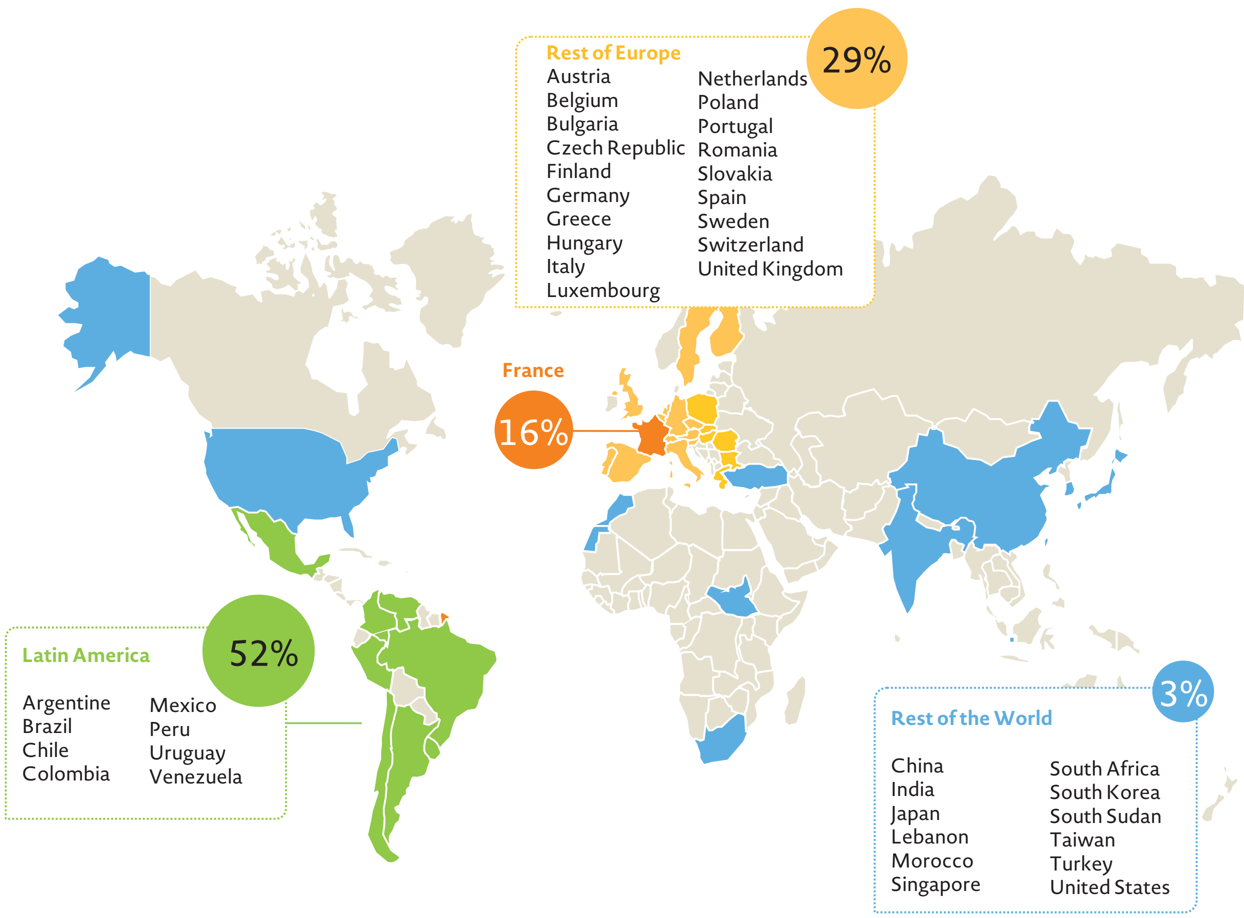
For example, the ***Ticket Service***® solution distributed in France (*Ticket CESU*), Belgium (*Ticket S*), Italy, the Czech Republic, Turkey, Chile and South Africa, allows financial assistance to be distributed in accordance with local or regional social policies, to meet specific needs. Most of the programs are designed to help people buy food, clothing or other basic products, or provide access to cultural or sporting facilities or transport.

For public authorities and institutions, Edenred's solutions represent an alternative to the distribution of assistance in the form of cash payments, allowing them to target a specific need and track how the funds are spent in order to ensure that they are used by beneficiaries for their intended purpose. Flexible and easy to set up and to use, they have the added benefit of avoiding problems of embezzlement and corruption. For example, Chile, Sweden and Italy have introduced cards designed to assist students with food expenses and tuition while at university.

1.1.3.3 Operations in 40 countries, balanced between developed and emerging markets

Since its formation, Edenred has steadily expanded its geographic presence. As of end-2013, it had operations in 40 countries on five continents. In most of these countries, the Group created the market by impelling the passage of legislation enabling the introduction of employee benefits solutions.

The map below shows Edenred's global presence at the end of 2013 and each region's contribution to issue volume.



Breakdown of issue volume between developed and emerging markets

Edenred has a balanced presence in developed markets, which accounted for 41% of issue volume in 2013, and in emerging markets, which represented 59% of the total. The Group's robust presence in emerging markets gives it access to important future growth drivers.

Main countries where the Group is established

In Brazil, the Group's largest market, Edenred offers a large and diversified range of solutions:

- Employee benefits (80% of 2013 issue volume in Brazil): *Ticket Restaurante*®, *Ticket Alimentaçao*®, *Ticket Transporte*®, *Ticket Cultura*®;
- Expense management (19% of 2013 issue volume in Brazil): *Ticket Car*®, *Repom*®;
- Incentive and rewards (1% of 2013 issue volume in Brazil): *Accentiv'Mimetica*®.

In 2013, Brazilian issue volume and revenue reached €5.3 billion and €331 million respectively.

In France, the Group's second largest market, solutions are also offered in several categories:

- Employee benefits (90% of 2013 issue volume in France): *Ticket Restaurant*®, *Ticket Kadéos*®, *Ticket CESU*;
- Incentive and rewards (9% of 2013 issue volume in France): *Ticket Kadéos*®;
- Public social programs (1% of 2013 issue volume in France): *Ticket CESU*, *Ticket Service*®.

In 2013, French issue volume and revenue reached €2.8 billion and €163 million respectively.

1.2 MILESTONES

1.2.1 PRE-2010: CREATION AND DEVELOPMENT OF ACCOR SERVICES

1954-1980: From an original idea to an effective business model

The original luncheon voucher concept was launched in the United Kingdom in 1954. In 1962, the Jacques Borel International Group set up a new company, Crédit-Repas, and created *Ticket Restaurant*®, France's first meal voucher. Five years later, legislation was adopted creating a legal regime for meal vouchers in France (government order no. 67–830 dated September 27, 1967).

In the 1970s, the *Ticket Restaurant*® formula was exported to Brazil, Italy, Belgium, Germany and Spain.

1980-2000: Geographic diversification of the employee benefits offer

In 1982, Jacques Borel International – already the world's leading meal voucher issuer with 165 million *Ticket Restaurant*® vouchers distributed per year in eight countries – was acquired by Novotel SIEH. The following year, Novotel SIEH-Jacques Borel International was renamed Accor. In 1984, the daily number of voucher users worldwide topped one million.

In the 1980s and 1990s, the Group embarked on a strategy to diversify the employee benefits offer for businesses, starting in Mexico with the creation of the *Ticket Alimentación*® food voucher in 1983. This was followed, in 1989, by the introduction of *Childcare Vouchers*® in the United Kingdom and, in 1995, by *Ticket Culture*® vouchers in France.

During this period, the Group also continued to expand internationally, setting up operations in Argentina in 1988, Venezuela in 1990, Turkey in 1992, the Czech Republic, Austria and Luxembourg in 1993, Hungary, Slovakia and Uruguay in 1994, Greece in 1996, the Netherlands, Poland and India in 1997 and Romania in 1998.

2000-2010: Diversification of solutions and media

In the period 2000 to 2010, the Group kept up the pace of organic growth, entering the Chinese market with the launch of a restaurant smart card in 2000, and the Peruvian market. In Brazil, the Group strengthened its presence in 2006 by buying out its 50% partner in *Ticket Serviços*.

Edenred also pursued a strategy of acquiring local employee benefit providers and companies positioned in the expense management or incentive and rewards segments.

Acquisitions in the employee benefits segment:

- 2003: Dicasa (Mexico);
- 2005: Hungastro (Romania) and WiredCommute (United States);
- 2006: Serial (Italy);
- 2009: Exit Group, the Czech Republic's fourth largest meal voucher issuer.

Acquisition in the expense management segment:

- 2007: Autocupón, Mexico's second largest fuel card issuer.

Acquisitions in the incentive and rewards segment:

- 2006: Calicado (Germany) and RID (India);
- 2007: Kadéos, France's leading provider of closed-loop and open-loop gift solutions;
- 2007: Surfgold, Asia's leading marketing services company, giving the Group access to a client portfolio that includes some of the region's largest companies and to incentive and loyalty program management platforms.

At the same time, the Group completed acquisitions in the technology sector to support its transition to digital solutions:

- 2007: PrePay Technologies Ltd, the UK leader in prepaid cards. Following an agreement with MasterCard Europe in February 2009, the company was renamed PrePay Solutions (67%-owned by Edenred);
- 2008: 62% of Motivano UK, the country's leading online employee benefit management company.

1.2.2 SINCE 2010: CREATION OF EDENRED

On June 29, 2010, the Extraordinary General Meeting of Accor shareholders approved the demerger of the Hotels and Services businesses, leading to the creation of Edenred, a pure player in prepaid services that is now listed on the Paris stock exchange. To support Edenred's transition to an independent listed company, a new Board of Directors was elected and the Company's governance principles were defined, a new management team was appointed, the Edenred brand was launched, along with a corporate mission project, EDEN ("Entreprendre Différemment ENsemble", translated as "Moving Forward Differently Together") and a three stage strategy was deployed (described in section 1.3.2).

Since its formation, the Group has pursued a targeted acquisitions strategy in its core prepaid B2B services business, and has carried out a strategic review of its portfolio:

Acquisitions since 2010

- in December 2010, Euroticket, a Romanian meal and gift voucher issuer joined the Group;
- in January 2011, Edenred acquired RistoChef, an Italian meal voucher issuer;
- in October 2011, the Group acquired the fuel card business of CGI, a Mexican fuel card issuer;
- in July 2012, it was the turn of Comprocard, a food voucher issuer in Brazil to join the Group;
- in July 2012, Edenred acquired Barclay Vouchers, the only meal voucher issuer in Japan;
- in February 2013, the Group acquired Colombian employee benefits company Big Pass;
- March 2013 saw the acquisition of Repom, the Brazilian market leader in expense management solutions for independent truckers;
- in June 2013, Opam, a Mexican employee benefits company joined the Group;
- in January 2014, Nets Prepaid, Finland's leading meal voucher company, was acquired;
- lastly, January 2014 also saw the acquisition of Brazilian employee benefits company Bonus.

Joint ventures created since 2010

- in 2013, a strategic alliance was set up with SavingStar, the only national fully digital grocery savings service in the US, leading to the creation of NutriSavings. This new joint venture is 67%-owned by Edenred, the majority partner, and 33% by SavingStar;
- in June 2013, Edenred finalized the creation of a 50-50 joint venture with Banco Espirito Santo in the Portuguese employee benefits market, contributing its existing operations in Portugal to the new company.

Disposals since 2010

In 2011, following a strategic review of its portfolio of businesses, Edenred decided to dispose of certain employee assistance program (EAP) assets:

- in April 2011, Edenred sold 100% of EAP France and its stake in BEA (a provider of corporate concierge services);
- in May 2011, Edenred sold its stake in US-based WorkPlace Benefits and its subsidiaries;
- in August 2011, Edenred sold its Australian subsidiary Davidson Trahaire Group, a Human Resources consultancy specialized in employee assistance programs and other corporate psychology services;
- in March 2013, Edenred sold all of the outstanding shares in Tintelingen B.V., a B2B issuer of Christmas gift vouchers in the Netherlands with a wide range of paperless products and services.

1.3 STRATEGIC VISION, INVESTMENT STRATEGY AND OUTLOOK

1.3.1 ROBUST GROWTH FUNDAMENTALS

1.3.1.1 Favorable socio-demographic trends

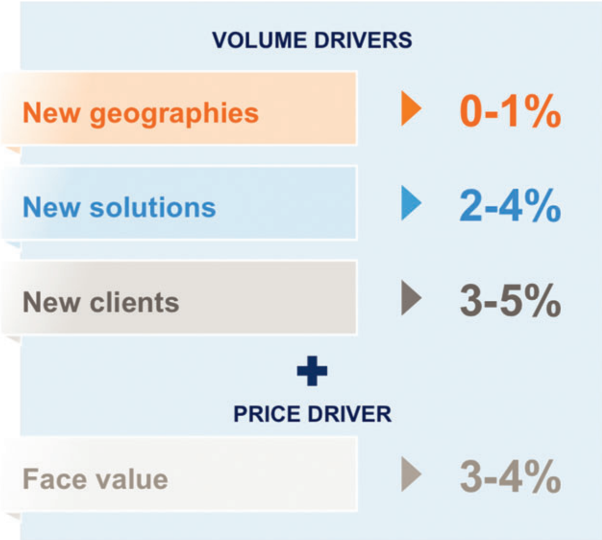
Edenred operates in the buoyant prepaid B2B services market, where growth in each solution market is being driven by specific socio-demographic trends:

- Increasing urbanization, the emergence of a middle class and the growing economic role of the service sector are all contributing to the development of the **Employee meal and food benefits** market, while growth in **Employee quality of life benefits** is being fuelled by the rising number of women in the workplace, ageing populations and the search for a good work-life balance. In addition, the development of formal economies is driving growth across the entire Employee Benefits market.
- The **Expense Management market** is benefiting from employees' increased international mobility and the desire by companies to control business expenses more effectively and improve their traceability.
- **Incentive and Rewards solutions** respond to companies' growing need to find ways of retaining and motivating their employees.
- Lastly, **Public Social Program** solutions support governments and local authorities in their efforts to limit the informal economy and improve their control over the distribution of assistance, while also endeavoring to increase constituents' purchasing power.

1.3.1.2 The drivers of organic issue volume growth

Originally set at 6-14% in 2010, the organic issue volume growth target was raised at the end of 2013 [1] to **8-14% per year.** The upgrade attests to the robustness of our core business and the effectiveness of our strategy, initiated through the development of new solutions and the opening of new countries.

There are four organic drivers of issue volume growth:

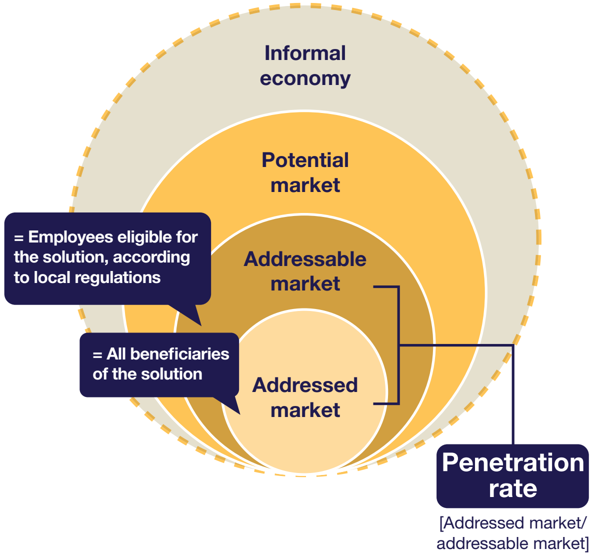


New clients

Gaining new clients in markets where we have already operated for several years is expected to account for a significant 3-5% of organic growth in issue volume per year. This performance will be enabled by:

- the increase in the **potential market**, i.e. the number of people working in the formal sector of the economy. This is being driven by the formalization of the economy and the creation of new jobs, particularly in emerging markets;
- the increase in the penetration rate, as Edenred gains first-time clients who have not yet used these solutions. The penetration rate corresponds to the total number of beneficiaries of the marketed solution (**addressed market**) divided by the number of employees eligible for the solution according to local legislation (**addressable market**), as illustrated below;
- the increase in the Group's market share, thanks to the development of key differentiating factors.

Penetration rate definition



New solutions [2]

Since the introduction of the *Ticket Restaurant*® program in France in 1962, Edenred has developed many employee benefits solutions as well as expense management, incentive and rewards and public social program solutions.

Thanks to the faster deployment of new solutions as part of the "Conquer 2012" strategy, Edenred now expects such solutions to account for 2-4% of organic growth in issue volume per year.

New regions [3]

Edenred was present in 40 countries over five continents at end-February 2014.

Since 2010, the Group has opened Finland, Japan, and Colombia as part of its Conquer 2012 strategy, and it is planning to enter three new countries by 2016. These countries are expected to contribute up to 1% of annual organic growth in issue volume.

Face values

The tax ceiling on employee benefits products tends to rise as prices and incomes increase, either automatically through the application of an indexation formula, or by decision of the public authorities.

(1) Target announced at the Investor day on November 12, 2013.

(2) "New solutions" correspond to solutions launched since January 1, 2010.

(3) "New countries" are countries entered since January 1, 2010.

Edenred lobbies clients and the public authorities to raise voucher face values to keep pace with inflation and salaries, particularly in Latin America and other emerging markets that together account for almost 60% of issue volume. In some of the Group's markets, the average face value of vouchers ordered by clients is significantly below the maximum face value that is tax deductible. This represents a substantial source of potential growth.

Breakdown of issue volume growth by growth driver since 2010

Growth drivers	2010	2011	2012	2013	Objective
New clients	5.4%	5.3%	5.0%	5.1%	3%-5%
New solutions	0.6%	0.8%	1.4%	2.1%	2%-4%
New regions	0.0%	0.0%	0.0%	0.1%	0%-1%
Face value	4.0%	3.6%	3,7%	4.5%	3%-4%
TOTAL	**10.0%**	**9.7%**	**10.1%**	**11.8%**	**8%-14%**

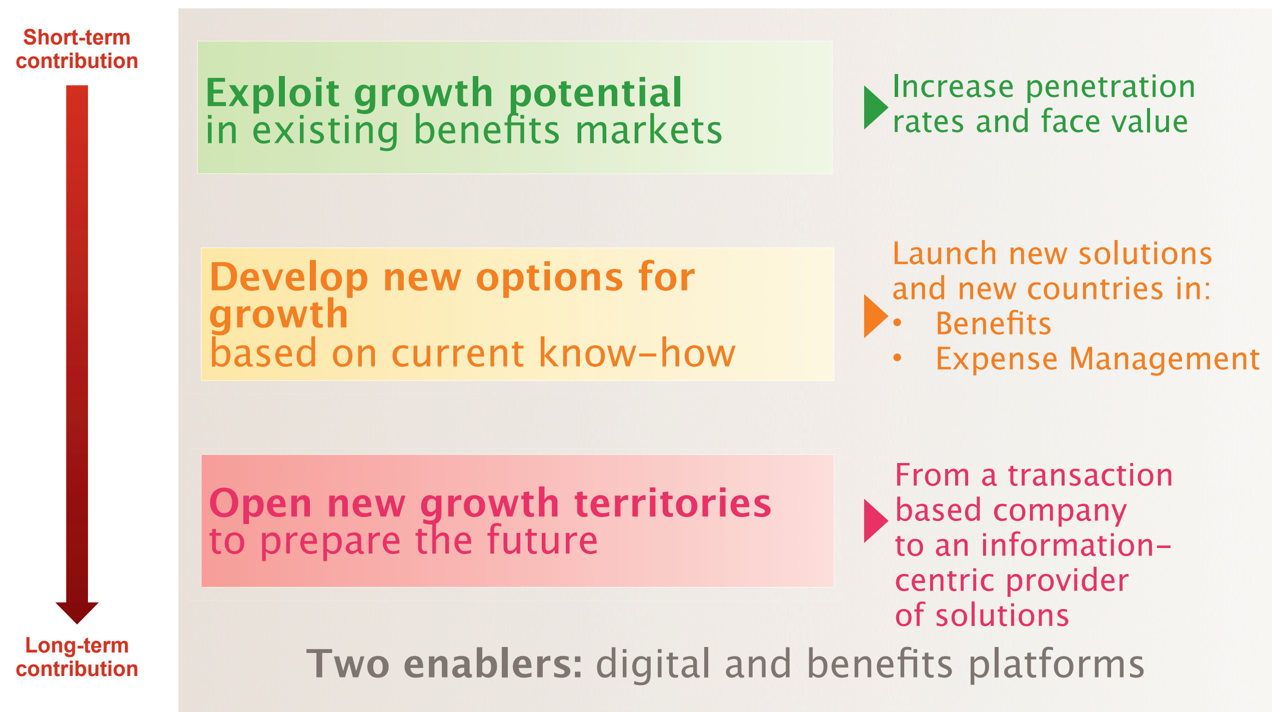
1.3.2 A STRATEGY TO GENERATE STRONG AND SUSTAINABLE GROWTH

In 2010, Edenred launched a strategy organized in several phases. The first was "Win 2010", to lay the foundations of the Group, followed by "Conquer 2012", to create new future growth drivers by deploying new solutions and opening new countries while increasing the pace of digital transition.

The Group is now engaged in the third phase, **"Invent 2016"**, to strengthen its strategy to generate strong and sustainable growth.

It will continue to launch new solutions and open new countries, with the aim of accelerating the deployment of expense management solutions and increase the portfolio of services offered not only to clients, but also to affiliates and beneficiaries To successfully lead this strategy, Edenred will leverage the new possibilities arising from the transition to digital solutions.

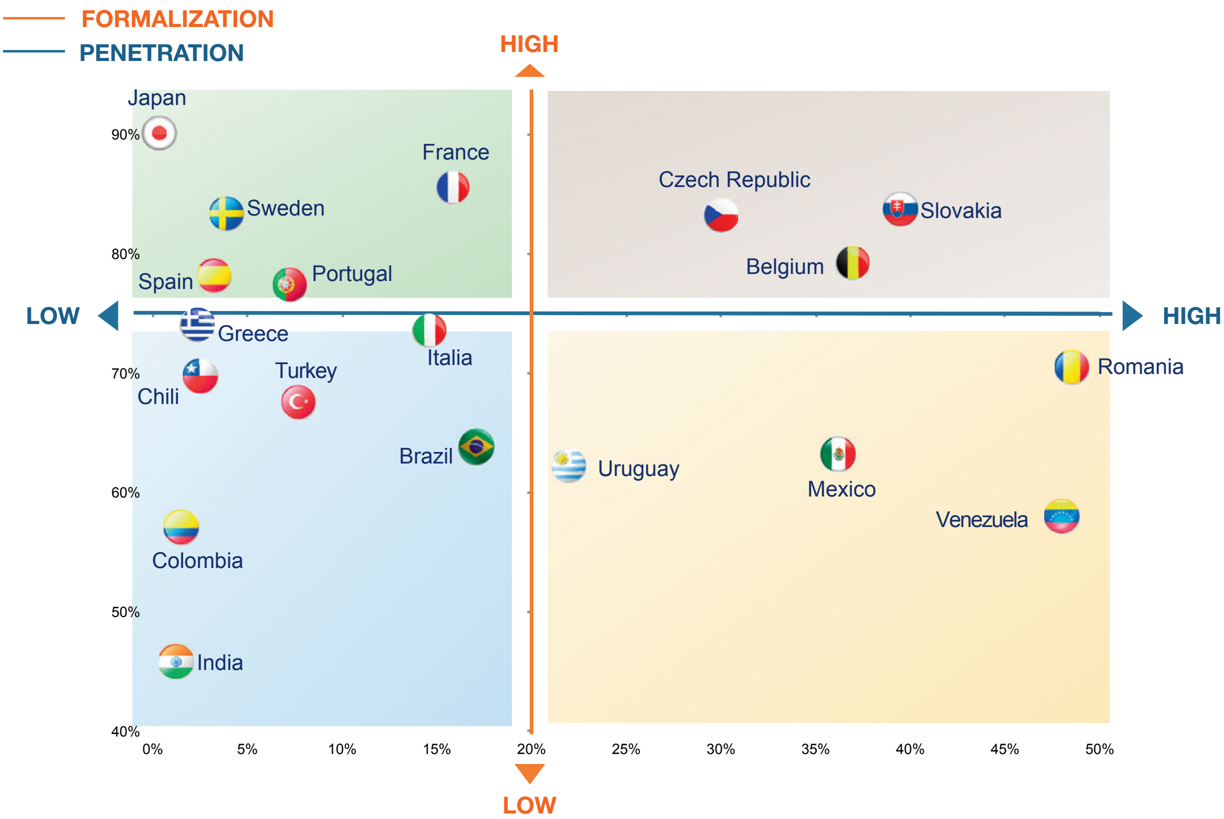
The three components of the Invent 2016 phase



1.3.2.1 Maintaining the strong pace of growth in existing Employee Benefit markets

The Employee Benefit markets, in which Edenred has already operated for several years, still offer significant growth potential, stemming from the increase in the potential market, the increase in penetration rates, which are still low in most of the Group's key host countries, and the increase in the Group's market share, thanks to the development of key differentiating factors.

Penetration rate in meal and food voucher markets



Edenred is implementing several sales and marketing methods, including aligning sales and marketing channels with the size of client organizations, diversifying media to suit solutions and client needs, creating differentiating solutions through the use of digital media and the development of online beneficiary service platforms, promoting cross-selling between solution categories, and setting up new distribution channels.

Examples include:

- **In Brazil,** penetration (1) of the meal and food voucher markets is expected to grow by around 6% a year from now until 2016. On the one hand, the potential market, currently estimated at nearly 50 million people, is expected to grow as the economy increasingly formalizes. On the other hand, penetration of these markets remains low at around 17%, particularly among small businesses. To take advantage of these growth opportunities, Edenred is developing additional sales channels, as illustrated by its partnership with Carrefour, which distributes the Ticket Alimentação® food voucher, while also enriching its existing programs with new client, affiliate and beneficiary services. For example, Ticket Restaurante® users can receive exclusive lunch deals on their cellphones from affiliates thanks to geolocation services.
- **In Europe,** increasing penetration rates remain a major growth driver. For example, the rate is only 15% in France and Italy, the region's two largest contributors. In Portugal, where the market is growing quickly thanks to a favorable change in legislation (2), Edenred joined forces with Banco Espirito Santo last June, thereby becoming the local market leader with a 50% (3) share. The partnership will help to drive fast growth in issue volume, which is expected to exceed €400 million by 2016.

(1) Excluding increases in face values.

(2) Legislation has been to encourage the development of meal vouchers, which are now more tax-advantaged than employee cash benefits.

(3) After the creation of the joint venture.

1.3.2.2 Developing new growth opportunities

In 2010, Edenred initiated the "Conquer 2012" program to put its future growth drivers into place. To meet this objective, it introduced the organization and resources needed to launch innovative solutions and expand geographically. As a result, 28 new solutions (1) were brought to market and three new countries (Finland, Japan and Colombia) were opened.

As part of the "Invent 2016" phase, the Group intends to pursue this strategy, in particular by accelerating the development of expense management solutions and opening three new countries by 2016. Around 30 solutions and 10 countries are currently under consideration.

The costs of developing new solutions (2) and countries (3) have been factored into the Group's flow-through ratio target of more than 50% from 2014.

As a result, in coming years, 2-4% of organic growth in issue volume will come from new solutions and up to 1% will be derived from new countries.

New solutions

Among the 28 new solutions brought to market, 20% are blockbuster solutions capable of potentially delivering more than €200 million in issue volume five years after launch (such as the *Ticket Plus*® *Card* launched in Germany in March 2012 and the *Ticket Cultura*® card introduced in Brazil in September 2013) 10% are strategic innovations (such as the NutriSavings® program in the United States, which is designed to improve employee eating habits), and the rest offer moderate volume potential (such as gift cards).

- ***Ticket Plus*® *Card* in Germany**: in a market of nearly 30 million employees, this solution enables companies to distribute funds dedicated to the purchase of up to €44 of staple goods per employee per month. Edenred is the market leader with a card providing access to a closed loop network of nearly 13,000 affiliated supermarkets, service stations and retailers, which is already being used by almost 90,000 beneficiaries. By 2016, an estimated 1.2 million beneficiaries could be using the solution.
- ***Ticket Cultura*® in Brazil:** Edenred was the first company licensed by the government to issue this solution following the publication of enabling legislation last September. In an addressable market (4) of around 40 million employees, the card enables companies to distribute funds dedicated to the purchase of up to 50 reals (around €17) of cultural goods and services per employee per month. Backed by a closed-loop network that already comprises nearly 12,000 affiliates (museums, bookstores, theaters, etc.), the Group will capitalize on its dedicated Employee Benefits sales teams to market the *Ticket Cultura*® card to Brazilian companies, starting with its meal and food voucher clients. By 2016, an estimated 1,5 million beneficiaries could be using the solution.

New regions

Among the three new countries, Japan and Colombia offer, in particular, promising potential given the significant size of their markets and their low penetration rates.

Japan represents one of the Group's most promising territories for the long term, with more than 60 million employees and a less than 1% penetration rate in the current meal voucher market. After 15 months in business in Japan (5), Edenred believes that the local market brings together all of the conditions favorable to the development of food vouchers, including a nearly ¥7,500 (around €56) tax advantage per employee per month for both the company and the beneficiary, the habit of taking lunch breaks from work, and the commitment of companies to improving the purchasing power and well-being of their employees. To drive wide-scale deployment, Edenred, which is the market's sole issuer, is investing in sales and marketing to raise awareness of this benefit and to develop a meal card.

- Faster expansion of the Expense Management business

From now until 2016, Edenred intends to step up the development of expanse management solutions.

Building on its expertise in Latin America, the Group believes that there are extensive growth opportunities in this still relatively unpenetrated market, which is estimated to be worth more than €1 trillion. It is therefore planning to expand in the three market segments:

- **fuel and fleet management,** by capitalizing on its internal authorization platforms to launch solutions in existing host countries. As part of this process, the Group is committed to enriching its offering with new functions and to improving its solutions' positioning in the fleet market's two main segments, light vehicles and heavy vehicles. This organic expansion will be combined with targeted acquisitions of specialty fuel-card issuers.

  In Mexico, for example, Edenred is creating new value-added services, such as vehicle maintenance or roadside assistance, and deepening its presence in the heavy fleet segment. These developments will enable Edenred Mexico to strengthen its market leadership and, by 2016, drive around 15% annual organic growth for its *Ticket Car*® solution, which already represents nearly 50% of the country's total issue volume;

(1) From 2010 to end-2012.

(2) Introducing a new solution costs between €0.5 and €2.5 million.

(3) Driving organic expansion in a new country market costs between €3 million and €8 million, depending on its size.

(4) The addressable market is the number of employees eligible for the solution according to local legislation.

(5) Following the acquisition of Barclay Vouchers in July 2012.

- **travel and entertainment expense management,** by positioning itself in the small and medium-sized corporate market, with an end-to-end offering covering all of a company's business travel expense needs. These solutions will be developed locally in current host countries, at a rate of two or three countries a year. They will be managed by a shared platform, which the Group intends to expand by two new functions a year.

  As part of this process, the *ExpendiaSmart®* solution was introduced in Italy in late 2011 and today, it is being used by more than 400 clients. It is expected to contribute almost 35% of the growth in Italy between now and 2016;
- **sector-specific expenses,** by developing solutions aligned with local needs or by acquiring specialized operators.

  In December 2012, for example, Edenred acquired Repom, the specialized leader in the independent trucker market in Brazil for the past 20 years. *Repom* prepaid cards cover all of an independent trucker's expenses, including fuel, restaurants and tolls, as well as his payment for goods delivery. They also enable industrial and trucking companies to track and manage these expenses easily and efficiently. This highly promising market, which is estimated at nearly €35 billion and is still relatively unpenetrated, should be boosted in coming years by the legislation passed in December 2011 requiring companies to formalize their relations with independent truckers using electronic media. The business is forecast to expand by more than 30% a year between now and 2016.

These three segments, which comprise the family of expense management solutions, are expected to represent more than 20% of issue volume by 2016, versus 10% at the end of 2012.

1.3.2.3 Exploring new growth territories

The digital transition is opening up a whole new field of opportunities for Edenred, shaped by more intense interaction with stakeholders (clients, affiliates and beneficiaries) and the possibility of collecting and analyzing transaction data. As part of this process, the Group is exploring new growth territories that will enable it to sharpen its differentiation and generate new sources of volumes and revenue over the long term.

The Group is therefore committed to:

- **enriching its employee benefits programs with additional services,** by developing online service platforms for client companies. These facilities will enable Human Resources Departments to optimize the management of their benefits policies and to demonstrate the value of these policies to employees. In this way, the Group intends to develop service platforms in 15 countries in 2016.

  For example, Edenred is developing platforms – such as Benefity Café in the Czech Republic – that allow employees to directly select their benefits online. This innovation helps to streamline HR administration processes and gives beneficiaries greater flexibility and more purchasing power, thanks to online promotional deals;
- **developing solutions for affiliates and beneficiaries, based on the analysis and use of data collected *via* digital channels.** In this way, Edenred will develop solutions that will deliver more purchasing power to beneficiaries (through discounts and savings) and additional business volume to affiliated merchants (through special deals and loyalty programs). This type of solution is expected to be deployed in 10 countries by 2016.

  In the United Kingdom, for example, Edenred offers beneficiaries discount deals *via* MyWorkOffers®, an in-house online platform. In the United States, this process is being taken to the next level with the NutriSavings® program, which is enabling Edenred to acquire expertise in data tracking and analytics. Under the program, grocery purchases by enrolled employees are analyzed and rated according to their nutritional value. Participants receive cashback rewards from their employer or discount eCoupons for healthy food products, which will help to improve the nutritional quality of their purchases. The model is being extended to new stakeholders, such as producers and manufacturers, who can target their offers.

1.3.2.4 Two strategic levers

Transitioning solutions to digital

The transition to digital solutions represents an important turning point for all stakeholders in the Edenred business model – clients, affiliates, beneficiaries and public authorities – that want to cut costs, optimize processes, streamline and rapidly deploy solutions, and ensure the control and traceability of dedicated funds.

Opportunities and effects of the digital transition

As a faster growth driver, the digital transition is above all playing a key role in increasing issue volume, both by making deployment more efficient and by creating new capacities for innovation.

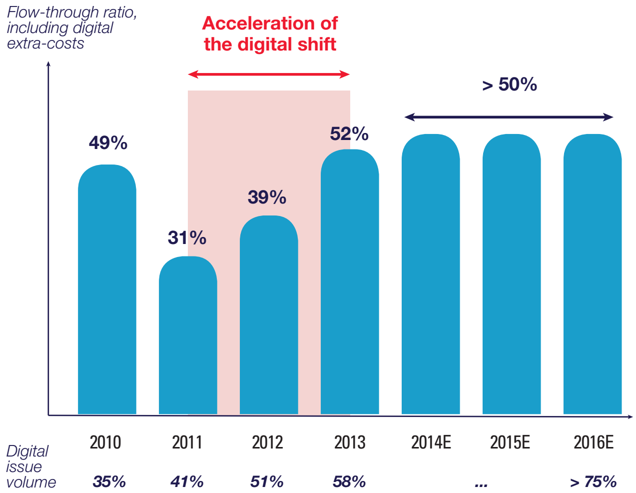
The digital transition is strengthening Edenred's business model by improving its ability to:

- invent solutions that would not have been viable in paper format, and thereby increase issue volume;
- attract new clients by simplifying processes associated with managing paper vouchers;
- generate additional revenue from clients, affiliates and beneficiaries through new value-added services;
- reduce the cost base by around 5-10% at country level, mainly by lowering production and logistics expenses.

Moreover, the increase in issue volume will offset the impact of around 15% shorter float holding periods (based on estimates for an entirely digital program), by increasing the float value.

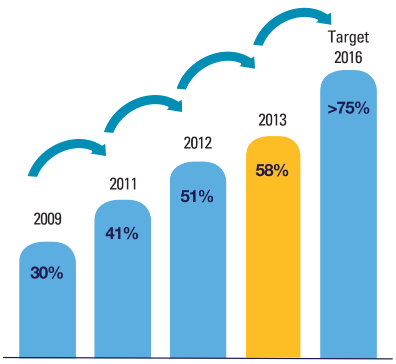
Transition project costs recorded for the period 2010-2013 affected the operating flow-through ratio. This ratio is expected to rise as from 2014, reaching over 50% despite the double cost for paper and digital in countries currently in transition, thanks to lower digital start-up costs, which have already been incurred in most host countries. No additional investment is planned beyond the budget set by the Group of €50 million a year.

Operating flow-through ratio



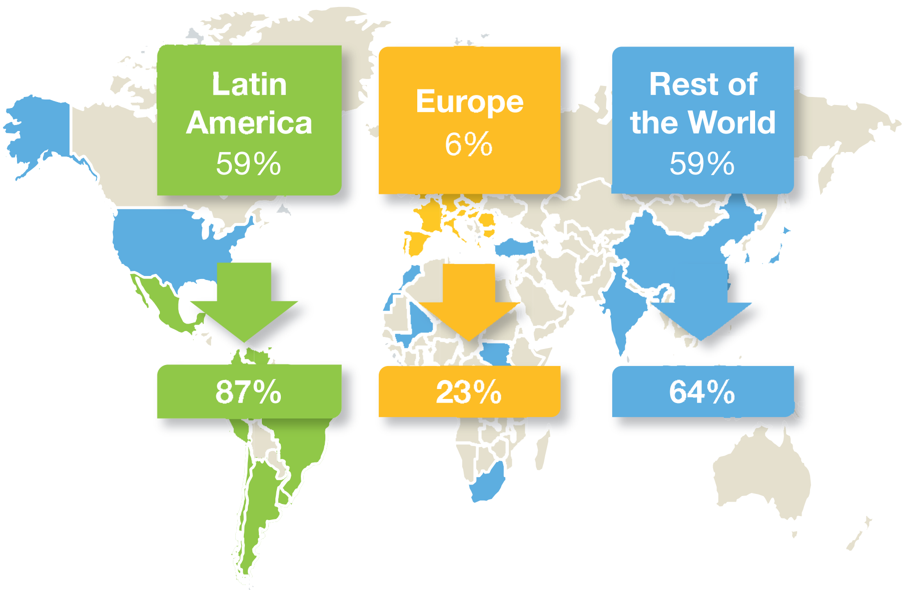
Status of the digital transition project

Since 2010, the Group has stepped up the pace of digital transition, driving up digital issue volume to 58% of the consolidated total at end-2013, compared with 30% at end-2009. Thanks to a seamless transition process, the digital issue volume target (1) was increased at end-2013 to over 75% (compared with 70% previously).



(1) Objective announced at the Investor day on November 12, 2013.

Growth in digital issue volume as a percentage of total issue volume by region between 2009 and 2013



Edenred's digital expertise

Deployment of digital solutions is supported by authorization platforms that are a vital link in the digital prepaid solutions value chain and a major source of competitive advantage for the Group. These platforms allow Edenred to design the marketing and technological aspects of the programs in line with client specifications (including the ability to extensively customize the programs' authorization parameters) and also to directly control transaction authorizations and the management of reimbursements to affiliated merchants. Capable of connecting to the payment terminals installed at affiliated merchants by local and international operators [(1)], they process all of the Group's digital transactions. In addition, PrePay Solutions' European platform contributes to Edenred's innovation drive. With ten years' experience in the business and with partners such as PayPal and Orange, PrePay Solutions has earned recognition as a vanguard innovator in prepaid technologies through its contactless mobile solutions and e-wallet offers.

Online services platforms

One of the new growth territories explored by the Group concerns enriching employee benefit programs with new online services platforms. These will help to:

- Simplify employee benefit management

The development of online platforms seamlessly integrated into a company's business processes and systems will offer beneficiaries the ability to self-manage a range of benefit-related transactions. For example, employees will be able to select benefits offered by their employer and replace lost or stolen cards. These new tools will allow Human Resources Departments to simplify the management of their employee benefit programs and reduce the related administrative costs.

- Develop additional program-related services for Human Resources Departments

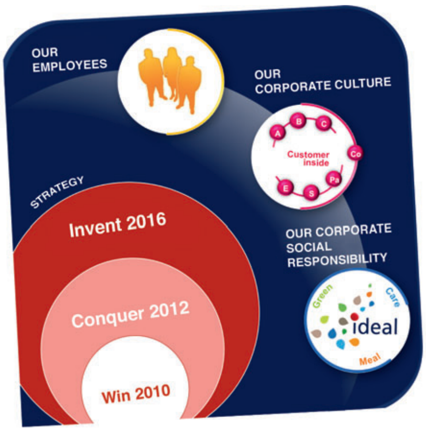
The Group is planning to develop new analytics services for clients, such as surveys of compensation practices in the client's industry and analyses of benefit use to assess the effectiveness of employee benefit programs. These management tools will aim to help companies to optimize their Human Resources strategies. In addition, Edenred plans to build on its employee benefits expertise to offer services that help companies communicate and promote their compensation policies more effectively.

(1) International operators may be acquirers or payment networks such as MasterCard.

1.3.3 THE KEYS TO SUCCESSFULLY IMPLEMENTING THE STRATEGY

The three pillars of Edenred's strategy are:

- its 6,000 employees, who are actively driving the Group's performance;
- a unique corporate culture;
- a socially responsible approach.



1.3.3.1 People

The Group's 6,000 employees are fundamental to the success of the strategic plan. In terms of organization, the Group favors local action and working together as a network to encourage the sharing of experience and expertise. The organization is focused on two priorities, performance and innovation.

In the area of Human Resources, the Group has three main objectives:

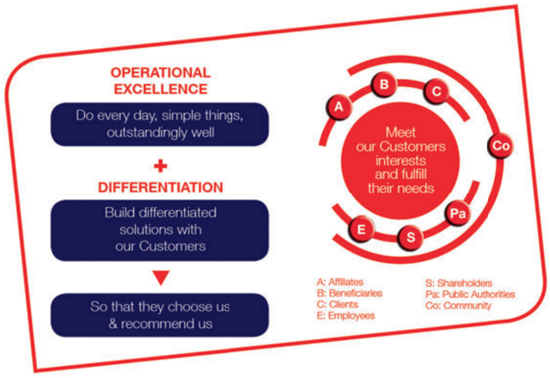
- making the right choices to ensure the organization performs well;
- leveraging the teams' potential and recognizing talent;
- developing employee well-being.

These policies are described in section 4.1, from page 59 and following.

1.3.3.2 Corporate culture

Since 2010, Edenred has been instilling a new corporate culture designed to support the Group's strategy. Independence, the creation of a new brand, the digital transition and penetration of new markets are all ingredients that are transforming the Group's environment.

Known as "Customer Inside", this corporate culture's ambitious objective is to make the Group's stakeholders ("Customers") ambassadors of the Edenred brand. In other words, the Group is aiming to become the preferred partner of all its stakeholders: affiliates, beneficiaries, clients, employees, shareholders, public authorities, and the community in the wider sense. Operational excellence and differentiation are central to this idea, to ensure that stakeholders choose and recommend Edenred.



1.3.3.3 Social responsibility

In 2012, Edenred launched Ideal, an ambitious Corporate Social Responsibility approach closely linked to its business. The approach, which plays a pivotal role in its strategy, has three strands:

- Ideal Meal, to promote affordable healthy eating;
- Ideal Green, to improve the environmental performance of the Group's operating units;
- Ideal Care, to support local communities.

These policies are described in section 4.2, from page 72 and following.

1.3.4 2016 OBJECTIVES

Stepping up its strategy to deliver strong and sustainable growth as part of the "Invent 2016" phase has led Edenred to raise its target for organic growth in issue volume [(1)] to 8-14% a year, from 6-14% a year previously.

In addition, as of 2014, the Group no longer expects to incur any of the extra costs generated by accelerated digital transition, underway since 2010, and has set its operating flow-through ratio target at over 50%.

The Group is also aiming for more than 10% annual organic growth in funds from operations, attesting to its robust cash generation capabilities.

1.3.5 FINANCIAL STRATEGY

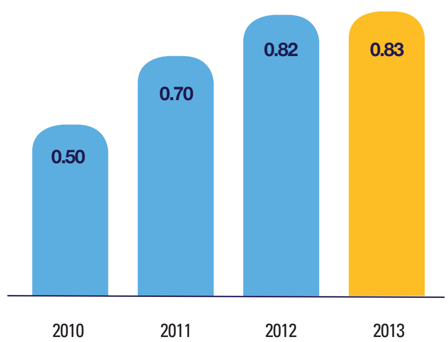
Edenred's business model generates large amounts of cash. In 2013, funds from operations before non-recurring items (FFO) amounted to €262 million and free cash flow stood at €335 million. See the table in 2.1.1.4, page 35.

Edenred's policy consists of allocating free cash flow on a balanced basis to the payment of dividends, for around 90% of recurring net profit after tax, and the financing of targeted acquisitions, while ensuring that the Group retains its Strong Investment Grade rating.

Dividend policy

The recommended dividend [(2)] for 2013 will amount to €0.83 per share, representing a payout ratio of 96% of recurring net profit after tax, versus 89% in 2012. If the dividend is approved by the Annual Shareholders Meeting [(2)], half of the dividend will be paid in cash. Shareholders may opt to receive the other half in cash or reinvest it in new shares at a 10% discount.

Dividend record



Acquisitions strategy

Edenred intends to pursue a selective acquisitions strategy to support its goal of building the prepaid B2B services business. Designed to increase the potential for issue volume growth, these transactions will meet one of the three following objectives:

- increase market share in the employee benefit sector by acquiring local players in the Group's host countries. For example, the July 2012 acquisition of Comprocard in Brazil and the January 2014 acquisition of Bonus have enabled Edenred to consolidate its leadership [(3)] of the employee benefits market in a strategic country with a fast-growing economy;
- extend the expense management offering, as illustrated by the acquisition of Repom in December 2012 in the Brazilian independent truckers market;
- step up expansion in new countries. This was the case of the July 2012 acquisition of the only meal voucher issuer operating in the Japanese market, Barclay Vouchers, which gave Edenred access to over 600 clients and a national network of 30,000 affiliated merchants.

The acquisitions are financed in strict compliance with the Group's aim of maintaining a robust financial position.

The list of acquisitions carried out in recent years is presented in section 1.2.2, on page 13.

(1) Objective announced at the Investor day on November 12, 2013.

(2) Dividend recommended by the Board of Directors to the Annual Shareholders Meeting of May 13, 2014.

(3) Source: 2012 internal estimate.

1.4 REGULATORY ENVIRONMENT

1.4.1 INCOME TAX AND PAYROLL TAX RULES

1.4.1.1 Overview

Employee benefits are exempted from income tax and/or payroll taxes as part of government strategies to encourage their use as an instrument of social policy.

To avoid illegitimate use of the tax benefits, strict rules govern the allocation and use of these solutions, particularly regarding the employer's contribution and role, the eligible beneficiaries and how the benefits may be used.

In some countries, companies have to be licensed to operate in the employee benefits market, while in others no authorization is required. In countries with a licensing system, the barriers to entry are fairly low and consist mainly of meeting certain financial strength criteria.

Companies that want to operate in the employee benefits market may also be subject to regulations governing investment of the float (corresponding to the cash received from clients for prepaid services that has not yet been reimbursed to affiliated merchants). This is the case, for example, in France and Romania (see section 2.1.1.4, page 35 and the Notes to the consolidated financial statements, Note 2.H, page 153).

The regulatory environment is illustrated in the following sub-sections by a description of the legislation applicable to meal vouchers in France and Brazil.

1.4.1.2 Regime applicable in France

Rules governing the allocation and use of meal vouchers

The rules governing the allocation of meal vouchers are as follows:

- the vouchers may only be allocated to employees of the company concerned;
- since 2002, civil servants may be given meal vouchers if their place of work has no staff restaurant and they are unable to take advantage of alternative solutions set up with public or private foodservice providers;
- meal vouchers qualify as employee benefits; consequently, all employees of the company must be allocated vouchers with the same face value. However, an employer may allocate meal vouchers to selected employees provided that the selection criteria are non-discriminatory;
- meal vouchers must be allocated on the basis of one voucher per day worked;
- the legislation does not set any minimum or maximum amount, leaving employers free to set the face value of the vouchers allocated to employees. However, in practice, the face value is limited by the caps on the employer's financial contribution, which cannot represent more than a certain percentage of the face value, and on the payroll tax exemption.

Rules also apply to the use of meal vouchers by employees, as follows:

- the vouchers may only be used by the employee to whom they are allocated (the employee's name must appear on the back of each voucher);
- they may not be used beyond their period of validity, i.e. after the end of the calendar year of issue. However, employees may exchange unused vouchers for new vouchers in the first two weeks of January. The employer can then obtain reimbursement of these unused vouchers, net of the issuer's commission (provided that the vouchers are returned within 30 days);
- employees may use only one voucher to pay for their restaurant meal or the purchase of a ready-meal or dairy products or fruit and vegetables (including fruit and vegetables that require further preparation) and merchants are not allowed to give any money back. In practice, however, two vouchers are generally accepted;
- meal vouchers may only be used on working days and not on Sundays or bank holidays, unless an exception is recorded directly on the voucher by the employer;
- meal vouchers may only be used in a specific area corresponding to the *département* where the employee's place of work is located and neighboring *départements*, unless an exception is recorded directly on the voucher by the employer.

Meal vouchers can be accepted by restaurants and fastfood outlets, equivalent retailers accredited by the CNTR, and greengrocers, provided that they sell ready-meals (to be reheated or defrosted as necessary), dairy products or fruit and vegetables (ready to eat or requiring further preparation).

Income tax and payroll tax benefits for the employer

Meal vouchers are financed jointly by the employer (or in some cases the Works Council) and the employee. The employer's contribution (plus – for the calculation of the ceilings below - any works council contribution) cannot represent less than 50% or more than 60% of the vouchers' face value. If these limits are not respected, the employer's contribution will not qualify for exemption from payroll tax, income tax and social security contributions.

The employer's contribution is exempt from social security contributions provided that it does not exceed a certain amount that is adjusted each year since January 1, 2006 in the same proportions as the upper limit for the first personal income tax band. This exemption ceiling was €5.29 per voucher in 2011 and, exceptionally, has not been adjusted for 2012 or 2013 due to the French government's decision to freeze income tax bands at the 2011 level. In 2014, the exemption ceiling has been adjusted at €5.33. The employer is naturally free to contribute more than this amount provided that the 50% and 60% minimum and maximum limits are adhered to. However, in this case, the fraction of the contribution in excess of the exemption ceiling will be added back for the purpose of calculating the basis of assessment of social security contributions.

Tax benefits for employees

Meal vouchers represent tax-free income for the employee, as the portion of the face value paid by the employer within the legal limits (between 50% and 60% of the face value up to the current exemption ceiling) is not subject to personal income tax.

However, to qualify for the exemption, the employee must comply with the applicable regulations particularly regarding the use of the vouchers.

1.4.1.3 Regime applicable in Brazil

There are two types of food-related vouchers in Brazil, meal vouchers (*vale refeição*) and food vouchers (*vale alimentação*). Meal vouchers may only be used in restaurants and fastfood outlets, while food vouchers may only be used in supermarkets and grocery stores. The two types of vouchers cannot be substituted for each other and merchants are not allowed to give any money back on them.

Companies that want to give meal or food vouchers to their employees have to register with the Brazilian Labor Ministry. They can decide to give the vouchers to selected employees only, provided that all employees who are paid less than five times the minimum wage are included. They cannot reduce the number of vouchers allocated to an employee or suspend the allocation as a disciplinary measure.

As in France, part of the vouchers' face value is financed by the employer and part by the employee. The employee's contribution cannot exceed 20% of the face value and in practice, employers generally finance the total amount. Meal vouchers are totally tax-exempt for both the employer and the employee. In addition to being exempt from payroll taxes, which in Brazil can represent up to 100% of the gross salary, the employer's contribution is exempt from corporate income tax up to the equivalent of 4% of the tax due for each tax year.

The payment services business (including cards) has been regulated by the Brazilian central bank since October 2013, and new rules will come into force from May 2014. The meal voucher business will remain under the responsibility of the Brazilian labor ministry, but meal and food voucher issuers will have to comply with certain rules and conditions laid out by the Brazilian central bank.

1.4.2 OTHER REGULATIONS

The issuance of e-money is regulated by European directive 2009/110/EC of September 16, 2009 (the "**E-Money directive**"). The directive defines e-money as an "electronically, including magnetically, stored monetary value as represented by a claim on the issuer which is issued on receipt of funds for the purpose of making payment transactions, and which is accepted by a natural or legal person other than the electronic money issuer."

The directive also states that it is not intended to apply to "monetary value stored on specific pre-paid instruments, designed to address precise needs that can be used only in a limited way," particularly because these instruments are only accepted within a "limited network" or can only be used to purchase "a limited range of goods or services, regardless of the geographical location of the point of sale."

Meal and food vouchers do not constitute e-money. Most national regulators do not consider other employee benefits as e-money, whether in paper or paperless format. The incentive and rewards solutions and expense management solutions contain some programs that member states consider to be e-money, which can only be issued by licensed institutions subject to specific capital adequacy rules.

The Group uses its UK-based PrePay Solutions subsidiary to continue offering solutions that, under EU regulations, can only be issued by companies duly licensed by the supervisory authority in the country concerned.

PrePay Solutions is licensed by the UK's Financial Conduct Authority (FCA) to issue e-money and can therefore issue prepaid cards and solutions qualified as e-money based on the definitions in the E-Money directive. As a licensed e-money issuer, PrePay Solutions benefits from the single licensing system allowing it to offer these regulated solutions in all European countries simply by applying for FCA authorization. It already has authorizations for nearly all of the countries in the region and also complies with all capital adequacy and other requirements. The main rule resulting from the classification of certain programs as e-money concerns the obligation to segregate the related funds. These funds are reported in the balance sheet under "Restricted cash" (see section 2.1.1.4, page 35, and Note 2.H to the consolidated financial statements, page 153).

Edenred monitors changes in regulations governing payment services, the prevention of money-laundering and the protection of personal data, to ensure that its information systems and procedures remain in compliance with these regulations.

1.5 CONTRACTUAL RELATIONSHIPS

1.5.1 CONTRACTUAL RELATIONSHIPS WITH CLIENTS

Master contracts are signed with major accounts that generate significant issue volumes, organizing business relations with these clients.

The master contracts are generally signed following a call for bids and may cover one or several of the client's facilities or subsidiaries. They are usually for periods of one to three years. The contracts specify the commission rate to be billed to the client and the frequency of billings and payments. It is rare for them to include an exclusivity clause.

For small and medium-sized enterprises and micro-enterprises with limited needs that require greater ordering flexibility, contractual relations are generally based on order forms containing Edenred's general conditions of sale.

1.5.2 CONTRACTUAL RELATIONSHIPS WITH AFFILIATED MERCHANTS

Affiliation contracts are signed by the Edenred subsidiary concerned with the local merchant network, on a solution-by-solution basis.

The contracts stipulate the terms of reimbursement of the vouchers and the commission terms. Affiliation contracts concern nearly all of the solutions sold by Edenred.

1.5.3 CONTRACTUAL RELATIONSHIPS WITH SUPPLIERS AND SERVICE PROVIDERS

Relations between Edenred or its subsidiaries and external suppliers or service providers are governed by standard contracts. Close attention is paid to services that may lead to the creation of intellectual property rights, in order to ensure that the rights of Edenred and its subsidiaries are clearly established and appropriately protected.

Edenred uses many suppliers and is not dependent on any single company. Its biggest supply contract is a master agreement with Stralfors covering paper purchases. In each country, the production centers may choose to purchase their paper either from Stralfors or from local suppliers. The master agreement is used mainly in France and in some other European countries, whereas local suppliers are generally used in Latin America. The Group's other main purchases are of plastic cards (with magnetic strips and computer chips), specialist printing equipment and transport services.

1.6 INTELLECTUAL PROPERTY

Edenred's intellectual property mainly consists of its portfolio of brands and domain names, which are managed by a dedicated legal team. *Ticket Restaurant®* and the names of the other products and services offered by Edenred are registered trademarks that are the property of the Edenred Group.

Controls over compliance with the rules governing the acquisition of intellectual property rights are executed by contract managers, as explained in section 1.5.3, and by administrative teams, through the normal filing and registration process.

A surveillance system has been set up to combat attempts to fraudulently use Edenred's brands and domain names.

Edenred also opposes use of its protected trademarks as generic names.

1.7 REAL ESTATE RIGHTS

Most of the Group's offices are leased. The Group does not expect to encounter any problems in renewing the leases.

2

FINANCIAL REVIEW

2.1 RESULTS OF OPERATIONS

2.1.1 CONSOLIDATED RESULTS

2.1.1.1 Introduction

2013 saw a sustained **improvement in like-for-like results,** as the following key indicators illustrate:

- **issue volume up 11.8% to €17,119 million;**
- **57% operating flow-through ratio,** in line with the target of more than 50%;
- **EBIT up 10.9% to €343 million;**
- **funds from operations (FFO)** [(1)] **up 11.5% to €262 million.**

In 2013, strong organic growth combined with an active acquisition strategy enabled the Group to expand in existing markets and generate new opportunities to grow the business by deploying new solutions and opening new countries. However, financial performance for the year was impacted by unfavorable exchange rates, which reduced EBIT by €67 million.

2013 financial highlights

			% change	
(in € millions)	**2012**	**2013**	**Reported**	**Like-for-like**
Issue volume	**16,657**	**17,119**	**+2.8%**	**+11.8%**
Operating revenue	976	950	-2.7%	+7.7%
Financial revenue	91	80	-12.0%	-3.7%
Total revenue	**1,067**	**1,030**	**-3.5%**	**+6.7%**
Operating expenses, including depreciation, amortization and provisions	(700)	(687)		
Operating EBIT	276	263	-4.6%	+15.8%
Financial EBIT	91	80	-12.0%	-3.7%
Total EBIT	**367**	**343**	**-6.4%**	**+10.9%**
Operating profit before tax and non-recurring items	331	302	-8.8%	
Net profit, Group share	183	160	-12.3%	
Recurring profit after tax	**208**	**193**	**-7.2%**	

2.1.1.2 Analysis of consolidated financial results

Issue volume

Issue volume for the year totaled **€17,119 million**, up **11.8% like-for-like** on 2012. The reported increase was 2.8%, reflecting the 3.1% positive impact of changes in the scope of consolidation and a 12.1% negative currency effect over the period, related mainly to the Venezuelan bolivar fuerte and the Brazilian real.

(1) Before non-recurring items.

(a) Issue volume by solution

	Employee Benefits					
	Meal & Food	Quality of Life	Expense Management	Incentive & Rewards	Public Social Programs	Total
Issue volume *(in € millions)*	12,775	1,446	2,078	599	221	**17,119**
% of total issue volume	75%	8%	12%	4%	1%	**100%**
Like-for-like growth	+11.7%	+9.2%	+17.3%	+5.0%	N/A	**+11.8%**

The year saw robust growth in **Employee Benefits** issue volume (representing 83% of the consolidated total at year-end), with Meal & Food benefits up 11.7% and Quality of Life benefits up 9.2%. **Expense Management** solutions also enjoyed rapid growth, with issue volume rising by 17.3% over the year to represent 12% of the Group total at year-end versus 10% at end-2012 (1). **Incentive & Rewards** issue volume was 5.0% higher.

(b) Issue volume by growth driver

In 2013, the Group's four growth drivers all contributed to the 11.8% like-for-like growth in issue volume, as follows:

- increased penetration rates in existing markets, for 5.1%. This contribution was due to a combination of dynamic markets and robust marketing performances by the sales teams;
- increased face values, mainly in emerging markets, for 4.5%;
- creation and deployment of new solutions for 2.1%. For example, the *Ticket Plus® Card* solution launched in Germany in March 2012 enjoyed rapid growth, with around 90,000 new beneficiaries added in 2013, while 80,000 new users have been signed up for the *Ticket Cultura®* solution in Brazil since its launch in October 2013;
- geographic expansion, for 0.1% corresponding to the contributions of Finland and Japan.

(c) Issue volume by region

Growth in issue volume by region was as follows:

Region (in € millions)	Year 2012	Year 2013	% change Reported	% change Like-for-like
France	2,620	2,757	+5.2%	+5.2%
Rest of Europe	4,646	4,904	+5.5%	+6.2%
Latin America	8,804	8,824	+0.2%	+16.8%
Rest of the world	587	634	+8.1%	+11.4%
TOTAL	**16,657**	**17,119**	**+2.8%**	**+11.8%**

- In **Latin America**, issue volume for the year was up 16.8% like-for-like. This strong performance reflected dynamic sales drives in both Brazil (up 13.3%) and Hispanic Latin America (up 21.5%), across all segments of the Employee Benefits and Expense Management businesses.

  Issue volume growth in the region was 12.0% in the **fourth quarter,** compared to 18.8% in the first nine months, due to a decrease in the year-end sales of Navideños (2), which is a non-recurring business. Excluding the Navideños business, Latin American issue volume grew by 18.3% in the fourth quarter.
- In **Europe**, issue volume rose 5.9% like-for-like in 2013, lifted by robust sales performances over the year and strong gains in Portugal (3), which accounted for 2.4 points of regional growth. For example, ***Ticket Restaurant®*** issue volume for 2013 was up 4.1% in France and 4.4% in Belgium. In Italy, where the economic environment remains difficult, it was down 0.7%.

  Fourth quarter performance was in line with the trend observed over the first nine months, with like-for-like growth of 8.3%, of which 3.9 points attributable to Portugal.
- Momentum remained strong in the **Rest of the World** region, with issue volume up 11.4% like-for-like over the year and 13.7% in the fourth quarter.

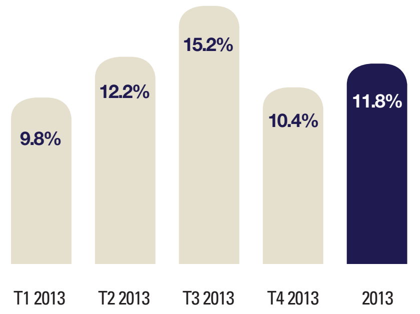
(1) With an objective of over 20% by 2016.

(2) Additional meal and food vouchers distributed during the Christmas season in Latin America.

(3) Legislation has been introduced to encourage the development of meal vouchers, which are now more tax-advantaged than employee cash benefits.

(d) Issue volume by quarter

Quarterly like-for-like changes in issue volume were as follows:



(e) Digital issue volume

The **digital transition** continued at a rapid pace, with digital issue volume representing **58%** of the consolidated total at end-2013, compared with 51% the year before.

In Europe, the transition launched in 2010 is accelerating and digital issue volume now represents 23% of the region's total, compared with 15% at end-2012. In Latin America and the Rest of the World region, the digital rates stand at 87% and 64% respectively.

Revenue

Total revenue, corresponding to the sum of operating revenue (derived from the sale of programs and services) and financial revenue (derived from investing the float) amounted to **€1.0 billion,** an increase of 6.7% like-for-like over the previous year. On a reported basis, revenue was down **3.5%** after taking into account the 1.3% contribution from changes in the scope of consolidation and the 11.5% negative currency effect.

The year's revenue breaks down as follows:

			% change	
(in € millions)	**2012**	**2013**	**Reported**	**Like-for-like**
Operating revenue with issue volume	838	830	-1.1%	+9.2%
Operating revenue without issue volume	138	120	-12.6%	-1.9%
Operating revenue	**976**	**950**	**-2.7%**	**+7.7%**
Financial revenue	**91**	**80**	**-12.0%**	**-3.7%**
TOTAL REVENUE	**1,067**	**1,030**	**-3.5%**	**+6.7%**

a) Operating revenue

Operating revenue for 2013 totaled **€950 million,** up **7.7%** like-for-like, reflecting the 9.2% like-for-like increase in operating revenue with issue volume, led by Latin America (up 14.3%) and Europe (up 2.9%). Fourth quarter trends were in line with those for the first nine months. Operating revenue with issue volume rose 9.8% during the quarter, reflecting gains of 14.5% in Latin America and 14.3% in the Rest of the World region, while growth in Europe came in at 4.0% like-for-like.

i. Operating revenue with issue volume

The following table presents quarterly changes in operating revenue with issue volume by region.

Like-for-like	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013
France	+0.4%	+3.1%	+2.5%	+5.8%	+3.2%
Rest of Europe	-0.4%	+3.5%	+5.1%	+3.1%	+2.8%
Latin America	+15.0%	+11.8%	+15.8%	+14.5%	+14.3%
Rest of the world	+7.4%	+10.7%	+12.3%	+14.3%	+11.4%
TOTAL	**+8.0%**	**+8.1%**	**+11.0%**	**+9.8%**	**+9.2%**

ii. Operating revenue without issue volume

Operating revenue without issue volume, primarily generated by non-recurring corporate marketing and incentive consulting services, decreased by 1.9% like-for-like.

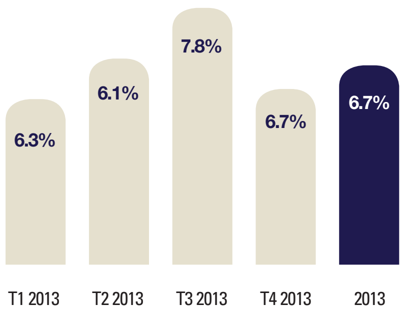
b) Financial revenue

In 2013, financial revenue declined by 3.7% like-for-like to €80 million, due to lower interest rates in most countries. Financial revenue was stable in the fourth quarter (down 0.6%), helped by a better basis of comparison in terms of interest rates and increased issue volume in the Latin America and Rest of the World regions.

Like-for-like	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013
France	+5.3%	+2.0%	-1.5%	-4.7%	+0.4%
Rest of Europe	-21.0%	-29.6%	-20.1%	-21.6%	-23.0%
Latin America	-0.6%	+10.6%	+7.2%	+13.9%	+7.7%
Rest of the world	-4.0%	-10.4%	-0.9%	+9.4%	-1.4%
TOTAL	**-6.3%**	**-5.2%**	**-2.8%**	**-0.6%**	**-3.7%**

c) Revenue by quarter

Quarterly like-for-like changes in revenue were as follows:



EBIT

EBIT corresponds to total revenue (operating and financial) less operating expenses [(1)], depreciation, amortization and provisions. It includes:

- **Operating EBIT,** which corresponds to operating profit less financial revenue.
- **Financial EBIT,** which corresponds to financial revenue.

(a) EBIT growth

Operating EBIT (which excludes financial revenue) rose by 15.8% like-for-like to €263 million. This good performance resulted in an operating flow-through ratio of 57% [(2)], in line with the target of more than 50%.

Financial EBIT (corresponding to financial revenue) was down 3.7% like-for-like to €80 million.

Total EBIT rose **10.9%** like-for-like to **€343 million,** a performance in line with the most recent guidance of €340-350 million [(3)]. On a reported basis, EBIT was weakened by 6.4%, reflecting the 0.9% contribution from changes in the scope of consolidation and the 18.2% negative currency effect, which amounted to €67 million over the period.

(b) EBIT by region

Region (in € millions)	Year 2012	Year 2013	% change Reported	% change Like-for-like
France	45	43	-5.8%	-5.4%
Rest of Europe	95	97	+2.2%	+2.4%
Latin America	243	218	-10.1%	+15.0%
Rest of the world	3	3	+16.8%	N/A
Worldwide structures	(19)	(18)	-5.1%	-2.0%
TOTAL	**367**	**343**	**-6.4%**	**+10.9%**

Operations in Latin America reported an excellent performance, with EBIT up **15.0%** like-for-like reflecting the region's dynamic growth. In **Europe**, like-for-like EBIT growth was **1.9%**, excluding the extra costs associated with the digital transition.

Net financial expense

Net financial expense amounted to **€41 million** in 2013, versus €36 million the previous year.

Finance costs for the year totaled €43 million. After hedging gains and interest income from the investment of available cash, together representing a positive impact of €6 million, net finance costs came to €37 million in 2013.

Currency effects and other financial income and expenses represented a net expense of €4 million.

Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items totaled **€302 million** in 2013 versus €331 million in 2012, a decline of **8.8%** on a reported basis.

Income tax expense

Income tax expense stood at €103 million for 2013, unchanged from 2012. The effective tax rate for the Group was 32.6% versus 31.2% for 2012.

Net profit

After deducting net financial expense of €41 million, income tax expense of €103 million and minority interests of €11 million, **recurring net profit after tax** came to **€193 million,** a decline of 7.4% as reported compared with €208 million in 2012.

Net profit, Group share amounted to **€160 million** in 2013, versus €183 million in 2012, after deducting the €6 million surtax on distributed earnings and net non-recurring expense of €28 million.

(1) Operating expenses correspond to the operating expenses and operating provision charges discussed in Note 6 to the consolidated financial statements, page 164.

(2) Excluding digital extra costs of €4 million and non-recurring items, including:
- positive impact from the reduced weight of low-margin businesses without issue volume;
- positive impact from adapting the cost structure in Hungary in response to a sharp decrease in the business in 2012.

(3) The latest guidance released by the Group on December 27, 2013, following the change in the Venezuelan bolivar fuerte exchange rate to VEF 11.3 to the dollar from VEF 6.3 previously.

2.1.1.3 Dividend and payout rate

	2011	2012	2013	% change 2012 vs. 2013
Recurring profit after tax [1] *(in € millions)*	**203**	**208**	**193**	**-7.2%**
Weighted average shares outstanding *(in millions)*	226	226	225	
Recurring profit after tax per share *(in €)*	0.90	0.92	0.86	-7.0%
Ordinary dividend per share *(in €)*	**0.70**	**0.82**	**0.83** [2]	**+1.2%**
Ordinary dividend payout *(in € millions)*	**158**	**185**	**187**	
Payout ratio [3]	**78%**	**89%**	**96%**	

(1) Recurring profit after tax = net profit less non-recurring items (including tax), less minority interests.
(2) To be recommended at the Annual Shareholders Meeting on May 13, 2014.
(3) Total dividend as a percentage of recurring profit after tax.

2.1.1.4 Liquidity and financial resources

Cash flows *

(in € millions)	2012	2013
Net cash from operating activities	370	382
Net cash used in non-recurring transactions	(20)	(9)
Net cash used in investing activities	(109)	(187)
Net cash used in financing activities	(260)	(124)
Effect of changes in exchange rates and fair values	10	(62)
Net change in cash and cash equivalents	**(9)**	**0**
Cash and cash equivalents at beginning of period	402	393
Cash and cash equivalents at end of period	393	393
Net change in cash and cash equivalents	**(9)**	**0**

* *See the consolidated statement of cash flows on page 142 and Note 2.T.12 to the consolidated financial statements on page 158.*

Net cash from operating activities corresponds to funds from operations before non-recurring items, plus the change in working capital (i.e. the recurring increase in negative working capital requirement) plus the change in restricted cash.

Restricted cash, in the amount of €770 million at December 31, 2013 versus €709 million at December 31, 2012, corresponds mainly to service voucher funds in France (€598 million), the United Kingdom (€114 million) and Romania (€39 million) that are subject to specific regulations in these countries. Due to the restrictions on their use, increases in these funds are recorded as a deduction from net cash from operating activities.

Funds from operations before non-recurring items (FFO)

Funds from operations before non-recurring items (FFO) amounted to **€262 million,** versus €294 million in 2012. The like-for-like increase of **11.5%** was higher than the Group's objective of more than 10% normalized annual growth [1]. FFO calculation is analyzed in section 2.1.1.5. Management Indicators, page 38.

(1) Normalized organic growth target for the 2010-2016 period.

Working capital requirement

The following table sets out the items that make up the working capital requirement, excluding restricted cash.

(in € millions)	December 31, 2012	December 31, 2013	% change
Inventories (net)	13	15	2
Trade receivables (net)	1,092	902	(190)
Other receivables (net)	302	281	(21)
Working capital assets	**1,407**	**1,198**	**(209)**
Trade payables	62	61	(1)
Other payables	188	187	(1)
Vouchers in circulation	3,608	3,398	(210)
Working capital liabilities	**3,858**	**3,646**	**(212)**
Net working capital	**2,451**	**2,448**	**(3)**

Negative working capital requirement at December 31, 2013 was down €3 million compared with December 31, 2012.

Debt

Net debt analysis

The Group had net debt of €276 million at December 31, 2013 compared with net cash of €85 million at the previous year-end.

The €276 million net debt position at December 31, 2013 takes into account:

- the €335 million in free cash flow for the year allocated to the shareholder return policy for €237 million and to acquisitions for €138 million (1);
- the currency effect and non-recurring items for €321 million.

The ratio of adjusted funds from operations to adjusted net debt came to 38% higher than required for a strong investment grade rating.

(in € millions)	December 31, 2012	December 31, 2013
Non-current debt	1,301	1,462
Other non-current financial liabilities	16	67
Current debt	2	3
Bank overdrafts	43	40
Other current financial liabilities	26	33
DEBT AND OTHER FINANCIAL LIABILITIES	**1,388**	**1,605**
Current financial assets	(39)	(13)
Other marketable securities	(998)	(883)
Cash and cash equivalents	(436)	(433)
CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	**(1,473)**	**(1,329)**
NET (CASH) DEBT	**(85)**	**276**

Non-current debt consists mainly of:

- €200 million in **bank borrowings** repayable in June 2015;
- €800 million in 3.625% fixed-rate 7-year **bonds** due October 6, 2017;
- €225 million in 3.75% fixed-rate 10-year **private placement notes** due May 23, 2022;
- €250 million in 2.625% fixed-rate 7-year **bonds** due October 30, 2020.

(1) Of which the Repom call option on the remaining 38% stake recognized in debt for €59 million.

As of December 31, 2013, the Group's debt and other financial liabilities, totaling €1,605 million, were due as follows: 12% in 2015, 50% in 2017, 3% in 2018 and 30% in 2019 and beyond, as laid out in the table below.

(in € millions)	2014	2015	2016	2017	2018	2019 and beyond	December 31, 2013
Debt and other financial liabilities	76	199	1	799	53	477	1,605
TOTAL	**76**	**199**	**1**	**799**	**53**	**477**	**1,605**

The cost of gross debt at December 31, 2013 was 3.18% before hedging and 2.76% after hedging (see Notes 23.A.1.1 and A.1.2 to the consolidated financial statements, page 182).

The maturity of financial investments (see Note 21 and Restricted Cash in the consolidated financial statements page 180) breaks down as follows:

- Maturity > 1 year: 31%;
- Maturity < 1 year: 69%.

Marketable securities include €852 million worth of term deposits and equivalents with maturities of more than three months and €31 million worth of money market securities and bonds.

Cash and cash equivalents break down as €105 million in cash and €328 million in money market instruments with original maturities of less than three months.

Free cash flow

Free cash flow generated over the year totaled €335 million.

(in € millions)	2012	2013
EBITDA	**401**	**376**
Net financial expense	(36)	(39)
Income tax [(1)] paid	(90)	(91)
Non-cash items	19	16
Funds from operations	**294**	**262**
Change in working capital requirement	95	183
Change in restricted cash	(19)	(63)
Recurring capital expenditure	(40)	(47)
FREE CASH FLOW	**330**	**335**

Unlevered free cash flow

Unlevered free cash flow generated over the year totaled €294 million.

(in € millions)	2012	2013
EBIT	**367**	**343**
Elimination of financial revenue from *unrestricted* cash	(75)	(64)
Adjusted EBIT	**292**	**279**
Effective tax rate	31.2%	32.6%
Tax on adjusted EBIT	(91)	(91)
Elimination of depreciation and amortization	34	33
Recurring capital expenditure	(40)	(47)
Decrease/(increase) in working capital requirement	95	183
Recurring decrease/(increase) in restricted cash	(19)	(63)
UNLEVERED FREE CASH FLOW	**271**	**294**

(1) In 2013, the Group changed the tax input used to calculate funds from operations (FFO), which is now based on the amount of tax effectively paid rather than the reported income tax expense for the period. To facilitate comparisons with 2012, an amount of €12 million has been reclassified from change in working capital requirement to funds from operations in the consolidated statement of cash flows. This restatement did not have any impact on the change in cash and cash equivalents reported for the periods presented.

Equity

Equity represented a negative amount of **€1,313 million** at December 31, 2013 and €1,057 million at the end of the previous year. This is due to the recognition at historical cost of the assets contributed or sold to Edenred by Accor through the asset contribution-demerger transaction. It has no impact on the Group's refinancing capacity, the underlying strength of its financial position or its dividend paying ability.

The statement of changes in equity is presented on page 143 of the consolidated financial statements.

Off-balance sheet commitments

Off-balance sheet commitments at December 31, 2013 amounted to €118 million versus €140 million at December 31, 2012. For more details, see Note 30 to the consolidated financial statements, page 198.

2.1.1.5 Management ratios

Key ratios and indicators

	2012	2013
Like-for-like growth in issue volume	+10.1%	+11.8%
Total net margin (EBIT/issue volume)	2.2%	2.0%
EBIT margin excluding financial revenue (EBIT – financial revenue/issue volume)	1.7%	1.5%
Like-for-like growth in FFO (1)	+18.2%	+11.5%
Unlevered free cash flow (in € millions)*	271	294
Adjusted FFO/adjusted net debt (2)	92%	38%

* *For more information about unlevered free cash flow, see section 2.1.1.4, page 37.*

(1) FFO growth is calculated as follows: *(in € millions)*	2012	2013
+ EBITDA	401	376
- Net financial expense	(36)	(39)
- Income tax (2) paid	(90)	(91)
- Non-cash income and expenses included in EBIT	18	15
- Cancellation of financial provisions and provisions for taxes	1	1
= Funds from operations before non-recurring items (FFO)	**294**	**262**
Increase in FFO	14.6%	-11.3%
Like-for-like increase in FFO	18.2%	+11.5%

(2) The adjusted FFO/adjusted net debt ratio is calculated as follows: *(in € millions)*	2012 *	2013
Net debt (cash) at December 31	(85)	276
Standard & Poor's adjustment	396	339
Adjusted net debt (cash)	**311**	**615**
EBITDA	401	376
Standard & Poor's adjustment	(113)	(145)
Adjusted FFO	**288**	**231**
Adjusted FFO/adjusted net debt (estimated)	**92%***	**38%**

* *Adjusted FFO/adjusted net debt as published by Standard & Poor's in its rating of March 26, 2013*

2.1.1.6 Material contracts

During 2013, no contract representing a material obligation or commitment for the Group was signed in connection with the Group's external growth operations.

2.1.2 FORESEEABLE DEVELOPMENTS

The outlook for 2014 is described in section 1.3 Strategic Vision, Investment Strategy and Outlook, page 14.

2.1.3 MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties that may affect the Group in 2014 are described in section 3 Risk Factors, page 45.

The September 28, 2010 €800 million 7-year bond issue, the May 23, 2012 €225 million 10-year bond issue and the October 30, 2013 €250 million 7-year bond issue do not give rise to any rating risk because they were assigned a specific rating at the time of issue in line with standard market practice.

2.1.4 MAIN RELATED-PARTY TRANSACTIONS

The main related-party transactions are presented in detail in Note 32 to the consolidated financial statements, page 198.

2.1.5 RESEARCH AND DEVELOPMENT ACTIVITIES

None.

2.1.6 SOCIAL, SOCIETAL AND ENVIRONMENTAL INFORMATION

Social, societal and environmental information is provided in Chapter 4, page 57.

2.1.7 SUBSEQUENT EVENTS

Subsequent events are presented in Note 35 to the consolidated financial statements, page 200.

2.2 MANAGEMENT REPORT FOR THE EDENRED PARENT COMPANY

DESCRIPTION OF THE BUSINESS

As the Group holding company, Edenred SA manages a portfolio of equity interests, collects dividends from subsidiaries and drives the Group's development.

The Company owns a portfolio of brands, including *Ticket Restaurant®*, *Ticket Alimentaçao®*, *Ticket Compliments®*, *ChildcareVouchers®* and *Ticket EcoCheque®*, and earns revenues from licensing these brands.

It also provides services to other members of the Group in the areas of prepaid solutions, staff secondment, cash management and IT, as well as advisory services. These services are billed as a percentage of the subsidiaries' revenues and/or profits or as a flat fee or on a per-service basis. They are determined on arm's length terms.

2013 RESULTS

The Company reported 2013 revenue of €31 million versus €26 million in 2012, including all royalties and service fees earned in the normal course of business.

Service revenues correspond to fees billed under the Master Services Agreement, for the secondment of staff and for loan guarantees.

Analysis of Edenred SA revenue

(in € millions)	2012	2013	% of total
Service fees			
• *Mutual costs*			
• IT services	7	7	22.60%
• *Master Services Agreement*	17	18	58.00%
• *Other*	2	6	19.40%
TOTAL	**26**	**31**	**100%**

Operating income and expenses

Other revenues, reversals of depreciation, amortization and provisions and expense transfers together totaled €50 million in 2013 compared with €28 million in 2012.

The Company ended the year with an operating loss of €21 million versus a €23 million loss in 2012.

Operating expenses in 2013 amounted to €105 million compared with €80 million the previous year.

External charges went up to €42 million from €35 million in 2012.

Payroll costs rose to €40 million from €28 million in 2012.

Depreciation, amortization and impairment of fixed assets was €1 million, the same as in 2012.

Charges to provisions for length-of-service awards payable to employees on retirement stood at €4 million versus €8 million in 2012.

Net financial income

Net financial income for the year amounted to €127 million compared with €64 million in 2012.

Movements on financial provisions, for the most part provisions for impairment of shares in subsidiaries and risks related to subsidiaries, represented net income of €67 million. This amount reflected (i) €33 million in write-downs of shares in subsidiaries and affiliates, mainly the Venezuelan subsidiaries (Veninvest) for €26 million, (ii) €112 million in reversals of provisions for shares in subsidiaries and affiliates, including €111 million for Edenred France following the Accentiv'Kadéos merger, and (iii) €6 million in provisions for risks related to subsidiaries, including €3 million concerning Shanghai Yagao Meal.

Dividend income for the year totaled €78 million compared with €92 million in 2012, including €47 million from Saminvest SAS,

€17 million from Cestaticket Edenred C.A. and €7 million from Edenred Brasil Participações.

Recurring profit before tax

Recurring profit before tax amounted to €106 million versus €41 million in 2012.

Non-recurring items

Non-recurring items represented net income of €300 million, compared with €5 million in 2012, consisting mainly of the capital gain on the disposal of 30% of the Saminvest subsidiary.

Income tax expense

The Company reported a €43 million tax loss for the year, compared with a tax loss of €20 million in 2012. The Company and its eligible French subsidiaries elected for the group relief system governed by Article 223A of the French General Tax Code on March 18, 2011. The election applied as from the 2011 tax year.

The tax group members in 2013 were:

- Veninvest Neuf;
- Veninvest Dix;
- Veninvest Onze;
- Veninvest Douze;
- Veninvest Quatorze;
- Veninvest Quinze;
- Veninvest Seize.

In 2013, group relief of €12 million was recorded in Edenred SA's accounts, including tax credits.

Edenred SA reported a consolidated tax loss of €20 million on behalf of the tax group in 2013.

Net profit

Net profit for 2013 stood at €414 million (€414,004,198), compared with €56 million (€56,428,327) in 2012.

Non-deductible provisions for liabilities and charges and non-deductible expense accruals recorded in the balance sheet at December 31, 2013 totaled €26 million, compared with €32 million a year earlier.

The recommended ordinary dividend has been set at €0.83 per share. Details of the proposed appropriation of earnings are provided in section 8, pages 252 and 261.

Edenred S.A. paid out €185 million (€185,036,425) in dividends for 2012, or €0.82 per share.

Details of the positions and directorships held by the executive director and of his compensation are provided in section 5, Corporate Governance, page 91.

INFORMATION ON SUPPLIER PAYMENTS

Edenred SA trade payables analyzed by due date

(in € millions)		Invoices receivable	Less than 30 days	In 30-60 days	More than 60 days
2012	Trade payables	0	2	-	-
	Supplier invoices receivable	4	2	-	2
	TOTAL	**4**	**4**	**0**	**2**
2013	Trade payables	0	2	-	-
	Supplier invoices receivable	3	2	1	-
	TOTAL	**3**	**4**	**1**	**-**

NON-DEDUCTIBLE EXPENSES

The aggregate amount of non-deductible costs and expenses referred to in Article 39 paragraph 4 of the French General Tax Code amounted to €103,288 for 2013 and the tax paid thereon was €35,563 (disclosure made in application of Articles 223 *quater* and *quinquies*, 39-4 and 39-5 of the Tax Code).

2013 BUSINESS REVIEW

In 2013, the Company carried out its holding company activities.

During the year, the Company acquired all outstanding shares in Big Pass and GABC, and a 10.8% stake in Saving Star.

TRANSACTIONS IN EDENRED SA SHARES

At December 31, 2013 Edenred SA held 1,846,257 of its own shares, representing 0.81% of the capital.

The Company's ownership structure is described in section 7.3.1 Ownership Structure, page 247.

On November 3, 2011, Edenred SA entered into a liquidity contract with Exane BNP Paribas that complies with the AMAFI Code of Ethics recognized by the Autorité des marchés financiers, whereby Exane BNP Paribas undertakes to make a market in Edenred SA shares on the NYSE Euronext Paris market.

The following resources have been credited to the liquidity account to fund these market-making transactions.

- €10 million cash.
- Edenred shares: 34,257 shares at December 31, 2013.

FINANCING

In April 2013, Edenred announced the signature of a five-year €700 million syndicated credit facility. The new facility has lengthened the average maturity of Edenred's debt by replacing the existing €578 million in confirmed lines of credit, which were set up in June 2010 and scheduled to expire in June 2014.

In October 2013, Edenred SA issued on the market €250 million worth of 2.625% 7-year bonds due October 30, 2020.

During the second half of 2013, Edenred SA made an advance repayment of €75 million on a term loan set up on June 23, 2010. The balance outstanding on the loan now amounts to €200 million, repayable on June 30, 2015.

Following these transactions, at December 31, 2013 the Company had total debt of €1,475 million.

The Company has set up a €1,067 million hedging program mainly comprising interest rate swaps, collars and options, to protect against the impact of interest rate fluctuations on its variable and fixed rate debt.

RELATIONS WITH SUBSIDIARIES

Edenred SA holds direct interests of 50% and over in 42 companies. The most significant interests, in terms of value, are as follows:

- **Edenred France** (€464,966,992), a French company that issues *Ticket Restaurant®* meal vouchers and other prepaid services solutions to customers in France.

  In 2013, it had revenues of €154,020,529 versus €103,289,212 in 2012 and recurring profit before tax of €49,228,000 versus a loss of €38,311,732 for 2012.
- **ASM** (€306,267,400), a French holding company.
- **Edenred Belgium** (€8,607,913), a Belgian company that issues meal vouchers and other prepaid services solutions to customers in Belgium.

  In 2013, it had revenues of €57,614,188 versus €58,854,695 in 2012 and recurring profit before tax of €59,687,330 versus €57,944,181 for the previous year.

The table below presents subsidiaries whose carrying amount in Edenred SA's balance sheet exceeds 1% of the Company's share capital.

Subsidiaries and affiliates	Currency	% interest
Subsidiaries with a carrying amount in excess of 1% of Edenred SA's share capital.		
Subsidiaries (at least 50%-owned by Edenred SA)		
a) French subsidiaries		
Accentiv' Travel 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	100%
Edenred France 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	100%
ASM 166 - 180 bd Gabriel Péri 92240 Malakoff	EUR	100%
Veninvest Quattro 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	100%
Veninvest Cinq 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	100%
Veninvest Huit 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	100%
Saminvest 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	60%
Veninvest Neuf 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	100%
Veninvest Onze 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	100%
Veninvest Douze 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	100%
Veninvest Quatorze 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	100%
Veninvest Quinze 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	100%
Veninvest Seize 166 - 180 bd Gabriel-Péri 92240 Malakoff	EUR	100%
b) Foreign subsidiaries		
Surgold India pvt ltd (Singapore)	INR	100%
Edenred Shangai Yagao Meal Ltd (China)	CNY	100%
Edenred (India) PVT Ltd (India)	INR	94.34%
Edenred Pte Ltd (Singapore)	SGD	100%
Edenred España SA (Spain)	EUR	100%
Cestaticket Services C.A. (Venezuela)	VEF	57%
Edenred China	CNY	100%
Edenred Belgium	EUR	100%
Edenred Deutschland GmbH (Germany)	EUR	100%
Barclays Voucher Co, Ltd (Japan)	JPY	100%
Inversiones Dix Venezuela, SA	VEF	100%
Big Pass (Colombia)	COP	100%

The other subsidiaries and affiliates are presented in Note 24 to the Company financial statements - Subsidiaries and Affiliates, page 228.

RATIOS

None.

RISK FACTORS

Risk factors are described in section 3, page 45.

RESEARCH AND DEVELOPMENT ACTIVITIES

None.

SUBSEQUENT EVENTS

There have been no significant events since December 31, 2013.

DEVELOPMENTS AND OUTLOOK

Edenred SA will pursue its holding company activities in the coming years.

3

RISK FACTORS

Investors are advised to consider all of the information provided in this Registration Document, including the risk factors described in this section, before making their investment decision. The described risks are those whose occurrence, in the Company's opinion as of the date of this Registration Document, could have a material adverse effect on the Group, its business, financial position, results of operations or development. Investors' attention is drawn to the fact that other currently unknown risks or risks whose occurrence has not been considered as of the date of this Registration Document may also have a material adverse effect on the Group, its business, financial position, results of operations or development.

The risks and threats to the Group's business are analyzed regularly, under the supervision of the Audit and Risks Committee. These reviews have led to the identification of five categories of risks:

- legal risks, particularly risks associated with the laws and regulations applicable to the Group's solutions;
- external risks, corresponding to the impact of external factors such as changes in the economic or competitive environment;
- market risks, which include currency, interest rate, credit and liquidity risks;
- operational risks, including risks associated with the migration from paper to digital solutions;
- risks associated with the Group's growth strategy and organization structure.

The risk management system is described in more detail in the Report of the Chairman of the Board of Directors on internal control, in section 5.5 page 124.

3.1 LEGAL RISKS

CHANGE IN THE LAWS OR REGULATIONS APPLICABLE TO SOLUTIONS QUALIFYING FOR A SPECIFIC TAX REGIME

Risk

Some Group solutions are governed by national regulations designed to create a payroll tax, income tax or other environment that will encourage their development. They are mainly Employee Benefits solutions, particularly *Ticket Restaurant®* meal vouchers and *Ticket Alimentación®* food vouchers. In 2013, Employee Benefits solutions accounted for 83% of the Group's total issue volume.

These laws and/or regulations may change in ways that are unfavorable to the Group. For example, governments faced with ballooning budget deficits may be tempted to scale back or abolish the payroll tax or income tax benefits attached to these solutions. As the solutions' tax appeal and the format that restricts their use to a specified purpose are core factors behind their growth and profitability, any unfavorable change in the regulatory or legislative environment may lead to a decline in related issue volume.

See section 1.4 "Regulatory Environment", page 24 for more information about the regulations applicable to the Group, including sections 1.4.1.2 and 1.4.1.3 on pages 24 and 25 which describe the regulatory environments in France and in Brazil.

Measures to manage the risk

The Public Affairs Department implements targeted measures, such as:

- continuous monitoring of political, social and economic developments in the Group's host countries, in order to be forewarned of proposed changes in the laws and regulations applicable to solutions that qualify for a specific payroll tax or income tax regime;
- development of institutional tools, such as macro-economic studies, research, surveys and position papers, demonstrating the effectiveness of Edenred's solutions in promoting specific policies;
- identification of the core players in government, government departments, the corporate world and academia that are involved at international, European and national level, and development of long-term contacts with them;
- participation in the public debate, in order to become a preferred contact of international organizations, European institutions and national decision-makers, so as to defend Edenred's interests and promote its business;
- drafting of messages adapted to each of these players, to ensure that the future of Edenred's solutions and programs is assured;
- creation of partnerships (and/or discussion platforms) with players involved in developing, promoting or defending policies that govern Employee Benefits solutions.

CHANGES IN THE LEGISLATIVE OR REGULATORY ENVIRONMENT FOR PAPERLESS SOLUTIONS

Risk

Some Group solutions are regulated in the various countries where they are sold. The transition to digital solutions – which accounted for 58% of issue volume at the end of 2013 – may lead to an increase in the number of solutions that are subject to specific regulations.

The regulatory environment for paperless solutions is changing in the European Union as well as in some countries in the Americas and Asia, often in a political climate that is conducive to the introduction of greater restrictions and improved protections for beneficiaries of these solutions. New regulations governing gift cards and other payment cards, for example, generally impose stricter rules concerning the information to be given to customers and beneficiaries when the cards are sold, the level of fees and commissions billed to customers and the treatment of unused balances on expired cards. In come countries, the issuer is required to refund all or some of the remaining balance to the customer. In addition, the Group's businesses are subject to data protection and data security laws.

Regulatory obstacles may limit the Group's ability to grow its businesses. The obstacles may be unexpected and require the deployment of significant resources and investments, which may have an adverse effect on the Group's results of operations and financial position.

Measures to manage the risk

In some countries, dedicated organizations have been set up to issue paperless vouchers under the supervision of the local supervisor, in order to comply with legal and regulatory requirements. This is the case, for example, in France, Italy and the United Kingdom. In addition, training and awareness programs have been set up within the subsidiaries, dealing with the issues arising in connection with the digital transition, such as the protection of personal data and anti-money laundering procedures. Lastly, the Group has set up a series of programmed controls and other internal controls to meet the new requirements created by the digital transition.

PROTECTION OF THE GROUP'S BRANDS

Risk

The Group owns a portfolio of recognized brands, such as *Ticket Restaurant*® and *Ticket Alimentación*®. The names of the Group's solutions have been registered in all countries where they are currently used or where they may be introduced in the future. Although prior rights searches are performed, covering brand names and related domain names, it is not possible to obtain absolute assurance that no third parties have rights to similar names that could be used as a basis for challenging, under local statute or case law, the Group's right to use its own brands in certain countries. In addition, the Internet exposes the Group to risks of cybersquatting, i.e. the registering by third parties of Internet domain names that are identical or close to those used by the Group for the sole purpose of selling them.

Measures to manage the risk

The portfolio of intellectual property rights is regularly updated and all necessary measures are taken to effectively protect and defend the brands and domain names used by the Group. A global surveillance system ensures that the Group is informed of any attempts by third parties to register any brands or domain names that are identical or close to those used by the Group. All necessary legal measures are also taken, including through the civil or criminal courts or by way of alternative dispute resolution procedures, to protect and defend its intellectual property rights at both local and international level.

Measures are also taken to promote risk awareness among people who have access to and/or hold sensitive and/or confidential information. In addition, best practice guidelines are issued to limit the risk, dealing in particular with the use of information systems and social networks.

3.2 EXTERNAL RISKS

ECONOMIC RISKS

Risk

The Group's results depend in part on economic conditions in its main host countries. Although Edenred's business is less sensitive to economic cycles than others, adverse economic conditions would nevertheless have a direct impact on its issue volume and, consequently, on its results of operations. An economic downturn leading to corporate bankruptcies and plant closures would have the effect of reducing the Group's customer base, while an increase in unemployment rates would lead to a reduction, for each customer, in the number of beneficiaries of the Group's solutions. In addition, increases in the face value of the vouchers issued by the Group are influenced by inflation rates. Lastly, the Group's financial revenue (i.e. the interest income received on the float resulting from the timing difference between the payment by customers of the vouchers' face value and their reimbursement to the merchants) depends on (i) the volume of vouchers issued and, consequently, the economic factors described above, and (ii) market interest rates (see section 3.3.2 "Interest Rate Risks", page 50).

Measures to manage the risk

With operations in 40 countries, economic risks are diversified and the Group is less exposed to economic difficulties in a specific country. The Group has a strong presence in Latin America and has benefited from the region's vigorous economic growth. The picture in Europe has been more mixed, however, due to rising unemployment. Brazil, Edenred's largest market, France and Mexico together account for 55% of the Group's total issue volume and 61% of total EBIT.

COMPETITION RISKS

Risk

The Group's businesses are exposed to competition from a handful of international groups as well as local competitors (see section 1.1.3.1 "Overview of the Prepaid Services Market", page 7, for a description of the Group's main competitors). One or several markets may be penetrated by new entrants. These may be new companies, or existing companies that are changing their positioning in one or more markets. Competitive pressures may drive down fee rates in some countries whose economies are struggling, resulting in contracts not being renewed or making it more difficult to win new contracts. If the Group is unable to effectively withstand these competitive pressures, it may lose market share or experience a decline in business or margins.

In countries where Edenred has strengthened its leadership position, certain competitors or commercial partners may be tempted to claim that the Group has used this position to bypass or distort market rules.

Measures to manage the risk

To compete effectively against the main players in its markets, the Group applies a strategy of competitive differentiation in terms of product offer, positioning and value for money.

For example, by moving ahead faster with the transition to digital solutions, Edenred has set itself firmly apart from certain competitors. This strategy forms the basis of balanced and long-lasting relations with the Group's various stakeholders.

In all, these measures help to attenuate competition risk.

RISKS RELATED TO PARTNERSHIPS AND OTHER STRATEGIC AGREEMENTS

Risk

In the course of its business, Edenred may use partners' technologies, IT applications or networks, particularly for its digital solutions. Any disagreement concerning the renewal of any such partnerships or user licenses may have an adverse effect on the Group's business.

Similarly, agreements have been signed with affiliated merchants to permit the use and/or sale of prepaid vouchers and cards. The non-renewal of any of these partnerships may have an adverse effect on issue volume and revenues from the solutions concerned.

Measures to manage the risk

To attenuate the potential impact of this type of disagreement, a specific department has been set up to manage the Group's strategic partnerships and monitor developments involving the competition.

RISKS ASSOCIATED WITH INTERNATIONAL ACTIVITIES

Risk

The Group operates throughout the world. Its host countries include emerging markets, particularly in Latin America and – to a lesser extent – Central Europe. In 2013, emerging markets accounted for around 60% of the Group's total issue volume.

The Group's international operations expose it to numerous risks arising, for example, from unexpected or arbitrary changes in tax rules or other regulations applicable to its products, or a change in the political or economic environment in a given region or country. Some countries apply exchange controls or impose restrictions on the repatriation of profits.

The Group may also face the risk of its operations being nationalized without receiving adequate compensation, the risk of corruption in certain countries, changes in exchange rates or inadequate protection of computerized data.

If one or several of these risks were to occur, this could have a material adverse effect on the Group's results of operations and financial position.

Measures to manage the risk

The Group's broad international presence lessens the concentration of this risk. In addition, the Group prepares action plans to reduce its consequences, particularly the legal and financial consequences, as far as possible.

However, the Group can give no assurance that its results of operations will not be materially affected by a major change in the economic or regulatory environment in any of its host countries.

3.3 MARKET RISKS

3.3.1 PRELIMINARY COMMENT

Risk

In the normal course of business, Edenred is exposed to interest rate, financing, liquidity, counterparty, currency, and other financial risks. Detailed quantified information about the Group's exposure to these risks, after hedging, is presented in the notes to the consolidated financial statements (see Note 23 "Financial Instruments and Market Risk Management", page 182).

Measures to manage the risk

The Group's market risk management policy is designed to meet three core objectives (listed in order of priority): security (i.e. to ensure that transactions are financially secure), liquidity (i.e. to ensure that the Group has sufficient liquid assets and sources of short-term financing to cover its short-term cash requirements) and profitability (i.e. to optimize interest income and expense). The aim is to minimize the impact of market risks on the Group's results and, to a lesser extent, on the balance sheet. Interest rate and currency risks are managed at Group level by the Corporate Treasury and Financing Department, which reports to the Chief Financial Officer in charge of Legal Affairs.

Interest rate and currency instruments are used to support the Group's investment and financing policies, as well as its hedging strategies (fair value and cash flow hedges). Corporate Treasury and Financing has the necessary expertise and computer applications (Front to Back treasury management software) to invest available cash, raise funds and hedge risks on the financial markets in accordance with the practices generally applied by leading groups. The department's organization and procedures are reviewed by the Internal Audit Department. Monthly cash reports are submitted to the Chief Financial Officer who validates the objectives set in accordance with previously approved management strategies.

3.3.2 INTEREST RATE RISK

Risk

The Group is exposed to interest rate risk on both financial liabilities and financial assets. Interest bearing debt is exposed to the risk of changes in interest rates that in turn affect the Group's finance costs.

And changes in interest rates may also affect the Group's results of operations, debt and equity, due to the impact of applying IAS 39 – Financial Instruments: Recognition and Measurement.

Consolidated debt includes both fixed and variable rate borrowings, substantially all denominated in euros (99.8% of the total, rounded to 100% in the consolidated financial statements). Target breakdowns between fixed and variable rate debt are determined separately for each currency, giving due regard to anticipated trends in interest rates and to changes in the composition of debt as a result of new borrowings and the repayment of existing borrowings. At December 31, 2013, 37% of total debt was at fixed rates of interest and 63% at variable rates, (see the notes to the consolidated financial statements – Note 23 "Financial Instruments and Market Risk Management", part A.1 "Analysis by Interest Rate", page 182).

Interest rate fluctuations have a direct impact on the Group's financial revenue and other interest income. The float amounted to €2,086 million at December 31, 2013, of which €1,316 million reported as cash and cash equivalents and other marketable securities (see Note 21 "Cash and Cash Equivalents and Other Marketable Securities" in the notes to the consolidated financial statements, page 180), and €770 million reported as restricted cash (see Note 27 "Working Capital, Service Vouchers in Circulation and Restricted Cash", part B. "Net Change in Restricted Cash", page 195).

The average interest rate was 3.7% at December 31, 2013 and 4.1% at December 31, 2012.

A 100-basis point change in interest rates would have an impact of around €11 million on interest income in 2014, assuming that the float remains unchanged over the year at the same nominal amount in euros, and taking into account effective fixed interest rates and maturities at December 31, 2013.

Instruments with maturities of more than one year represented 31% of the total at December 31, 2013 versus 32% at December 31, 2012.

Measures to manage the risk

The Group applies a risk monitoring and management strategy that aims to limit the volatility of interest income and expenses through the use of hedging instruments. Target breakdowns between fixed and variable rate borrowings are reviewed at regular intervals and new targets are set for future periods by senior management. The related financing strategy is implemented by the Corporate Treasury and Financing Department.

The most commonly used hedging instruments are interest rate swaps, caps and floors. They are contracted with leading banks and the documentation is based on the model recommended by the French Banking Federation (FBF).

Edenred does not conduct any trading transactions and has no plans to engage in this type of activity. Neither Edenred SA nor the Group has any open interest rate positions that would be likely to expose the Group to significant risks.

At the balance sheet date, interest rate risks on debt and certain investments were hedged. The hedging instruments used by the Company at that date consisted of interest rate swaps (with Edenred as the fixed rate borrower or lender) and collars (caps and floors).

At December 31, 2013, the notional amounts of interest rate hedges were €1,067 million on debt, covering the risks on the €200 million Term Loan and €1,275 million worth of debt securities, and €388 million on financial assets.

These instruments are described in the notes to the consolidated financial statements (see Note 23 “Financial Instruments and Market Risk Management”, section A.2. Interest Rate Hedges, page 182).

The impact of a 100-basis point change in interest rates on debt of €1,465 million at December 31, 2013, is presented in the notes to the consolidated financial statements (see Note 23 “Financial Instruments and Market Risk Management”, part A.3 “Sensitivity Analysis”, page 182).

3.3.3 CURRENCY RISKS

Risk

The Group is exposed to currency risks on the translation into euros in the consolidated financial statements of issue volumes, revenues, EBIT and balance sheet items for each country outside the euro zone. This foreign currency translation risk is not hedged. Due to the Group’s operations in 40 different countries, many financial statement indicators are inevitably exposed to foreign currency translation risk, particularly that arising from the translation of financial statements denominated in Brazilian reals, Mexican pesos and Venezuelan bolivar. A significant proportion of the Group’s service voucher issue volume is generated in countries where the functional currency is different from the Group’s reporting currency (the euro). Group policy consists of investing the cash generated by these activities in the currency of the country where the vouchers are issued.

Actual cash flows between countries whose currency is not the euro consist mainly of dividends paid by subsidiaries to their parent company, and interest payments made and received on intercompany financing. These cash flows may be exposed to changes in exchange rates between the original currency and the euro.

At December 31 2013, the notional amounts of cash flow hedges of currency risks were limited. These hedges concerned forecast capital flows for the first six months of 2014.

Exchange gains and losses recognized in the 2013 income statement are presented in the notes to the consolidated financial statements (see Note 8 “Net Financial Expense”, page 165).

The impact of a 10% change in the exchange rates of the main currencies is presented in the notes to the consolidated financial statements (see Note 23 “Financial Instruments and Market Risk Management”, part B.3 “Sensitivity Analysis”, page 184).

Measures to manage the risk

The Group’s operating profit is not exposed to any currency risk, because each subsidiary’s revenues and expenses are paid in local currency. Concerning currency risks on capital flows between subsidiaries and the parent company, foreign currency loans/borrowings are translated using the standards generally applied by leading groups. Other capital flows are included in the monthly cash reports referred to in section 3.3.1 – Preliminary Comment.

Neither Edenred SA nor the Group has any open currency positions that would be likely to expose the Group to significant risks.

3.3.4 COUNTERPARTY RISK

Risk

The Group is exposed to counterparty risk arising from transactions with banks and financial institutions. Its counterparties are financial institutions with which its available cash is invested and from which interest rate and currency instruments are purchased. Default by one of these institutions or a deterioration in its financial position could result in financial losses for Edenred.

Measures to manage the risk

Exposure to counterparty risk is reduced by dealing only with leading counterparties according to correlated country risks, using a wide range of counterparties, setting exposure limits by counterparty and using a monthly reporting procedure to track the concentration of counterparty risk and the credit quality of the various counterparties (based on their credit ratings).

Details of the Group's counterparties are presented in the notes the consolidated financial statements (see Note 23 "Financial Instruments and Market Risk Management", part D "Credit and Counterparty Risk", page 185).

Group policy consists of investing available cash in the currency of the country in which its solutions are issued. It is therefore exposed to country risks that could arise, in particular, in the event of a financial crisis affecting one or more of its host countries.

A significant proportion of the Group's available cash (corresponding to cash denominated in euros) is invested with the holding company under the worldwide centralized cash management scheme (via intercompany loans and/or multi-currency cash-pooling solutions). Under this system, the subsidiaries' available cash is transferred to the holding company in all cases where this is allowed under local law or the law governing the business concerned, and where financial conditions permit. Pooling available cash helps to reduce the Group's exposure to counterparty risks on the leading financial institutions with which the funds are invested, through regular centralized monitoring of these funds.

Moreover, pooling available cash in this way helps to vastly reduce the Group's exposure to counterparty risks in countries on review for a potential credit rating downgrade. As part of this prudent policy, the Group selects financial institutions independently of the country from which the available cash originates.

3.3.5 FINANCING AND LIQUIDITY RISK

Risk

The Group's business routinely generates a negative working capital requirement. As a result, the operating subsidiaries do not have any recurring material borrowing needs.

The Group may, however, have occasion to take on debt to finance acquisitions or, from time to time, to cover the financing needs arising from the cash cycle.

The financing policy objective is to maintain borrowings at a level that gives the Group permanent access to flexible sources of financing.

Liquidity risk arises mainly from the timing of payment obligations for interest-bearing debt (bonds, bank borrowings, etc.) and non-interest bearing financial liabilities (non-controlling interest - NCI - puts), and from future payments to be made on derivative financial instruments. For further information, refer to the notes to the consolidated financial statements (see Note 23 "Financial Instruments and Market Risk Management", part C "Liquidity Risk", page 184).

Managing debt entails raising new financing to replace existing borrowings on their due date.

Measures to manage the risk

In line with its refinancing risk management policy, the Group reduces its exposure by (a) setting up financing sources at Group level through the Corporate Treasury and Financing Department; (b) using diversified financing sources; (c) meeting most of its financing needs through more cost-effective medium-term credit facilities; (d) ensuring that sources of financing are available at all times and (e) by negotiating loan agreements that do not include any hard covenants.

A centralized cash management scheme has been set up, whereby the cash surpluses of Group entities are used to cover the cash shortfalls of other entities, and only the net cash requirement is financed through borrowings on the financial market.

The Group has access to undrawn committed medium-term credit lines from leading banks to meet its short-term financing needs (see the notes to the consolidated financial statements, Note 22 "Debt and Other Financial Liabilities", part B.2 "Credit Facilities", page 181). At December 31, 2013, these undrawn committed credit lines totaled €707 million, of which €700 million expire at the end of April 2018.

Available cash is invested in instruments that can be purchased, sold or closed out within a maximum of five business days. These instruments consist for the most part of fixed-rate time deposits, interest-bearing demand deposits and money market securities, mainly retail certificates of deposit. Further details are presented in the notes to the consolidated financial statements (see Note 21 "Cash and Cash Equivalents and Other Marketable Securities", page 180).

3.4 OPERATIONAL RISKS

CUSTOMER RISKS

Risk

Edenred's exposure to customer default is limited and it is not dependent on any single customer. Statistical dispersion of the business is high, with no customer billed in 2013 representing more than 1% of revenue, and trade receivables corresponding to several tens of thousands of accounts.

Measures to manage the risk

The Group's exposure to losses on trade receivables for which no provision has been recorded is low

RISK OF VOUCHER FORGERY AND THEFT

Risk

The distribution of forged vouchers and voucher theft expose the Group to several risks. The Group may be asked to accept forged or stolen vouchers presented by affiliated merchants for reimbursement. Cases of forgery and theft are nevertheless extremely rare.

Measures to manage the risk

To limit the risk, steps are being taken to accelerate the migration from paper to digital solutions as explained below. At the same time, the Group has a policy of purchasing insurance coverage of theft risk, as explained in section 3.7 Risks Transferred to the Insurance Market, page 56.

MIGRATION FROM PAPER TO DIGITAL SOLUTIONS

Risk

The Group is developing electronic media (card, Internet, mobile) for its various solutions. The migration from paper to digital solutions (see section 1.3.2.4 Accelerating the Digital Transition, page 19) provides an opportunity to increase issue volume and to sell value-added services, while reducing the risk of voucher theft. However, it is not without its risks. Migration may drive down the average holding period of the float, i.e. the period between the sale of the products and their reimbursement. Payments for electronic products frequently transit through third-party networks (mainly payment systems or banking networks), which deduct fees and can set restrictive rules.

Measures to manage the risk

The Group's experience with digital solutions in Brazil in recent years shows that the increase in the float resulting from higher issue volumes more than offsets the effect of the shorter float holding period. Moreover, the digital transition enables solutions to be developed that would not be feasible with paper vouchers, leading to an overall increase in the value of the float.

INFORMATION SYSTEM RISKS

Risk

In the normal course of business, the Group and/or its service providers use a certain number of IT tools and information systems, in particular to manage digital products and for prepaid program management. The main risks concern information system downtime and data availability and confidentiality. If the IT infrastructure, applications or data transmission networks were to fail, or data center or network security were to be breached, or data were lost –accidentally or intentionally– or used for fraudulent purposes, this could disrupt the Group's business operations.

Measures to manage the risk

The Group and/or its service providers have back-up systems for these databases, located in highly secure data centers.

In addition, the Group develops business-specific information systems that are rolled out to the subsidiaries to promote synergies and reduce risks.

ENVIRONMENTAL RISKS

Due to the nature of its business, Edenred is not exposed to any significant direct environmental risks. For more information about the Group's environmental footprint, see section 4.3.1 Environment, page 80.

3.5 RISKS ASSOCIATED WITH THE GROUP'S GROWTH STRATEGY AND ORGANIZATION STRUCTURE

RISKS ASSOCIATED WITH THE GROUP'S GROWTH STRATEGY

Penetration of new geographic markets

Risk

The Group's ability to pursue its geographic expansion strategy is affected by certain restrictions and uncertainties, concerning in particular the future regulatory and political environment over which it has no control. The Group may invest resources in preparing its entry in a new market without any assurance that an appropriate tax regime will be established.

Succeeding in a new market also entails setting up a network of affiliated merchants to make the solution attractive for both customers and beneficiaries. The Group may incur start-up losses due to the absence of economies of scale during the early years. Once the Group has opened up a market, its market share may be eroded by the entry of new players that benefit indirectly from its investment and do not have to incur the same costs or risks.

Measures to manage the risk

The successful development of an Employee Benefits program in a new country depends in part on the existence of an appropriate tax regime, which in turn may depend on specific legislation being adopted. Before the decision is made to enter a new market, the New Market Pre-Development unit checks that the tax environment is appropriate for its solutions.

Risks associated with the Group's acquisition strategy

Risk

The Group's growth strategy is based in part on external growth, mainly through acquisitions. It may not be possible to identify credible targets or to close deals at the right time and the right price.

In addition, to obtain anti-trust approval for acquisitions in one or several jurisdictions, the Group may have to accept certain conditions such as a requirement to dispose of certain assets or business units.

There are a number of risks associated with acquisition strategies: (i) the business plan assumptions underlying the valuation of the target may prove to be wrong, particularly those concerning future synergies and estimates of market demand; (ii) the Group may not be successful in integrating the acquired company, its technologies, product ranges and employees; (iii) the Group may be unable to retain certain key employees or customers of the acquired company; and (iv) the Group may have to take on additional debt to finance the acquisitions. Consequently, the benefits of current or future acquisitions may not be obtained within the forecast period or may fall short of expectations or adversely affect the Group's financial position.

Measures to manage the risk

When a new business is acquired, an integration plan is prepared and the necessary resources are made available for its implementation. In particular, an Internal Audit is performed without delay, internal control principles are established and the Group's financial systems are deployed.

RISKS ASSOCIATED WITH THE GROUP'S ORGANIZATION STRUCTURE

Intangible assets

Risk

Goodwill and other intangible assets with an indefinite useful life are tested annually for impairment. Net goodwill carried in the consolidated balance sheet at December 31, 2013 amounted to €574 million while net intangible assets totaled €132 million. The Group believes that the 2013 consolidated financial statements present fairly all of its assets and liabilities and its financial position. However, inherently unforeseeable events may occur in the future that result in certain intangible assets being impaired. Any material impairments of intangible assets may have an adverse effect on its results of operations for the year in which the impairment is recognized.

Measures to manage the risk

Business assumptions and forecasts are prepared periodically, including a strategic plan and budget drawn up each year for each of the subsidiaries. The strategic plan and the budget are analyzed and, where necessary, an appropriate action plan is developed.

Tax risks

Risk

As an international group, Edenred is subject to the tax laws of a large number of countries and conducts its business in compliance with various national regulations. The tax rules in force in the Group's various host countries do not always provide clear solutions that are not open to interpretation. As a result, the Group's organization structure, the way it conducts business and the applicable tax regime may be based on its own interpretation of local tax rules. There is no guarantee that its interpretations will not be challenged by local tax administrations in the future.

Measures to manage the risk

Assisted by the Legal and Tax Department and/or a firm of legal and tax advisers, the subsidiaries ensure that they comply with local tax rules. The Group is nonetheless currently involved in various tax disputes. These are described in the notes to the consolidated financial statements (see Note 29 Claims and Litigation, page 196).

Rating risks

Risk

Edenred's credit rating reflects the Group's ability to repay its debt, its liquidity position, certain financial ratios, its business profile and financial position, various other factors that are considered relevant for companies operating in the prepaid services business, and the general economic outlook in its host countries. Each agency's rating based on these business, financial and other risk profiles, is determined in accordance with standard market practice.

Measures to manage the risk

The Group's financial strategy aims to maintain a Strong Investment Grade rating. In this regard, Edenred's estimated adjusted FFO/ adjusted net debt ratio at December 31, 2013 was 38% above the level required for such a rating by Standard & Poor's (see the Financial Review – Key Ratios and Indicators, page 38).

Edenred has been rated BBB+/stable outlook by Standard & Poor's since June 2010. The rating was affirmed by Standard & Poor's in its press releases dated April 15, 2011, October 5, 2011, April 27, 2012, October 23, 2012 and March 26, 2013, as well as in its report on EMEA Corporate rating scores dated January 22, 2014 that was published following the November 19, 2013 release of new corporate rating criteria.

The loan agreements for the Group's bond issues and the term loan do not include any rating trigger (event of default). The September 2010 €800 million bond issue, the May 2012 €225 million bond issue and the October 2013 €250 million bond issue do not give rise to any rating risk because they were each assigned a specific rating at the time of issue in line with standard market practice. The loan agreement for the term loan, amounting to €200 million at December 31, 2013, does not include any "event of default" clause based on the Group's leverage (net debt/EBITDA) ratio.

3.6 LEGAL AND ARBITRATION PROCEEDINGS

In the normal course of business, the Group may be involved or become involved in legal and arbitration proceedings and be subject to tax or government audits.

Information about legal or arbitration proceedings in progress, pending or threatened that may have, or have had in the recent past, significant effects on the Group's financial position, business or results of operations is provided in the notes to the consolidated financial statements (see Note 29 "Claims and Litigation", page 196).

To the best of the Company's knowledge, in the last twelve months, there have not been any governmental, legal or arbitration proceedings (including any pending proceedings) that may have, or have had in the recent past, significant effects on the financial position or profitability of the Company and/or the Group and, to the best of the Company's knowledge, no such proceedings are threatened [(1)].

The method used to provide for or recognize liabilities complies with the applicable accounting standards (see the notes to the consolidated financial statements, Note 2 "Accounting policies", page 151).

Provisions for litigation are recorded on receipt by the Group of a notice of claim or summons, based on an assessment of the related risk made by the Group and its advisors. They are presented in in the notes to the consolidated financial statements (see Note 25 "Provisions", page 189).

Edenred has not entered into any material off-balance sheet commitments other than those disclosed in the notes to the consolidated financial statements (see Note 30 "Off-Balance Sheet Commitments", page 198).

3.7 RISKS TRANSFERRED TO THE INSURANCE MARKET

Edenred's operational risks are transferred to the insurance market through business-specific insurance programs that protect its businesses and assets in all host countries. They consist of international programs that set common standards for the transfer of risks to insurers and pool purchases of cover by Group entities.

To diversify counterparty risks associated with these programs, they are spread between around a dozen insurers, none of which covers more than 30% of the total capacity transferred to the insurance market. In 2012, over 90% of the Group's programs involved insurers with an insurer financial strength rating higher than A- from Standard & Poor's.

A worldwide liability insurance program covers the losses caused to third parties by Edenred's business, across the entire Group. Property and casualty insurance programs cover damage to the assets used in the business, including machines, furniture and buildings, as well as the cost of business interruption following an incident such as a fire, flood or plane crash. The individual sites purchase local property and casualty and business interruption cover in addition to that provided by the international program. Edenred had around 170 sites in 40 countries as of December 31, 2013.

A Group-wide policy transfers to the insurance market part of the risk of fraud and embezzlement by third parties, with or without complicity on the part of Edenred employees.

All compulsory insurance cover has been taken out in the Group's host countries.

The 2013 insurance market was such that the Group was able to maintain the amounts transferred to the market.

(1) External risks are discussed in section 3.2, page 48.

CORPORATE SOCIAL RESPONSIBILITY

INTRODUCTION

People and societal responsibility are two key pillars in the implementation of the Group's strategy.

With this in mind, Human Resources policies are designed to support the Group's ongoing evolution. Edenred's ambition to be one of the word's best places to work gives these policies a shared focus – employee well-being – with the goal of ensuring that by 2016, all Group employees work in a subsidiary that has received external certification and/or has initiated a program to improve quality of life in the workplace.

Societal responsibility, supported by employees, is an integral part of Edenred's solutions, given that the Group's flagship *Ticket Restaurant®* meal voucher was invented in response to a societal issue, i.e., promoting healthy lunch breaks, improving sanitary conditions and limiting the use of lunch pails in the workplace. The "Ideal" program expands on this commitment through three priority avenues: healthy eating, environmental protection and local community development.

This chapter contains three sections entitled Social Responsibility, Societal Responsibility and Environmental Responsibility, in line with France's Grenelle II Act. Human Resources polices are described in the first section on Social Responsibility.

GOVERNANCE, ORGANIZATION AND DISSEMINATION OF THE GROUP'S CORPORATE SOCIAL RESPONSIBILITY APPROACH

Edenred has created an effective organization and governance system to disseminate its Corporate Social Responsibility approach throughout all levels of the Group.

This organization leverages two global networks: the Human Resources (HR) correspondents network and the Corporate Social Responsibility (CSR) correspondents network. These networks are designed to deploy HR and CSR policies and lead local action plans, while enabling sharing of the best practices that everyone is expected to apply across the HR and CSR spectrum. Some country organizations have also created CSR Committees.

Coordination is centralized by the Human Resources and Corporate Social Responsibility Departments. HR and CSR roadmaps are developed in collaboration with the country organizations to apply global objectives to each subsidiary and to meet each country's specific needs.

The HR and CSR networks operate in a collaborative approach, in line with Edenred's multi-local culture. This approach includes:

- regularly scheduled sessions to share best country practices, tools developed for all host countries, general topics that apply to all host countries and external news;
- an internal collaborative web platform named Bubble. The CSR and HR networks each have their own virtual community in which members can communicate directly through a forum and a blog; share good practices, tools and methodologies; and organize events;
- regular internal communication that helps disseminate the overall approach.

In addition to the HR and CSR correspondent networks, Edenred's CSR policy, as validated by the Executive Committee, is cascaded to:

- senior managers, mainly through presentations given at Group events, during regional or support function seminars, or via the managers Newsletter;
- all Group employees, through general communication or via the collaborative intranet. Three CSR events are organized every year to federate stakeholders around the Group's initiatives. The first, focused on the environment, coincides with Earth Day (April 22), while the second takes place on World Food Day (October 16) and the third, devoted to community support, is organized on "Eden for All" Day (December 10);
- external stakeholders, who receive information on Edenred's CSR policy and main projects via the Group's website, Registration Document, annual brochure and news releases.

METHODOLOGY

Social, societal and environmental indicators

Edenred redefined its social, societal and environmental indicators in 2012 to bring them into compliance with the obligations set out in France's Grenelle II and Warsmann IV Acts. The indicators are based to a great extent on the Global Reporting Initiative (GRI) and United Nations Global Compact. A cross-reference table with Article 225 of the Grenelle II Act is available on page 297.

Note: data for these indicators were provided by all the subsidiaries and host countries in the reporting scope (see below).

Reporting scope

The scope of reporting for social data was fully aligned with the scope of consolidation for financial data. Published data are intended to take into account all subsidiaries, no matter what their legal status, host country or size.

As concerns societal and environmental data, the number of reporting units has grown steadily since Edenred was created, rising from 14 subsidiaries in 2010 to 33 in 2011, 35 in 2012 and 36 in 2013 in the Group's 40 host countries, representing 99.21% of the workforce. Of the four remaining subsidiaries, three are too small (less than three employees) to provide meaningful environmental and societal data and the fourth (Colombia) was included in the scope of reporting during the year. Data for joint ventures other than those included in the scope of reporting during the year are recognized on a 100% basis.

Collection and reporting of HR and CSR data

The process for collecting and reporting HR and CSR data was revamped in 2012 to make it more reliable and secure. The current annual process is as follows: data are first collected by a local HR and/or CSR correspondent and then entered and validated locally into FIRST, the financial information system used to prepare the Group's consolidated financial statements. The data are then consolidated and checked for consistency by the Group HR department (social data) and Group CSR department (societal and environmental data).

4.1 SOCIAL DATA

INTRODUCTION

People have been a core component of Edenred's growth strategy over the past 50 years and are its most valuable asset. Embodying the pioneering spirit that is responsible for the Group's success, they demonstrate an ability to take action and deliver superior performance day in, day out. They are front-line players in our ambition to achieve sustainable growth.

In the Group's changing environment, Human Resources policies and managerial approach are powerful tools for providing structure and driving engagement and motivation. Edenred's employees are focused on the shared goal of "doing simple things outstandingly well". This simple, fundamental idea is at the core of the Group's "Customer Inside" managerial philosophy, which aims to make customers the focus of strategic thinking and the decision-making process.

Edenred's values

Entrepreneurial spirit

A pioneering spirit drives Edenred's growth, as can be seen in the Group's references to "exploring" new countries and "discovering" new solutions.

Innovation

People who join Edenred become part of a company with a strong growth dynamic and a start-up mindset. Employees are encouraged every day to try new things, as experimentation speeds the discovery of new products and services and their market introduction.

Performance

At Edenred, employees are given the resources to drive the Group's performance. New solutions for collaboration, communication and sharing currently being rolled out foster operating excellence.

Simplicity

Simplicity is an ongoing goal at Edenred and a quality that the Group actively seeks in its operating processes and solutions. Simplicity is also reflected in Edenred's emphasis on direct, friendly relations.

Sharing

The choice to be organized in a network reflects Edenred's sense of sharing, allowing teams to inspire each other by passing on their success stories, best practices and challenges.

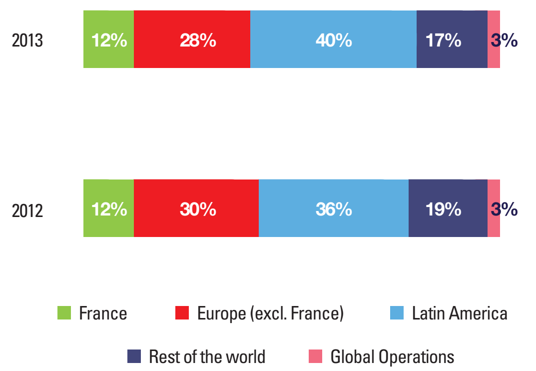
4.1.1 KEY FIGURES

4.1.1.1 Human Resources data at December 31, 2013

At December 31, 2013, Edenred employed 6,175 [1] people in its subsidiaries around the world. On a like-for-like basis [2], this represents an increase of 5.4% from December 31, 2012.

a) Workforce by region

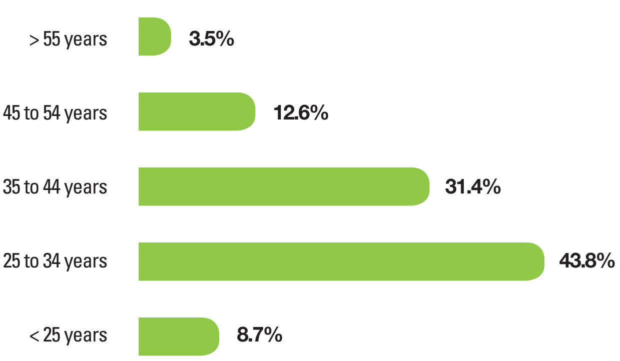
The diversity of host regions reflects the Group's international expansion, with nearly more than 85% of the workforce located outside France at end-2013.



Note : Employees of Edenred International and the regional headquarters are reported under "Global Operations".

b) Workforce by age

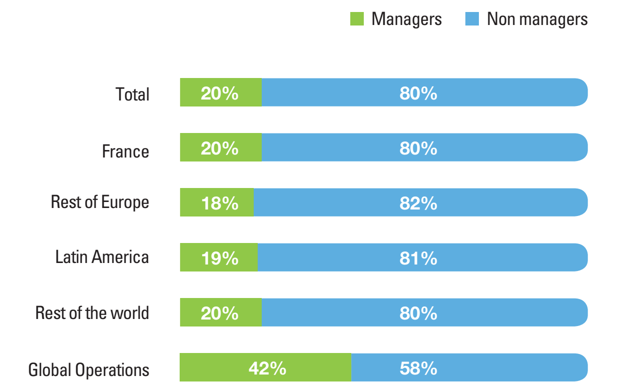
Edenred has a relatively young workforce, with 53% of employees under the age of 35.



(1) Number of individuals on the payroll at December 31, 2013.
(2) The 2012 scope has been adjusted to reflect identified differences.

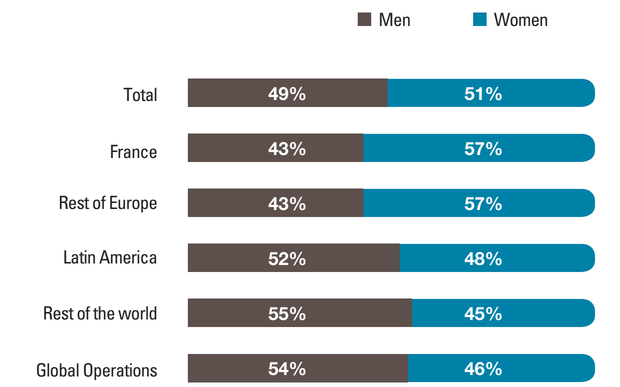
c) Workforce by job category

A manager is defined as an employee who manages others and/or has a high level of responsibility within the organization. At December 31, 2013, managers accounted for 20% of the workforce, as follows:



d) Workforce by gender

Women account for 51% of Edenred's workforce, as follows:



4.1.1.2 Hires and departures in 2013

In 2013, the Group hired 1,868 people, of whom 53.6% in Latin America, 18.2% in Europe outside France, 16.8% in the rest of the world, 8.9% in France and 2.5% in Global Operations. Of these, 57.1% were hired externally under permanent contracts and 20.5% were hired through acquisitions, for a total of 77.6%.

At the same time, 1,547 people left [(1)] the Group's various subsidiaries. Resignations, expiration of temporary contracts, uncompleted trial periods, retirements and intra-Group mobility accounted for the majority (70.2%) of these departures. Terminations accounted for 29.8% of the total, and 83.9% of terminations were individual dismissals.

4.1.1.3 Working hours

All host countries comply with local legislation on maximum weekly working hours. In some countries, the workweek is shorter than the legal maximum.

In 2013, 95% of Group employees were under permanent contract and more than 96% worked full time.

4.1.2 MAIN HUMAN RESOURCES POLICIES AND 2013 ACHIEVEMENTS

Edenred's Human Resources policies are designed to support the Group's operating strategy. They are **developed and adjusted** to support the Group's changing situation.

The framework for Human Resources policies is defined by the Group Human Resources Department. Each policy is then applied locally, taking the units' size, history, culture, environment and legislation into account. The Group Human Resources Department coordinates initiatives with the country organizations through the network of Human Resources correspondents.

This pragmatic approach is designed to develop a consistent set of common principles worldwide, to support the business's stepped-up operational development. It also maintains the units' agility, a key driver in the Group's multi-local organization.

Edenred's major Human Resources policies focus on three key areas:

- organizational performance;
- employee motivation;
- quality of the workplace environment.

(1) Definitive departures only (resignations, terminations, uncompleted trial periods, expiration of temporary contracts, retirement and pre-retirement, intra-Group mobility, mobility between Groups, etc.) Does not include long-term absences leading to a temporary suspension of the work contract.

4.1.2.1 Organizational performance

The goal of this pillar is to "put the right person in the right place". The related HR policies are designed to match, as closely as possible, employee skills and aspirations with the Group's organizational needs and operational objectives. Training and employee appraisals are key steps in developing individual and organizational performance.

a) Offering quality training programs that promote employees' development while meeting the Group's organizational and operational needs

Supporting employees' growth and skills enhancement is crucial for:

- promoting the Group's strategy, notably in the stepped-up drive to transition to digital solutions and in the development of new solutions;
- improving team members' employability, by developing their expertise and fostering their personal growth.

Training plays a major role in the Group's strategic development. In 2013, 4,677 employees (or 76% of the workforce) participated in at least one training course during the year. Complete data on training are provided on page 70 [(1)].

All Edenred team members may participate in training, provided that the courses correspond to the unit's strategy and needs and the employee's personal development objectives. Employee training requests are submitted to management and compiled through the annual appraisal process. The requests are then matched to "big picture" business issues concerning both operations and organization, such as the emergence of new skill-sets, new operating objectives and new solutions. Most of the Group's country organizations have a structured training plan, designed in line with Edenred's key training principles and growth strategy, and tailored to the local situation.

Training is generally managed at the local level, in line with the Group's multi-local culture. To supplement this, certain training programs are managed and/or initiated at the corporate level.

a1) Local training programs

Country organization training programs focus on the local needs of the various professions and on short- and medium-term objectives, while sustaining a common foundation for the Group's values and general knowledge of the organization and its strategy. The priorities in 2013 were to:

- enhance marketing, technological and functional expertise, with:
  - training sessions for sales and marketing staff in Spain, Finland and Poland,
  - support for the transition to digital solutions ("Digital Culture for All" program in France),
  - customer relationship management,
  - product training,
  - new technologies;
- strengthen managerial capabilities. Several programs have been developed in Edenred subsidiaries in Latin America, Europe and Asia to boost key managerial skills, particularly in the areas of team management, change management, leadership and communication techniques;
- provide language training, particularly in English and Spanish, to encourage international dialogue and understanding;
- develop safety practices. Fire safety and first-aid training are regularly offered at the local level to guarantee safe working conditions for employees.

Programs may be conducted by internal experts or by training organizations using a variety of methods, including classroom teaching, e-learning, blended learning and on-the-job training.

a2) Group training programs

In addition to local programs, a number of training initiatives are conducted at the global level to support the Group's strategic priorities. In 2013, focus areas included:

- **Training concerning strategy and the development of new solutions.** Edenred offers digital transition training for all host countries. Introduced in 2010 for country chief executives, support function executives and developers, this program supports the deployment of digital solutions in every region and fosters innovation. In 2013, more than 500 team members participated in the sessions, for a total of more than 1,200 people in 35 countries since the program was launched. The following courses were offered in 2013:
  - e-money,
  - mobile and digital solutions,
  - methodologies for implementing card-based programs and handling expense management.
- **Workshops to cascade the Customer Inside managerial approach,** which continued in 2013 with sessions on:
  - the impact of behavioral mechanisms in decision making,
  - listening and challenging,
  - operational excellence,
  - differentiation (customer paths, customer loyalty).

(1) Note: training courses partially paid for by Edenred Brazil are not included.

b) Appraising employee performance

Performance is one of the Group's five values. Assessing employee performance and skills therefore plays an important role in Edenred's HR processes. Performance appraisals are conducted in each host country at least once a year, generally between December and March, for all employees, regardless of their job level. Certain country organizations, notably in Poland, the United States and Hungary, also carry out mid-year reviews.

This important meeting gives employees and their managers an opportunity to evaluate the past year's events and prepare the future, in a spirit of shared responsibility. Many country organizations encourage their team members to perform a self-evaluation before the appraisal. During the meeting, the employee and manager set objectives aligned with the strategy of the subsidiary and Group.

To help the players make this process their own, certain units have created performance management training courses for managers or employees. Global Operations and Edenred organizations in Romania, Germany, France, Mexico and Brazil, for example, have developed specific training that emphasizes the importance of the annual performance appraisal.

After collecting the individual appraisals, the HR function devises its training plan, reviews salaries with management and tracks career and skills development requests.

4.1.2.2 Employee motivation

Edenred's 6,175 employees are active players in the Group's transformation. Leveraging their full potential is a key success factor and a shared ambition in all host countries.

a) Offering motivating career paths

There is no "standard" career path at Edenred. In keeping with the Group's entrepreneurial spirit, each employee is encouraged to actively develop his or her own career path. Thanks to ongoing changes within the Group and its agile organizations, employees have access to new opportunities. In numerous countries, especially ones with small, fast-growing organizations, employees take on many different responsibilities, thereby developing their cross-functional capabilities.

Whenever the required skills are available in-house, internal mobility is the preferred method of hiring ahead of external recruitment. Job openings are published internally in the United States, Chile and Turkey, for example. Several country organizations, including Edenred United Kingdom, have prepared an Internal Recruitment Charter that guarantees employees the same chance of being hired as outside candidates. Similarly, the UK organization has started a "short-term mission" program under which an employee is seconded to another team for three months in preparation for a potential mobility assignment. The Group Internal Audit Department has its own "guest" program that gives team members from headquarters or country organizations the opportunity to participate in short-term audit missions.

International career management is handled at the Group level and positions ranked executive and higher are monitored by the Executive Committee.

b) Managing talent and preparing the future

Two programs co-exist at the Group level for managing high-potential talent:

- Talent Week, which focuses on young talent, combines working sessions on Edenred's major strategic paths and future challenges with opportunities to network with members of the Executive Committee and Global Operations. Talent Week targets employees with recognized commitment and growth potential. In April 2013, 37 team members representing all Edenred host regions attended the program.
- the Executive Induction Seminar, which gives new executives the opportunity to gain a more comprehensive view of the Group, talk with members of the Executive Committee and representatives from Headquarters and develop their international network.

The Executive Committee is deeply involved in preparing and leading these programs.

In addition to these sessions for high-potential team members, the Executive Committee prepared and reviewed in 2013 a succession plan for the Group's Top 100 managers.

Certain country organizations, such as Edenred China, Edenred Slovakia and Edenred Brazil, have set up local initiatives to develop talent identified in-house. These programs, which run over several months, often comprise external components (assessment center, personality test, leadership module, management module, communication module) and internal training sessions that are more function- and business-oriented. The local Executive Committee's involvement in these programs is a key success factor.

c) Integrating new employees and helping them find their element

Because the first days on a job are critical, Edenred pays particular attention to the way it inducts new employees. Most of the subsidiaries have set up onboarding programs that help new employees quickly find their way within the organization and discover Edenred's corporate culture and specific atmosphere of friendliness, sharing and simplicity.

Depending on the position and host country's local environment, several integration paths are available, including:

- collective onboarding sessions that give several new employees the opportunity to learn about the Group's history and strategy, the host country's specific features and Edenred's mindset and operating procedures;
- one-on-one meetings with key people related to the employee's position;
- e-learning welcome sessions (in India, for example).

Other initiatives may be organized before or after these induction days. Examples include:

- welcome kits with practical information for new employees;

- the announcement of new arrivals via intranet or other dedicated channel (see Brazil's "New People on the Block" program);
- feedback sessions with Human Resources and/or the immediate supervisor after one month, three months and six months (see Germany);
- mentoring programs that team a newcomer with a more seasoned employee (see Slovakia);
- "Walk in my shoes" Days that give employees the opportunity to discover a different job (see France).

d) Recognizing performance

d1) At the corporate level

Each year, the Ewards recognize employees whose performance, work and commitment have helped make Edenred a preferred partner for its stakeholders. Eward winners are selected from among the entire workforce, up to the executive level. The Executive Committee makes the final selection, attesting to the importance the Group places on the Ewards.

Five golden Ewards and ten silver Ewards are handed out at the annual Ewards ceremony. On average, two or three Ewards recognize the performance of a team (national, international, skill-set or project). Since the Ewards system was created in 2011, nearly 45 employees worldwide and seven project teams have been rewarded for their outstanding achievements.

d2) At the regional or local level

In Latin America, Asia and Europe, employee recognition programs have been in place for several years and are becoming increasingly widespread. By rewarding exceptional individual and team achievements, they are helping to improve the quality of customer relations, drive innovation and foster internal cooperation. One example is the Eagles Awards created by the Asia-Pacific region in 2011 to recognize top performers.

Another is the e-recognition module introduced in Edenred United Kingdom's employee benefits platform. With this module, employees can nominate co-workers whose performance particularly reflects Edenred's values and Customer Inside behaviors. Local management selects Gold and Silver Excellence Award winners from the list compiled online.

Across the board, Edenred's units make a point of recognizing employees who have given five, ten and fifteen or more years of service to the organization. Local ceremonies are organized to honor these individuals, who receive monetary rewards or Edenred solutions according to the date at which they joined the Group.

e) Providing fair compensation and benefits

e1) Compensation

Edenred's compensation strategy is designed to recognize employees for their individual engagement and contribution to the Company's growth. It is structured to ensure that individual and collective objectives are effectively aligned with the Group's strategy and support its deployment.

Growth in fixed salary is decided in relation to the local environment, notably with regard to legally mandated wage increases. The principles shared across the Group are based on merit and individual performance, taking into account:

- proficiency and initiative for a given job classification;
- the job's positioning as compared to internal and external benchmarks.

Depending on the managerial level or type of position, employees may be eligible for an incentive bonus. The target amount of this bonus is directly related to the job classification and the amount granted is determined on the basis of performance during the year, as measured by the level of achievement of objectives formally set out with the employee during the previous year's performance appraisal process.

In 2013, the Group's gross payroll totaled €186 million [(1)], up 4.52% from the year before. Europe (including Headquarters) accounted for 59%, Latin America 30% and the rest of the world 11%.

e2) Edenred solutions and services

Employees are Edenred's main ambassadors and promoters. As such, they benefit from solutions and services offered in their country of employment, in compliance with local legislation and within locally defined limits.

These services and solutions, which vary from country to country, are designed to:

- make life easier *(Ticket Restaurant®, Ticket CESU, Ticket Alimentacion®, Ticket Car®, Childcare Vouchers®, etc.);*
- motivate and reward *(Shopping Card®, Ticket Kadeos®, Ticket Compliments®, Chèques Sports et Culture, etc.).*

Certain countries, such as the **Czech Republic, Hungary, the United Kingdom and China,** have flex systems that allow employees to select the benefits that best suit their needs via a dedicated web platform. The flex programs offer the opportunity to save, add to retirement funds, use Edenred solutions or benefit from transportation subsidies.

Profit sharing programs

Edenred has different ways of giving employees a stake in the Group's results depending on the local environment. Profit sharing plans have been set up in a number of countries.

(1) Includes base salary and all bonuses and gratuities paid to employees under permanent contract.

Very often, bonuses are linked to a unit's results. The percentage varies by country and job category (sometimes bonuses are granted only to local management; sometimes to all employees).

France

Edenred International and Edenred France employees are given a stake in the Group's results through the **Group statutory profit-sharing agreement.** Profit sharing is designed to ensure that employees share collectively in the Group's results. The funds, calculated on the basis of the Company's net profit, are set aside in the Special Employee Profit Sharing Reserve for deferred payment.

To strengthen cohesion beyond the unit level and enhance the sense of mutual support among employees working at the Group's different French companies, a Group agreement was signed in November 2010 to create a single, pooled special profit sharing reserve. The amount of the profit-shares varies depending on the Group's annual results.

In addition to the November 2010 agreement, Edenred International and the Group's French subsidiaries have all signed a **discretionary profit-sharing agreement,** also to give employees a stake in their Company's performance.

In 2013, all the French subsidiaries paid out discretionary profit-shares. In 2013, all Group employees in France also received a dividend bonus on top of statutory and discretionary profit-sharing, in accordance with France's Profit-Sharing Act of July 28, 2011.

Brazil

All employees in Brazil are eligible to take part in the profit sharing plan, which gives them a stake in the Company's performance. Twenty percent of this variable, deferred compensation is directly related to the unit's results and eighty percent is tied to the achievement of individual objectives.

e3) Employee savings plans

Edenred supports employees' voluntary savings with a number of savings plans.

Employees of Edenred International and Edenred France, for example, benefit from a **Group Savings Plan** that allows them to build up savings invested in securities and money market instruments. Edenred encourages this type of saving by offering a matching contribution.

Since December 2011, Edenred employees have also had access to a **PERCO retirement savings plan.** A PERCO matching fund system has been set up separately from the Group Savings Plan as part of the Group's long-term commitment to helping employees prepare for retirement. This system gives employees a vehicle to build up savings towards retirement under favorable terms, so as to have additional income once they stop working. Under PERCO rules, employees may contribute monetized accrued leave to their savings, within a limit of five days per year.

Retirement savings plans have also been set up locally to supplement mandatory pension systems in certain countries like Brazil, with the local unit matching employee contributions.

e4) Share-based payment

Edenred awards performance shares annually to key executives and key managers, rewarding more than 400 beneficiaries worldwide.

The plan period is five years. Performance share rights granted to French tax residents are subject to a three-year vesting period followed by a two-year lock-up and rights granted to residents of other countries are subject to a five-year vesting period without any lock-up.

The performance conditions are measured over a period of three year for three indicators: growth in issue volume, funds from operations (FFO) and Edenred's Total Shareholder Return (TSR) compared to that of the SBF120 (see chapter on Governance, page 90).

4.1.2.3 Workplace environment

a) Being a best place to work

High performance and well-being are part of Edenred's mission towards both customers and employees. Improving quality of life in the workplace is therefore a key deliverable for the Group. For this reason, Edenred pays close attention to employee well-being, health and safety as part of a shared commitment among all 40 country organizations to earning certification as one of the world's best places to work by 2016.

This collective drive, supported at the highest level by the Executive Committee, involves listening to employees and taking tangible steps to improve quality of life in the workplace. Workplace climate surveys conducted by outside organizations are being used to achieve best place to work status. These surveys measure how employees rate their workplace on such criteria as work-life balance, empowerment, quality of management and communication. The results are analyzed and used to devise action plans led by management and the local HR function.

In 2013:

- nineteen units obtained or were working towards certification for quality of life in the workplace;
- sixty-three percent of the Group's employees worked in a certified environment or a unit actively involved in obtaining certification.

The following organizations are involved in the certification process, based on their presence in the host country:

- the Great Place to Work® Institute has been selected by 12 units. Two country organizations were particularly well-ranked in 2013, with Edenred Uruguay topping the national standings and Edenred Brazil coming in second nationally:
  - employee well-being is assessed on the basis of three key criteria: trust, pride and camaraderie;

- Edenred Greece has chosen the Investors in People survey, which focuses on the Company's managerial practices;
- Edenred Czech Republic was granted Best Employer accreditation by AON Hewitt;
- Edenred Italy's SA 8000 certification was renewed in 2011 for a period of three years. This international social accountability standard ensures decent working conditions for employees around the world;
- Edenred United Kingdom participates in the Sunday Times' "Best companies to work for in the UK" survey;
- Edenred Austria ranks among the leaders in a panel of great places to work based on employee reviews posted on the online employer evaluation platform published by Kununu;
- local consultancies have conducted internal workplace climate surveys for Edenred Finland and Edenred Romania.

Certain countries start their certification drive by carrying out an employee satisfaction and engagement survey internally.

b) Promoting a good work-life balance

Edenred is committed to developing a good work-life balance through a number of initiatives, including:

- flexible working hours:
  - Edenred subsidiaries in Sweden, Slovakia, Austria, Germany, the United Kingdom and the Netherlands encourage part-time work for employees with young children.
  - Edenred India has scaled back the workweek to five days from six. As a result, Edenred employees work less than the maximum number of hours allowed under local law.
- benefits to promote employee well-being, such as gym, dance and yoga classes, fruit baskets, balanced diet courses and craft workshops;
- concierge services that can handle certain private tasks for employees during their working hours;
- support for parents:
  - at the birth of a child, with bonuses, programs for future mothers (at Edenred Brazil, for example), and incentives to take parental leave,
  - for childcare, with:
  - Edenred childcare solutions (*Childcare Vouchers*® in the United Kingdom, CESU vouchers in France, Ticket Junior® vouchers in Austria, etc.);
  - offices designed with an area to welcome employees' children when they are ill or need temporary childcare (Edenred Germany);
  - a "Moms and Dads" program, particularly to support women returning from maternity leave (Edenred Italy). Among the services offered are expert help in identifying the most appropriate childcare solution;
  - in recognition of the Group's commitment to promoting work-life balance, Edenred Austria was voted third best family-friendly company in the country and Edenred Spain was certified a Family Responsible Company.

c) Acting as a responsible employer and promoting diversity

At Edenred, diversity creates value and enhances performance. For this reason, the Group promotes and cultivates a diverse workforce and fights all forms of discrimination.

c1) Diverse profiles

As a multi-local company, Edenred is deeply committed to its multicultural outlook. The diversity of the Group's workforce is both its strength and greatest asset. Edenred operates in very different, complex markets and the diversity of its workforce reflects the geographic diversity of its customer base. In the United States, for example, 12 different languages are spoken by the subsidiary's 50 employees, who represent 14 different nationalities. In Germany, the subsidiary employs around 100 people from 11 different nationalities.

In this multicultural environment, the concept of equal opportunity is intertwined with the principle of fairness that underpins the Group's Human Resources policies. Its purpose is to guarantee all employees equal prospects, regardless of age, gender, disability, religion, etc., assuming equal levels of performance, ability and motivation. Edenred has signed various agreements and deployed targeted policies and action plans to demonstrate tangibly its commitment to respecting differences. The Group diligently applies these agreements, policies and plans in all of its Human Resources processes, particularly in terms of hiring, access to training, professional mobility and internal promotions:

- Edenred United Kingdom has developed an Equal Opportunity Policy designed to ensure that employees are hired, promoted, trained and generally treated on the basis of their skills and aptitudes alone, without regard to gender, country of origin/nationality, religion, age or other factor. As a major player in this policy, management is responsible for combating all forms of discrimination on a daily basis and raising employee awareness about the seriousness of discriminatory behavior, which can lead to disciplinary action. Employees themselves are the front-line guarantors of non-discrimination and are expected to report any incidents to management;
- PPS has also implemented an equal opportunity policy;
- Edenred Italy was among the first companies to sign the Equal Opportunity Charter *(Carta per le pari opportunità e l'uguaglianza sul lavoro)* developed jointly by the Labor Ministry and the Equal Opportunity Minister. Supported voluntarily by companies of all sizes, the charter expresses each participant's pledge to promote an innovative corporate culture and Human Resources policy, without discrimination or prejudice.

c2) Gender equality

At end-2013, women accounted for 51% of employees worldwide and held 40% of the Group's management positions. Different types of initiatives have been taken within the subsidiaries to promote gender equality. These include:

- formal policies to eradicate discrimination and promote gender equality, implemented for example in Spain, the United Kingdom and the United States;
- agreements on gender equality, such as the one signed in France in December 2011. This agreement confirmed the principles of equal opportunity at all stages of the career path and proposed initiatives to eliminate roadblocks for women at Edenred, as well as measures to facilitate more equal sharing of childcare responsibilities;
- equal pay audits performed by an outside specialist, such as the study of 130 companies commissioned by the Ministry of Family Affairs in Germany in 2013. Edenred Germany ranked first, with complete pay equality between men and women;
- external certification as a Best Workplace for women. For the third year in a row, Edenred Mexico was listed among the Best Workplaces in Gender Equality by Great Place to Work® Mexico, ranking 11th.

c3) Integrating and retaining people with disabilities

Edenred has taken an assertive stance in this area by signing a first Group agreement applicable in the French subsidiaries and Edenred International to hire and retain people with disabilities. As part of this three-year agreement, which took effect in January 2012, Edenred has made a commitment to increase the percentage of people with disabilities in the workforce by 2% by December 31, 2014.

More broadly, Edenred's subsidiaries demonstrate their commitment to integrating and retaining people with disabilities in a number of ways, aligned with each country's specific characteristics:

- numerous subsidiaries, including Edenred Mexico, Edenred United States and Edenred China, hire people with disabilities directly. Edenred Belgium's partnership with Prorienta, a dedicated job training center, has led to the hiring of five hearing-impaired employees. The subsidiary brings in sign-language interpreters for its national information meetings;
- other country organizations hire people with disabilities indirectly. Examples include Edenred Romania, for language training, and Edenred Italy, in accordance with an agreement signed with Milan province to integrate the disabled through an outside company;
- workplaces may be designed and/or equipped to be accessible to people with disabilities;
- a dedicated team has been set up for the French subsidiaries with identified internal correspondents who are responsible for developing hiring resources, creating partnerships with sheltered workshops and enhancing employee awareness and understanding of disabilities;
- communication and awareness initiatives include:
  - an intranet page in France devoted entirely to disabilities in the workplace and the different measures introduced so far,
  - *J'en crois pas mes yeux* (I can't believe my eyes), a web series co-financed by Edenred France that highlights everyday situations in the workplace. The episodes, which continued in 2013, are available on the French subsidiary's intranet,
  - programs organized by Edenred France during national disabilities week (November 18-22, 2013). A Handisport exhibit was installed for the entire week to highlight disabled athletes' achievements. At the same time, sessions on hearing and sight impairment were held to raise awareness of the related challenges in the workplace. Employees also had an opportunity to learn about collaboration with assistance-through-work establishments (ESAT).

c4) Older employees

Edenred International made a commitment in late 2010 to promote the hiring and retention of older employees. This commitment was formalized in a three-year agreement, in compliance with legal obligations, that features a pledge to maintain the number of employees over 55 at minimum of 4.5% of the total Edenred International workforce. A number of initiatives have been taken to support this measure, notably in the areas of hiring, career planning, working conditions, skills development, end-of-career transitioning and knowledge and skills transfer. A similar action plan has been deployed throughout Edenred France.

In 2013, employee representatives from Edenred International subsidiaries signed an intergenerational contract under which the Company commits to maintaining the proportion of employees over 45 in the workforce. Employees over 55 may also request to scale back their workweek to 80% while maintaining their full pension contribution.

In certain countries, measures to promote the employment of older team members cannot be implemented due to local practices and legislation. This is the case in the United States, for example, where age data is not provided to employers.

d) Fostering social dialogue

At Edenred, social dialogue covers the full range of negotiation and consultation procedures, as well as the simple exchange of information between employee representatives and management. All of the social advances achieved since July 2010 demonstrate the importance of social dialogue as a key success factor. Representative bodies have been set up in most organizations (except small units), providing a crucial foundation for the social dialogue process.

Three levels of social dialogue are in place within the Group:

d1) Social dialogue at the national level

The social advances in the Group's various subsidiaries attest to vibrant social dialogue with labor union and employee representatives. In all, 59.4% of Edenred employees work at units with employee representative bodies and 49% of them are currently covered by a collective agreement.

During 2013, 29 collective agreements were signed in the country organizations on a wide variety of issues, including wages, profit sharing, intergenerational agreements, working time, gender equality, workplace health and safety and job and skills planning.

d2) Social dialogue at the Group level in France

Because French subsidiary employees and Edenred International employees work so closely together (located at the same site), Management and employee representatives have agreed on the need to create a Group Works Council on the basis of the various works councils in place within each unit. The agreement specifies that the Group Works Council's role is not the same as that of the unit works councils, which have their own specific objectives and resources.

Created by a collective agreement in 2011, the Group Works Council comprises eight representatives from the works councils of the French subsidiaries and Edenred International. The Group Works Council considers all issues pertaining to the Group's operations, financial situation, business and social environment, as well as any strategic changes. It met twice in 2013.

d3) Social dialogue at the European level

Employee representation at the national level varies from country to country. Because the Group is convinced that quality dialogue at the European level will help develop a Europe-wide mindset and shared sense of belonging, a European Works Council will soon be created. A special negotiating group with representatives from 19 European countries has been formed and will meet in 2014 to negotiate the terms under which the European Works Council will operate, the scope of its responsibilities and the procedures for European dialogue. The European Works Council's mission will be to balance the Company's interests with employees' interests in a constructive manner by addressing all cross-border issues in an even-handed spirit of discussion and dialogue.

e) Promoting workplace health and safety

In line with Edenred's ambition to be a great place to work, on-the-job risks – including psychosocial risks – are integrated in the Group's development plans. The guiding principle is to ensure that employees have a safe, healthy workplace in which they can perform effectively. The country organizations adapt this principle in accordance with their needs, local practices and the legal and regulatory framework under which they must operate. Local initiatives focus on three key areas: preventing professional risks, preventing psychosocial risks and providing healthcare coverage.

Complete data on health and safety are provided on page 71.

e1) Preventing professional risks

Edenred works closely with existing Health, Safety and Working Conditions Committees (CHSCT) to implement its approach. Numerous country organizations have a CHSCT or similar organization.

Edenred France and Edenred International

Edenred France and Edenred International have both set up Health, Safety and Working Conditions Committees (CHSCT) that are responsible for monitoring workplace health and safety and improving working conditions, notably by closely reviewing working conditions and potential professional risks on the front lines. All of these risks are listed in a single document, which is used to develop tangible action plans designed to reduce or eliminate them.

United Kingdom

Edenred United Kingdom has signed a Safety Policy Charter that encourages employees to report all safety risks to their supervisors and take any necessary measures to prevent risks. All accidents are listed in a dedicated register.

Belgium

Edenred Belgium is affiliated with CESI, an external prevention and protection service. CESI's consultants help identify and manage workplace risks. The prevention consultant is a full-fledged member of the CPPT workplace accident prevention and protection committee, which also includes the CEO (or his/her representative), management representatives, employee representatives and the occupational physician.

Brazil

In accordance with legal requirements, the Company calls the Internal Accident Prevention Committee (CIPA) to meeting each year. Made up of elected representatives, the committee maps identified risks in each work unit in a specific, regularly updated document and implements prevention policies and awareness initiatives. First responders are trained on a regular basis to provide emergency assistance in the event of an accident.

e2) Psychosocial risks

Edenred France and Edenred International

Edenred France and Edenred International signed an initial agreement in July 2011 establishing the fundamentals of an overall method for preventing psychosocial risks in the workplace. The system consists of questionnaires completed anonymously by employee volunteers during regular medical check-ups, with the goal of creating an overall workplace health indicator. On the employee's request, the occupational physician can use the evaluation procedure to carefully measure levels of anxiety, stress or depression and ensure that effective treatment is prescribed, all in the strictest confidence. In addition, questionnaire data will be fed into a collective database where analyses may be performed to identify potential risk factors and develop corrective action plans.

The results of this survey, which was conducted jointly over one year with the occupational physicians, were processed in 2013. The workplace health committee, made up of key players in preventing psychosocial risks, met during the year to lay the groundwork for developing an effective action plan that will be deployed initially within Edenred International.

Italy

In 2013, Edenred Italy conducted an analysis of job-related stress factors. The results were communicated to the Health and Safety Committee and the labor unions and formalized in a collective document signed in July 2013.

e3) Health coverage and other health benefits

Preserving employees' health is a key objective of Edenred's policy on well-being in the workplace. For this reason, the Group pays particular attention to insurance benefits around the world. With mandatory cover varying significantly from one country to the next, each unit selects the level of additional cover it wishes to provide in line with the local situation, as well as the unit's growth plan and its funding capabilities. Additional health cover is offered in several Edenred subsidiaries in Latin America, Europe and Asia:

- expatriate employees may be covered by a special international insurance plan in addition to the local system, depending on the country and the level of local benefits. This ensures the same level of protection as in the expatriate's home country, particularly in terms of post-retirement benefits, while respecting the principle of fairness with regard to local employees;
- Edenred France and Edenred International signed a group insurance agreement in November 2010 followed by Company agreements for each unit to ensure that employees and their families are covered in the event of illness, accident or death;
- Edenred Brazil's *Viva Melhor* platform, which is part of the general employee benefits system, offers employees a comprehensive array of care solutions to preserve their health, as well as access to psychologists, nutritionists, physical education teachers, physicians and other specialists.

Medical checkups are offered by many subsidiaries, including Edenred Austria, Edenred Sweden, Edenred Italy and Edenred Hungary.

In other countries, the Group's commitment is also demonstrated through initiatives to promote healthy living and/or balanced diet. These include "Health Days", conferences or workshops on nutrition and health, and programs to promote regular physical activity. Edenred France organizes campaigns to raise awareness about health and safety issues, such as one-day event to fight against hepatitis with *Santé en Entreprise*, an annual flu vaccination drive, a daylong program on healthy eating and balanced diet, and a full week dedicated to well-being (Bee Week). Lastly, Edenred Germany regularly provides employees with news and information on health issues.

4.1.3 2013 SUMMARY TABLES OF EMPLOYEE DATA - GROUP

	France	Rest of Europe	Latin America	Rest of the world	Global operations	Total 2013	Total 2012
Number of employees	720	1,737	2,470	1,046	202	6,175	5,915
% women	57.36%	56.59%	47.69%	44.84%	45.54%	50.77%	51.07%
% men	42.64%	43.41%	52.31%	55.16%	54.46%	49.23%	48.93%
Number of interns	5	25	37	13	4	84	46
% under permanent contracts	90.56%	92.75%	96.60%	95.60%	94.06%	94.56%	95.29%
Full-time equivalent	659	1,710	2,545	1,034	189	6,136	5,809
Managers							
% of total workforce (1)	20.42%	18.36%	19.23%	20.27%	42.08%	20.05%	17.89%
% women	51.02%	43.89%	36.21%	38.21%	32.94%	40.06%	42.25%
% men	48.98%	56.11%	63.79%	61.79%	67.06%	59.94%	57.75%
Training							
Number of hours of training for managers	3,664	7,227	13,706	2,754	1,507	28,858	36,047
Number of hours of training for non-managers	10,258	15,864	30,255	14,256	1,678	72,311	71,194
Number of hours of training	**13,922**	**23,091**	**43,961**	**17,010**	**3,185**	**101,169**	**107,241**
Number of managers having attended at least one training course	133	255	504	112	51	1,055	1,392
Number of non-managers having attended at least one training course	489	894	1,717	455	67	3,622	3,434
Number of employees having attended at least one training course	**622**	**1,149**	**2,221**	**567**	**118**	**4,677**	**4,826**
Occupational accidents (2)							
Lost-time incident frequency rate *(LTIF)*	7.97	2.37	4.21	1.37	10.70	3.78	3.83
Number of fatal accidents in the workplace	0	0	0	0	0	0	0
Severity rate (in %) (3)	0.28	0.27	0.12	0.01	0.02	0.15	0.11
Absenteeism rate (4)	4.25	2.78	2.03	1.40	1.16	2.37	2.25

For information:

Employee numbers correspond to the number of individuals on the payroll on December 31 and the number of full-time equivalent employees.

The concept of number of employees is designed to quantify the number of physical individuals under contract (this excludes interns, service providers and subcontractors) regardless of the actual time spent on site or their contractual working hours. Total number of employees is used to calculate several other indicators.

The concept of full time equivalent is designed to quantify the workforce on a comparable basis, i.e., the standard full time contract applied in each unit. This involves counting the Company's operational workforce taking into account workweek duration and contractual working hours. The figures also include interns and temporary employees.

(1) A manager is defined as an employee who manages others and/or has a high level of responsibility within the organization.

(2) Occupational accidents: non-fatal and fatal accidents occurring during or because of work and involving salaried employees and all other persons working for the Edenred Group in any capacity and at any location and resulting in at least one day of absence.

(3) Severity rate: number of days of lost time following an occupational accident multiplied by 1,000 and divided by the total number of hours worked by the entire workforce over the calendar year.

(4) Absenteeism rate: total number of person-days lost to absenteeism in the period divided by the number of person-days available in the period. This includes absenteeism due to work accidents, commute accidents, professional illnesses and non-professional illnesses.

4.1.4 2013 SUMMARY TABLES OF EMPLOYEE DATA - FRANCE

The data provided in the summary table below concerns Edenred France and Accentiv' Kadéos, which together form a single economic and social unit (UES) with regard to social obligations.

	2013
Number of Employees	
Total number of employees (1)	675
Percentage of women	57%
Percentage of men	43%
Employees by age	
Under 25	5%
25 to 34 years	41%
35 to 44 years	35%
45 to 54 years	13%
55 and older	5%
Number of full-time employees under permanent contracts	613
Number of full-time employees under fixed-term contracts	62
Number of part-time employees	38
Non-French employees working in France (2) (as a % of total employees)	4%
Hiring	
Number of persons hired under permanent contracts	57
Number of persons hired under fixed-term contracts	104
Compensation	
Gross payroll (3) (in millions of euros)	26
2012 discretionary profit-shares paid in 2013	
Number of beneficiaries (4)	766
Average gross amount per beneficiary (in €)	1,848
Additional 2012 discretionary profit share paid in 2013	
Number of beneficiaries (3)	766
Average gross amount per beneficiary (in €)	214
2012 statutory profit-shares paid in 2013	
Special employee profit sharing reserve, net (3) (in €)	906,754
Number of beneficiaries (4)	776
Mean net amount per beneficiary (in €)	714
Health and Safety Conditions	
Number of meetings of Health, Safety and Working Conditions Committees	6
Number of employees receiving onsite safety training	177
Employee Relations	
Collective agreements signed in 2013	2
Total hours used for employee delegate activities	66
Number of meetings with employee representatives	24

(1) *All employees on the payroll at December 31, 2013, regardless of the type of employment contract.*
(2) *Number of foreign employees working in France.*
(3) *Group agreement that concerns all companies incorporated in France. Employees must have worked at least three months in the year.*
(4) *The amount of the Special Employee Profit Sharing Reserve corresponds each year to the sum of all the theoretical profit sharing reserves calculated separately (in accordance with the legal formula) in each Group company participating in the agreement.*

4.2 SOCIETAL DATA

INTRODUCTION

By inventing the *Ticket Restaurant*® meal voucher in 1962, Edenred helped to spread the practice of taking a lunch break to all employees, regardless of category. Since then, the Group has contributed to social progress with programs that make life easier for both employees and consumers. Edenred has deployed a Corporate Social Responsibility (CSR) approach applicable on a daily basis that is thoroughly aligned with its operations. Known as "Ideal", this approach was formalized in 2012 and presented to external stakeholders in 2013.

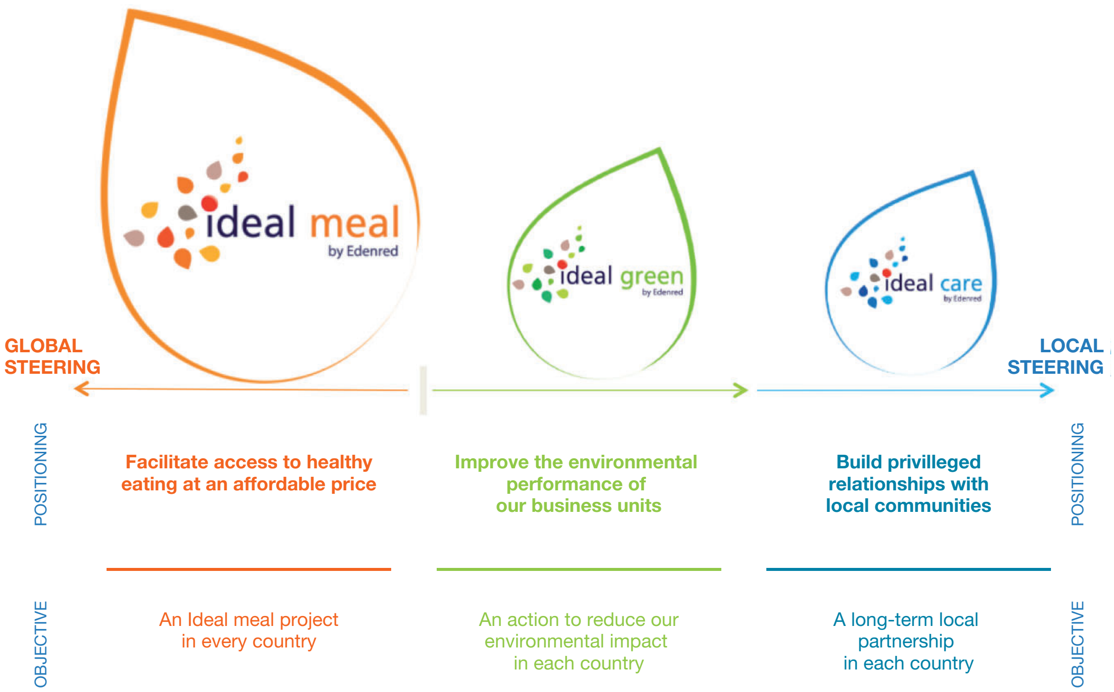
"Ideal" is defined by three strategy lines:

The first concerns **promoting healthy eating habits,** a core competency at Edenred since meal solutions represent nearly 80% of total issue volume. With "Ideal meal", Edenred aims to make it easier for stakeholders to enjoy balanced meals at affordable prices in all Group subsidiaries.

The second strategy line is to **limit the environmental impact** of day-to-day operations, whether in the office, in production or in the solutions developed by Edenred. "Ideal green" covers all of the local initiatives undertaken in this area.

The third strategy line is to **support local community development** through "Ideal care" initiatives. In 40 host countries around the world, Edenred's teams are in contact with people who are actively involved in their cities. Community support plays a critical role in making the Group part of the local ecosystem.

Positioning and objectives of the "Ideal" approach between now and 2016



The above diagram shows the target positioning and the Group objective for each strategy line of the "Ideal" approach, as well as the leadership level. "Ideal meal", which has been identified as the priority challenge for 2016, requires a more global leadership approach with dedicated resources, as well as tools to facilitate the deployment of new initiatives.

4.2.1 IDEAL MEAL TO PROMOTE HEALTHY EATING

With several years of experience in promoting good eating habits and fighting obesity, Edenred has decided to step up its action in this area. The "Ideal meal" program covers all initiatives carried out at the Group level to promote healthy eating.

"Ideal meal" was designed to respond, in a pragmatic way, to a growing public health challenge:

- some 1.46 billion people around the world, or more than one adult out of three, are obese or overweight. Clearly, this is a global problem that has let to a very sharp increase in the number of people suffering from certain types of cancer, diabetes, strokes or heart attacks and put enormous strain on public health systems. Today, the majority of overweight and obese individuals live in developing countries, rather than developed nations. According to the World Health Organization (WHO), overweight and obesity are the fifth leading risk for global deaths. At least 2.8 million adults die each year as a result of being overweight or obese;
- as the producer of the *Ticket Restaurant*® and Ticket Alimentation® meal voucher solutions, Edenred is in direct contact with affiliated merchants, beneficiaries and clients who each day make eating decisions that are important for their health. With more than 640,000 corporate clients, 1.4 million affiliated merchants and 40 million beneficiaries, Edenred can take tangible action to promote healthy food choices.

Each subsidiary is encouraged to deploy its own projects with direct stakeholders—customers, affiliated merchants, beneficiaries and Edenred employees—to facilitate balanced nutrition. While these projects are tailored to the local environment and nutritional issues in each country, they are all designed to make a meaningful impact on stakeholder eating habits, as measured by dedicated indicators.

4.2.1.1 A major commitment aligned with Edenred's core business

Since Edenred was created, a number of projects have been launched that contribute to the "Ideal meal" program's mission, including the **FOOD program** covering the majority of the Group's initiatives in Europe, the **Nutritional Balance program** in South America and local initiatives in countries like Brazil, with the **AVANTE**™ **program**. As of end-2013, 14 country organizations covering 65% of the Group workforce were already involved in healthy eating projects.

a) Edenred, FOOD program coordinator in Europe

Origin of the European pilot project

Organized as a public-private consortium, the FOOD program *(Fighting Obesity through Offer and Demand)* focuses on the growing problem of obesity in Europe. The program began in 2009 as a project co-financed by the European Commission in six European countries (Belgium, Czech Republic, France, Italy, Spain and Sweden) with the goal of raising awareness about balanced nutrition among employees and restaurant managers and aligning supply (offer) to demand.

Edenred is the project's sponsor and coordinator. With operations in each of the countries in which the program has been introduced, it is responsible for deployment with the different partners – and more specifically for its diffusion – and for relations with the restaurant network.

After a 28 month period, more than 100 resources were developed and used to reach the two key target groups – employees and restaurant managers – thanks to the active involvement of more than 35 public and private partners. The results of the FOOD project have been compiled in a publication that includes a description of the methodology used and the project's main achievements. (Link to the report) [(1)].

2012: from the FOOD project to the FOOD program

In light of the pilot project's results, the partners decided to transform FOOD into a program in order to pursue the same principles and objectives. On December 14, 2011, 23 partners signed a new consortium agreement defining the program's main initiatives and organization. The decision to pursue FOOD as a program was also made with the idea of expanding into new countries and bringing in new partners. Slovakia and Portugal have joined the list of participating countries.

European FOOD survey: a valuable resource for tracking and evaluating the program

A European survey was conducted in 2012 to track and analyze employee and restaurant needs, as well as potential trends. In 2013, 4,600 employees and nearly 700 restaurants filled out questionnaires for the second edition of the survey in the seven participating countries (Portugal joined the program in 2012). The results showed that three-quarters of the employees surveyed took a lunch break every day (on a par with 2012) and 57% of restaurant managers felt that customers were attracted by nutritionally balanced menus (up slightly from the year before).

Notable achievements in FOOD member countries in 2013

Edenred Portugal created a book on smart eating in partnership with the Ministry of Health that provides advice and recipes to help readers buy, prepare, cook and store food while adapting to a difficult economic environment. The book won an award in the "Engaging Initiatives" category at Portugal's national nutrition contest.

In the Czech Republic, Edenred launched a smartphone application and web platform called Ticketka in 2012. As the country's largest restaurant search engine, the Ticketka application makes it easy to quickly find FOOD network restaurants. More than 220,000 visitors used the site in 2013.

(1) http://www.food-programme.eu/en/project/final-publication-project

Around ten communication tools were launched in the FOOD program's eight participating countries in 2013 and the number of FOOD network restaurants exceeded 2,870, strengthening the crucial link between supply and demand.

b) Nutritional Balance program in Latin America

Since 2005, the Nutritional Balance program has been deployed to promote healthy eating habits. The program's purpose is to enable *Ticket Restaurant®* users to easily identify menu items at affiliated restaurants that meet the criteria of a varied and balanced diet. Represented by the "Gustino" mascot, the program was developed in partnership with expert nutritionists, local public partners and restaurant industry representatives, whose involvement ensures the initiative's validity.

The program is active in Edenred's Latin American host countries, notably **Chile, Mexico, Uruguay and Venezuela.**

A number of specific resources have been developed to support beneficiaries, among them:

- **in Chile:**
  - access to an Edenred nutritionist on the local Gustino website (www.gustino.cl) who answers consumers' questions on balanced nutrition,
  - a study of around 100 employees and 15 restaurants conducted in 2011 by Edenred and *Instituto de Nutrición y Tecnología de los Alimentos* (INTA). Once the two targets were familiarized with Gustino's recommendations, the study showed that the number of balanced meals ordered in restaurants increased by 60% and that the tracked employees saw their body mass decrease by 13%. A larger sample group was used in 2012, raising awareness of the program and its content by 68% among targets familiarized with the recommendations.

  Edenred Chile has been recognized by the Chilean government with an award for healthy innovation;
- **in Uruguay:** Edenred Uruguay's program, deployed since 2005, is designed to cover all stakeholders:
  - employees and corporate customers: Training sessions on healthy eating have been organized since 2008. In 2012, 500 employees participated in these sessions,
  - Gustino affiliates: Numerous direct and indirect promotional campaigns have been initiated to highlight affiliates' commitment,
  - public authorities: Edenred Uruguay has participated in studies on employee eating habits,
  - Edenred employees: Daylong awareness-raising sessions have been organized, along with regular fruit tastings;
- **in Mexico:** to highlight the importance of physical activity in a healthy lifestyle alongside a balanced diet, Edenred Mexico's teams organized a foot race in 2013 for the general public that attracted nearly 1,000 runners in Mexico City.

c) The AVANTE™ program in Brazil

The **AVANTE**™ program is designed to encourage healthier eating through initiatives targeting all Edenred stakeholders, from affiliated merchants to beneficiaries and clients. The program's objective is to provide:

- affiliated merchants with the tools and training they need to offer more nutritionally balanced choices while increasing their productivity;
- beneficiaries with a system for tracking their nutritional profiles and obtaining useful advice;
- clients with support so they can give employees better access to balanced nutrition, thereby enhancing quality of life in the workplace.

In addition, the Brazilian subsidiary has deployed numerous initiatives to promote more healthy lifestyles among its employees. The *Viva Melhor* program, for example, is designed to combat obesity and prevent musculoskeletal disorders, heart disease and hypertension.

4.2.1.2 A unique approach supported by employees

In applying its societal policy, Edenred has made its employees its main ambassadors by familiarizing them with the principles of healthy eating through a number of initiatives:

- on World Food Day (October 16, 2013), Edenred organized its first "Ideal meal" Day, a group-wide event based on the theme: "What is your country's 'Ideal' recipe?" In all, 33 country organizations and nearly 80% of the workforce joined in to define each country's most nutritionally balanced dish. The winning recipes were chosen either by participants, in a vote, or by selected restaurant chefs and compiled in a book that reflects the Group's cultural diversity. Each subsidiary added an article on its "Ideal meal" Day, with testimonials and photos of their teams in action; (1)
- in 2013, Edenred launched a study on the diversity of eating habits. The survey was first conducted in Mexico, the United States, Poland and Belgium, to find out what makes up an "Ideal" meal during employees' workdays. Based on these results, the teams organized workshops in order to draw up local action plans intended for the Group's affiliates, clients and beneficiaries, to respond to the specific food challenges of their markets. The Group intends to pursue these surveys in several other Edenred country organizations in 2014.

(1) http://www.edenred.com/en/News/Corporate-social-responsibility/Pages/recipe-book-ideal-book.aspx

"Ideal meal" key indicators

4.2.2 IDEAL CARE TO SUPPORT LOCAL COMMUNITY DEVELOPMENT

In all host countries, the Group forges strong ties with local communities and notably with associations to assist people in difficult circumstances.

Group employees are the driving force behind these initiatives, which can take the form of donations, skills support or social welfare programs in which clients, affiliated merchants, beneficiaries and other Edenred stakeholders frequently play an active role.

A wide variety of projects receive support based on each subsidiary's local situation, with an emphasis on long-term partnerships. Examples include food drives and meal voucher donations, educational support programs and re-employment assistance.

4.2.2.1 Eden for all: a day devoted to community support

Each year on Human Rights Day (December 10), Edenred organizes an international event called "Eden for all" to promote the spirit of mutual support. With the slogan "We care, we share", the Group encourages employees to take action to help their local communities. During the daylong event, employees organize fund drives to meet the needs of a partner association and/or donate their time by participating in one or more charity projects.

In 2013, 31 host countries and 3,952 employees participated in the event, which was the fourth of its kind.

Employees primarily collected food, clothing, toys and funds and participated in partner associations' activities. The CSR Department tallies the number of employees involved after each event, as well as the number of people benefitting from an initiative and the amount of money collected or donations in kind.

4.2.2.2 Other initiatives

In addition to "Eden for all" Day, many community initiatives are led year-round in partnership with local non-profit associations. In all, the Group supports 330 associations across its host countries, with €805,708 in donations and 552 days (on the basis of 8 hours a day) devoted to philanthropic initiatives, as well as donations in kind.

a) Employee initiatives

United Kingdom

Edenred provides year-round support to a London food bank. Each month, employees of a given department organize a food drive. Thanks to the 240kg of foodstuffs collected by the London office, the food bank was able to help 627 adults and 241 children in need during the year.

France

In 2013, Edenred France once again gave several employees the opportunity to take solidarity leave in coordination with *Planète Urgence*, a non-profit organization.

In all, employees have donated more than 552 days to solidarity projects.

b) Initiatives carried out with Group stakeholders

In many countries, the Group leverages its unique positioning with beneficiaries and affiliated merchants to relay and support associations.

Spain

The Group's teams encouraged employees from companies in the *La Finca* business center to donate their *Ticket Restaurant®* meal vouches to *Action Against Hunger*, a charity involved in fighting hunger that Edenred has supported for ten years. In just one day, the campaign bus collected €4,200 in vouchers. The program was repeated throughout the year, bringing in close to €30,000 in donations. The related advertising campaign won an award at the 13th fundraising congress organized by the Spanish Fundraising Association on September 26, 2013.

Belgium

In Belgium, Edenred supports *Restos du Cœur* to provide disadvantaged individuals with a hot meal. Throughout the month of December 2013, Edenred Belgium donated €0.025 to *Restos du Coeur* for each transaction paid for with the *Ticket Restaurant®* card. A total of €33,560.55 was collected, representing 11,080 hot meals for people in difficulty.

France

Ticket Restaurant® has joined forces with the French Red Cross by encouraging 1.2 million employees to donate their meal vouchers to support Red Cross actions. The first French issuer to have suggested donating vouchers, Edenred initiated the *"Tickets solidaires"* campaign more than ten years ago, raising more than €1.7 million since 2002. For each donated voucher, the Red Cross is able to serve up to seven full meals to people in need.

Venezuela

Under the *Narices Mágicas Cestaticket®* program, launched in late 2009, employee volunteers from Cestaticket stage clown-themed events to bring a little joy into Venezuelan hospitals. In the past three years, 55 hospitals, specialized educational establishments and half-way houses have welcomed the program and some 4,000 sick children and 400 hospitalized adults have benefited from the initiative, which has been widely reported in the Venezuelan media. Employees of Edenred Venezuela client companies have participated in the program since 2012, with some 100 helpers joining the 80 Cestaticket volunteers.

"Ideal care" key indicators

4.2.3 OTHER SOCIETAL DATA

4.2.3.1 Geographic, economic and social impact

Employment and regional development

Because of the nature of its business, Edenred has both a direct and an indirect positive impact on local employment and neighborhood merchants. The pre-paid service vouchers marketed by Edenred are a significant source of revenue for affiliated restaurants, supermarkets and other merchants, as well as a powerful tool for stimulating local employment, notably for human services. For governments, the vouchers' traceability helps reduce off-the-books work and improves tax collection.

The Group's impact in this area can be measured by the number of affiliated merchants who accept all types of Edenred vouchers. In 2013, Edenred had nearly 1.4 million affiliated merchants in its 40 host countries.

France

Summary of Human Resources data for France *

Employment	December 31, 2013
Total number of employees	922
Compensation	
Gross payroll (in millions of euros)	42

* *French subsidiaries and Edenred International*

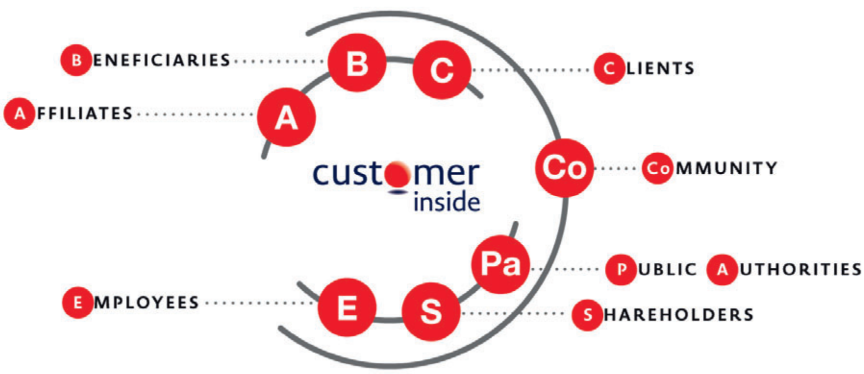
Neighbors and local communities

Ticket Alimentation® food vouchers, one of Edenred's flagship nutrition products, can be used by employees and their families to purchase groceries in convenience stores or supermarkets. In many emerging markets, the vouchers are a way to ensure access to a balanced diet, not only for Company employees but also for a larger ecosystem. Launched by Edenred in 1983 in Mexico, the product has since been rolled out to other Latin American countries, including Brazil, and more recently to certain countries in Central Europe such as **Bulgaria**.

4.2.3.2 Relations with individuals or organizations engaged by the Company

a) Dialogue with individuals or organizations engaged by the Company

Since 2010, Edenred has been instilling a new corporate culture designed to support the Group's strategy. Known as "Customer Inside" this corporate culture's ambitious objective is to make Edenred the preferred partner to all stakeholders, from affiliated merchants, clients and employees to shareholders, public officials and the community.



Listening to stakeholders and getting their points of view is a fundamental part of this approach. Numerous "Customer Inside" initiatives are conducted within the Group, as described below:

- **with affiliales:** several subsidiaries have implemented innovative processes to track customer satisfaction. In Venezuela, for example, more than 200 Group employees visited some 3,000 affiliated merchants to present a new communication channel known as "Cestaticket Contigo®". This gave the employees an opportunity to understand the merchants' needs and collect feedback. The approach is designed to nurture long-term relations and provide affiliated merchants with customized service;
- **with beneficiaries:** Edenred Belgium has revamped its online tools for users of Edenred solutions, notably its website and services platform. To make sure the solutions are perfectly aligned with users' needs, Edenred Belgium asked beneficiaries to participate in the upgrade as beta testers;
- **with clients:** Edenred Italy brought together a panel of customers to test its ExpendiaSmart® expense management solution, collect information on their needs and ensure that the solution worked in the Italian market;
- **with Edenred employees:** the Group is pursuing its objective of listening to employees and achieving continuous improvement through its best place to work approach. Today, nearly 60% of Edenred employees work in a subsidiary that has initiated a Human Resources certification approach;

- **with shareholders:** In 2013, Edenred launched a new concept of informational breakfasts for individual shareholders. Each year, three breakfasts are held for around 15 different shareholders to present the Group's fundamentals and updates on such current topics as digital communication and Corporate Social Responsibility;
- **with public authorities:** as a company involved in enhancing quality of life and human services, Edenred regularly participates in international conferences to present its solutions and share good practices. In 2013, for example, Edenred helped organize and facilitate the 21st European Social Services Conference in Dublin from June 17th to June 19th. With a focus on experience sharing, this annual conference promotes the development of quality social policy aligned with today's challenges. Edenred's relations with public and private partners in the FOOD program consortium provide another example of the Group's engagement with nutritional experts (see 4.2.3.1);
- **with the community:** Edenred subsidiaries work with local associations to meet their needs as effectively as possible. Edenred France has supported Red Cross initiatives for the past 12 years with meal voucher donations that have brought in €1.7 million. In Montrouge, where it is headquartered, Edenred France has channeled employee donations collected during "Eden for all" Day to the local chapter of the Red Cross for the past four years.

b) Partnerships and sponsoring

Edenred partners 330 local associations through its various subsidiaries. More detailed information on partnerships and sponsorships is available in section 4.2.2, page 75 "Ideal care to support local community development".

4.2.3.3 Subcontractors

a) Inclusion of social and environmental issues in purchasing policy

Edenred's purchasing policy is decentralized at the subsidiary level. The Group has a few suppliers identified as key partners with whom it has international framework agreements. Examples include contracts with the Group's main printers or card suppliers. These framework agreements include clauses on compliance with labor laws in the country of production. Concerning paper purchases, which are still essential to Edenred's operations (see digital transition, chapter 1.3.2.4, page 19), the Group selects environmentally friendly materials such as FSC-certified and/or recycled paper and vegetable-based inks whenever possible and depending on voucher security constraints.

b) Reliance on subcontracting

The majority of outside contractors used by Edenred are hired to provide IT services. The Group requires its subsidiaries to ensure that subcontractors are employed in strict observance of the applicable regulations and labor laws concerning work shifts, the basis for calculating hours worked, etc. Edenred France, for example, has set up a system for monitoring compliance with French labor laws.

4.2.3.4 Fair practices

a) Measures taken to prevent corruption

Due to the Group's multi-local organization, its ethics approach is adapted to each subsidiary's legal and operating constraints. Several units have developed their own code of ethics to address specific legal requirements. This is the case for Prepay Solutions in the United Kingdom, Edenred Italy, Edenred Brazil, Edenred Mexico, Edenred Uruguay and Cestaticket in Venezuela. These codes of ethics now cover 40% of the Company's workforce. Aware of how important it is to circulate these principles at the Group level, the Legal Affairs Department is considering issuing a formal Group policy to prevent corruption risks.

In 2012, Edenred initiated a procedure to fight against money laundering at the Group level and to train all Finance Departments in the European subsidiaries. In 2013, this procedure was translated into Spanish for the Latin American subsidiaries and measures were taken to familiarize both country organization managers and Finance Departments with its contents. Following these training sessions, certain host countries (France, the United Kingdom, Italy and Argentina, for example) adapted and deployed the procedure in the different business subsidiaries. The Legal Affairs Department pursued these efforts in 2013 and stepped up training by supporting a number of country organizations (including Germany and Romania) in implementing the procedure.

b) Measures taken to enhance consumer health and safety

The Group's priority commitment to promoting healthy eating habits and preventing obesity is presented in the previous sections.

4.2.3.5 Initiatives to promote human rights

Edenred respects the fundamental principles of human rights, as defined by the United Nations. As a result, it avoids infringing on human rights in all of its actions.

As concerns Human Resources management, the Group complies with the principles and fundamental rights outlined in the International Labour Organization's fundamental conventions, which cover such basic issues as the right to freedom of association, the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labor, the effective abolition of child labor and the elimination of discrimination in respect of employment and occupation. The resources deployed in relation to Edenred's business base are described above.

4.2.4 RECOGNITION OF EDENRED'S SOCIETAL COMMITMENT

4.2.4.1 FTSE4Good

In recognition of its commitment to Corporate Social Responsibility, Edenred has been included in the FTSE4Good Index series since 2010. An evaluation by an independent organization demonstrated that Edenred fulfilled the requirements for inclusion. The FTSE4Good index series has been designed to facilitate investment in companies that meet globally recognized Corporate Social Responsibility standards. Of the 292 European companies in the FTSE4Good, only 48 are French. Edenred's inclusion in the index is a strong incentive for the Group to pursue its socially responsible policies.

4.2.4.2 Dow Jones Sustainability Indices

In 2013, Edenred was included in the Dow Jones Sustainability Index (DJSI) Europe in the Commercial & Professional Services industry group. The index assesses businesses along three dimensions – economic, social and environmental – covering criteria such as governance, Human Resources policy, human rights and environmental impact. Edenred is one of the 23 French companies in the DJSI Europe, which lists some 180 companies headquartered in Europe.

4.2.4.3 Other

Chile

On December 5, 2013, Edenred Chile's team received the healthy innovation award from the country's First Lady for the Nutritional Balance program. The award, which recognizes companies for innovative approaches in promoting healthy eating, rewarded the subsidiary for its efforts to gain a better understanding of beneficiary expectations. In 2011 and 2013, Edenred Chile launched two surveys among a representative sample of employees from two client companies and restaurants involved in the Gustino program to understand and analyze the balanced nutrition program's impacts.

Spain

Edenred Spain's teams won an award in the "Business/Non-Profit Collaboration" category at the 13th fundraising congress organized by the Spanish Fundraising Association on September 26, 2013 The subsidiary's campaign against infant malnutrition, conducted with *Action Against Hunger*, raised €30,000 to support the NGO's projects in Africa.

Portugal

A book on smart eating published by Edenred Portugal took top honors for food in the "Engaging Initiatives" category at Portugal's national nutrition contest. Written in collaboration with the Ministry of Health as part of the FOOD program, the book provides advice to help readers buy, prepare and cook food economically.

United Kingdom

In October 2013, the British government recognized Edenred's teams for the third year in a row with a Bronze Award for their commitment to the Payroll Giving scheme, through which they can donate part of their earnings to charities. Edenred United Kingdom broadly supports this initiative by encouraging giving and by accepting to transfer part of each employee's salary directly to the charitable association of his or her choice, within a limit of £50 per month. The subsidiary also covers all the related processing costs.

Group

In 2013, Edenred was recognized with a Fair Business Communication award in the "Events" category by the Aressy agency for the 2012 International Earth Day event during which the Group launched the Edenred City application.

4.3 ENVIRONMENTAL DATA

INTRODUCTION

Unless otherwise indicated, the scope of reporting includes the corporate headquarters and all of the consolidated subsidiaries.

Information is reported by geographical region, as follows:

- France;
- Rest of Europe;
- Latin America;
- Rest of the world

In accordance with the Grenelle II Act of July 12, 2010 concerning France's national commitment to the environment, Edenred has broadened the scope of CSR reporting and increased the number of indicators that are monitored and published by the Group. The Group's CSR reporting methodology is described on page 59.

4.3.1 IDEAL GREEN TO PRESERVE THE ENVIRONMENT

4.3.1.1 Organizational response to environmental issues; environmental assessment or certification programs

Edenred has a limited impact on the environment because its operations are mainly service related. Nevertheless, Edenred formalized its environmental policy in 2012 in a commitment letter entitled "Edenred Goes Green". In this document, Edenred undertakes to:

- analyze existing initiatives to ensure that the Company is in compliance with local environmental regulations and international environmental standards and has implemented a continuous improvement approach to prevent any risks related to its operations;
- reduce its environmental impacts by improving waste management and carefully controlling its consumption of natural resources;
- communicate effectively and present its environmental policy to all interested parties, both internal and external.

The Group's environmental initiatives focus on four main paths: environmental management, eco-designed products, programs with ecological value for affiliated merchants and clients, and employee awareness.

a) Environmental management

Edenred has established an environmental management system based on the principles of the ISO 14001 environmental management standard.

So far, France, Brazil, and the United Kingdom (representing 29.31% of the Group's employees) have been ISO 14001-certified.

In 2013, Bureau Veritas renewed Edenred United Kingdom's ISO 14001 certification for three more years. This renewal recognizes the subsidiary's involvement in preserving the environment through programs to use energy more efficiently, promote recovery and recycling and support events related to the environment.

To encourage the Group's other subsidiaries to seek certification, the CSR Department released the results of a study it conducted on the challenges and steps involved in obtaining ISO 14001 certification, along with feedback from certified units.

A consolidated reporting system has been established for the environmental initiatives undertaken by all of the Group's country organizations. It is based on some twenty indicators covering the use or production of:

- water;
- energy;
- waste;
- paper;
- greenhouse gases.

b) Eco-designed solutions

Edenred's primary impact is related to the production of paper vouchers. The Group is deeply involved in the development of paperless media for its programs, with the objective of having 75% of its solutions in digital format by 2016. As of end-2013, 58% of Edenred's solutions (in issue volume) were produced using paperless media. This approach will considerably reduce the impact of Edenred's activities on paper resources.

In 2013, 17 country organizations representing 58.70% of the workforce used recycled paper or paper certified to the standards of the Forest Stewardship Council (FSC) for voucher production. In addition, three country organizations were certified to ISO 14001 standards (source: 2013 CSR reporting).

c) Programs for clients and affiliated merchants

A number of Edenred units have developed services to add ecological value to their programs.

France

In 2010, *Ticket Clean Way*® launched the ECO Pressing® program to encourage its affiliates, as well as the entire dry-cleaning profession, to reduce their impact on the environment, improve their practices and comply with increasingly strict regulations. In 2012, the ECO Pressing® program was recognized with a Fair Business Communication award for the educational quality of its communication resources.

Brazil and Mexico

Ticket Car®'s *Ticket Carbon Control*® program, which gives clients detailed, precise information about their vehicles' CO_2 emissions, was rolled out in Brazil in 2009 and in Mexico in 2012.

Belgium

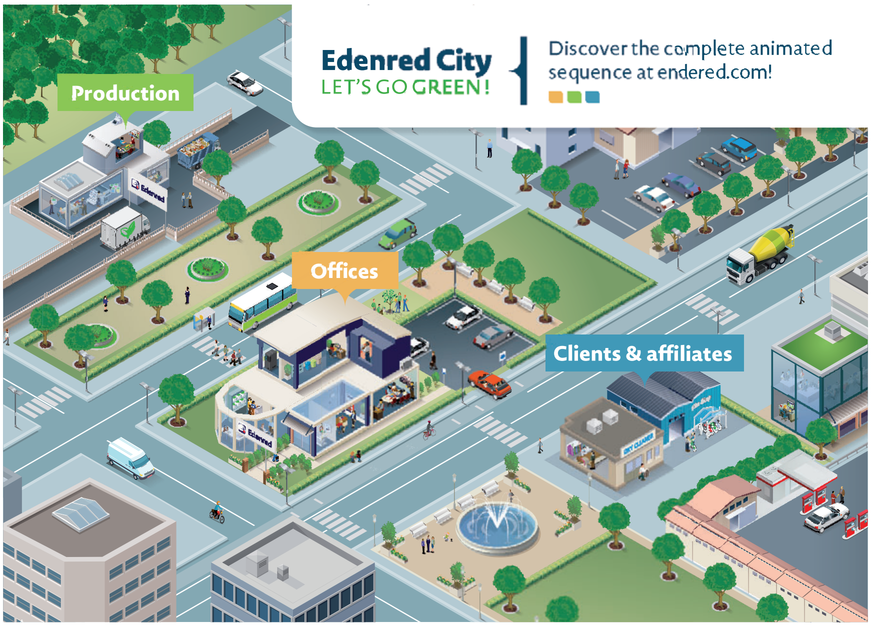
Edenred created *Ticket EcoCheque*® in 2009 at the request of the Belgian authorities. This solution promotes environmentally friendly products and services and increases the buying power of employee beneficiaries. 700,000 employees have already used *EcoCheque*® vouchers, which are intended solely for the purchase of environmentally friendly goods and services. An exhaustive list has been drawn up by the National Labor Council.

d) Employee awareness

Because employee commitment is a key success factor for Edenred's environmental policy, the Group has deployed a variety of resources to inform and teach employees about environmentally friendly practices.

4.3.1.2 Employee training and information

In 2012, Edenred created Edenred City to make employees more aware of environmental issues. This interactive informational resource presents Edenred's various operations and their environmental footprint in a game-like environment. Edenred City is accessible from the corporate website [(1)] in French, English and Spanish.



Visit Edenred City from this link [(2)]

For each area of operation (offices, production, clients and affiliated merchants), Edenred City presents a close-up of the different challenges, illustrates action levers through a number of best practices implemented by the Group's country organizations and provides employees with advice on how to make a difference in their day-to-day activities.

All of the Group's employees were introduced to Edenred City on International Earth Day 2012. Each year on International Earth Day (April 22), Edenred goes green to remind employees about environmental protection and encourage them to take action.

In 2013, employees in 29 host countries celebrated Earth Day and participated in projects to care for the planet. The 2013 event focused on the environment and food, with awareness-raising conferences in five countries, planting projects in office buildings or shared gardens in ten countries and initiatives to protect the environment in 14 countries.

(1) http://www.edenred.com/en/Corporate-social-responsibility/Pages/default.aspx
(2) http://www.edenred.com/en/Corporate-social-responsibility/Ideal-csr-approach/Ideal-green/Pages/Environmental-management.aspx

4.3.1.3 Resources devoted to preventing environmental risks and pollution

The environmental management system based on ISO 14001 implemented by Edenred contributes to the prevention of environmental risks and pollution. The environmental budget of Edenred's subsidiaries amounted to €483,713 in 2013. These funds were dedicated to organizing Earth Day, moving units into compliance with ISO 14001 standards, launching environmental communication campaigns and purchasing recycled paper to print vouchers, catalogues or office documents. The scope of reporting for expenses includes Edenred subsidiaries subject to reporting.

4.3.1.4 Provisions and guarantees for environmental risks

No material provisions or guarantees were set aside in 2013 for environmental risks. Edenred was not subject to any court rulings on environmental claims in 2013.

4.3.2 POLLUTION AND WASTE MANAGEMENT

4.3.2.1 Measures to prevent, reduce or abate environmentally hazardous emissions and discharges into the atmosphere, water or soil

The environmental management system based on ISO 14001 implemented by Edenred contributes to the prevention, reduction and abatement of environmentally hazardous emissions and discharges into the atmosphere, water or soil.

Edenred's activities generate wastewater whose content is similar to household wastewater. Edenred's offices, most of which are located in cities, are generally connected to municipal sewage systems.

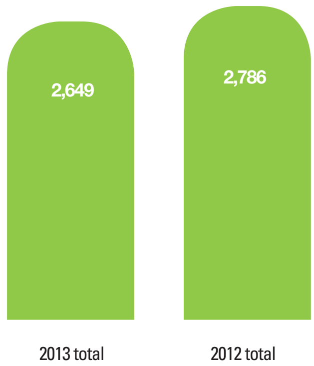
The Group's operations do not result in any soil pollution or significant air pollution. Some of the Group's subsidiaries personalize vouchers directly on pre-printed backgrounds. This is done at Edenred production sites using specific printers. Host countries are encouraged to use environmentally friendly inks for this process. Edenred France, for example, uses non-toxic water-based inks that do not emit any volatile organic compounds (VOCs). Production sites are equipped with aeration systems to ensure that process dust is quickly removed from the air.

4.3.2.2 Measures to prevent, recycle and eliminate waste

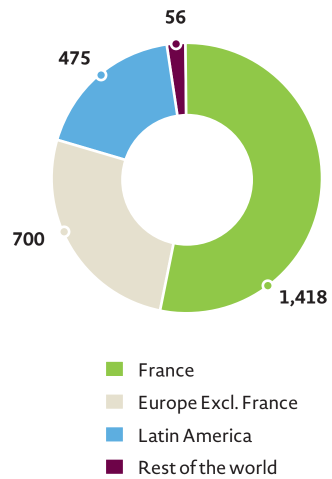
The environmental management system based on ISO 14001 implemented by Edenred covers sustainable waste management and recycling. Edenred City includes a section on waste production and recycling with educational information and examples of good practices in the Group's subsidiaries. Edenred's eco-design approach also helps limit waste production.

The following table shows the total tonnage of waste produced worldwide and by region.

TOTAL WASTE PRODUCED
(IN METRIC TONS)



WASTE PRODUCED BY REGION IN 2013
(IN METRIC TONS)



At the Group level, waste production declined by 4.91% during the year thanks, in particular to the transition from paper vouchers to digital format. Edenred France, which continued to produce paper vouchers, accounted for a significant share of the Group's total waste. That said, Edenred France has used recycled and FSC-certified paper for all of its paper vouchers since 2012.

4.3.2.3 Noise and all other types of pollution generated by an activity

As Edenred's activities generate very little noise pollution or odors, no related measures have been taken.

4.3.3 SUSTAINABLE USE OF RESOURCES

4.3.3.1 Water use and supply in relation to local constraints

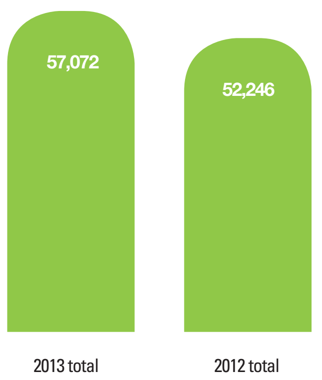
The environmental management system based on ISO 14001 implemented by Edenred encourages reasonable use of water.

Edenred City includes a section on water use with educational information and examples of good practices in the Group's subsidiaries.

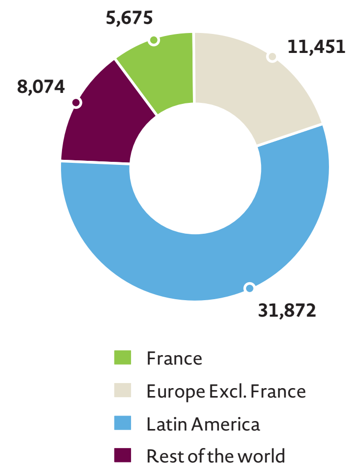
Edenred's offices, most of which are located in cities, are connected to municipal sewage systems.

The table below shows the total volume of water used worldwide and by region.

TOTAL WATER USE
(IN CUBIC METERS)



WATER USE BY REGION IN 2013
(IN CUBIC METERS)



At the Group level, water use increased by 9.24% in 2013, notably in France due to substantial building renovation work that required high-than-usual amounts of water. Consumption also increased in Turkey and the United Kingdom as a result of the subsidiaries' expansion. The breakdown by region is aligned with the breakdown in the Group's business.

4.3.3.2 Consumption of raw materials and measures taken to use them more efficiently

The environmental management system based on ISO 14001 implemented by Edenred recommends responsible use of raw materials.

a) Paper

Wood used to make the paper for vouchers is the main raw material used by the Group.

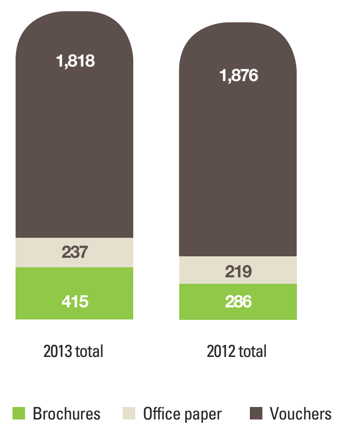
Eco-design is one of the four key improvement paths of Edenred's environmental policy. To contribute to this approach, subsidiaries are encouraged to use recycled paper or paper certified to the standards of the Forest Stewardship Council (FSC), both for voucher production and everyday office use.

In 2013, 17 country organizations (representing 58.70% of the workforce) used this type of paper, thereby limiting the Group's impact on wood resources. In France, Edenred is the fist meal voucher issuer to use fully recycled security paper and to have obtained FSC certification.

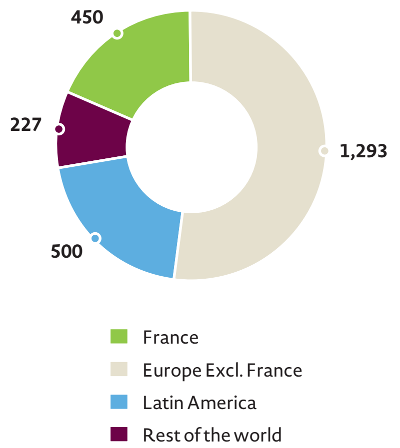
Edenred City includes a section on paper use and recycling with educational information and examples of good practices in the Group's subsidiaries.

The table below shows the total volume of paper used worldwide and by region.

TOTAL PAPER USE
(IN METRIC TONS)



PAPER USE BY REGION IN 2013
(IN METRIC TONS)



Total paper use increased by 3.74% in 2013. The amount of paper used to produce vouchers decreased by 3.07% despite the growth in issue volume. This reflects the Group's continuing policy to transition to digital solutions, which has had a positive impact on paper use.

The increase in office paper use reflects the larger scope of reporting and the Group's growth over the year. Paper used to print brochures increased significantly during the year as the country organizations rolled out numerous new solutions that required presentation brochures. The breakdown by zone reflects the breakdown by business and the progress made in transitioning to digital solutions.

b) Plastics

As the digital transition for all Edenred solutions picks up speed, the use of plastic for card production has become a major challenge for the Group. Edenred has already transitioned more than half of its issue volume and intends to achieve a rate of 75%. That said, plastic cards are not the only paperless solution available.

Certain subsidiaries are looking at using more environmentally friendly materials than PVC for card production.

4.3.3.3 Energy use, measures taken to improve energy efficiency and use of renewable energies

The environmental management system based on ISO 14001 implemented by Edenred includes measures to reduce energy use and improve energy efficiency.

Edenred City includes a section on energy use with educational information and examples of good practices in the Group's subsidiaries.

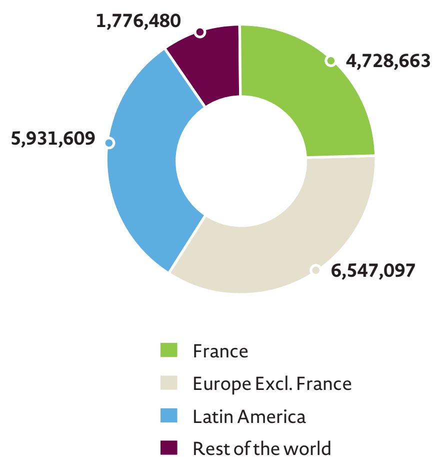
At present, the Group's energy mix does not include renewable energies. However, the development of renewables is encouraged, as in the project in Brazil described in section 4.3.4.1.

The table below shows the total amount of energy used worldwide and by region.

TOTAL ENERGY USE

At the Group level, total energy use decreased by 2.30% in 2013 due primarily to efforts made in the subsidiaries to reduce electricity use and, for certain subsidiaries, changes in scope (move to a new location or pro rata calculation on the basis of number of square meters occupied). The breakdown by region is aligned with the breakdown in the Group's business.

ENERGY USE BY REGION IN 2013 (IN KWH)



4.3.3.4 Soil

No measurements were made as soil use is minor in Edenred's operations.

4.3.4 MEASURES AGAINST CLIMATE CHANGE

4.3.4.1 Greenhouse gases

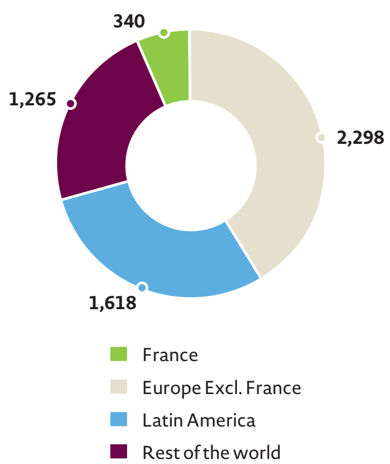
Owing to the nature of its business, Edenred has a limited impact on climate change. Nevertheless, the Group pursued a continuous improvement program in 2013 as part of its formal environmental policy. In addition, in France and Brazil—two major Edenred country organizations—greenhouse gas emissions were inventoried to identify precisely which operations are responsible.

Greenhouse gas emissions are calculated based on the energy use data provided above, as follows:

- direct emissions correspond to the natural gas and fuel oil burned in Group facilities;
- indirect emissions concern electricity used by these units.

TOTAL GREENHOUSE GAS EMISSION

GREENHOUSE GAS EMISSIONS BY REGION IN 2013
(TONS OF CO_2 EQUIVALENT)



Total greenhouse gas emissions increased by 4.51% in 2013 despite a decrease in total energy use. This was primarily due to the updating of emission factors for natural gas and fuel oil (source: 2006 IPCC guidelines for national GHG Inventory) and electricity (source: ADEME).

France

The analysis showed that employee commutes are one of the main sources of CO_2 emissions. To improve its results, Edenred France has organized eco-driving training sessions with a specialized firm and distributed an Eco-Driving Charter to all employees.

Brazil

An ISO 14001-certified environmental management system has been deployed in the offices for all employees. In addition, Edenred has chosen to offset all of the unavoidable energy consumption recorded at its Brazilian sites in 2011 with a biomass-to-energy investment project.

4.3.4.2 Measures to adapt to climate change

The Group has taken measures to limit the increase in greenhouse gas emissions related to business growth.

Companies must also prepare for climate change and take into account the potential consequences on the working environment. Within the framework of its risk management strategy, Edenred has deployed a system to track seismic and storm-related risks. The system helps users prioritize actions in deploying a safety and prevention plan in the event of an incident.

4.3.5 MEASURES TO PROTECT BIODIVERSITY

The environmental management system based on ISO 14001 implemented by Edenred includes measures to protect biodiversity.

Edenred City includes a section on biodiversity with educational information and examples of good practices in the Group's subsidiaries.

A number of initiatives described above contribute to the Group's efforts to protect biodiversity. These include the use of recycled and FSC-certified paper for voucher production and nature preservation and reforestation projects carried out with local partners as part of Earth Day.

France, Czech Republic and Slovakia

As part of the events organized for Earth Day, employees planted trees or vegetable gardens at dedicated sites.

Romania and the Netherlands

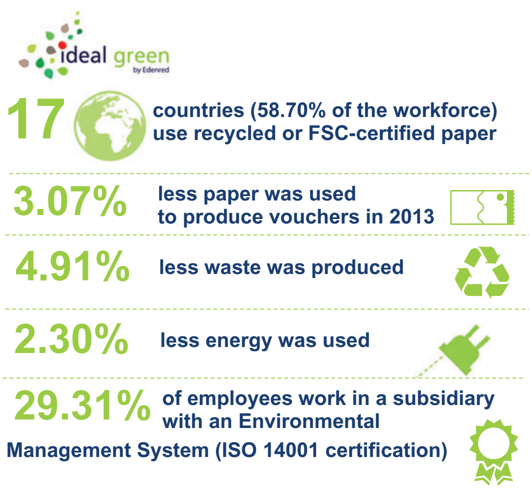
Edenred's local teams cleaned up protected sites on Earth Day (April 22).

France

Ticket Kadeos® sent each of its affiliated merchants a "plant-a-tree" New Year's card in partnership with Reforest'action, a French NGO.

The recipients could choose between planting maritime pine trees on France's Atlantic coast or re-foresting uncultivated farmland in Fontaine la Guyon, near Chartres.

"IDEAL GREEN" KEY INDICATORS



4.4 CSR INDEPENDENT THIRD-PARTY ENTITY REPORT

Report of one of the Statutory Auditors, designated as independent third-party entity, on the consolidated environmental, social and societal information published in the Group management report

Year ended December 31, 2013

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the attention of the Shareholders,

In our capacity as one of the Statutory Auditors of Edenred SA, designated as independent third-party entity, whose certification request has been approved by the French National Accreditation Body (COFRAC), we hereby present you with our report on the consolidated social, environmental and societal information presented in the Group management report prepared for the year ended December 31, 2013 (hereinafter the "CSR Information"), pursuant to Article L.225-102-1 of the French Commercial Code *(Code de commerce)*.

RESPONSIBILITY OF THE COMPANY

The Board of Directors of Edenred is responsible for preparing a Group management report including the CSR Information provided by Article R.225-105-1 of the French Commercial Code, prepared in accordance with the reporting criteria used by Edenred (the "Reporting Criteria"), which are presented throughout the management report and which are available on request from the company's headquarters.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as by the provisions set forth in Article L.822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with rules of ethics, professional standards and the applicable legal texts and regulations.

RESPONSIBILITY OF THE STATUTORY AUDITORS

Based on our work, our responsibility is:

- to attest that the required CSR Information is presented in the Group management report or, in the event of omission, is explained pursuant to the third paragraph of Article R.225-105 of the French Commercial Code (Attestation of completeness of the CSR information);
- to express limited assurance on the fact that, taken as a whole, the CSR Information is presented fairly, in all material aspects, in accordance with the Reporting Criteria (Formed conclusion on the fair presentation of the CSR Information).

Our work was carried out by a team of five people between November 2013 and February 2014, *i.e.* a period of around five weeks. To assist us in conducting our work, we referred to our corporate responsibility experts.

We conducted the following procedures in accordance with professional standards applicable in France, with the order of May 13, 2013 determining the methodology according to which the independent third party entity conducts its assignment and, with regard to the formed conclusion on the fair presentation of the Information, with the ISAE (International Standard on Assurance Engagements) 3000 (1).

I. ATTESTATION OF COMPLETENESS OF THE CSR INFORMATION

Based on interviews with management, we familiarized ourselves with the Group's sustainable development strategy, with regard to the social and environmental impacts of the company's business and its societal commitments and, where appropriate, any resulting actions or programs.

We have compared the CSR Information presented in the Group management report with the list set forth in Article R.225-105-1 of the French Commercial Code.

In the event of omission of certain consolidated information, we have verified that explanations were provided in accordance with the third paragraph of the Article R.225-105 of the French Commercial Code.

We have verified that the CSR Information covered the consolidated scope, *i.e.*, the company and its subsidiaries within the meaning of Article L.233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L.233-3 of the French Commercial Code, subject to the limits set forth in the methodological memo paragraph presented in the introduction of the chapter 4 of the Group management report.

Based on our work and considering the limitations mentioned above, we attest that the required CSR Information is presented in the management report.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

II. FORMED CONCLUSION ON THE FAIR PRESENTATION OF THE CSR INFORMATION

Nature and scope of procedures

We conducted around ten interviews with the people responsible for preparing the CSR Information in the departments in charge of the CSR Information collection process and, when appropriate, those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Reporting Criteria with respect to its relevance, completeness, reliability, neutrality and clarity, taking into consideration, when relevant, the sector's best practices;
- verify the set-up of a process to collect, compile, process, and check the CSR Information with regard to its completeness and consistency;
- familiarize ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and significance of the CSR Information with regard to the company's characteristics, the social and environmental challenges of its activities, its sustainable development strategies and the sector's best practices.

Concerning the CSR information that we have considered to be most important (1):

- for the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), we implemented analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the data consolidation, and we verified their consistency with the other information presented in the management report;
- for a representative sample of entities and sites that we have selected (2) according to their activity, their contribution to the consolidated indicators, their location and a risk analysis, we held interviews to verify the correct application of the procedures and implemented substantive tests on a sampling basis, consisting in verifying the calculations performed and reconciling the data with supporting evidence. The selected sample represented on average 34% of the Group headcount and between 26% and 49% of the environmental quantitative information.

Regarding the other consolidated CSR Information, we have assessed its consistency in relation to our understanding of the Group.

Finally, we have assessed the relevance of the explanations relating to, where necessary, the total or partial omission of certain information.

We believe that the sampling methods and sizes of the samples we have used in exercising our professional judgment enable us to express limited assurance; a higher level of assurance would have required more in-depth verifications. Due to the use of sampling techniques and the other limits inherent to the operations of any information and internal control system, the risk that a material anomaly be identified in the CSR Information cannot be totally eliminated.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Reporting Criteria.

Neuilly-sur-Seine, February 12, 2014

One of the Statutory Auditors,

DELOITTE & ASSOCIÉS

David DUPONT-NOEL

Florence DIDIER-NOARO
Sustainability Services

(1) Quantitative information:

Social: *Total number of employees by gender, age, status and geographic zone; % of women in management; number of hires and departures; absenteeism rate; number of signed collective agreements; lost-time incident frequency rate (LTIF); severity rate of occupational accidents; total number of hours of training.*

Environment: *Total energy use; total greenhouse gas emissions; total water use; total paper use; number of certified ISO 14001 country organizations.*

Societal: *Number of beneficiaries that have beneficiated from the "Ideal Meal" programme; number of Edenred employees that have been sensitized to the "Ideal Meal" programme; number of associations supported by the Group; number of days dedicated by employees to sponsorship initiatives.*

Qualitative information:

Social: *Employment policy regarding older employees; social dialogue at the European level (establishment of a European Works Council); measures taken to prevent corruption and money laundering.*

Environment: *Deployment of the awareness raising tool "Edenred City"; paperless policy.*

Societal: *Deployment of the FOOD program.*

(2) Edenred France, Edenred Italy, Edenred UK and Edenred Brazil.

5

CORPORATE GOVERNANCE

5.1 CORPORATE GOVERNANCE

The Group's system of corporate governance is based on the AFEP/MEDEF Corporate Governance Code for Listed Companies published in June 2013. The only exception to the Code concerns the principle that Executive Directors should not also have an employment contract. The Chairman and Chief Executive Officer continues to have an employment contract with the Company for the reasons explained in section 5.4 Executive Directors' Compensation, of this Registration Document. The Corporate Governance Code can be consulted on the MEDEF website, www.medef.com. Paper copies are available on request from AFEP, MEDEF and the Company's headquarter.

The following table lists the significant exceptions to the application of the AFEP/MEDEF Code recommendations:

AFEP/MEDEF recommendation	Explanations	Reference
Employment contract of Executive Directors – Article 22	Chairman and Chief Executive Officer's employment contract maintained due to his long period of service	Section 5.4.1 – Chairman and Chief Executive Officer's employment contract

5.2 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

5.2.1 MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

5.2.1.1 Governance structure

Since April 9, 2010, the Company has been organized as a *société anonyme* (public limited company) administered by a Board of Directors. As provided for in the applicable regulations, on June 29, 2010, the Board of Directors decided to combine the functions of Chairman of the Board of Directors and Chief Executive Officer. The Board considers that this governance structure is best aligned with the Company's needs, because it ensures the high level of strategic and operational responsiveness required by a young organization whose business is undergoing a radical technological transformation. The Board also decided that the Chairman and Chief Executive Officer would not receive any compensation as Chairman of the Board.

Article 14 of the Company's bylaws allows for the appointment by the Board of one or two Vice-Chairmen to lead Board meetings in the Chairman's absence. Article 5 of the Board of Directors' bylaws states that the Vice-Chairman or Vice-Chairmen are selected from among the independent directors and appointed for their term as director.

In light of its decision to combine the functions of Chairman of the Board of Directors and Chief Executive Officer since June 29, 2010, the Board decided to appoint an independent director – Philippe Citerne – as Vice-Chairman of the Board.

In addition to the role vested in him by the Company bylaws, the Vice-Chairman, as senior independent director, acts as the preferred contact for the other independent directors. Whenever necessary and at least once a year, he organizes and leads a meeting reserved exclusively for independent directors to allow them to discuss certain issues outside full Board meetings. The meeting costs are paid by the Company, which also handles the logistical aspects. The meeting agenda is set by the Vice-Chairman but each independent director is able to raise any other issues not included on the agenda. After the meeting, the Vice-Chairman can arrange to meet the Chairman and Chief Executive Officer to inform him of all or certain of the independent directors' comments or requests. If appropriate, he May also decide to comment on the discussions with the independent directors during meetings of the full Board.

The Vice-Chairman also oversees responses to requests from shareholders not represented on the Board, makes himself available to hear their comments and suggestions and, where possible, answers their questions after consulting the Chairman and Chief Executive Officer. To this end, he has been assigned a specific e-mail address that May be used by any person who wants to send him their comments or ask questions: philippe.citerne@edenred.com. The Board of Directors is informed by the Vice-Chairman about all of his contacts with shareholders.

The Vice-Chairman also oversees formal self-assessments of the Board's practices and approves the self-assessment report. He May intervene with the Chairman and Chief Executive Officer concerning the items to be included on the agenda of Board meetings. In all cases, he approves the annual summary of strategic issues to be included on the agenda of Board meetings, as submitted to him by the Chairman and Chief Executive Officer. Lastly, he May be called upon to deal with any conflicts of interest involving Board members.

5.2.1.2 Membership of the Board of Directors

As of December 31, 2013, the Board of Directors had 10 members, seven of whom were qualified by the Board as independent directors based on the criteria set out in the AFEP/MEDEF Corporate Governance Code for listed companies dated June 2013.

Of the ten members, eight are men and two are women, representing 20% of the Board members in compliance with the French Act of January 27, 2011. The Board's membership therefore complies with the current rules and the gender parity recommendations of the AFEP/MEDEF Corporate Governance Code.

A director is independent when he or she has no relationship of any kind whatsoever with the Company, its Group or the management of either that is such as to color his or her judgment. Each director's situation in relation to the independence criteria is reviewed annually by the Board of Directors. These criteria are as follows:

- the director is not an employee or corporate officer of the Company or a corporate officer of a related company;
- the director is not a customer, a supplier, an investment banker or a commercial banker of the Company;
- the director does not have any close family ties with a corporate officer of the Company;
- the director has not been an auditor of the Company in any of the past five years;
- the director has not been a director of the Company for more than 12 years;
- the director does not represent a significant or controlling shareholder of the Company.

The members of the Board of Directors are as follows:

The directors whose names are followed by an asterisk (*) are independent directors based on the criteria set out in the AFEP/MEDEF Corporate Governance Code.

Jean-Paul Bailly*

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2015.
- Number of Edenred registered shares held: 600.
- Born: November 29, 1946. Nationality: French.
- Former Chairman of RATP and Honorary Chairman of Groupe La Poste.
- Business address: 47, boulevard de Vaugirard, 75757 Paris Cedex 15, France.
- A graduate of École Polytechnique and the Massachusetts Institute of Technology, Jean-Paul Bailly held various positions with the Paris Transit Authority (RATP), including Manager of the Paris Metro and RER suburban rail system, Human Resources Director, Deputy Chief Executive Officer and then Chairman and Chief Executive Officer. He was Chairman of the French Post Office (Groupe La Poste) from 2002 to 2013 and Chairman of the Supervisory Board of La Banque Postale from 2006 to 2013.

Other directorships and functions held at December 31, 2013
Accor SA (listed company) – Director

Former directorships and functions held in the past five years
La Poste SA – Chairman and Chief Executive Officer Geopost SA – Permanent representative of La Poste on Geopost's Board of Directors Sofipost SA – Permanent representative of La Poste on Sofipost's Board of Directors La Banque Postale SA – Chairman of the Supervisory Board Sopassure SA – Director La Banque Postale Asset Management SA – Member of the Supervisory Board CNP Assurances SA – Director Poste Immo SA – Permanent representative of La Poste on Poste Immo's Board of Directors GDF Suez SA – Director representing the French State Xelian SA – Permanent representative of La Poste on Xelian's Board of Directors SF 12 SAS – Permanent representative of La Poste on SF 12's Board of Directors Systar SA – Director Financière Systra SNC – Legal Manager

Sébastien Bazin

- Director from June 29, 2010 until October 2, 2013.
- Number of Edenred registered shares held: 1,000.
- Born: November 9, 1961. Nationality: French.
- Chairman and Chief Executive Officer of Accor.
- Business address: 110 avenue de France 75013 Paris, France.
- Sébastien Bazin holds a Master of Science in Management from Université Paris-Sorbonne. In the course of his career, he has served as Vice-President of PaineWebber's mergers and acquisitions group in London and New York, as a Director of Hottinguer Rivaud Finances and as Group Managing Director and General Manager of Immobilière Hôtelière. He joined Colony Capital in 1997, where he was Managing Director Europe until August 2013. He is Vice-Chairman of the Supervisory Board of Fondation Gustave-Roussy and has been a Director of Théâtre du Châtelet since December 9, 2013.

Directorships and positions held as of December 31, 2013

With companies controlled (1) by Accor SA

France

Accor SA (listed company) – Chairman and Chief Executive Officer
Adagio SAS – Director

With other companies (not controlled (1) by Accor SA)

France

Théâtre du Châtelet – Director
Bazeo Europe SAS – Chairman
Colony Capital SAS – Chairman
Toulouse Cancéropole SAS – Managing Director
Carrefour – Director
ANF Immobilier (Les Ateliers du Nord de la France) – Member of the Supervisory Board
ColSpa SAS – Permanent representative of Colony Capital SAS as Chairman of ColSpa's Board
CC Europe Invest – Legal Manager
Société du Savoy à Méribel – Legal Manager
Colmed – Legal Manager
SCI Nina – Legal Manager
SCI Haute Roche – Legal Manager
SCI Madeleine Michelis – Managing Partner
SCI Ranelagh – Managing Partner

Luxembourg

Sisters Soparfi SA – Chief Executive Officer

Former directorships and functions held in the past five years

France

Colony Capital Europe – Principal, Managing Director
Société d'Exploitation Sports & Événements SA – Chairman and Chief Executive Officer
Holding Sports & Événements SA – Chairman and Chief Executive Officer
Colfilm SAS – Chairman
Collllkirch France SAS – Chairman
Data 4 SAS – Chairman
ColSpa SAS – Chief Executive Officer
ColWine SAS – Chairman
Lucia Investissement SAS – Chairman
Paris Saint Germain Football – Chairman of the Supervisory Board
SC Georges V 302- Legal representative of Colony Capital SAS, as SC Georges V 302's Legal Manager
Colmassy SARL – Legal Manager
Groupe Lucien Barrière – Vice-Chairman of the Supervisory Board
Moonscoop IP – Director

Belgium

RSI – Chairman

United Kingdom

Colyzeo Investment Management Ltd – Chairman and Director

Switzerland

La Tour Sàrl – Legal Manager
La Tour Réseau de Soins SA – Legal Manager
Permanence de la Clinique Carouge – Legal Manager

(1) As defined in Article L.233-16 of the Commercial Code.

Anne Bouverot*

- Director since June 29, 2010. Her term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2016.
- Number of Edenred registered shares held: 500.
- Born: March 23, 1966. Nationality: French.
- Director General of GSMA, the international association of mobile network operators.
- Business address: 5, New Street Square, London EC4A 3BF, United Kingdom.
- A graduate of the École Normale Supérieure and from Télécom Paris, Anne Bouverot was the Presales Operations Manager of Global One from 1996 to 2002. In August 2004, she became Chief of Staff for the Chief Executive Officer of Orange Group and then, in November 2006, Executive Vice-President, International Business Development, at France Telecom. She has also been a Director of Groupama SA since October 2008. In September 2011, she became Director General and Member of the Board of GSMA, the international association of mobile network operators.

Directorships and positions held as of December 31, 2013

Switzerland
GSMA SV (international association of mobile network operators) – Director
Georgia
GSMA Ltd – Member of the Board of Directors
France
Cap Gemini SA (listed company) – Director and Member of the Strategy Committee

Former directorships and functions held in the past five years

Switzerland
GSMA (international association of mobile network operators) – Permanent representative of France Telecom Orange on GSMA's Board of Directors
France
France Telecom Orange SA – Member of the Scientific Advisory Board
Orange SA – Director
Groupama SA (listed company) – Director
United States
France Telecom North America – Chairman

Philippe Citerne*

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2016.
- Vice-Chairman of the Board of Directors of Edenred.
- Number of Edenred registered shares held: 500.
- Born: April 14, 1949. Nationality: French.
- Non-executive Chairman of Télécom & Management SudParis (research institute).
- Business address: Bain & Cy 50, avenue Montaigne 75008, Paris, France.
- After graduating from École Centrale de Paris and holding a number of positions in the French Finance Ministry, Philippe Citerne joined Société Générale in 1979, where he served as Vice-President of Economic Research, Vice-President Finance and Vice-President Human Relations, prior to becoming Director, Deputy Chief Executive Officer and Chief Operating Officer from 1997 to April 2009. He is the Vice-Chairman of the Board of Directors of Accor.

Directorships and positions held as of December 31, 2013

France
Accor SA (listed company) – Director and Vice-Chairman of the Board of Directors
Telecom & Management SudParis (research institute) – Non-executive Chairman of the Board
Rexecode (non-profit organization) – Director
MK2 – Member of the Supervisory Board

Former directorships and functions held in the past five years

France
Accor SA (listed company) – Chairman of the Board of Directors (from April 23 to August 26, 2013)
Société Générale SA (listed company) – Chief Operating Officer
Fonds de Garantie des Dépôts – Permanent representative of Société Générale on the Fund’s Supervisory Board
Sopra Group SA (listed company) – Director
Systèmes Technologiques d’Échanges et de Traitement (STET) – Chairman
Russia
Rosbank – Director

Gabriele Galateri di Genola*

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2013. Pursuant to the recommendation of the Compensation and Appointments Committee, at the Annual Shareholders' Meeting on May 13, 2014, the Board of Directors will propose that Mr. Galateri di Genola be re-elected as director (see section 8, pages 255 and 263).
- Number of Edenred registered shares held: 500.
- Born: January 11, 1947. Nationality: Italian.
- Chairman of Assicurazioni Generali SpA.
- Business address: Piazza Cordusio 2, 20123 Milan, Italy.
- Gabriele Galateri di Genola, who has an MBA from Columbia University, held various positions at Saint-Gobain, then at Fiat beginning in 1977. He was appointed Chief Executive Officer of Ifil in 1986 and Chief Executive Officer and General Manager of IFI in 1993. He was Chairman of Mediobanca until June 2007, then Chairman of Telecom Italia SpA.

Directorships and positions held as of December 31, 2013

Italy
Assicurazioni Generali SpA (listed company) – Chairman
Telecom Italia SpA (listed company) – Director and Member of the Remunerations Committee (term expires in April 2014)
Italmobiliare SpA (listed company) – Director
Saipem SpA (listed company) – Director
Istituto Italiano di Tecnologia (IIT) – Chairman
Accor Hospitality Italy Srl – Director
Azimut – Benetti SpA – Director
Lavazza SpA – Director
FAI – Fondo per l'Ambiente Italiano – Director
Fondazione Giorgio Cini – Member of the General Board and Executive Committee
Studium Generale Marcianum Venise – Director
United States
Columbia Business School – Member of the International Advisory Board

Former directorships and functions held in the past five years

Germany
COMMERZBANK AG – Member of the Frankfurt Central Advisory Board
Brazil
Tim Participações SA (listed company) – Chairman, Director and Member of the Compensation Committee
TIM Serviços e Participações SA – Chairman
France
Accor SA (listed company) – Director
Switzerland
San Faustin NV – Member of the Supervisory Board
Italy
RCS Mediagroup SpA – Vice-Chairman
Fondazione Rosselli di Torino – Director
Banca Esperia SpA – Director
Istituto Europeo di Oncologia (IEO) – Director
Assonime – Director and Member of the Management Board
New Rome Business Leaders Foundation – Director
Fiera di Genova SpA – Director
Utet SpA – Director
Banca Cassa di Risparmio di Savigliano – Director
Banca Carige – Director
Confindustria – Member of the Executive Committee and Board of Directors
Fondazione Ravello – Director and Member of the General Board
Unione Industriali Napoli – Vice-Chairman of the Banda Larga Project – Member of the Executive Committee of the Board of Directors and Management
Pirelli & C. SpA – Director and member of the shareholders pact
Assolombarda – Member of the Management Board
Fondazione Santa Cecilia – Director

Françoise Gri*

- Director since June 29, 2010. Her term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2016.
- Number of Edenred registered shares held: 1,947.
- Born: December 21, 1957. Nationality: French.
- Chief Executive Officer of the Pierre & Vacances – Center Parcs Group.
- Business address: Centerparcs L'Artois-Espace pont de Flandre, 11, rue de Cambrai, 75947 Paris Cedex 19, France.
- A graduate of Ensimag, Françoise Gri joined the IBM group in 1981. She was appointed Director of the E-business Solutions Marketing and Sales division of IBM EMEA in 1996, and then Director of Commercial Operations for IBM EMEA in 2000. After serving as Chairman and Chief Executive Officer of IBM France from 2001 to 2007, Ms. Gri was Chairman of ManpowerGroup France and Southern Europe from 2007 and 2012, before joining the Pierre & Vacances – Center Parcs Group (listed company) in 2013 as Chief Executive Officer.

Directorships and positions held as of December 31, 2013

Crédit Agricole SA (listed company) – Director
MEDEF – Member of the Ethics Committee,
Member of the High Corporate Governance Committee
Institut de l'Entreprise – Vice-Chairman
Comité Sup'Emploi – Co-Chairman
Institut Français du Tourisme – Member
Agence Française pour les Investissements Internationaux – Director

Former directorships and functions held in the past five years

IBM France – Chairman and Chief Executive Officer
ManpowerGroup France – Chairman
ManpowerGroup – Executive Vice-President, President of Southern Europe
Rexel – Member of the Supervisory Board
STX – Director
Fondation Agir Contre l'Exclusion – Vice-Chairman
École Centrale de Paris – Director
Conseil Économique, Social et Environnemental – Advisor

Jean-Romain Lhomme

- Jean-Romain Lhomme was appointed as a Director by the Board on October 3, 2013, subject to ratification at the next Shareholders Meeting, scheduled for May 13, 2014.His appointment will end at the close of the Annual Meeting to be called to approve the accounts for the year ended December 31, 2013. Pursuant to the recommendation of the Compensation and Appointments Committee, at the Annual Meeting on May 13, 2014, the Board of Directors will propose that he would be re-elected as director (see section 8, pages 255 and 263).
- Number of Edenred registered shares held: 500.
- Born: August 22, 1975. Nationality: French.
- Principal and Co-Head of Colony Capital Europe.
- Business address: 6, rue Christophe-Colomb, 75008 Paris, France.
- Jean-Romain Lhomme joined Colony Capital in 2000 and is currently Principal and Co-Head of Colony Capital Europe, responsible for the identification, evaluation, consummation and management of new European investments. He is based in London. Before joining Colony, he worked for the Strategic Director of PPR, mostly focusing on acquisitions and new retail formats. Mr. Lhomme previously worked as an analyst in New York and Brazil for the Latin American privatization team of Paribas and for Mercer Management Consulting (Oliver Wyman) as an analyst in Paris. He graduated with a degree in business administration and finance from HEC Graduate Business School in Paris and minored in international business in ESADE (Barcelona).

Directorships and positions held as of December 31, 2013

With companies controlled [(1)] by Colony Capital

France
Colfilm SAS – Director
Holding Sports & Événements SAS – Director
Luxembourg
Fair Partners Sarl – Legal Manager
Fair Sponsors Sarl – Legal Manager
Fair Zero Sarl – Legal Manager
Fair Topco Sarl – Legal Manager
Fair Finance Sarl – Legal Manager
Lake Invest Sarl – Legal Manager
Sisters Soparfi SA – Director
United Kingdom
Colizeo Investment Management – Director

With other companies (not controlled [(1)] by Colony Capital)

France
BUT SAS – Chairman and Member of the Supervisory Board
Decomeubles Partners SAS – Chairman and Member of the Supervisory Board
Des Garçons SCI – Legal Manager

Former directorships and functions held in the past five years

France
Chateau Lascombes SA – Chairman of the Board of Directors
Buffalo Grill SA – Chairman and member of the Supervisory Board
Luxembourg
Colwine Sarl – Director
Switzerland
Clinique de Carouge CMCC SA – Director
Permanence de la Clinique de Carouge – Director
La Tour Sarl – Director
La Tour Réseau de Soins – Director

(1) As defined in Article L.233-16 of the Commercial Code.

Bertrand Meheut

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2015.
- Number of Edenred registered shares held: 500.
- Born: September 22, 1951. Nationality: French.
- Chairman of the Groupe Canal+ Executive Board.
- Business address: 1, place du Spectacle, 92130 Issy-les-Moulineaux, France.
- A graduate of École des Mines de Paris, Bertrand Meheut spent most of his career with Rhône-Poulenc and later Aventis CropScience, serving as Deputy Chief Operating Officer, Europe, in charge of corporate services for the Agro division, and then successively as Chief Executive Officer of the German subsidiary, Deputy Chief Executive Officer of Rhône-Poulenc Agro and Executive Vice-President and Chief Operating Officer Europe. Following the merger of Rhône-Poulenc and Hoechst to form Aventis, Mr. Meheut was appointed Chief Executive Officer of Aventis CropScience. He joined Canal+ Group in 2002 and is currently Chairman of its Executive Board.

Directorships and positions held as of December 31, 2013:

With companies controlled [1] by Canal+
Canal+ France SA – Chairman of the Executive Board
Groupe Canal+ SA (listed company) – Chairman of the Executive Board
Société d'Édition de Canal Plus SA (listed company) – Chairman of the Board of Directors
Studio Canal SA – Chairman of the Supervisory Board
Kiosque SNC – Permanent representative of Canal+ France SA as Kiosque's Managing Partner
Sport+ SA – Permanent representative of Groupe Canal+ SA on Sport+'s Board of Directors
Canal+ Régie SAS – Chairman
With other companies (not controlled [1] by Canal+)
Accor SA (listed company) – Director
Aquarelle – Director
Cinémathèque – Director

Former directorships and functions held in the past five years

Canal+ Overseas SAS – Member of the Management Board
Vivendi SA – Member of the Management Board
Canal+ Éditions SNC – Permanent representative of Groupe Canal+ as Canal+ Editions' Co-Managing Partner
SFR – Director
Kiosque Sport SAS – Chairman
Canal+ International Development SA – Chairman of the Board of Directors
Canal+ Finance SA – Permanent representative of Groupe Canal+ on Canal+ Finance's Board of Directors
Canal+ Régie SA – Chairman of the Executive Board
Canal+ Distribution SA – Director

(1) As defined in Article L.233-16 of the Commercial Code.

Virginie Morgon

- Director from June 29, 2010 until March 5, 2013.
- Number of Edenred registered shares held: 500.
- Born: November 26, 1969. Nationality: French.
- Member of the Executive Board and Chief Investment Officer of Eurazeo.
- Business address: 32, rue de Monceau 75008 Paris, France.
- Virginie Morgon graduated from Institut d'Études Politiques de Paris (Economics and Finance section) and holds a master's degree in economics and management from Bocconi University in Milan. After working as an investment banker in New York and London, she joined Lazard in 1994, becoming a senior partner in 2001 with responsibility for the European Food, Retail and Consumer goods sector. Virginie Morgon has been a member of Eurazeo's Executive Board since January 2008 and was named Chief Investment Officer in December 2012. She is a member of the Women's Forum for the Economy and Society (WEFCOS) and the Human Rights Watch Support Committee.

Directorships and positions held as of December 31, 2013

With companies controlled [1] by Eurazeo

France
Eurazeo SA (listed company) – Member of the Executive Board
Eurazeo PME – Chairman of the Supervisory Board
Legendre Holding 33 SAS – Chairman
Holdelis – Chairman of the Board of Directors
LH Apcoa – Chief Executive Officer

Germany
Apcoa Parking AG – Chairman of the Supervisory Board
Apcoa Parking Holdings GmbH – Chairman of the Advisory Board
Apcoa Group GmbH – Managing Director

Italy
Euraleo Srl – Legal Manager
Broletto 1 Srl – Chairman of the Board of Directors

Other companies (not controlled [1] by Eurazeo)

France
L'Oréal (listed company) – Director
Accor SA (listed company) – Director
Women's Forum for the Economy & Society (WEFCOS) – Member of the Board of Directors

Italy
Moncler SpA – Vice-Chairman of the Board of Directors
Intercos SpA – Legal Manager

Former directorships and functions held in the past five years

France
Edenred SA (listed company) – Director
LT Participations – Permanent representative of Eurazeo on LT Participations' Board of Directors
B&B Hotels – Chairman of the Supervisory Board
OFI Private Equity Capital (renamed Eurazeo PME Capital) – Chairman of the Supervisory Board

Italy
Sportswear Industries Srl – Director

(1) As defined in Article L.233-16 of the Commercial Code.

Nadra Moussalem

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2015.
- Number of Edenred registered shares held: 500.
- Born: July 4, 1976. Nationality: French.
- Principal and Co-Head of Colony Capital Europe.
- Business address: 6, rue Christophe Colomb, 75008 Paris, France.
- A graduate of École Centrale de Lyon, Nadra Moussalem joined Colony Capital in 2000, becoming Managing Director of Colony Capital Europe in 2007, Principal in 2010 and Co-Head in August 2013. He is also a Director of Distribuidora Internacional de Alimentación S.A. (D.I.A.).

Directorships and positions held as of December 31, 2013

With companies controlled [1] by Colony Capital
France
SC 30GV 301 – Legal Manager
SC 30GV 302 – Legal Manager
Data IV France – Chairman
Data IV Services – Chairman
DC115 SAS – Chairman
Colpsa – Chief Executive Officer
Colfilm SAS – Chairman
Holding Sports & Événements SAS – Chairman
Italy
Data 4 Italy – Director
Data 4 Services Italy – Director
Luxembourg
Cedar Trust – Legal Manager
CT Real Estate – Legal Manager
Sisters Soparfi SA – Director
Data Genpar Sarl – Legal Manager
United Kingdom
Colyzeo Investment Management – Director
Data 4 Limited – Director
Data 4 Services Limited – Director
Other companies (not controlled [1] by Colony Capital)
France
Accor SA (listed company) – Director
Spain
Distribuidora Internacional de Alimentación SA (listed company) – Director

Former directorships and functions held in the past five years

Front de Seine Participations SAS – Member of the Management Committee
Front de Seine Hotel – Representative of Front de Seine Participations, Front de Seine Hotel’s Legal Manager

(1) As defined in Article L.233-16 of the Commercial Code.

Roberto Oliveira de Lima*

- Director since June 29, 2010. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2016.
- Number of Edenred registered shares held: 1,000.
- Born: April 1, 1951. Nationality: Brazilian.
- Director of Telefônica Brasil.
- Business address: Grau Gestão de Ativos, Rua Afonso Braz 579, 3° andar, Vila Nova Conceição, São Paulo, SP CEP 04511 001, Brazil.
- Roberto Oliveira de Lima has an MBA from Fundação Getúlio Vargas University and a masters degree in Strategic Planning from Institut Supérieur des Affaires – Groupe HEC. He held various management positions in information technology and finance with Rhodia and Saint-Gobain before joining Accor where, over a period of 17 years, he successively held the positions of Treasury Manager, Chief Financial Officer and Executive Vice-President. From 1999 to 2005, Mr. Oliveira de Lima was the Chairman and Chief Executive Officer of the Credicard group in Brazil. Since November 7, 2011, he has been a member of the Board of Directors of Telefônica Brasil S.A.

Directorships and positions held as of December 31, 2013

Brazil
Telefônica Vivo Brasil SA (listed company) – Director
Rodobens Negócios Imobiliários SA (listed company) – Director
Natura Cosméticos SA (listed company) – Director
Companhia Brasileira de Distribuição – Director
South Africa
Naspers Holdings (listed company) – Director

Former directorships and functions held in the past five years

Brazil
Telemig Celular Participações SA – Chairman and Chief Executive Officer
Telemig Celular SA – Chairman and Chief Executive Officer
Vivo Participações SA – Chairman and Chief Executive Officer
Vivo SA – Chairman and Chief Executive Officer
Portelcom Participações SA – Chairman and Chief Executive Officer
Ptelecom Brazil SA – Chairman and Chief Executive Officer
TBS Celular Participações Ltda – Chairman and Chief Executive Officer

Patrick Sayer

- Director from June 29, 2010 until March 5, 2013.
- Number of Edenred registered shares held: none.
- Born: November 20, 1957. Nationality: French.
- Chairman of the Executive Board of Eurazeo.
- Business address: 32, rue de Monceau 75008 Paris, France.
- A graduate of École Polytechnique and École des Mines de Paris, Patrick Sayer was a senior partner at Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co in New York with responsibility for the Global Media and Technology sector. He has been Chairman of Eurazeo's Executive Board since May 2002. Former Chairman of Association Française des Investisseurs en Capital (AFIC) (2006-2007), he is also a Director of Musée des Arts Décoratifs de Paris, member of the Club des Juristes and a lecturer in finance at Université Paris Dauphine.

Directorships and positions held as of December 31, 2013

With companies controlled [1] by Eurazeo

France

Eurazeo SA (listed company) – Chairman of the Executive Board
ANF Immobilier SA (listed company) – Vice-Chairman of the Supervisory Board
Europcar Group – Director
Legendre Holding 19 – Chief Executive Officer
Investco 3d Bingen (non-trading company) – Legal Manager
Eurazeo Capital Investissement (formerly Eurazeo Partners SAS) – Chairman

Other companies (not controlled [1] by Eurazeo)

Dubai

Kitara Capital International limited – Member of the Advisory Board

United States

Tech Data Corporation (listed company) – Member of the Board of Directors

France

Rexel SA (listed company) – Vice-Chairman of the Supervisory Board
Accor SA (listed company) – Director

Italy

Gruppo Banca Leonardo – Director

United Kingdom

Colyzeo Investment Advisors – Director

Former directorships and functions held in the past five years

Germany

Apcoa Parking Holdings GmbH – Member of the Advisory Board

France

ANF Immobilier SA (listed company) – Chairman of the Supervisory Board
Groupe Lucien Barrière – Permanent representative of ColAce Sarl on Groupe Lucien Barrière's Supervisory Board
Europcar Group – Chairman of the Board of Directors
Holdelis – Chairman of the Board of Directors
SASP Paris Saint-Germain Football – Member of the Supervisory Board
Legendre Holding 11 – Chief Executive Officer
Legendre Holding 8 – Chief Executive Officer
Immobilière Bingen – Chief Executive Officer
Edenred SA (listed company) – Director

Italy

Moncler Srl – Director
Sportswear Industries Srl – Director
Euraleo Srl – Legal Manager

(1) As defined in Article L.233-16 of the Commercial Code.

Jacques Stern

- Director since June 29, 2010, Chairman and Chief Executive Officer. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ended December 31, 2013. Pursuant to the recommendation of the Compensation and Appointments Committee, at the Annual Meeting on May 13, 2014, the Board of Directors will propose that he be re-elected as director (see section 8, pages 255 and 263).
- Number of Edenred registered shares held: 60,500.
- Born: September 19, 1964. Nationality: French.
- Chairman and Chief Executive Officer of Edenred.
- Business address: 166-180, boulevard Gabriel-Péri, 92245 Malakoff Cedex, France.
- A graduate of École Supérieure de Commerce de Lille, Jacques Stern began his career as an auditor with Price Waterhouse. He joined Accor in 1992 as head of the Consolidation Department and then held various other finance positions before becoming Finance Director in 2003. In March 2005, he became member of the Accor Management Board in charge of Finance. In 2006, Jacques Stern was appointed Chief Financial Officer, Executive Vice-President in charge of Purchasing & Information Systems, and Member of the Executive Committee. In 2009, he became Senior Executive Vice-President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development, Information Systems and Purchasing. On December 15, 2009, he was appointed Deputy Chief Executive Officer in charge of Accor Services and Finance. On June 29, 2010, he was named Chairman and Chief Executive Officer of the Edenred Group.

Directorships and positions held as of December 31, 2013

With companies controlled [(1)] by Edenred

Italy
Edenred Italia Srl – Director
United Kingdom
Edenred (UK Group) Limited – Chairman

With other companies (not controlled [(1)] by Edenred)

France
Voyage Privé.com – Director
Conecs SAS – Director

Former directorships and functions held in the past five years

France
Accor SA (listed company) – Chief Operating Officer
ASM SA – Chairman and Chief Executive Officer
Edenred Participations SAS – Chairman
IBL SAS – Chairman
ASH SAS – Representative of Accor as Chairman of ASH's Board
Sodetis – Legal Manager
Club Méditerranée – Director
Groupe Lucien Barrière – Permanent representative of Accor SA on Groupe Lucien Barrière's Board of Directors
Groupe Lucien Barrière – Member of the Supervisory Board
Accor.Com – Permanent representative of Accor SA on Accor.Com's Board of Directors
Accor.Com – Permanent representative of Saminvest SAS on Accor.Com's Board of Directors
Société Française de Participations et d'Investissements Européens – Permanent representative of Accor SA on SFPIE's Board of Directors
Devimco – Permanent representative of Accor SA on Devimco's Board of Directors
Société de Participation et d'Investissements de Motels – Permanent representative of IBL on SPIM's Board of Directors
Go Voyages – Permanent representative of Soparac on Go Voyages' Board of Directors
Lyeurope SAS – Member of the Supervisory Committee
Austria
Accor Austria AG – Member of the Supervisory Board
Belgium
Accordination – Chief Executive Officer
Edenred Belgium – Representative of Soparac on Edenred Belgium's Board of Directors
Brazil
Hotelaria Accor Brasil – Director
Ticket Serviços – Director
United States
IBL LLC – Chairman
Carousel Hotel Corporation – Director
Red Roof Inn – Director
Accor Lodging North America Inc. – Director
Accor North America Inc – Director
Italy
Accor Hospitality Italia Srl – Director
Scapa Italia Srl – Director
Accor Partepazioni Italia Srl – Director
Switzerland
Sodenos – Chairman

(1) As defined in Article L.233-16 of the Commercial Code.

5.2.1.3 Changes in the membership of the Board of Directors in 2013

The table below shows the changes in the membership of the Board of Directors that took place during 2013:

Date of the change	Director concerned	Change
March 05, 2013	Virginie Morgon	Resignation from the Board
March 05, 2013	Patrick Sayer	Resignation from the Board
October 2, 2013	Sébastien Bazin	Resignation from the Board
October 3, 2013	Jean-Romain Lhomme	Appointment to the Board, subject to ratification at the next Shareholders Meeting, scheduled for May 13, 2014

5.2.1.4 Absence of conflicts of interest

There are no family relationships between the members of the Board of Directors.

No loans or guarantees have been granted or issued by the Company in favor of any member of the Board of Directors. No assets that are necessary for the conduct of the Company's business are owned by a director or a member of his or her family.

There are no potential conflicts of interests between any duties to Edenred of the members of the Company's administrative, management or supervisory bodies or the members of senior management and their private interests.

To the best of the Company's knowledge, in the last five years:

- no director has been convicted of any fraudulent offence;
- no director has been associated with any bankruptcy, receivership or liquidation;
- no director has been the subject of any official public incrimination and/or sanction by any statutory or regulatory authority;
- no director has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

5.2.1.5 Members of the Executive Committee

The members of the Executive Committee are:

Jacques Stern

Chairman and Chief Executive Officer

Gilles Bonnin

Executive Vice-President, Technology and Strategic Information Systems

Jean-Louis Claveau

Chief Operating Officer, Hispanic Latin America and North America

Gilles Coccoli

Chief Operating Officer, Brazil

Laurent Delmas

Chief Operating Officer, France

Philippe Dufour

Executive Vice-President, Alternative Investments

Antoine Dumurgier

Vice-President, Strategy and Development

Arnaud Erulin

Chief Operating Officer, Central Europe and Scandinavia

Graziella Gavezotti

Chief Operating Officer, Southern Europe

Loïc Jenouvrier

Chief Financial Officer in charge of Legal Affairs

Laurent Pellet

Chief Operating Officer, Asia-Pacific

Jeanne Renard

Executive Vice-President, Human Resources and Corporate Social Responsibility

Bernard Rongvaux

Chief Operating Officer, Northern Europe, Middle East and Africa

5.2.2 BOARD PRACTICES

5.2.2.1 Practices and powers of the Board of Directors

Membership of the Board of Directors (Article 12 of the bylaws)

The Company is administered by the Board of Directors with at least three and no more than eighteen members, except where otherwise permitted pursuant to the law, particularly following a merger.

The age limit for holding office as a director is 75. Directors who reach the age of 75 are deemed to have automatically resigned at the close of the first Shareholders Meeting held after their 75th birthday.

In addition, no more than one third of the Board members May be aged over 70.

These age limits also apply to the permanent representatives of Corporate Directors.

If, as a result of a director reaching the age of 70, the one-third proportion referred to above is exceeded, the oldest director will be deemed to have automatically resigned with immediate effect.

Directors are elected on the basis prescribed by law by ordinary resolution of the Shareholders Meeting, for a four-year term. They May be re-elected.

Exceptionally, shareholders May decide to elect one or more directors for a term of less than four years so that Board members retire by rotation.

If one or more seats on the Board become vacant, the Board of Directors May provisionally appoint directors to fill said seats, subject to ratification at the next Ordinary Shareholders Meeting, on the basis prescribed by law.

A decision by shareholders not to ratify the appointment would not invalidate the Board's decisions and actions during the period up to said Meeting.

Directors are appointed by the Board to fill a vacant seat for the remainder of the previous director's term.

For as long as the Company's shares are traded on a regulated market, each director is required to hold 500 Edenred registered shares.

Powers of the Board of Directors (Article 13 of the bylaws)

The Board of Directors decides the Company's strategy and oversees its implementation. It examines all issues relating to the efficient conduct of the business and makes all decisions concerning the Company, within the limits of the corporate purpose and except for those decisions that, by law, can only be made by shareholders in General Meeting.

In addition to those matters which, by law, require the Board's prior authorization, the Board of Directors' bylaws list the decisions of the Chief Executive Officer or the Chief Operating Officers that can only be made with the Board's authorization (see section 5.2.2.2).

The Board of Directors May decide to issue bonds in accordance with the provisions of the law, and May give a one-year authorization to one or several of its members, or to the Chief Executive Officer or, with the latter's agreement, to one or more Chief Operating Officers, to carry out bond issues and set the related terms and conditions on the Board's behalf.

The Board of Directors May assign specific permanent or temporary responsibilities to one or more of its members or to any person outside the Board.

The Board of Directors May decide to set up committees tasked with examining issues submitted to them by the Board or its Chairman. These committees report to the Board, which decides on their membership and terms of reference. On June 29, 2010, the Board set up an Audit and Risks Committee, a Commitments Committee and a Compensation and Appointments Committee (see section 5.2.2.5, page 108).

Quorum and majority (Article 15 of the bylaws)

The Board of Directors can validly conduct business provided that at least half of its members are present.

Directors who participate in meetings by videoconference or any other appropriate telecommunication system on the basis allowed by the applicable laws and regulations May be taken into account in the calculation of the quorum and voting majority, by decision of the Board.

Directors may give proxy to another director, in writing, to represent them at a Board meeting, provided that no director May represent more than one fellow director at any given meeting.

Decisions of the Board are made by a majority vote of the directors present or represented.

In the case of a split decision, the Chairman has the casting vote.

Decisions of the Board of Directors (Article 15 of the bylaws)

The Board of Directors meets as frequently as necessary in the Company's interest. Meetings are called by the Chairman.

They are held at the Company's headquarters or at any other venue specified by the Chairman.

Meetings may be called by any method, including orally, by the Chairman, or by the Board Secretary at the Chairman's request.

Meetings may also be held at the request of at least one-third of the directors or the Chief Executive Officer, to discuss a specific agenda.

If the Chairman is unable to fulfil his duties, meetings May be called by the director appointed as acting Chairman or by the Vice-Chairman (or one of the Vice-Chairmen) or by the Chief Executive Officer if he sits on the Board.

Meetings are chaired by the Chairman of the Board or, in his absence, by the Vice-Chairman (or one of the Vice-Chairmen) or by any other director designated by the Board.

The Chief Executive Officer, the Chief Operating Officer, other members of management, the members of the Strategy and Development Department, the auditors or any other person with specific knowledge of the matters concerned May be invited by the Chairman to attend all or part of a Board meeting.

Directors and all other persons invited to attend Board meetings are required to treat all information disclosed during the meeting as strictly confidential and generally act with discretion.

5.2.2.2 Board of Directors' bylaws

At its meeting on June 29, 2010, the Board of Directors adopted bylaws describing its procedures and practices. These bylaws are in addition to the legal and regulatory provisions applicable to Boards of Directors and the relevant provisions of the Company's bylaws. They specify the Board's organizational and operational framework, as well as the powers and responsibilities of the Board and the Committees of the Board (see section 5.2.2.5 Committees of the Board of Directors, page 108, for a description of these committees).

Independent directors (Article 1 of the Board of Directors' bylaws)

At least half of the members of the Board of Directors are independent based on the criteria set forth in the AFEP/MEDEF Corporate Governance Code for Listed Companies dated April 2010.

Every year, the Board of Directors assesses each director's independence in relation to these criteria. The conclusions of the assessment are disclosed to shareholders and the public in the Registration Document.

Board meetings (Article 2 of the Board of Directors' bylaws)

The Board of Directors generally holds at least five meetings a year, including one to review the budget and one to conduct a strategic review of the Group's operations. The proposed dates of each year's meetings are sent to the directors no later than November 30 of the previous year. Meetings are called by mail, e-mail or fax or verbally by the Secretary to the Board.

Part of at least one meeting a year is devoted to assessing the Board's efficiency and effectiveness, to identify possible areas for improvement. In addition, the Board of Directors conducts a formal self-assessment at least once every three years.

For the purpose of calculating the quorum and voting majority, directors who take part in meetings by any method that allows them to be identified and to take an active part in the discussion are considered as being physically present, in accordance with the applicable laws and regulations.

Information given to the Board (Article 3 of the Board of Directors' bylaws)

The directors are provided with all the information they consider necessary to fulfil their duties.

Before each meeting, directors are sent a meeting file containing background information on all agenda items that need to be examined in advance, unless this is impossible for confidentiality or practical reasons.

In addition, the directors are kept regularly informed between meetings of all significant events and transactions in the life of the Group. In particular, they receive copies of all press releases issued by the Company as well as a periodic summary of financial analysts' research reports on the Group and, when necessary, the actual reports.

The Board is informed at least once a year of the Group's strategy and main policies in the areas of human resources, organization and information systems, and discusses these strategies and policies at periodic intervals. The Board is also informed on a regular basis of the Company's financial communications strategy.

The directors can ask the Chairman and Chief Executive Officer for copies of any additional documents that they consider necessary to make an informed contribution to Board discussions. The Chairman and Chief Executive Officer May ask the Board for its opinion before supplying the documents concerned.

The directors can also ask the Chairman and Chief Executive Officer to arrange for them to meet with members of senior management, with or without the Executive Director being present.

Restrictions on Executive Management's powers (Article 4 of the Board of Directors' bylaws)

In addition to the matters requiring the Board's prior authorization under the law, particularly Articles L.225-35 and L.225-38 of France's Commercial Code, the Board has decided to impose the same requirement for the following:

- approval of the annual budget;
- financial commitments (defined as commitments related to the purchase or sale of assets or majority or minority interests, direct investments, lease commitments, loans or advances to entities in which neither the Company nor any of its subsidiaries holds the majority of the shares and voting rights, and commitments to participate in share issues by such entities) in excess of €50 million. However, the Chairman and Chief Executive Officer May contract bank loans for up to €250 million without the Board's specific prior authorization, provided that the loan fits in with the Group's Board-approved financing strategy;
- transactions affecting the Group's strategy or business scope;
- share buybacks in excess of €1 billion in any given year;
- bond issues governed by Article L.228-40 of France's Commercial Code for an amount in excess of €1 billion.

Vice-Chairman of the Board of Directors (Article 5 of the Board of Directors' bylaws)

Article 14 of the Company's bylaws allows for the appointment by the Board of one or two Vice-Chairmen to lead Board meetings in the Chairman's absence.

Article 5 of the Board of Directors' bylaws states that the Vice-Chairman or Vice-Chairmen are selected from among the independent directors and appointed for their term as director.

5.2.2.3 Chairman of the Board of Directors

Appointment of the Chairman of the Board of Directors (Article 14 of the bylaws)

The Board of Directors elects one of its members to serve as Chairman, for the duration of his or her term as director. The Chairman May be re-elected to this position.

The age limit for holding office as Chairman is 70. If the Chairman reaches the age of 70 during his or her term, he or she is deemed to have automatically resigned from this position at the close of the first Shareholders Meeting held after his or her 70th birthday.

Role and responsibilities of the Chairman of the Board of Directors (Article 14 of the bylaws)

The Chairman's role and responsibilities are specified in the applicable laws and the Company's bylaws.

He or she chairs meetings of the Board of Directors, organizes and leads the work of the Board, and reports to shareholders on the Board's work at General Meetings.

He or she also ensures that the Company's administrative, management and supervisory bodies function efficiently and that the directors are in a position to fulfil their duties.

The Chairman chairs Shareholders Meetings and prepares the reports to shareholders required by law. The Board of Directors May decide to combine the functions of Chairman and Chief Executive Officer, either when the Chairman is appointed or subsequently, in which case the Chairman is concerned by the provisions of the law and the Company's bylaws applicable to the Chief Executive Officer.

5.2.2.4 Executive Management

Organization of executive management (Article 17 of the bylaws)

In accordance with the law, the Company is managed by and under the responsibility of the Chairman and Chief Executive Officer or by a Chief Executive Officer appointed by the Board.

The decision to separate or combine the positions of Chairman and Chief Executive Officer is made by a majority vote of the directors present or represented at the relevant Board meeting.

At the Board's discretion, this decision May apply until such time as the Board decides otherwise, by a majority vote of the directors present or represented at the meeting.

If the Chairman of the Board is also the Chief Executive Officer, the following provisions of the bylaws apply to the Chairman.

Appointment of the Chief Executive Officer (Article 18 of the bylaws)

When the Board of Directors chooses to separate the duties of Chairman and those of Chief Executive Officer, it appoints the Chief Executive Officer from among the directors or from outside the Board, it fixes the duration of his or her term of office, which cannot, should the case arise, exceed the term of his or her duties as director, it determines his or her compensation and, if necessary, the limits of his or her powers.

The age limit for holding office as a Chief Executive Officer is 65. If the Chief Executive Officer reaches the age of 65 during his or her term, he or she is deemed to have automatically resigned from this position at the close of the first Shareholders Meeting held after his or her 65th birthday.

Powers of the Chief Executive Officer (Article 18 of the bylaws)

The Chief Executive Officer has the broadest powers to act in all circumstances in the Company's name, within the limits of the corporate purpose and except for those powers that the law specifically attributes to the Shareholders Meeting or the Board of Directors.

He or she represents the Company in its dealings with third parties.

The actions of the Chief Executive Officer are binding on the Company, even when they fall outside the corporate purpose, unless the Company can prove that the third party knew or, under the circumstances, could not fail to be aware that this was the case. The fact that the bylaws have been published does not constitute adequate proof.

The Chief Executive Officer may be authorized by the Board to issue guarantees on the Company's behalf, up to a maximum amount specified by the Board. Any such authorization May not be given for a period of more than one year, whatever the duration of the guaranteed commitments.

The Chief Executive Officer and the Chief Operating Officers may delegate their authority to any persons of their choice, with or without the right of substitution, subject to the restrictions provided for by law.

Chief Operating Officers (Article 19 of the bylaws)

The Board of Directors may appoint up to five natural persons as Chief Operating Officers to assist the Chief Executive Officer, at the latter's request.

The age limit for holding office as a Chief Operating Officer is 65. If a Chief Operating Officer reaches the age of 65 during his or her term, he or she is deemed to have automatically resigned from this position at the close of the first Shareholders Meeting held after his or her 65th birthday.

The extent and duration of the Chief Operating Officers' powers is determined by the Board of Directors in agreement with the Chief Executive Officer.

However, in their dealings with third parties, the Chief Operating Officers have the same powers as the Chief Executive Officer.

If the position of Chief Executive Officer becomes vacant for whatever reason, the Chief Operating Officers continue to fulfil their duties and responsibilities until a new Chief Executive Officer is appointed, unless the Board of Directors decides otherwise.

5.2.2.5 Committees of the Board of Directors

The Board of Directors may decide to set up committees tasked with examining issues submitted to them by the Board or its Chairman. These committees report to the Board, which decides on their membership and terms of reference. There are currently three committees of the Board – the Audit and Risks Committee, the Commitments Committee and the Compensation and Appointments Committee. Their rules of procedure are included in the Board of Directors' bylaws.

Audit and Risks Committee

Members

As of December 31, 2013, the members of the Audit and Risks Committee were Philippe Citerne, Jean-Paul Bailly, Anne Bouverot and Jean-Romain Lhomme.

The Committee's Chairman, Philippe Citerne, is an independent director. All of its members have expert knowledge of financial and accounting matters and three-quarters of them are considered by the Board as being independent directors based on the criteria in the AFEP/MEDEF Corporate Governance Code of June 2013.

Terms of reference

The Audit and Risks Committee is responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next; its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure (mission defined in European directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, transposed into French law by Government order 2008-1278 of December 8, 2008, and in the June 14, 2010 guidelines of the Autorité des marchés financiers). To this end, the Committee:

- reviews the interim and annual consolidated financial statements and the annual financial statements of the Company, prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;
- reviews the scope of consolidation and the reasons for excluding any entities;
- assesses the Group's risk exposures and material off-balance sheet commitments, as well as the effectiveness of the risk management system, and receives a copy of the Chief Financial Officer's detailed report on these matters;
- obtains assurance concerning the effectiveness of the Group's system of internal control by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the Internal Audit program and of the results of the Internal Audits carried out since the last presentation;
- reviews the external auditors' audit plan and the results of their audits. It receives a copy of the auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the auditors' appointment is due to expire, oversees the auditor selection procedure and reviews the proposals submitted by the various candidates, expresses an opinion on the proposed

fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of auditor;

- validates the categories of additional audit-related work that the auditors and the members of their networks May be asked to perform in accordance with the applicable laws and regulations;
- is informed, at the end of each year, of the fees paid by Group companies to the auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees, as well as on its assessment of the auditors' level of independence.

Meetings

The Audit and Risks Committee meets at least three times a year. One meeting – attended by the Head of Internal Audit – is devoted to reviewing the effectiveness of the internal control system.

The Committee may make enquiries of the auditors without the Executive Director and/or the Chief Financial Officer, being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meeting are issued by the Committee Chairman and include the meeting agenda.

Meetings to review the interim and annual financial statements are held at least three days prior to the Board meeting called to approve the financial statements.

The members of the Audit and Risks Committee receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group. The Chairman and Chief Executive Officer, the Chief Financial Officer and the auditors have a standing invitation to attend Audit and Risks Committee meetings.

Commitments Committee

Members

As of December 31, 2013, the members of the Commitments Committee were Jean-Paul Bailly, Bertrand Meheut, Nadra Moussalem and Roberto Oliveira de Lima.

The Committee is chaired by Nadra Moussalem. Three-quarters of its members are considered by the Board as being independent directors based on the criteria in the AFEP/MEDEF Corporate Governance Code of June 2013.

Terms of reference

The Commitments Committee is responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- any transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base (mainly entry in a new business or withdrawal from an existing business), whatever the amount of the commitment;
- mergers, demergers or asset transfers;
- changes to the Company's corporate purpose;
- any immediate or deferred financial commitments representing more than €50 million per transaction. "Financial commitments" are defined as:
  - acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value,
  - direct investments, for example for the creation of a business or expenditure on technological developments,
  - lease commitments, measured on the basis of the market value of the leased asset,
  - loans or advances to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and commitments to participate in share issues by such entities,
  - bilateral or syndicated borrowings equal to or in excess of €250 million.

Meetings

Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman or the Chairman and Chief Executive Officer.

The Committee's recommendations must be endorsed by the Board of Directors before the related commitments are entered into by the Group.

Compensation and Appointments Committee

Members

As of December 31, 2013, the Compensation and Appointments Committee members were Gabriele Galateri di Genola, Philippe Citerne, Françoise Gri and Nadra Moussalem.

It is chaired by Gabriele Galateri di Genola, who is an independent director. Three-quarters of its members are considered by the Board as being independent directors based on the criteria in the AFEP/MEDEF Corporate Governance Code of June 2013.

Terms of reference

The Compensation and Appointments Committee's role is to prepare the Board of Directors' decisions concerning the Executive Director's compensation and the Group's policy with respect to stock option plans (and, if applicable, performance share plans). It also participates in preparing senior management succession plans.

To this end, the Committee:

- appointments:
  - makes recommendations, in liaison with the Chairman and Chief Executive Officer, regarding the Executive Director's succession plan and the selection of candidates for election as directors. In selecting possible directors, the Committee

takes into consideration the need for balance in the Board's membership and ensures that each candidate not only has the required capabilities but is also in a position to devote sufficient time to the Board's business. The objective is for directors to have the range of experience and skills necessary to enable the Board to carry out its duties effectively with the required objectivity and independence vis-à-vis both senior management and any given shareholder or group of shareholders,

- is informed of the succession plan concerning members of the Group's Executive Committee;

- compensation:
  - examines the Executive Director's short-term compensation (salary and bonus), medium- and long-term incentives such as performance shares and stock options, pension arrangements and all other in-kind benefits, and makes recommendations on these issues,
  - defines and implements the rules for setting the Executive Director's bonus, while ensuring that the rules are consistent with the annual appraisal of the Executive Director's performance and with the Group's medium-term strategy,
  - expresses an opinion to the Board of Directors regarding the general stock option and performance share policy and the plan or plans proposed by the Chairman and Chief Executive Officer. It is informed of and expresses an opinion on the compensation policy for members of the Group Executive Committee and reviews the policy's consistency,
  - issues a recommendation to the Board of Directors on the overall amount of directors' fees to be submitted to shareholders for approval. It makes proposals to the Board of Directors concerning the fee allocation rules and the individual amounts to be paid to each director based on their attendance at Board meetings and, where applicable, meetings of Committees of the Board,
  - reviews the policy regarding employee share issues and any such issues proposed by the Chairman and Chief Executive Officer,
  - reviews liability insurance cover taken out by the Company on behalf of the Executive Director,
  - approves the information provided to shareholders in the Registration Document regarding i) the Executive Director's compensation; ii) the principles and methods used to set such compensation; and iii) the stock options granted to and exercised by the Executive Director.

Meetings

The Compensation and Appointments Committee holds at least two meetings per year. Calls to meetings are issued by the Committee Chairman and include the meeting agenda.

5.2.2.6 Director's Charter

To comply with the best practices of corporate governance, on June 29, 2010 the Company's Board of Directors adopted a Director's Charter that applies to all directors, irrespective of whether they meet the independence criteria set out in the AFEP/MEDEF Corporate Governance Code.

Duty of due care

Directors must carry out their duties as they see fit in the best interests of the Company. They must be committed to constantly improving their knowledge of the Group and its businesses, and they have a duty of vigilance which includes warning of any problems of which they May become aware. They must devote the necessary time and attention to their duties as a director, making every effort to attend all meetings of the Committees to which they belong, meetings of the Board of Directors and Shareholders Meetings.

In addition to complying with the legal and regulatory provisions related to multiple directorships, each director is responsible for ascertaining whether his/her duties as a director of the Company are compatible with the directorships or positions that he/she holds in other companies, in particular as regards the workload. Each director is required to disclose periodically to the Company the directorships that he/she holds in any other company in order to enable the Company to comply with its statutory disclosure obligations in this regard.

Duty of information

Directors have a duty to request the information that they consider necessary to carry out their duties from the Company's management *via* the Chairman and Chief Executive Officer or the Board Secretary. They can ask the Chairman and Chief Executive Officer to arrange meetings for them with members of the Group's senior management, to be held with or without the Chairman and Chief Executive Officer being present.

When a new director takes up office, the Board Secretary provides him/her with an information pack containing the Company's bylaws, the Board of Directors' bylaws, the Director's Charter as well as the principal laws and regulations dealing with directors' responsibilities.

Directors may ask the Board Secretary at any time for explanations of the scope of these laws and regulations and their resulting rights and obligations.

Directors' independence and conflicts of interests

Directors are expected to demonstrate a high level of independence in all circumstances, in terms of their analyses, judgments, decisions and actions.

They agree not to solicit or accept any benefit that would be likely to affect their independence.

Any director that is directly or indirectly in a position of a conflict of interest – even potentially – with respect to the interest of the Company because of the positions that he/she holds, and/or any interests that he/she has elsewhere, must inform the Chairman and

Chief Executive Officer or any individual designated by the Chairman and Chief Executive Officer. A director in a position of a conflict of interest May not take part in the discussion of the matter concerned or the related vote and May therefore be asked to leave the room while the discussion and vote are taking place.

When they are first elected and every year thereafter, no later than January 31, directors are required to disclose in writing all ties that they have with Group companies, their managers, suppliers, customers, partners or competitors. The disclosure document is sent to the Chairman and Chief Executive Officer with a copy to the Board Secretary.

Duty of discretion and confidentiality

Directors have a general duty of discretion and confidentiality in the interest of the Company. To that end, they undertake to treat as strictly confidential all non-public information to which they have access, and all matters discussed during meetings of the Board and any of its Committees of which they are members, as well as the opinions expressed and the votes cast during the meetings.

In addition, except for the Chief Executive Officer and Chief Operating Officer, who are called upon to act as the Company's spokesperson, directors are required to liaise with the Chairman and Chief Executive Officer before engaging in any communications with the media on subjects that concern or May affect the Group, the Company, or its corporate governance structures.

Trading in Company securities by the directors

Directors have access to inside information which, if made public, could affect the price of the Company's shares or any other securities issued by the Company. Consequently, in accordance with the applicable laws and regulations, directors must not:

- use inside information to trade in the Company's securities either directly or through an intermediary;
- knowingly allow a third party to carry out transactions in the Company's securities based on inside information;
- disclose inside information to third parties, deliberately or through indiscretion.

In addition, without prejudice to the laws and regulations on insider trading, periods known as "negative windows" are determined each year, during which directors May not trade in the Company's shares or any other securities issued by the Company (including exercising stock options), either directly or through an intermediary, even *via* the trading of derivatives. The negative windows correspond to (i) the 30 calendar days preceding the date of publication of the annual and interim consolidated financial statements, the day of publication and the following day, and (ii) the 15 calendar days preceding the date of publication of quarterly revenue figures, the day of publication and the following day.

Directors are given details of the negative windows each year by the Board Secretary. In addition, they are notified immediately by the Board Secretary of any specific negative windows that will apply due to financial or strategic transactions planned by the Group.

Directors May not hedge the risks of losses on their Company shares or stock options.

Each director is responsible for reporting to France's securities regulator (Autorité des marchés financiers) and to the Company (through the Board Secretary) any transactions in the Company's shares or any other securities issued by the Company carried out by him/her or any persons closely associated with him/her.

Directors May consult the Board Secretary at any time regarding the implications of the negative windows system and the conditions of its application to any specific case.

5.2.2.7 Secretary to the Board of Directors

Pursuant to the Company's bylaws, the Board of Directors names a Secretary who need not be a director.

The Board Secretary calls members to meetings of the Board of Directors when requested to do so by the Chairman and Chief Executive Officer and draws up the minutes of Board meetings, which are then submitted to the Board for approval. He/she sends the meeting files to directors according to the procedure described in Article 3 of the Board of Directors' bylaws and generally responds to requests from directors for information about their rights and obligations, the Board's practices or the life of the Company.

His/her duties also include obtaining up-to-date copies of the documents disclosing directors' potential conflicts of interest, as provided for in Article 3 of the Director's Charter.

Lastly, the Board Secretary attends the meetings of the Board Committees as needed, at the request of the Chairman and Chief Executive Officer or the Committee Chairmen, and May also be given the task of sending meeting files to the Committee members.

Philippe Rélland-Bernard was named Secretary to the Board at the Board meeting of June 29, 2010.

5.2.2.8 Directors' fees

On the recommendation of the Compensation and Appointments Committee, the Board of Directors allocates the annual amount of directors' fees awarded by the Shareholders Meeting based in particular on each director's attendance rate at Board meetings and at meetings of any Committee of which he or she is a member.

Allocation is based on the following principles:

- the duties of Vice-Chairman of the Board of Directors are compensated with a fixed portion of a flat amount defined by the Board of Directors;
- the duties of Committee Chairman are compensated with a fixed portion of a flat amount defined by the Board of Directors for each Committee;
- the duties of Committee member are compensated with a fixed portion of a flat amount defined by the Board of Directors and with a variable portion based on attendance at meetings, which will not exceed the amount of the fixed portion;
- part of the available balance of directors' fees is allocated between all of the directors and any non-voting directors, and part is allocated based on the number of Board meetings attended by each director (and non-voting director, if any) during the previous year;
- no directors' fees are awarded to directors who also hold the position of Chairman of the Board, Chairman and Chief Executive Officer, Chief Executive Officer or Chief Operating Officer;
- directors' fees are paid within three months of the fiscal year-end.

5.3 SHAREHOLDERS MEETINGS

5.3.1 NOTICE OF MEETING (ARTICLE 23 OF THE BYLAWS)

Shareholders Meetings are called as provided for by law.

In accordance with the applicable regulations, all shareholders are entitled to attend and take part in Shareholders Meetings in person or by proxy, whatever the number of shares held. The shares must be registered in the name of the bank or broker that manages the shareholder's securities account in accordance with Article L.228-1, paragraph 7, of France's Commercial Code (or in the shareholder's name if the shares are not traded on a regulated market) in the Company's share register no later than 12 a.m. Paris time on the third business day preceding the Shareholders Meeting. If the shares are held in bearer form (and are traded on a regulated market), they must be recorded in a bearer share account kept by one of the accredited intermediaries mentioned in Article L.542-1, paragraphs 2 to 7, of French Monetary and Financial Code, by the same deadline. These formalities must be carried out in compliance with the applicable laws and regulations.

The recording of bearer shares in an account kept by an accredited intermediary is evidenced by an *attestation de participation* to be issued by the intermediary in accordance with the applicable laws and regulations.

Shareholders Meetings take place at the Company's registered office or at any other venue specified in the notice of meeting.

5.3.2 CONDUCT OF SHAREHOLDERS MEETINGS (ARTICLE 24 OF THE BYLAWS)

All shareholders have the right to attend or be represented at Shareholders Meetings on the basis specified by law.

They may vote by post in accordance with Article L.225-107 of France's Commercial Code. The proxy/postal voting form May be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with the applicable laws and regulations.

The Board may decide, when the meeting is called, to include in the calculation of the quorum and voting majority, shareholders who are participating by videoconference or by any other telecommunications medium that allows them to be identified, in accordance with the laws and regulations that determine the acceptable types of media and the conditions for their application.

Electronic signatures of proxy/postal voting forms by shareholders or their legal representative must be:

- secure signatures complying with the applicable laws and regulations; or
- registered by the shareholder with a unique username and password on the Company's dedicated website, if one exists, in accordance with the applicable laws and regulations. This electronic signature process will be considered as a reliable process of identifying shareholders and matching them with their votes/proxies within the meaning of the first sentence of the second paragraph of Article 1316-4 of French Civil Code.

Shareholders Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director designated by the Board. Otherwise, the meeting elects its own Chairman.

The function of Scrutineer of the meeting is fulfilled by the two shareholders present at the meeting who hold or represent the largest number of voting rights and who consent to take on the role. The Bureau thus formed names a Secretary, who May or May not be a shareholder.

An attendance register is kept, pursuant to the law.

Copies or excerpts of the meeting minutes May be certified by the Chairman of the Board of Directors, the Chairman of the meeting, or the meeting Secretary.

Ordinary and Extraordinary Shareholders Meetings fulfilling the relevant quorum and voting majority requirements exercise the powers vested in them by law.

5.4 EXECUTIVE DIRECTOR'S COMPENSATION, DIRECTORS' AND MANAGERS' INTERESTS

5.4.1 EXECUTIVE DIRECTOR'S COMPENSATION AND POTENTIAL COMMITMENTS TOWARDS THE EXECUTIVE DIRECTOR

The policy concerning the Chairman and Chief Executive Officer's compensation complies with the June 2013 version of the AFEP/MEDEF Corporate Governance Code for listed companies.

The Chairman and Chief Executive Officer's compensation is determined by the Board of Directors at the meeting held to approve the annual financial statements, based on the recommendation of the Compensation and Appointments Committee, which:

- analyzes and compares changes in market levels of compensation for executives with similar profiles and in similar positions, based on an annual benchmarking review of compensation practices in comparable companies;
- analyzes individual performances and compares them to the Company's performance;
- translates the Group's strategies and priorities into short and long-term bonus and incentive programs.

The Chairman and Chief Executive Officer's compensation package includes Company-funded supplementary pension rights and, more generally, all of the benefits described below.

Chairman and Chief Executive Officer's compensation

The Chairman and Chief Executive Officer's **salary** is determined based on an assessment of his responsibilities and the difficulty of his job, his experience in the position and years of service with the Group. It is also benchmarked to the salaries paid to the Chief Executive Officers of companies or groups of a comparable size to Edenred. The benchmarking exercise was conducted by an external consultant based on a sample of French companies from a variety of sectors included in the SBF 120 index that were as similar as possible to Edenred in terms of their size (market capitalization, results and number of employees) and international diversification.

At its meeting of February 12, 2013, the Board decided to maintain the Chairman and Chief Executive Officer's gross annual salary at €700,000 for the third year in a row, in line with the recommendation of the Compensation and Appointments Committee, and at its meeting of February 11, 2014, the Board decided to keep his gross annual salary at the same amount for 2014.

The Chairman and Chief Executive's **bonus** is determined according to criteria defined by the Board. It May range from 0% to a maximum of 150% of his salary, depending on actual performance in relation to various objectives, with two components:

- a component based on quantitative financial targets representing up to the equivalent of 100% of salary. For this component, if the targets set in the budget approved by the Board of Directors are met, the bonus will represent the equivalent of 50% of salary. If the targets are exceeded, the bonus May represent up to a maximum of 100% of salary;
- a component representing up to 50% of salary, based on the Group's stock market performance (for 10%), the quantitative results of deploying the Group's strategy (for 20%) and management objectives (for 20%).

Jacques Stern's 2013 bonus was determined during the Board meeting held on February 11, 2014, based on the recommendation of the Compensation and Appointments Committee and after the relevant financial performance data had been validated by the Audit and Risks Committee. In light of the quantitative and qualitative criteria selected by the Board at its February 12, 2013 meeting and actual performance for the 2013 fiscal year, his bonus was determined as follows:

- the target based on quantitative financial criteria (like-for-like growth in EBIT) was 50% met and his bonus for this tranche therefore amounted to 50% of annual salary;

- the target based on stock market performance (comparison of Edenred's total shareholder return [1] (TSR) to the average TSR for SBF 120 companies) was 0% met and his bonus for this tranche therefore amounted to 0% of annual salary;
- the target based on quantitative strategic deployment criteria (pace of digital transition, development of new solutions and integration of Repom, Brazil, acquired in December 2012) was 75% met and his bonus for this tranche therefore amounted to 15% of annual salary;
- the qualitative management objectives, including establishment of a management succession plan, were 100% met and his bonus for this tranche therefore amounted to 20% of annual salary.

Based on these percentages, Jacques Stern was awarded a 2013 bonus of €595,000, representing 57% of his maximum possible bonus and 85% of his annual salary.

1	Annual salary	€700,000
2	Maximum possible bonus	€1,050,000
	% of annual salary	*150%*
1+2	**MAXIMUM POSSIBLE CASH COMPENSATION**	**€1,750,000**
A	Actual salary	€700,000
B	Actual bonus	€595,000
	% actual bonus/maximum possible bonus	*57%*
A+B	**ACTUAL CASH COMPENSATION**	**€1,295,000**
		-7% vs. 2012

At its February 11, 2014 meeting, the Board of Directors also decided the principles for determining the Chairman and Chief Executive Officer's performance-based bonus for 2014, taking into account the recommendation of the Compensation and Appointments Committee and the objectives set in the Board-approved budget. These performance objectives include: i) quantitative financial targets based on consolidated EBIT for the year, for the tranche representing up to 100% of salary, ii) quantitative targets related to the deployment of the Group's strategy worldwide, for the tranche representing up to 30% of salary, and iii) fulfilment of management objectives, for the tranche representing up to 20% of salary. Each criterion will determine part of his bonus. The actual targets are clearly defined but are not disclosed for reasons of confidentiality.

Chairman and Chief Executive Officer's employment contract

In addition to being an Executive Director since 2009, the Chairman and Chief Executive Officer has an employment contract signed with Accor SA in 1992 and transferred to Edenred on June 29, 2010 at the time of the Services division spin-off.

The Board of Directors decided that applying the AFEP/MEDEF recommendation of terminating the Chairman and Chief Executive Officer's employment contract when he took up this position would deprive him of the rights he had accumulated during his time with the Group, particularly his seniority-based rights. In line with the recommendation of the Compensation and Appointments Committee, the Board therefore decided to suspend Jacques Stern's employment contract for the duration of his term as Chairman and Chief Executive Officer, without terminating it.

At its meeting on June 29, 2010, the Board of Directors authorized the signature of an addendum to Mr. Stern's employment contract, providing for the payment of a termination benefit corresponding to the sum of the severance pay attributable to him by law and under the collective bargaining agreement based on his 18 years' service as an employee of the Group. The addendum also states that if Mr. Stern were to leave the Group, resulting in the termination of his employment contract, his cumulative rights to (i) termination benefits under his employment contract and (ii) compensation for loss of office as Chairman and Chief Executive Officer would be capped at an amount equal to two years' compensation as Chairman and Chief Executive Officer, in line with AFEP/MEDEF recommendations.

At its meeting on February 23, 2011, the Board also authorized the signature of a second addendum to Mr. Stern's employment contract, providing for the payment of a special termination benefit if his employment contract were to be terminated within six months of a decision by the Board not to renew his appointment as Chairman and Chief Executive Officer. This special termination benefit would be in addition to the severance pay attributable to him by law and under the collective bargaining agreement, provided that the sum of these benefits did not exceed the equivalent of two years' average compensation (including bonuses) paid to him as Chairman and Chief Executive Officer. The special termination benefit would be payable only if the performance criteria applicable for the determination of his compensation for loss of office as Chairman and Chief Executive Officer were met. In addition, the reductions applicable to the compensation for loss of office would also apply to the special termination benefit.

(1) Total Shareholder Return (TSR) is an aggregate indicator combining share price appreciation and dividends.

Compensation for loss of office payable to the Chairman and Chief Executive Officer (1)

Jacques Stern will be entitled to compensation for loss of office in the event that he is forced to stand down as Chairman and Chief Executive Officer following a change of strategy or control or his appointment is terminated, other than as a result of a serious offence or gross negligence.

No compensation for loss of office will be payable if, within twelve months of his departure, Jacques Stern becomes eligible for the basic State pension and, consequently, for pension benefits under the Company's supplementary pension plan.

The compensation payable would not exceed the equivalent of two years' total gross annual compensation as Chairman and Chief Executive Officer, defined as:

- his annual salary as of the date when his appointment as Chairman and Chief Executive Officer ends, plus;
- the average annual bonus received or receivable for his last two years as Chairman and Chief Executive Officer prior to his appointment ending.

The compensation for loss of office would be payable only if certain challenging performance conditions were met, as determined and assessed by the Compensation and Appointments Committee and the Board of Directors. The criteria selected by the Board concern the Group's business and financial performance – as measured by the key indicators on which Edenred's financial communications to the market are based – and its stock market performance. Performance would be measured over a three-year period, taking into account the Group's long-term historical performance and the external risks to which it is exposed, as described in section 3, page 45.

The performance conditions are as follows:

- 5% like-for-like growth in issue volume compared with the previous year;
- 2% like-for-like growth in operating revenue compared with the previous year;
- 5% like-for-like growth in funds from operations (2) compared with the previous year;
- increase in the Company's share price at least equal to 85% of the increase in the NYSE Euronext Paris SBF 120 index over the Reference Period or, if the index falls over the Reference Period, decline in the Company's share price of no more than 125% of that of the index over the Reference Period.

Performance in meeting each of these four criteria would be measured over the three years preceding the year in which his appointment as Chairman and Chief Executive Officer was terminated (the "Reference Period"). Each of the first three criteria would be deemed to have been met if the related objective was achieved for at least two of the three years in the Reference Period.

Payment of the maximum compensation for loss of office would depend on at least three of these four performance criteria being met, as observed by the Board of Directors on the basis prescribed by the laws in force when his appointment as Chairman and Chief Executive Officer was terminated. If only two of the criteria were met, 50% of the maximum compensation for loss of office would be paid; if one or none of the criteria were met, no compensation would be paid.

The compensation payable to Mr. Stern would be reduced, if necessary, so that the sum of (i) the compensation for loss of office and (ii) the termination benefit (3) payable under his employment contract (4) did not exceed two years' Reference Compensation as defined in the third paragraph above.

If Jacques Stern were to stand down from the position of Chairman and Chief Executive Officer in circumstances entitling him to compensation for loss of office, his rights to performance stock options or performance shares would be retained on the basis specified in the related plan rules. These generally stipulate that the rights vest proportionately (5) over a specified period of service, subject to the performance conditions (6) specified in the plan rules being met, as assessed at the end of the vesting period.

(1) At its meeting of February 11, 2014, the Board of Directors of Edenred has authorized this commitment that will be submitted to shareholders for approval at the next Shareholders Meeting on May 13, 2014.

(2) Funds from operations: cash flow before non-recurring items.

(3) As of the publication date of this Registration Document, the termination benefit that would be payable to Mr. Stern would represent 5% of the sum of his gross annual compensation for 2012 and 2013.

(4) The Chairman and Chief Executive Officer has an employment contract with the Company, which is currently suspended. In addition, two addenda have been signed, as approved by the Board of Directors on June 29, 2010 and February 23, 2011 respectively, and ratified at the Annual Shareholders Meeting of May 13, 2011. The contract and addenda are described on page 114.

(5) With one-third of the rights vesting on each annual anniversary of the grant date (for a three-year vesting period).

(6) The plans' performance conditions are described on page 120.

Summary:

Cases where no compensation for loss of office would be payable	Performance criteria	Maximum possible compensation for loss of office	Vesting of performance stock options and performance shares awarded before the Chairman & Chief Executive Officer stands down
• Termination due to a serious offence or gross negligence • Resignation • Appointment not renewed • Entitlement to supplementary pension benefits within 12 months of termination	• Financial criteria: like-for-like growth in issue volume, operating revenue and FFO • Stock market criterion based on growth in the Edenred share price compared with that of the SBF 120 index	• Two years' gross annual compensation (salary+ bonus)	• Subject to the plans' performance conditions being met • Proportionate to portion of the vesting period during which the Chairman and Chief Executive Officer is in office

Unemployment insurance

Until March 31, 2013, the Chairman and Chief Executive Officer was covered by the GSC "Formule 70" plan entitling him to unemployment benefits equal to 70% of his taxable professional income, capped at €24,688 per month, for a period of up to 24 months. The total annual cost of this plan for Edenred, including premiums and related payroll taxes, was €37,749.

Since April 1, 2013, the Chairman and Chief Executive Officer has been covered under an insured plan set up with AXA, entitling him to unemployment benefits equal to 80% of the contractual income, capped at €14,812 per month, for a period of up to 18 months. The total annual cost of this plan for Edenred, including premiums and related payroll taxes, is €31,279.

Death/disability and health insurance

The Chairman and Chief Executive Officer is covered by the death/disability and health insurance plan set up for employees which has been extended to include the Executive Director. Premiums paid by the Company for this extended cover in 2013 amounted to €5,343.61.

Supplementary Pension Benefits

General Supplementary Pension Plan

A supplementary pension plan has been set up for Group senior executives above certain grades whose compensation meets certain criteria (16 executives in 2013). The plan comprises a defined contribution plan ("Article 83" plan) and a defined benefit plan ("Article 39" plan):

- under the Article 83 defined contribution plan, the Company pays an annual contribution of up to 5% of five times the annual ceiling for calculating Social Security contributions (1), representing a maximum contribution for 2013 of €9,258;
- under the Article 39 defined benefit plan, the Company is committed to paying an annuity to plan participants when they retire, based on principles that comply with the recommendations contained in the AFEP/MEDEF Corporate Governance Code dated June 2013:
  - to qualify for benefits under this top-hat plan, participants must end their career with the Group, have participated in the plan for at least five years and completed at least fifteen years' service with the Group. The pension payable under the plan is reduced by the amount of the pension payable under the defined contribution plan referred to above,
  - the reference period for the benefit calculations is the period of participation in the plan (i.e. at least five years),
  - rights to potential supplementary pension benefits are accumulated gradually by year of participation and are calculated each year based on the participants' gross annual compensation,
  - the replacement rate is capped as follows:
  - – benefits paid under the Article 83 and Article 39 plans May not represent a replacement rate of more than 30% of the participant's final gross annual compensation (2),
  - – if the final gross annual compensation represents more than 12 times the annual ceiling for calculating Social Security contributions (1), the overall replacement rate represented by all benefits paid under compulsory plans and Edenred supplementary pension plans is capped at 35% of the average reference compensation for the best three years out of the participant's last ten years before retirement.

If a plan participant leaves the Group before being eligible to claim pension benefits under the general plan, he or she forfeits the right to benefits under the defined benefit (top-hat) plan but retains the right to benefits under the defined contribution plan.

Application of the supplementary pension plan to the Executive Director

The Chairman and Chief Executive Officer participates in the supplementary pension plan in the same way as the other plan participants, as described above.

The supplementary pension entitlement is taken into account in determining his overall compensation package.

(1) The annual ceiling for calculating Social Security contributions represented €37,032 in 2013.

(2) Gross annual compensation corresponds to the participant's salary and bonus, excluding any exceptional bonuses.

Edenred's annual contribution to the Article 83 defined contribution plan on his behalf (€9,258) represented 0.7% of his gross annual compensation for 2013. His rights to potential supplementary pension benefits under the Article 39 defined benefit plan have corresponded on average to 1% of his gross annual compensation since he joined the plan in 2005. His rights are limited by the two replacement rate caps described in the section presenting the general supplementary pension plan.

Table 11: Commitments given to the Executive Director

Executive Director	Employment contract		Supplementary pension plan		Compensation or benefit payable in the case of appointment to a new position, termination/ removal from office or transfer		Non-compete indemnity	
	YES	NO	YES	NO	YES	NO	YES	NO
Jacques Stern								
Chairman and Chief Executive Officer Executive Director since: Current term ends:	(suspended since June 29, 2010)		x		x			x

Table 1: Compensation, stock options and performance share rights awarded to the Executive Director *(in €)*

Jacques Stern	2011	2012	2013
Compensation for the year (see Table 2 for details)	1,512,176	1,405,980	1,295,000
Value of long-term incentives awarded during the year	0	0	0
Value of stock options granted during the year (see Table 4 for details)	365,040	280,639	0
Value of performance share rights awarded during the year (see Table 6 for details)	783,300	719,511	985,997
TOTAL	**2,660,516**	**2,406,130**	**2,280,997**

Table 2: Compensation paid to the Executive Director *(in €)*

	2011		2012		2013	
Jacques Stern	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Salary	700,000	700,000	700,000	700,000	700,000	700,000
Annual bonus	805,000	785,104	700,000	805,000	595,000	700,000
Long-term incentive	0	0	0	0	0	0
Exceptional bonus	0	0	0	0	0	0
Directors' fees	0	0	0	0	0	0
Benefits-in-kind	7,176	7,176	5,980	5,980	0	0
Vacation pay under the employment contract	0	0	0	0	0	0
TOTAL	**1,512,176**	**1,492,280**	**1,405,980**	**1,510,980**	**1,295,000**	**1,400,000**

5.4.1.1 Directors' fees

The Shareholders Meeting of June 29, 2010 set the total annual fees payable to directors at €500,000. This amount is allocated by the Board of Directors among its members based on the recommendation of the Compensation and Appointments Committee.

In accordance with the Corporate Governance Code, the principles governing the allocation of total directors' fees for 2013 among the members of the Board of Directors, as decided at the Board meeting of February 11, 2014. The allocation comprises:

- a variable portion (representing the largest part of each director's fee) that takes into account directors' attendance at Board meetings;
- an additional amount allocated to members of the Board Committees;
- an amount that reflects the level of responsibility assumed and time spent.

In accordance with the above principles:

- no fees were allocated to the Chairman and Chief Executive Officer;
- a fixed fee of €10,000 was allocated to the Vice-Chairman of the Board of Directors;
- the members of the Board Committees were each allocated a fixed fee of €8,609 and the Committee chairmen were each allocated an additional €5,000;
- in addition, the chairmen and other members of the Committees of the Board were allocated a fee of €3,842 for each meeting attended during the year (including by videoconference);
- lastly, all Board members were allocated a fixed fee of €11,443 each plus a fee of €2,779.50 for each meeting attended during the year (including by videoconference).

Table 3: Directors' fees and other compensation paid to Non-Executive Directors

Board of Directors *(in €)*	Fees payable for 2012	Fees paid in 2012	Fees payable for 2013	Fees paid in 2013
Jean-Paul Bailly	42,920	48,205 (1)	51,305	42,920
Sébastien Bazin (2) (3)	56,730	52,834	27,967	56,730
Anne Bouverot	33,890	37,219	41,633	33,890
Philippe Citerne	68,649	71,665	84,452	68,649
Gabriele Galateri di Genola	42,728	39,362	47,695	42,728
Françoise Gri	38,295	41,820	45,475	38,295
Jean-Romain Lhomme (2)	n/a	n/a	16,378	n/a
Bertrand Meheut	33,890	28,388	31,170	33,890
Virginie Morgon (4)	38,295	39,705	0	38,295
Nadra Moussalem (2)	38,295	39,705	52,793	38,295
Roberto Oliveira de Lima	36,376	33,360	37,791	36,376
Patrick Sayer (4)	47,325	45,719	0	47,325
TOTAL	**477,393**	**477,982**	**436,657**	**477,393**

(1) The fees shown in the table are paid to La Poste.
(2) The fees shown in the table are paid to Colony Capital.
(3) Resigned from the Board on October 2, 2013.
(4) Resigned from the Board on March 6, 2013. The fees shown in the table were paid to Eurazeo.

5.4.1.2 Directors' and Managers' Interests

Stock option plans

Under the terms of the May 10, 2010 shareholder authorization, the number of options granted May not be exercisable for shares representing more than 7% of the Company's share capital as determined immediately after the Spin-Off.

The stock option plan terms are decided by the Board of Directors and the options are granted by the Chairman and Chief Executive Officer on the Board's behalf. In accordance with the AFEP/MEDEF Corporate Governance Code, the stock option grants are made at the same time every year, after the annual results have been published (except for the 2010 options, due to the timing of the Edenred Group's creation). Options are not granted systematically to a given category of employees, but are designed to reward personal performance, measured in terms of the results obtained or individual achievements.

No stock options were granted in 2013.

Table 8: Details of stock option plans currently in progress

INFORMATION ABOUT STOCK OPTIONS

	2010 Plan	2011 Plan	2012 Plan	2013 Plan
Grant date	August 6, 2010 (1)	March 11, 2011 (2)	February 27, 2012 (3)	None
Total options, of which options granted to	4,235,500	611,700	382,800	-
Jacques Stern	**240,000**	**72,000**	**66,000**	**-**
Start of exercise period	August 7, 2014	March 12, 2015	February 28, 2016	-
Expiry date	August 6, 2018	March 11, 2019	February 27, 2020	-
Exercise price *(in €)*	13.69	18.81	19.03	-
Options exercised as of December 31, 2013	0	0	0	-
Cumulative number of options canceled or forfeited	383,375	10,350	12,000	-
Options outstanding at the year-end	3,852,125	601,350	370,800	-
TOTAL	**4,235,500**	**611,700**	**382,800**	**-**

(1) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of June 29, 2010.
(2) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2011.
(3) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 22, 2012.

Table 4: Stock options granted during the year to the Executive Director by Edenred SA or any other Group company

Executive Director	Plan no. and date	Type of options	Value based on the method used in the consolidated accounts *(in €)*	Number of options granted during the year	Exercise price *(in €)*	Exercise period
Jacques Stern						None

(1) Stock options are measured at their theoretical value at the grant date determined using the Black & Scholes option pricing model, in accordance with AFEP/MEDEF guidelines set out in the Corporate Governance Code for Listed Companies, rather than at the value of the compensation received. Stock options are forfeited if the grantee leaves the Group before the start of the exercise period.

Table 5: Stock options exercised during the year by the Executive Director

Executive Director	Plan no. and date	Number of options exercised during the year	Exercise price *(in €)*
Jacques Stern		None	
TOTAL		**NONE**	

Shares representing 40% of the net gain realized on exercise of the options must be held in registered form by the Chairman and Chief Executive Officer for as long as he remains in office.

Depending on the number of Edenred shares held when the first options are exercised, the number of shares concerned by this restriction May be reduced in line with the spirit of the AFEP/MEDEF recommendations of June 2013.

The Executive Director and members of the Executive Committee who receive stock options are banned by the Company from hedging the related equity risk.

Table 9: Stock options granted to and exercised by the top ten grantees other than the Executive Director

	Total options granted/exercised	Exercise price *(in €)*
Options granted in 2013 to the ten employees other than the Executive Director who received the largest number of options (aggregate information)	None	
Options exercised in 2013 by the ten employees other than the Executive Director who exercised the largest number of options (aggregate information)	None	
TOTAL	**NONE**	

Performance share plans

According to the terms of the authorization given at the Annual Meeting of May 24, 2013, the number of performance share rights awarded during the 26-month authorization period May not exceed 1.5% of the capital and the aggregate par value of the shares concerned by the rights will be deducted from the blanket ceiling provided for in the second paragraph of the 13th resolution of the Annual Meeting of May 15, 2012 or, if applicable, the blanket ceiling set in any new resolution to the same effect adopted while this authorization is in force. In addition, the number of performance share rights awarded in a single year May not exceed 1% of the capital.

No more than 8% of the performance share rights May be granted to the Executive Director and no more than 25% May be granted to the members of the Executive Committee, comprising 12 persons other than the Executive Director as of December 31, 2013.

The terms of the performance share plan are decided by the Board of Directors and the performance share rights are awarded by the Chairman and Chief Executive Officer on the Board's behalf. In accordance with the AFEP/MEDEF Corporate Governance Code, the performance share awards are made at the same time every year, after the annual results have been published (except for the 2010 awards, due to the timing of the Edenred Group's creation). Performance share rights are not awarded systematically to a given category of employees, but are designed to reward personal performance, measured in terms of the results obtained or individual achievements.

Under the 2013 performance share plan set up pursuant to the authorization given by the Shareholders Meeting of May 10, 2010, rights to 845,900 shares were awarded to 421 grantees in some forty countries (the Executive Director, members of the Executive Committee, senior executives and middle managers), representing 0.38% dilution.

The plan period is five years. Performance share rights awarded to French tax residents are subject to a three-year vesting period followed by a two-year lock-up and rights awarded to residents of other countries are subject to a five-year vesting period without any lock-up.

A total of 50,000 performance share rights were awarded to the Chairman and Chief Executive Officer by decision of the Board of Directors at its meeting on February 12, 2013 based on the recommendation of the Compensation and Appointments Committee. The shares are subject to the same performance conditions as for the other grantees.

At least three performance criteria will apply, with performance against these criteria measured over a period of three consecutive fiscal years, and the performance shares will vest as follows:

- 40% if the target for like-for-like issue volume growth is met;
- 40% if the target for like-for-like growth in funds from operations (FFO) is met;
- 20% if the stock market performance target is met, corresponding to Edenred's total shareholder return (TSR) compared with the average TSR for companies included in the SBF 120 index.

The two operating performance targets above are specific to the Group's business and correspond to the issue volume and FFO growth objectives announced to the market when the 2010-2016 strategy was presented. See section 1.3.4. The purpose of the stock market performance criterion is to align management and shareholder interests, and raise managers' awareness of the specific challenges faced by a listed company.

The Board of Directors set the performance ranges (lower and upper limits) for each criterion based on the recommendation of the Compensation and Appointments Committee. These performance ranges are as follows:

Organic issue volume growth over the period 2013-2015	
Organic issue volume growth of less than 8%	0%
Organic issue volume growth of 8-9%	50%
Organic issue volume growth of 9-10%	75%
Organic issue volume growth of 10-12%	100%
Organic issue volume growth of 12% or more	125%

Organic growth in FFO over the period 2013-2015	
Organic growth in FFO of less than 8%	0%
Organic growth in FFO of 8-10%	50%
Organic growth in FFO of 10-12%	75%
Organic growth in FFO of 12-14%	100%
Organic growth in FFO of 14% or more	125%

Edenred TSR/SBF 120 TSR	
Edenred TSR less than 100% of SBF 120 TSR	0%
Edenred TSR between 100% and 102.5% of SBF 120 TSR	50%
Edenred TSR between 102,5% and 105% of SBF 120 TSR	75%
Edenred TSR between 105% and 107.5% of SBF 120 TSR	100%
Edenred TSR more than 107.5% of SBF 120 TSR	125%

Edenred's TSR measures the total return for shareholders, taking into account share price appreciation and the dividends paid to shareholders.

Share price appreciation will be assessed by comparing the average of the daily closing prices quoted for Edenred shares over the performance assessment period (three years from January 1 of the first year of the plan) to the Edenred closing share price on the last day of the year preceding the plan's start date. The increase calculated on the above basis will then be adjusted to include the dividends paid during the period on a prorated basis, to calculate Edenred's TSR.

The SBF 120 TSR will be calculated based on the TSR of each SBF 120 company and their weighting in the index.

There will be no changes in the performance conditions as described above during the life of the plans set up pursuant to this authorization. The level of achievement of the performance targets will be assessed based on the information provided by Edenred's Finance Department.

The Board of Directors will determine each year's actual performance against the targets at the meeting held to approve the annual financial statements, after consulting the Compensation and Appointments Committee.

Table 10: Details of performance share plans currently in progress

INFORMATION ABOUT PERFORMANCE SHARES

	2010 Plan	2011 Plan	2012 Plan	2013 Plan
Award date	August 06, 2010 (1)	March 11, 2011 (2)	February 27, 2012 (3)	February 18,2013 (4)
Total number of performance share rights awarded, of which rights awarded to:	912,875	805,025	867,575	845,900
Jacques Stern	60,000	42,000	38,500	50,000
Vesting date (4)	August 07, 2013 or August 07, 2015	March 12, 2014 or March 12, 2016	February 28, 2015 or February 28, 2017	February 19 ,2016 or February 19, 2018
End of lock-up period (5)	August 06, 2018	March 11, 2019	February 27, 2020	February 19, 2018
Performance conditions	2010 = consolidated EBIT and like-for-like growth in issue volume 2011 and 2012 = like-for-like growth in issue volume and funds from operations (FFO)*	Like-for-like growth in issue volume and funds from operations (FFO)*	Like-for-like growth in issue volume and funds from operations (FFO)*	Like-for-like growth in issue volume and funds from operations (FFO)* and growth in Edenred TSR vs. SBF 120 TSR
Number of vested shares at December 31, 2013	259,066	0	0	0
Cumulative number of canceled and forfeited performance share rights	55,535	52,494	59,935	23,200
Performance share rights outstanding at December 31, 2013	857,340	752,531	807,640	822,700
TOTAL	**912,875**	**805,025**	**867,575**	**845,900**

* *Before non-recurring items.*

(1) *Awarded by the Chairman and Chief Executive Officer pursuant to the Board authorization of August 6, 2010.*

(3) *Awarded by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2011.*

(2) *Awarded by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 22, 2012.*

(3) *Awarded by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 18, 2013.*

(4) *Three-year vesting period for French tax residents and five-year vesting period for non-residents.*

(5) *Only concerns French tax residents.*

Table 6: Performance share rights awarded to the Executive Director

Performance share rights awarded during the year to the Executive Director by the Company or any other Group entity	Plan no. and date	Number of performance share rights awarded during the year	Value based on the method used in the consolidated financial statements [(1)]	Vesting date	End of lock-up period	Performance conditions
Jacques Stern	2013 Date: February 18, 2013	50,000	985,997	February 19, 2016	February 19, 2018	Like-for-like growth in issue volume and funds from operations (FFO)* and growth in Edenred TSR vs. SBF 120 TSR
TOTAL						

* *Before non-recurring items.*

(1) *Performance shares are measured at their theoretical value at the grant date determined using the Black & Scholes option pricing model, in accordance with AFEP/MEDEF guidelines set out in the Corporate Governance Code for Listed Companies, rather than at the value of the compensation received. Performance share rights are forfeited if the grantee leaves the Group before the vesting date or if the performance conditions are not met.*

Table 7: Performance share rights exercisable by the Executive Director

Performance share rights exercisable by the Executive Director	Plan no. and date	Number of performance share rights exercisable during the year	Performance conditions
Jacques Stern		None	
TOTAL		**NONE**	

Fifteen percent of the performance shares awarded under the August 6, 2010, March 11, 2011, February 27, 2012 and February 18, 2013 plans must be held in registered form for as long as the Chairman and Chief Executive Officer remains in office. Depending on the number of Edenred shares held when the lock-up period ends, the number of shares concerned by this restriction May be reduced in line with the spirit of the AFEP/MEDEF recommendations of June 2013.

The Executive Director and members of the Executive Committee who receive performance share rights are banned by the Company from hedging the related equity risk.

Summary of transactions in the Company's shares

Schedule of transactions involving shares of the Company carried out during the past fiscal year, within the meaning of Article L. 621-18-2 of France's Monetary and Financial Code.

Directors concerned:	Transaction date	Type of transaction	Number of shares
Jacques Stern	February 14, 2013	Sale of shares	2,380
Loïc Jenouvrier	February 28, 2013	Sale of shares	1,490
Jacques Stern	April 29, 2013	Share purchase	500

5.4.2 STATUTORY AND DISCRETIONARY PROFIT-SHARING PLANS

Information about statutory and discretionary profit-sharing plans is provided in Chapter 4 Corporate Social Responsibility, page 64, section 4.1.2.2 Employee motivation e) Compensation and benefits.

5.5 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS TO THE ANNUAL SHAREHOLDERS MEETING ON THE PREPARATION AND ORGANIZATION OF BOARD OF DIRECTORS' MEETINGS AND INTERNAL CONTROL PROCEDURES

This report to shareholders for the year ended December 31, 2013 on the preparation and organization of Board of Directors' meetings and on internal control procedures has been drawn up in compliance with article 225–37 of France's Commercial Code.

It was reviewed by the Audit and Risks Committee on February 7, 2014 and approved by the Board of Directors on February 11, 2014. It is based on the document entitled "The Internal Control System Reference Framework" issued by the Working Group set up by French securities regulator Autorité des marchés financiers. The following description of the Company's internal control procedures is organized in line with the template provided in the Reference Framework.

Edenred complies with the Corporate Governance Code for Listed Companies published by Association française des entreprises privées (AFEP) and Mouvement des entreprises de France (MEDEF) in June 2013, except for the recommendation that the Chairman and Chief Executive Officer should not have an employment contract. The reasons for this exception are explained in the section "Executive Director's Compensation". Copies of the Corporate Governance Code are available on request from AFEP, MEDEF and the Company's headquarters.

5.5.1 ORGANIZATION AND PROCEDURES OF THE BOARD OF DIRECTORS

Organization

The framework for the preparation and organization of Board meetings results from French company law and the related regulations, from the Company's bylaws and from the Board of Directors' bylaws which also describe the procedures of the Committees of the Board (see the section "Board of Directors' bylaws").

For details of the membership of the Board of Directors and the criteria used to assess directors' independence, see the sections "Members of the Administrative and Management Bodies" and "Practices of the Administrative and Management Bodies".

Of the ten members of the Board of Directors, eight are men and two are women, representing 20% of the Board members in accordance with the French Act of January 27, 2011. The Board's membership therefore complies with the current rules and the gender parity recommendations of the AFEP/MEDEF Corporate Governance Code.

Three nationalities are represented on the Board of Directors (French, Brazilian and Italian), enhancing Edenred's international vision and reflecting its geographic reach.

Each Board member is required to comply with the Director's Charter, which is also presented in this Registration Document.

Procedures

The Board of Directors met five times in 2013. Calls to meeting were sent by e-mail and by mail, with the agenda, generally eight days before the meeting date. The directors received all necessary information to enable them to fulfil their duties. Background information about agenda items was sent to them sufficiently well in advance (generally eight days ahead of the meeting) to allow them to make an informed contribution to the Board's discussions. In the period between two meetings, directors were kept regularly informed of significant events and transactions involving the Group and were sent copies of all press releases issued by the Company.

The Board meetings lasted 4 hours and 15 minutes on average and the participation rate averaged 94%.

Work of the Board

During the various meetings held in 2013, the Board approved the interim and annual financial statements, as well as the Group's financial communication processes, reviewed the 2014 budget, prepared the Annual Shareholders Meeting and approved the resolutions to be tabled at the meeting. The Board also reviewed the notifications received under disclosure threshold rules and monitored changes in the Company's ownership structure; set the compensation of the Chairman and Chief Executive Officer; awarded performance share rights; allocated directors' fees; proposed the re-election of four directors and appointed a new director subject to ratification by the next Shareholders Meeting. It established a succession plan for the Executive Director and members of the

Executive Committee, reviewed the independence criteria applied to directors and the specific financial and other expertise of the members of the Audit and Risks Committee, as well as the ratio of men and women on the Board of Directors, and renewed the authorizations given to the Chairman and Chief Executive Officer to carry out bond issues and to issue guarantees in the Company's name, as well as to implement the share buyback program subject to shareholder approval. The Board reviewed related party agreements that remained in effect during the year and authorized the signature of an agreement with the Chairman and Chief Executive Officer concerning a Company-financed unemployment insurance plan. During the year, the Board also canceled a certain number of Edenred shares and issued a certain number of new shares, in line with the authorizations given by the Annual Shareholders Meeting.

Part of each of the five meetings was devoted to discussing the Group's business, strategy, results, cash position, capital expenditure and acquisition projects. For example, the directors discussed the regulatory environment for Edenred's solutions, the expense management market, and the creation of a joint venture between Edenred and Banco Espírito Santo in Portugal. In addition, one meeting was devoted to reviewing the Group's medium and long-term strategic plan.

The directors were also invited to take part in a meeting to discuss the Group's information systems architecture and its technological and digital strategy.

Assessment

Pursuant to Article 10 of the AFEP/MEDEF Corporate Governance Code and Article 2 of the Board of Directors' bylaws, the Board is required to assess its ability to meet the needs of shareholders that have entrusted it with the Company's management. This self-assessment entails the regular review of the Board's membership, organization, practices and procedures, and includes a review of the practices and procedures of the Committees of the Board.

In 2013, the Board carried out a formal assessment of its practices and procedures, with the assistance of an outside consultant, and devoted part of one of its meetings to discussing the assessment results, with a view to identifying opportunities to improve its efficiency. The formal assessment was based on one-on-one interviews with directors conducted by the outside consultant using a questionnaire prepared specifically for Edenred.

The interviews enabled the directors to share their observations. All of them concluded that the practices and procedures of the Board and its Committees were entirely satisfactory. In particular, the directors praised the Board's pro-active approach and its effectiveness, as well as the balanced governance between the Chairman and Chief Executive Officer and the Board. They expressed appreciation of the quality of information provided by management and of the discussions among Board members as well as between the Board and senior management.

During the assessment process, the directors addressed certain key issues concerning the Board's governance and culture, relations among Board members and their commitment to working as a team, the quality of Board discussions, the quality of information given to the directors, the Board's terms of reference and working methods, relations between the Board and Executive Management, shareholders and other stakeholders, and action to prepare the future. The directors expressed interest in taking the discussion of strategic issues beyond a review of existing businesses, by broaching the subject of the Group's medium- to long-term future, and suggested looking at succession plans in more detail. They also called for improved reporting on the activities of the Commitments Committee. Following the assessment, it was decided that the Chairman and Chief Executive Officer would (i) give directors a list of suggested topics to be examined the following year and ask them for their own suggestions; (ii) organize a meeting devoted to reviewing the Group's strategic plan every 18 months; and (iii) arrange for the Board to visit one of Edenred's operating subsidiaries to help directors to come into closer contact with local teams and obtain improved insight into the subsidiary's economic, operating and political environment.

Vice-Chairman

As well as participating actively in the assessment of the Board's practices and procedures, Philippe Citerne, Vice-Chairman of the Board and senior independent director, organized a meeting of the independent directors during 2013 to discuss various issues such as how to protect the interests of shareholders not represented on the Board, the method whereby shareholders would be represented by the independent directors, the Group's results and dividend policy, and the business's growth outlook. Mr. Citerne also approved the annual summary of strategic issues to be included on the agenda of Board meetings, as submitted to him by the Chairman and Chief Executive Officer.

He was not called upon to deal with any conflicts of interest within the Board of Directors in 2013.

Committees of the Board

Board discussions and decisions in some areas are prepared by specialized Board Committees made up of directors appointed by the Board for the duration of their term as director. These Committees examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They report regularly to the Board on their work, and inform the Board of their observations, opinions, proposals or recommendations.

To assist them in their work, the Board Committees May commission technical reports from Company management or external consultants. In both cases, the Chairman and Chief Executive Officer is notified in advance.

The Board Committees may also arrange meetings with members of Company management responsible for the areas under review, with or without the Executive Director being present. In this case also, the Chairman and Chief Executive Officer is informed in advance.

There are three standing Board Committees:

- the Audit and Risks Committee;
- the Commitments Committee;

- the Compensation and Appointments Committee.

The Board can also set up one or several special committees. No special committees were created in 2013.

Each Committee is chaired by one of its members, designated by the Board.

The Committee Chairman appoints a person (who need not be a Committee member) to act as secretary.

The Chairman of each Committee may ask for the Committee to be consulted on any matters falling within its terms of reference that have not been referred to it.

Each Committee periodically reviews its rules of procedure and proposes to the Board any changes that are considered necessary.

The Board Committees do not have any decision-making authority.

The **Audit and Risks Committee** met four times in 2013, to prepare the Board's review and approval of the annual financial statements of the Company, the interim and annual consolidated financial statements and the annual budget, in line with its terms of reference as set out in the Board of Directors' bylaws. The Committee members also discussed the financial communication process, the fast-close project, legal and tax risks, policies governing the investment of available cash and the work of the auditors. Audit and Risks Committee meetings are attended not only by its members but also by the Chairman and Chief Executive Officer, the Chief Financial Officer and the auditors. The Board Secretary, the Vice-President, Group Management Control, the Vice-President, Consolidation and Financial Control, the head of Internal Audit, the Vice-President, Tax, the Head of Information Systems Security and the Group Treasurer May also be invited to attend.

The Audit and Risks Committee has four members with the expert knowledge of financial and accounting matters needed to fulfil the Committee's duties. It is chaired by the Vice-Chairman, who is also the senior independent director. Three of the Committee's four members (75%) are qualified by the Board of Directors as independent directors.

The Committee's meetings lasted 1 hours and 30 minutes on average and the participation rate averaged 83%.

The **Commitments Committee**, which met once in 2013, is responsible for preparing Board meetings and making recommendations to the Board, mainly on the following matters:

- any transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base;
- any mergers, demergers or significant asset transfers;
- changes to the Company's corporate purpose;
- financial commitments in excess of €50 million per transaction;
- bilateral or syndicated borrowings representing €250 million or more;
- transactions involving the Company's shares carried out in application of Article L.225-209 of France's Commercial Code which exceed one million shares per transaction and a cumulative two million shares per year.

The Commitments Committee has four members, three of whom are qualified by the Board of Directors as independent directors.

At its meeting in 2013, the Committee examined acquisitions completed recently or in progress representing an investment of less than €50 million, as well as the Group's acquisition strategy in the expense management sector. The meeting lasted one hour and ten minutes. The participation rate was 50%.

The **Compensation and Appointments Committee**, which met three times in 2013, drew up recommendations to the Board on the Executive Director's compensation, in line with its terms of reference as set out in the Board of Directors' bylaws.

The compensation and benefits paid to the Executive Director are decided by the Board of Directors, based on the Compensation and Appointments Committee's recommendation. See the section "Executive Director's compensation, directors' and managers' interests" for details, including a description of the policies for determining management compensation and the directors' fees payable to the members of the Board, as well as a summary of directors' transactions in Edenred shares, and of directors' and employees' interests in the Company's capital (presentations of stock option plans, performance share plans, statutory and discretionary profit-sharing plans).

In 2013, the Compensation and Appointments Committee made recommendations concerning the Chairman and Chief Executive Officer's 2012 bonus, his salary for 2013, the performance criteria to be applied to determine his 2013 bonus, performance share awards and stock option grants, the allocation of 2012 directors' fees, the appointment of a new director, changes in the membership of the Board Committees, and the re-election of four directors. The Committee established succession plans for the Chairman and Chief Executive Officer and the members of the Executive Committee, as well as shareholder "Say on Pay" procedures concerning the compensation due or awarded to the Chairman and Chief Executive Officer in respect of the previous year. The Committee also reviewed the compensation paid to the Executive Committee members, the criteria applied to determine whether directors qualify as independent, the Audit and Risks Committee members' specific skills in the area of finance, and the ratio of men and women on the Board of Directors.

The Compensation and Appointments Committee has four members, three of whom are qualified by the Board of Directors as independent directors. It is chaired by an independent director.

Meetings of the Compensation and Appointments Committee in 2013 lasted an average of two hours and the average attendance rate was 85%.

Calls to meetings of the Committees of the Board are issued by the Committee Chairman and include the meeting agenda.

5.5.2 CONDITIONS AND PROCEDURES FOR PARTICIPATING IN SHAREHOLDERS MEETINGS

The conditions and procedures for participating in Shareholders Meetings are set out in Article 24 of the Company's bylaws.

A summary is provided in the section "Capital and Ownership Structure", page 237.

5.5.3 RESTRICTIONS ON THE POWERS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

As allowed by French law and the Company's bylaws, the Board of Directors decided not to separate the positions of Chairman of the Board of Directors and Chief Executive Officer.

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations.

In addition, the Board of Directors:

a) approves the annual budget and financing plan and the multi-year plan presented by the Chairman and Chief Executive Officer;

b) reviews and approves the Group's overall strategy, at least once a year, in accordance with Article 2 of the Board's bylaws;

c) authorizes in advance the following decisions:

- any and all immediate or deferred financial commitments representing more than €50 million per transaction. "Financial commitments" are defined as:
  - acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value,
  - any and all direct investments, for example for the creation of a business or expenditure on technological developments,
  - lease commitments, measured on the basis of the market value of the leased asset,
  - any and all loans or advances to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities,
  - any and all bilateral or syndicated bank loans for amounts over €250 million per year, the Chairman and Chief Executive Officer being authorized to take out bank loans of up to €250 million per year without obtaining prior approval from the Board of Directors, provided that the commitment is consistent with and complies with the annual Group financing policy as previously approved by the Board of Directors. In this case, the Chairman and Chief Executive Officer informs the Board of Directors of the transactions after they have been completed. The Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed,
- any transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base (mainly entry in a new business or withdrawal from an existing business), whatever the amount of the commitment,
- any and all transactions involving the Company's shares carried out in application of Article L.225-209 of France's Commercial Code which exceed one million shares per transaction and a cumulative two million shares per year;

d) sets, each year, the total amount up to which the Chairman is authorized to issue guarantees, bonds and endorsements, which May not exceed €250 million per year, with the Chairman and Chief Executive Officer being required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization;

e) sets, each year, the total amount of bond issues that can be undertaken by the Chairman and Chief Executive Officer pursuant to Article L.228-40 of France's Commercial Code, which May not exceed €250 million per year;

f) discusses and decides on any proposed changes to the Group's management structure and reviews information about the main organizational changes.

5.5.4 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

5.5.4.1 Internal control definition and objectives

The Edenred Group observes the highest standards in terms of internal control and financial information. Internal control is a process defined and implemented by the Board of Directors, management and employees to provide reasonable assurance regarding the achievement of objectives in the following areas:

- application of the instructions and directional guidelines fixed by Executive Management;
- compliance with the applicable laws and regulations, and adherence to the Group's corporate values;
- prevention and control of operational risks, financial risks and the risks of error or fraud;
- optimization of internal processes to guarantee operational efficiency and efficient use of resources;
- production of high quality, fairly stated accounting, financial and management information.

To fulfil each of these objectives, the Group has defined and implemented the main principles of internal control, based to a large extent on the Internal Control Framework defined in the report of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), as last updated in 2013, and on the AMF's Internal Control Reference Framework and related recommendations, as last updated in 2010.

These principles are underpinned by:

- management policies that foster the development of an internal control culture and promote integrity;
- the identification and analysis of risk factors that May prevent the Group from meeting its objectives;
- an organization and procedures designed to ensure that the strategies defined by Executive Management are implemented;
- periodic reviews of control activities to seek out potential areas of improvement;
- procedures for the communication of information about internal control.

By helping to anticipate and control the risks involved in not meeting the objectives the Company has set for itself, the internal control system plays a key role in conducting and monitoring its various activities. However, internal control cannot provide an absolute guarantee that the Company's objectives will be met.

One of the objectives of the internal control system is therefore to anticipate and control the risks arising in the course of the Company's business, as well as the risk of errors or fraud, particularly in the areas of accounting and finance. However, as stated in the AMF's Internal Control Reference Framework, internal control procedures cannot provide an absolute guarantee that the Company's objectives will be met, no matter how well the system is designed or how well the procedures are applied.

The following description of the Company's internal control systems was prepared based on the AMF's Internal Control Reference Framework and its application guide.

5.5.4.2 Summary description of internal control procedures

The internal control system described below covers the parent company and all of its consolidated subsidiaries, which are responsible for implementing the instructions and directional guidelines fixed by Executive Management, including internal control objectives. Each subsidiary's internal control system includes both the procedures defined at Group level and business-specific procedures that take account of the subsidiary's organization, culture, risk factors and specific operating environment. As the parent company, Edenred SA is responsible for ensuring that adequate internal controls exist and are applied, in particular to the accounting, financial and operating procedures of the subsidiaries included in the scope of consolidation.

5.5.4.3 Main participants in the system of internal control

Internal control procedures are part of the policies defined by the Board of Directors and are implemented under the direct responsibility of the heads of the operating divisions and corporate functions. Internal control is everyone's responsibility, from corporate officers to front-line employees.

The main structures responsible for overseeing the internal control system are as follows:

Executive Management

In accordance with the law and the Company's bylaws, the Chairman and Chief Executive Officer represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances. The situations where exercise of the Chairman and Chief Executive Officer's powers is subject to the prior approval of the Board of Directors are described in section 3 of this report.

For the purpose of carrying out his duties, the Chairman and Chief Executive Officer has set up an Executive Committee comprising representatives from all of the operating divisions and corporate functions. The Executive Committee members are:

Representing the regions and countries:

- Chief Operating Officer, Hispanic Latin America and North America,
- Chief Operating Officer, France,
- Chief Operating Officer, Central Europe and Scandinavia,
- Chief Operating Officer, Southern Europe,

- Chief Operating Officer, Brazil,
- Chief Operating Officer, Asia-Pacific,
- Chief Operating Officer, Northern Europe, Middle East and Africa;

Representing the corporate functions:

- Executive Vice-President, Strategy and Development,
- Executive Vice-President, Alternative Investments,
- Chief Financial Officer in charge of Legal Affairs,
- Executive Vice-President, Information Systems and Technology,
- Executive Vice-President, Human Resources and Corporate Social Responsibility.

Group Finance

The Chief Financial Officer in charge of Legal Affairs is responsible for implementing the Group's financial policies, in particular by communicating to the subsidiaries the accounting principles and standards used to prepare the consolidated financial statements.

Group Finance is organized around the following departments:

- Legal Affairs, including the Tax, Risk Management and Insurance units;
- Group Treasury, Financing and Credit Management;
- Group Management Control, responsible for overseeing the following units:
  - Consolidation and Financial Control,
  - Group Accounting,
  - Group Financial Information Systems;
- Corporate Finance, Mergers and Acquisitions,
- Group Accounting Principles and Standards,
- Financial Communications,
- the Group Internal Audit Department, which includes the Operational Internal Audit teams and Internal Information Systems Audit teams.

The Financial Controllers for the different operating regions report directly to the Chief Financial Officer in charge of Legal Affairs, working closely and regularly with the Regional Executive Vice-Presidents.

Group Finance maintains regular contact with the external auditors, who audit the financial statements of the Company and the Group in accordance with the applicable laws and regulations.

Group Internal Audit and Group Information Systems Audit

Reporting to the Chief Financial Officer in charge of Legal Affairs, the Group Internal Audit Department is one of the cornerstones of the internal control system, responsible for helping to develop internal control tools and standards, and for performing audits based on the annual audit program approved by the Audit and Risks Committee of the Board of Directors.

Internal Audit is defined in professional standards as "an independent, objective assurance and consulting activity designed to add value and improve an organization's operations and information systems. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes." The internal auditors help the Group to meet its objectives by assessing its risk management, control and governance processes according to a systematic and methodical approach, and making proposals to improve their efficiency.

The Internal Audit Department's procedures are fully aligned with this definition.

The role of the Group Internal Audit team is to assess whether all of the Group's facilities and business processes comply with internal rules and procedures, detect any cases of non-compliance with the applicable laws and obtain assurance that the Group's assets are adequately protected. They also assess the efficiency of the Group's business processes and ensure that appropriate measures are in place to prevent and control operational risks.

Group Internal Audit coordinates its audit plans with the external auditors' work plans. In 2013, the Group Internal Audit Department comprised the department manager and eight auditors (six operations auditors and two information systems auditors).

Legal Affairs, Risk Management, Tax and Insurance

The Group Legal Department is responsible for ensuring that the Group complies with all applicable laws and regulations in all of its host countries, protecting the Group's assets and businesses as a whole and defending the interests of the Group, as well as the professional interests of its Executive Director and employees.

It contributes to internal control in four main areas:

- by drafting and updating standard contracts and contract templates for the most common transactions (purchases of IT and other goods and services, general conditions of sale, product claims, etc.), along with procedures for their use;
- by making proposals to the Executive Committee regarding the rules to be applied for delegations of authority and for the distribution and protection of confidential information, introducing these rules and monitoring their correct application worldwide;
- by selecting external legal advisors, monitoring their services and performance, and tracking their billings in liaison with the Management Control Department;
- by transposing international standards and guidelines into Group operational requirements.

The Group Legal Department's Insurance unit is tasked with purchasing adequate insurance cover for the Group's risk exposures. The Group determines its insurance policy on a global, consolidated basis as well as on a local basis. Global insurance programs have been set up with pools of leading insurers and specific additional cover is purchased locally when required.

The Group Risk Manager in charge of the Insurance unit is responsible for mapping the Group's major risks with input from the Internal Audit and Information Systems Audit teams.

The Group Tax Department's responsibilities in the area of internal control are to ensure that the Group fulfils its obligations and complies with the applicable tax rules. They include:

- identifying the Group's risk exposures and implementing policies and procedures to address and attenuate tax risks;
- monitoring material tax disputes and tax audits of Group entities;
- aligning the tax practices of the various Group entities and checking with the Group's tax advisors that major transactions comply with the applicable tax laws;
- selecting tax advisors for all Edenred geographies, monitoring their services and related billings.

Group Treasury, Financing and Credit Management

This department is responsible for the tracking, security, transparency and efficiency of the Group's cash management and financing transactions. Its activities include:

- managing financial resources to preserve the Group's liquidity position, in agreement with the Chief Financial Officer;
- managing cash positions;
- quantifying and hedging financial risks (particularly currency and interest rate risks);
- managing banking relationships;
- supporting subsidiaries in their management choices and assisting Executive Management in arranging financing for new projects.

Consolidation and Group Financial Control

The Consolidation and Group Financial Control teams were combined in 2012 to form a single department.

Role of the Financial Control unit: Group Financial Control is responsible for producing monthly, quarterly and annual consolidated income statements. The items in the income statements of the subsidiaries and the corporate functions are tracked and analyzed by means of physical and financial indicators, which are compared at monthly intervals with the budget and prior year actual results. The unit also produces the data for the Group's published quarterly revenue reports.

This work serves as the basis for the preparation and transmission to the Executive Committee of management reports, supported by variance analyses and analyses of material trends identified from the subsidiaries' monthly management reporting packages.

The Executive Committee attaches considerable importance to the Group's planning process, leading to the preparation of the annual budget that rolls down the Group's strategy into operational action plans. It is the responsibility of Group Financial Control to issue appropriate instructions and guidelines for the teams involved in preparing the budgets.

It coordinates the planning and budget control system, which is backed by an instruction manual describing the management rules to be applied by all entities, as well as the budgeting, forecasting and management reporting procedures.

Role of the Consolidation unit: The consolidation process consists of consolidating Group companies at the level of the ultimate parent company, Edenred S.A., which owns all of these companies either directly or indirectly. Each consolidated subsidiary produces a consolidation package in accordance with Group accounting policies and IFRSs, based on accounting data generated by their local information systems.

The Consolidation unit issues instructions prior to each period-end, setting out the reporting deadlines and describing any changes in standards, rules or principles that will apply for the first time. It also provides regular training on consolidation tools and standards. On receipt of the packages, the Consolidation unit performs the customary checks and controls before launching the consolidation process. The package reviews are an opportunity to check the accounting treatment applied to recognize and measure significant, unusual and non-recurring transactions.

To help improve the quality of financial information reported by consolidated subsidiaries, the Chief Executive Officer and the Finance Director of each consolidated or non-consolidated subsidiary is required to issue to the Group a representation letter at each half-yearly and annual close, certifying that (i) the financial statements comply with Group accounting policies and principles, (ii) internal controls over the preparation and processing of the financial statements are effective and (iii) there have been no irregularities involving employees or management. The subsidiaries' management also provide additional human resources information for the calculation of pension obligations, as well as comments on material events for the period and a description of any items that – individually or cumulatively – have a material impact on the understanding and measurement of the subsidiary's financial statements.

The Consolidation team also produces the financial statements and notes published in the Group's Annual Reports.

Group Financial Information Systems

The Group's accounting and financial information system is designed to ensure the security, reliability, timely availability and traceability of information.

It is based on a reporting and consolidation system that covers all of the Group's operations, thereby ensuring consistency of accounting data at company and Group levels. A specifically designed user manual has been prepared and issued to the employees concerned, in order to guarantee that the systems are correctly used and that the information obtained is appropriate and relevant.

The Group has also set up processes to ensure the security of the accounting and financial information system, as well as the integrity of the data involved. These include regular back-ups and programmed controls that trigger warnings in the event of incorrect data entries.

The accounting and financial information system is regularly updated to keep pace with changes in the Group's specific needs.

The network and all centralized applications are tested periodically to ensure that they are adequately protected against intrusion risk, and regular security audits are also performed.

5.5.4.4 Internal communication of information and procedures related to accounting and financial information

The Group ensures that relevant information is communicated in a timely manner to all persons concerned by the system of internal control so that they can perform their duties in accordance with the Group's standards. To this end, a set of procedures describing best practices and reporting processes has been circulated internally.

Internal controls over accounting and financial information are designed to provide assurance that (i) the financial information produced by consolidated subsidiaries is reliable, (ii) the financial information published by the Group is fairly stated and complies with the true and fair view principle and (iii) adequate safeguards are in place to protect against the risk of errors, inaccuracies or omissions in the Group's financial statements. Edenred refers to the AMF's Internal Control Reference Framework and the guide to its application to internal controls over accounting and financial information.

Corporate values and principles

The Group's internal control system forms part of the corporate values expressed by the Board of Directors and Executive Management and communicated to all employees. Rules of conduct and integrity have been drawn up covering the areas of employee behavior and relations with customers, shareholders, business partners and competitors.

The Internal Audit Charter aims to provide a Group-level cross-functional view of Internal Audit resources and methodologies, as well as the methods used to communicate the results of Internal Audits. It defines the framework for Internal Audit activities within the Group, based on the professional guidelines issued by IFACI and other bodies which require internal auditors to observe the highest ethical standards. The Internal Audit Charter is signed by the Group's Chairman and Chief Executive Officer, the Chief Financial Officer in charge of Legal Affairs, the head of Group Internal Audit, and the members of the Executive Committee whose names and responsibilities are presented in section 5.2.1.5, page 104.

Procedure manuals and accounting principles

A Finance Manual is issued to all Group Finance Departments, describing the closing process for the monthly management accounts and setting out the Group's charts of accounts, consolidation principles, accounting standards and policies. The Manual also includes the Treasury Charter, which describes cash management procedures, the principles to be followed concerning the holding of payment instruments and the approval of expenditures, as well as the role and organization of cash pooling systems.

In addition, a presentation of International Accounting Standards/ International Financial Reporting Standards has been prepared by the Group Management Control Department and made available to all Group employees concerned.

Lastly, consolidation instructions detailing the financial reporting schedule and specific adjustments to be made to the subsidiaries' local financial statements are issued every six months to the various Finance Directors and consolidation teams, and are archived on the Finance Intranet.

The subsidiaries' consolidation packages, including adjustments to comply with Group policies, are prepared by the local accounting teams using as a reference the Group Finance Manual which describes the accounting recognition and measurement rules. The manual presents the basic concepts applied for the preparation of the financial statements, such as the going concern, accounting period and reliability concepts. It is regularly updated to reflect changes in French laws and regulations governing the preparation of consolidated financial statements.

The Finance Manual also describes in detail Group principles for the recognition, measurement and presentation of the main financial statement items, including:

- descriptions and definitions of income statement items, and the consistency tests to be performed such as the tax proof;
- rules governing the recognition and presentation of balance sheet and off-balance sheet items;
- rules governing the measurement of certain items based on estimates;
- accounting and reporting principles for intra-group transactions.

Reporting procedure

Group Financial Control is responsible for overseeing the reporting procedure described in the Finance Manual. This procedure requires local teams to submit monthly reporting packages comprising an analysis of key business indicators and the main components of income, in the format prescribed by the Group. All reporting data submitted by local subsidiaries must be analyzable both by nature and by function.

The reporting procedure is designed to provide a detailed analysis of monthly changes in consolidated financial and operating results, to support resource allocation decisions and measure the efficiency of the various organizations. Reported data are compared to the budget and to prior year actuals, to detect any emerging trends or unexplained variances.

Internal audit reports

A draft report is prepared after each Internal Audit, setting out the auditors' observations, identified risks and related recommendations. This report is sent to the management of the audited entity, which prepares an action plan when required. A summarized version of this draft report May also be sent on request to the members of the Executive Committee.

The final report, which includes the corrective action plan prepared by the audited entity, is then sent to the members of the Group Executive Committee in charge of overseeing operational and financial matters for the entity concerned.

The Audit and Risks Committee receives a half-yearly summary from the Group Internal Audit Department of the Internal Audits carried out during the period, including a status report on the annual audit plan, an assessment of the quality of internal control in the audited entities, the internal auditors' main observations, and action plans decided on by the parties concerned.

5.5.4.5 Identifying and analyzing risks

The Group identifies and analyzes the key risks that, if they occurred, would affect its ability to fulfil its objectives. It takes the appropriate measures to limit the probability of these risks occurring and the consequences if they do.

Identifying risks

The Group is exposed to a number of risks in the normal course of business.

These risks, together with the related control procedures, are described in the "Risk Factors" section of this Registration Document. They include liquidity risks, counterparty risks, currency and interest rate risks, business risks and legal risks (including litigation and arbitration risks). The "Risk Factors" section also includes a description of the Group's insurance policy.

Internal control procedures are implemented under the direct responsibility of the heads of the operating divisions and corporate functions and Group Internal Audit, and form part of an on-going process of identifying, assessing and managing risks.

In line with this overall process the Group has developed internal control self-assessments, based on analyzing the internal control risks inherent in each business and identifying key control issues.

Internal control self-assessments

The Group places considerable emphasis on preparing, issuing and monitoring internal control self-assessment procedures alongside existing internal control standards and processes. The self-assessment procedures are implemented by all Edenred subsidiaries that sell prepaid vouchers and cards.

Data obtained from the internal control self-assessment process are centralized annually at country level, with the assistance of the Group Internal Audit team. The results are analyzed by Group Internal Audit, which prepares an annual executive summary for the Group Executive Committee and the Audit and Risks Committee.

Internal Audit programs for units where the self-assessment system has been deployed include a quantitative measurement, *via* a rating system, of the gap between the self-assessment and the internal auditors' assessment of the level of internal control. By analyzing these gaps, it is possible to evaluate the quality of the self-assessment procedures implemented by the unit manager.

Internal control risk mapping

Internal control risk maps are prepared based on the results of Internal Audits and above-mentioned self-assessments. These maps, which highlight issues that require priority action, are included in the relevant Internal Audit reports and are periodically presented in summary form to the Executive Committee and the Audit and Risks Committee.

A mapping system covering all internal and external risk factors is in the process of being developed by the Risk Management unit, assisted by Group Internal Audit and Group Information Systems Audit. The system will provide data in a standard form concerning each entity's perceived level of risk exposure, to be used to prepare any necessary action plans.

The Risk Management unit of the Legal Department supports the operating divisions in implementing the corrective measures in order to mitigate the major identified risks.

Group risk mapping

The Risk Management unit of the Legal Department is responsible for implementing procedures in association with the Executive Committee that anticipate and appropriately address the Group's risk exposures, with the support of the operating divisions and corporate functions.

The unit's approach consists of (i) developing tools to monitor risk trends and prioritize the Group's main risks, and (ii) devising a risk prevention strategy aimed at reducing the frequency and seriousness of identified risks.

The Insurance unit, which is part of the Risk Management unit, is responsible for financing Group risks, in particular by setting up appropriate insurance cover.

Information systems security

The Information Systems Security Department advises and assists Group management in defining its IT security policy. It is also responsible for ensuring that the policy is properly implemented and applied, by identifying, organizing, coordinating and leading security programs, prevention programs and corrective measures in all of the Group's host countries.

5.5.4.6 Control activities

To improve control of identified risks, the Group has set up control procedures that comply with its standards and cover both operating and financial information processes.

Preparing and controlling the consolidated financial statements

The consolidated financial statements are prepared by the Management Control department of Group Finance based on information reported by the subsidiaries' Chief Executive Officers and Finance Directors. The format of the consolidation packages is determined by the Group.

The subsidiaries are responsible for the information contained in their consolidation packages and are required to make formal representations to Group Finance about the fairness of reporting data and its conformity with Group accounting standards and policies.

The Consolidation unit carries out systematic controls of the consolidation packages submitted by the subsidiaries. A detailed schedule for reviewing the packages is prepared and sent to the employees concerned.

In connection with their audit of the consolidated financial statements, the external auditors review the consolidation packages transmitted by the subsidiaries included in the scope of their audit. Group Internal Audit also reviews from time to time the proper application of Group accounting standards and policies by the subsidiaries, and reports to Group Finance any issues identified during the review.

The consolidated financial statements are examined by the Chief Financial Officer prior to their review by the Audit and Risks Committee in preparation for approval by the Board of Directors.

Group Internal Audit and Group Information Systems Audit assignments

Group Internal Audit carries out its audit assignments based on an audit program validated by the Executive Committee and the Audit and Risks Committee. The main types of assignments, as described in the Internal Audit Charter, are as follows:

- **operations audits,** which are aimed at evaluating the reliability and effectiveness of the operating entities' internal control systems, as well as ensuring that they comply with Group standards. These audits mainly include checking that the internal control self-assessments have been properly and regularly performed by the operating entities. Comparing the results of the Internal Audits with the results of the self-assessments serves to close the internal control loop;
- **organizational and procedural audits,** which are aimed at helping the divisions to optimize and adapt their procedures and operating processes, notably when rolling out cross-functional projects that lead to a change in organization structures;
- **specific audits:** review assignments are referred to as specific audits when they comply with the professional standards applicable to internal auditors and fall within their remit. They can concern issues applicable to one or more operating units or to a particular country, function or process;
- **IT function audits,** which are performed by the two specialized information systems auditors to ensure that best practices are applied in relation to the organization and management of the audited entities' information systems;
- **audits of applications and processes,** which are aimed at ensuring that the manual and automated checks in place provide an appropriate level of internal control in view of the operations covered by the applications concerned;
- **project management audits,** which are designed to validate the implementation of best IT project management practices;
- **acquisition audits,** which are conducted as part of the decision-making process for Group acquisitions when the target's business has highly technological components. Their scope depends on the underlying objectives of the acquisition, but their general aim is to identify any risks relating to the Group's ability to maintain and develop the target's information systems.

Internal Audit plans are determined based on the internal control risk map and self-assessment questionnaires. The objective is for each entity to be audited at least once every three or four years. The duration of each Internal Audit depends on the context, but they generally involve three auditors spending two weeks on-site. A report is drawn up at the end of each audit, describing the organization of each process and the auditors' recommendations. Copies of the report are given to the audited entity, the manager responsible for the entity, the members of the Executive Committee and the Chairman and Chief Executive Officer.

Measures are taken by the management of the audited entities to eliminate the identified internal control weaknesses and make any necessary improvements. Where necessary, the Group Internal Audit team performs a follow-up visit within the next twelve months, to check that the action plans have been duly implemented.

The head of Group Internal Audit prepares half-yearly and yearly summaries of the internal audits carried out by his teams during the year for presentation to the Executive Committee and to the Audit and Risks Committee, which checks that the department has the necessary resources and makes any observations or recommendations that it considers necessary.

Lastly are IT security audits, which help to ensure the security of the Group's technological platforms. They are primarily performed by the Information Systems Security Department, which reports to Group Information Systems, but they May also fall within the scope of assignments carried out by the Information Systems Audit team.

5.5.4.7 Monitoring internal control

Internal control procedures are regularly reviewed to ensure that they are appropriate and aligned with the Group's objectives, particularly in view of the risks specific to each business and the costs of performing the controls.

The main structures responsible for overseeing the internal control system are as follows:

The Audit and Risks Committee

The Board of Directors' bylaws define the Audit and Risks Committee's membership, terms of reference and procedures. The Audit and Risks Committee is responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure. To this end, the Committee:

- reviews the interim and annual consolidated financial statements and the annual financial statements of the Company, prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;
- reviews the scope of consolidation and the reasons for excluding any entities;
- reviews the Group's risk management policy and ensures that adequate systems are in place;
- assesses the Group's risk exposures and material off-balance sheet commitments, and receives a copy of the Chief Financial Officer's detailed report on these matters;
- obtains assurance concerning the effectiveness of the Group's system of internal control, by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the Internal Audit program and of the results of the internal audits carried out since the last presentation;
- reviews the external auditors' audit plan and the results of their audits. It receives a copy of the auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the auditors' appointment is due to expire, oversees the auditor selection procedure and reviews the proposals submitted by the various candidates, expresses an opinion on the proposed fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of auditor;
- validates the categories of additional audit-related work that the auditors and the members of their networks May be asked to perform in accordance with the applicable laws and regulations;
- is informed, at the end of each year, of the fees paid by Group companies to the auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees, as well as on its assessment of the auditors' level of independence.

The Audit and Risks Committee has between three and five members with the expert knowledge of financial and accounting matters needed to fulfil the Committee's duties. At least two-thirds of the members are qualified by the Board of Directors as independent directors. It is chaired by an independent director.

The Audit and Risks Committee meets at least three times a year. One meeting – attended by the heads of Group Internal Audit and Information Systems Audit – is devoted to reviewing the effectiveness of the internal control system.

The Committee may make enquiries of the auditors without the Executive Director and/or the Chief Financial Officer, being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meeting are issued by the Committee Chairman and include the meeting agenda. Meetings to review the interim and annual financial statements are held at least three days prior to the Board meeting called to approve the financial statements. The members of the Audit and Risks Committee receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group.

The Chairman and Chief Executive Officer, the Chief Financial Officer and the auditors have a standing invitation to attend Audit and Risks Committee meetings.

5.6 STATUTORY AUDITORS' REPORT ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Statutory Auditors' report, prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Directors

Year ended December 31, 2013

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Edenred and in accordance with Article L.225-235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you our observations on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris, February 28, 2014

The Statutory Auditors

DELOITTE & ASSOCIÉS	CABINET DIDIER KLING & ASSOCIÉS
David DUPONT-NOEL	Didier KLING

6

FINANCIAL STATEMENTS

6.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2013

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information relating to the specific verification of information given in the Group's management report. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying consolidated financial statements of Edenred;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- Note 1.C "[Basis of preparation of consolidated financial statements –] Use of estimates and judgment" and Note 3.C.3 "Highlights – Devaluation of the Bolivar Fuerte" of the consolidated financial statements set out the method used by your group for translating financial statements of its subsidiaries located in Venezuela for the year ended December 2013. Our work consisted in assessing the appropriateness of the procedures referred to above, to review their correct application and to ensure that the notes to the consolidated financial statements provide an appropriate level of information;
- Edenred performs impairment tests on goodwill and intangible assets with indefinite useful lives at least once a year and whenever there is an indication that an asset may be impaired, in accordance with the method set out in Note 2.E.5 to the consolidated financial statements "Recoverable amount of assets". We have reviewed the method used to perform such impairment tests and the overall consistency of the assumptions used and ensured that the Note 15 "Impairment tests" provides appropriate informations.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, February 28, 2014

The Statutory Auditors

CABINET DIDIER KLING & ASSOCIÉS	DELOITTE & ASSOCIÉS
Didier KLING	David DUPONT-NOEL

6.2 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

6.2.1 CONSOLIDATED INCOME STATEMENT

(in € millions)	Notes	December 2012	December 2013
Issue Volume	4/5	**16,657**	**17,119**
Operating revenue	4/5	976	950
Financial revenue	4/5	91	80
Total revenue	4/5	**1,067**	**1,030**
Operating expenses	6	(666)	(654)
Depreciation, amortization and provisions	7	(34)	(33)
EBIT	4/5	**367**	**343**
Net financial expense	8	(36)	(41)
Operating profit before tax and non-recurring items		**331**	**302**
Other income and expenses	9	(25)	(28)
Profit before tax		**306**	**274**
Income tax expense	10	(103)	(103)
NET PROFIT		**203**	**171**
Net Profit, Group share		**183**	**160**
Net Profit, Non-controlling interests		20	11
Weighted average number of shares outstanding *(in thousands)*	11	225,625	224,773
Earnings per share, Group share *(in euros)*	11	**0.81**	**0.71**
Diluted earnings per share *(in euros)*	11	0.80	0.70

6.2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	December 2012	December 2013
Net profit	**203**	**171**
Items that may be subsequently reclassified to profit or loss		
Currency translation adjustment	(58)	(136)
Change in fair value of financial instruments	13	(16)
Tax on items that may be subsequently reclassified to profit or loss	(4)	5
Items that will not be reclassified to profit or loss		
Actuarial gains and losses on defined benefit plans	(9)	6
Tax on items that will not be reclassified to profit or loss	3	(2)
Other comprehensive income, net of tax	**(55)**	**(143)**
TOTAL COMPREHENSIVE INCOME	**148**	**28**
Comprehensive income, Group share	**128**	**27**
Comprehensive income, Non-controlling interests	20	1

6.2.3 CONSOLIDATED BALANCE SHEET

Consolidated assets

(in € millions)	Notes	December 2012	December 2013
Goodwill	12	**528**	**574**
Intangible assets	13	**113**	**132**
Property, plant and equipment	14	**87**	**58**
Non-current financial assets		10	31
Deferred tax assets	10	37	49
TOTAL NON-CURRENT ASSETS		**775**	**844**
Trade receivables	16	1,092	902
Inventories, other receivables and accruals	16	315	296
Restricted cash	27	709	770
Current financial assets	20	39	13
Other marketable securities	21	998	883
Cash and cash equivalents	21	436	433
TOTAL CURRENT ASSETS		**3,589**	**3,297**
TOTAL ASSETS		**4,364**	**4,141**

Consolidated liabilities

(in € millions)	Notes	December 2012	December 2013
Issued capital	17	452	452
Treasury shares	17	(5)	(47)
Consolidated retained earnings		(1,719)	(1,788)
Cumulative compensation costs - share-based payments		32	43
Cumulative fair value adjustments of financial instruments		6	(5)
Cumulative actuarial gains (losses) on defined benefit plans		(9)	(5)
Currency translation reserve		3	(123)
Net profit, Group share		183	160
Equity attributable to owners of the parent company		**(1,057)**	**(1,313)**
Non-controlling interests	19	24	23
Total Equity		**(1,033)**	**(1,290)**
Non-current debt	22	1,301	1,462
Other non-current financial liabilities	22	16	67
Non-current provisions	25	34	28
Deferred tax liabilities	10	91	85
TOTAL NON-CURRENT LIABILITIES		**1,442**	**1,642**
Current debt	22	2	3
Bank overdrafts	22	43	40
Other current financial liabilities	22	26	33
Current provisions	25	21	50
Vouchers in circulation	27	3,608	3,398
Trade payables	16	62	61
Current tax liabilities	16	5	17
Other payables	16	188	187
TOTAL CURRENT LIABILITIES		**3,955**	**3,789**
TOTAL EQUITY AND LIABILITIES		**4,364**	**4,141**

6.2.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)		Notes	December 2012	December 2013
+	EBITDA		401	376
-	Net financial expense [(1)]	7	(36)	(39)
-	Income tax paid [(2)]		(90)	(91)
-	Elimination of non-cash revenue and expenses included in EBITDA		18	15
-	Elimination of provision movements included in net financial expense and income tax		1	1
=	**Funds from operations before non recurring items (FFO)**		**294**	**262**
+	Decrease (increase) in working capital [(2)]	20	95	183
+	Recurring decrease (increase) in restricted cash	20	(19)	(63)
=	**Net cash from operating activities**		**370**	**382**
+	Non-recurring gains (losses) (including restructuring costs) received/paid		(20)	(9)
=	**Net cash from (used in) operating activities including non-recurring transactions (A)**		**350**	**373**
-	Recurring expenditure		(40)	(47)
-	Development expenditure		(76)	(138)
+	Proceeds from disposals of assets		7	(2)
=	**Net cash from (used in) investing activities (B)**		**(109)**	**(187)**
+	Non-controlling interests in share issues by subsidiaries		-	1
-	Capital reduction		-	(4)
-	Dividends paid		(174)	(194)
+	(Purchases) sales of treasury shares		1	(42)
+	**Increase (Decrease) in debt [(3)]**		**(72)**	**115**
+	Acquisition of non-controlling interests [(4)]		(15)	0
=	**Net cash from (used in) financing activities (C)**		**(260)**	**(124)**
-	**Net foreign exchange difference and fair value adjustment (D)**		**10**	**(62)**
=	**Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)**	18	**(9)**	**0**
+	Cash and cash equivalents at beginning of period		402	393
-	Cash and cash equivalents at end of period		393	393
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS**	18	**(9)**	**0**

(1) Including €39 million of financial interests effectively paid in 2013. No dividends have been received from external companies.

(2) In 2013, the Group revised the tax item used to calculate funds from operations (FFO), which is now based on the amount of tax effectively paid rather than the reported income tax expense for the period. 2012 figures have been restated for comparative purposes. An amount of €12 million has been reclassified from change in working capital requirement to funds from operations in the consolidated statement of cash flows. This restatement did not have any impact on the net change in cash and cash equivalents reported for the periods presented.

(3) Net debt (Note 24), excluding net cash.

(4) In 2012, the amount mainly corresponds to the acquisition of 45% of non-controlling-interests in the Brazilian subsidiary Accentiv Mimetica, now owned at 100%.

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

(in € millions)		Notes	December 2012	December 2013
+	Cash and cash equivalents	21	436	433
-	Bank overdrafts	22	(43)	(40)
=	**CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD**		**393**	**393**

6.2.5 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 consolidation scope	Equity attributable to owners of the parent company	Total non-controlling interests	Total equity
December 2011	**61**	**(3)**	**(3)**	**14**	**(6)**	**(1,075)**	**(19)**	**(1,031)**	**20**	**(1,011)**
Issue of share capital										
• in cash	-	-	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	-	-	(158)	-	**(158)**	(16)	**(174)**
Effect of changes in consolidation scope	-	-	-	-	-	-	(15)	**(15)**	(0)	**(15)**
Compensation costs for the period - share-based payments	-	-	-	18	-	-	-	**18**	-	**18**
(Acquisitions)/ disposals of treasury shares	-	-	-	-	1	-	-	**1**	-	**1**
Other comprehensive income	(58)	(6)	9	-	-	-	-	**(55)**	0	**(55)**
Net profit for the period	-	-	-	-	-	183	-	**183**	20	**203**
TOTAL COMPREHENSIVE INCOME	**(58)**	**(6)**	**9**	**-**	**-**	**183**	**-**	**128**	**20**	**148**
December 2012	**3**	**(9)**	**6**	**32**	**(5)**	**(1,050)**	**(34)**	**(1,057)**	**24**	**(1,033)**
Increase (decrease) in share capital										
• in cash	-	-	-	-	-	(4)	-	**(4)**	1	**(3)**
Dividends paid (3)	-	-	-	-	-	(185)	-	**(185)**	(9)	**(194)**
Effect of changes in consolidation scope (4)	-	-	-	-	-	-	(63)	**(63)**	6	**(57)**
Compensation costs for the period - share-based payments	-	-	-	11	-	-	-	**11**	-	**11**
(Acquisitions)/ disposals of treasury shares (5)	-	-	-	-	(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 2013	**(123)**	**(5)**	**(5)**	**43**	**(47)**	**(1,079)**	**(97)**	**(1,313)**	**23**	**(1,290)**

(1) The €(126) million unfavorable net exchange difference on foreign operations between December 31, 2012 and December 31, 2013 was mainly due to the depreciation of the Brazilian real (€(69) million impact) and the Venezuelan bolivar fuerte (€(49) 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) As decided by shareholders at the Annual Meeting on May 24, 2013, Edenred paid out dividends totaling €185 million (€0.82 per share) during the first-half of 2013.

(4) The effect of changes in the scope of consolidation includes €(59) million arising from the recognition of the call option on shares held by non-controlling interests in Repom.

(5) The movement in treasury shares reflects €(42) million in the buyback of own shares.

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

	GBP	BRL	MXN	ARS	SEK	VEF	USD
December 2011	0.84	2.42	18.05	5.57	8.91	6.86	1.29
December 2012	0.82	2.70	17.18	6.49	8.58	6.99	1.32
December 2013	**0.83**	**3.26**	**18.07**	**8.99**	**8.86**	**15.58**	**1.38**

6.2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 delivers solutions that make employees' lives easier and improve the efficiency of organizations.

By ensuring that allocated funds are used as intended, these solutions enable companies to more effectively manage their:

- employee benefits (*Ticket Restaurant®*, *Ticket Alimentación®*, *Ticket CESU*, *Childcare Vouchers®*…);
- expense management process (*Ticket Car®*, *Ticket Cleanway®*, *Repom®*...);
- incentive and rewards programs (*Ticket Compliments®*, *Ticket Kadéos®*…).

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, 2013, 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 2012, 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, 2013, 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, 2013

Standards, amendments and interpretations came into effect on January 1, 2013 and were adopted for use in the European Union as of that date.

		Applicable for annual periods beginning on or after	Description	Impacts on Edenred's consolidated financial statements in the first year of application
STANDARDS				
IFRS 13	Fair Value Measurement	January 1, 2013	IFRS 13 defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements.	No material impact identified.
IAS 19 revised	Employee Benefits	January 1, 2013	The main changes introduced in the amendment are as follows: • changes in defined benefit obligations and plan assets must now be recognized when they occur, thus eliminating the corridor approach; • the expected return on plan assets must be measured using the same discount rate as that applied to measure the defined benefit liability; • past service costs are now recognized in full in profit or loss for the period of the plan change, including past service costs that were previously recognized over the vesting period; • new disclosures are required for defined benefit plans.	These amendments are not having a material impact as the Group does not currently apply the corridor approach. (see details at the end of this chapter).
AMENDMENTS				
IAS 12	Deferred taxes – Recovery of Underlying Assets	January 1, 2013	This amendment introduces a rebuttable presumption that the carrying amount of an asset will be recovered through sale. This presumption applies to: • investment property measured using the fair value model in IAS 40 "Investment Property"; and • property, plant and equipment or intangible assets measured using the revaluation model in IAS 16 "Property, plant and equipment" or IAS 38 "Intangible assets".	This amendment has no impact on Edenred, as the Group does not have any investment property measured using the fair value model or any property, plant and equipment or intangible assets measured using the revaluation model.
IFRS 7	Disclosure of Offsetting Financial Assets and Financial Liabilities	January 1, 2013	The amendment requires entities to disclose additional information about certain financial instruments.	The standard concerns disclosures and has no impact on reported amounts.

		Applicable for annual periods beginning on or after	Description	Impacts on Edenred's consolidated financial statements in the first year of application
Annual Improvements	2009-2011 cycle	January 1, 2013	The improvements make amendments to five standards: **1. IFRS 1 "First-time Adoption of International Financial Reporting Standards"** **a)** Repeated application of IFRS 1 The amendment applies to entities that have applied IFRSs in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with IFRS. Entities in this situation have two options: • prepare financial statements in accordance with IFRS 1 (repeat application), or • apply IFRSs retrospectively in accordance with IAS 8. **b)** Borrowing costs related to qualifying assets that are capitalized before the date of transition to IFRS. After the date of transition to IFRS, borrowing costs to be included in the cost of qualifying assets are determined in accordance with IAS 23 "Borrowing Costs". Borrowing costs for periods prior to the date of transition to IFRS are not restated. **2. IAS 1 "Presentation of Financial Statements"** The amendment clarifies the IAS 1 requirements for comparative information when an entity prepares financial statements that include more than the minimum comparative information requirements. It also clarifies the requirement for presentation of a third opening balance sheet at the beginning of the prior period as of result of: • a change in accounting policy, or • retrospective restatements, or • reclassifications that have a material impact on the prior period opening balance sheet. **3. IAS 16 "Property, Plant and Equipment"** The amendment clarifies that items such as spare parts, stand-by or servicing equipment are required to be classified as property, plant and equipment (PPE) when they meet the definition of PPE, and are classified as inventory when the definition is not met. **4. IAS 32 "Financial Instruments: Presentation"** The amendments clarifies that income tax relating to distributions to holders of an equity instrument and income tax relating to transaction costs of an equity transaction are required to be accounted for in accordance with IAS 12 "Income Taxes". **5. IAS 34 "Interim Financial Reporting"** The amendment clarifies that total assets and liabilities for a particular reportable segment need to be disclosed if, and only if: • a measure of total assets or of total liabilities (or both) is regularly provided to the chief operating decision maker, • there has been a material change from those measures disclosed in the last annual financial statements for that reportable segment.	No material impact identified.
INTERPRETATION				
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013	The interpretation clarifies the accounting treatment of stripping costs in the production phase of a surface mine.	Edenred is not concerned by this interpretation.

The amended version of IAS 19 – Employee Benefits issued by the IASB on June 16, 2011 was applied by Edenred for the first time in its consolidated financial statements for the year ended December 31, 2013.

Because the SoRIE method was already being used, application of the amended version did not have any material impact on the prior-year financial statements, which have therefore not been adjusted.

The impact on the financial statements for the year ended December 31, 2012 would have been as follows:

(in € millions)	
Assets	
Deferred tax assets	(0)
Liabilities	
Consolidated retained earnings	*1*
Cumulative actuarial gains (losses) on defined benefit plans	*0*
Net profit, Group share	*(0)*
Equity attributable to owners of the parent	1
Total Equity	1
Provision for pensions	(1)

The effect of the IAS 19 revised standard on the calculation of related liability is mainly linked to past service costs that are no longer recognized over the vesting period, but are now recognized in full in profit or loss for the period when the plan changed. For this reason, past service costs have been recognized in consolidated retained earnings to offset the reduction in the post-retirement benefit obligation.

The impact of the change in method for calculating the expected return on plan assets – previously measured based on an expected rate of return and now measured using the same discount rate as that applied to measure the defined benefit liability – was not material.

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, 2013 and are applicable for annual periods beginning after January 1, 2013:

		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 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.	No changes have been identified.
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.	The impact of applying this standard will not be material, as the Group uses the proportionate method to consolidate just one company, which is not material.
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.	The standard concerns disclosures and has no impact on reported amounts.
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.	The revised standard has no impact on the consolidated financial statements.
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.	The revised standard has no impact on the consolidated financial statements.
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.
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 disclosures relating to unconsolidated structured entities under IFRS 12 are not required.	This standard is not expected to have a material impact.
INTERPRETATIONS				
None				

* *Entities are required to adopt all of these standards at the same time.*

B.4 Standards, amendments and interpretations not yet adopted by the European Union

The following standards, amendments and interpretations were in the process of being adopted by the European Union as of December 31, 2013:

		Applicable for annual periods beginning on or after IASB date	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, 2015 *	IFRS 9 is the first in the three phases of the project to replace IAS 39 "Financial Instruments: Recognition and Measurement".	This standard is not expected to have a material impact.
AMENDMENTS				
IFRS 10, IFRS 12 and IFRS 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 amendment.
INTERPRETATIONS				
None				

* *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 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.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.

In particular, after considering the specific economic situation in Venezuela, the Group made the judgment-based decision to translate its Venezuelan subsidiaries' financial statements at VEF 11.3 to the dollar, corresponding to the least favorable exchange rate (see Note 3.C.3), for the year ended December 31, 2013.

The main accounting policies and methods are presented hereafter.

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 controlled and operated jointly by Edenred and a limited number of partners under a contractual agreement are proportionally consolidated.

Companies over which the Group exercises significant influence are accounted for by the equity method. Significant influence is considered as being exercised when the Group owns between 20% and 50% of the voting rights.

In accordance with IAS 27 – Consolidated and Separate Financial Statements, potential voting rights held by the Group that are currently exercisable or convertible (call options) are taken into account to determine the existence of control over the company concerned. However, no account is taken of potential rights that cannot be exercised until the occurrence of a future event.

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.

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 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.

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 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 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 the effect of any plan curtailments and settlements are recognized in "Operating expenses", while the interest cost, corresponding to discounting adjustments to the benefit obligation and to plan assets, is recognized in "Other financial income and expenses".

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 Économique 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 and February 18, 2013.

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 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 SA

Registered name: Edenred SA

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

The Board of Directors of Edenred approved these financial statements for publication on February 11, 2014.

NOTE 3 CHANGES IN CONSOLIDATION SCOPE AND SIGNIFICANT EVENTS

A. 2013 changes in consolidation scope

A.1 Organic growth and acquisitions

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 estimated acquisition date fair value of the net assets acquired has been provisionally 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 estimated acquisition date fair value of the net assets acquired has been provisionally allocated (before deferred tax) to the customer lists and brand 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 estimated acquisition date fair value of the net assets acquired has been provisionally allocated (before deferred tax) to the customer lists for €3 million and goodwill for the residual difference (€12 million).

A.2 Disposal of assets

In **March 2013** Edenred sold its entire stake in **Tintelingen B.V.**, a B2B issuer of Christmas gift cards in the Netherlands offering a wide range of products and services. The business, which does not have any issue volume, contributed €6 million to consolidated revenue in 2012.

B. 2012 changes in the consolidation scope

B.1 Organic growth and acquisitions

In **April 2012**, Edenred announced the acquisition in Brazil of **Comprocard**, the leading food voucher issuer in the oil producing-state of Espirito Santo with an annual issue volume of around €100 million. The transaction was based on an enterprise value (acquisition price + assumed net debt) of €24 million, including estimated contingent consideration payable in two installments of €2 million each in 2013 and 2014. The total difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired has been allocated to goodwill.

In **July 2012**, Edenred announced the acquisition of **Barclay Vouchers**, the only player in the Japanese market for meal voucher. With more than 600 customers, 130,000 beneficiaries and a network of 31,500 affiliated restaurants, Barclay Vouchers was a wholly owned subsidiary of Baring Private Equity Asia (BPEA), generating 2011 issue volume of €91 million. The transaction was based on an enterprise value of €28 million. The total difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired has been allocated to the customer lists for €5 million and goodwill for the residual difference (€24 million).

C. Significant events

C.1 Refinancing of credit facilities

In **April 2013**, Edenred announced the signature of a five-year €700 million syndicated credit facility with a group of leading banks. 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.

C.2 Placement bond issue

In October 2013, Edenred successfully places a €250 million issue of 7-year fixed-rate bonds, with an annual coupon of 2.625%.

This bond issue reflects the high quality of Edenred's signature and enables the Group to strengthen its liquidity, diversify its financial resources and extend the average maturity of its debt.

C.3 Devaluation of the Bolivar Fuerte

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.

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.

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 the 2012 financial statements of the Venezuelan subsidiaries presented in bolivars at the least favorable exchange rate 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.

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

Transactions between segments are not material.

A. 2013 information

A.1 Income statement

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Eliminations	Total 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**
Intersegment 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**

A.2 Balance sheet

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Eliminations	Total 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**

B. 2012 information

B.1 Income statement

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Eliminations	Total December 2012
ISSUE VOLUME	**2,620**	**4,646**	**8,804**	**587**	**-**	**-**	**16,657**
Operating revenue generated by issue volume	117	248	445	28	-	-	**838**
Other operating revenue	21	61	34	22	-	-	**138**
Operating Revenue	**138**	**309**	**479**	**50**	**-**	**-**	**976**
Financial Revenue	**20**	**28**	**39**	**4**	**-**	**-**	**91**
Total external Revenue	**158**	**337**	**518**	**54**	**-**	**-**	**1,067**
Intersegment revenue	-	3	-	-	-	(3)	**-**
TOTAL REVENUE FROM OPERATING SEGMENTS	**158**	**340**	**518**	**54**	**-**	**(3)**	**1,067**
EBIT FROM OPERATING SEGMENTS	**45**	**95**	**243**	**3**	**(19)**	**-**	**367**

B.2 Balance sheet

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Eliminations	Total December 2012
Goodwill	91	182	215	40	-	-	**528**
Intangible assets	23	48	29	6	7	-	**113**
Property, plant and equipment	6	14	63	3	1	-	**87**
Non-current financial assets	-	1	1	3	5	-	**10**
Deferred tax assets	2	23	3	1	8	-	**37**
Non-current assets	**122**	**268**	**311**	**53**	**21**	**-**	**775**
Current assets	**747**	**756**	**1,587**	**164**	**335**	**-**	**3,589**
TOTAL ASSETS	**869**	**1,024**	**1,898**	**217**	**356**	**-**	**4,364**
Equity and non-controlling interests	**179**	**615**	**556**	**51**	**(2,434)**	**-**	**(1,033)**
Non-current liabilities	**13**	**66**	**32**	**5**	**1,326**	**-**	**1,442**
Current liabilities	**677**	**343**	**1,310**	**161**	**1,464**	**-**	**3,955**
TOTAL EQUITY AND LIABILITIES	**869**	**1,024**	**1,898**	**217**	**356**	**-**	**4,364**

C. Change in issue volume

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2013 Issue volume	2,757	4,904	8,824	634	-	**17,119**
2012 Issue volume	2,620	4,646	8,804	587	-	**16,657**
Reported change	+137	+258	+20	+47	-	**+462**
Reported change in %	+5.2%	+5.5%	+0.2%	+8.1%	-	**+2.8%**
LIKE-FOR-LIKE CHANGE	**+137**	**+289**	**+1,482**	**+66**	**-**	**+1,974**
LIKE-FOR-LIKE CHANGE IN %	**+5.2%**	**+6.2%**	**+16.8%**	**+11.4%**	**-**	**+11.8%**

D. Change in revenues

D.1 Total revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2013 Total external revenue	163	326	484	57	-	**1,030**
2012 Total external revenue	158	337	518	54	-	**1,067**
Reported change	+5	(11)	(34)	+3	-	**(37)**
Reported change in %	+2.7%	(3.1)%	(6.5)%	+4.5%	-	**(3.5)%**
LIKE-FOR-LIKE CHANGE	**+5**	**+0**	**+62**	**+5**	**-**	**+72**
LIKE-FOR-LIKE CHANGE IN %	**+2.9%**	**+0.1%**	**+12.0%**	**+8.0%**	**-**	**+6.7%**

D.2 Operating revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2013 Operating revenue	142	305	450	53	-	**950**
2012 Operating revenue	138	309	479	50	-	**976**
Reported change	+4	(4)	(29)	+3	-	**(26)**
Reported change in %	+3.1%	(1.2)%	(6.2)%	+5.7%	-	**(2.7)%**
LIKE-FOR-LIKE CHANGE	**+4**	**+7**	**+59**	**+5**	**-**	**+75**
LIKE-FOR-LIKE CHANGE IN %	**+3.2%**	**+2.2%**	**+12.4%**	**+8.8%**	**-**	**+7.7%**

D.3 Financial revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2013 Financial revenue	21	21	34	4	-	**80**
2012 Financial revenue	20	28	39	4	-	**91**
Reported change	+1	(7)	(5)	(0)	-	**(11)**
Reported change in %	+0.4%	(24.2)%	(9.7)%	(10.9)%	-	**(12.0)%**
LIKE-FOR-LIKE CHANGE	**+1**	**(7)**	**+3**	**(0)**	**-**	**(3)**
LIKE-FOR-LIKE CHANGE IN %	**+0.4%**	**(23.0)%**	**+7.7%**	**(1.4)%**	**-**	**(3.7)%**

E. Change in EBIT

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2013 EBIT	43	97	218	3	(18)	**343**
2012 EBIT	45	95	243	3	(19)	**367**
Reported change	(2)	+2	(25)	+0	+1	**(24)**
Reported change in %	(5.8)%	+2.2%	(10.1)%	+16.8%	(5.1)%	**(6.4)%**
LIKE-FOR-LIKE CHANGE	**(2)**	**+2**	**+37**	**+3**	**+0**	**+40**
LIKE-FOR-LIKE CHANGE IN %	**(5.4)%**	**+2.4%**	**+15.0%**	**+112.0%**	**(2.0)%**	**+10.9%**

NOTE 5 CHANGE IN ISSUE VOLUME, REVENUE AND EBIT

Changes in issue volume, revenue and EBIT between 2012 and 2013 break down as follows:

			Δ December 2013 / December 2012							
			Organic growth		Changes in consolidation scope		Currency effect		Total change	
(in € millions)	Dec. 2012	Dec. 2013	In €M	in %	In €M	in %	In €M	in %	In €M	in %
ISSUE VOLUME	**16,657**	**17,119**	**+1,974**	**+11.8%**	**+514**	**+3.1%**	**(2,026)**	**(12.1)%**	**+462**	**+2.8%**
Operating revenue generated by issue volume	838	830	+77	+9.2%	+21	+2.5%	(106)	(12.8)%	(8)	(1.1)%
Other operating revenue	138	120	(2)	(1.9)%	(9)	(6.1)%	(7)	(4.6)%	(18)	(12.6)%
Operating Revenue	**976**	**950**	**+75**	**+7.7%**	**+12**	**+1.2%**	**(113)**	**(11.6)%**	**(26)**	**(2.7)%**
Financial revenue - Unrestricted float	75	64	(3)	(5.3)%	+1	+1.5%	(9)	(11.6)%	(11)	(15.4)%
Financial revenue - Restricted cash	16	16	+0	+3.8%	-	-	+0	+0.1%	+0	+3.9%
Financial Revenue	**91**	**80**	**(3)**	**(3.7)%**	**+1**	**+1.2%**	**(9)**	**(9.5)%**	**(11)**	**(12.0)%**
TOTAL REVENUE	**1,067**	**1,030**	**+72**	**+6.7%**	**+13**	**+1.3%**	**(122)**	**(11.5)%**	**(37)**	**(3.5)%**
EBIT	**367**	**343**	**+40**	**+10.9%**	**+3**	**(0.1)%**	**(67)**	**(17.2)%**	**(24)**	**(6.4)%**

NOTE 6 OPERATING EXPENSES

(in € millions)	December 2012	December 2013
Employee benefit expense	(298)	(302)
Other operating expenses [(1)]	(368)	(352)
TOTAL OPERATING EXPENSES [(2)]	**(666)**	**(654)**

(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 € (19) million in December 2013.

(2) As December 31, 2013 the currency effect impact the operating expenses for €53 million.

NOTE 7 DEPRECIATION, AMORTIZATION AND PROVISIONS

Depreciation, amortization and provisions can be analyzed as follows:

(in € millions)	December 2012	December 2013
Amortization	(34)	(33)
Provisions and depreciation	(0)	0
TOTAL	**(34)**	**(33)**

NOTE 8 NET FINANCIAL EXPENSE

(in € millions)	December 2012	December 2013
Gross borrowing cost	(43)	(43)
Hedging instruments	1	4
Interests income from short term bank deposits and equivalent	3	2
Net borrowing cost	(39)	(37)
Net foreign exchange gains/(losses)	4	3
Other financial income and expenses, net	(1)	(7)
NET FINANCIAL EXPENSE	**(36)**	**(41)**

NOTE 9 OTHER INCOME AND EXPENSES

Other income and expenses can be analyzed as follows:

(in € millions)	December 2012	December 2013
Movements on restructuring provisions	3	(8)
Restructuring costs	(4)	(5)
Restructuring expenses	**(1)**	**(13)**
Impairment of goodwill	(6)	(0)
Impairment of intangible assets	(1)	-
Total impairment losses	**(7)**	**(0)**
Other capital gains or losses	(2)	0
Provision movements	6	(10)
Non-recurring gains and losses, net	(21)	(5)
Other non-recurring income and expenses, net	**(17)**	**(15)**
TOTAL OTHER INCOME AND EXPENSES, NET	**(25)**	**(28)**

A. Restructuring costs

Restructuring costs in 2013 correspond mainly to reorganization costs in several subsidiaries.

B. Impairment losses

In 2012, the review of the goodwill and intangible assets has led to a complementary impairment of Edenred Incentives & Rewards Deutschland (Quasar) for €6 million.

C. Other non-recurring income and expenses

Other non-recurring income and expenses were as follows:

- in 2013, mainly development fees for €(5) million, several provisions for risks for €(4) million and write-off of intangible assets for €(3) million;
- in 2012, mainly the €(11) million VAT reassessment in Italy.

NOTE 10 INCOME TAX

A. Income tax expense for the period

(in € millions)	December 2012	December 2013
Current taxes	(102)	(110)
Provisions for tax risks	(0)	(7)
SUB-TOTAL: CURRENT TAXES	**(102)**	**(117)**
Deferred taxes on temporary differences arising or reversing during the period	(1)	13
Deferred taxes arising from changes in tax rates or rules	(0)	1
SUB-TOTAL: DEFERRED TAXES	**(1)**	**14**
TOTAL INCOME TAX ENPENSE	**(103)**	**(103)**

Income tax expense includes the 3% surtax on distributed earnings, for €(6) million.

The group set aside €(7) million of provisions following ongoing tax disputes.

B. Tax proof

(in € millions)	December 2012	December 2013
Operating profit before tax (a)	**306**	**274**
Non-deductible impairment losses	(12)	0
Elimination of intercompany capital gains	-	-
Other	14	13
TOTAL PERMANENT DIFFERENCES (NON-DEDUCTIBLES EXPENSES) (b)	**2**	**13**
Untaxed profit and profit taxed at a reduced rate (c)	**22**	**(33)**
Profit taxable at the standard rate (d) = (a) + (b) + (c)	**330**	**254**
Standard tax rate in France (e)	**34.43%**	**34.43%**
Theoretical tax at standard rate (f) = (d) x (e)	**(114)**	**(87)**
Adjustments for:		
• Differences in foreign tax rates	8	8
• Unrecognized tax losses for the period	(5)	(3)
• Utilisation of previously unrecognised tax losses	13	2
• Effect of changes in future tax rates	(0)	1
• Net change in provision for tax risks	-	(7)
• Other items	(3)	(15)
TOTAL ADJUSTMENTS (g)	**13**	**(14)**
Actual tax at standard rate (h) = (f) + (g)	**(101)**	**(101)**
Tax at reduced rate (i)	**(2)**	**(2)**
INCOME TAX EXPENSE (j) = (h) + (i)	**(103)**	**(103)**

C. Normative tax rate

(in € millions)	December 2012	December 2013
Operating profit before tax	306	274
Adjustment related to the other income and expenses	25	28
Operating profit before tax and other income and expenses	**331**	**302**
Income tax expense	(103)	(103)
Tax adjustment related to the other income and expenses	(0)	(8)
Adjustment of other unusual items [1]	-	13
Standard Group Income tax expense	**(103)**	**(98)**
STANDARD INCOME TAX	**31.2%**	**32.6%**

(1) Including €(7) million in provisions for tax risks and €(6) million in tax on distributed earnings.

D. Details of recognized deferred tax assets and liabilities

(in € millions)	December 2012	December 2013
Temporary differences between taxable and book profit of the individual entities	14	17
Temporary differences arising from consolidation adjustments	13	10
Recognized deferred tax assets on tax losses	10	22
SUB-TOTAL: DEFERRED TAX ASSETS	**37**	**49**
Temporary differences between taxable and book profit of the individual entities	17	17
Temporary differences arising from consolidation adjustments	74	68
SUB-TOTAL: DEFERRED TAX LIABILITIES	**91**	**85**
NET DEFERRED TAX ASSET (LIABILITY)	**(54)**	**(36)**

E. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2013 amounted to €29 million, in which €11 million in Worldwide Structures (Edenred SA), €7 million in China and €4 million in United Kingdom. Deferred tax assets recognized in 2013 in respect of historical tax loss carry forwards amounted to €2 million in Germany.

In December 31, 2012, unrecognized deferred tax assets amounted to €39 million.

In December 31, 2013, unrecognized deferred tax assets corresponded to tax losses in the amount of €29 million, including €2 million expiring between N+1 and N+4, €8 million expiring N+5 and beyond and €19 million without temporal limit.

NOTE 11 EARNINGS PER SHARE

A. Net earnings per share

At December 31, 2013, the Company's share capital was made up of 225,897,396 ordinary shares.

At December 31, 2013, the average number of ordinary shares outstanding breaks down as follows:

in shares	December 2012	December 2013
EDENRED'S SHARE CAPITAL AT CLOSING	**225,897,396**	**225,897,396**
Outstanding shares at beginning of period	**225,585,933**	**225,640,489**
Number of shares issued on conversion of performance share rights	-	259,066
Number of shares cancelled during the period	-	(259,066)
Issued shares at period-end	**-**	**-**
Treasury shares not related to the liquidity contract (1)	-	(1,790,100)
Treasury shares under the liquidity contract	54,556	(9,257)
Treasury shares	**54,556**	**(1,799,357)**
OUTSTANDING SHARES AT PERIOD-END	**225,640,489**	**223,841,132**
Adjustment to calculate weighted average number of *issued shares*	-	(10,647)
Adjustment to calculate weighted average number of *treasury shares*	(15,038)	942,226
Total weighted average adjustment	**(15,038)**	**931,579**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE PERIOD	**225,625,451**	**224,772,711**

(1) During the period, a total of 2 049 166 own shares were bought back at an average price of €22.93 per share.

In addition, stock options representing 4,857,525 ordinary shares and 3,009,237 performance shares were granted to employees in 2010, 2011, 2012 and 2013. Conversion of all of these potential shares would have the effect of increasing the number of shares outstanding to 231,707,894.

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, 2013 to December 31, 2013 for Plans 1, 2 and 3 (€24.48); and
- from February 18, 2013 to December 31, 2013 for Plan 4 (€24.59).

The diluted weighted average number of shares outstanding at December 31, 2013 was 228,671,865.

	December 2012	December 2013
Net Profit - Group share *(in € millions)*	**183**	**160**
Weighted average number of issued shares *(in thousands)*	225,586	225,887
Weighted average number of shares held in treasury *(in thousands)*	39	(1,114)
Number of shares used to calculate basis earnings per share *(in thousands)*	**225,625**	**224,773**
BASIC EARNINGS PER SHARE *(IN €)*	**0.81**	**0.71**
Number of shares resulting from the exercise of stock options *(in thousands)*	1,953	1,861
Number of shares resulting from performance shares grants *(in thousands)*	1,048	2,038
Number of shares used to calculate diluted earnings per share *(in thousands)*	**228,626**	**228,672**
DILUTED EARNINGS PER SHARE *(IN €)*	**0.80**	**0.70**

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 2012	December 2013
Net profit *(in € millions)*	**203**	**171**
Other income and expenses adjustment, net *(in € millions)*	25	33
Net Profit, Non-controlling interests adjustment *(in € millions)*	(20)	(11)
Recurring profit after tax, Group share *(in € millions)*	**208**	**193**
Number of shares used to calculate basic earnings per share *(in thousands)*	**225,625**	**224,773**
DILUTED RECURRING PROFIT AFTER TAX. GROUPE SHARE PER SHARE *(IN €)*	**0.92**	**0.86**

NOTE 12 GOODWILL

(in € millions)	December 2012	December 2013
Goodwill	684	724
Less accumulated impairment losses	(156)	(150)
GOODWILL, NET	**528**	**574**

(in € millions)	December 2012	December 2013
Brazil	168	184
France (Ticket Cadeaux)	91	91
United Kingdom	61	61
Italy	46	46
Mexico	35	48
Romania	37	36
Japan	24	24
Sweden	20	19
USA	12	12
Czech Republic	12	12
Colombia	-	9
Portugal	-	8
Other (individually representing less than €10 million)	22	24
GOODWILL, NET	**528**	**574**

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

(in € millions)	Notes	December 2012	December 2013
NET GOODWILL AT BEGINNING OF PERIOD		**509**	**528**
Goodwill recognized on acquisitions for the period and other increases		**42**	**79**
• Japan (Barclay Vouchers acquisition)		24	-
• Brazil (Comprocard final allocation)		16	6
• Mexico (CGI final allocation)		2	-
• Brazil (Repom acquisition)		-	44
• Mexico (Opam acquisition)		-	14
• Colombia (Big Pass acquisition)		-	9
• Portugal (BES joint venture)		-	6
• Other acquisitions		-	0
Goodwill written off on disposals for the period		**-**	**-**
Impairment losses	9	**(6)**	**(0)**
Currency translation adjustment		**(17)**	**(35)**
Put options on non-controlling interests recognized/remeasured during the period and other		**-**	**2**
NET GOODWILL AT END OF PERIOD		**528**	**574**

NOTE 13 INTANGIBLE ASSETS

(in € millions)	December 2012	December 2013
COST		
Kadéos brand [1]	19	19
Other brands	21	19
Contractual customer relationships [2]	81	88
Licenses and software	139	145
Other	44	57
TOTAL COST	**304**	**328**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
Brands	(8)	(6)
Contractual customer relationships	(50)	(51)
Licenses and software	(95)	(99)
Other	(38)	(40)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(191)**	**(196)**
INTANGIBLE ASSETS, CARRYING VALUE	**113**	**132**

(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 2012	December 2013
CARRYING VALUE OF INTANGIBLE ASSETS AT BEGINNING OF PERIOD	**101**	**113**
Intangible assets of newly-consolidated companies	16	25
Internally-generated assets	23	33
Additions	0	2
Amortization for the period	(21)	(20)
Impairment losses for the period *	(1)	(3)
Disposals	(0)	(0)
Currency translation adjustment	(3)	(10)
Reclassifications	(2)	(8)
CARRYING VALUE OF INTANGIBLE ASSETS AT END OF PERIOD	**113**	**132**

* *In 2012 and 2013, see Note 9.*

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

(in € millions)	December 2012	December 2013
Kadéos brand	19	19
Rikskuponger brand	8	8
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 2012	December 2013
Land	0	0
Buildings	42	20
Fixtures	31	26
Equipment and furniture	97	98
Assets under construction	3	4
COST	**173**	**148**

(in € millions)	December 2012	December 2013
Buildings	(1)	(1)
Fixtures	(13)	(14)
Equipment and furniture	(72)	(75)
Assets under construction	-	-
ACCUMULATED DEPRECIATION	**(86)**	**(90)**
ACCUMULATED IMPAIRMENT LOSSES	**-**	**-**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	**(86)**	**(90)**

(in € millions)	December 2012	December 2013
Land	0	0
Buildings	41	19
Fixtures	18	12
Equipment and furniture	25	23
Assets under construction	3	4
PROPERTY, PLANT AND EQUIPMENT, NET	**87**	**58**

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

(in € millions)	December 2012	December 2013
NET PROPERTY, PLANT AND EQUIPMENT AT BEGINNING OF PERIOD	**55**	**87**
Property, plant and equipment of newly-consolidated companies	37	1
Additions	17	14
Disposals	(7)	(0)
Depreciation for the period	(13)	(13)
Impairment losses for the period	-	(0)
Currency translation adjustment	(2)	(30)
Reclassifications	(0)	(1)
NET PROPERTY, PLANT AND EQUIPMENT AT END OF PERIOD	**87**	**58**

NOTE 15 IMPAIRMENT TESTS

A. Impairment losses

Cumulative impairment losses on property, plant and equipment and intangible assets amounted to €182 million at December 31, 2013 (€190 million at December 31, 2012). No impairment losses were recognized during the year (€7 million in 2012).

CGUs impacted by cumulated impairment losses are detailed as follows:

	December 2013											
	France - Kadéos				Other countries				Total			
(in € millions)	Gross value	Accu-mulated depre-ciation	Accu-mulated impair-ment losses	Net value	Gross value	Accu-mulated depre-ciation	Accu-mulated impair-ment losses	Net value	Gross value	Accu-mulated depre-ciation	Accu-mulated impair-ment 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**

	December 2012											
	France - Kadéos				Other countries				Total			
(in € millions)	Gross value	Accu-mulated depre-ciation	Accu-mulated impair-ment losses	Net value	Gross value	Accu-mulated depre-ciation	Accu-mulated impair-ment losses	Net value	Gross value	Accu-mulated depre-ciation	Accu-mulated impair-ment losses	Net value
Goodwill	196	-	(105)	**91**	488	-	(51)	**437**	684	-	(156)	**528**
Brands	19	-	-	**19**	21	(5)	(3)	**13**	40	(5)	(3)	**32**
Customer lists	21	(8)	(13)	**-**	60	(21)	(8)	**31**	81	(29)	(21)	**31**
Other intangible assets	25	(17)	(8)	**-**	158	(106)	(2)	**50**	183	(123)	(10)	**50**
Tangible assets	3	(3)	-	**-**	170	(83)	-	**87**	173	(86)	-	**87**
TOTAL	**264**	**(28)**	**(126)**	**110**	**897**	**(215)**	**(64)**	**618**	**1,161**	**(243)**	**(190)**	**728**

Assets with indefinite useful lives were tested for impairment as of December 31, 2013 using the method described in Note 2.E.5 “Recoverable amount of assets”.

B. Key assumptions

In 2013, the discount rate applied is based on the Group weighted average cost of capital of 9.4% (9.5% in 2012). 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	
	2012	2013	2012	2013
France	7.4%	7.2%	2.00%	2.00%
Rest of Europe	8.0% - 10.9%	7.7% - 10.2%	2.00%	2.00%
Latin America	9.4% - 11.3%	9.3% - 20.0%	2.00%	2.00%
Rest of the world	11.5% - 12.2%	9.2 - 12.2%	2.00%	2.00%

C. Sensitivity analysis

C.1 Rate sensitivity

	Discount rate sensitivity				Perpetuity gross rate sensitivity			
(in € millions)	+100 bp	+50 bp	-50 bp	-100 bp	-100 bp	-50 bp	+50 bp	+100 bp
France	(7)	(1)	-	-	(5)	-	-	-
Rest of Europe	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-
Rest of the world	(0)	-	-	-	-	-	-	-

At December 31, 2013, a 50- bps fall in the discount 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 €7 million.

A 50- bps fall in the discount rate would have had no significant impact on the recognized impairment losses. A 100- bps fall would have increased the recognized impairment losses by about €5 million.

C.2 Flow sensitivity

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

At December 31, 2013, a 10% fall in the rate of business growth would have increased the recognized impairment losses by about €1 million.

A 100-bp 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 2012	December 2013
Gross	1,120	928
Provisions	(28)	(26)
TRADE RECEIVABLES, NET	**1,092**	**902**

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 2012	December 2013
Inventories	14	16
VAT recoverable	101	73
Employee advances and prepaid payroll taxes	3	4
Other prepaid and recoverable taxes	21	22
Other receivables	166	173
Other prepaid expenses	13	11
GROSS	**318**	**299**
Provisions	(3)	(3)
INVENTORIES AND OTHER RECEIVABLES AND ACCRUALS, NET	**315**	**296**

C. Details of other payables and accruals

(in € millions)	December 2012	December 2013
VAT payable	24	22
Wages and salaries and payroll taxes payable	56	53
Other taxes payable	16	30
Other payables	83	87
Deferred income	14	12
OTHER PAYABLES AND ACCRUALS	**193**	**204**

D. Receivables and payables by maturity

(in € millions)	Due within 1 year	Due in 1 to 5 years	Beyond 5 years	December 2013
Inventories	16	-	-	16
Trade receivables, gross amount	928	-	-	928
VAT recoverable	73	-	-	73
Employee advances and prepaid payroll taxes	4	-	-	4
Other prepaid and recoverable taxes	22	-	-	22
Other receivables	173	-	-	173
CURRENT ASSETS	**1,216**	**-**	**-**	**1,216**
Trade payables	61	-	-	61
VAT payable	22	-	-	22
Wages and salaries and payroll taxes payable	53	-	-	53
Other taxes payable	30	-	-	30
Other payables	87	-	-	87
CURRENT LIABILITIES	**253**	**-**	**-**	**253**

NOTE 17 SHAREHOLDER'S EQUITY

A. Share capital

At December 31, 2013, the Company's capital was made up of 225,897,396 shares with a par value of €2 each, all fully paid.

The 225,897,396 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:

	2012	2013
AT JANUARY, 1	**225,897,396**	**225,897,396**
Shares issued on conversion of performance share rights	-	259,066
Shares issued on exercise of stock options	-	
Shares cancelled during the period	-	(259,066)
AT DECEMBER, 31	**225,897,396**	**225,897,396**

B. Treasury stock

Edenred shares held by the Company are measured at cost and recorded as a deduction from equity under "Treasury stock". At December 31, 2013, a total of 2,056,264 shares were held in treasury (256,907 at December 31, 2012), including 34,257 shares purchased under the liquidity contract.

In 2013, the Group bought back 2,049,166 Edenred shares directly on the market.

The liquidity contract with Exane BNP Paribas signed in November 2011 remained in effect during 2013. The contract complies with the code of ethics published by the Association Française des Marchés Financiers (AMAFI) and is recognized by France's securities regulator, Autorité des marchés financiers. 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 2013 dividends

At the Edenred Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2013, the Board of Directors will recommend paying a dividend of €0.83 per share, representing a total payout of €187 million.

Subject to approval by the Shareholders' Meeting, this dividend will be granted during the first half of 2014. The dividend is not recognized under liabilities in the financial statements at December 31, 2013 as these financial statements are presented before appropriation of profit.

C.2 2012 dividends

The Shareholders' Meeting held on May 24, 2013 decided to pay a 2012 dividend of €0.82 per share. This dividend was paid on May 31, 2013 for a total amount of €185 million.

NOTE 18 POTENTIAL ORDINARY SHARES

A. Stock option plans

The main characteristics of the current stock option plan at December 31, 2013 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	4.7 years	5.3 years	6.3 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, 2013 are detailed below:

	December 31, 2012		December 31, 2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	**4,674,700**	**€14.36**	**4,938,150**	**€14.72**
Options granted	382,800	€19.03	-	-
Options cancelled or expired	(119,350)	€14.45	(80,625)	€13.69
Options exercised	-	-	-	-
OPTIONS OUTSTANDING AT END OF PERIOD	**4,938,150**	**€14.72**	**4,857,525**	**€14.74**
OPTIONS EXERCISABLE AT END OF PERIOD	**-**	**-**	**-**	**-**

Weighted average exercise price was €14.72 in 2012 and €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 and €1.1 million at December 31, 2013.

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 carried to the conditional attribution of respectively 912,875, 805,025, 867,575 and 845,900 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.

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.

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

B.2 Fair value of performance share plans

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

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

NOTE 19 NON-CONTROLLING INTERESTS

(in € millions)	
At December 31, 2011	**20**
Non-controlling interests in profit for the period	20
Dividends paid to non-controlling interests	(16)
Issue of share capital	-
Currency translation adjustment	(0)
Changes in consolidation scope	(0)
At December 31, 2012	**24**
Non-controlling interests in profit for the period	11
Dividends paid to non-controlling interests	(9)
Issue of share capital	1
Currency translation adjustment	(10)
Changes in consolidation scope	6
AT DECEMBER 31, 2013	**23**

NOTE 20 CURRENT FINANCIAL ASSETS

	December 2012			December 2013		
(in € millions)	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Other current financial assets	2	(1)	1	4	(1)	3
Receivables on disposal of assets	-	-	-	-	-	-
Derivatives	38	-	38	10	-	10
CURRENT FINANCIAL ASSETS	**40**	**(1)**	**39**	**14**	**(1)**	**13**

NOTE 21 CASH AND CASH EQUIVALENT AND OTHER MARKETABLE SECURITIES

	December 2012			December 2013		
(in € millions)	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Cash at bank and on hand	138	-	138	105	-	105
Term deposits in less than 3 months	287	-	287	316	-	316
Bonds and other negociable debt securities	-	-	-	-	-	-
Interest-bearing bank accounts	(0)	-	(0)	-	-	-
Mutual fund units in cash in less than 3 months	11	-	11	12	-	12
CASH AND CASH EQUIVALENTS	**436**	**-**	**436**	**433**	**-**	**433**
Term deposits in more than 3 months	908	-	908	855	(3)	852
Bonds and other negociable debt securities	91	(1)	90	31	-	31
Interest-bearing bank accounts	-	-	-	-	-	-
Mutual fund units in cash in more than 3 months	(0)	-	(0)	-	-	-
OTHER MARKETABLE SECURITIES	**999**	**(1)**	**998**	**886**	**(3)**	**883**
TOTAL CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES	**1,435**	**(1)**	**1,434**	**1,319**	**(3)**	**1,316**

Other marketable securities include €184 million in investments denominated in Venezuelan bolivar fuerte (at the exchange rate of VEF 11.3 per U.S. dollar), of which €135 million are balanced in the liability side by the structural working capital of the Venezuelan subsidiaries.

NOTE 22 DEBT AND OTHER FINANCIAL LIABILITIES

	December 2012			December 2013		
(in € millions)	Non-current	Current	Total	Non-current	Current	Total
Bonds	1,027	-	1,027	1,265	-	1,265
Bank borrowings	274	2	276	197	3	200
DEBT	**1,301**	**2**	**1,303**	**1,462**	**3**	**1,465**
BANK OVERDRAFTS	**-**	**43**	**43**	**-**	**40**	**40**
Deposits	11	1	12	8	1	9
Purchase commitments	5	4	9	59	3	62
Derivatives	-	9	9	-	20	20
Other	(0)	12	12	-	9	9
OTHER FINANCIAL LIABILITIES	**16**	**26**	**42**	**67**	**33**	**100**
DEBT AND OTHER FINANCIAL LIABILITIES	**1,317**	**71**	**1,388**	**1,529**	**76**	**1,605**

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% (see Note 3.C.2).

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

In 2013, the Group paid down its bank debt by €75 million in November 2013, which extended the average maturity of its debt. After taking into account previous repayments, the remaining €200 million outstanding at December 31, 2013 is repayable in installments in June 2015.

B. Maturities of debt analysis

B.1 Book value

B.1.1 At December 31, 2013

(in € millions)	2014	2015	2016	2017	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.1.2 At December 31, 2012

(in € millions)	2013	2014	2015	2016	2017	2018 and beyond	December 2012
Total debt and other financial liabilities	71	4	276	1	804	232	1,388
TOTAL	**71**	**4**	**276**	**1**	**804**	**232**	**1,388**

B.2 Credit facilities

In April 2013, Edenred announced the signature of a five-year €700 million syndicated credit facility (see Note 3.C.1).

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 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.

NOTE 23 FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

A. Rate risk

A.1 Analysis by interest rate

A.1.1 Before hedging

Debt without hedging breaks down as follows:

	December 2012			December 2013		
(in € millions)	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Fixed rate debt [1]	1,027	3.60%	79%	1,265	3.40%	86%
Variable rate debt	276	1.60%	21%	200	1.78%	14%
TOTAL DEBT	**1,303**	**3.18%**	**100%**	**1,465**	**3.18%**	**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 2012			December 2013		
(in € millions)	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Fixed rate debt	555	3.33%	43%	536	3.18%	37%
Variable rate debt	748	2.23%	57%	929	2.52%	63%
TOTAL DEBT	**1,303**	**2.70%**	**100%**	**1,465**	**2.76%**	**100%**

A.2 Interest rate hedges

At December 31, 2013, a €1,455 million notional amount in interest rate hedges is outstanding, including €900 million for fixed rate debt hedge, €167 million for variables rate debt hedge and €388 million for variable rate investment hedge. Both interest rate hedges were set up with swaps and options.

(in € millions)	Notional amount	Fair value	2014	2015	2016	2017	2018	2019 and beyond
BRL: Receiving fixed-rate swaps [1]	388	(5)	123	35	77	123	30	-
EUR: Paying fixed-rate swaps	100	(2)	-	100	-	-	-	-
EUR: Paying variable-rate swaps	900	(2)	-	-	-	550	-	350
EUR: collar	67	(1)	-	67	-	-	-	-
TOTAL	**1,455**	**(10)**	**123**	**202**	**77**	**673**	**30**	**350**

(1) 1,265 million of Brazilian real (BRL) equivalent of €388 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, 2013 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	2	(9)	-	-
Derivatives	(0)	(0)	2	2
TOTAL	**2**	**(9)**	**2**	**2**

* *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 2012			December 2013		
(in € millions)	Amount	Rate	% of total debt	Amount	Rate	% of total debt
EUR	1,301	3.18%	100%	1,462	3.18%	100%
Other currencies	2	2.87%	0%	3	5.95%	0%
TOTAL DEBT	**1,303**	**3.18%**	**100%**	**1,465**	**3.18%**	**100%**

B.1.2 After hedging

Debt after interest rate hedging breaks down as follows:

	December 2012			June 2013		
(in € millions)	Amount	Rate	% of total debt	Amount	Rate	% of total debt
EUR	1,296	2.69%	99%	1,459	2.75%	100%
Other currencies	7	5.09%	1%	6	6.21%	0%
TOTAL DEBT	**1,303**	**2.70%**	**100%**	**1,465**	**2.76%**	**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, 2013, currency derivatives had an aggregate positive fair value of €1 million, as:

(in € millions)	Notional amount	Fair value	2014	2015	2016	2017	2018	2019 and beyond
GBP	136	3	136	-	-	-	-	-
SEK	31	0	31	-	-	-	-	-
CZK	29	(1)	29	-	-	-	-	-
MXN	56	(2)	56	-	-	-	-	-
JPY	17	(3)	17	-	-	-	-	-
Other	13	(0)	13	-	-	-	-	-
FORWARD PURCHASES AND CURRENCY SWAPS	**282**	**(3)**	**282**	**-**	**-**	**-**	**-**	**-**
BRL	88	3	88	-	-	-	-	-
ZAR	2	-	2	-	-	-	-	-
HKD	1	-	1	-	-	-	-	-
FOWARD SALES AND CURRENCY SWAPS	**91**	**3**	**91**	**-**	**-**	**-**	**-**	**-**
TOTAL	**373**	**0**	**373**	**-**	**-**	**-**	**-**	**-**

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) €14 million, Venezuela (VEF) €3 million and Mexico (MXN) €2 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, 2013. 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, 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**

C.2 At December 31, 2012

(in € millions)	Dec. 2012 Carrying amount	Contractual flows	2013	2014	2015	2016	2017	2018 and beyond
Bonds	1,027	1,027	-	-	-	-	803	224
Bank borrowings	276	276	2	-	274	-	-	-
Future interests	N/A	229	42	42	40	37	31	37
DEBT	**1,303**	**1,532**	**44**	**42**	**314**	**37**	**834**	**261**
Bank overdrafts	43	43	43	-	-	-	-	-
Other financial liabilities	42	42	26	4	2	1	1	8
Future interests	N/A	(13)	(6)	(5)	(4)	(3)	(1)	6
BANK OVERDRAFTS AND OTHER FINANCIAL LIABILITIES	**85**	**72**	**63**	**(1)**	**(2)**	**(2)**	**-**	**14**
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	**1,388**	**1,604**	**107**	**41**	**312**	**35**	**834**	**275**

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, 2013, 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.

At December 31, 2013, its maximum exposure to a single financial counterparty represented less than 15% of the total funds invested at that date.

E. Financial instruments

E.1 Fair value of financial instruments

(in € millions)	Carrying value Dec. 2013	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 receivables	Derivative instruments
ASSETS								
Non-current financial assets	31	31	-	-	-	-	31	-
Trade receivables, net	902	-	-	-	-	-	-	-
Employee advances and prepaid payroll taxes	4	-	-	-	-	-	-	-
Other receivables, net	171	-	-	-	-	-	-	-
Other prepaid expenses	11	-	-	-	-	-	-	-
Restricted cash	770	770	-	-	770	-	-	-
Current financial assets	13	13	-	-	-	-	3	10
Other marketable securities	883	883	-	-	883	-	-	-
Cash and cash equivalents	433	433	12	-	285	-	136	-
TOTAL	**3,218**	**2,130**	**12**	**-**	**1,938**	**-**	**170**	**10**
LIABILITIES								
Non-current debt	1,462	1,534	-	-	-	1,534	-	-
Other non-current financial liabilities	67	67	-	-	-	67	-	-
Current debt	3	3	-	-	-	3	-	-
Bank overdrafts	40	40	-	-	-	40	-	-
Other current financial liabilities	33	33	-	-	-	13	-	20
Vouchers in circulation	3,398	-	-	-	-	-	-	-
Trade payables	61	-	-	-	-	-	-	-
Wages and salaries and payroll taxes payable	53	-	-	-	-	-	-	-
Other payables	72	-	-	-	-	-	-	-
Deferred income	12	-	-	-	-	-	-	-
TOTAL	**5,201**	**1,677**	**-**	**-**	**-**	**1,657**	**-**	**20**

E.2 Fair value analysis of financial assets and liabilities

(in € millions)	Fair value December 2013	Level 1*	Level 2*	Level 3*
ASSETS				
Current financial assets	10	-	10	-
Other marketable securities	-	-	-	-
Cash and cash equivalents	12	12	-	-
TOTAL	**22**	**12**	**10**	**-**
LIABILITIES				
Non-current debt	-	-	-	-
Other non-current financial liabilities	-	-	-	-
Current debt	-	-	-	-
Bank overdrafts	-	-	-	-
Other current financial liabilities	20	-	20	-
TOTAL	**20**	**-**	**20**	**-**

* *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 2012			December 2013		
(in € millions)	IFRS classification	Fair value	Notional amount	Face value	Fair value	Notional amount	Face value
Derivative financial instruments - asset position							
Interest rate instruments	*Cash-Flow Hedge*	21	222	-	-	-	-
Interest rate instruments	*Fair Value Hedge*	8	300	-	-	-	-
Interest rate instruments	*Trading*	6	425	-	-	-	-
Currency instruments	*Fair Value Hedge*	3	-	118	3	-	162
Currency instruments	*Trading*	-	-	-	3	-	87
Derivative financial instruments - liability position							
Interest rate instruments	*Cash-Flow Hedge*	(6)	350	-	(7)	555	-
Interest rate instruments	*Fair Value Hedge*	-	-	-	(3)	900	-
Currency instruments	*Fair Value Hedge*	(3)	-	163	(7)	-	124
NET DERIVATIVE FINANCIAL INSTRUMENTS		**29**	**1,297**	**281**	**(11)**	**1,455**	**373**

Derivative instruments were measured at December 31, 2013 by applying a credit valuation adjustment (CVA) in accordance with IFRS 13.

The CVA for a given counterparty is calculated as 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, 2013 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 2012	New operations	Change in Fair Value change	P&L recycling result	December 2013
Financial instruments in Cash-Flow Hedge (after tax)	6	(10)	2	(3)	(5)

NOTE 24 NET DEBT AND NET CASH

(in € millions)	December 2012	December 2013
Non-current debt	1,301	1,462
Other non-current financial liabilities	16	67
Current debt	2	3
Bank overdrafts	43	40
Other current financial liabilities	26	33
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	**1,388**	**1,605**
Current financial assets	(39)	(13)
Other marketable securities	(998)	(883)
Cash and cash equivalents	(436)	(433)
TOTAL CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	**(1,473)**	**(1,329)**
NET DEBT	**(85)**	**276**

(in € millions)	December 2012	December 2013
Net debt at beginning of period	**(74)**	**(85)**
Increase (decrease) in non-current debt	(89)	161
Increase (decrease) in other non-current financial liabilities	8	51
Decrease (increase) in other marketable securities	87	115
Decrease (increase) in cash and cash equivalents, net of bank overdrafts	9	(0)
Increase (decrease) in other financial assets and liabilities	(26)	34
Increase (decrease) in net debt	**(11)**	**361**
NET DEBT AT END OF PERIOD	**(85)**	**276**

NOTE 25 PROVISIONS

A. Provisions at December 31, 2013

Movements in non-current provisions between January 1, 2013 and December 31, 2013 can be analyzed as follows:

(in € millions)	Dec. 31, 2012	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifications and changes in scope	Dec. 31, 2013
Provisions for pensions and loyalty bonuses	34	(6)	3	(2)	(0)	(0)	(1)	28
Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT PROVISIONS	**34**	**(6)**	**3**	**(2)**	**(0)**	**(0)**	**(1)**	**28**

Movements in current provisions between January 1, 2013 and December 31, 2013 can be analyzed as follows:

(in € millions)	Dec. 31, 2012	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifications and changes in scope	Dec. 31, 2013
Provisions for tax litigations	7	-	13	(0)	(0)	(2)	0	18
Restructuring provisions	2	-	10	(1)	(1)	(0)	0	10
Provisions for claims and litigation and other contingencies	12	-	17	(4)	(1)	(1)	(1)	22
TOTAL CURRENT PROVISIONS	**21**	**-**	**40**	**(5)**	**(2)**	**(3)**	**(1)**	**50**

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

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 2012	December 2013
EBIT	(4)	(13)
Net financial expense	-	(1)
Restructuring costs and impairment losses	9	(13)
Income tax expense	-	(7)
TOTAL	**5**	**(34)**

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 (20% of the obligation at December 31, 2013) and in France (4% of the obligation at December 31, 2013):
  - 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 in November of each year,
  - the related obligation is covered by a provision;
- length-of-service awards in Italy (6% of the obligation at December 31, 2013):
  - 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 (26% of the obligation in 2013), in the Worldwide Structures (21% of the obligation in 2013) and in Belgium (12% of the obligation in 2013). 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				
		United Kingdom	**Belgium**	**Italy**	**Worldwide Structures**	**Other countries**
Rate of future salary increase	3.0%	3.0%	3.0%	2.0%	3% - 4%	2% - 10%
Discount rate	3.00%	4.00%	3.00%	3.00%	3.00%	2% - 8,5%

		Rest of Europe				
2013	**France**	**United Kingdom**	**Belgium**	**Italy**	**Worldwide Structures**	**Other countries**
Rate of future salary increase	3.0%	3.4%	3.0%	2.0%	3% - 4%	3% - 10%
Discount rate	3.00%	4.50%	3.00%	3.00%	3.00%	3% - 9,2%

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, 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 length-of-service awards and loyalty bonuses.*

At December 31, 2012

(in € millions)	Pension plans	Other defined benefit plans *	Total
Present value of funded obligation	17	-	17
Fair value of plan assets	(11)	-	(11)
Surplus/(Deficit)	**6**	**-**	**6**
Present value of unfunded obligation	-	27	27
Unrecognized past service cost	-	1	1
Amount paid in advance	-	-	-
LIABILITIES RECOGNIZED IN THE BALANCE SHEET	**6**	**28**	**34**

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

Funded status of post-employment defined benefit plans by region

(in € millions)	Pension plans 2013 France	Rest of Europe United Kingdom	Rest of Europe Belgium	Rest of Europe Italy	Worldwide Structures	Other countries	Total	Other plans	2013 Total	2012 Total
Projected benefit obligation at beginning of period	**1**	**12**	**4**	**2**	**19**	**2**	**40**	**4**	**44**	**32**
Service costs	0	0	0	0	1	0	1	1	2	2
Interest costs	0	2	0	0	0	0	2	0	2	1
Employee contributions	-	-	0	-	-	-	0	-	0	0
Past service costs	-	-	-	0	-	0	0	(0)	0	-
Curtailments and settlements	-	-	-	-	-	-	-	(0)	(0)	0
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	0
Benefits paid	(0)	(0)	(0)	(0)	-	(0)	(0)	(1)	(1)	(1)
Actuarial (gains) losses	0	(2)	1	(0)	(4)	0	(5)	(0)	(5)	9
Currency translation adjustment	-	(1)	-	-	-	(0)	(1)	(1)	(2)	(1)
Total other	-	-	-	-	-	-	-	-	-	0
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	**1**	**11**	**5**	**2**	**16**	**2**	**37**	**3**	**40**	**44**

(in € millions)	France	Rest of Europe United Kingdom	Rest of Europe Belgium	Rest of Europe Italy	Worldwide Structures	Other countries	Total	Other plans	Total 2013	Total 2012
Fair value of plan assets at beginning of period	**-**	**7**	**3**	**-**	**-**	**1**	**11**	**-**	**11**	**10**
Financial income	-	0	0	-	-	0	0	-	0	na
Actual return on plan assets	-	0	0	-	-	(0)	0	-	0	1
Employer contributions	-	1	0	-	-	-	1	-	1	0
Employee contributions	-	-	0	-	-	-	0	-	0	0
Benefits paid	-	(0)	(0)	-	-	-	(0)	-	(0)	(0)
Settlements	-	-	-	-	-	-	-	-	-	-
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Currency translation adjustment	-	(0)	-	-	-	(0)	(0)	-	(0)	0
Total other	-	-	-	-	-	-	-	-	-	-
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**-**	**8**	**3**	**-**	**-**	**1**	**12**	**-**	**12**	**11**

(in € millions)	France	Rest of Europe: United Kingdom	Belgium	Italy	Worldwide Structures	Other countries	Total	Other plans	Total 2013	Total 2012
Plan deficit at beginning of period *	**2**	**5**	**1**	**2**	**19**	**1**	**30**	**4**	**34**	**22**
Provision at end of period	1	4	2	2	16	(0)	25	3	28	34
Past service costs not recognized *	-	-	-	-	-	-	-	-	-	(1)
Surplus booking in assets	-	(0)	-	-	-	(0)	(0)	-	(0)	(0)
PLAN DEFICIT AT END OF PERIOD	**1**	**4**	**2**	**2**	**16**	**0**	**25**	**3**	**28**	**33**

* *Application of IAS 19R as from January 1, 2013 led to previously unrecognized unvested past service costs being recorded directly in consolidated reserves (see Note 1.B.2).*

(in € millions)	France	Rest of Europe: United Kingdom	Belgium	Italy	Worldwide Structures	Other countries	Total	Other plans	Total 2013	Total 2012
Service costs	**0**	**0**	**0**	**0**	**1**	**0**	**1**	**1**	**2**	**2**
Net interest income	0	2	0	0	0	0	2	0	2	1
Amortization of past service costs	-	-	-	0	-	0	0	(0)	0	-
(Gains)/ losses related to curtailments and settlements	-	-	-	-	-	-	-	(0)	(0)	0
COST OF THE PERIOD	**0**	**2**	**0**	**0**	**1**	**0**	**3**	**1**	**4**	**3**
Actuarial gains and losses recognized in equity	**0**	**(3)**	**1**	**(0)**	**(4)**	**0**	**(6)**	**(0)**	**(6)**	**8**

Charges in pension liabilities between January 1, 2012 and December 31, 2013

(in € millions)	Amount
Liability at January 1, 2012	**24**
Cost for the year	3
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	9
Effect of changes in consolidation scope	0
Currency translation adjustment	(1)
Liability at December 31, 2012	**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**

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

(in € millions)	December 2012	December 2013
Projected benefit obligation		
Actuarial gains and losses - experience adjustments	2	(0)
Actuarial gains and losses - changes in demographical assumptions *	-	(5)
Actuarial gains and losses - changes in financial assumptions	7	(1)
Fair value of plan assets		
Actuarial gains and losses - experience adjustments	-	0

* *Including changes in turnover assumptions for certain employee categories.*

Details of plan assets

Detail of plan assets	United Kingdom	Belgium
Equities	38.5%	≤ 20%
Bonds	36.6%	≥ 80%
Other	24.9%	≤ 5%

Sensitivity analysis

At December 31, 2013, a 0.5-point increase (decrease) in the discount rate would lead to a €3.0 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 2012	December 2013
Net profit, Group share	183	160
Non-controlling interests	20	11
Depreciation, amortization and provision expenses	39	37
Deferred taxes	1	(14)
Change in financial provisions	1	1
Expenses related to share-based payments	13	11
Non cash impact of the other income and expenses	(2)	18
Difference between income tax paid and income tax expense (1)	12	28
FUNDS FROM OPERATIONS INCLUDING NON-RECURRING ITEMS	**267**	**252**
(Gains) losses on disposals of assets, net	2	(0)
(Gains) losses on non-recurring transactions (including restructuring costs)	25	10
FUNDS FROM OPERATIONS	**294**	**262**

(1) See Statement of Cash Flows table 1.4.

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 2012	December 2013	Change December 2013/ December 2012
Inventories, net	13	15	2
Trade receivables, net	1,092	902	(190)
Other receivables and accruals, net	302	281	(21)
Working capital requirements - assets	**1,407**	**1,198**	**(209)**
Trade payables	62	61	(1)
Other payables	188	187	(1)
Vouchers in circulation	3,608	3,398	(210)
Working capital requirements - liabilities	**3,858**	**3,646**	**(212)**
NEGATIVE WORKING CAPITAL	**2,451**	**2,448**	**(3)**

(in € millions)	December 2013
Working capital at beginning of period	**2,451**
Change in working capital [(1)]	183
Development Expenditure	36
Disposals	(1)
Other income and expenses	-
Provisions	1
Currency translation adjustment	(215)
Reclassification to other balance sheet items	(7)
Net change in working capital	**(3)**
WORKING CAPITAL AT END OF PERIOD	**2,448**

(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 (€598 million), United Kingdom (€114 million) and Romania (€39 million).

(in € millions)	December 2013
Restricted cash at beginning of period	**709**
Like-for-like change for the period [(1)]	63
Currency translation adjustment	(2)
Net change in restricted cash	61
RESTRICTED CASH AT END OF PERIOD	**770**

(1) See Statement of Cash Flows table 1.4.

NOTE 28 CAPITAL EXPENDITURE

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

(in € millions)	2012	2013
Recurring expenditure	40	47
Development expenditure	76	138
TOTAL CAPITAL EXPENDITURE	**116**	**185**

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 concerning VAT payments and failure to produce a schedule tracking capital gains qualifying for rollover relief.

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.

The company subsequently contested the fines in September 2009, claiming that the tax authorities' position was without merit. The challenge was rejected by the tax authorities on October 14, 2009.

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

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

On February 16, 2011, the Company appealed the decision before the Versailles Administrative Tribunal.

At a hearing before the Versailles Administrative Court of Appeal on January 30, 2014, the *rapporteur public* read out his conclusions and recommended that the Company's motion be denied. The case was adjourned for deliberation.

B. Dispute with Fnac and Conforama

Edenred France (which has taken over the rights and obligations of Accentiv' Kadéos) 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 fulfill certain contractual obligations, particularly the obligation to exclusively distribute the Kadéos card up until December 31, 2011. The dispute arose because 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 next stages consisted of legal proceedings based on the merits of the cases, 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 sale agreement, the Court stated that the parties should submit their disputes to arbitration.

Referring to the Paris Commercial Court's ruling of June 22, 2012, Kering (previously 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. The parties have each submitted a brief on the question of whether the Arbitration Board has jurisdiction to hear the case. The Arbitration Board's ruling on the jurisdiction issue is expected to be handed down in the first quarter of 2014.

At the same time, on March 26, 2013, the Paris Court of Appeals determined that the arbitration clause contained in the partnership agreements was not applicable, thereby overturning the Paris Commercial Court's June 22, 2012 ruling that it was not competent to hear the case. Kering and Conforama have appealed the ruling to the Court of Cassation. The Court's decision is expected to be handed down in the first quarter of 2014.

Edenred believes that these claims are without merit. Consequently, no income statement effect has been recorded in Edenred's financial statements in respect of this dispute.

C. Tax audit and tax litigation in Italy

C.1 Tax litigation

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 wrote 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 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. Legal proceedings have been launched and the date of the first-instance court hearing has been set for March 11, 2014.

C.2 Tax audit

Following their tax audit, the Italian tax authorities notified their intention to challenge the deduction of interest claimed on a loan granted by Edenred SA to Edenred Italy to finance the acquisition of several Group subsidiaries as part of the Accor demerger. The amount of the reassessment is estimated at €17.8 million and has been covered by a tax warranty at the request of the Italian tax authorities. The warranty has been recognized in the interim consolidated financial statements as an off-balance sheet commitment.

D. Tax litigation in Brazil

D.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 40.1 million at December 31, 2013.

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 135.0 million at December 31, 2013. The Company's motion before the Brazilian courts was denied in the first instance and is now the subject of an appeal.

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.

D.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 177.1 million at December 31, 2013.

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 given amount to €118 million at December 31, 2013 and €140 million at December 31, 2012. The December 31, 2013 amount breaks down as follows:

- voucher sale guarantees given to public sector entities in Italy for a total of €62 million, including €39 million expiring in less than one year, €5 million expiring in 1 to 5 years and €18 million expiring beyond 5 years (€65 million at December 31, 2011);
- €18 million tax bond issued in respect of a tax dispute involving Edenred Italy;
- €12 million bid bond issued in Venezuela, expiring in 2014;
- purchase commitments in the amount of €12 million at December 31, 2013 corresponding to capital commitments given to the Partech VI investment fund that have been called;
- bank bonds issued in Brazil for €9 million (€6 million at December 31, 2012);
- commitment to purchase a further 61.1% stake in Aqoba for €2 million, following the initial investment made in April 2013;
- other off-balance sheet commitments given for €3 million.

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 at December 31, 2013 amounted to €5 million. They consisted mainly of €4 million in guarantees received from clients in Brazil in exchange for post-payment facilities granted by Repom.

NOTE 31 ADDITIONAL INFORMATION ABOUT JOINTLY-CONTROLLED ENTITIES

At December 31, 2013, Edenred held shares in one jointly-controlled entity for which the current and non-current assets and liabilities, income and expenses attributable to the Group are individually not material.

NOTE 32 RELATED PARTIES TRANSACTIONS

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

- all fully or proportionally consolidated companies;
- 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 SA.

All fully or proportionally consolidated companies.

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 SA

Transactions with Accor SA during each of the two periods presented were as follows:

(in € millions)	Type of transaction	Transaction amount		Receivables		Payables		Off-balance sheet commitments	
		Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013
ACCOR SA	Interentity billings	(1)	(1)	-	-	-	-	-	-
	Loans	-	-	-	-	-	-	-	-
	Dividends	-	-	-	-	-	-	-	-

NOTE 33 COMPENSATION PAID TO CORPORATE OFFICERS

	Dec. 31, 2012	Dec. 31, 2013
(in € millions)	Expense	Expense
Short-term benefits	11	12
Post-employment benefits	0	0
Other long-term benefits	-	-
Termination benefits	1	-
Share-based payments	5	5
TOTAL COMPENSATION	**17**	**17**

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)	2012	2013	2012	2013	2012	2013	2012	2013
Audit								
Statutory audit, certification, consolidated and individual statement audit								
• Issuer	(0.4)	(0.5)	15%	18%	(0.2)	(0.2)	100%	100%
• Fully consolidated subsidiaries	(2.0)	(2.2)	66%	74%				
Other work and services directly related to the statutory audit								
• Issuer	(0.2)	(0.0)	6%	0.0	-	-	-	-
• Fully consolidated subsidiaries	(0.2)	(0.1)	6%	0.0	-	-	-	-
Sub-total	(2.8)	(2.8)	93%	97%	(0.2)	(0.2)	100%	100%
Other services provided by the network to the fully consolidated subsidiaries								
• Legal, tax and social matters	(0.1)	(0.0)	3%	1%				
• Other	(0.1)	(0.1)	4%	2%				
Sub-total	(0.2)	(0.1)	7%	3%				
TOTAL	**(3.0)**	**(2.9)**	**100%**	**100%**	**(0.2)**	**(0.2)**	**100%**	**100%**

NOTE 35 SUBSEQUENT EVENTS

A. Organic growth and acquisitions

In December 2013, Edenred has acquired Nets Prepaid, the leader in Finland's benefits market. Nets Prepaid offers the Lounas meal benefit and recreational benefits for more than 10,000 clients and 120,000 beneficiaries. Issue volume amounted to more than €200 million in 2013.

In December 2013, Edenred announced the acquisition of CBA Bonus's client portfolio. CBA Bonus offers food card and meal card solutions to some 3,800 private-sector clients through a network of around 25,000 restaurants and 10,000 supermarkets.

NOTE 36 MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2013

The main consolidated companies are presented below:

EDENRED

FRANCE

Edenred France	France	Glob	100.00%
Accentiv' Travel	France	Glob	100.00%
Servicarte	France	Glob	100.00%
Conecs	France	Equity	25.00%
Aqoba	France	Equity	38.92%

NORTH AMERICA

Edenred North America	United States	Glob	100.00%
Wirecommute	United States	Glob	100.00%
Commuter Check Services Corporation	United States	Glob	100.00%
NutriSavings LLC	United States	Glob	66.70%

OTHER COUNTRIES

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	Prop	50.00%
Accentiv Hediye Ve Danismanlik Hizmetleri	Turkey	Glob	100.00%
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%
Edenred PTE	Singapor	Glob	100.00%
Edenred PTE. Ltd. Taiwan Branch	Taiwan	Glob	100.00%
Edenred Japan	Japan	Glob	100.00%

REST OF EUROPE

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 Solutions Hongrie	Hungary	Glob	100.00%
Edenred Italia	Italy	Glob	100.00%
E-Lunch	Italy	Glob	100.00%
Edenred Luxembourg	Luxembourg	Glob	100.00%
Soltis BV*	Netherlands	Glob	100.00%
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%
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%

LATIN AMERICA AND CARIBBEAN

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%
Repom Argentinia	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%
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%

WORLDWIDE STRUCTURES

ASM*	France	Glob	100.00%
Saminvest*	France	Glob	100.00%
Edenred Partners	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%

Glob: fully consolidated

Prop: consolidated using the proportional method

Equity: accounted for by the equity method

** Holding*

6.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2013

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report also includes information relating to the specific verification of information given in the management report. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying financial statements of Edenred;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2013, and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- section "Significant events" of the notes to the financial statements describes the method used by your company for translating cash and receivables held in Venezuelan bolivar. Our work consisted in assessing the appropriateness of the procedures referred to above, to review their correct application and to ensure that the notes to the consolidated financial statements provide an appropriate level of information;
- investments have been valued in accordance with the accounting methods described in Note 1.2 to the Company's financial statements "Summary of significant accounting policies – Investments". As part of our audit, we have reviewed the appropriateness of the methods used and assessed the assumptions used.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND DISCLOSURES

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Pursuant to the law, we have verified that the management's report contains the appropriate disclosures as to the acquisition of equity and controlling interests and the identity of and percentage interests and votes held by shareholders.

Paris and Neuilly-sur-Seine, February 28, 2014

The Statutory Auditors

CABINET DIDIER KLING & ASSOCIÉS
Didier KLING

DELOITTE & ASSOCIÉS
David DUPONT-NOEL

6.4 PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

6.4.1 BALANCE SHEET AT DECEMBER 31, 2013

Assets

(in € millions)	Notes	December 2012	December 2013
Fixed assets			
Intangible assets			
Licenses, trademarks and rights of use	(2-3)	1	4
Other intangible assets	(2-3)	38	41
Total intangible assets		**39**	**45**
Property and equipment			
Machinery and equipment			
Other property and equipment	(2-3)	1	1
Assets under construction			
Total property and equipment		**1**	**1**
Investments			
Shares in subsidiaries and affiliates	(2-6-7-17-24)	1,871	2,299
Loans and advances to subsidiaries and affiliates	(2-5-7-16-17)	1,587	1,510
Other investments	(2)	10	48
Total investments		**3,468**	**3,857**
TOTAL FIXED ASSETS		**3,508**	**3,903**
Current assets			
Inventories			
Prepayments to suppliers			
Receivables			
Trade receivables	(4-7-16-17)	9	9
Other receivables		97	102
Cash and cash equivalents			
Marketable securities	(8)	152	290
Cash and cash equivalents		104	57
TOTAL CURRENT ASSETS		**362**	**458**
Accruals and other assets			
Prepaid expenses	(9-16)	1	1
Deferred charges	(9)	6	8
Bond redemption premiums	(9)	1	2
Conversion differences	(10)	8	30
TOTAL ACCRUALS AND OTHER ASSETS		**16**	**41**
TOTAL ASSETS	(1)	**3,886**	**4,402**

Liabilities and shareholders' equity

(in € millions)	Notes	December 2012	December 2013
Shareholders' equity			
Share capital	(13)	452	452
Additional paid-in capital	(13)	602	598
Legal reserve	(13)	45	45
Untaxed reserves	(13)	-	-
Others reserves	(13)	-	-
Retained earmings	(13)	259	130
Net profit for the year	(13)	56	414
Untaxed provisions	(13)		
TOTAL SHAREHOLDERS' EQUITY		**1,414**	**1,639**
Provisions			
Provisions for contingencies	(7)	12	31
Provisions for charges	(7)	20	32
TOTAL PROVISIONS		**32**	**63**
Liabilities			
Bonds	(15)	1,037	1,283
Bank borrowings	(15)	286	218
Other borrowings	(15-17)	1,094	1,163
Trade payables	(15)	6	5
Accrued taxes and payroll costs	(15)	9	12
Due to suppliers of fixed assets	(15)		
Other liabilities	(15)	1	1
TOTAL LIABILITIES	(15)	**2,433**	**2,682**
Accruals and other liabilities			
Deferred income	(15)	-	-
Conversion differences	(10)	7	18
TOTAL ACCRUALS AND OTHER LIABILITIES		**7**	**18**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	(1)	**3,886**	**4,402**

6.4.2 INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

(in € millions)	Notes	December 2012	December 2013
Operating revenue			
Sales of goods and services		26	31
Net revenue	(18)	**26**	**31**
Own work capitalized		3	3
Reversals of depreciation, amortization and provisions and expense transfers		1	20
Other income		27	30
TOTAL OPERATING INCOME		**57**	**84**
Operating expenses			
Purchases of goods for resale		-	-
Purchases of raw materials and supplies		-	-
Other purchases and external charges		35	42
Taxes other than on income		5	6
Wages and salaries		18	29
Payroll taxes		10	11
Depreciation, amortization and provision expense		-	-
Depreciation and amortization of fixed assets	(3)	1	1
Additions to provisions for impairment of fixed assets	(7)	-	-
Additions to provisions for impairment of current assets	(7)	2	2
Additions to provisions for contingencies and charges	(7)	8	13
Other expenses	(7)	1	1
TOTAL OPERATING EXPENSES		**80**	**105**
Operating loss		**(23)**	**(21)**
Joint ventures			
Share of profits from non-managed joint ventures and transferred losses of managed joint ventures		-	-
Share of losses of non-managed joint ventures and transferred profits from managed joint ventures		-	-
Financial income	(20)		
Income from investments in subsidiaries and affiliates	(17)	149	126
Income from investment securities and long-term loans		-	-
Other interest income	(17)	13	10
Financial provision reversals and expense transfers		5	119
Foreign exchange gains			1
TOTAL FINANCIAL INCOME	(20)	**167**	**256**
Financial expenses			
Additions to financial amortization and provisions		25	52
Interest expense	(17)	78	77
Foreign exchange losses			
TOTAL FINANCIAL EXPENSES	(20)	**103**	**129**
Net financial income		**64**	**127**

(in € millions)	Notes	December 2012	December 2013
RECURRING PROFIT BEFORE TAX		**41**	**106**
Non-recurring income			
Non-recurring income on revenue transactions		-	-
Non-recurring income on capital transactions		41	308
Non-recurring provision reversals and expense transfers		8	
TOTAL NON-RECURRING INCOME		**49**	**308**
Non-recurring expenses			
Non-recurring expense on revenue transactions		-	-
Non-recurring expense on capital transactions		44	3
Non-recurring additions to depreciation, amortization and provisions			5
TOTAL NON-RECURRING EXPENSES		**44**	**8**
Net non-recurring income	**(21)**	**5**	**300**
Income tax	(22)	(10)	(8)
TOTAL INCOME		**273**	**648**
TOTAL EXPENSES		**217**	**234**
NET PROFIT		**56**	**414**

The financial statements of Edenred SA have been prepared in accordance with French generally accepted accounting principles and the *Plan Comptable Général* statutory chart of accounts. All amounts are stated in millions of euros unless otherwise specified.

The notes below relate to the balance sheet at December 31, 2013 before appropriation of profit for the year, which shows total assets of €4,402 million, and to the 2013 income statement, which shows net profit for the year of €414 million.

The financial statements cover the 12-month period from January 1 to December 31, 2013.

Edenred SA's individual financial statements are included in the consolidated financial statements of the Edenred Group.

The preparation of financial statements requires the use of estimates and assumptions that can affect the carrying amount of certain assets and liabilities, income and expenses, and the information disclosed in the notes to the financial statements. 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. Items in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments used by management in the preparation of these financial statements concern the valuation and useful lives of intangible assets, property and equipment, and investments, as well as the amount of provisions for claims, litigation and contingencies and the assumptions underlying the calculation of pension obligations.

The main assumptions applied by the Company are presented in the relevant notes to the financial statements.

Significant events

In April 2013, Edenred SA announced the signature of a five-year €700 million syndicated credit facility. The new facility has lengthened the average maturity of Edenred's debt by replacing the existing €578 million in confirmed lines of credit, which were set up in June 2010 and were scheduled to expire in June 2014.

In October 2013, Edenred SA issued on the market €250 million worth of 2.625% 7-year bonds due October 30, 2020.

During the second half of 2013, Edenred SA made an advance repayment of €75 million on a term loan set up on June 23, 2010. The balance outstanding on the loan now amounts to €200 million, repayable on June 30, 2015.

On February 13, 2013, the Venezuelan government devalued the national currency, the bolívar fuerte (VEF), by 19%, with the US dollar exchange rate falling to VEF 6.3 to the dollar from VEF 5.3 previously.

On December 23, the Venezuelan government announced 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.

The Edenred Group converted its Venezuelan cash balances and receivables 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 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). The impact of the devaluation was €10 million.

On October 31, 2013, Edenred SA wound up its subsidiary AS Formation. The operation, which was approved by the Board of Directors on September 16, 2013, was effected by merging AS Formation into Edenred SA based on the net book values of AS Formation's assets and liabilities in its balance sheet on the legal dissolution date (see Note 2), in accordance with Article 1844-5, paragraph 3, of France's Civil Code.

Following a tax audit of Edenred SA's accounts for the period from January 1, 2009 to December 31, 2011, the Company was notified of proposed reassessments on July 31, 2013. It responded to these proposed reassessments in a letter dated October 8, 2013, accepting some and contesting others. The impact of the accepted reassessments was recognized in the financial statements at December 31, 2013. The tax authorities' response to Edenred's letter of October 8, 2013 has not yet been received.

6.4.3 NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the accounting standards contained in the 1999 *Plan Comptable Général*, as approved by the government order of June 22, 1999, and all of the rules issued by the CRC since that date. The only change in accounting methods for the periods presented compared with the previous year concerned software development costs which have been capitalized since January 1, 2012, in line with the recommended method under French GAAP.

The significant accounting policies used are as follows:

1.1 Intangible assets and property and equipment

Intangible assets and property and equipment are stated at cost (including incidental expenses) or contributed value.

They are amortized or depreciated on a straight-line basis over their estimated useful lives, as follows:

- software is amortized over two to five years;
- licenses are amortized over three to five years;
- office and computer equipment are depreciated over three to ten years.

Software development costs are recognized as intangible assets in accordance with the recommended method (PCG, art.361-1). They are amortized over their period of use, ranging from 5 to 10 years, depending on the number of Group units that use the application.

1.2 Investments

Shares in subsidiaries and affiliates are stated at cost or contributed value. Transaction costs on these assets are recorded in the income statement.

At each year-end, the Company determines whether there are any indications that the investments are impaired. The main indications are:

- below-budget performance;
- a steep fall in revenue or profit.

Where necessary, investments are written down to their present value, corresponding to the higher of fair value and value in use. Value in use takes into account the investee's current and forecast earning's performance and the value of the Company's share of net assets. When a business plan has been drawn up for impairment tests carried out for the consolidated financial statements, enterprise value is used.

An impairment loss is recognized if value in use is less than cost.

Additional provisions may be recorded to write down loans and advances to the investee and, where necessary, a provision for contingencies is also recorded to cover the Company's share of the investee's negative net worth.

Impairment losses may be reversed in subsequent periods if the investee's financial position improves, provided that this does not have the effect of increasing the carrying amount to above cost.

In the case of sale of part of a portfolio of securities carrying the same rights, the acquisition cost of the retained securities is estimated by the weighted average cost method or by the FIFO method which assumes that the retained securities were acquired after those that were sold.

1.3 Receivables

Receivables are stated at nominal value. They are written down when it is probable that their carrying amount will not be recovered in full.

1.4 Marketable securities

Marketable securities are stated at the lower of cost and market value.

1.5 Revenue

Revenues correspond to fees invoiced to subsidiaries under the Master Services Agreement. Other service revenues correspond to fees invoiced to subsidiaries for the secondment of staff and for loan guarantees.

1.6 Other income

Other income corresponds to brand license fees invoiced to subsidiaries.

1.7 Provisions

In accordance with standard CRC 2000-06 on liabilities, a provision is recorded when the Company has an obligation towards a third party that can be reliably estimated and is probable of giving rise to an outflow of economic resources, without any inflow of economic resources of at least an equivalent value being expected.

Managers and employees are paid a length-of-service award on retirement and various long-service awards during their career with the Company.

A provision is recorded for the Company's liability for these awards, based on the vested rights of managers and employees at the balance sheet date, in accordance with CNC recommendation 2003 R-01.

The provision is determined by the projected unit credit method and includes payroll taxes.

Actuarial gains and losses on retirement benefit obligations are recognized directly in the income statement.

1.8 Borrowings

Debt issuance costs are initially recognized in deferred charges and are amortized over the life of the debt by the effective interest method. Debt issue premiums are also amortized over the life of the debt.

If all or part of the debt is repaid early, the issue premiums are written off on an accelerated basis.

1.9 Foreign currency transactions

Income and expenses in foreign currencies are converted into euros at the exchange rate prevailing on the transaction date.

Foreign currency receivables, payables and cash balances are converted at the year-end rate.

Conversion differences are recognized in assets or liabilities.

A provision is recorded for conversion losses that are not hedged.

1.10 Currency risks

Currency risks arising on the conversion of euro cash reserves into foreign currencies to meet part of the financing needs of foreign subsidiaries are hedged by swaps with the same maturities as the loans to subsidiaries Unrealized exchange gains and losses are recorded in the balance sheet under "Conversion differences".

1.11 Stock option plans, performance share plans and stock grants

Stock option plans and performance share plans

The Company applies standard CRC 2008-15 of December 4, 2008 on the accounting treatment of stock option plans and performance share plans. This standard requires a liability to be recognized when it is probable that obligations under the plan will be satisfied by allocating existing shares covering the amount of the probable outflow of economic resources.

As newly issued shares are allocated under these plans, no cost is recognized.

Stock grants

In 2013, Edenred SA bought back on the market the number of shares to be allocated to employees under each stock grant plan. A provision for the cost of thee plans was recorded in the financial statements at December 31, 2013.

1.12 Non-recurring income and expenses

This item corresponds mainly to:

- restructuring costs, i.e. costs arising on restructuring operations initiated by the Company;
- gains and losses on disposals of fixed assets, and non-operating provisions, gains and losses.

Non-recurring items are items that are not directly related to the Company's ordinary operations.

1.13 Income tax

Edenred SA pays taxes under the Group relief system introduced in the French Act of December 31, 1987, which allows the tax losses of tax group members to be set off against the taxable profits of other members in certain circumstances. The applicable tax rules are set out in Articles 223 A *et seq* of the French General Tax Code.

Under this system, each tax group member records the tax that it would have paid if it had been taxed on a stand-alone basis. The benefit or expense arising from applying the Group relief system is recorded in full in the accounts of Edenred SA.

NOTE 2 FIXED ASSETS AT DECEMBER 31, 2013

Items *(in € millions)*	Cost at December 31, 2012	Acquisitions and interitem transfers	Retirements and disposals and interitem transfers	Other	Cost at December 31, 2013
Intangible assets					
Trademarks and rights of use					-
Licences, purchased software	16	2			18
Other intangible assets (1)	36	2	1		39
Prepayments	1	2	(1)		2
TOTAL INTANGIBLE ASSETS	**53**	**6**	**-**	**-**	**59**
Property and equipment					
Machinery and equipment					-
Other property and equipment	2	1			3
Assets under construction					-
Prepayments					-
TOTAL PROPERTY AND EQUIPMENT	**2**	**1**	**-**	**-**	**3**
Investments					
Shares in subsidiaries and affiliates (2) (3)	2,100	351	(10)		2,441
Loans and advances to subsidiaries and affiliates (4)	1,589		(77)		1,512
Other investment securities (5)	8	1			9
Other loans	-				-
Other investments (6)	4	42	(4)		42
TOTAL INVESTMENTS	**3,701**	**394**	**(91)**	**-**	**4,004**
TOTAL FIXED ASSETS	**3,756**	**401**	**(91)**	**-**	**4,066**

(1) Including €36 million corresponding to technical merger deficits, of which €5 million concerning the merger with ASH and €31 million on the Edenred Participations merger.
(2) See Note 6 for details.
(3) Including an €8 million decrease following the liquidation of AS Formation.
(4) See Note 5 for details.
(5) Concerns investment in the Partech VI investment fund.
(6) The Company holds 1,812,007 of its own shares (not including shares assigned to the liquidity contract or to specific share-based payment plans).

NOTE 3 AMORTIZATION AND DEPRECIATION AT DECEMBER 31, 2013

Items *(in € millions)*	Cost at December 31, 2012	Increase	Decrease	Cost at December 31, 2013
Intangible assets				
Trademarks and rights of use				-
Licenses, purchased software	14.0	0.5		14.5
Other intangible assets				-
TOTAL AMORTIZATION	**14.0**	**0.5**	**-**	**14.5**
Property and equipment				
Machinery and equipment				-
Other property and equipment	1.5	0.5		2.0
TOTAL DEPRECIATION	**1.5**	**0.5**	**-**	**2.0**
TOTAL AMORTIZATION AND DEPRECIATION	**15.5**	**1.0**	**-**	**16.5**

NOTE 4 RECEIVABLES AT DECEMBER 31, 2013

(in € millions)	Cost at December 31, 2012	Cost at December 31, 2013
Prepayments to suppliers		
Trade receivables	**9**	**9**
Other receivables	**108**	**107**
Supplier-related receivables		
Recoverable VAT and other taxes	*4*	*4*
Currrent accounts with subsidiaries	*103*	*98*
Other	*1*	*5*
TOTAL	**117**	**116**

NOTE 5 LOANS AND ADVANCES TO SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2013

(in € millions)	Cost at December 31, 2012	Increase	Decrease	Other	Cost at December 31, 2013
Edenred España	89				89
Edenred Belgium	664				664
Edenred France	435				435
Edenred Italia	395		(76)		319
Edenred South Africa	3		(1)		2
Cestaticket (1)	2		(1)		1
Lunch Company	1		(1)		-
TOTAL	**1,589**	**-**	**(79)**	**-**	**1,510**

(1) Concerns dividends receivable from Venezuela, accrued in the Edenred SA accounts following the 2012 merger with Edenred Participations, as remeasured following devaluation of the bolivar fuerte.

NOTE 6 CHANGE IN INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

	At December 31, 2012			Business acquisitions and purchases of newly issued shares, mergers		Disposals		At December 31, 2013			
Company	**Number of shares**	**Amount** *(in € millions)*	**% interest**	**Number of shares**	**Amount** *(in € millions)*	**Number of shares**	**Amount** *(in € millions)*	**Number of shares**	**Amount** *(in € millions)*	**% interest**	**Provisions** *(in € millions)*
Servicarte SAS	39,050	2	97.63%	950	1			40,000	3	100.00%	
Accentiv' Kadéos [(a)]	2,144,126	223	100.00%			(2,144,126)	(223)	-	-	0.00%	
Accentiv' Travel	1,600,000	14	100.00%					1,600,000	14	100.00%	12
Edenred France SAS	24,252,285	419	100.00%	4,808,147	223			29,060,432	642	100.00%	34
Veninvest Quattro	644,380	7	100.00%					644,380	7	100.00%	4
Veninvest Cinq	738,131	7	100.00%					738,131	7	100.00%	2
Veninvest Huit	678,947	7	100.00%					678,947	7	100.00%	1
AS Formation	38,061	7	100.00%			(38,061)	(7)	-	-	0.00%	
ASM [(b)]	6,245			19,135,464	306			19,141,709	306	100.00%	
Saminvest	18,000	278	90.00%			(6,000)	(1)	12,000	277	60.00%	
Veninvest Neuf	559,366	6	100.00%					559,366	6	100.00%	2
Veninvest Onze	548,487	5	100.00%					548,487	5	100.00%	3
Veninvest Douze	945,388	9	100.00%					945,388	9	100.00%	4
Veninvest Quinze	456,953	5	100.00%					456,953	5	100.00%	3
Veninvest Seize	507,712	5	100.00%	583,587	6			1,091,299	11	100.00%	6
Veninvest Quatorze	456,953	5	100.00%					456,953	5	100.00%	
Edenred Austria GmbH (Austria)	15,677	2	100.00%					15,677	2	100.00%	
Edenred Belgium	3,538,030	865	100.00%					3,538,030	865	100.00%	
Edenred Portugal LDA	379,086	4	100.00%	101,098,409	3			101,477,495	7	50.00%	3
Edenred Deutschland GMBH (Germany)	16,662,810	20	100.00%		7			16,662,810	27	100.00%	
Edenred Espana SA (Spain)	90,527	29	100.00%			(1)		90,526	29	99.99%	
Edenred Bulgaria AD (Bulgaria)	32,902	2	96.99%	1,018		(16,960)	(1)	16,960	1	50.00%	1
Westwell Group SA (Uruguay)	1,864,040	2	100.00%					1,864,040	2	100.00%	
Edenred Peru SA (Peru)	871,000	1	67.00%			(268,000)		603,000	1	67.00%	1
Edenred PANAMA SA	1,250,000	1	100.00%					1,250,000	1	100.00%	1
Royal Images Direct Marketing PTY (India)	2,086,999	7	100.00%			(2,086,999)	(7)	-	-	0.00%	
Shanghai Yagao Meal Service Card Company (China)	8,250,000	6	100.00%					8,250,000	6	100.00%	6
Beijing Yagao Meal Service Card Company (China)	1,775,000	2	88.75%					1,775,000	2	88.75%	2

Company	At December 31, 2012			Business acquisitions and purchases of newly issued shares, mergers		Disposals		At December 31, 2013			
	Number of shares	Amount *(in € millions)*	% interest	Number of shares	Amount *(in € millions)*	Number of shares	Amount *(in € millions)*	Number of shares	Amount *(in € millions)*	% interest	Provisions *(in € millions)*
Edenred (India) PVT Ltd (India)	20,896,276	13	94.34%					20,896,276	13	94.34%	5
Edenred Singapore Pte Ltd (Singapore)	6,392,151	15	100.00%					6,392,151	15	100.00%	15
Edenred SAl (Lebanon)	2,599,997	1	80.00%					2,599,997	1	80.00%	1
Surfgold Com PVT Ltd (India)	1,568,991	1	100.00%	20,869	7			1,589,860	8	100.00%	6
Accentiv' Shanghai Company (China)	650,000	1	100.00%					650,000	1	100.00%	
Edenred Colombia SA	2,115,968	2	96.70%					2,115,968	2	96.70%	2
Cestaticket Services C.A. (Venezuela)	3,420,000	16	57.00%					3,420,000	16	57.00%	
Inversiones Dix Venezuela SA	3,885,514	16	100.00%					3,885,514	16	100.00%	13
Big Pass (Colombia)				151,444	13			151,444	13	100.00%	
Edenred Brasil Participacoes SA (Brazil	198,669	1	7.04%	30,049	2			228,718	3	7.04%	
Edenred Suisse SA (Switzerland)	800	1	100.00%	1,700	2			2,500	3	100.00%	1
Edenred China	140,000,000	16	100.00%	50,000,000	6			190,000,000	22	100.00%	1
Barclay Vouchers Co Ltd	10,100	30	100.00%					10,100	30	100.00%	
Edenred Polska	239,583	4	99.99%	-		(221,400)		18,183	4	5.00%	5
Savinstar				1,098,443	4			1,098,443	4	10.80%	
Edenred Italia SRL	101,300	17	1.70%					101,300	17	1.70%	3
Edenred UK Group Limited	227,692	3	1.70%					227,692	3	1.70%	
Edenred Sweden AB	1,696	1	1.70%					1,696	1	1.70%	
Edenred Mexico	1,772,729	3	1.70%					1,772,729	3	1.70%	
Edenred Romania SRL	11,411	5	1.70%					11,411	5	1.70%	3
Edenred Servicos Participacoes AS	1,965,553	10	1.70%					1,965,553	10	1.70%	
Edenred CZ	230	1	1.70%					230	1	1.70%	
Other investments [b]	2,183,649	3	0.00%	600		(2,500)	-	2,181,749	3	0.00%	2
TOTAL	**258,692,464**	**2,100**		**176,930,680**	**580**	**(4,784,047)**	**(239)**	**430,839,097**	**2,441**		**142**

(a) Accentiv' Kadéos merged into Edenred France.
(b) None of the investments included under this heading represents more than €1 million.

NOTE 7 PROVISIONS AND ASSET IMPAIRMENTS AT DECEMBER 31, 2013

Items *(in € millions)*	At December 31, 2012	Increases	Decreases: Surplus provisions	Decreases: Utilized provisions	At December 31, 2013
Untaxed provisions					
Excess tax depreciation					-
TOTAL UNTAXED PROVISIONS	**-**	**-**	**-**	**-**	**-**
Provisions for contingencies					
Claims and litigation		1			1
Foreign exchange losses (1)	1	12			13
Other (2)	11	6			17
TOTAL PROVISIONS FOR CONTINGENCIES	**12**	**19**	**-**	**-**	**31**
Provisions for charges (3)					
Pension and other post-retirement benefit obligations	20	1	(4)		17
Taxes		4			4
Other		11			11
TOTAL PROVISIONS FOR CHARGES	**20**	**16**	**(4)**	**-**	**32**
TOTAL PROVISIONS	**32**	**35**	**(4)**	**-**	**63**
Impairments					
Intangible assets					-
Property and equipment					-
Investments * (4)	234	33	(120)		147
Trade receivables	-				-
Other receivables *	10	1		(6)	5
TOTAL IMPAIRMENTS	**244**	**34**	**(120)**	**(6)**	**152**
TOTAL PROVISIONS AND IMPAIRMENTS	**276**	**69**	**(124)**	**(6)**	**215**

Income statement impact of movements in provisions	Increases	Decreases
Operating income and expenses	12	(4)
Financial income and expenses	52	(126)
Non-recurring income and expenses	5	
Movements with no income statement impact		
TOTAL	**69**	**(130)**

* *Set up in accordance with the method described in Note 1.2.*

(1) *The provision for foreign exchange losses concerns the devaluation of the bolivar fuerte (see "Significant Events").*

(2) *Other provisions for contingencies consist mainly of provisions for the losses of subsidiaries for €17 million, including Shangai Yagao Meal (€10 million), Surfgold Singapore (€4 million) and Beijing Yagoo Meal (€2 million).*

(3) *Provisions for charges include provisions for pension and other post-retirement benefit obligations for €16 million and provisions for employee share-based payment plans for €11 million. The €17 million increase over the year comprised additions to provisions for employee share-based payment plans (€11 million) and to provisions for taxes. The €4 million decrease corresponded to the impact of adjustments to actuarial assumptions used to calculate pension and other post-retirement benefit obligations.*

(4) *Asset impairments mainly concern shares in subsidiaries and affiliates, including Edenred France (€34 million), Surfgold Singapore (€15 million), Inversiones 10 Venezuela SA (€13 million), Accentiv travel (€12 million), Surfgold India (€6 million) and Shanghai Yagao Meal (€6 million).*

Movements for the year were as follows:

- €33 million in impairment losses on shares in subsidiaries and affiliates, including €26 million related to the Venezuelan holding companies.
- €120 million in reversals of impairment losses on shares in subsidiaries and affiliates, consisting mainly of the €111 million impairment on Edenred France shares reversed following the merger with Accentiv' Kadéos.

Pension and other post-employment benefit obligations and underlying actuarial assumptions

	At December 31, 2013
Discount rate	3.0%
Mortality tables	TGH -TGF05
Rate of future salary increases	3%
Retirement age	65
Voluntary or compulsory retirement	Voluntary
Payroll tax rate	46%

	At December 31, 2013
Provisions for pensions and other post-retirement benefit obligations at December 31, 2012	19.1
Service cost	0.9
Interest cost	0.6
Benefit payments for the period	
Actuarial (gains)/losses	- 4.3
Plan amendments	
Provisions for pensions and other post-retirement beneft obligations at December 31, 2013	16.3

NOTE 8 MARKETABLE SECURITIES PORTFOLIO

(in € millions)	At December 31, 2012 costs	At December 31, 2013 costs
Term deposits	60	211
Term accounts	75	50
Retail certificates of deposit	2	12
Money market funds – Liquidity contract	9	9
Edenred SA shares	1	5
Accrued interest	5	3
TOTAL	**152**	**290**

Term deposits and accounts and retail certificates of deposit as classified as held-to-maturity investments.

The fair value of money market funds corresponds to their net asset value.

The €5 million in Edenred SA shares includes €1 million worth of shares held under the liquidity contract and €4 million in shares acquired for employee stock option plans. During 2013, Edenred SA bought back 210,000 shares on the market for employee share-based payment plans. No impairments were recorded on these shares because they are specifically intended for allocation to employees. A provision for contingencies related to the share buyback plan was recorded at December 31 (see Note 7).

NOTE 9 ACCRUALS AND OTHER ASSETS AT DECEMBER 31, 2013

(in € millions)	At December 31, 2012 net	Increases	Decreases	At December 31, 2013 net
Deferred charges				
Debt issuance costs (1)	2		(1)	1
Bond issuance costs (2)	4	4	(1)	7
TOTAL	6	4	(2)	8
Bond issue premiums				
Other issue premiums (3)	1	1		2
TOTAL	**1**	**1**	**-**	**2**
Prepaid expenses				
IT maintenance fees – Insurance premiums – Other fees	1			1
TOTAL	**1**	**-**	**-**	**1**

(1) The decrease in debt issuance costs reflects amortization for the period and the accelerated amortization recorded following the retirement of €75 million worth of bonds.

(2) The increase concerns the cost of setting up the €700 million confirmed revolving line of credit on April 25, 2013 and the new €250 million bond issue carried out on October 30, 2013.

(3) The increase corresponds to the issue premium on the new bond issue carried out on October 30, 2013.

NOTE 10 CONVERSION DIFFERENCES

(in € millions)	At December 31, 2012	At December 31, 2013
Assets		
Decrease in receivables (1)	7	28
Increase in payables (2)	1	2
TOTAL	**8**	**30**
Conversion differences in liabilities		
Increase in receivables (2)	5	9
Decrease in payables (2)	2	9
TOTAL	**7**	**18**

(1) Conversion differences on currency swaps and bank balances following the devaluation of the bolivar fuerte (see Significant Events).

(2) Conversion differences on loans and borrowings with foreign subsidiaries, bank balances and currency swaps.

NOTE 11 ACCRUED INCOME

Accrued income is included in the following balance sheet items *(in € millions)*	At December 31, 2012	At December 31, 2013
Loans and advances to subsidiaries and affiliates	2	1
Trade receivables	2	2
Marketable securities	5	3
Cash	1	3
TOTAL	**10**	**9**

NOTE 12 ACCRUED EXPENSES

Accrued expenses are included in the following balance sheet items *(in € millions)*	At December 31, 2012	At December 31, 2013
Bonds	12	8
Bank borrowings		1
Other borrowings	11	11
Trade payables	4	3
Accrued taxes and payroll costs	7	8
Other liabilities	1	1
TOTAL	**35**	**32**

NOTE 13 CHANGES IN SHAREHOLDERS' EQUITY

Items *(in € millions)*	At December 31, 2012	Appropriation of 2012 net profit	Shares issued/ (canceled)	Other	2013 net profit	At December 31, 2013
Number of shares outstanding [(1)]	**225,897,396**					**225,897,396**
Share capital	452					452
Additional paid-in capital	602		(4)			598
Legal reserve	45					45
Untaxed reserves	-					-
Other reserves	-					-
Retained earnings	259	(129)				130
Net profit for the year	56	(56)			414	414
Untaxed provisions	-					-
TOTAL SHAREHOLDERS' EQUITY	**1,414**	**(185)**	**(4)**	**-**	**414**	**1,639**

(1) Shares with a par value of €2. At December 31, 2013, Edenred SA held 1,846,257 of its own shares, representing 0.8% of the capital, directly (see footnote to Note 2) and under the liquidity contract (see Note 8).

(2) Dividends of €185 million were paid on May 31, 2013.

NOTE 14 STOCK OPTION AND PERFORMANCE SHARE PLANS

Stock option plan	2011 Plan	2012 Plan	2013 Plan
Grant date	March 11, 2011	February 27, 2012	-
Vesting date	March 12, 2015	February 28, 2016	-
Expiry date	March 11, 2019	February 27, 2020	-
Exercise price *(in €)*	18.81	19.03	-
Value used for calculating the 10% contribution sociale surtax *(in €)*	5.07	4.25	-
Vesting conditions	Continued presence within the Group as of March 11, 2015 (except in the specific circumstances provided for in the plan rules)	Continued presence within the Group as of February 27, 2016 (except in the specific circumstances provided for in the plan rules)	-
Number of options granted at the plan launch	611,700	382,800	-
Number of options outstanding at December 31	-	-	-
Number of options exercised since the plan launch	-	-	-
Number of options cancelled since the plan launch	5,100	12,000	-

(1) Shares with a par value of €2.

Performance share plans	2011 Plan	2012 Plan	2013 Plan
Grant date	March 11, 2011	February 27, 2012	Feb. 18, 2013
Vesting date	March 12, 2014 or March12, 2016 (1)	February 28, 2015 or February 28, 2017 (2)	February 19, 2016 or February 19, 2018 (3)
Value used for calculating the 10% contribution sociale surtax *(in €)*	18.06	18.69	19.33
Vesting conditions	1/3 based on 2011 EBIT and issue volume targets 1/3 based on 2012 FFO and issue volume targets 1/3 based on 2013 FFO and issue volume targets	1/3 based on 2012 FFO and issue volume targets 1/3 based on 2013 FFO and issue volume targets 1/3 based on 2014 FFO and issue volume targets	40% 2013-2015 FFO 40% 2013-2015 issue vol. 20% 2013-2015 relative TSR performance
Number of performance shares granted at the plan launch	805,025	867,575	845,900
Number of performance shares outstanding at December 31	-	-	-
Number of performance shares cancelled since the plan launch	35,522	16,550	23,200
Potential number of new shares to be issued if performance conditions met	769,503	851,025	822,700

(1) March 12, 2014 for French tax residents and March 12, 2016 for non-residents.
(2) February 28, 2015 for French tax residents and February 28, 2017 for non-residents.
(3) February 19, 2016 for French tax residents and February 19, 2018 for non-residents.

NOTE 15 MATURITIES OF DEBT AND PAYABLES AT DECEMBER 31, 2013

(in € millions)	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Financial debts				
Bonds (1) (3)	1,283	8	800	475
Bank borrowings (1) (3)	218	18	200	-
Other borrowings (2) (3)	1,163	929	234	
Operating payables				
Trade payables	5	5	-	-
Other payables				
Accrued taxes and payroll costs	12	12	-	-
Due to suppliers of fixed assets	-	-	-	-
Other liabilities	1	1	-	-
Deferred income	-	-	-	-
TOTAL	**2,682**	**973**	**1,234**	**475**

(1) 2010, 2012 and 2013 bond issues (gross amount).
Debt repaid during the year (gross amount): €75 million; debt issued during the year (gross amount): €250 million.
(2) Current account advances and loans from subsidiaries.
(3) Breakdown by currency (in € millions):

Debt by currency	
CZK	35
EUR	2,361
GBP	139
HUF	12
MXN	69
JPY	17
SEK	32
CHF	4
SGD	3
USD	10
TOTAL	**2,682**

NOTE 16 MATURITIES OF RECEIVABLES AT DECEMBER 31, 2013

(in € millions)	Total	Due within 1 year	Due beyond 1 year
Receivables included in fixed assets			
Loans and advances to subsidiaries and affiliates	1,512	2	1,510
Other loans			
Other investments	42	42	
Receivables included in current assets			
Trade receivables	10	10	
Other receivables	102	102	
Accrued expenses	1	1	
TOTAL	**1,667**	**157**	**1,510**

Breakdown by currency (in € millions):

Receivables by currency	
EUR	1,661
ZAR	2
SGD	3
Other	1
TOTAL	**1,667**

NOTE 17 RELATED PARTY TRANSACTIONS (1)

(in € millions)	2012	2013
Assets		
Shares in subsidiaries and affiliate	2,099	2,441
Loans and advances to subsidiaries and affiliates	1,589	1,512
Other investment securities	3	3
Trade receivables	9	10
Other receivables	102	101
Liabilities		
Other borrowings	1,094	1,163
Trade payables	2	1
Income and expenses		
Income from investments in subsidiaries and affiliates	149	126
Other financial income	2	2
Financial expenses	32	27

(1) Companies that are fully consolidated in the Edenred Group consolidated financial statements are deemed to be related parties.

NOTE 18 BREAKDOWN OF NET REVENUE

(in € millions)	2012	2013
France	6	9
TOTAL FRANCE	**6**	**9**
International	20	22
TOTAL INTERNATIONAL	**20**	**22**
TOTAL NET REVENUE	**26**	**31**

NOTE 19 MANAGEMENT COMPENSATION AND EMPLOYEE INFORMATION

Compensation paid to members of the Company's administrative and supervisory bodies

(in € millions)	2012	2013
Members of the Executive Committee (excluding payroll taxes) and the Board of Directors	7	6
Number of employees		
Employee category		
Managers	151	177
Supervisors	3	6
Administrative staff (interns)	10	10
Apprentices	4	5
TOTAL	**168**	**198**

The Company has a total of 198 employees, including four seconded to subsidiaries.

Statutory training entitlement ("DIF")

In accordance with Recommendation 2004F issued by the Urgent Issues Task Force of the French National Accounting Board, Edenred did not set aside any provisions relating to employees' statutory training entitlement under the "DIF" scheme in its 2012 financial statements.

At December 31, 2013, Edenred employees had accumulated a total of 8,149 training hours under this entitlement.

NOTE 20 NET FINANCIAL INCOME

(in € millions)	2012	2013
Income from investments in subsidiaries and affiliates	**149**	**126**
Dividends received from subsidiaries	92	78
Interest received on intra-group loans and receivables	57	48
Other interest income	**13**	**10**
Interest income on current account advances	2	1
Interest income on interest rate and currency swaps	5	5
Other interest income	6	4
Reversals of provisions for financial items	**5**	**119**
Reversals of provisions for impairment of shares in subsidiaries and affiliates	5	112
Reversals of provisions for impairment of other receivables		
Reversals of provisions for contingencies and charges		7
Foreign exchange gains		**1**
FINANCIAL INCOME	**167**	**256**
Interest expense	**(78)**	**(77)**
Interest paid on bonds	(34)	(39)
Interest paid on bank borrowings	(9)	(4)
Interest paid on other borrowings [(1)]	(3)	(7)
Interest paid on current account advances	(2)	(2)
Interest paid on loans from subsidiaries	(30)	(25)
Amortization and provisions – financial assets	**(25)**	**(52)**
Additions to provisions for impairment of shares in subsidiaries and affiliates	(11)	(39)
Additions to provisions for impairment of loans		
Additions to provisions for impairment of current assets	(3)	(1)
Amortization of bond issue premiums		
Additions to provisions for contingencies and charges	(11)	(12)
Foreign exchange losses		
FINANCIAL EXPENSES	**(103)**	**(129)**
NET FINANCIAL INCOME	**64**	**127**

(1) Including the €6 million deficit on the AS Formation merger, see Note 1 – Significant Events.

NOTE 21 NON-RECURRING ITEMS

In 2013, total non-recurring items represented net income of €300million before tax, breaking down as follows:

(in € millions)	2012	2013
Gains (losses) on disposals of intangible assets and property and equipment	-	-
Gains (losses) on disposals and liquidations of investments (1)	(3)	305
Non-recurring charges to financial provisions	-	(1)
Non-recurring charges to provisions for contingencies and charges	-	(4)
Additions to provisions for subsidiaries' losses	-	-
Reversals of provisions for risks related to subsidiaries	8	-
NET NON-RECURRING INCOME	**5**	**300**

(1) For 2013, mainly the gain on the sale of 30% of Saminvst to ASM, a wholly-owned subsidiary of Edenred SA. The transaction represented a legal restructuring of the Group's interests.

NOTE 22 INCOME TAX AND CONSOLIDATION

A Income tax expense (benefit) of Edenred SA

The Company recorded a tax loss of €43 million on a stand-alone basis in 2013 (i.e. excluding the contribution of companies in the Edenred SA tax group).

The income tax benefit for the year breaks down as follows:

(in € millions)	2012	2013
Tax on recurring profit	(6)	(12)
Tax on non-recurring items	1	4
Income tax benefit (1)	(5)	(8)

(1) Including the 3% additional tax on distributed earnings (applicable to earnings distributed since August 17, 2012) for €6 million, less the €2 million tax benefit recognized following the tax audit and €12 million in group relief.

Potential deferred taxes arising from deductible and taxable temporary differences, including tax loss carryforwards, represented a net asset of €32 million at December 31, 2012.

B. Tax group

Edenred SA and its eligible French subsidiaries elected for the Group relief system governed by Article 223A of the French General Tax Code on March 18, 2011. The election applies as from the 2011 tax year.

A group relief agreement between Edenred SA and the other members of the tax group was also signed in 2011.

The tax group members in 2013 were:

- Saminvest;
- ASM;
- Edenred France;
- Veninvest Quatro;
- Veninvest Cinq;
- Veninvest Huit;
- Accentiv Travel;
- Servicarte;
- Veninvest Neuf *;
- Veninvest Dix *;
- Veninvest Onze *;
- Veninvest Douze *;
- Veninvest Quatorze *;
- Veninvest Quinze *;
- Veninvest Seize *.

* *Companies included in the tax group as from 2013.*

C. Group relief benefit

In 2013, a net group relief benefit of €12 million including tax credits was recorded in Edenred SA's accounts.

The tax group's tax loss for the year was €20 million.

D. Consolidation

Edenred SA is the consolidating entity for the Edenred Group.

NOTE 23 OFF-BALANCE SHEET COMMITMENTS GIVEN AND RECEIVED

Other off-balance sheet commitments

Off-balance sheet commitments given at December 31, 2013 break down as follows:

At December 31 *(in € millions)*	**Within 1 year**	**1 to 5 years**	**Beyond 5 years**	**At December 31, 2012**	**At December 31, 2013**
Total renovation commitments					
Guarantees given (1)	21	29		24	50
Guarantees for bank borrowings (2)	9			10	9
TOTAL GUARANTEE COMMITMENTS	**30**	**29**	**-**	**34**	**59**

(1) Corresponding to bonds given to banks on behalf of subsidiaries for €38 million and capital commitments of €12 million given to the Partech international VI investment fund.

(2) Corresponding to guarantees for bank loans given on behalf of subsidiaries.

Hedging instruments

Currency hedges

The following tables analyze the notional amount of currency hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2013:

		At December 31, 2013
(in € millions)	**Expiring 2014**	**Notional amount**
Forward sales and currency swaps		
ZAR	2	2
HKD	1	1
FORWARD SALES	**3**	**3**
Forward purchases and currency swaps		
GBP	136	136
SEK	31	31
CZK	29	29
MXN	56	56
JPY	17	17
HUF	5	5
USD	5	5
CHF	4	4
FORWARD PURCHASES	**283**	**283**
TOTAL CURRENCY HEDGES	**286**	**286**

For each currency, the notional amount corresponds to the euro equivalent of 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 the currency instruments listed above are used for hedging purposes. They are designated and documented fair value hedges of intra-group loans and borrowings that qualify for hedge accounting.

At December 31, 2013, currency instruments had a negative fair value of €3.8 million.

Interest rate hedges

The following tables analyze the notional amount of interest rate hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2013:

At December 31 *(in € millions)*	**2013 Notional amount**	**2014**	**2015**	**Beyond**
Interest rate swaps where Edenred is the fixed rate borrower EUR Euribor/Fixed rate	100	33	67	
Interest rate collars where Edenred is the fixed rate borrower	67	33	34	
Interest rate swaps where Edenred is the variable rate borrower Fixed rate/EUR Euribor	900			900
TOTAL INTEREST RATE HEDGES	**1,067**	**66**	**101**	**900**

The notional amount corresponds to the amount covered by the interest rate hedge. Fair value represents the amount that would be receivable or payable if the positions were unwound on the market.

All the interest rate instruments listed above are used for hedging purposes.

At December 31, 2013, interest rate instruments had a negative fair value of €5.2 million.

NOTE 24 MAIN SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2013

		(in thousands of local currency units)			Carrying amount of shares		
Subsidiaries and affiliates	**Currency**	**Share capital**	**Reserves**	**% interest**	**Cost**	**Net**	**Provisions**
A- Subsidiaries and affiliates with a carrying amount in excess of 1% of Edenred SA's capital							
1- Subsidiaries (at least 50%-owned)							
a) French subsidiaries							
Accentiv'Travel 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	2,400	(434)	100.00%	14,183	1,944	12,239
Edenred France 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	464,967	(43,669)	100.00%	641,997	608,114	33,883
Veninvest Quattro 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	6,444	(14)	100.00%	6,444	2,933	3,511
Veninvest Cinq 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	7,381	(14)	100.00%	7,381	5,212	2,169
Veninvest Huit 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	6,789	(14)	100.00%	6,789	6,177	612
ASM 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	306,267	(16)	100.00%	306,267	306,267	
Saminvest 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	3,060	306	60.00%	276,760	276,760	
Veninvest Neuf 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	5,594	(38)	100.00%	5,594	4,008	1,586
Veninvest Onze 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	5,485	(38)	100.00%	5,485	2,244	3,241
Veninvest Douze 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	9,454	(58)	100.00%	9,454	5,404	4,050
Veninvest Quinze 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	4,570	(5)	100.00%	4,570	2,050	2,520
Veninvest Seize 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	10,913	(11)	100.00%	10,913	4,783	6,130
Veninvest Quatorze 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	4,570	(5)	100.00%	4,570	4,213	357

(in € thousands)

Outstanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue *(local currency)*	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2013 exchange rate
		535	535	(411)	(411)	-	1.00000
520,553		154,021	154,021	37,143	37,143	-	1.00000
		-	-	(3,497)	(3,497)	-	1.00000
		-	-	(2,126)	(2,126)	-	1.00000
		-	-	(568)	(568)	-	1.00000
122		-	-	26	26	-	1.00000
		-	-	56,009	56,009	47,223	1.00000
24		-	-	(1,509)	(1,509)	-	1.00000
23		-	-	(3,204)	(3,204)	-	1.00000
43		-	-	(3,964)	(3,964)	-	1.00000
		-	-	(2,515)	(2,515)	-	1.00000
4		-	-	(6,120)	(6,120)	-	1.00000
		-	-	(323)	(323)	-	1.00000

		(in thousands of local currency units)			Carrying amount of shares		
Subsidiaries and affiliates	**Currency**	**Share capital**	**Reserves**	**% interest**	**Cost**	**Net**	**Provisions**
b) Foreign subsidiaries							
Edenred Belgium	EUR	8,608	182,923	100.00%	865,415	865,415	
Edenred Portugal LDA (Portugal)	EUR	2,030	6,421	50.00%	6,765	3,983	2,782
Edenred Deutschland GmbH (Germany)	EUR	1,520	18,839	100.00%	26,651	26,651	-
Edenred Espana SA (Spain)	EUR	11,544	(1,910)	99.99%	29,101	29,101	
Shangai Yagao Meal Service Card Company Ltd (China)	CNY	63,066	(119,376)	100.00%	6,362	-	6,362
Edenred India PVT Ltd (India) (1)	INR	221,512	165,442	94.34%	13,008	7,626	5,382
Edenred Singapore Pte Ltd (Singapore)	SGD	15,800	(19,133)	100.00%	14,772	-	14,772
Surgold India PVT Ltd (India) (1)	INR	15,690	82,047	100.00%	7,538	1,085	6,453
Cestaticket Services C.A. (Venezuela)	VEF	6,000	23,056	57.00%	16,309	16,309	
Inversiones Dix Venezuela SA	VEF	17,485	27,588	100.00%	15,798	2,973	12,825
Big Pass (Colombia)	COP	1,514,440	13,785,661	100.00%	12,759	12,759	
Edenred China	CNY	190,000	(19,392)	100.00%	21,644	20,504	1,140
Barclays Vouchers Co Ltd	JPY	2,495,000	(2,112,195)	100.00%	29,624	29,624	
2- Affiliates (10% to 50%-owned by Edenred SA)							
a) French companies							
b) Foreign companies							
3- Other (less than 10%-owned by Edenred SA)							
a) French companies							
b) Foreign companies							
Edenred Polska Sp Zo.o. (Poland)	PLN	18,170	11,306	5.00%	4,682	-	4,682
Edenred Italie SRL Via GB Pirelli 19 Milano Italy	EUR	5,959	38,691	1.70%	16,717	13,824	2,893
Edenred Romania SRL	RON	103,367	(34,863)	1.70%	4,531	1,602	2,929
Edenred Servicos E Participacoes S/A	BRL	138,261	132,065	1.70%	9,608	9,608	
B- Investments with a carrying amount of less than 1% of Edenred SA's capital							
a) French companies							
Servicarte 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	610	319	100.00%	2,799	2,799	
Edenred Partners 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	15	-	100.00%	15	15	
GABC 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	60	(12)	100.00%	60	60	

(in € thousands)

Outstanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue *(local currency)*	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2013 exchange rate
664,458		57,614	57,614	58,457	58,457		1.00000
	-	5,017	5,017	(100)	(100)	-	1.00000
759		6,530	6,530	(2,291)	(2,291)	-	1.00000
89,120		15,579	15,579	3,167	3,167	-	1.00000
		1,252	153	(11,866)	(1,453)	-	8.16470
		295,190	3,792	4,340	56	-	77.84200
2,410		4,498	2,707	(970)	(584)	-	1.66140
	-	1,854,369	23,822	(39,365)	(506)	-	77.84200
		813,799	54,235	342,705	22,839	16,724	15.00510
			-	1,251	83	-	15.00510
		6,784,830	2,733	(11,618,803)	(4,680)		2,482.45000
		3,819	468	(6,370)	(780)	-	8.16470
		621,964	4,802	26,250	203	-	129.51600
		4,403	1,049	(5,887)	(1,403)	-	4.19720
320,000		1,096,807	1,096,807	50,384	50,384	-	1.00000
		71,958	16,282	10,192	2,306	232	4.41940
		-	-	267,089	93,192	1,767	2.86600
		13,097	13,097	2,135	2,135	2,058	1.00000
233		-	-	(8)	(8)	-	1.00000
122		-	-	52	52	-	1.00000

Subsidiaries and affiliates	Currency	Share capital	Reserves	% interest	Cost	Net	Provisions
		(in thousands of local currency units)			Carrying amount of shares		
Veninvest Dix 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	15	(4)	100.00%	15	15	
Activitiz 4 bis rue Saint Saveur 75002 Paris [1]	EUR	49	628	9.89%	250	-	250
b) Foreign companies							
Soltis BV Weena 695 3013 AM Rotterdam (Netherlands)	EUR	140	(77)	100.00%	494	391	103
Edenred Austria GmbH Am Euro Platz 1 A-1120 Wien (Austria)	EUR	1,600	32	100.00%	1,589	1,589	
Edenred North America Inc	USD	15,616	12,363	100.00%	333	333	
Corporate Insurance Boker Magyarorszag KFT (Hungary)	HUF	50,000	(20,619)	56.00%	105	55	50
Edenred Bulgaria ad 137 Tzarigradsko Shausse Blvd Sofia 1784, Bulgaria	BGN	3,392	(132)	50.00%	1,272	496	776
Westwell Group SA José Enrique Rodo 2123 Montevideo Uruguay	USD	1,864	452	100.00%	2,209	2,209	
Edenred Peru SA (Peru)	PEN	900	287	67.00%	1,455	104	1,351
Edenred Panama SA	PAB	1,250	(182)	100.00%	1,024	-	1,024
Edenred South Africa (Proprietary) Ltd (South Africa)	ZAR	5,000	(43,723)	74.00%	424	-	424
Edenred Maroc SAS 110 bd Zerktouni Casablanca	MAD	11,000	(22,915)	51.00%	496	-	496
Beijing Yagao Meal Service Card Company LTD (China)	CNY	16,440	(30,713)	88.75%	1,854	-	1,854
Edenred SAl (Lebanon)	LBP	3,252,908	(3,686,673)	80.00%	1,559	219	1,340
Accentiv' Shanghai Company (China)	CNY	7,041	(651)	100.00%	650	650	-
Edenred Colombia S.A.S (Colombia)	COP	218,818	985,058	96.70%	2,084	370	1,714
Ticket Servicos SA (Brazil)		40,221	187,756	0.11%	230	230	
Edenred Bresil Participacoes SA (Brazil)	BRL	555,633	(25,215)	7.04%	3,306	3,306	
Edenred Suisse SA (Switzerland)	CHF	800	1,945	100.00%	2,456	1,909	547
Savingstar	USD	27,272	(14,037)	10.80%	3,887	3,887	
Edenred Magyarorszag KFT (Hungary)	HUF	44,500	343,518	1.69%	187	111	76
Vouchers Services SA 33 Avenue Galatsiou 11141 Athens Greece	EUR	500	167	1.70%	0	0	

(in € thousands)

	Outstanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue *(local currency)*	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2013 exchange rate
			-	-	(3)	(3)	-	1.00000
			2,457	2,457	7	7	-	1.00000
		-	-	-	141	141	-	1.00000
		-	1,384	1,384	63	63	269	1.00000
		-	450	339	(756)	(569)	-	1.32790
		-	-	-	-	-	-	296.98900
		-	1,966	1,005	(764)	(391)	-	1.95580
		-	-	-	1,712	1,289	1,070	1.32790
		-	2,194	611	(862)	(240)	-	3.59020
		-	-	-	-	-	-	1.32790
	2,334	-	13,948	1,088	(4,421)	(345)	-	12.82250
		-	2,312	207	(3,564)	(319)	-	11.16880
		-	4,580	561	(7,706)	(944)	-	8.16470
		-	1,066,747	533	(74,915)	(37)	-	2,001.60000
		-	28,713	3,517	(4,307)	(528)	-	8.16470
		-	-	-	(146,523)	(59)	-	2,482.45000
		-	827,130	288,601	300,657	104,905	114	2.86600
		-	-	-	270,842	94,502	7,339	2.86600
		-	329	267	(226)	(184)	-	1.23060
			4,141	3,118	(4,517)	(3,402)		1.32790
	1,148	-	42,956	145	(208,282)	(701)	29	296.98900
		-	4,950	4,950	1,618	1,618	19	1.00000

		(in thousands of local currency units)			Carrying amount of shares		
Subsidiaries and affiliates	**Currency**	**Share capital**	**Reserves**	**% interest**	**Cost**	**Net**	**Provisions**
Edenred UK Group Limited 50 Vauxhall Bridge Road London SW1V 2RS UK	GBP	13,394	495,511	1.70%	3,117	3,117	
Edenred Sweden Liljeholmsstranden 3 105 40 Stockholm (Sweden)	SEK	9,974	34,798	1.70%	897	500	397
Edenred Mexico SA de CV Lago Rodolfo 29 Granada CP 11520 Mexico DF	MXN	175,154	31,065	1.70%	3,256	3,256	
Luncheon Tickets SA José Enrique Rodo 2123 Montevideo Uruguay	UYU	5,236	3,912	1.74%	231	231	
Edenred Slovakia (Slovakia)	EUR	664	96	1.70%	309	309	-
Edenred Kurumsal COZ.A.S (Turkey)	TRY	2,980	3,653	1.70%	55	55	-
G Log Servicos de Gestao de Distribuicao LTDA (Brazil)	BRL	10	(463)	1.70%	1	1	-
Edenred Solutions KFT (Hungary)	HUF	44,500	77,002	1.69%	187	-	187
Ticketseg - Corretora de Seguros S/A (Brazil)	BRL	2,526	230	0.43%	8	8	
Accentiv Servicos Tecnologia da Informacoa S/A	BRL	21,114	610	0.31%	387	32	355
Edenred CZ S.R.O Na Porici 5, Praha 1, Czech Republic	CZK	13,500	860,186	1.70%	725	725	
3- Other investments							
1- Subsidiaries and affiliates (at least 10%-owned by Edenred SA)							
a) French subsidiaries (aggregate)					1,300,407	1,230,109	70,298
b) Foreign subsidiaries (aggregate)					1,101,284	1,041,064	60,220
2- Other investments (less than 10%-owned by Edenred SA)							
a) French companies (aggregate)					3,139	2,889	250
b) Foreign companies (aggregate)					34,787	24,093	**10,694**
TOTAL (NOTE 28)					**2,439,617**	**2,298,155**	**141,462**

Provisional unaudited balance sheet data:
(1) Balance sheets at March 31, 2013.

(in € thousands) Outstanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue *(local currency)*	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2013 exchange rate
	-	1,062	1,251	9,904	11,664	271	0.84910
	-	102,637	11,865	(3,965)	(458)	32	8.65010
	-	942,612	55,556	212,629	12,532	189	16.96690
	-	266,360	9,812	125,474	4,622	71	27.14630
	-	9,105	9,105	2,320	2,320	44	1.00000
	-	30,992	12,240	16,207	6,401	99	2.53210
	-	5,043	1,760	(17)	(6)	-	2.86600
	-	521,653	1,756	145,324	489	57	296.98900
	-	984	343	1,002	350	2	2.86600
	-	37,070	12,845	210	73	2	2.88600
	-	439,664	16,924	63,234	2,434	143	25.97880
520,769	-					47,223	
1,076,747	-					18,723	
295	-					2,058	
3,482	-					9,750	
1,601,293	**-**					**77,754**	

NOTE 25 FIVE-YEAR FINANCIAL SUMMARY

Description *(in € millions)*	2009	2010	2011	2012	2013
1 – Capital at December 31					
Share capital		452	452	452	452
Number of shares in issue	370	225,897,396	225,897,396	225,897,396	225,897,396
Number of convertible bonds					
2 – Results of operations					
Net revenues		18	24	26	31
Profit before tax, depreciation, amortization and provision expense		222	297	68	356
Income tax			13	10	8
Net profit		152	378	56	414
Total dividend		113	158	185	187
3 – Per share data *(in €)*					
Earnings/(loss) per share after tax, before depreciation, amortization and provision expense	(10.77)	0.98	1.31	0.30	1.58
Earnings/(loss) per share	(10.77)	0.67	1.67	0.25	1.83
Dividend per share	-	0.50	0.70	0.82	0.83
4 – Employee information					
Number of employees [(2)]		136	148	160	174
Total payroll		(5)	(17)	(18)	(29)
Total benefits		(4)	(9)	(10)	(11)

(1) 2013 recommended dividend payable on 225,897,396 shares.

(2) Average number of employees.

7

INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

7.1 INFORMATION ABOUT THE COMPANY

7.1.1 COMPANY NAME

The Company's name is Edenred.

7.1.2 REGISTRATION DETAILS AND APE CODE

The Company is registered in Nanterre under no. 493 322 978. Its APE business identifier code is 6420Z.

7.1.3 INCORPORATION DATE AND TERM

The Company was incorporated on December 14, 2006 for a 99-year term as a *société par actions simplifiée*. It was converted into a *société anonyme* on April 9, 2010.

7.1.4 REGISTERED OFFICE, LEGAL FORM AND GOVERNING LAW

The Company's registered office is at 166 to 180 boulevard Gabriel Péri, 92240 Malakoff, France.

Phone: +33 1 74 31 75 00.

The Company is a *société anonyme* with a Board of Directors governed by the laws of France, mainly the provisions of the Code de Commerce (Commercial Code).

7.1.5 CORPORATE PURPOSE

The corporate purpose is set out in Article 3 of the bylaws, which are obtainable on request from the Company's headquarters and may be consulted at www.edenred.com/en/Finance.

The Company's corporate purpose is to engage in the following activities, in France and abroad, for its own account and on behalf of third parties:

- the design, development, promotion, marketing and management of paper and paperless service vouchers and, more generally, of all employee and public benefits, incentive and rewards, and expense management services;
- the development, promotion and operation of any and all information systems needed to support the development and implementation of the voucher and other activities described above, including related consulting services, and the management of associated financial transactions;
- the provision of consulting services, analyses and expertise in assessing the administrative, technical and financial resources needed to develop and implement service voucher policies and policies related to the above activities;
- the acquisition, by any method, of interests in any and all companies and ventures in France or abroad that have a similar or related purpose;
- the deployment of all public relations and communication initiatives related to the above service activities, including the organization of symposia, seminars, meetings, conventions, shows and events;
- the provision of short, medium and long-term financing and cash management services for subsidiaries and sister companies. To this end, the Company may (i) obtain any and all loans in France or abroad, in euros or in foreign currencies, (ii) make loans and advances in euros or in foreign currencies, and (iii) carry out any and all treasury, short-term investment and hedging transactions;
- generally, the carrying out of any and all commercial, industrial, financial, securities and real estate transactions related directly or indirectly to the corporate purpose and all similar or related purposes or that facilitate the fulfillment of said purpose.

To fulfill its corporate purpose, the Company may carry out actions or transactions of any type and size and in any location, including the creation of new companies, the acquisition of shares or rights in existing companies, through a capital increase or otherwise, a company acquisition or a merger, that (i) contribute or may contribute to, or facilitate or may facilitate the conduct of the activities defined above or (ii) directly or indirectly preserve the commercial, industrial or financial interests of the Company, its subsidiaries or its business partners.

7.2 INFORMATION ABOUT THE COMPANY'S SHARES

7.2.1 DESCRIPTION OF THE COMPANY'S SHARES

7.2.1.1 Type, class and listing – ISIN

At December 31, 2013, the Company's capital was made up of 225,897,396 shares with a par value of €2 each, all fully paid.

The 225,897,396 shares are ordinary shares with rights to all distributions of interim and final dividends, reserves or equivalent amounts.

All of the shares are listed on NYSE Euronext Paris (compartment A) under ISIN FR0010908533 (ticker symbol: EDEN). Edenred is included in the CACLarge60 index.

7.2.1.2 Governing law and competent courts

The Company's shares are governed by the laws of France.

The courts of the district where the Company has its registered office have jurisdiction over disputes where the Company is defendant. In disputes where the Company is plaintiff, the court of jurisdiction will be designated depending on the type of dispute, unless otherwise specified in France's Civil Procedure Code.

7.2.1.3 Form of the shares and procedures for recognizing ownership

The Company's shares may be held in registered or bearer form, at the choice of the shareholder.

In application of Article L.211-3 of France's Monetary and Financial Code, ownership of the Company's shares is not evidenced by certificates but by an entry in a securities account kept by the Company or an authorized intermediary. The rights of shareholders are evidenced by an entry in their name in the books kept by:

- the Company's registrar, Société Générale (32 rue du Champ-de-Tir, BP 81236 - 44312 Nantes Cedex 3, France), for registered shares;
- a bank or broker chosen by the shareholder and recognized by the Company's registrar, Société Générale (32 rue du Champ-de-Tir, BP 81236 - 44312 Nantes Cedex 3, France), for administered registered shares;
- a bank or broker chosen by the shareholder, for bearer shares.

Settlement/delivery of transactions in the Company's shares is carried out through Euroclear France, as central securities depository.

Shares are transferred by book entry and the transfer of title results from their being recorded in the buyer's securities account, in accordance with Articles L.211-15 and L.211-17 of France's Monetary and Financial Code.

Securities services are provided by the Company's registrar, Société Générale (32 rue du Champ-de-Tir, BP 81236 - 44312 Nantes Cedex 3, France).

7.2.1.4 Rights attached to the Company's shares

From the time of issue, the Company's shares are subject to all of the provisions of the Company's bylaws. Based on current French law and the Company's bylaws, the main rights attached to the shares are as follows:

Dividend rights

Each year, 5% of profit for the year, less any losses brought forward from prior years, is transferred to the legal reserve until such time as the legal reserve represents one-tenth of the share capital. The process resumes if the legal reserve subsequently falls to below one-tenth of the share capital for whatever reason.

The balance, plus any retained earnings brought forward from prior years, is available for distribution to shareholders in the form of dividends, in accordance with the applicable laws and regulations.

The Annual Shareholders Meeting called to approve the financial statements may decide to pay a dividend to all shareholders.

The Shareholders Meeting may decide to offer shareholders the option of reinvesting all or part of any interim or final dividend in shares of the Company, in accordance with the applicable laws and regulations. Dividends not claimed within five years of the payment date will be time-barred and will be paid over to the French State.

The Shareholders Meeting may decide, before paying a dividend, to deduct from distributable profit any amounts that it thinks fit to be credited to retained earnings or to one or more general or special reserve accounts to be used for any purposes decided by shareholders.

The Shareholders Meeting may also decide to distribute unrestricted reserves, as allowed by law, in which case the related resolution will specify the reserve accounts from which the dividend is to be deducted.

However, except in the case of a capital reduction, no such distribution may be made to shareholders if the Company's equity represents less than the sum of its share capital and restricted reserves, or would represent less than that amount as a result of the distribution.

Dividends paid to non-residents are subject to French withholding tax (see section 7.2.1.8, page 242).

New shares are issued cum rights and rank *pari passu* with existing shares. They carry rights to all interim and final dividends and all distributions of reserves or equivalent amounts decided after their issue.

Voting rights

The voting rights attached to shares are proportionate to the portion of capital they represent. All shares have the same par value and therefore one voting right is attached to each share.

However, as allowed by Article 24 of the Company's bylaws, paid-up shares registered in the name of the same holder for at least two years have double voting rights.

In the case of a share issue paid up by capitalizing reserves, profits or additional paid-in capital, the new shares allocated in respect of shares with double voting rights also have double voting rights from the time of issue.

Registered shares converted into bearer shares or sold to a different shareholder lose their double voting rights. However, transfers through inheritance, liquidation of marital assets or an *inter vivos* transfer to a spouse or to a relative in the ascending or descending line do not result in the loss of double voting rights or a break in the qualifying period. The merger of the Company has no impact on double voting rights, provided that the bylaws of the surviving company allow for their exercise.

Article 24 of the Company's bylaws stipulates that voting rights attached to shares held by beneficial and non-beneficial owners are exercisable at Ordinary and Extraordinary Shareholders Meetings by the beneficial owner, except that the non-beneficial owner may also vote in his or her own name when the resolution requires a unanimous vote of all of the shareholders.

Details of the number of voting rights at December 31, 2013 are presented in section 7.3.

Pre-emptive right to subscribe for securities in the same class

Under current French law, shareholders have a pre-emptive right to subscribe for any new shares issued for cash (including shares issued upon exercise of rights), proportionately to their stake in the Company's capital.

The Shareholders Meeting that decides or authorizes a share issue may decide to cancel shareholders' pre-emptive right for the entire issue or for one or several tranches of the issue, in which case the Meeting may decide as an alternative to set a fixed period during which shareholders may subscribe on a priority basis. For issues offered to the public or that are the subject of a private placement governed by Article L.411-2-II of France's Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders, the issue price must be determined in compliance with Article L.225-136 of the Commercial Code. Any such issues may not represent more than 20% of the capital per year.

The Shareholders Meeting may decide to restrict participation in a share issue to certain named persons or to certain categories of persons with specified characteristics, in accordance with Article L.225-138 of the Commercial Code.

The Shareholders Meeting that decides or authorizes a share issue may also decide to restrict participation to the shareholders of another company that is the target of a public stock-for-stock offer initiated by Edenred in application of Article L.225-148 of the Commercial Code. Shares issued in payment for contributed assets are subject to the specific procedure provided for in Article L.225-147 of the Commercial Code.

During the subscription period, the pre-emptive rights may be stripped from the underlying shares and traded separately. Alternatively, they may be sold with and on the same terms as the underlying shares. Shareholders may individually waive their pre-emptive subscription rights in application of Articles L.225-132 and L.228-91 of the Commercial Code.

Right to a share of the Company's profits

Shareholders are entitled to a share of the Company's profits on the basis defined in Articles L.232-10 *et seq.* of the Commercial Code.

Right to a share of any liquidation surplus

Shares in all classes entitle their holders to a share of the Company's net assets and, if applicable, the liquidation surplus equal to the portion of the share capital that they represent, taking into account any returns of capital and any unpaid portion of the par value.

From the Company's point of view, all shares are indivisible.

Buyback clause – conversion clause

The bylaws do not include any share buyback or conversion clauses.

Identification of shareholders

The Company uses all methods provided by French legislation to obtain information about the identity of holders of current or future rights to vote at Shareholders Meetings.

Disclosure thresholds

Any shareholder, acting alone or in concert with other shareholders, that becomes the owner of (or ceases to own) a number of shares representing a percentage of the capital or voting rights corresponding to a statutory disclosure threshold is required to notify the Company on the basis required by the applicable laws and regulations. Failure to comply with this obligation will expose the shareholder to the sanctions provided for in the applicable laws and regulations.

In addition, any shareholder or any group of shareholders acting alone or in concert, that acquires or raises its interest to 1% of the capital or voting rights is required to disclose its interest to the Company by registered letter with return receipt requested sent to the head office, within four trading days of the transaction date or the signature of any agreement resulting in the disclosure threshold being crossed, whatever the date on which the shares are recorded in the holder's account. The notification must include details of the total number of shares and/or share equivalents held and the number of voting rights held.

The same disclosure rules will apply to any increase in a shareholder's interest by any multiple of 0.5% of the capital or voting rights beyond 1% and to any reduction in a shareholder's interest by any multiple of 1% of the capital or voting rights. In the case of failure to comply with the applicable disclosure rules, at the request of one or several shareholders representing at least 3% of the Company's capital or voting rights, as duly recorded in the minutes of the Shareholders Meeting, the undisclosed shares will be stripped of voting rights at all Shareholders Meetings held in the two years following the date when the omission is remedied.

In addition, as well as making the statutory disclosures, any shareholder or group of shareholders acting in concert, that becomes the owner of a number of shares representing more than one-twentieth of the Company's capital or voting rights, is required to include in its disclosure to the Company details of its intentions regarding the shares over the next twelve months, covering in particular the information referred to in Article L.233-7 VII, paragraph 2, of the Commercial Code.

At the end of each successive twelve-month period following the initial disclosure, if the shareholder continues to hold a number of shares representing more than one-twentieth of the Company's capital or voting rights, it is required to notify the Company of its intentions for the following twelve months.

The Company will have the right to inform the public and shareholders of the said shareholder's disclosed intentions, or of the shareholder's failure to comply with this requirement.

For the application of the above disclosure provisions of the bylaws, disclosable interests include the shares or voting rights referred to in Article L.233-9-I of the Commercial Code.

7.2.1.5 Restrictions on the sale of the shares

The bylaws do not include any restrictions on the sale of the Company's shares. A detailed description of the commitments given by the Company and some of its shareholders is provided in section 7.2.1.9, on the page 243.

7.2.1.6 French regulations governing public tender offers

The Company is subject to French laws and regulations governing compulsory public tender offers, public buyout offers and squeeze-out procedures.

Compulsory public tender offers

The situations in which a public tender offer must be made for all of the shares and share equivalents of a company listed on a regulated market are specified in Article L.433-3 of the Monetary and Financial Code and Articles 234–1 *et seq*. of the General Rules of the Autorité des marches financiers (AMF).

Public buyout offer and squeeze-out procedure

The procedure for filing a buyout offer and the compulsory buyout of minority shareholders in a company whose shares are listed on a regulated market is specified in Article L.433-4 of the Monetary and Financial Code, and Articles 236–1 *et seq*. (public buyout offer), 237-1 *et seq*. (squeeze-out procedure following a public buyout offer) and 237-14 *et seq*. (squeeze-out procedure following a public tender offer) of the AMF's General Rules.

7.2.1.7 Public offer for the Company's shares made during the current or previous financial year

No public offer for the Company's shares has been made during the current or previous financial year.

The following items could have an impact in the event of a public tender offer for the Company's shares (information disclosed in application of Article L.225-100-3 of France's Commercial Code):

- **capital structure:** see section 7.3.1, page 247;
- **agreements providing for the payment of compensation for loss of office or other termination benefits to members of the Board of Directors or to employees if they stand down, resign, are removed from office or terminated other than for gross misconduct or if their employment ends due to a change of control:** see section 5.4, page 115;
- **employee share ownership system:** in accordance with Article L.214-40 of France's Monetary and Financial Code, the decision to tender to a public purchase or exchange offer Edenred shares held in a corporate mutual fund set up in connection with an employee share ownership system is made by the fund's Supervisory Board;
- **long-term financing:** bonds and bank borrowings for a total of €1,465 million excluding accrued interest could become immediately repayable in the event of a change of control, by decision of any individual lender bank or bond holder (Article 4 c – *Redemption at the option of the Bond Holders* – of the Prospectuses for the bond issues dated October 4, 2010, May 21, 2012 and October 23, 2013, and Clause 7.3 – *Mandatory prepayment on change of control* – of the Term Loan agreement dated June 23, 2010).

7.2.1.8 Tax regime applicable to the Company's shares

This section outlines the rules governing French withholding tax applicable to the Company's dividends, based on current French legislation. It does not take into account the effects of any international tax treaties that may apply to individual shareholders. Shareholders are encouraged to seek advice from their tax adviser concerning their specific situation. Shareholders that are not resident in France for tax purposes are required to also comply with the tax rules in force in their country of residence. French tax residents are required to comply with applicable French tax laws.

(a) Withholding tax on dividends distributed to shareholders not domiciled in France for tax purposes

In principle, dividends paid by the Company are subject to withholding tax deducted by the paying agent, when the shareholder's tax domicile or headquarters is located outside France.

Except as specified below, withholding tax is deducted at the rate of (i) 21% when the shareholder is an individual and is resident in a member State of the European Union or a European Economic Area country that has signed a tax treaty with France containing a clause providing for administrative assistance in combatting tax fraud and evasion, (ii) 15% when the shareholder is a non-profit organization headquartered in such a country, that would be taxed under Article 206–5 of France's General Tax Code if it were headquartered in France and meets the criteria set out in paragraphs 580 *et seq*. of Instruction BOI-IS-CHAMP-10-50-10-40-20120912, and (iii) 30% in all other cases.

Withholding tax is not deducted from dividends distributed to foreign investment funds that are tax residents of a member State of the European Union or a country or territory that has signed a tax treaty with France containing a clause providing for administrative assistance in combatting tax fraud and evasion, and that (i) raise capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors, and (ii) have similar characteristics to the French investment funds governed by paragraph 1, 5 or 6 of Article L.214-1-I of France's Monetary and Financial Code.

The withholding tax may be reduced or cancelled in application of international tax treaties or of Article 119 *ter* of France's General Tax Code which applies in some circumstances to corporate shareholders resident in the European Union.

In addition, provided that they meet the conditions set out in Instruction BOI-RPPM-RCM-30-30-20-40-20120912, corporate shareholders that hold at least 5% of the Company's capital and voting rights may, under certain circumstances, be exempt from withholding tax if their seat of management is located in a member State of the European Union or a European Economic Area country that has signed a double taxation agreement with France containing a clause providing for administrative assistance in combatting tax fraud and evasion.

However, since January 1, 2013, dividends paid by the Company are subject to 75% withholding tax, whatever the shareholder's tax residence (unless an international tax treaty applies that provides for a lower rate), if they are paid outside France to an "uncooperative country or territory" within the meaning of Article 238-0 A of the General Tax Code. The list of uncooperative countries and territories is published by ministerial order and updated annually.

Shareholders concerned by these rules are encouraged to seek advice from their tax adviser, in order to determine whether the new legislation on uncooperative countries and territories applies to them and/or whether they qualify for withholding tax relief or exemption. Shareholders are also invited to seek advice about the procedure to be followed to apply international tax treaty provisions, in particular as provided for in Instruction BOI-INT-DG-20-20-20-20-20120912 which describes the standard and simplified procedures for claiming withholding tax relief or exemption.

(b) Withholding tax on dividends distributed to individual shareholders domiciled in France for tax purposes

As of January 1, 2013, with some exceptions, dividends distributed by the Company to individual shareholders domiciled in France will be subject to 21% withholding tax that will be deductible from the income tax due by them for that year. If the paying agent is based in France, the withholding tax will be deducted at source. However, if the paying agent is based outside France, the shareholder will be responsible for declaring the dividend income and paying the corresponding withholding tax within 15 days of receiving the dividend.

The withholding tax will not apply to dividends received on shares held in a French PEA personal equity plan.

Individual shareholders will be able to apply for an exemption from this withholding tax under certain conditions if they belong to a fiscal household *(foyer fiscal)* whose reference taxable income (as defined in Article 1417-IV-1 of the General Tax Code) for the last year but one was less than €50,000 for single taxpayers or less than €75,000 for joint taxpayers.

In addition, regardless of whether the 21% withholding tax applies or not, all dividends paid to individuals domiciled in France are subject to *prélèvements sociaux* social welfare surtaxes at the aggregate rate of 15.5%. These levies are withheld at source and are in addition to the individual's personal income tax liability.

Shareholders concerned by these taxes are encouraged to seek advice from their tax adviser about personal income tax rules.

7.2.1.9 Lock-up commitment

None.

7.2.2 SHARE BUYBACK PROGRAM

7.2.2.1 Authorization granted by the Annual Shareholders Meeting of May 24, 2013

The Shareholders Meeting of May 24, 2013 gave the Board of Directors an eighteen-month authorization to trade in the Company's shares on the stock market, as allowed by Articles L.225-209 *et seq.* of the Commercial Code.

The maximum purchase price was set at €35 per share. It may be adjusted to reflect the impact of any corporate actions.

The maximum number of shares that may be acquired under this authorization was set at 22,589,739, corresponding to a total investment of no more than €790,640,865 based on the maximum purchase price of €35 per share authorized above.

The authorization may be used to purchase, sell or transfer shares for the following purposes:

- to purchase shares for cancellation, in connection with a capital reduction decided or authorized by the Company's shareholders in an Extraordinary Meeting;
- to purchase shares for allocation on exercise of stock options granted under plans governed by Articles L.225-177 *et seq*. of France's Commercial Code, or to members of an employee stock ownership plan governed by Articles L.3332-1 *et seq*. of the Labor Code or to recipients of stock grants made under plans governed by Articles L.225-197-1 *et seq*. of the Commercial Code;
- to purchase shares for allocation on conversion, redemption, exchange or exercise of share equivalents;
- to purchase shares representing up to 5% of the Company's capital to be held in treasury for subsequent remittance in exchange or payment in connection with external growth or restructuring transactions, including a merger, demerger, or asset contribution, in accordance with market practices approved by the Autorité des marchés financiers;
- to make a market in the Company's shares under a liquidity contract entered into with an investment service provider that complies with the code of ethics recognized by the Autorité des marchés financiers.

The program may also be used for any other purpose currently authorized or that may be authorized at a future date under the applicable laws or regulations, provided that the Company issues a press release notifying shareholders of said use.

7.2.2.2 Implementation of the share buyback program in 2013

The authorizations given at the Annual Shareholders Meetings of May 15, 2012 and May 24, 2013 were used by the Company during 2013.

At the year-end, 1,846,257 shares, representing 0.9% of the share capital, were held directly or indirectly by the Company.

(a) Transactions carried out by the Company

During 2013, the Company bought back 2,049,166 shares at an average price of €22.93, for a total investment of €46,978,376.64.

(b) Transactions carried out under the liquidity contract

On November 3, 2011, the Company signed a liquidity contract with Exane BNP Paribas to maintain a liquid market for its shares on the NYSE Euronext Paris market. Automatically renewable every December 31, the contract complies with the AMAFI Code of Ethics recognized by the Autorité des marchés financiers.

Resources allocated to the liquidity contract included:

- cash: €10 million;
- Edenred shares: none.

During 2013, under the liquidity contract, the Company:

- purchased 2,691,208 shares at an average price of €24.51 per share, for a total outlay of €66 million; and
- sold 2,681,951 shares at an average price of €24.53 per share, for total proceeds of €66 million.

Following the transactions carried out in 2013, at December 31, 2013 the Company held 34,257 shares under the liquidity contract, acquired at an average price of €24.58 per share, for a total of €0.8 million.

In addition, the Company's balance sheet at December 31, 2013 included €9.5 million in marketable securities held under the liquidity contract.

7.2.2.3 Summary of Edenred share transactions carried out by the Company

Transactions carried out by the Company in its own shares between January 1 and December 31, 2013 are summarized below (information disclosed pursuant to Instruction 2005-06 issued by the French securities regulator (AMF) on February 22, 2005):

- percentage of capital held by the Company directly and indirectly: 0.9% at December 31, 2013;
- number of shares canceled over the last twenty-four months: 259,066;
- number of shares held in treasury: 1,799,357, of which:
  - shares bought back for cancellation: 1,580,100,
  - shares held for allocation under performance share plans: 210,000,
  - shares held at the year-end under the liquidity contract: 9,257.

The total amount of transaction fees excluding tax was €0.05 million in 2013.

7.2.3 FINANCIAL AUTHORIZATIONS

At the Annual Shareholders Meetings of May 15, 2012 and May 24, 2013, shareholders granted the Board of Directors the following authorizations:

Type of authorization	Date of authorization	Nominal amount authorized	Duration and expiry date	Utilization in 2012	Utilization in 2013
Corporate action					
Issue of shares and compound securities	Shareholders Meeting of May 15, 2012 13th, 14th, 15th, 17th, 18th and 19th resolutions	(par value)	26 months – July 15, 2014		
• With pre-emptive subscription rights		€225 million			
• Without pre-emptive subscription rights		€67.5 million			
• In connection with a stock-for-stock offer		€67.5 million			
• In payment for contributed assets		up to the equivalent of 10% of the capital			
• Increase in the amount of any issues that are oversubscribed		15% of the amount of the initial issue			
Issuance of new shares by capitalizing reserves, retained earnings or additional paid-in capital		€225 million			
Employee share issue	Shareholders Meeting of May 15, 2012 20th resolution	2% of the capital as at the close of the Shareholders Meeting of May 15, 2012	26 months – July 15, 2014		
Stock option and performance share plans					
Performance share plans	Shareholders Meeting of May 24, 2013 10th resolution	1.5% of the capital as at the award date	26 months – July 24, 2015	Board meeting of February 22, 2012 awarded 867,575 performance share rights	Board meeting of February 12, 2013 awarded 843,150 performance share rights

7.2.4 SHARE EQUIVALENTS

The Company has not issued any share equivalents.

However, it should be noted that:

- up to **4,824,275** new shares may be issued upon exercise of stock options;
- up to 3**,240,211** new or existing shares may be awarded to holders of performance share rights that have not yet vested.

Stock option plans and performance share plans are described on pages 118 to 120 respectively.

7.2.5 SHARES NOT REPRESENTING CAPITAL

The Company has not issued any shares not representing capital. There are no other potential ordinary shares.

7.2.6 CHANGES IN CAPITAL

Changes in capital over the past five years

		Amount of the change in capital *(in €)*			
Year	**Changes in capital over the past five years**	**Par value**	**Premium**	**New capital** *(in €)*	**Number of shares**
2006	Initial capital	37,000		37,000	370
2010	Cancellation of shares	11,900		25,100	251
	Issue of shares	11,900	100	37,000	370
	50-for-1 stock-split	37,000		37,000	18,500
	Shares issued in payment for assets contributed by Accor S.A.	451,757,792	647,427,593,63	451,794,792	225,897,396
2013	Cancellation of shares	518,132		451,276,660	225,638,330
	Issue of shares	518,132		451,794,792	225,897,396

7.3 OWNERSHIP STRUCTURE

7.3.1 OWNERSHIP OF SHARES AND VOTING RIGHTS

At December 31, 2013, the Company's capital consisted of 225,897,396 shares representing a total of 242,344,899 voting rights, of which 240,291,510 were exercisable.

The Company had 3,067 registered shareholders representing 10.9% of the Company's capital and 17.08% of exercisable voting rights.

The Company's ownership structure at December 31, 2011, 2012 and 2013 was as follows:

	At December 31, 2011			At December 31, 2012			At November 30, 2013 (3)		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
ColTime (Colony Capital)	-	-	-	-	-	-	-	-	-
ColDay (Colony Capital)	25,506,869	11.29%	11.29%	25,506,869	11.29%	14.07%	25,506,869	11.29%	14.99%
Total for Colony Capital	25,506,869	11.29%	11.29%	25,506,869	11.29%	14.07%	25,506,869	11.29%	14.99%
Legendre Holding 19 (Eurazeo)	23,061,291	10.21%	10.21%	23,061,291	10.21%	14.94%	-	-	-
Eurazeo SA	-	-	-	170,235	0.08%	0.07%	-	-	-
Total for Eurazeo	23,061,291	10.21%	10.21%	23,231,526	10.29%	15.01%	-	-	-
Total for shareholders acting in concert (1)	**48,568,160**	**21.50%**	**21.50%**	**48,738,395**	**21.58%**	**29.08%**	**-**	**-**	**-**
Morgan Stanley Investment Management	**22,653,117**	**10.03%**	**10.03%**	**22,653,117**	**10.03%**	**8.78%**	**22,419,737**	**9.92%**	**9.25%**
Véritas AM LLP	**-**	**-**	**-**	**-**	**-**	**-**	**11,307,070**	**5.01%**	**4.67%**
Other institutional investors	**143,533,472**	**63.54%**	**63.54%**	**142,592,517**	**63.12%**	**55.47%**	**151,450,726**	**67.05%**	**62.70%**
Individual shareholders	**10,831,184**	**4.79%**	**4.79%**	**11,656,460**	**5.16%**	**6.56%**	**13,176,373**	**5.83%**	**7.55%**
Edenred (treasury stock) (2)	**311,463**	**0.14%**	**0.14%**	**256,907**	**0.11%**	**0.10%**	**2,036,621**	**0.90%**	**0.84%**
TOTAL	**225,897,396**	**100.00%**	**100.00%**	**225,897,396**	**100.00%**	**100.00%**	**225,897,396**	**100.00%**	**100%**

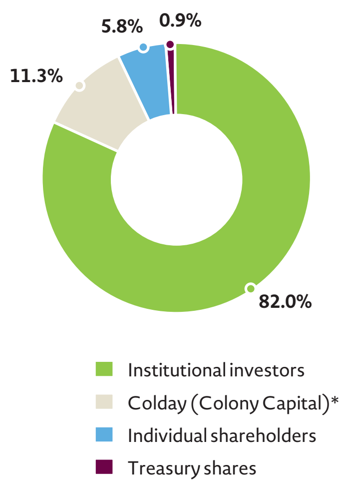
Sources: Euroclear France, Edenred share register, additional survey and disclosures made to the Autorité des marchés financiers.

(1) The shareholders' pact ended on March 6, 2013 after Eurazeo sold all of its 23.1 million Edenred shares, representing 10.2% of the Company's capital, via Legendre Holding 19.

(2) The voting rights associated with shares held in treasury are not exercisable.

(3) Date of the most recent shareholder survey.

The Company's ownership structure is as follows:



The free float represents 87.8% of outstanding shares.

* *Reference shareholder*

In the period since 2010, the following registered intermediaries and fund managers have notified the Autorité des marchés financiers of changes in their interests, in accordance with disclosure threshold rules:

Registered intermediary or fund manager	Disclosure date	AMF reference no.	Increase or decrease in interest	Number of shares held	% capital	Number of voting rights held	% voting rights
Southeastern Asset Management	July 2, 2010	210C0598	Increase	14,600,878	6.46%	14,600,878	6.46%
Franklin Resources, Inc.	July 7, 2010	210C0618	Increase	12,904,219	5.71%	12,904,219	5.71%
Morgan Stanley Investment Management	July 8, 2010	210C0620	Increase	14,102,853	6.24%	14,102,853	6.24%
Caisse des Dépôts et Consignations/ Fonds Stratégique d'Investissement	July 8, 2010	210C0621	Increase	19,549,639	8.65%	19,549,639	8.65%
Franklin Resources, Inc.	August 27, 2010	210C0850	Decrease	11,253,997	4.98%	11,253,997	4.98%
Franklin Resources, Inc.	September 3, 2010	210C0868	Increase	11,381,568	5.04%	11,381,568	5.04%
Franklin Resources, Inc.	September 29, 2010	210C0979	Decrease	11,086,640	4.91%	11,086,640	4.91%
Caisse des Dépôts et Consignations/ Fonds Stratégique d'Investissement	October 11, 2010	210C1048	Decrease	2,884,974	1.28%	2,884,974	1.28%
Southeastern Asset Management	July 25, 2011	211C1338	Decrease	0	0.00%	0	0.00%
Barclays Plc	July 27, 2011	211C1363	Increase	7,023,379	3.11%	7,023,379	3.11%
Morgan Stanley Investment Management	August 3, 2011	211C1498	Increase	22,653,117	10.03%	22,653,117	10.03%
ColTime	January 16, 2012	212C0082	Decrease	0	0.00%	0	0.00%
Eurazeo SA/Legendre Holding 19	October 2, 2012	212C1293	Increase	23,251,526	10.29%	38,753,836	15.01%
ColDay SARL	October 2, 2012	212C1293	Increase	25,506,869	11.29%	36,333,586	14.07%
Legendre Holding 19	March 15, 2013	213C0348	Decrease	0	0.00%	0	0.00%
Véritas AM LLP	July 10, 2013	213C0909	Increase	11,307,070	5.01%	11,307,070	5.01%
Morgan Stanley Investment Management	October 11, 2013	213C1553	Decrease	22,419,737	9.92%	22,419,737	9.25%

Shareholders' pacts

None.

Voting rights of the main shareholders

As of December 31, 2013, each Edenred share entitled its holder to one vote.

However, as allowed by Article 24 of the Company's bylaws, paid-up shares registered in the name of the same holder for at least two years have double voting rights (see section 7.2.1.4 "Voting rights", page 239).

At December 31, 2013, the Company's capital consisted of 225,897,396 shares representing a total of 242,344,899 voting rights, of which 240,291,510 were exercisable.

Agreements that may lead to a change of control

None.

7.3.2 DIVIDENDS

Years	Shares outstanding at December 31	Dividend for the year *(in euros)* – Net	Dividend for the year *(in euros)* – Total	Paid on	Share price *(in euros)* – High	Share price *(in euros)* – Low	Share price *(in euros)* – Year-end	Yield based on year-end price
2010	225,897,396	0.50	0.50	May 31, 2011	19.01	11.40	17.71	2.82%
2011	225,897,396	0.70	0.70	May 31, 2012	22.64	15.40	19.02	3.68%
2012	225,897,396	0.82	0.82	May 31, 2013	24.79	18.31	23.30	3.52%
2013	225,897,396	0.83 (1)	0.83 (1)	(2)	27.10	22.50	24.33	3.41%

(1) To be recommended at the Annual Shareholders Meeting on May 13, 2014.

(2) Payable from June 18, 2014: Half of the dividend will be paid in cash. You may opt to receive the other half in cash or reinvest it in new shares at a 10% discount.

No interim dividend was paid in 2013. Dividends are paid by Euroclear France.

Dividends not claimed within five years from the date of payment are forfeited, as provided for by law.

At the Annual Shareholders Meeting of May 13, 2014, the Board of Directors will recommend setting the 2013 dividend at €0.83 per share: Half of the dividend will be paid in cash. You may opt to receive the other half in cash or reinvest it in new shares at a 10% discount.

7.4 MARKET FOR EDENRED SECURITIES

MARKET FOR EDENRED SHARES

Edenred shares are traded on the NYSE Euronext Paris stock exchange (Compartment A) and are included in the CAC Large 60 index. They are also included in the following stock market indices: SBF 120, SBF 250, CAC High Dividend, CAC All-Share, Euronext 100 and MSCI Standard Index Europe.

The shares were initially listed at a reference price of €11.40. On the first day of trading (July 2, 2010), the shares opened at €13 and closed at €14.80.

On the last day of trading in 2013, the shares closed at €24.33, giving the Company a market capitalization of €5.5 billion.

EDENRED SHARE PRICES AND TRADING VOLUMES (ISIN: FR0010908533)

(in euros)	Average closing price	High	Low	Trading volume
2013				
January	23.51	24.16	22.85	5,536,454
February	25.04	26.74	23.56	6,955,245
March	25.79	26.92	25.03	9,040,876
April	25.11	26.00	24.32	5,969,526
May	25.66	26.57	24.54	9,556,384
June	24.00	24.99	22.57	10,675,980
July	23.42	24.75	22.50	11,732,924
August	23.61	24.63	22.50	7,197,689
September	24.49	24.89	22.50	6,400,992
October	24.02	25.30	22.54	8,363,454
November	25.46	27.10	24.50	6,660,830
December	24.93	26.55	23.95	5,964,366
2014				
January	22.99	24.77	20.61	11,025,340
February	22.17	23.36	20.54	9,521,732

Source: NYSE Euronext Paris

SHAREHOLDER SERVICES

Shareholder services are provided by:

Société Générale - Securities Services
SGSS/SBO/CSS/BOC
32, rue du Champ-de-Tir
BP 81236 – 44312 Nantes Cedex 3

8

ANNUAL SHAREHOLDERS MEETING

8.1 PRESENTATION OF PROPOSED RESOLUTIONS

8.1.1 APPROVAL OF THE FINANCIAL STATEMENTS AND APPROPRIATION OF PROFIT

The purpose of the **first resolution** is to approve the annual financial statements of Edenred SA for the year ended December 31, 2013, which show net profit of €414,004,198. In application of Article 223 *quater* of the French Tax Code, shareholders will also be asked to approve the aggregate amount of non-deductible costs and expenses referred to in Article 39 paragraph 4 of the Code, which amounted to €103,288 for 2013, and the tax paid thereon, which was €35,563.

The purpose of the **second resolution** is to approve the consolidated financial statements of the Edenred Group for the year ended December 31, 2013, which show attributable net profit of €160,249,000, as well as the transactions reflected in the financial statements or described in the Board of Directors' Management Report.

The **third resolution** concerns the appropriation of profit and payment of a dividend. The Board of Directors recommends appropriating distributable earnings as follows:

- Dividends: €185,790,027.81;
- Retained earnings: €358,111,280.19.

Shareholders are invited to set the 2013 dividend at €0.83 per share, representing a payout rate of 96% of recurring net profit after tax.

Dividends per share for the previous three years were as follows:

- 2010: €0.50;
- 2011: €0.70;
- 2012: €0.82.

The **fourth resolution** introduces a dividend reinvestment option for the first time since the IPO. Under this option, shareholders can choose to receive half of their 2013 dividend in Edenred shares, as follows:

- €0.415 per share in cash only; and
- €0.415 per share in cash or in new Edenred shares.

The dividend reinvestment option allows the Company to increase its equity capital while preserving its cash reserves. Shareholders that choose to reinvest their dividends help to finance Edenred's future investments, which in turn will contribute to driving future earnings growth.

The new shares allocated to shareholders that choose to reinvest part of their dividends will be issued at a price equal to 90% of the average of the opening prices quoted for Edenred shares over the twenty trading days preceding the May 13, 2014 Shareholders Meeting less the net dividend, rounded up to the nearest euro cent. They will carry the same rights as existing shares, including rights to all dividends distributed after their issue date. If the amount of dividends for which the reinvestment option is exercised does not correspond to a whole number of shares, the shareholder will receive the higher whole number shares, in which case the balance must be paid in cash when the reinvestment option is exercised, or the lower whole number of shares and the balance in cash.

The dividend reinvestment option will be exercisable between May 20th and the close of business on June 5, 2014. Shareholders that do not exercise the reinvestment option by June 5, 2014 will receive the total dividend in cash. For shareholders that do not opt to reinvest part of their dividend, the cash dividend will be paid as from June 18, 2014. For shareholders that opt to reinvest part of their dividend, the shares will be delivered as from the same date.

8.1.2 ADVISORY VOTE ON THE COMPENSATION DUE OR AWARDED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR 2013

The AFEP-MEDEF Corporate Governance Code of June 2013 (article 24.3), to which the Company refers in accordance with Article L.225-37 of the Commercial Code, recommends that the following components of the compensation due or awarded to each Executive Director of the Company during the year be submitted to an advisory vote by shareholders at the Annual Meeting:

- salary;
- annual performance bonus and any long-term incentive, together with details of the related objectives;
- any exceptional bonuses;
- stock options, performance shares and any other deferred compensation;

- signing bonus or compensation for loss of office;
- supplementary pension rights;
- other benefits.

Full details of the compensation policy for Executive Directors, the process for determining this policy and the components thereof are provided in section 5.4, page 113.

In the **fifth resolution,** shareholders are invited to issue a favorable opinion on the components of the compensation due or awarded for the year ended December 31, 2013 to Jacques Stern, Chairman and Chief Executive Officer.

Compensation due or awarded to Jacques Stern, Chairman and Chief Executive Officer, for 2013, submitted to an advisory vote by shareholders

Compensation components	Amount	Comments
Salary	€700,000	Gross annual salary of €700,000 approved by the Board of Directors on February 12, 2013 based on the recommendation of the Compensation and Appointments Committee (unchanged from 2012).
Annual bonus	€595,000	***General principle:*** The bonus may range from 0% to 150% of Mr. Stern's salary, depending on actual performance compared to the objectives, with two components: • A component based on quantitative financial targets representing up to the equivalent of 100% of salary. For this component, if the targets set in the budget approved by the Board of Directors on December 18, 2012 are met, the bonus will represent the equivalent of 50% of salary. If the targets are exceeded, the bonus may represent up to a maximum of 100% of salary. • A component representing up to 50% of salary, based on the Group's stock market performance (for 10%), the quantitative results of deploying the Group's strategy (for 20%) and management objectives (for 20%). ***2013*** Jacques Stern's 2013 bonus was determined during the Board meeting held on February 11, 2014, based on the recommendation of the Compensation and Appointments Committee and after the relevant financial performance data had been validated by the Audit and Risks Committee. In light of the quantitative and qualitative criteria selected by the Board on February 12, 2013 and actual performance for the 2013 fiscal year, Jacques Stern's bonus was determined to represent: • the target based on quantitative financial criteria (like-for-like growth in EBIT) was 50% met and his bonus for this tranche therefore amounted to 50% of annual salary; • the target based on stock market performance (comparison of Edenred's total shareholder return[1] (TSR) to the average TSR for SBF 120 companies) was 0% met and his bonus for this tranche therefore amounted to 0% of annual salary; • the target based on quantitative strategic deployment criteria (pace of digital transition, development of new solutions and integration of Repom, Brazil, acquired in December 2012) was 75% met and his bonus for this tranche therefore amounted to 15% of annual salary; • the qualitative management objectives, including establishment of a management succession plan, were 100% met and his bonus for this tranche therefore amounted to 20% of annual salary. Based on these percentages, Jacques Stern's 2013 bonus was set at €595,000, representing 57% of his maximum possible bonus and 85% of his annual salary.
Deferred compensation	€0	Jacques Stern has not been awarded any deferred compensation.
Long-term incentive	€0	Jacques Stern has not been awarded any long-term incentive.
Exceptional bonus	€0	Jacques Stern has not been awarded any exceptional bonus.
Directors' fees	€0	Jacques Stern does not receive any directors' fees.

(1) Total Shareholder Return (TSR) is an aggregate indicator combining share price appreciation and dividends.

Compensation components	Amount	Comments
Stock options and/ or performance shares	50,000 performance share rights awarded, valued at €985,997 based on the method used in the consolidated financial statements	On February 18, 2013, the Board of Directors used the authorization given at the Annual Shareholders Meeting of May 10, 2010 (12th resolution) to award rights to 50,000 performance shares (representing the equivalent of 0.02% of the total shares outstanding). At least three performance criteria will apply, with performance against these criteria measured over a period of three consecutive fiscal years, and the performance shares will vest as follows: • 40% if the target for like-for-like issue volume growth is met; • 40% if the target for like-for-like growth in funds from operations (FFO) is met; • 20% if the stock market performance target is met, corresponding to Edenred's total shareholder return (TSR) compared with the average TSR for companies included in the SBF 120 index. Fifteen [1] percent of the performance shares must be held in registered form for as long as Mr. Stern remains in office. However, the number of shares concerned by this restriction may be reduced depending on the number of Edenred shares held when the lock-up period ends. Mr. Stern is banned from hedging the equity risk associated with the performance shares. No stock options were granted to Mr. Stern during 2013.
Compensation for loss of office	No compensation due or paid	The compensation payable to Mr. Stern would be reduced, if necessary, so that the sum of (i) his compensation for loss of office and (ii) the termination benefit payable under his employment contract did not exceed two years' salary and bonus. The compensation for loss of office would be subject to performance conditions and would be payable only if he were to be forced to stand down following a change of strategy or control or his appointment were to be terminated other than as a result of a serious offence or gross negligence. For further details, see page 104 of the 2012 Registration Document. In accordance with the procedure governing related party agreements and commitments, this commitment was authorized by the Board of Directors on June 29, 2010 and December 14, 2010 and approved by the Annual Shareholders Meeting of May 13, 2011 (6th resolution).
Non-compete indemnity	n/a	Jacques Stern has not signed any non-compete clause.
Supplementary pension plan	No benefits due or paid	Jacques Stern participates in the Edenred defined contribution and defined benefit pension plans on the same basis as 16 other senior executives of the Company. Under the defined benefit plan, the Company is committed to paying an annuity to plan participants when they retire, provided that they are still on the Company's payroll at that date. Edenred's annual contribution to the Article 83 defined contribution plan on Mr. Stern's behalf (€9,258) represented 0.7% of his gross annual compensation [2] for 2013. Mr. Stern's rights to potential supplementary pension benefits under the Article 39 defined benefit plan have corresponded on average to 1% of his gross annual compensation since he joined the plan in 2005. Benefits paid under the two plans may not represent a replacement rate of more than 30% of the final gross annual compensation. The overall replacement rate represented by all benefits paid under compulsory plans and Edenred supplementary pension plans is capped at 35% of the average reference compensation for the best three years out of Jacques Stern's last ten years before retirement. In accordance with the procedure governing related party agreements and commitments, this commitment was authorized by the Board of Directors on June 29, 2010 and approved by the Annual Shareholders Meeting of May 13, 2011 (9th resolution).

(1) Total Shareholder Return (TSR) is an aggregate indicator combining share price appreciation and dividends.

(2) Gross annual compensation corresponds to the participant's salary and bonus, excluding any exceptional bonuses.

Compensation components	Amount	Comments
Death/disability and health insurance cover	No benefits due or paid	Jacques Stern is covered by the Edenred death/disability and health insurance plans in the same way as Company employees. The annual cost to the Company for 2013 was €5,343.61, of which €3,626.41 for death/disability insurance cover and €1,717.20 for health insurance cover. In accordance with the procedure governing related party agreements and commitments, this commitment was authorized by the Board of Directors on June 29, 2010 and approved by the Annual Shareholders Meeting of May 13, 2011 (8th resolution).
Unemployment insurance	No benefits due or paid	Until March 31, 2013, Jacques Stern was covered by the GSC "Formule 70" plan entitling him to unemployment benefits equal to 70% of his taxable professional income, capped at €24,688 per month, for a period of up to 24 months. The total annual cost of this plan for Edenred, including premiums and related payroll taxes, was €37,749. Since April 1, 2013, Jacques Stern has been covered under an insured plan set up with Axa, entitling him to unemployment benefits equal to 80% of the contractual income, capped at €14,812 per month, for a period of up to 18 months. The total annual cost of this plan for Edenred, including premiums and related payroll taxes, is €31,279.
Other benefits	€0	Jacques Stern is not entitled to any other benefits.

8.1.3 RATIFICATION, ELECTION AND RE-ELECTION OF DIRECTORS

Board members are proposed for election, ratification and re-election, on the recommendation of the Compensation and Appointments Committee, based on the following criteria: the number of independent directors, which should represent the majority of the Board's membership, the directors' technical skills, their availability to attend Board and Committee meetings (considering in particular the number of Boards of other French and/or foreign listed companies of which they are members), and how well the Board reflects Edenred's international scope and its policy of gender equality. In the case of candidates for re-election as directors, their attendance rate at meetings of the Board and any Committees of which they are members is also taken into account.

Biographical details for directors are provided in section 5.2, page 91.

The purpose of the **sixth resolution** is to ratify the appointment as a director of Jean-Romain Lhomme to replace Sébastien Bazin. Mr. Lhomme was appointed for the remainder of Mr. Bazin's term, expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ended December 31, 2013.

Jean-Romain Lhomme, 38, a citizen of France, is Principal and Co-Head of Colony Capital Europe. He was appointed as a director on October 3, 2013.

In the **seventh and eighth resolutions,** shareholders are invited to re-elect Jean-Romain Lhomme and Gabriele Galateri di Genola for the four-year term specified in the bylaws.

Provided they are re-elected, the Board plans to confirm Jean-Romain Lhomme's appointment as a member of the Audit and Risks Committee and Gabriele Galateri di Genola's appointment as Chairman of the Compensation and Appointments Committee.

Jean-Romain Lhomme, 38, a citizen of France, is Principal and Co-Head of Colony Capital Europe. He was appointed as a director on October 3, 2013.

Gabriele Galateri de Genola, 67, a citizen of Italy, is Chairman of Assicurazioni Generali S.p.A. He has been a member of the Board since June 29, 2010 and is qualified by the Board as an independent director based on the criteria set out in the AFEP-MEDEF Corporate Governance Code for Listed Companies dated June 2013.

Following the resignation from the Board of Virginie Morgon on March 6, 2013, in the **ninth resolution** shareholders are invited to elect Maëlle Gavet as a director for the four-year term specified in the bylaws, expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2017.

Maëlle Gavet, 35, a citizen of France, is Chief Executive Officer of Ozon Holdings in Russia. A graduate of La Sorbonne University, École Normale Supérieure de Fontenay-Saint-Cloud and IEP de Paris, in 2001 she set up Predstavitelskij.dom, a a Russian events company, before joining Boston Consulting Group as a partner in 2003. In 2010, she joined Ozon.ru as Marketing Director, becoming Chief Executive Officer in April 2011. Ms. Gavet has practical experience of the corporate world, innovation and e-commerce, and will contribute complementary experience and expertise in these areas to the Edenred Board.

Following her election as an independent director for a four-year term, the Board will have 11 members, with eight independent directors and three women. The proportion of women directors will increase to 27.3% from 25% in 2013 and the proportion of independent directors to 72.7% from 70% in 2013.

In the **tenth resolution,** shareholders are invited to re-elect Jacques Stern as a director for the four-year term specified in the bylaws.

Detailed information about Jacques Stern is provided in section 5.2, page 103.

8.1.4 RELATED PARTY AGREEMENTS AND COMMITMENTS

In the **eleventh to fourteenth resolutions**, shareholders are invited to approve related party agreements and commitments governed by Article L.225-38 of the Commercial Code that were authorized by the Board of Directors during 2013 and are described in the Auditor's special report on related party agreements. The Board of Directors has decided to submit each of these agreements and commitments for approval by the Shareholders Meeting in line with the principles of good corporate governance.

The **eleventh resolution** concerns approval of the compensation for loss of office that would be payable in the event of termination of Jacques Stern's duties as Chairman and Chief Executive Officer. Jacques Stern would be entitled to compensation for loss of office in the event that he was forced to stand down as Chairman and Chief Executive Officer following a change of strategy or control or his appointment was terminated, other than as a result of a serious offence or gross negligence.

No compensation for loss of office would be payable if, within twelve months of his departure, Jacques Stern became eligible for the basic State pension and, consequently, for pension benefits under the Company's supplementary pension plan.

The compensation payable would not exceed the equivalent of double Jacques Stern's total gross annual compensation as Chairman and Chief Executive Officer, defined as:

- his annual salary as of the date when his appointment as Chairman and Chief Executive Officer ended; plus
- the average annual bonus received or receivable for his last two years as Chairman and Chief Executive Officer prior to his appointment ending.

The compensation for loss of office would be payable only if certain challenging performance conditions were met, as determined by the Board of Directors. The criteria selected by the Board concern the Group's business and financial performance – as measured by the key indicators on which the Group's financial communications to the market are based – and its stock market performance. Performance would be measured over a three-year period, taking into account the Group's long-term historical performance and the external risks to which it is exposed, as described in section 3 of this Registration Document, page 45.

The performance conditions are as follows:

- 5% like-for-like growth in issue volume compared with the previous year;
- 2% like-for-like growth in operating revenue compared with the previous year;
- 5% like-for-like growth in Funds From Operations [(1)] compared with the previous year;
- increase in the Company's share price at least equal to 85% of the increase in the NYSE Euronext Paris SBF 120 index over the Reference Period or, if the index falls over the Reference Period, decline in the Company's share price of no more than 125% of that of the index over the Reference Period.

Performance in meeting each of these four criteria would be measured over the three years preceding the year in which his appointment as Chairman and Chief Executive Officer was terminated (the "Reference Period"). Each of the first three criteria would be deemed to have been met if the related objective was achieved for at least two of the three years in the Reference Period.

Payment of the maximum compensation for loss of office would depend on at least three of these four performance criteria being met, as observed by the Board of Directors on the basis prescribed by the laws in force when his appointment as Chairman and Chief Executive Officer was terminated. If only two of the criteria were met, 50% of the maximum compensation for loss of office would be paid; if one or none of the criteria were met, no compensation would be paid.

The compensation payable to Mr. Stern would be reduced, if necessary, so that the sum of (i) the compensation for loss of office and (ii) the termination benefit [(2)] payable under his employment contract [(3)] did not exceed two years' Reference Compensation as defined in the third paragraph above.

(1) Before non-recurring items.

(2) As of the publication date of this Registration Document, the termination benefit that would be payable to Mr. Stern would represent 5% of the sum of his gross annual compensation for 2012 and 2013.

(3) The Chairman and Chief Executive Officer has an employment contract with the Company, which is currently suspended. In addition, two addenda have been signed, as approved by the Board of Directors on June 29, 2010 and February 23, 2011 respectively, and ratified at the Annual Shareholders Meeting of May 13, 2011. The contract and addenda are described on page 114.

If Jacques Stern were to stand down from the position of Chairman and Chief Executive Officer in circumstances entitling him to compensation for loss of office, his rights to performance stock options or performance shares would be retained on the basis specified in the related plan rules. These generally stipulate that the rights vest proportionately [(1)] over a specified period of service, subject to the performance conditions [(2)] specified in the plan rules being met, as assessed at the end of the vesting period.

Summary

Cases where no compensation for loss of office would be payable	Performance criteria	Maximum possible compensation for loss of office	Vesting of performance stock options and performance shares granted before the Chairman & Chief Executive Officer stands down
• Termination due to a serious offence or gross negligence • Resignation • Appointment not renewed • Entitlement to supplementary pension benefits within 12 months of termination	• Financial criteria: like-for-like growth in issue volume, operating revenue and FFO • Stock market criterion based on growth in the Edenred share price compared with that of the SBF 120 index	• Two years' gross annual compensation (salary+bonus)	• Subject to the plans' performance conditions being met • Proportionate to portion of the vesting period during which the Chairman and Chief Executive Officer is in office

The **twelfth resolution** concerns private unemployment insurance cover taken out on behalf of Jacques Stern, Chairman and Chief Executive Officer. This policy is being proposed because in France, Executive Directors are not eligible for unemployment benefits under the government-sponsored Unedic scheme. The unemployment benefits payable to Jacques Stern under the policy would be equal to 80% of the contractual income, capped at €14,812 per month, for a period of up to 18 months. The total annual cost of this plan for Edenred, including premiums and related payroll taxes, is €31,279.

In the **thirteenth resolution**, shareholders are invited to approve the decision to include the Chairman and Chief Executive Officer in the death/disability and health insurance plan set up for the Company's employees. Two group policies have been purchased, one with Uniprevoyance covering health, death, disability and invalidity risks, and the other with Malakoff (through Cgam) covering long-term care risks. The total cost for the Company of including Mr. Stern in these plans was €5,343.61, including €3,626.41 for the death/disability insurance cover and €1,717.20 for the health insurance cover.

The **fourteenth resolution** concerns Mr. Stern's participation in the Edenred defined contribution and defined benefit pension plans on the same basis as certain senior executives of the Company.

General Supplementary Pension Plan

A supplementary pension plan has been set up for Group senior executives above certain grades whose compensation meets certain criteria (16 executives in 2013). The plan comprises a defined contribution plan ("Article 83" plan) and a defined benefit plan ("Article 39" plan).

Under the Article 83 defined contribution plan, the Company pays an annual contribution of up to 5% of five times the annual ceiling for calculating Social Security contributions [(3)], representing a maximum contribution for 2013 of €9,258.

Under the Article 39 defined benefit plan, the Company is committed to paying an annuity to plan participants when they retire, based on principles that comply with the recommendations contained in the AFEP-MEDEF Corporate Governance Code dated June 2013:

- to qualify for benefits under this top-hat plan, participants must end their career with the Group, have participated in the plan for at least five years and completed at least fifteen years' service with the Group; the pension payable under the plan is reduced by the amount of the pension payable under the defined contribution plan referred to above;
- the reference period for the benefit calculations is the period of participation in the plan (i.e. at least five years);
- rights to potential supplementary pension benefits are accumulated gradually by year of participation and are calculated each year based on the participants' gross annual compensation;
- the replacement rate is capped as follows:
  - benefits paid under the Article 83 and Article 39 plans may not represent a replacement rate of more than 30% of the participant's final reference compensation,
  - if the final reference compensation represents more than 12 times the annual ceiling for calculating Social Security contributions [(3)], the overall replacement rate represented by all benefits paid under compulsory plans and Edenred

(1) With one-third of the rights vesting on each annual anniversary of the grant date (for a three-year vesting period).

(2) The plans' performance conditions are described on page 120.

(3) The annual ceiling for calculating Social Security contributions represented €37,032 in 2013.

supplementary pension plans is capped at 35% of the average reference compensation for the best three years out of the participant's last ten years before retirement.

If a plan participant leaves the Group before being eligible to claim pension benefits under the general plan, he or she forfeits the right to benefits under the defined benefit (top-hat) plan but retains the right to benefits under the defined contribution plan.

Application of the supplementary pension plan to the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer participates in the supplementary pension plan in the same way as the other plan participants, as described above. The supplementary pension entitlement is taken into account in determining his overall compensation package. Edenred's annual contribution to the Article 83 defined contribution plan on his behalf (€9,258) represented 0.7% of his gross annual compensation (1) for 2013. His rights to potential supplementary pension benefits under the Article 39 defined benefit plan have corresponded on average to 1% of his gross annual compensation since he joined the plan in 2005. His rights are limited by the two replacement rate caps described in the section presenting the general supplementary pension plan.

8.1.5 AUTHORIZATIONS GIVEN TO THE BOARD OF DIRECTORS

8.1.5.1 Authorization to trade in the Company's shares

The purpose of the **fifteenth resolution** is to authorize the Board of Directors to trade in Edenred SA shares on the Company's behalf, subject to compliance with the applicable laws. This authorization is being sought for a period of 18 months from the date of the meeting and will supersede the authorization given by the Annual Meeting of May 24, 2013 (8th resolution).

The authorization could be used for the following purposes:

- to cancel all or some of the acquired shares in connection with a capital reduction authorized by the shareholders, either in the sixteenth resolution of this meeting or in any similar resolution that supersedes the sixteenth resolution while this authorization is still valid;
- to implement a stock option plan or similar plan;
- to allocate shares to employees in settlement of amounts due under the statutory profit-sharing scheme or to sell shares to employees through any employee savings, stock ownership or similar plan;
- to grant shares under plans governed by Articles L.225-197-1 *et seq.* of the Commercial Code;
- to fulfill any obligations associated with stock option plans or other allocations of shares to employees or Executive Directors of the Company or any related company;
- to purchase shares for remittance in payment, exchange or otherwise, in connection with external growth transactions;
- to allocate shares on conversion, redemption, exchange or exercise of securities with rights to shares;
- to make a market and ensure liquidity of the Company's shares under a liquidity contract entered into with an independent investment services provider that complies with the code of ethics recognized by the Autorité des marchés financiers.

The authorization could not be used while a takeover bid for the Company was in progress.

Shares could not be bought back for a price of more than €35 and the Company would not be authorized to buy back more than 22,589,739 shares (i.e. 10% of the total shares outstanding at February 11, 2014. The maximum amount invested in the buyback program would therefore be €790,640,865.

The authorizations to the same effect given by shareholders on May 15, 2012 and May 24, 2013 were used by the Board during 2013 to buy back 2,049,166 shares at an average price of €22.93, for a total investment of €46,978,376.64. The total amount of transaction fees excluding tax was €0.05 million in 2013.

A total of 1,799,357 Edenred shares were held in treasury at December 31, 2013, representing 0.9% of the capital at that date.

8.1.5.2 Authorization to reduce the capital by canceling shares

In the **sixteenth resolution,** the Board of Directors is seeking an authorization to reduce the Company's capital, on one or several occasions, by canceling all or some of the shares bought back or held by the Company, provided that the number of shares canceled in any 24-month period does not exceed 10% of the total shares outstanding.

This authorization would be valid for a period of 24 months and is the subject of a special report by the auditors. and will supersede the authorization given by the Annual Meeting of May 24, 2013 (9th resolution).

The previous authorization for the same purpose granted by shareholders on May 24, 2013 was used during 2013 to cancel 259,066 shares on July 23rd. Over the past 24 months, Edenred has canceled 259,066 shares representing 0.11% of the capital as of February 11, 2014.

(1) Gross annual compensation corresponds to the participant's salary and bonus, excluding any exceptional bonuses.

8.1.5.3 Authorizations to issue shares and/or other securities with and without pre-emptive subscription rights for existing shareholders

Shareholders are being invited to renew the authorizations given to the Board of Directors at the Annual Shareholders Meeting of May 15, 2012, which are due to expire on July 15, 2014.

Under these authorizations the Board would have full powers to decide to carry out rights issues or financial market transactions, giving it the necessary flexibility to swiftly raise the financial resources required to implement the Group's growth strategy.

If these resolutions are adopted, the Board will be authorized to issue shares and/or securities carrying immediate or deferred rights to shares in France or abroad, with or without pre-emptive subscription rights for existing shareholders, based on the opportunities offered by the financial markets and in the best interests of the Company and its shareholders.

Their adoption would result in the cancellation, as of the date of this meeting, of all previous shareholder authorizations to the same effect.

The **seventeenth resolution** authorizes the Board of Directors to issue shares and/or securities carrying rights to shares with pre-emptive subscription rights for existing shareholders.

The aggregate par value of shares issued under this authorization would be capped at €225 million (representing 49.80% of the capital as of February 11, 2014), not including the par value of any additional shares to be issued pursuant to the law to protect the rights of existing holders of securities carrying rights to shares. The amount of €225 million corresponds to the blanket ceiling on the aggregate amount of share issues that could be carried out pursuant to the 17th, 18th, 19th, 20th, 21st, 22nd and 23rd resolutions. This blanket ceiling is in addition to any specific ceiling that may be set in each resolution.

The aggregate nominal value of debt securities carrying rights to shares that could be issued under the authorization would be capped at €2.25 billion or the equivalent in foreign currencies. The amount of €2.25 billion corresponds to the blanket ceiling on the aggregate nominal value of debt securities that could be issued pursuant to the 17th, 18th and 19th resolutions.

The **eighteenth and nineteenth resolutions** authorize the Board of Directors to issue shares and/or securities carrying rights to shares without pre-emptive subscription rights for existing shareholders.

The Board of Directors wants to be able to react quickly to any opportunity arising in the financial markets in France and abroad by swiftly arranging issues that can be placed with investors interested in certain types of financial instruments. To be able to do so, the Board needs to be in a position to offer the securities to investors without waiting for shareholders to exercise their pre-emptive rights. In the case of a public offer, the Board of Directors would have the option of offering shareholders a priority right to subscribe for the securities that would be exercisable during the period and on the basis to be decided by the Board in accordance with the applicable laws and regulations. The Board of Directors and the auditors would issue reports in connection with any such issues, which would be made available to shareholders in accordance with the legal requirements.

The aggregate par value of shares issued under these authorizations would be capped at €45 million (representing 9.96% of the capital as of February 11, 2014), not including the par value of any additional shares to be issued pursuant to the law to protect the rights of existing holders of securities carrying rights to shares. The €45 million ceiling is a blanket sub-ceiling applicable to issues carried out under the 18th, 19th and 21st resolutions.

The aggregate nominal value of bonds or other debt securities carrying rights to shares that could be issued under each of these authorizations would be capped at €450 million or the equivalent in foreign currencies.

The previous authorizations for the same purposes granted by shareholders on May 15, 2012 were not used during the year.

These authorizations, which are described in a special report drawn up by the auditors, are being sought for a period of 26 months from the date of this meeting and would supersede the previous authorizations granted by shareholders for the same purpose.

The purpose of the **twentieth resolution** is to authorize the Board of Directors to increase by up to 15% the amount of any issues carried out with or without pre-emptive subscription rights that are oversubscribed. Use of this authorization could not result in the blanket ceilings set in the 19th resolution of this meeting being exceeded, or the specific ceilings set in the resolution used for the original issue.

The previous authorization for the same purpose granted by shareholders on May 15, 2012 was not used during the year.

This authorization is being sought for a period of 26 months from the date of this meeting and would supersede the previous authorization granted by shareholders for the same purpose.

In the **twenty-first resolution**, shareholders are invited to renew the authorization granted to the Board of Directors to issue shares and/or other securities in payment for contributed assets. The aggregate amount of these issues would not result in the Company's capital being increased by more than 10%. This procedure is governed by the rules relating to contributed assets, particularly the requirement to have the assets valued by an appraisal auditor. Note that the aggregate par value of shares issued under this authorization would be deducted from the €45 million blanket sub-ceiling referred to above and from the blanket ceiling set in the 17th resolution.

The previous authorization for the same purpose granted by shareholders on May 15, 2012 was not used during the year. This authorization, which is described in a special report drawn up by the auditors, is being sought for a period of 26 months from the date of this meeting and would supersede the previous authorization.

8.1.5.4 Authorization to increase the capital by capitalizing reserves, retained earnings, additional paid-in capital or any other eligible amounts

The purpose of the **twenty-second resolution** is to renew the authorization given to the Board of Directors to increase the capital by capitalizing reserves, retained earnings, additional paid-in capital or any other eligible amounts. The Board of Directors would be able to use this authorization in conjunction with a share issue for cash carried out under the 17th, 18th or 19th resolutions. It could be implemented by issuing bonus shares or by raising the par value of existing shares. Share issues carried out pursuant to this authorization would be deducted from the €225 million blanket ceiling set in the 17th resolution.

The previous authorization for the same purpose granted by shareholders on May 15, 2012 was not used during the year. This authorization is being sought for a period of 26 months from the date of this meeting and would supersede the previous authorization.

8.1.5.5 Employee rights issue

The purpose of the **twenty-third resolution** is to renew the authorization previously granted to the Board of Directors to issue shares and/or securities carrying rights to shares to employees who are members of an Edenred Group employee stock ownership plan and to grant free shares or securities carrying rights to shares to employees.

The total number of shares that could be issued under this authorization, either directly or indirectly, would be limited to the equivalent of 2% of the Company's capital as of the date of this meeting, unchanged from the maximum amount authorized by the Shareholders Meeting of May 15, 2012.

Share issues carried out pursuant to this authorization would be deducted from the €225 million blanket ceiling set in the 17th resolution.

This authorization is being sought for a period of 26 months from the date of this meeting and would supersede the previous authorization.

At December 31, 2013, shares or other securities allocated to employees pursuant to an authorization to carry out an employee rights issue represented 0.05% of the Company's capital.

8.1.6 POWERS TO CARRY OUT FORMALITIES

The purpose of the **twenty-fourth resolution** is to authorize the bearer of an original, extract or copy of the minutes of the Shareholders Meeting to carry out any and all filing and other formalities required by law.

8.2 ORDINARY RESOLUTIONS

FIRST RESOLUTION (APPROVAL OF THE 2013 PARENT COMPANY FINANCIAL STATEMENTS)

Having considered the parent company financial statements for the year ended December 31, 2013, the Chairman's report, the report of the Board of Directors and the auditors' reports, the shareholders approve the financial statements of the parent company for the year ended December 31, 2013, which show net profit for the year of €414,004,198, as well as all the transactions reflected in said financial statements or described in said reports.

In application of Article 223 *quater* of the French Tax Code, the shareholders also approve the aggregate amount of non-deductible costs and expenses referred to in Article 39 paragraph 4 of said Code, which amounted to €103,288 for 2013, and the tax paid thereon, which was €35,563.

SECOND RESOLUTION (APPROVAL OF THE 2013 CONSOLIDATED FINANCIAL STATEMENTS)

Having considered (i) the Chairman's report, (ii) the Board of Directors' Management Report, included in the Group Management Report in accordance with Article L.233-26 of the Commercial Code, and (iii) the auditors' reports, the shareholders approve the consolidated financial statements for the year ended December 31, 2013 as presented, as well as the transactions reflected in said financial statements, which show consolidated net profit for the year of €160,249,000, or described in the Group Management Report.

THIRD RESOLUTION (APPROPRIATION OF 2013 PROFIT AND DIVIDEND)

Having noted that the Company recorded net profit of €414,004,198 in 2013 and that €129,897,110 in retained earnings were brought forward from the prior year, for a total of €543,901,308 available for distribution, the shareholders resolve, in accordance with the Board of Directors' recommendation, to appropriate this amount as follows:

- Dividends: €185,790,027.81 [(1)];
- Retained earnings: €358,111,280.19.

The dividend per share will amount to €0.83, payable from June 18, 2014, with an ex-dividend date of May 20, 2014. The dividends on shares held in treasury or that are cancelled before the payment date will be allocated to the "Retained earnings" account.

The shareholders resolve that, if the number of shares carrying dividend rights at the ex-dividend date is higher or lower than 223,843,407, the amount appropriated to dividends will be increased or decreased accordingly and the amount appropriated to the "Retained earnings" account will be determined according to the actual amount paid out.

As provided for in article 158–3-2 of the French Tax Code, individual shareholders who are resident for tax purposes in France will qualify for the 40% tax rebate on the whole amount of their dividend (€0.83).

Dividends for the last three years were as follows (information disclosed in application of Article 243 *bis* of the French Tax Code):

- 2012 dividend per share of €0.82 paid on May 31, 2013, representing a total payout of €185,025,201;
- 2011 dividend per share of €0.70 paid on May 31, 2012, representing a total payout of €158,128,177;
- 2010 dividend per share of €0.50 paid on May 31, 2011, representing a total payout of €112,948,698.

As provided for in article 158–3-2 of the French Tax Code, individual shareholders who were resident for tax purposes in France qualified for the 40% tax rebate on the whole amount of their 2010, 2011 and 2012 dividends, unless they had elected to be taxed at the flat rate of 19% for 2010 and 21% for 2011 and 2012 (plus *prélèvements sociaux* surtaxes) in application of Article 117 *quater* of said Code.

Since January 1, 2013, dividends received by individual shareholders are subject to personal income tax at the graduated rate (after deducting the 40% rebate), of which 21% is withheld at source, plus *prélèvements sociaux* surtaxes. The 21% withholding does not apply if the shareholder is a member of a tax household whose reference taxable income for the year before last is less than €50,000 (for a single taxpayer) or €75,000 (for taxpayers who submit a joint tax return). The application for the withholding to be waived must be submitted by the taxpayer no later than November 30th of the year preceding the one in which the dividend is paid.

(1) The total amount to be distributed as dividends as presented here is based on the 223,843,407 shares carrying dividend rights at December 31, 2013. However, the number of shares carrying dividend rights may change between January 1, 2014 and the ex-dividend date, depending in particular on changes to the number of shares held in treasury, the final number of performance shares that vest during the period and the number of stock options exercised (if the grantee has dividend rights under the plan's terms and conditions).

FOURTH RESOLUTION (DIVIDEND REINVESTMENT OPTION)

Having considered the report of the Board of Directors and noted that the Company's share capital is fully paid, the shareholders resolve, in accordance with Article L.232-18 of the Commercial Code and Article 26 of the Company's bylaws, to offer shareholders the option of reinvesting 50% of the dividend payable on their shares pursuant to the third resolution. Each shareholder may opt to receive 50% of the dividend in cash or in new Edenred shares in application of this resolution.

The new shares allocated to shareholders that choose to reinvest part of their dividends will be issued at a price equal to 90% of the average of the opening prices quoted on NYSE Euronext Paris over the twenty trading days preceding the date of this meeting less the net dividend decided in the third resolution, rounded up to the nearest euro cent. The shares will be issued *cum* rights on January 1, 2014 and will rank *pari passu* with existing shares of the Company.

Shareholders may opt to receive 50% of the dividend in cash or 50% of the dividend in new shares between May 20, 2014 and the close of business on June 5, 2014 by informing the paying agent or, for shareholders whose shares are registered in the Company's share register (*nominatif pur*), by informing the registrar, Société Générale, Département des titres et bourse, CS 30812 - 44308 Nantes cedex 3.

Shareholders who do not exercise this option by June 5, 2014 will receive their total dividend in cash.

For shareholders that do not opt to reinvest part of their dividend, the cash dividend will be paid as from June 18, 2014, on expiration of the option period For shareholders that opt to reinvest part of their dividend, the shares will be delivered as from the same date.

If the amount of dividends for which the reinvestment option is exercised does not correspond to a whole number of shares, the shareholder may receive the higher number of whole shares by paying the difference in cash on the day the option is exercised, or the lower number of whole shares with the balance paid to them in cash.

The shareholders give full powers to the Board of Directors – which may be delegated to the Chairman of the Board as provided for by law – to pay the dividend in new shares, specify the terms of application and execution, place on record the number of new shares issued pursuant to this resolution, amend the bylaws to reflect the new capital and new number of shares, and generally do everything useful or necessary.

FIFTH RESOLUTION (ADVISORY VOTE ON THE COMPENSATION DUE OR AWARDED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR 2013)

The shareholders, consulted in application of the recommendation made in paragraph 24.3 of the AFEP-MEDEF Corporate Governance Code for Listed Companies dated June 2013, issue a favorable opinion on the components of the compensation due or awarded for the year ended December 31, 2013 to Jacques Stern, Chairman and Chief Executive Officer, as presented to the Shareholders Meeting in the Board of Directors' report.

SIXTH RESOLUTION (RATIFICATION OF THE APPOINTMENT AS A DIRECTOR OF JEAN-ROMAIN LHOMME)

The shareholders ratify the appointment, decided on a temporary basis by the Board of Directors on October 3, 2013, of Jean-Romain Lhomme as a director to replace Sébastien Bazin, who had stepped down from the Board. Mr. Lhomme was appointed for the remainder of Mr. Bazin's term, expiring at the close of this meeting.

SEVENTH RESOLUTION (RE-ELECTION AS A DIRECTOR OF JEAN-ROMAIN LHOMME)

The shareholders re-elect Jean-Romain Lhomme as a director for a four-year term commencing at the close of this meeting and expiring at the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2017.

EIGHTH RESOLUTION (RE-ELECTION AS A DIRECTOR OF GABRIELE GALATERI DI GENOLA)

The shareholders re-elect Gabriele Galateri di Genola as a director for a four-year term commencing at the close of this meeting and expiring at the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2017.

NINTH RESOLUTION (ELECTION AS A DIRECTOR OF MAELLE GAVET)

As provided for in Article 12 of the Company's bylaws, the shareholders elect Maëlle Gavet as a director for a four-year term commencing at the close of this meeting and expiring at the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2017.

Ms. Gavet had stated in advance that she would accept this appointment and that she fulfilled all the legal and regulatory conditions and the conditions specified in the Company's bylaws allowing her to serve as a director.

TENTH RESOLUTION (RE-ELECTION AS A DIRECTOR OF JACQUES STERN)

The shareholders re-elect Jacques Stern as a director for a four-year term commencing at the close of this meeting and expiring at the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2017.

ELEVENTH RESOLUTION (APPROVAL OF A RELATED PARTY AGREEMENT CONCERNING THE PAYMENT OF COMPENSATION FOR LOSS OF OFFICE TO JACQUES STERN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER)

The shareholders, having considered the auditors' special report on related party agreements and commitments governed by Articles L.225-38 *et seq.* of the Commercial Code and noted the auditors' conclusions, approve, on the basis provided for in Article L.225-40 of the Commercial Code, the agreement with Jacques Stern concerning the payment of compensation for loss of office.

This resolution is adopted subject to the condition precedent of Mr. Stern's re-election as a director by this meeting and the renewal of his appointment as Chairman and Chief Executive Officer by the Board of Directors at the first meeting held after this meeting.

TWELFTH RESOLUTION (APPROVAL OF A RELATED PARTY AGREEMENT CONCERNING THE PURCHASE OF PRIVATE UNEMPLOYMENT INSURANCE COVER FOR JACQUES STERN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER)

The shareholders, having considered the auditors' special report on related party agreements and commitments governed by Articles L.225-38 *et seq*. of the Commercial Code and noted the auditors' conclusions, approve, on the basis provided for in Article L.225-40 of the Commercial Code, the agreement with Jacques Stern concerning the purchase of private unemployment insurance cover.

This resolution is adopted subject to the condition precedent of Mr. Stern's re-election as a director by this meeting and the renewal of his appointment as Chairman and Chief Executive Officer by the Board of Directors at the first meeting held after this meeting.

THIRTEENTH RESOLUTION (APPROVAL OF A RELATED PARTY AGREEMENT CONCERNING THE EXTENSION TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF THE DEATH/DISABILITY AND HEALTH INSURANCE PLAN SET UP FOR COMPANY EMPLOYEES)

The shareholders, having considered the auditors' special report on related party agreements and commitments governed by Articles L.225-38 *et seq*. of the Commercial Code and noted the auditors' conclusions, approve, on the basis provided for in Article L.225-40 of the Commercial Code, the agreement with Jacques Stern concerning the extension to the Chairman and Chief Executive Officer of the death/disability and health insurance plan set up for employees.

This resolution is adopted subject to the condition precedent of Mr. Stern's re-election as a director by this meeting and the renewal of his appointment as Chairman and Chief Executive Officer by the Board of Directors at the first meeting held after this meeting.

FOURTEENTH RESOLUTION (APPROVAL OF A RELATED PARTY AGREEMENT ON THE PARTICIPATION BY THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN THE COMPANY'S SUPPLEMENTARY PENSION PLANS IN THE SAME WAY AS OTHER EMPLOYEES)

The shareholders, having considered the auditors' special report on related party agreements and commitments governed by Articles L.225-38 *et seq.* of the Commercial Code and noted the auditors' conclusions, approve, on the basis provided for in Article L.225-40 of the Commercial Code, the agreement with Jacques Stern concerning the participation of the Chairman and Chief Executive Officer in the Company's supplementary pension plans in the same way as certain other senior executives.

This resolution is adopted subject to the condition precedent of Mr. Stern's re-election as a director by this meeting and the renewal of his appointment as Chairman and Chief Executive Officer by the Board of Directors at the first meeting held after this meeting.

FIFTEENTH RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO TRADE IN THE COMPANY'S SHARES)

The shareholders, having considered the report of the Board of Directors, authorize the Board, with the right of delegation provided for by law, to buy back the Company's shares either directly or indirectly pursuant to Articles L.225-209 *et seq*. of the Commercial Code, notably for the following purposes:

- to cancel all or some of the acquired shares in connection with a capital reduction authorized by the shareholders, either in the sixteenth resolution of this meeting or in any similar resolution that supersedes the sixteenth resolution while this authorization is still valid;

- to allocate shares upon exercise of stock options granted under plans governed by Articles L.225-177 *et seq*. of the Commercial Code or any similar plan;
- to allocate shares to employees in settlement of amounts due under the statutory profit-sharing scheme or to sell shares to employees through any employee savings, stock ownership or similar plan in accordance with Articles L.3332-1 *et seq.* of the Labor Code;
- to grant shares under plans governed by Articles L.225-197-1 *et seq.* of the Commercial Code;
- to fulfill any obligations associated with stock option plans or other allocations of shares to employees or Executive Directors of the Company or any related company;
- to allocate shares on conversion, redemption, exchange or exercise of securities with rights to shares;
- to purchase shares for remittance in exchange, payment or otherwise in connection with external growth or restructuring transactions, including a merger, demerger, or asset contribution, conducted in accordance with market practices approved by the Autorité des marchés financiers;
- to make a market or ensure liquidity of the Company's shares under a liquidity contract entered into with an independent investment services provider that complies with the code of ethics recognized by the Autorité des marchés financiers.

The program may also be used by the Company to trade in its own shares for any other purpose currently authorized or that may be authorized at a future date under the applicable laws or regulations, provided that the Company issues a press release notifying shareholders of said use.

Shares may be bought back, sold or otherwise transferred at any time except when a takeover bid for the Company is in progress, in accordance with the applicable regulations.

The maximum purchase price under this authorization is €35 (or the equivalent sum in another currency on the same date). However, this maximum price only applies to purchases decided on or after the date of this meeting and not to outstanding forward purchases of shares carried out under an authorization granted at a previous Shareholders Meeting. The maximum purchase price may be adjusted as necessary to reflect the impact of any corporate actions.

In application of Article L.225-209 of the Commercial Code, the shareholders resolve that the number of shares that may be acquired under this authorization is subject to the following limits:

- the number of shares purchased under the buyback program may not exceed 10% of the total number of shares outstanding, i.e. 22,589,739 shares based on the number of shares outstanding at December 31, 2013. In addition, the maximum number of shares purchased into treasury and subsequently remitted in connection with a merger, demerger or asset contribution may not exceed 5% of the Company's share capital and, where shares have been purchased under a liquidity contract in compliance with the Autorité des marchés financiers' General Regulations, the number of shares taken into account to calculate the 10% limit referred to above will correspond to the number of shares purchased less the number of shares resold during the period of the authorization;
- the number of shares held in treasury at any time may not exceed 10% of the total number of shares outstanding at that date.

The shareholders resolve that (i) the purchase, sale or transfer of shares may be effected and settled by any method, on the basis and within the limits prescribed by the laws and regulations in force on the transaction date, in one or several transactions *via* regulated markets, multilateral trading facilities, systematic internalisers or over-the-counter, including through block purchases or sales, through public offers of purchase or exchange, through the use of options or derivatives – particularly, the purchase or sale of puts or calls – traded *via* regulated markets, multilateral trading facilities, systematic internalisers or over-the-counter, through the allocation of shares on conversion, redemption, exchange or exercise of share equivalents or by any other means either directly or *via* an investment services provider, and that (ii) the entire buyback program may be implemented through a block trade.

Based on the maximum purchase price of €35 per share authorized above, the total amount allocated to this buyback program cannot exceed €790,640,865.

The shareholders give full powers to the Board of Directors – which may be delegated as provided for by law – to use this authorization, including to place any and all buy and sell orders, enter into any and all contracts, notably for the keeping of registers of share purchases and sales, make any and all filings with the regulatory authorities, and generally do whatever is necessary.

The shareholders cancel, with immediate effect, the authorization given in the 8th resolution of the Annual Meeting of May 24, 2013 and resolve that this authorization shall be valid for a period of eighteen months from the date of this meeting.

8.3 EXTRAORDINARY RESOLUTIONS

SIXTEENTH RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO REDUCE THE COMPANY'S CAPITAL BY UP TO 10% BY CANCELING SHARES)

Having considered the report of the Board of Directors and the auditors' special report on capital reductions carried out by canceling shares, the shareholders resolve, in accordance with Articles L.225-209 *et seq.* of the Commercial Code:

1. to authorize the Board of Directors to reduce the Company's capital, on one or several occasions, by canceling all or some of the shares bought back or held by the Company, provided that the number of shares canceled in any 24-month period does not exceed 10% of the total shares outstanding;
2. to give full powers to the Board of Directors – which may be delegated as provided for by law – to:
   - carry out the capital reduction or reductions,
   - determine the final amount and the terms and conditions of the share cancellations and place the capital reduction(s) on record,
   - charge the difference between the carrying amount of the canceled shares and their par value to any reserve or premium accounts,
   - amend the Company's bylaws to reflect the new capital, carry out any necessary filing and other formalities, and generally do whatever is necessary;

   all in compliance with the laws and regulations in force when this authorization is used.

This authorization is given for a period of twenty-four months from the date of this meeting. It supersedes, with immediate effect, the authorization given in the ninth resolution of the Annual Shareholders Meeting of May 24, 2013.

SEVENTEENTH RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO ISSUE, WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS, SHARES AND/OR SECURITIES CARRYING IMMEDIATE OR DEFERRED RIGHTS TO SHARES OF THE COMPANY OR SUBSIDIARIES AND/OR SECURITIES CARRYING RIGHTS TO DEBT SECURITIES)

Having considered the report of the Board of Directors and the auditors' special report, the shareholders resolve, in accordance with Articles L.225-129, L.225-129-2, L.228-92, L.228-93 and the other relevant provisions of the Commercial Code:

1. to give the Board of Directors the necessary powers to issue with pre-emptive subscription rights for existing shareholders, on one or more occasions, shares (excluding preference shares) and/or securities carrying immediate and/or deferred rights to shares of the Company – or of any entity in which the Company directly or indirectly holds over half of the capital – and/or securities carrying rights to debt securities governed by Articles L.228-91 *et seq*. of the Commercial Code, to be paid up in cash or by capitalizing liquid and callable debt. The Board of Directors shall have full discretionary powers to determine the amount and timing of said issues, which may be carried out in France or abroad. The securities may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies;
2. that the aggregate par value of shares issued under this authorization – either directly or on exercise of rights attached to other securities – may not exceed €225,000,000, and that the amount of the issue(s) will be deducted from the €225,000,000 blanket ceiling applicable to this authorization and to those given in the 18th, 19th, 20th, 21st, 22nd and 23rd resolutions of this meeting, which is in addition to any specific ceiling that may be set in each resolution, provided that said limits do not include the par value of any additional shares to be issued pursuant to the law to protect the rights of existing holders of securities carrying rights to shares following any corporate actions;
3. that the aggregate nominal value of bonds or other debt securities carrying rights to shares that are issued under this authorization may not exceed €2,250,000,000 or the equivalent in foreign currencies or monetary units and that the nominal amount of the issue(s) will be deducted from the €2,250,000,000 blanket ceiling applicable to this authorization and to those given in the 18th and 19th resolutions of this Meeting;

4. that shareholders will have a pre-emptive right to subscribe for the shares and/or other securities issued under this authorization, as provided for by law, *prorata* to their existing holdings. In addition, the Board of Directors may grant shareholders a pre-emptive right to subscribe for any shares and/or other securities not taken up by other shareholders. If the issue is oversubscribed, such additional pre-emptive rights shall also be exercisable pro rata to the existing interest in the Company's capital of the shareholders concerned.

   If an issue is not taken up in full by shareholders exercising their pre-emptive rights as described above, the Board of Directors may take one or the other following courses of action, in the order of its choice:

   - limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up,
   - freely allocate all or some of the unsubscribed securities among the investors of its choice,
   - offer all or some of the unsubscribed securities for subscription by the public;

5. that warrants to subscribe for the Company's shares may be offered for subscription on the above basis or allocated among holders of existing shares without consideration;
6. that this authorization will automatically entail the waiver of shareholders' pre-emptive rights to subscribe for the shares to be issued on exercise of rights attached to other securities;
7. that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:

   - decide to carry out a capital increase and determine the type of securities to be issued,
   - decide on the amount of each issue, the issue price and any issue premium,
   - decide on the timing and other terms of the issues, including the form and characteristics of the securities. In the case of an issue of debt securities, the Board of Directors shall determine (i) whether the debt should be subordinated or unsubordinated and the ranking of any subordinated debt in accordance with Article L.228-97 of the Commercial Code; (ii) the interest rate (i.e. fixed or variable, indexed or zero coupon); (iii) the circumstances in which interest payments will or may be canceled or suspended; (iv) the life of the securities (i.e. dated or undated); (v) whether the nominal amount of the securities may be reduced or increased; and (vi) all other terms and conditions of issue (including any collateral or other guarantees) and repayment (including the option of extinguishing the debt through an exchange of assets). The issued securities may have warrants attached that are exercisable or exchangeable for bonds or other debt securities. They may also include the option for the Company to issue fungible or other debt securities in settlement of interest whose payment has been suspended by the Company or they may take the form of complex bonds as defined by the securities regulator (for example as a result of their interest or repayment terms or whether they are indexed or include embedded options). The Board of Directors may amend any of the above terms and conditions during the life of the securities, provided that the applicable formalities are carried out,
   - determine the method by which the shares and/or other securities will be paid up,
   - determine, where appropriate, the terms and conditions for (i) exercising the rights attached to the shares and/or other securities, notably by setting the date – which may be retroactive – from which new shares will carry rights; and (ii) exercising any conversion, exchange and repayment rights, including repayment in assets such as other securities of the Company, as well as any other terms and conditions applicable to such issues,
   - set the terms and conditions under which the Company may buy back or exchange the securities on the open market at any time or within specified periods, with a view to holding them or cancelling them in accordance with the applicable laws,
   - allow for the exercise of the rights attached to the securities to be suspended, in accordance with the applicable laws and regulations,
   - at its sole discretion, charge any and all costs incurred in connection with said issues against the related premiums, and deduct from these premiums the necessary amounts to be credited to the legal reserve,
   - make any and all adjustments to take into account the impact of corporate actions, including (i) a change in the par value of the shares; (ii) a bonus share issue paid up by capitalizing retained earnings; (iii) a stock-split or reverse stock-split; (iv) a distribution of reserves or other assets; or (v) a return of capital, and determine the method to be used to ensure that the rights of existing holders of securities carrying rights to shares are protected,
   - place on record the capital increase(s) resulting from the use of this authorization and amend the bylaws to reflect the new capital,
   - generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, listing and service of the securities pursuant to this authorization and for the exercise of any related rights;

8. that this authorization shall be valid for a period of twenty-six months as from the date of this meeting and shall supersede, with immediate effect, any previous authorizations granted for the same purpose.

EIGHTEENTH RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO ISSUE SHARES AND/OR SECURITIES CARRYING IMMEDIATE OR DEFERRED RIGHTS TO SHARES OF THE COMPANY OR SUBSIDIARIES AND/OR SECURITIES CARRYING RIGHTS TO DEBT SECURITIES, THROUGH A PUBLIC OFFER WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS INCLUDING IN PAYMENT FOR SECURITIES TENDERED TO A PUBLIC EXCHANGE OFFER)

Having considered the report of the Board of Directors and the auditors' special report, the shareholders resolve, in accordance with Articles L.225-129 to L.225-129-6, L.225-135, L.225-136, L.225-148, L.228-92, L.228-93 and the other relevant provisions of the Commercial Code:

1. to give the Board of Directors the necessary powers to issue and place, through a public offer, on one or more occasions, shares (excluding preference shares) and/or securities carrying immediate and/or deferred rights to shares of the Company – or of any entity in which the Company directly or indirectly holds over half of the capital – and/or securities carrying rights to debt securities governed by Articles L.228-91 *et seq*. of the Commercial Code, to be paid up in cash or by capitalizing liquid and callable debt. The Board of Directors shall have full discretionary powers to determine the amount and timing of said issues, which may be carried out in France or abroad. The securities may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies. These securities may be issued as payment for securities complying with Article L.225-148 of the Commercial Code that are tendered to a public exchange offer carried out by the Company in France or abroad in accordance with local regulations, such as in the case of a reverse merger;
2. that the par value of shares issued under this authorization – either directly or on exercise of rights attached to other securities – may not exceed €45,000,000, and the aggregate par value of shares issued under this authorization and those given in the 19th and 21st resolutions may not exceed €45,000,000, in both cases not including the par value of any additional shares to be issued pursuant to the law to protect the rights of existing holders of securities carrying rights to shares following any corporate actions;
3. that shares may be issued on exercise of rights attached to securities issued by any entity in which the Company directly or indirectly holds over half of the capital, that are convertible, exchangeable, redeemable or otherwise exercisable for shares of the Company, subject to the latter's approval;
4. that the aggregate nominal value of bonds or other debt securities carrying rights to shares that are issued under this authorization may not exceed €450,000,000 or the equivalent in foreign currencies;
5. that the aggregate par value of shares issued under this authorization will be deducted from the blanket ceiling provided for in paragraph 2 of the seventeenth resolution and that the aggregate nominal value of bonds or other debt securities carrying rights to shares issued under this authorization will be deducted from the blanket ceiling provided for in paragraph 3 of the seventeenth resolution;
6. to cancel shareholders' pre-emptive rights to subscribe for the shares or other securities to be issued under this authorization. However, in accordance with paragraph 5 of Article L.225-135 of the Commercial Code, the Board of Directors may offer shareholders a priority right to subscribe for all or part of any issue, for a specified period and subject to terms and conditions to be set in accordance with the applicable laws and regulations. This priority subscription right will not be transferable and the securities will be allocated pro rata to shareholders' existing interests. If any shareholders elect not to exercise this right, the Board of Directors may offer the unsubscribed securities to the other shareholders, and any remaining unsubscribed securities may be placed on the market in France and/or abroad, and/or on the international market;
7. that if an issue is not taken up in full by shareholders or the public, the Board of Directors may take one or the other following courses of action, in the order of its choice:
   - limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up,
   - freely allocate all or some of the unsubscribed securities among the investors of its choice,
   - offer all or some of the unsubscribed securities for subscription by the public;
8. that this authorization will automatically entail the waiver of shareholders' pre-emptive rights to subscribe for the shares to be issued on exercise of rights attached to other securities;
9. that, in accordance with Article L.225-136 of the Commercial Code:
   - the issue price of the shares issued directly under this authorization will be at least equal to the minimum price provided for in the applicable regulations on the issue date

(currently corresponding to the weighted average of the prices quoted for the Company's shares on NYSE Euronext Paris over the three trading days preceding the pricing date less a 5% discount), as adjusted for any difference in *cum*-dividend dates,

- the issue price of securities carrying rights to shares shall be set in such a way that the amount received by the Company at the time of issue plus the amount to be received on exercise of the rights attached to the issued securities is at least equal to the minimum issue price defined above for each new share,
- the number of shares to be issued on conversion, exchange, redemption or exercise of securities carrying rights to shares issued under this authorization shall be determined in such a way as to ensure that the amount per share received by the Company – taking into account the nominal value of said securities – is at least equal to the minimum issue price set out above;

10. that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:

- decide to carry out a capital increase and determine the type of securities to be issued,
- decide on the amount of each issue, the issue price and any issue premium,
- decide on the timing and other terms of the issues, including the form and characteristics of the securities. In the case of an issue of debt securities (including securities with rights to debt securities governed by Article L.228-91 of the Commercial Code), the Board of Directors shall determine (i) whether the debt should be subordinated or unsubordinated and the ranking of any subordinated debt in accordance with Article L.228-97 of the Commercial Code; (ii) the interest rate (i.e. fixed or variable, indexed or zero coupon); (iii) the circumstances in which interest payments will or may be canceled or suspended; (iv) the life of the securities (i.e. dated or undated); (v) whether the nominal amount of the securities may be reduced or increased; and (vi) all other terms and conditions of issue (including any collateral or other guarantees) and repayment (including the option of extinguishing the debt through an exchange of assets). The issued securities may have warrants attached that are exercisable or exchangeable for bonds or other debt securities. They may also include the option for the Company to issue fungible or other debt securities in settlement of interest whose payment has been suspended by the Company or they may take the form of complex bonds as defined by the securities regulator (for example as a result of their interest or repayment terms or whether they are indexed or include embedded options). The Board of Directors may amend any of the above terms and conditions during the life of the securities, provided that the applicable formalities are carried out,
- determine the method by which the shares and/or other securities will be paid up,
- determine, where appropriate, the terms and conditions for (i) exercising the rights attached to the shares and/or other securities, notably by setting the date – which may be retroactive – from which new shares will carry rights; and (ii) exercising any conversion, exchange and repayment rights, including repayment in assets such as other securities of the Company; as well as any other terms and conditions applicable to such issues,
- set the terms and conditions under which the Company may buy back or exchange the securities on the open market at any time or within specified periods, with a view to holding them or canceling them in accordance with the applicable laws,
- allow for the exercise of the rights attached to the securities to be suspended, in accordance with the applicable laws and regulations,
- if the securities are issued in payment for another issuer's securities tendered to a public offer with an exchange component (i) draw up the list of securities tendered to the offer; (ii) set the terms and conditions of the issue, the exchange ratio and, if applicable, the amount of the cash component; (iii) determine the issue terms and conditions in connection with a paper offer, a paper offer with a cash alternative or a cash offer with a paper alternative, a cash and paper offer, a paper offer with a secondary cash offer or a cash offer with a secondary paper offer or any other form of public offer that complies with the applicable laws and regulations,
- at its sole discretion, charge any and all costs incurred in connection with said issues against the related premiums, and deduct from these premiums the necessary amounts to be credited to the legal reserve,
- make any and all adjustments to take into account the impact of corporate actions, including (i) a change in the par value of the shares; (ii) a bonus share issue paid up by capitalizing retained earnings; (iii) a stock-split or reverse stock-split; (iv) a distribution of reserves or other assets; or (v) a return of capital, and determine the method to be used to ensure that the rights of existing holders of securities carrying rights to shares are protected,
- place on record the capital increase(s) resulting from the use of this authorization and amend the bylaws to reflect the new capital,
- generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, listing and service of the securities pursuant to this authorization and for the exercise of any related rights;

11. that this authorization shall be valid for a period of twenty-six months as from the date of this meeting and shall supersede, with immediate effect, any previous authorizations granted for the same purpose.

NINETEENTH RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO ISSUE SHARES AND/OR SECURITIES CARRYING IMMEDIATE OR DEFERRED RIGHTS TO SHARES OF THE COMPANY OR SUBSIDIARIES AND/OR SECURITIES CARRYING RIGHTS TO DEBT SECURITIES THROUGH A PRIVATE PLACEMENT WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS)

Having considered the report of the Board of Directors and the auditors' special report, the shareholders resolve, in accordance with Articles L.225-129 to L.225-129-6, L.225-135, L.225-136, L.225-148, L.228-92, L.228-93 and the other relevant provisions of the Commercial Code and Article L.411-2, paragraph II.2, of the Monetary and Financial Code:

1. to give the Board of Directors the necessary powers to issue and place with qualified investors or a restricted group of investors through a private offer governed by Article L.411-2, paragraph II.2, of the Monetary and Financial Code, on one or more occasions, shares (excluding preference shares) and/or securities carrying immediate and/or deferred rights to shares of the Company – or of any entity in which the Company directly or indirectly holds over half of the capital – and/or securities carrying rights to debt securities governed by Articles L.228-91 *et seq*. of the Commercial Code, to be paid up in cash or by capitalizing liquid and callable debt. The Board of Directors shall have full discretionary powers to determine the amount and timing of said issues, which may be carried out in France or abroad. The securities may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies.
2. that the par value of shares issued under this authorization – either directly or on exercise of rights attached to other securities – may not exceed €45,000,000, the aggregate par value of shares issued under this authorization and those given in the 18th and 21st resolutions may not exceed €45,000,000, in both cases not including the par value of any additional shares to be issued pursuant to the law to protect the rights of existing holders of securities carrying rights to shares following any corporate actions, and this authorization may not be used to increase the capital by more than 10% per year;
3. that shares may be issued on exercise of rights attached to securities issued by any entity in which the Company directly or indirectly holds over half of the capital, that are convertible, exchangeable, redeemable or otherwise exercisable for shares of the Company, subject to the latter's approval;
4. that the aggregate nominal value of bonds or other debt securities carrying rights to shares that are issued under this authorization may not exceed €450,000,000 or the equivalent in foreign currencies;
5. that the aggregate par value of shares issued under this authorization will be deducted from the blanket ceiling provided for paragraph 2 of the 17th resolution, and the aggregate nominal value of bonds or other debt securities carrying rights to shares issued under this authorization will be deducted from the blanket ceiling provided for in paragraph 3 of the 17th resolution;
6. that existing shareholders shall not have a pre-emptive right to subscribe for the securities issued under this authorization;
7. that if an issue is not taken up in full by qualified investors, the Board of Directors may take one or the other following courses of action, in the order of its choice:
   - limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up,
   - freely allocate all or some of the unsubscribed securities among the investors of its choice,
   - offer all or some of the unsubscribed securities for subscription by the public;
8. that this authorization will automatically entail the waiver of shareholders' pre-emptive rights to subscribe for the shares to be issued on exercise of rights attached to other securities;
9. that, in accordance with Article L.225-136 of the Commercial Code:
   - the issue price of the shares issued directly under this authorization will be at least equal to the minimum price provided for in the applicable regulations on the issue date (currently corresponding to the weighted average of the prices quoted for the Company's shares on NYSE Euronext Paris over the three trading days preceding the pricing date less a 5% discount), as adjusted for any difference in *cum*-dividend dates,
   - the issue price of securities carrying rights to shares shall be set in such a way that the amount received by the Company at the time of issue plus the amount to be received on exercise of the rights attached to the issued securities is at least equal to the minimum issue price defined above for each new share,

- the number of shares to be issued on conversion, exchange, redemption or exercise of securities carrying rights to shares issued under this authorization shall be determined in such a way as to ensure that the amount per share received by the Company – taking into account the nominal value of said securities – is at least equal to the minimum issue price set out above;

10. that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:
    - decide to carry out a capital increase and determine the type of securities to be issued,
    - decide on the amount of each issue, the issue price and any issue premium,
    - decide on the timing and other terms of the issues, including the form and characteristics of the securities. In the case of an issue of debt securities (including securities with rights to debt securities governed by Article L.228-91 of the Commercial Code), the Board of Directors shall determine (i) whether the debt should be subordinated or unsubordinated and the ranking of any subordinated debt in accordance with Article L.228-97 of the Commercial Code; (ii) the interest rate (i.e. fixed or variable, indexed or zero coupon); (iii) the circumstances in which interest payments will or may be canceled or suspended; (iv) the life of the securities (i.e. dated or undated); (v) whether the nominal amount of the securities may be reduced or increased; and (vi) all other terms and conditions of issue (including any collateral or other guarantees) and repayment (including the option of extinguishing the debt through an exchange of assets). The issued securities may have warrants attached that are exercisable or exchangeable for bonds or other debt securities. They may also include the option for the Company to issue fungible or other debt securities in settlement of interest whose payment has been suspended by the Company or they may take the form of complex bonds as defined by the securities regulator (for example as a result of their interest or repayment terms or whether they are indexed or include embedded options). The Board of Directors may amend any of the above terms and conditions during the life of the securities, provided that the applicable formalities are carried out,
    - determine the method by which the shares and/or other securities will be paid up,
    - determine, where appropriate, the terms and conditions for (i) exercising the rights attached to the shares and/or other securities, notably by setting the date – which may be retroactive – from which new shares will carry rights; and (ii) exercising any conversion, exchange and repayment rights, including repayment in assets such as other securities of the Company, as well as any other terms and conditions applicable to such issues,
    - set the terms and conditions under which the Company may buy back or exchange the securities on the open market at any time or within specified periods, with a view to holding them or canceling them in accordance with the applicable laws,
    - allow for the exercise of the rights attached to the securities to be suspended, in accordance with the applicable laws and regulations,
    - at its sole discretion, charge any and all costs incurred in connection with said issues against the related premiums, and deduct from these premiums the necessary amounts to be credited to the legal reserve,
    - make any and all adjustments to take into account the impact of corporate actions, including (i) a change in the par value of the shares; (ii) a bonus share issue paid up by capitalizing retained earnings; (iii) a stock-split or reverse stock-split; (iv) a distribution of reserves or other assets; or (v) a return of capital, and determine the method to be used to ensure that the rights of existing holders of securities carrying rights to shares are protected,
    - place on record the capital increase(s) resulting from the use of this authorization and amend the bylaws to reflect the new capital,
    - generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, listing and service of the securities pursuant to this authorization and for the exercise of any related rights;
11. that this authorization shall be valid for a period of twenty-six months as from the date of this meeting and shall supersede, with immediate effect, any previous authorizations granted for the same purpose.

TWENTIETH RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO INCREASE THE SIZE OF AN ISSUE WITH OR WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS)

Having considered the report of the Board of Directors and the auditors' special report, the shareholders resolve, in accordance with Article L.225-135-1 of the Commercial Code:

1. to grant the Board of Directors full powers – which may be delegated in accordance with the law – to increase the number of securities included in an issue of shares and/or securities carrying rights to shares, with or without pre-emptive subscription rights, notably in order to grant a greenshoe option in accordance with standard market practices. Said additional securities will be issued at the same price as for the original issue in accordance with the conditions and ceiling specified in the applicable regulations (currently the additional securities must be issued within thirty days of the close of the original subscription period and may not represent more than 15% of the original issue amount). Such additional issues will also be subject to the blanket ceiling set in the seventeenth resolution;
2. that this authorization shall be valid for a period of twenty-six months as from the date of this meeting and shall supersede, with immediate effect, any previous authorizations granted for the same purpose.

TWENTY-FIRST RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO ISSUE SHARES REPRESENTING UP TO 10% OF THE CAPITAL, DIRECTLY OR ON EXERCISE OF SECURITIES CARRYING RIGHTS TO SHARES, IN PAYMENT FOR ASSETS CONTRIBUTED TO THE COMPANY)

Having considered the report of the Board of Directors and the auditors' special report, the shareholders resolve, in accordance with Articles L.225-129 *et seq*. of the Commercial Code and the other relevant provisions of the Commercial Code including Article L.225-147 paragraph 6:

1. to authorize the Board of Directors to issue shares and/or securities carrying immediate and/or deferred rights to shares in payment for shares and/or securities carrying rights to shares contributed to the Company in transactions not governed by Article L.225-148 of the Commercial Code. The shares issued directly or indirectly under this authorization may not exceed 10% of the Company's capital at the time of issue. This authority may be delegated in accordance with the law;
2. that the par value of shares issued under this authorization may not exceed €45,000,000, the aggregate par value of shares issued under this authorization and those given in the 18th and 19th resolutions may not exceed €45,000,000, and the par value of shares issued under this authorization will be deducted from the blanket ceiling provided for in paragraph 2 of the 17th resolution;
3. to give the Board of Directors full powers to use this authorization, including the power (i) to approve the value attributed to the contributed assets as well as the granting of specific benefits; (ii) subject to the agreement of the contributor, to reduce the value attributed to the contributed assets or the consideration paid for specific benefits; (iii) to place the capital contribution on record; (iv) to charge any related fees and expenses to the share premium; and (v) to increase the Company's capital and amend the bylaws accordingly;
4. that, in accordance with the law, the Board of Directors' decision to carry out any issues under this authorization will be based on the report of one or several appraisal auditors, as required by Article L.225-147 of the Commercial Code;
5. that this authorization shall be valid for a period of twenty-six months as from the date of this meeting and shall supersede, with immediate effect, any previous authorizations granted for the same purpose.

TWENTY-SECOND RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO INCREASE THE COMPANY'S CAPITAL BY CAPITALIZING RETAINED EARNINGS, PROFIT, ADDITIONAL PAID-IN CAPITAL OR ANY OTHER ELIGIBLE AMOUNTS)

Having considered the report of the Board of Directors and the auditors' report on capital reductions carried out by canceling shares, the shareholders resolve, in accordance with Articles L.225-129, L.225-129-2 and L.225-130 of the Commercial Code:

1. to give the Board of Directors full powers to decide to increase the capital, on one or more occasions, by capitalizing retained earnings, profit, additional paid-in capital or any other eligible amounts and issuing bonus shares and/or increasing the par value of existing shares, as well as to determine the amount and timing of such increases;
2. that the par value of shares issued under this authorization may not exceed €225,000,000 and the aggregate par value of shares issued under this authorization and those given in the 17th, 18th, 19th, 20th, 21st and 23rd resolutions may not exceed €225,000,000, this blanket ceiling being applicable in addition to any specific ceilings set in the individual resolutions. In both cases, the ceiling does not include the par value of any additional shares to be issued pursuant to the law to protect the rights of existing holders of securities carrying rights to shares following any corporate actions;
3. that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:
   - set the terms and conditions of the authorized transactions; decide on the amount and types of items to be capitalized, the number of new shares to be issued or the amount by which the par value of existing shares is to be increased; set the retrospective or future date from which the new shares will carry dividend and voting rights or the date on which the increase in par value will be effective; and charge the share issuance costs and any other costs against the related premium,
   - decide that, in accordance with Article L.225-130 of the Commercial Code, rights to fractions of shares will be non-transferable and that the corresponding shares will be sold, with the proceeds of such sale attributed to holders of rights in accordance with the applicable laws and regulations,
   - take all necessary measures and enter into any and all agreements to permit the execution of the planned transaction(s), and generally do whatever is necessary, perform all actions and formalities required to implement the capital increase(s) carried out under this authorization and amend the bylaws to reflect the new capital;
4. that this authorization shall be valid for a period of twenty-six months as from the date of this meeting and shall supersede, with immediate effect, any previous authorizations granted for the same purpose.

TWENTY-THIRD RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO ISSUE SHARES AND/OR SECURITIES CARRYING RIGHTS TO SHARES TO EMPLOYEES WHO ARE MEMBERS OF AN EMPLOYEE STOCK OWNERSHIP PLAN)

Having considered the report of the Board of Directors and the auditors' special report, the shareholders resolve, in accordance with Articles L.3332-1 *et seq*. of the Labor Code on employee stock ownership and Article L.225-138-1 of the Commercial Code:

1. to authorize the Board of Directors to issue shares and/or securities carrying rights to shares on one or more occasions to employees of the Company and French and foreign related companies, who are participants in an Edenred Group employee stock ownership plan ("Plan d'Épargne d'Entreprise"). The term "French and foreign related companies" shall have the same meaning as in Article L.225-180 of the Commercial Code and shall correspond to companies that are members of the same consolidated or combined group as the Company, as specified in Article L.3344-1 of the Labor Code;
2. to authorize the Board of Directors to grant to employees free shares and/or securities carrying rights to shares, within the limits prescribed in Article L.3332-21 of the Labor Code, as part of any capital increase(s) carried out under this resolution;
3. that the total number of shares that may be issued directly or indirectly under this authorization may not exceed the equivalent of 2% of the Company's capital as of the date of this meeting and

that their aggregate par value will be deducted from the blanket ceiling set in paragraph 2 of the 17th resolution;

4. that the subscription price for the shares issued under this authorization may not exceed the average of the prices quoted for the Company's shares during the twenty trading days preceding the Board of Directors' decision setting the opening date of the subscription period and may not represent less than said average less the maximum discount authorized by the regulations in force on the pricing date, and that the characteristics of any securities carrying rights to shares will be set in accordance with the applicable regulations;
5. that this resolution automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares and/or other securities to be issued pursuant to this authorization, as well as their rights concerning any free shares offered to employees pursuant to this authorization;
6. that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:
   - draw up the list of companies whose employees will be entitled to subscribe for the shares and/or other securities,
   - decide that the securities may be acquired either directly or through a corporate mutual fund,
   - allow employees a specified period of time to pay up their securities,
   - set the terms and conditions of membership of the employee stock ownership plan, and draw up or amend the plan rules,
   - set the opening and closing dates of the subscription period and the issue price of the securities,
   - decide the number of new shares to be issued,
   - place on record the capital increases,
   - carry out any and all transactions and formalities, directly or through a duly authorized representative,
   - amend the Company's bylaws to reflect the new capital and, generally, take all appropriate measures and do whatever is necessary to comply with the applicable laws and regulations;
7. that this authorization shall be valid for a period of twenty-six months as from the date of this meeting and shall supersede, with immediate effect, any previous authorizations granted for the same purpose.

8.4 ORDINARY RESOLUTIONS

TWENTY-FOURTH RESOLUTION (POWERS TO CARRY OUT FORMALITIES)

The shareholders give full powers to the bearer of an original, extract or copy of the minutes of this meeting to carry out any and all filing and other formalities required by law.

8.5 STATUTORY AUDITORS' SPECIAL REPORTS

8.5.1 STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL DECREASE BY CANCELLATION OF PREVIOUSLY ACQUIRED SHARES

Combined Ordinary and Extraordinary Shareholders' Meeting of May 13, 2014

16th resolution

This is a free translation into English of the Statutory Auditors' special report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Edenred and pursuant to the provisions of Article L.225-209 of the French Commercial Code *(Code de commerce)* concerning capital share decreases by cancellation of shares, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed share capital decrease.

Shareholders are requested to confer all necessary powers to the Board of Directors, during a period of twenty-six months starting from this Shareholders' Meeting, to cancel, on one or more occasions, and up to a maximum of 10% of the share capital in any twenty-four month period, the shares purchased by the Company pursuant to the authorization to purchase its own shares under the provisions of Article L.225-209 of the French Commercial Code.

We performed the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* applicable to this engagement. Those procedures consisted in examining whether the reasons for and the terms and conditions of the proposed share capital decrease, which does interfere with the equal treatment of shareholders, are due and proper.

We have no matters to report on the reasons for or terms and conditions of the proposed capital decrease.

Paris and Neuilly-sur-Seine, February 28, 2014

The Statutory Auditors

CABINET DIDIER KLING & ASSOCIÉS	DELOITTE & ASSOCIÉS
Didier KLING	David DUPONT-NOEL

8.5.2 STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR VARIOUS SECURITIES WITH/WITHOUT WAIVER OF PRE-EMPTIVE SUBSCRIPTION RIGHTS

Combined Ordinary and Extraordinary Shareholders' Meeting of May 13, 2014

17th, 18th, 19th, 20th and 21st resolutions

This is a free translation into English of the Statutory Auditors' special report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Edenred and in accordance with the procedures provided for in Articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code *(Code de commerce)*, we hereby report to you on the proposed delegation to the Board of Directors of the various issues of shares and/or more generally any and all securities, transactions on which you are asked to vote.

Your Board of Directors recommends that, having considered its report:

- you confer on it, with the option to sub-delegate, for a period of twenty-six months from the date of this Shareholders' Meeting, the authority to decide the following issues, set the final terms and conditions of these issues and, if necessary, waive your pre-emptive subscription rights:
  - issue of shares and/or securities (i) conferring immediate and/or future entitlement to shares in the Company or, pursuant to Article L.228-93 of the French Commercial Code, in any companies in which Edenred directly or indirectly holds more than half of the share capital, and/or (ii) conferring entitlement to debt securities, with pre-emptive subscription rights (17th resolution),
  - issue of shares and/or securities (i) conferring immediate and/or future entitlement to shares in the Company or, pursuant to Article L.228-93 of the French Commercial Code, in any companies in which Edenred directly or indirectly holds more than half of the share capital, and/or (ii) conferring entitlement to debt securities, without pre-emptive subscription rights through public offerings, it being specified that such securities may be issued as consideration for the securities which would be contributed to the Company in the context of a public exchange offer of securities meeting the requirements of Article L.225-148 of the French Commercial Code (18th resolution),
  - issue of shares and/or securities (i) conferring immediate or future entitlement to shares in the Company or, pursuant to Article L.228-93 of the French Commercial Code, in any companies in which Edenred directly or indirectly holds more than half of the share capital, and/or (ii) conferring entitlement to debt securities, without pre-emptive subscription rights through public offerings governed by Section II of Article L.411-2 of the French Monetary and Financial Code *(Code monétaire et financier)* and placed with qualified investors without exceeding 20% of the share capital per year (19th resolution);
- you delegate to it, with the option to sub-delegate, for a period of twenty-six months from this Shareholders' Meeting, the authority to set the terms and conditions of the issue of shares or more generally any and all securities conferring immediate and/or future entitlement to shares in the Company in consideration for contributions-in-kind to the Company and comprising equity or securities with entitlement to shares in the Company within the limit of 10% of the share capital as assessed on the issue date (21th resolution).

The nominal amount of any share capital increases which may be performed immediately and/or in future may not exceed €225 million pursuant to the 17th, 18th, 19th, 20th and 21st resolutions as a whole, and €45 million pursuant to each of the 18th and 19th resolutions. The nominal amount of any debt securities which may be issued may not exceed €2.25 billion pursuant to the 17th, 18th and 19th resolutions as a whole, and €450 million pursuant to each of the 18th and 19th resolutions.

These ceilings take into account the additional number of new securities to be issued in the context of the implementation of the delegations pursuant to the 17th, 18th and 19th resolutions, under the terms and conditions of Article L.225-135-1 of the French Commercial Code, should you adopt the 20th resolution.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data derived from the financial statements, on the proposed waiver of pre-emptive subscription rights and on certain other information pertaining to these transactions, as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* applicable to this engagement. Such procedures consisted in verifying the content of the Board of Directors' report as it relates to these transactions and the conditions in which the issue price of the equity securities to be issued was determined.

Subject to the subsequent review of the terms and conditions of the issues that may be decided, we have no comments on the methods, as presented in the Board of Directors' report, used to determine the issue price of the equity securities to be issued, pursuant to the 18th and 19th resolutions.

In addition, as this report does not contain the conditions in which the issue price of the equity securities to be issued in connection with the implementation of the 17th and 21th resolutions was determined, we cannot express an opinion on the items selected for the issue price calculation purposes.

As the issue price of the equity securities to be issued has not been determined, we express no opinion on the final terms and conditions under which the shares shall be issued and, consequently, on the proposed waiver of pre-emptive subscription rights on which you are asked to decide under the 18th and 19th resolutions.

Pursuant to Article R.225-116 of the French Commercial Code, we shall issue a supplementary report, if applicable, when these delegations are utilized by your Board of Directors, should it issue securities conferring entitlement to shares in the Company and/or debt securities and should any issues waive your pre-emptive subscription rights.

Paris and Neuilly-sur-Seine, February 28, 2014

The Statutory Auditors

CABINET DIDIER KLING & ASSOCIÉS	DELOITTE & ASSOCIÉS
Didier KLING	David DUPONT-NOEL

8.5.3 STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL RESERVED FOR MEMBERS OF AN EMPLOYEE STOCK OWNERSHIP PLAN

Combined Ordinary and Extraordinary Shareholders' Meeting of May 13, 2014

23rd resolution

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Edenred and in accordance with the procedures provided for in Articles L.228-92, and L.225-135 *et seq.* of the French Commercial Code *(Code de commerce)*, we hereby report to you on the proposed delegation to the Board of Directors of the authority to issue, on one or several occasions, shares and/or more generally any and all marketable securities conferring entitlement to the share capital of the Company, with waiver of pre-emptive subscription rights, such issue being reserved for employees of the Company and affiliated French or foreign companies, within the meaning of Articles L.225-80 of the French Commercial Code and L.3344-1 of the French Labor Code *(Code du travail)*, who are members of an employee stock ownership plan of the Edenred Group, a transaction on which you are asked to vote.

Shareholders are asked to approve these issues pursuant to Articles L.225-129-6 of the French Commercial Code and L.3332-18 *et seq.* of the French Labor Code.

The number of shares which may be issued, immediately or in the future, pursuant to this delegation may not exceed 2% of the Company's share capital as of the closing of this Shareholders' Meeting.

Your Board of Directors recommends that, having considered its report, you confer on it, for a period of twenty-six months following this Shareholders' Meeting, the authority to decide one or more issues and waive your pre-emptive subscription rights to the shares to be issued. If applicable, the Board shall be responsible for determining the final issue terms and conditions of these transactions.

Your Board of Directors is responsible for preparing a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data derived from the financial statements, on the proposed waiver of pre-emptive subscription rights and on certain other information pertaining to these transactions, as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* applicable to this engagement. Such procedures consisted in verifying the content of the Board of Directors' report as it relates to these transactions and the conditions in which the issue price of the equity securities to be issued was determined.

Subject to the subsequent review of the terms and conditions of the issues that may be decided, we have no comments on the methods used to determine the price of the equity securities to be issued, as presented in the Board of Directors' report.

As the terms and conditions of the issues have yet to be determined, we cannot express an opinion on such issues nor, accordingly, on the proposed waiver of pre-emptive subscription rights on which you are asked to decide.

Pursuant to Article R.225-116 of the French Commercial Code, we shall issue a supplementary report, if applicable, when the issues are performed by the Board of Directors.

Paris and Neuilly-sur-Seine, February 28, 2014

The Statutory Auditors

CABINET DIDIER KLING & ASSOCIÉS	DELOITTE & ASSOCIÉS
Didier KLING	David DUPONT-NOEL

8.5.4 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

Annual Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2013

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of Edenred, we present below our report on related party agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article 225-31 of the French Commercial Code *(Code de commerce)*, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

I Agreements and commitments submitted to the Shareholders' Meeting for approval

1 Agreements and commitments authorized during the year

In accordance with Article L.225-40 of the French Commercial Code, we have been informed of the following agreements and commitments that were authorized in advance by the Board of Directors.

New private unemployment insurance agreement for Mr. Jacques Stern

Director concerned: Mr. Jacques Stern (Chairman and Chief Executive Officer)

Authorized by the Board of Directors on May 24, 2013

Your Board of Directors has authorized the amendment to the subscription terms and conditions of the private unemployment insurance agreement issued in favor of Mr. Jacques Stern. This insurance has replaced the previous agreement mentioned in subsection II.2.2. of this report.

The new private unemployment insurance agreement subscribed through AXA France IARD came into force retroactively as of April 1, 2013, and enables the Chairman and Chief Executive Officer to obtain compensation should he cease to carry out his duties due to the loss of his job position.

This compensation would be capped at 80% of his contractual income (up to €14,812.00 euros per month) for a maximum period of 18 months.

Under this private unemployment insurance agreement, contributions for fiscal year 2013 amounted to €18,330.84. Such payments are treated as in-kind benefits that are subject to social security contributions.

2 Agreements and commitments authorized since the year-end

In accordance with Article L.225-40 of the French Commercial Code, we have been informed of the following agreements and commitments that were authorized in advance by the Board of Directors held on February 11, 2014:

2.1 New commitment on the allocation of compensation for termination of duties to Mr. Jacques Stern

Director concerned: Mr. Jacques Stern (Chairman and Chief Executive Officer)

Your Board of Directors has authorized the following commitment on the allocation of compensation for termination of duties to Mr. Jacques Stern, President and Chief Executive Officer of the Company, subject to the condition precedent of the renewal of his term of office as Director by the Annual General Meeting of Shareholders and his term of office as Chairman and Chief Executive Officer by the Board of Directors at its first meeting subsequent to the Annual General Meeting of Shareholders. This commitment would replace the previous undertaking described in subsection II.2.1. of this report.

Compensation for termination of duties may be paid only if the termination of Mr. Jacques Stern's duties results from a forced departure, either through a change in strategy or control, or as part of an earlier removal except in cases of serious misconduct or gross negligence.

No amount would be payable in respect of compensation for termination of duties in the event that Mr. Jacques Stern would have, within twelve months after the date of his final departure from the Company, the ability to assert his rights to retirement allowing him to receive a pension under the supplementary pension plan set up in your Company.

The amount of compensation for termination of duties would be equal to a maximum of twice the amount of the total annual gross compensation of Mr. Jacques Stern as Chairman and Chief Executive Officer, defined as the sum of:

- the fixed portion of the compensation on an annual basis as Chairman and Chief Executive Officer on the date of termination of his duties; and
- the average of the variable portion of the annual compensation as Chairman and Chief Executive Officer received or to be received for the last two years during which he served as Chairman and Chief Executive Officer, prior to the date of termination of his duties.

The compensation for termination of duties would be subject to the fulfillment of performance conditions which include the following:

- increase by 5% (at constant scope and exchange rates) of the Issue Volume as compared to the previous year;
- increase by 2% (at constant scope and exchange rates) of Operating revenue as compared to the previous year;
- increase by 5% (at constant exchange rates) of Funds from Operations as compared to the previous year;
- increase in the share price of the Company at least equal to 85% of the Euronext Paris SBF 120 index for the Reference Period.

The fulfilment of each of these four conditions would be measured over a period of three years preceding the date of termination of duties (the "Reference Period"), provided that each of the first three conditions would be deemed fulfilled when the related condition would be achieved in at least two of the three years.

The payment of the maximum amount of compensation for termination of duties would be subject to the fulfillment of at least three of the four performance criteria, determined by the Board in the manner prescribed by the legislation in force at the date of termination of duties.

If only two conditions are met, compensation for loss of duties actually paid would represent 50% of the maximum amount. If only one condition is fulfilled or if no condition is met, no amount would be paid as compensation for termination of duties.

If necessary, the amount of compensation for termination of duties would be reduced so that the amount of termination compensation and severance pay due in respect of the possible termination of Mr. Jacques Stern's employment contract would not in any case exceed two times the amount of his total gross annual salary as Chairman and Chief Executive Officer.

In case of termination of his employment in any of the circumstances referred to above and during the vesting or blocking period (as applicable), the benefit of share subscription options or performance shares granted to Mr. Jacques Stern, would be maintained only pursuant to the regulations for share subscription option and/or performance share plans.

These regulations include, among others, a mechanism to maintain the right to certain performance shares prorated [(1)], taking into account the duration of the presence of Mr. Jacques Stern in the Company and the performance conditions under the plan rules as assessed subsequent to the vesting period.

2.2 Commitment to enable the Chairman and Chief Executive Officer, to participate in the new supplementary pension plans in force in the Company, under the same terms and conditions as certain senior executives

Director concerned: Mr. Jacques Stern (Chairman and Chief Executive Officer)

Your Board of Directors has authorized the commitment to enable the Chairman and Chief Executive Officer to participate in the new supplementary pension plans set up within the Company, under the same conditions as certain senior executives of the Company, subject to the condition precedent of the renewal of the term of office of Mr. Jacques Stern as Director by your Annual General Meeting of Shareholders and his term of office as Chairman and Chief Executive Officer by the Board of Directors at its first meeting following the Annual General Meeting of Shareholders. This commitment would replace the previous undertaking described in subsection II.2.4 of this report.

The supplementary pension plan refers to a category of Edenred Group executives who meet certain criteria of compensation and job classification (16 people in 2013). This plan is comprised of a defined contribution plan ("Article 83") and a defined benefit plan ("Article 39"):

- the defined contribution plan (Article 83) consists of a payment of an annual fee by the Company of up to 5% of five Social Security annual ceilings (*i.e.*, a maximum amount of €9,258 in 2013);
- the defined benefit plan (Article 39) sets up the amount of a fixed annuity whose principles comply with the June 2013 AFEP/MEDEF recommendations, in terms of presence conditions of the beneficiary in the Company as of the date of retirement, the reference period, vesting of potential rights and replacement rates.

The annuity benefits covered by this plan would be reduced from benefits set forth under the defined contribution plan described above:

- the reference period taken into account for the computation of benefits relates to the period of inclusion in the plan (at least 5 years);
- potential rights are acquired gradually by year of inclusion, the amount of additional annual pension is calculated annually on the basis of the gross annual compensation of participants;
- the replacement rate may not exceed the following two thresholds:
  - the replacement rate of the supplemental plan (defined contribution and defined benefit plan) is limited to 30% of the last gross annual remuneration,
  - if the last gross annual remuneration exceeds 12 Social Security annual ceilings, the overall replacement rate for all plans (Edenred compulsory and supplementary pension plans) is then capped at 35% of the average of the three highest annual salaries reference observed over a period of 10 years before retirement.

(1) The term Prorated refers to one third after each anniversary date of the plan.

When leaving the group before the liquidation of the pension under the general plan, a participant loses the rights from the defined benefit plan and retains only those relating to the defined contribution plan.

The Chairman and Chief Executive Officer would participate in the supplementary pension plan of the group under the same terms and conditions as any other participant in the plan, as described above.

This supplementary pension plan would be considered in the overall computation of his compensation.

2.3 Renewal of the private unemployment insurance agreement for Mr. Jacques Stern

Director concerned: Mr. Jacques Stern (Chairman and Chief Executive Officer)

Your Board of Directors authorized the renewal of the undertaking to subscribe to private unemployment insurance issued in favor of Mr. Jacques Stern, subject to the condition precedent of the renewal of the term of office of Mr. Jacques Stern as Director by your Annual General Meeting of Shareholders and his term of office as Chairman and Chief Executive Officer by the Board of Directors at its first meeting subsequent to the Annual General Meeting of Shareholders.

This renewal was authorized by your Board of Directors similarly with those of the commitment initially authorized at the meeting of May 24, 2013, also submitted for your approval and previously mentioned in section I.1 of this report.

2.4 Renewal of the extension to Mr. Jacques Stern of the pension plan applicable to employees of the Company

Director concerned: Mr. Jacques Stern (Chairman and Chief Executive Officer)

Your Board of Directors has authorized the renewal of the commitment made in favor of the Chairman and Chief Executive Officer regarding the pension plan applicable to employees subject to the condition precedent of the renewal of the term of office of Mr. Jacques Stern as Director by your Annual General Meeting of Shareholders and term of office as Chairman and Chief Executive Officer by the Board of Directors at its first meeting subsequent to the the Annual General Meeting of Shareholders.

This renewal was authorized by your Board of Directors similarly with those approved at the Shareholders' Meeting of May 13, 2011 and mentioned below in subsection II.2.3 of this report.

II Agreements and commitments previously approved by the Shareholders' Meeting, which continued during fiscal year 2013

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed of the following agreements and commitments, previously approved by the shareholders in prior years and having continuing effect during the year:

1 Agreements entered into with the Accor Group

Persons concerned: Virginie Morgon, Jean-Paul Bailly, Sébastien Bazin, Patrick Sayer, Philippe Citerne, Bertrand Meheut, common directors of Edenred and Accor Groups. The terms of office of Virginie Morgon and Patrick Sayer ended on March 6, 2013, the term of office of Sébastien Bazin ended on October 2, 2013.

Two agreements, concluded with the Accor Group in 2010 remained effective during the year:

- IT services master agreement which includes twenty implementing contracts (security, hosting, outsourcing, maintenance…);
- agreement covering the use, support, maintenance and functional administration of the Grand Back accounting software. This contract ended on June 30, 2013.

The amounts paid during the year pursuant to these agreements totaled €249,000 and €879,950.52, respectively.

2 Agreements and commitments entered into with Mr. Jacques Stern, Chairman and Chief Executive Officer

The following agreements and commitments, concluded in 2010 and 2011 continued in effect in 2013, although certain agreements have not yet been performed during the year:

2.1 the award of compensation for termination of duties as Chief Executive Officer, the benefit will be subject to satisfaction of certain performance conditions and maintaining rights to all stock options and performance shares;

2.2 The purchase of private unemployment insurance;

2.3 The extension to the Chairman and Chief Executive Officer of the pension plan applicable to employees of the Company;

2.4 Participation of the Chairman and Chief Executive Officer under the same terms and conditions as certain executive officers, to supplementary pension plans (defined contribution plans and defined benefit) in force in the Company;

2.5 the two amendments to the employment contract of Mr. Jacques Stern allowing the transfer to Edenred of his employment contract concluded in 1992 with Accor and providing:

a. contractual indemnity corresponding to the cumulative amount of legal and contractual severance payments, while maintaining the seniority acquired in his 18 years of service carrying out functions with Accor,

b. a specific allowance, supplementary to the contractual indemnity, which would be due in the event of termination of his employment contract no later than six months after the decision of non-renewal of his term of office. It is subject to compliance with certain performance conditions contained in compensation to be received in respect of the termination of his term of office as determined by the Board of Directors at its meetings of June 29 and August 24, 2010.

The expenses recorded in fiscal year 2013 relating to unemployment insurance, the pension plan and supplementary pension defined contribution amounted to €7,373.94, €5,343.61 and €9,258.00, respectively.

As mentioned in section I.2. of this report, the agreements and commitments relating to Mr. Jacques Stern as Chairman and Chief Executive Officer of Edenred referred to above, will be replaced or renewed subject to the condition precedent of the renewal of his term of office as Director by the Annual General Meeting of Shareholders and his term of office as Chairman and Chief Executive Officer by the Board of Directors at its first meeting subsequent to the Annual General Meeting of Shareholders.

3 Conclusion of a Tax matters agreement with a subsidiary of the Accor Group

Persons concerned: Virginie Morgon, Jean-Paul Bailly, Sébastien Bazin, Patrick Sayer, Philippe Citerne, Bertrand Meheut, common directors of Edenred and Accor groups. The terms of office of Virginie Morgon and Patrick Sayer ended on March 6, 2013, the term of office of Sébastien Bazin ended on October 2, 2013.

In connection with a reassessment of the registration fees decided by the Italian tax authorities, following the demerger operations of the Accor Group covering a total of €27.4 million, jointly and severally against a subsidiary of the Accor Group and four member entities of the Edenred Group; the two groups, contesting the reassessment, concluded on December 19, 2011 an agreement to equally share the risk and potential cost.

No expense was recognized in the Edenred 2013 financial statements, as the elements relating to this litigation have not changed since 2011.

Neuilly-sur-Seine and Paris, February 28, 2014

The Statutory Auditors

DELOITTE & ASSOCIÉS	CABINET DIDIER KLING & ASSOCIÉS
David DUPONT-NOEL	Didier KLING

9

ADDITIONAL INFORMATION

9.1 INVESTOR RELATIONS AND DOCUMENTS AVAILABLE TO THE PUBLIC

In addition to the Annual Shareholders Meeting and the events organized to present the annual results, Edenred keeps both private and institutional shareholders informed of the latest developments on a highly responsive daily basis. This information is tailored to the specific needs of different types of shareholders and financial analysts while constantly complying with the principle of equal access to information.

The Company's press releases and historical financial information are available on the Edenred website (www.edenred.com) and the website of the Autorité des marchés financiers (www.amf-france.org). Copies may also be obtained from the Company's headquarters, 166-180 boulevard Gabriel Péri – 92240 Malakoff, France. The bylaws and the minutes of Shareholders Meetings, the financial statements of the Company and the Group, the Auditors' reports and all other corporate documents are available for consultation in paper format at the Company's headquarters.

MEETINGS WITH INVESTORS

In 2013, Edenred met some 610 representatives of 300 financial institutions, held 16 roadshows in Europe, the United States and Canada, and participated in six investor conferences in France and the United States.

Some 60 investors and financial analysts participated in the Investor Day organized in New York in November.

The Group also met with private shareholders at shareholder events in Montpellier, Lyon, Nantes and Paris.

INVESTOR AND SHAREHOLDER PUBLICATIONS

All of the Group's financial news and publications can be accessed in the "Finance" section of the www.edenred.com website, which serves as a comprehensive investor relations database. The site carries live and deferred webcasts of results presentations and Annual Shareholders Meetings, as well as real-time tracking of the share price. It also includes a section dedicated to private shareholders.

Statutory documents are available for consultation at the Company's administrative headquarters, 166-180 boulevard Gabriel Péri - 92245 Malakoff, France.

Regulatory filings are issued electronically through a professional disclosure service that complies with the criteria set out in the Autorité des marches financiers' General Regulations. The filings are also available on the corporate website.

CONTACTS

Institutional investors/analysts

Virginie Monier

Investor Relations and Financial Communications Director

Aurélie Bozza

Investor Relations

Edenred, Immeuble Columbus

168-180 boulevard Gabriel Péri

92245 Malakoff Cedex, France

E-mail: investor.relations@edenred.com

Phone: +33 1 74 31 86 26

Fax: +33 1 74 31 98 03

Individual shareholders

Élisabeth Pascal

Regulated Information Distribution and Shareholder Relations

E-mail: relations.actionnaires@edenred.com

Phone: Voice server: 0 805 652 662

(toll-free from a fixed line in France)

The voice server provides real time share prices (press 1), news about the Group and the agenda of the Shareholders Meeting (press 2). Shareholders can also be put through to the Registered Shareholders service (press 3) and the shareholder relations team (press 4).

9.2 PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE ACCOUNTS

9.2.1 PERSONS RESPONSIBLE

9.2.1.1 Person responsible for the Registration Document

Jacques Stern, Chairman and Chief Executive Officer of Edenred.

9.2.1.2 Statement by the person responsible for the Registration Document

"I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that, to the best of my knowledge, (i) the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Edenred and the consolidated companies, and (ii) the management report presented from page 29 represents a fair view of the business, results and financial position of Edenred and its consolidated companies and provides a description of the main risks and uncertainties to which they are exposed.

I obtained a statement from the Auditors at the end of their engagement affirming that they have examined the information about the financial position and the accounts contained in the Registration Document and have read the whole of the Document."

Jacques Stern

Chairman and Chief Executive Officer of Edenred

Paris — March 31, 2014

9.2.2 AUDITORS

Statutory Auditors

Deloitte & Associés

David Dupont-Noel

185, avenue Charles de Gaulle

BP 136

92203 Neuilly-sur-Seine Cedex

Appointed for six years at the May 15, 2012 Annual Shareholders Meeting.

Didier Kling & Associés

Didier Kling

28, avenue Hoche

75008 Paris

Appointed for six years at the April 9, 2010 Annual Shareholders Meeting.

Alternate Auditors

BEAS

William Di Cicco

195, avenue Charles de Gaulle

92200 Neuilly-sur-Seine

Appointed on the same basis and for the same period as Deloitte & Associés.

CREA

Bernard Roussel

37, avenue de Friedland

75008 Paris

Appointed on the same basis and for the same period as Didier Kling & Associés.

9.3 FEES PAID TO THE AUDITORS

The following table presents the fees paid to the Auditors and the members of their networks by the Group for 2012 and 2013:

	Deloitte & Associés				Didier Kling & Associés			
	Amount without VAT		%		Amount without VAT		%	
(in € millions)	2012	2013	2012	2013	2012	2013	2012	2013
Audit								
Statutory audit, certification, consolidated and individual statement audit								
• Issuer	(0,4)	(0,5)	15%	18%	(0,2)	(0,2)	100%	100%
• Fully consolidated subsidiaries	(2,0)	(2,2)	66%	74%				
Other work and services directly related to the statutory audit								
• Issuer	(0,2)	(0,0)	6%	1%	-	-	-	-
• Fully consolidated subsidiaries	(0,2)	(0,1)	6%	4%	-	-	-	-
SUB-TOTAL	**(2,8)**	**(2,8)**	**93%**	**97%**	**(0,2)**	**(0,2)**	**100%**	**100%**
Other services provided by the network to the fully consolidated subsidiaires								
• Legal, tax and social matters	(0,1)	(0,0)	3%	1%				
• Other	(0,1)	(0,1)	4%	2%				
SUB-TOTAL	**(0,2)**	**(0,1)**	**7%**	**3%**				
TOTAL	**(3,0)**	**(2,9)**	**100%**	**100%**	**(0,2)**	**(0,2)**	**100%**	**100%**

9.4 INFORMATION ON HOLDINGS

Information relating to the undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses is provided in the notes to consolidated financial statements (see Note 36 “Main Consolidated Companies at December 31, 2012”, page 201).

9.5 THIRD PARTY INFORMATION

Not applicable.

9.6 INFORMATION INCORPORATED BY REFERENCE

In accordance with Article 28 of European Commission Regulation (EC) 809/2004, the Registration Document incorporates by reference the following information:

2010 REGISTRATION DOCUMENT

The 2010 Registration Document was filed on April 13, 2011 with the Autorité des marchés financiers under number R.11-013. It concerns:

- the consolidated financial statements and corresponding Auditors' report presented, respectively, on pages 173 to 231 and page 99 of Edenred's 2010 Registration Document;
- the pro forma financial statements and corresponding Auditors' report presented, respectively, on pages 100 to 172 and page 98 of Edenred's 2010 Registration Document;
- the pro forma financial information presented on pages 21 to 34 of Edenred's 2010 Registration Document;
- sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Registration Document.

2011 REGISTRATION DOCUMENT

The 2011 Registration Document was filed on April 6, 2012 with the Autorité des marchés financiers under number R.12-010. It concerns:

- the consolidated financial statements and corresponding Auditors' report presented on pages 106 to 172 of Edenred's 2011 Registration Document;
- the financial information presented on pages 21 to 34 of Edenred's 2011 Registration Document;
- sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Registration Document.

2012 REGISTRATION DOCUMENT

The 2012 Registration Document was filed on April 4, 2013 with the Autorité des marchés financiers under number R.13-011. It concerns:

- the consolidated financial statements and corresponding Auditors' report presented on pages 124 to 188 of Edenred's 2012 Registration Document;
- the financial information presented on pages 27 to 42 of Edenred's 2012 Registration Document;
- sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Registration Document.

9.7 REGULATORY FILINGS

The following information was published or announced by Edenred during the past twelve months (between March 1, 2013 and March 14, 2014):

- disclosure of number of shares and voting rights as of March 31, 2013;
- press release dated April 4, 2013 announcing the launch of NutriSavings by Edenred and SavingStar;
- press release dated April 5, 2013 announcing the publication of the Registration Document;
- 2012 Annual Financial Report published on April 5, 2013;
- fees paid to the Auditors for 2012, disclosed on April 5, 2013;
- 2012 report on corporate governance and internal control, published on April 5, 2013;
- press release dated April 16, 2013 announcing first-quarter 2013 revenue;
- press release dated April 18, 2013 announcing a strategic alliance in Portugal;
- press release dated April 23, 2013 announcing that proxy documents for the 2013 Annual Meeting have been made available to shareholders;
- press release dated April 25, 2013 announcing the successful refinancing of Edenred's lines of credit;
- disclosure of number of shares and voting rights as of April 30, 2013;
- disclosure of number of shares and voting rights as of May 31, 2013;
- disclosure of number of shares and voting rights as of June 30, 2013;
- press release dated July 5, 2013 concerning liquidity contract transactions in the six months ended June 30, 2013;
- press release dated July 24, 2013 announcing the Group's 2013 interim results and second quarter 2013 revenue;
- press release dated July 24, 2013 announcing the publication of the 2013 interim report;
- disclosure of number of shares and voting rights as of July 31, 2013;
- disclosure of number of shares and voting rights as of August 31, 2013;
- disclosure of number of shares and voting rights as of September 30, 2013;
- press release dated October 16, 2013 announcing third-quarter 2013 revenue;
- press release dated October 23, 2013 announcing a bond issue;
- disclosure of number of shares and voting rights as of October 31, 2013;
- press release dated November 12, 2013 concerning the Investor Day;
- disclosure of number of shares and voting rights as of November 30, 2013;
- press release dated December 9, 2013 announcing the acquisition of Nets Prepaid;
- press release dated December 27, 2013 concerning the exchange rate for the Bolivar Fuerte;
- disclosure of number of shares and voting rights as of December 31, 2013;
- press release dated January 7, 2014 concerning liquidity contract transactions in the six months ended December 31, 2013;
- disclosure of number of shares and voting rights as of January 31, 2014;
- press release dated February 12, 2014 announcing 2013 annual results and fourth quarter 2013 revenue;
- disclosure of number of shares and voting rights at February 28, 2014.

9.8 CONCORDANCE TABLE

The table below provides cross references between the pages in the Registration Document and the key information required under Annex I of European Commission Regulation (EC) 809/2004 dated April 29, 2004.

N°	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page(s)
1	**Persons responsible**		
1.1	Persons responsible for the information in the Registration Document	9.2.1 Persons responsible	285
1.2	Statement by the person responsible for the Registration Document	9.2.1 Persons responsible	285
2	**Auditors**		
2.1	Name and address of the issuer's Statutory Auditors	9.2.2 Auditors	285
2.2	Names of Auditors who resigned, were removed or were not re-appointed during the period	Not applicable	
3	**Selected financial information**		
3.1	Selected historical financial information	2.1.1 Consolidated results	30
3.2	Selected financial information for interim periods and comparative data from the same period in the prior financial year	Not applicable	
4	**Risk factors**	**3 Risk factors**	**45**
5	**Information about the Company**		
5.1	History and development of the Company	1.2 Milestones	13
5.1.1	*Legal and commercial name*	7.1.1 Company name	238
5.1.2	*Place of registration and registration number*	7.1.2 Registration details and APE code	238
5.1.3	*Date of incorporation and the length of life of the Company*	7.1.3 Incorporation date and term	238
5.1.4	*Domicile and legal form of the Company, the legislation under which the Company operates, its country of incorporation, and the address and telephone number of its registered office*	7.1.4 Registered office, legal form and governing law	238
		1.4 Regulatory environment	24
5.1.5	*Important events in the development of the issuer's business*	6.2 Note 3 Changes in scope of consolidation and significant events	159
5.2	Investments		
5.2.1	*Description of the Company's principal investments for each financial year for the period covered by the historical financial information*	6.2 Note 28 Capital expenditure	196
5.2.2	*Description of the principal investments that are in progress*	1.1.2.2 Strong and sustainable growth with little capital investment	6
		1.3.2 A strategy to generate strong and sustainable growth	16
5.2.3	*Information concerning the issuer's principal future investments on which it has already made firm commitments*	1.3.2 A strategy to generate strong and sustainable growth	16
6	**Business overview**		
6.1	Principal activities	1.1 Corporate profile	4
6.1.1	*Description of the nature of the issuer's operations and its principal activities*	1.1 Corporate profile	4
6.1.2	*Significant new products and/or services that have been introduced*	1.3.2 A strategy to generate strong and sustainable growth	16
6.2	Principal markets	1.1.3 The global leader in prepaid corporate services	7
		2.1.1.2 Analysis of consolidated financial results	30

N°	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page(s)
6.3	Exceptional factors that have influenced the information given pursuant to items 6.1 and 6.2	2.1.1.2 Analysis of consolidated financial results	30
6.4	Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.6 Intellectual property	27
6.5	The basis for statements made by the issuer regarding its competitive position	1.1.3 The global leader in prepaid corporate services	7
7	**Organizational structure**		
7.1	Description of the Group and the issuer's position within the Group	5.2.1.5 Members of the Executive Committee	104
		2.2 Description of the business	40
		6.2 Note 36 Main consolidated companies at December 31, 2013	201
7.2	List of significant subsidiaries	9.4 Information on holdings	286
		6.2 Note 36 Main consolidated companies at December 31, 2013	201
8	**Property, plant and equipment**		
8.1	Existing or planned material tangible fixed assets, including leased properties	1.7 Real estate rights	27
8.2	Environmental issues that may affect the utilization of tangible fixed assets	Not applicable	
9	**Operating and financial review**		
9.1	Description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period for which historical financial information is required	2.1 Results of operations	30
9.2	Operating income and expenses	2.1.1.2 Analysis of consolidated financial results	30
9.2.1	*Significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations*	2.1.1.2 Analysis of consolidated financial results	30
9.2.2	*Changes in net sales or revenues, and narrative discussion of the reasons for such changes*	2.1.1.2 Analysis of consolidated financial results	30
9.2.3	*Governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, the Company's operations*	2.1.1.2 Analysis of consolidated financial results	30
10	**Capital resources**		
10.1	Information concerning the issuer's capital resources (both short and long term)	2.1.1.4 Liquidity and financial resources	35
10.2	Sources and amounts of the issuer's cash flows	2.1.1.4 Liquidity and financial resources	35
10.3	Information on the borrowing requirements and funding structure of the issuer	2.1.1.4 Liquidity and financial resources	35
10.4	Information regarding any restrictions on the use of capital resources	2.1.1.4 Liquidity and financial resources	35
10.5	Information regarding the anticipated sources of funds	2.1.1.4 Liquidity and financial resources	35
11	**Research and development, patents and licenses**		
	Description of the issuer's research and development policies and amount spent on issuer-sponsored research and development activities	Not applicable	

N°	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page(s)
12	**Trend information**		
12.1	Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Registration Document	1.3 Strategic vision, investment strategy and outlook	14
12.2	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	6.2 Note 35 Subsequent events	200
13	**Profit forecasts or estimates**	**Not applicable**	
14	**Administrative, management and supervisory bodies and senior management**		
14.1	Information about the principal activities of the following persons, and statement that they have not been convicted of any fraudulent offences: • members of the administrative, management or supervisory bodies; and • any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business	5.2.1.2 Membership of the Board of Directors	91
14.2	Potential conflicts of interests between any duties to the issuer of members of the administrative, management and supervisory bodies or senior managers and their private interests and or other duties	5.2.2.6 Director's Charter	110
	Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1 was selected as a member of the administrative, management or supervisory bodies or as a member of senior management	5.2.1 Administrative, management and supervisory bodies	90
	Details of any restrictions agreed by the persons referred to in item 14.1 on the disposal within a certain period of time of their holdings in the issuer's securities	7.2.1.9 Lock-up commitment	243
15	**Remuneration and benefits of the persons referred to in item 14.1**		
15.1	Remuneration paid and benefits in kind granted to such persons by the issuer and its subsidiaries	5.4.1 Executive director's compensation and potential commitments towards the executive director	113
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