2014 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.

2014 REGISTRATION DOCUMENT

This document includes the annual financial report

AMF

This Registration Document was filed with the Autorité des marchés financiers (AMF) on March 18, 2015 in accordance with article 212-13 of the AMF's General Regulations.

It may be included in the prospectus for a financial transaction provided that the prospectus also contains an information memorandum approved by the AMF. This document has been prepared by the issuer and is the responsibility of the persons whose signatures appear herein.

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 everywhere.

AFFILIATED MERCHANT

Business that accepts 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 solutions (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 statements, page 169.

Operating EBIT corresponds to EBIT less financial revenue.

Financial EBIT corresponds to financial revenue.

FACE VALUE

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

FLOAT

Operating working capital requirement, corresponding to vouchers in circulation less trade receivables.

FREE CASH FLOW

Free cash flow is presented in section 2.1.1.4, 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 statements on page 207.

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

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.

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.

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.

TAKE-UP RATE

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

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 208. 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

	B2B			B2G
	EMPLOYEE BENEFITS	EXPENSE MANAGEMENT	INCENTIVE & REWARDS	PUBLIC SOCIAL PROGRAMS
As a % of IV*	81%	14%	4%	1%
Clients	Human resources	Finance & purchasing	Marketing & sales	Public authorities
Offer	Ticket Restaurant® Childcare Vouchers® Ticket Alimentación® Ticket Cultura® Ticket CESU Commuter Check® Ticket Plus® Card NutriSavings™ ...	Ticket Car® Repom Ticket Clean Way® ExpendiaSmart® ...	Ticket Kadéos® Ticket Compliments® Accentiv' Mimética® ...	Ticket Restaurant™ JUNAEB Ticket Service® ...

*IV : Issue volume

Edenred's solutions are aimed at a variety of 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 Euronext Paris stock exchange [(1)], Edenred operates in 42 countries, with more than 6,000 employees, nearly 660,000 companies and public sector clients, 1.4 million affiliated merchants and 41 million beneficiaries. In 2014, total issue volume amounted to €17.7 billion, of which almost 60% was generated in emerging markets.

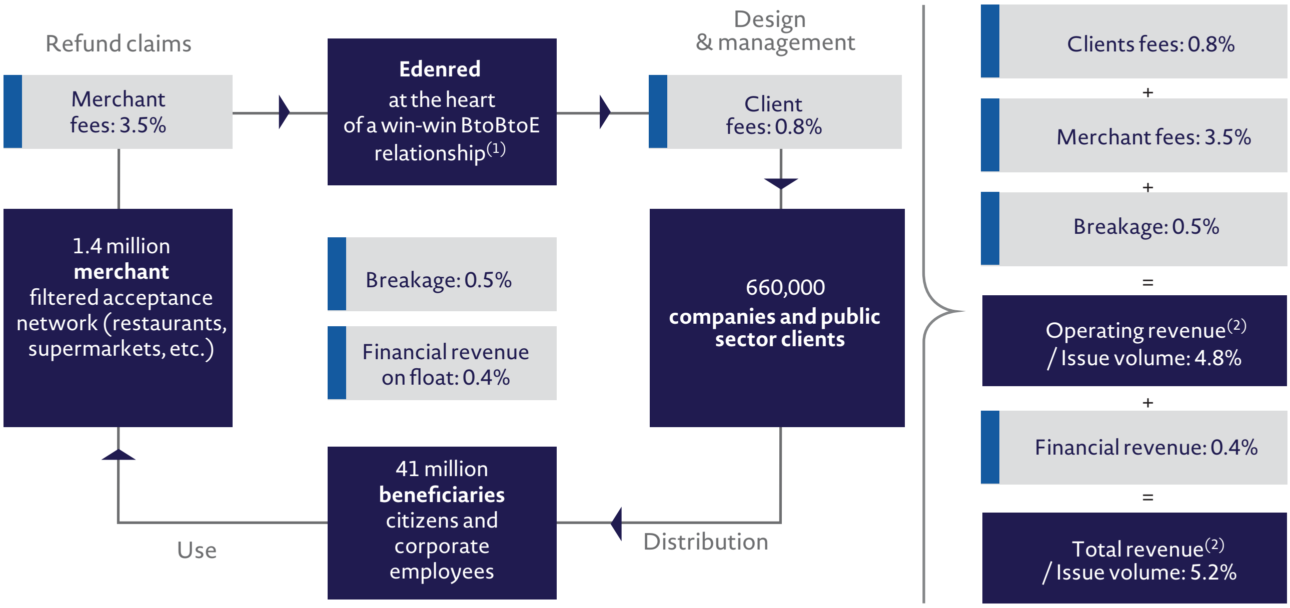
(1) Listed on the Euronext Paris stock exchange in Compartment A (ISIN: FR0010908533).

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 unique business model is illustrated below.

A unique business model



(1) *Business to Business to Employees*
(2) *with issue volume*

One of the Group's key indicators is **issue volume,** corresponding to the total amount of funds allocated to beneficiaries on behalf of corporate and public clients.

Revenue comprises operating revenue and financial revenue.

Operating revenue corresponds to revenue from the sale of programs and services. It includes operating revenue with issue volume that is generated by prepaid vouchers and cards (€843 million in 2014) and operating revenue without issue volume (€115 million in 2014), consisting of billings for services such as the management of incentive and rewards programs.

Operating revenue linked to issue volume represented 4.8% of issue volume in 2014, 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, and voucher customization costs, representing an average of 0.8% of issue volume in 2014;
- commissions received from affiliated merchants (restaurants, supermarkets, retail chains, service stations, hotels etc.), representing an average of 3.5% of 2014 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 operating revenue. Affiliated merchants generally join the program by signing a contract drawn up individually that specifies a commission rate as well as the basis for reimbursing vouchers. 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 [1], corresponding to the face value of vouchers that have not been presented by their expiry date. They represented 0.5% of 2014 issue volume.

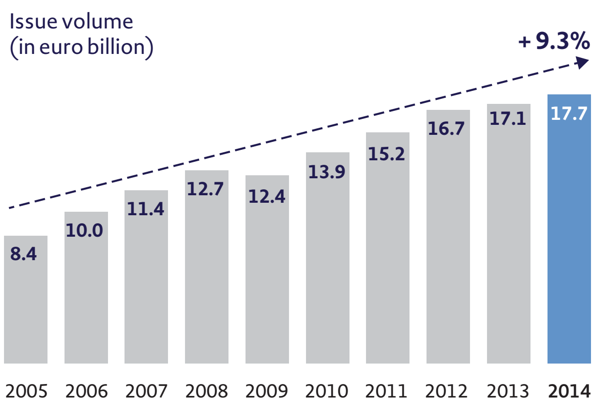
The negative working capital requirement, corresponding to the cash received from clients for prepaid services that has not yet been reimbursed to affiliated merchants, is invested to generate **financial revenue** that is added to operating revenue to calculate the Group's total revenue. In 2014, financial revenue represented 0.4% of issue volume.

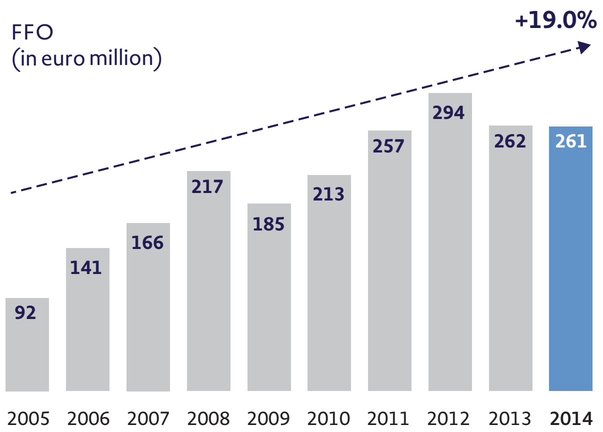
Total revenue, including operating revenue with and without issue volume as well as financial revenue, represented €1.03 billion in 2014.

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 2005, reported issue volume has increased by an average +9.3% per year.

The business model also generates considerable amounts of cash. Since 2005, reported funds from operations before non-recurring items **(FFO)** have grown by +19.0% 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 and clients. Diversification plays a critical role in maintaining consistent performance by spreading risks more widely.

(1) *Paper-based or digital format.*

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 €17.7 billion in 2014. Its solutions cover three segments:

- Employee benefits (81% of issue volume);
- Expense management (14% of issue volume);
- Incentive and rewards (4% of issue volume).

The main international competitors in these markets are:

- Sodexo and Up Group [2] in the employee benefits segment; and
- FleetCor and WEX 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 [3].

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.

In addition to these three segments, Edenred also develops **solutions for public social programs** (“B2G solutions”, 1% of issue volume). This €116 billion market [4] 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.

As well as competitors in the prepaid Business-to-Business (B2B) market, 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 present in these adjacent markets, 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.

More generally, prepaid services for businesses, public institutions and consumers are a component of a much larger **payment ecosystem.** Edenred has occasion to interact with players in the payment value chain, such as banks, merchant acquirers [5], 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.

(1) Source: 2010 internal estimate (see November 2011 Investor Day presentation, available on the Company’s website edenred.com).
(2) Formerly Chèque Déjeuner.
(3) Source: 2014 internal estimate.
(4) Source: 2010 internal estimate (see November 2011 Investor Day presentation, available on the Company’s website edenred.com).
(5) Companies specialized in installing payment terminals at merchants.

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

Edenred responds to employers' concerns by offering a comprehensive suite of solutions:

- Employee benefits
- Expense management
- Incentive and rewards programs

Employee benefits

EMPLOYEE BENEFITS

€14,431 million in issue volume

81% of total Group issue volume

+10.6% of growth in issue volume for Food & Meal benefits

+11.2% of growth in issue volume for Quality of life benefits

Edenred's "Employee benefits" solutions offer added value for a variety of 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. Their social usefulness qualifies them for income tax and/or payroll tax exemptions. For governments, the lost tax revenue is offset by the positive direct and indirect effects of employee benefit programs, which help to boost the revenues of affiliated merchants, 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 can improve the health of beneficiaries and their families. 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 (€5.36 per voucher in 2015). 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 660,000 clients worldwide at December 31, 2014, Edenred has a diversified client portfolio;
- **beneficiaries:** employee benefits solutions increase 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, 87% of respondents [(2)] who had access to meal vouchers said they were satisfied with them and 69% who did not have access to them said they would like to;
- **affiliated merchants**: employee benefit solutions are an 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, nearly 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 2014, 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.

Edenred offers various types of employee benefit solutions:

- **food-related employee benefits:** the Group offers two types of solutions: meal vouchers and food vouchers:
  - invented by the Group in France, back in 1962, **Ticket Restaurant**® allows employees to buy lunch outside their workplace, in an affiliated outlet of their choice. It is a simple alternative to corporate catering structures, particularly for small and medium-sized businesses, that helps employers 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;

(1) IPSOS survey carried out in 2010.
(2) IPSOS survey carried out in 2014.

- ***Ticket Alimentación®***, which is more widely used in emerging countries, 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 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 in 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. 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 employers too, childcare vouchers represent a simpler and more cost-effective solution than the alternatives, such as setting up a workplace daycare center. Moreover, the vouchers don't just increase beneficiaries' purchasing power, they also offer flexibility 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, 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 purchasing power of up to €44 per month for food and fuel purchases;
  - solutions for cultural purchases, such as the ***Ticket Cultura®*** launched in Brazil in 2013 that enables companies to distribute funds for the purchase of specialist goods and services.

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

Edenred regularly enhances its employee benefits programs with the addition of new services. These services are 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 more efficiently, promote their employer brand and scale back administrative processes and costs. Integrated in clients' own information systems, the platforms provide greater flexibility to beneficiaries by enabling them to manage their benefits directly.

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

Expense management

Efficient and transparent business expense management is an important source of leverage for companies looking to improve their performance and reduce costs. Having recognized this, Edenred offers its clients solutions to help them control their employees' business expenses with optimized expense reporting processes. For employees, these solutions mean not having to pay expenses out of their own pockets and claim reimbursements. Although based on a model comparable 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)

  Since acquiring UTA and Cardtrend in 2014, Edenred has become a key player in the global fleet management industry. Its solutions include:

  - ***Ticket Car*® in Latin America**: This solution simplifies the process of managing vehicle fleets and allows companies to reduce their costs by 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, *Ticket Car*® 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;
  - ***UTA solutions in Europe:*** In early 2015, Edenred acquired a 34% stake in Union Tank Eckstein (UTA), a leading issuer of fuel cards for heavy vehicle fleets in Europe, with an option to purchase additional shares, exercisable from 2017, which will enable Edenred to increase its stake to 51%. Backed by more than 50 years of experience and present in 40 European countries, UTA provides expense management solutions for heavy vehicle fleets to more than 60,000 European clients. UTA offers a card that can be used in a network of more than 34,000 affiliated service stations and a settlement solution for tolls. It also offers value-added services, including: tracking and reporting of information such as expenses, fuel consumption and mileage; VAT recovery services; and on-road assistance and maintenance services for the 500,000 truck drivers who have a UTA card. One of UTA's flagship solutions is the MercedesServiceCard developed jointly with automaker Daimler, which holds a 15% interest in the fuel card company. Distributed to Mercedes-Benz customers, the card gives holders access to UTA's services and to Mercedes-Benz service centers. In 2013, UTA generated €3.1 billion in issue volume and €64 million in revenue;
  - ***Cardtrend services in Asia:*** In 2014, Edenred acquired a 70% stake in Cardtrend, a provider of fuel card management software solutions. Cardtrend operates white-label fuel card programs on behalf of key oil & gas industry players that are based in Southeast Asia. Cardtrend provides its customers with customized software solutions allowing them to manage the fuel cards that they issue and distribute, as well as their loyalty programs.

- **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.). They comprise a dedicated web platform that can be pre-configured by the employer 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***®, a solution launched in Italy in 2011 to overcome the problem of employees having to pay their expenses out of pocket and then claim reimbursements. Similar solutions have been launched in France *(Ticket Travel pro®),* Mexico *(Ticket Empresarial®),* and Poland *(Spendeo®).*

- **Corporate payments**

  The Group also meets the needs of specific markets:

  - 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 (1) and is still relatively unpenetrated, should be boosted by the Brazilian government's introduction of fines and tax incentives in a bid to put transactions by independent truck drivers on a more formal basis;
  - The acquisition of **C3 Card** in July 2014 saw Edenred enter the employee payroll cards market in the United Arab Emirates. C3 Cards' payroll cards offer a simple and secure solution for paying employees who do not have a bank account, while allowing client businesses to comply with the local "Wage Protection System" (2) that requires wage traceability;

(1) Source: 2014 internal estimate.

(2) Regulation implemented in 2009 in certain parts of the United Arab Emirates to allow the Central Bank to ensure that wages are effectively paid to individuals without bank accounts.

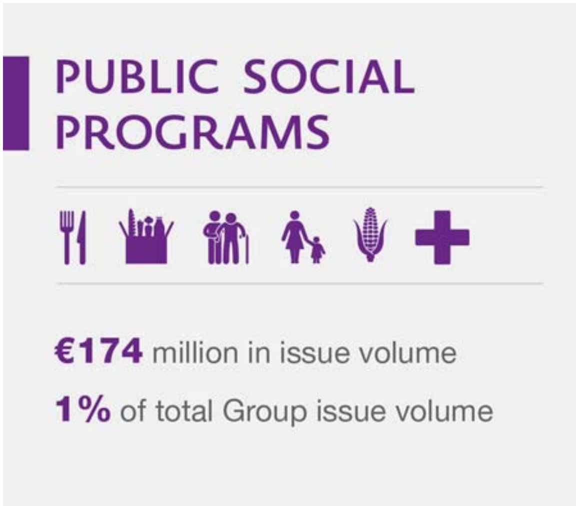
- The ***Ticket Clean Way***® is used by employees to pay for the cleaning of their work clothes. The company issues the employee a smartcard-based cleaning allowance that can be used in a network of affiliated service providers. Launched in France in 1995, *Ticket Clean Way*® has recently been deployed 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 [(1)].

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.

- the Group’s two main brands in this segment are ***Ticket Compliments***® and ***Ticket Kadéos***®, a range of single- and multi-brand gift vouchers and cards;
- In the Asia-Pacific region, Europe and Brazil, Edenred also partners 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 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.

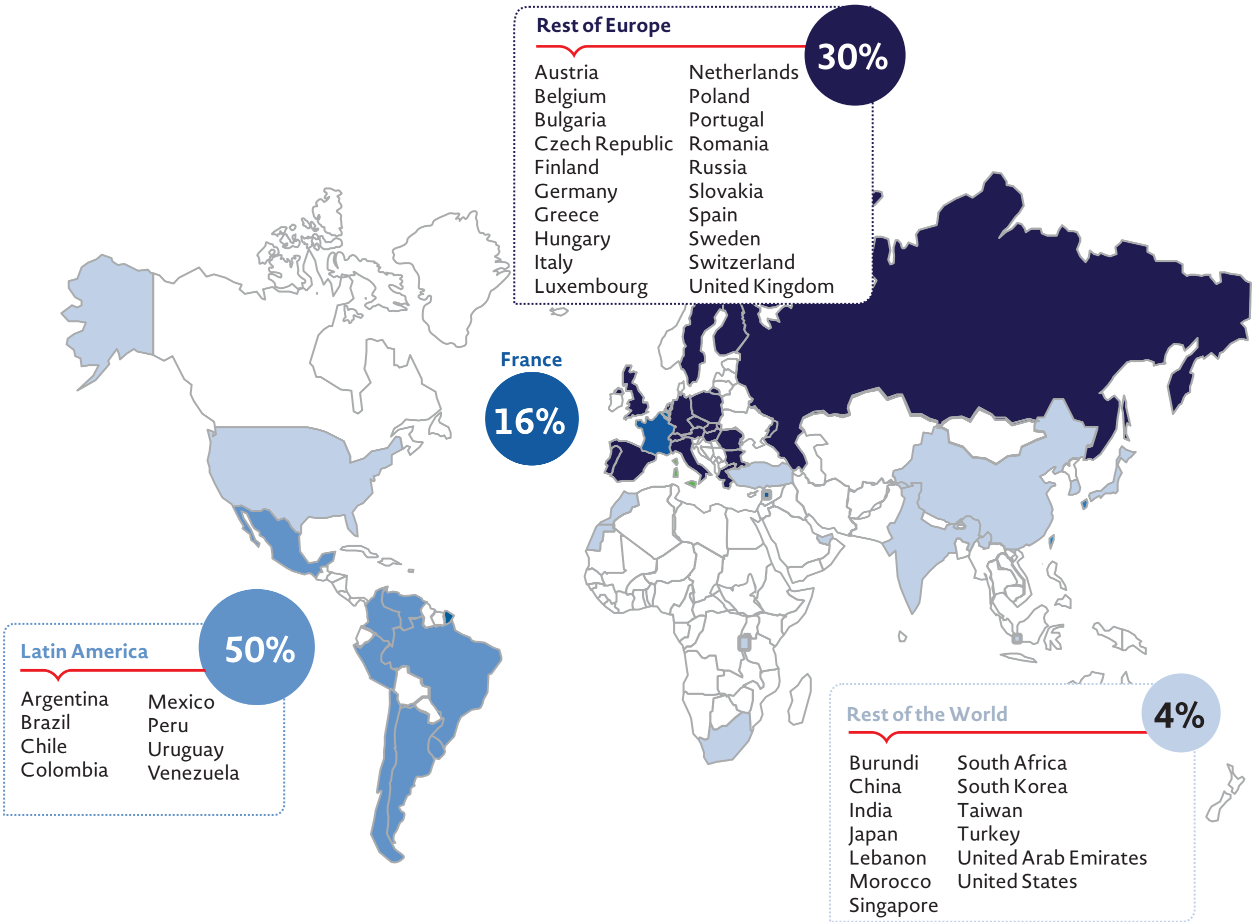
For public authorities and institutions, Edenred’s solutions represent an alternative to the distribution of assistance in the form of cash payments, allowing them to target a specific need and track how they are used by beneficiaries for their intended purpose. They also have the added benefit of avoiding 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) Source: GMV study for Edenred and Synamap study. 2011 data.

1.1.3.3 Operations in 42 countries, balanced between developed and emerging markets

Since its formation, Edenred has steadily expanded its geographic presence. As of end-2014, it had operations in 42 countries worldwide. In most of these countries, the Group created the market by initiating the passage of legislation enabling the introduction of employee benefits solutions.

The map below shows Edenred's global presence 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 2014, and in emerging markets, which represented 59% of the total. The Group's 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 (78% of 2014 issue volume in Brazil): *Ticket Restaurante®*, *Ticket Alimentaçao®*, *Ticket Transporte®*, *Ticket Cultura®*;
- Expense management (21% of 2014 issue volume in Brazil): *Ticket Car®*, *Repom®*;
- Incentive and rewards (1% of 2014 issue volume in Brazil): *Accentiv'Mimetica®*.

In 2014, Brazilian issue volume and revenue reached €5.6 billion and €344 million respectively.

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

- Employee benefits (90% of 2014 issue volume in France): *Ticket Restaurant®*, *Ticket Kadéos®*, *Ticket CESU*;
- Incentive and rewards (9% of 2014 issue volume in France): *Ticket Kadéos®*;
- Public social programs (1% of 2014 issue volume in France): *Ticket CESU*, *Ticket Service®*.

In 2014, French issue volume and revenue reached €2.9 billion and €165 million respectively.

1.2 MILESTONES

1.2.1 PRE-2010: CREATION AND DEVELOPMENT OF ACCOR SERVICES

1962-1980: 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 in Mexico;
- 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;
- also in January 2014, the Group acquired Brazilian employee benefits company Bonus;
- July 2014 saw the acquisition of C3 Card, a payroll card specialist in the United Arab Emirates;
- in August 2014, Edenred acquired Cardtrend, a Malaysia-based provider of fuel-card management software solutions;
- in October 2014, Russian monobrand gift card resale company Daripodarki joined the Group;
- in the first quarter of 2015, the Group acquired a 34% stake in UTA, a key player in the European fuel card market.

Joint ventures and alliances since 2010

- in April 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 (which has since become Novo Banco) in the Portuguese employee benefits market, contributing its existing operations in Portugal to the new company;
- in July 2014, Edenred entered into an alliance with American Express in Mexico to offer a unique joint fuel card solution.

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:

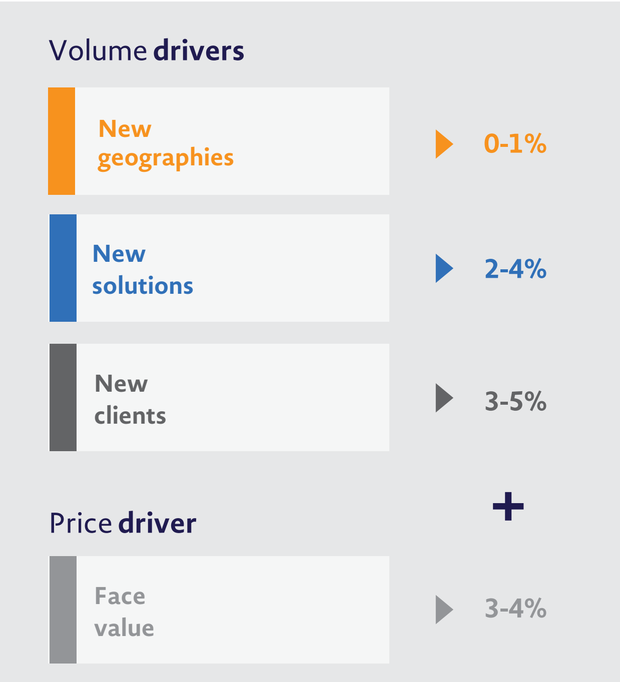
- Increasing urbanization, the emergence of a middle class and the growing economic role of the service sector are all contributing to the development of the **Employee meal and food benefits** market, while growth in **Employee quality of life** benefits is being fuelled by the rising number of women in the workplace, aging populations and the search for a good work-life balance. In addition, the development of formal economies is driving growth across the entire 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:

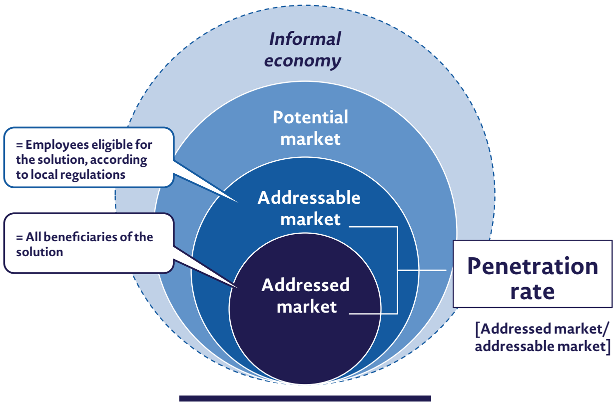


New clients

Gaining new clients in markets where we have 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 its strategy, Edenred now expects such solutions to account for 2-4% of organic growth in issue volume per year.

New geographies (3)

Edenred was present in 42 countries worldwide at end-2014.

Since 2010, the Group opened Finland, Japan, Colombia, the United Arab Emirates and Russia as part of its strategy. 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.

Edenred lobbies clients and the public authorities to raise voucher face values to keep pace with inflation and salaries, particularly in emerging markets. In some of the Group's markets, the average face value of vouchers ordered by clients is significantly below the

(1) Target announced at the Investor Day on November 12, 2013.
(2) "New solutions" correspond to solutions launched since January 1, 2010.
(3) "New geographies" are countries entered since January 1, 2010.

maximum face value that is tax deductible. This represents a substantial source of potential growth. Edenred's issue volume growth target now stands at between 3% and 4% per year.

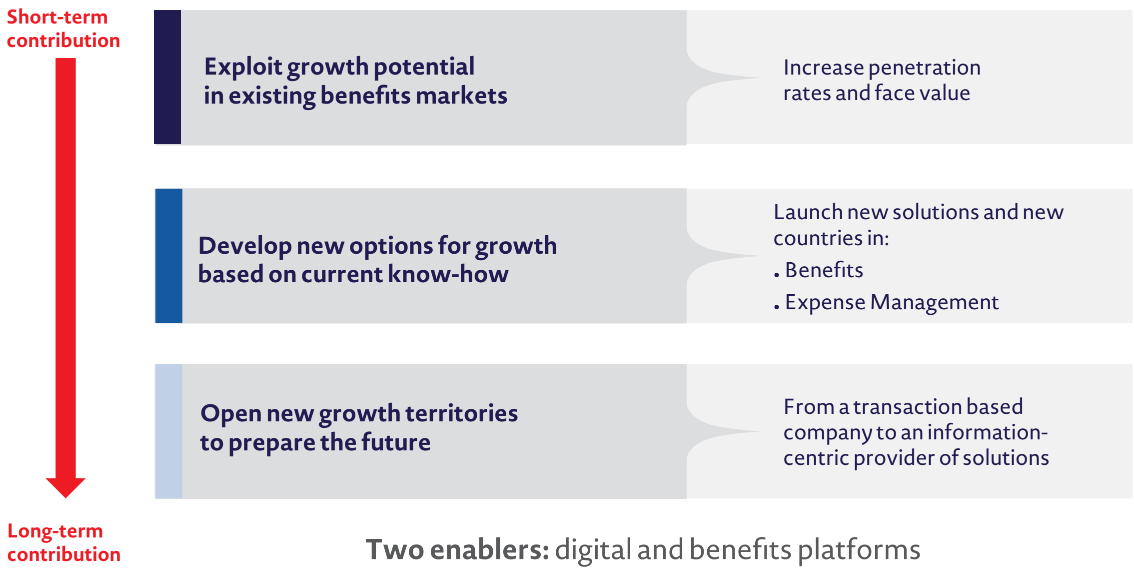
Breakdown of issue volume growth by growth driver since 2010

Growth drivers	2010	2011	2012	2013	2014	Objective
New clients	5.4%	5.3%	5.0%	5.1%	5.3%	3%-5%
New solutions	0.6%	0.8%	1.4%	2.1%	2.6%	2%-4%
New geographies	0.0%	0.0%	0.0%	0.1%	0.2%	0%-1%
Face value	4.0%	3.6%	3.7%	4.5%	3.9%	3%-4%
TOTAL	**10.0%**	**9.7%**	**10.1%**	**11.8%**	**12.0%**	**8%-14%**

1.3.2 A STRATEGY TO GENERATE STRONG AND SUSTAINABLE GROWTH

As part of its **"Invent 2016"** project, Edenred is implementing a strategy to generate strong and sustainable growth. To achieve this, the Group will continue to launch new solutions and open new countries, with the aim of accelerating the deployment of expense management solutions and increasing 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.

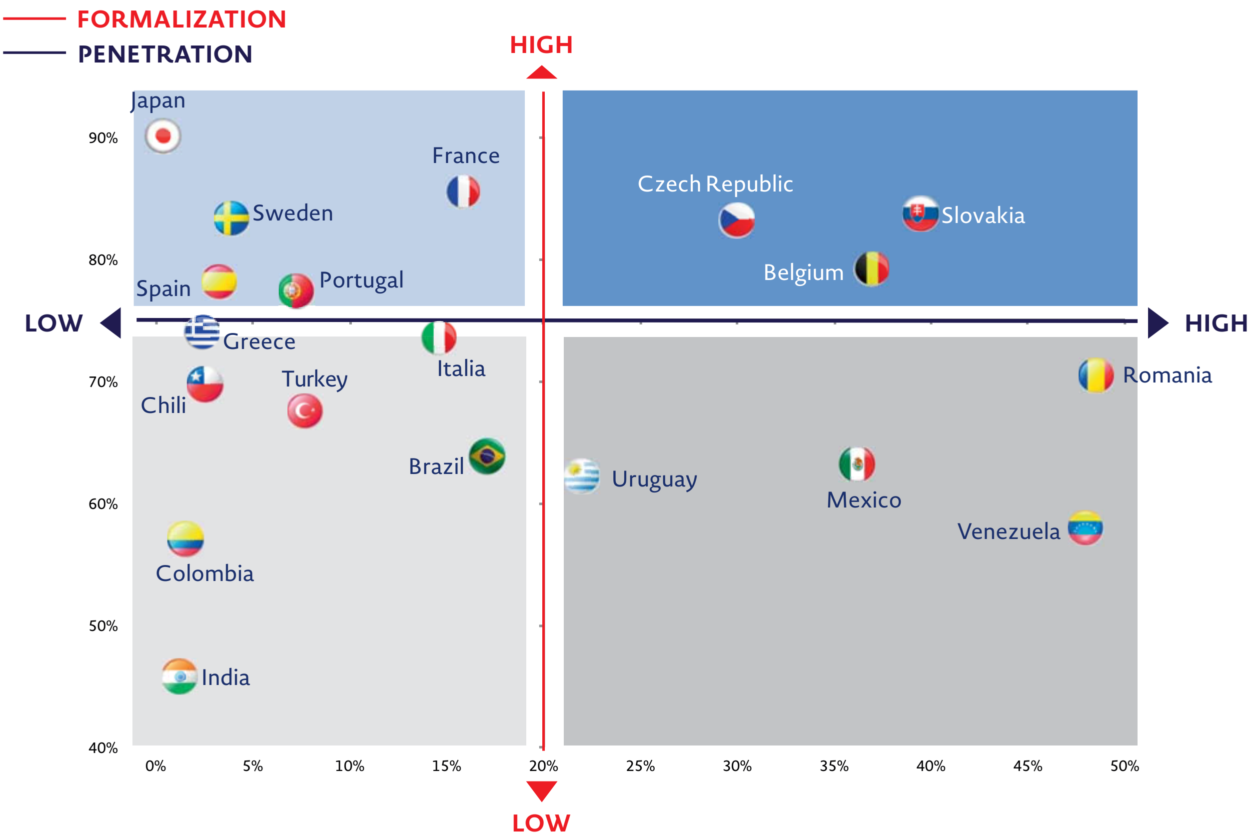
The three components of the Invent 2016 strategy



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 [(1)]



Edenred is implementing several sales and marketing methods:

- including aligning diversified 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; and
- promoting cross-selling between solution categories.

Examples include:

- **In Brazil,** penetration [(2)] 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 [(3)], Edenred joined forces with Banco Espirito Santo (which has since become Novo Banco) in June 2013, thereby becoming the local market leader with a 50% share [(4)]. The partnership will help to drive fast growth in issue volume, which is expected to exceed €400 million by 2016.

(1) Source: 2013 internal estimate.
(2) Excluding increase in face values.
(3) Legislation has been introduced to encourage the development of meal vouchers, which are now more tax-advantaged than employee cash benefits.
(4) After the creation of the joint venture.

1.3.2.2 Developing new growth opportunities

Since 2010, Edenred's objective has been 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, more than 30 new solutions were brought to market and five new countries (Finland, Japan, Colombia, United Arab Emirates and Russia) were opened between 2010 and 2014.

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 new countries by 2016. Around 30 solutions and 10 countries are currently under consideration.

The costs of developing new solutions (1) and opening new countries (2) have been factored into the Group's flow-through ratio target of more than 50% from 2014.

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 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 *Ticket Plus® Card* in Germany, launched in March 2012, and *Ticket Cultura®* in Brazil, launched 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 affiliated supermarkets, service stations and retailers, which is already being used by almost 245,000 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 publication of enabling legislation in September 2013. In an addressable market (3) of around 40 million employees, the card enables companies to distribute funds dedicated to the purchase of up to 50 reals of cultural goods and services per employee per month. Backed by a closed-loop network of affiliates that includes museums, bookstores, theaters and more, 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 geographies

Among the five new countries opened since 2010, 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 two years in business in Japan (4), 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.

The Group opened two new countries in 2014:

- The **United Arab Emirates,** with the acquisition of C3 Card, a payroll specialist in the United Arab Emirates. This transaction enables the Group to expand into a market with strong growth potential. C3 Card should benefit from the region's dynamic economic environment – especially in construction, which is the main employer of unbanked workers – as well as from the planned extension of the Wage Protection System (5) across all of the United Arab Emirates. C3 Card also intends to enhance the payroll card's business model by offering additional services to beneficiaries, while designing new solutions for clients in the areas of expense management and incentive and rewards.
- **Russia,** with the acquisition of Daripodarki, the leading player in Russia's monobrand gift card resale market. This acquisition enables the Group to expand its operations into Russia's incentive and rewards market. Estimated at nearly €11 billion, this market offers major growth potential for gift cards due to a low penetration rate of around 3% and a favorable tax regime. Furthermore, with an active population of roughly 72 million, Russia represents a promising long-term market for the Group in terms of prepaid corporate services.

(1) Introducing a new solution costs between €0.5 and €2.5 million.
(2) Driving organic expansion in a new country market costs between €3 million and €8 million, depending on its size.
(3) The addressable market is the number of employees eligible for the solution according to local legislation.
(4) Following the acquisition of Barclay Vouchers in July 2012.
(5) Legislation has been introduced to encourage the development of meal vouchers, which are now more tax-advantaged than employee cash benefits.

Faster expansion of the Expense Management business

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:**
  - In Latin America, Edenred plans to deploy *Ticket Car*®, already a flagship solution in Brazil and Mexico, across the region. The Group is also 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;
  - In Europe, the Group intends to capitalize on the acquisition of UTA [(1)], a leading player in the heavy vehicle segment. The alliance between UTA and Edenred will help drive faster sales growth of UTA's heavy vehicle fleet solutions, particularly in Central and Eastern Europe. It will also enable the European launch of a new solution for the light vehicle segment, which will gradually be rolled out by Edenred to its 300,000 clients in Europe;
  - In Asia, the Group has established a foothold with the acquisition of Cardtrend, a provider of fuel card management software solutions. Edenred intends to explore development opportunities across the rest of the value chain, particularly in processing.
- **travel and entertainment expense management:** Edenred has positioned itself primarily 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. 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 *Ticket Corporate*® solution was launched in Spain and the *ExpendiaSmart*® solution in Italy in 2011. More recently, *Ticket Travel pro*® was launched in France, *Spendeo*® in Poland and *Ticket Empresarial*® in Mexico in 2014;
- **corporate payments,** 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 around €35 billion and is still relatively unpenetrated, should be boosted in coming years by 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 are expected to represent more than 30% [(2)] of issue volume by 2017, 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 companies to optimize their Human Resources 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 allows Human Resources departments to streamline 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 employees (through discounts and savings) and additional business volume for 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. 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) Acquisition of a 34% stake in UTA, accompanied by an option to purchase an additional 17% interest, exercisable between 2017 and 2019.
(2) Assuming that Edenred acquires a controlling interest in UTA.

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 allocated 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.

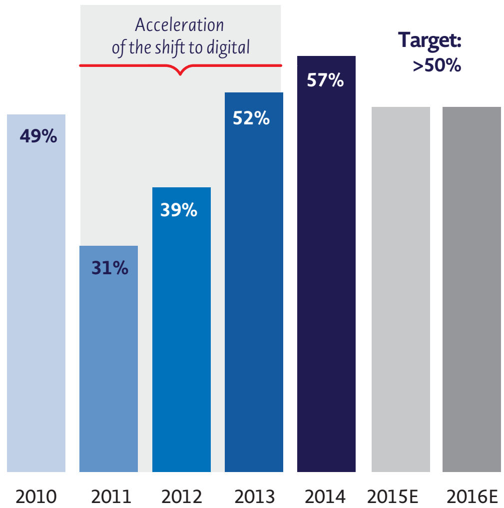
The digital transition is strengthening Edenred's business model by improving its ability to:

- 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 10-15% 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. However, in 2014, this ratio reached more than 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.

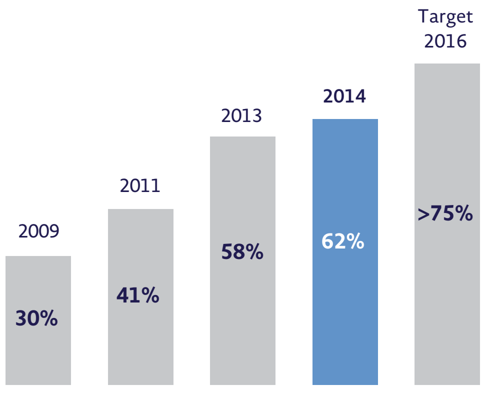
Operating flow-through ratio



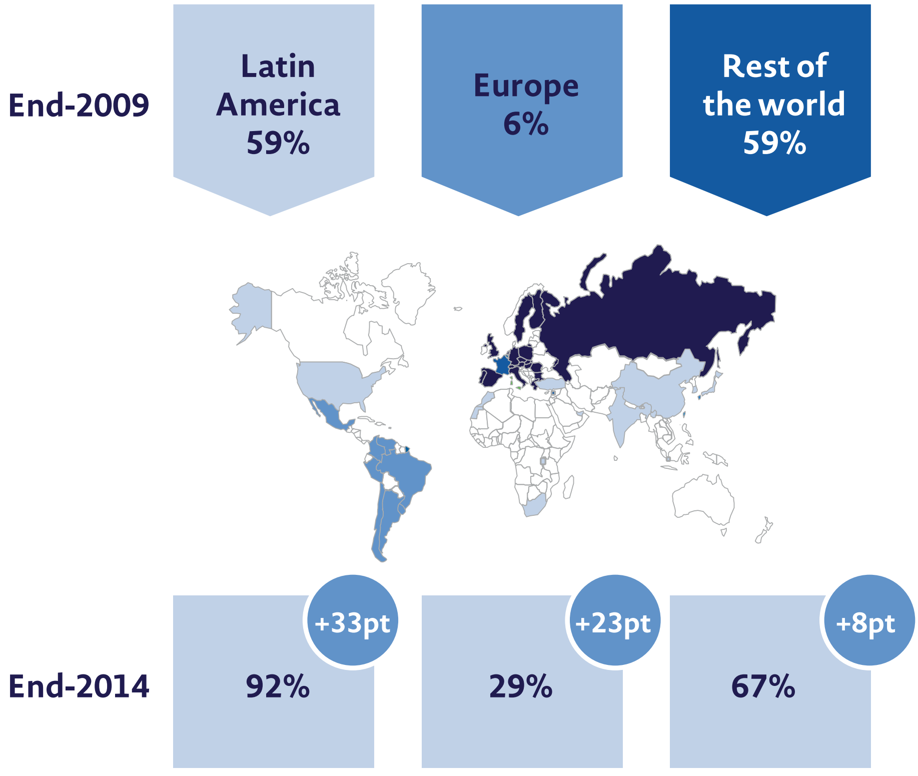
Digital Issue volume	35%	41%	51%	58%	62%	...	>75%

Status of the digital transition project

Since 2010, the Group has stepped up the pace of digital transition, driving up digital issue volume to 62% of the consolidated total at end-2014, 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).



Growth in digital issue volume as a percentage of total issue volume by region between 2009 and 2014



(1) *Target announced at the Investor Day on November 12, 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 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 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 their management processes and reduce administrative costs.

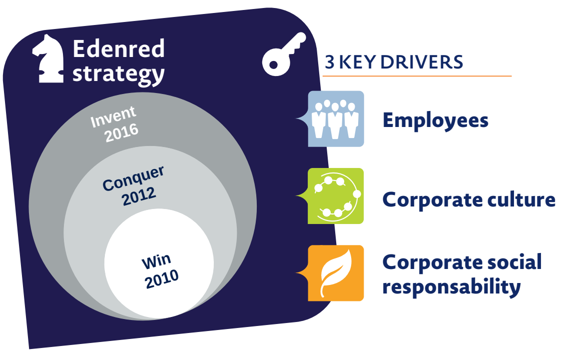
- Develop additional program-related services for Human Resources Departments.

  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.

1.3.3 THE KEYS TO SUCCESSFULLY IMPLEMENTING THE STRATEGY

The three pillars of Edenred's strategy are:

- its 6,263 employees, who are actively driving the Group's performance;
- a unique corporate culture;
- a socially responsible approach.



1.3.3.1 People

Edenred's 6,263 men and women are fundamental to the Group's success. Leveraging each employee's full potential is key to our shared success and an ambition that all the countries have in common.

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' stepped-up operational development. It also maintains the entities' agility, a key driver in the Group's multi-local organization.

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

With this in mind, Human Resources policies are designed to support the Group's ongoing evolution. They focus on three key areas:

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

These policies are described in section 4.1, from page 62.

1.3.3.2 Corporate culture

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

The ambitious objective of Edenred's corporate culture, which is known as "Customer Inside", is to make the Group's stakeholders ("Customers") ambassadors of the Edenred brand. In other words, the Group is aiming to become the reference partner for all its stakeholders: affiliates, beneficiaries, clients, employees, shareholders, public authorities, and the community in the wider sense. Examples of relations with Edenred's stakeholders can be found in section *4.2.3.2 Relations with individuals or organizations engaged by the Company*, from page 80.

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, a 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 79.

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 2014, funds from operations before non-recurring items (FFO) amounted to €261 million and free cash flow stood at €335 million. See the table in 2.1.1.4, page 37.

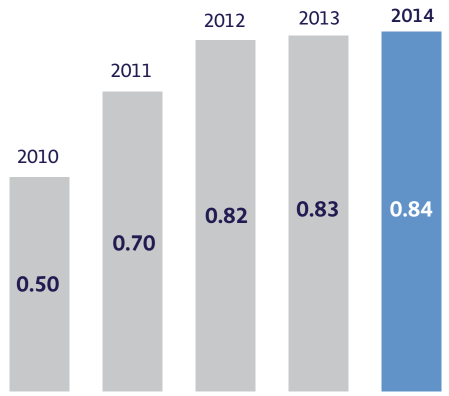
Edenred's policy consists of allocating free cash flow on a balanced basis to the payment of dividends, for around 90% of recurring net profit after tax, and the financing of targeted acquisitions, while ensuring that the Group retains its Strong Investment Grade rating.

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

Dividend policy

The recommended dividend [1] for 2014 will amount to €0.84 per share, representing a payout ratio of 97% of recurring net profit after tax, versus 96% in 2013. If the dividend is approved by the Annual Shareholders Meeting [1], 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 [2] 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, C3 Card in 2014 in the payroll card market in the United Arab Emirates, Cardtrend in the Asian fuel card market, and 34% of UTA in the European fuel card market;
- step up expansion in new countries. This was the case of the 2014 acquisition of Daripodarki, the leading player in Russia's monobrand gift card resale market.

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 14.

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 in 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 Note 2.H to the consolidated financial statements, page 165).

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) Dividend recommended by the Board of Directors to the Annual Shareholders Meeting of April 30, 2015.
(2) Source: 2014 internal estimate.

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 April 2014, the vouchers can be issued in paper or digital format, for example via mobile phone or on a payment card;
- 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;
- paper vouchers can be used until January 31 of the year following issue and vouchers in digital format until the end of February of the year following issue. However, employees may exchange unused vouchers for new vouchers up to two weeks after they have expired. 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 the vouchers to pay for their restaurant meal or the purchase of a ready-meal, dairy products or fruit and vegetables (including fruit and vegetables that require further preparation) up to a daily limit of €19. Merchants are not allowed to give any money back on paper voucher payments, while paperless vouchers allow employees to pay merchants the exact amount of the transaction;
- meal vouchers may only be used on working days and not on Sundays or bank holidays, unless an exception is recorded directly on the paper voucher by the employer for the employees concerned.

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 has until recently been adjusted in the same proportions as the upper limit for the first personal income tax band. This exemption ceiling was adjusted to €5.33 per voucher in 2014. However, in 2015, in light of the government's decision to scrap the first income tax band, this amount has been raised by 0.5% to €5.36. 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 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 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.

In 2014, the Brazilian Central Bank regulated the issuance and use of certain electronic payment solutions. As a result, while food and meal vouchers continue to be governed by the Brazilian Labor Ministry with the same operating methods and objectives, the cards used as the medium for granting these benefits are now subject to regulations issued by the Central Bank.

These regulations will come into effect in 2016, following the administrative process for registering with the Central Bank. The objectives of the new measures include: setting a minimum level of share capital to be able to issue the cards mentioned above; improving knowledge of customers and users; and strengthening internal control requirements. In addition, restrictions will also be gradually imposed on the funds maintained in users' accounts, from the card's issuance to its use in the network of affiliated merchants. Edenred will comply with all of the new regulations as soon as they come into effect.

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 prepaid 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 165).

Edenred monitors changes in regulations governing:

- payment services, in particular the second E-Money directive, as well as similar initiatives taken worldwide;
- the prevention of money-laundering;
- the protection of personal data, in particular the proposed EU General Data Protection Regulation expected to come into force in 2017;
- interchange fees, particularly in Europe.

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 with associated intellectual property rights in order to ensure that the rights of Edenred and its subsidiaries are clearly determined.

Edenred uses many suppliers and is not dependent on any single company. One of its biggest supply contracts has long been a master agreement with Stralfors covering paper purchases. The master agreement is used mainly in France and in some other European countries, whereas local suppliers are generally used in Latin America.

As the Group continues to digitize its solutions, a large proportion of its contractual relations with suppliers and service providers are also likely to cover purchases of computer servers, plastic cards (with magnetic strips and computer chips), server hosting services, and partnerships with acquisition networks and authorizers.

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 in order to preserve their distinctive character.

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

2014 saw a **sustained increase in annual results, on a like-for-like basis,** as the following key indicators illustrate:

- **issue volume up 12.0% to €17,713 million;**
- **57% operating flow-through ratio** [(1)], in line with the target of more than 50%;
- **EBIT up 14.4%** to **€343 million;**
- **funds from operations (FFO)** [(2)] **up +15.1% to €261 million.**

An unfavorable currency effect over the year resulted in stable reported EBIT. Major achievements during the year included the robust development of the Employee Benefits business, the acceleration of growth and international expansion of the Expanse Management business, and further progress in the ongoing shift to digital.

2014 financial highlights

			% change	
(in € millions)	**2013**	**2014**	**Reported**	**Like-for-like**
Issue volume	**17,119**	**17,713**	**+3.5%**	**+12.0%**
Operating revenue with issue volume	830	843	+1.7%	+10.8%
Operating revenue without issue volume	120	115	-4.8%	-6.1%
Financial revenue	80	76	-4.7%	+3.2%
Total revenue	**1,030**	**1,034**	**+0.5%**	**+8.3%**
Operating expenses, including depreciation, amortization and provisions	(687)	(691)	+0.7%	+5.2%
Operating EBIT	263	267	+1.3%	+17.8%
Financial EBIT	80	76	-4.7%	+3.2%
Total EBIT	**343**	**343**	**0.0%**	**+14.4%**
Operating profit before tax and non-recurring items	302	297	-1.8%	-1.7%
Net profit, Group share	160	164	+2.5%	
Recurring profit after tax	**193**	**194**	**+0.5%**	

2.1.1.2 Analysis of consolidated financial results

Issue volume

Issue volume for the year was **up 12.0%** to **€17,713 million,** in line with the 8%-14% annual like-for-like growth target. Reported growth stood at 3.5% for the period, after taking into account:

- the 2.1% positive impact from changes in the scope of consolidation, which included the acquisitions of Repom and Bonus (Brazil), Opam (Mexico) and Nets Prepaid (Finland);
- the negative 10.6% currency effect in the period, primarily due to the decline in the Brazilian real against the euro (-8.2%) and the change in the exchange rate of the Venezuelan bolivar fuerte (-77.4%).

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

a) Issue volume by region

Growth in issue volume by region was as follows:

Region (in € millions)	Year 2013	Year 2014	% change Reported	% change Like-for-like
France	2,757	2,880	+4.5%	+4.5%
Rest of Europe	4,904	5,342	+9.0%	+5.0%
Latin America	8,824	8,851	+0.3%	+18.0%
Rest of the world	634	640	+0.9%	+15.8%
TOTAL	**17,119**	**17,713**	**+3.5%**	**+12.0%**

In **Latin America,** issue volume for the year was **up 18.0%** like-for-like at **€8.9 billion,** reflecting higher penetration rates and face values as well as the growing formalization of the region's economy.

In **Brazil,** issue volume rose by 14.1% like-for-like in 2014 (up 13.4% in the fourth quarter), reflecting a good performance in Employee Benefits and Expense Management businesses (up 12.1% and 21.0%, respectively, on a like-for-like basis over the year).

In **Hispanic Latin America,** issue volume rose 23.8% like-for-like, driven by strong growth in the Employee Benefits (up 24.8% like-for-like) and Expense Management businesses (up 24.4% like-for-like). **Mexico** reported a strong growth performance over the year, up 18.3% like-for-like (up 23.7% in the fourth quarter). This acceleration reflects the favorable positioning of Edenred solutions in a regulatory context that is imposing stricter constraints in terms of the traceability and control of expenses for food voucher and fuel card issuers. Issue volume for the region rose 29.0% in the fourth quarter, also reflecting robust sales at the end of the year of Navideños [(1)], which is a seasonal business.

In **Europe,** annual issue volume came out at **€8.2 billion, up 4.8%** like-for-like (up 3.2% in the fourth quarter). Issue volume growth reflected a good sales performance as well as vigorous business growth in **Portugal** [(2)], the impact of which has been normalized since the third quarter. In **France,** like-for-like growth was 4.5% (5.6% in the fourth quarter), driven by a good performance from the meal and gift voucher Employee Benefits business. Issue volume in the **United Kingdom** was up 6.2% like-for-like. In **Italy,** issue volume for the private sector rose 4.5% like-for-like in 2014, while public sector business declined sharply [(3)], by 47.0%.

Issue volume in the **Rest of the World** climbed **15.8%** like-for-like over the year (up 15.6% in the fourth quarter), driven mainly by strong growth in **Turkey,** the region's primary contributor.

b) Issue volume by growth driver

In 2014, the Group's four growth drivers contributed to the 12.0% like-for-like growth in issue volume, as follows:

- increased penetration rates in existing markets added 5.3%, reflecting dynamic markets and a good performance by the sales teams;
- increased face values, mainly in emerging markets, added 3.9%;
- the creation and deployment of new solutions added 2.6%, including in particular the contributions from the Ticket Plus® Card launched in Germany in March 2012, and from Ticket Cultura®, launched in Brazil in October 2013.
- geographic expansion added 0.2%, thanks to the contribution from operations in Finland, Japan and Colombia [(4)].

c) Issue volume by solution

	Employee Benefits					
	Meal & Food	Quality of Life	Expense Management	Incentive & Rewards	Public Social Programs	Total
Issue volume *(in € millions)*	12,828	1,603	2,428	680	174	17,713
% of total issue volume	72%	9%	14%	4%	1%	100%
Like-for-like growth	+10.6%	+11.2%	+24.1%	+14.9%	n/a	+12.0%

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

(2) Following new legislation introduced in June 2013 encouraging the adoption of meal vouchers.

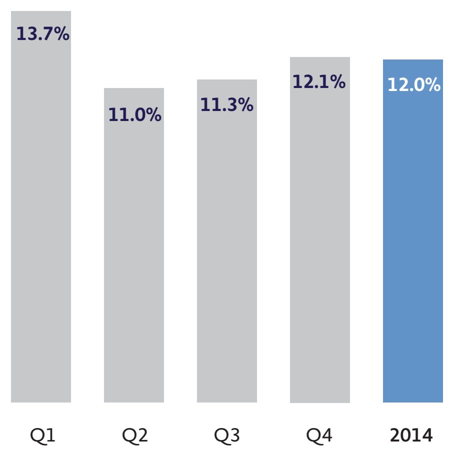
(3) Limited impact on operating revenue due to lower take-up rates. The decline resulted from the loss of the contract with Consip, the Italian government procurement agency.

(4) In 2014, the Group opened two new countries through acquisitions: UAE and Russia. These countries will add to the Group's organic growth at the end of the first year of their consolidation.

The year saw robust growth in **Employee Benefits** business issue volume (representing 81% of the consolidated total at year-end), with Meal & Food benefits up 10.6% and Quality of Life benefits up 11.2%. **Expense Management** solutions, the second pillar of Edenred's offer, now accounts for 14% of issue volume versus 12% at end-2013, delivering robust 24.1% growth. The **Incentive & Rewards** business posted a good performance (issue volume up 14.9%), despite a challenging economic environment in Europe.

d) Issue volume by quarter

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



e) Digital issue volume

The **shift to digital** continued at a rapid pace, with digital issue volume representing **62%** of the consolidated total at end-2014, compared with 58% the previous year-end. The aim is for digital issue volume to account for over **75%** of total issue volume by 2016.

In **Europe,** the transition launched in 2010 is accelerating and digital issue volume now represents **29%** of the region's total issue volume, up 6 points from 23% at end-2013. April 2014 saw the launch of the **Ticket Restaurant® card in France.** Edenred is the **leader** in digital solutions on the French market, with around 80,000 users at end-December, of which 40% relate to new client wins.

In **Latin America,** digital solutions accounted for **92%** of total issue volume at end-2014, up 5 points on end-2013.

In the **Rest of the World** region, digital solutions represented **67%** of total issue volume. **India** in particular has begun the shift of its meal vouchers to digital and almost 10,000 users benefited from digital solutions at the end of 2014, of which 50% relate to new client wins.

Revenue

Total revenue for 2014 amounted to **€1.0 billion,** representing a like-for-like increase of **8.3%** on the previous year. Total revenue comprises operating revenue with issue volume (up 10.8% like-for-like), operating revenue without issue volume (down 6.1% like-for-like) and financial revenue (up 3.2% like-for-like).

On a reported basis, the year-on-year change was a rise of **0.5%,** after taking into account the 2.2% positive impact from changes in the scope of consolidation and the 10.0% negative currency effect.

The year's revenue breaks down as follows:

			% change	
(in € millions)	2013	2014	Reported	Like-for-like
Operating revenue with IV [(1)]	830	843	+1.7%	+10.8%
Operating revenue without IV	120	115	-4.8%	-6.1%
Financial revenue	**80**	**76**	**-4.7%**	**+3.2%**
TOTAL REVENUE	**1,030**	**1,034**	**+0.5%**	**+8.3%**

a) Operating revenue with issue volume

Operating revenue with issue volume came out at **€843 million** in 2014, **up 10.8%** like-for-like (up 10.7% in the fourth quarter).

In 2014, the difference between growth in issue volume and growth in operating revenue with issue volume narrowed to 0.6 points excluding Portugal versus 1.8 points in 2013. The residual difference results from the varying take-up rates [(2)], which depend on the type of solution, country and contract size.

(1) IV: issue volume.
(2) Ratio of operating revenue with issue volume to total issue volume.

Operating revenue with issue volume by region

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

Like-for-like growth	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014
France	+3.5%	+1.5%	+4.9%	+4.1%	+3.5%
Rest of Europe	+6.2%	+3.9%	+1.3%	+5.3%	+4.2%
Latin America	+15.7%	+17.3%	+17.2%	+16.5%	+16.7%
Rest of the world	+15.9%	+14.2%	+13.1%	+9.6%	+13.2%
TOTAL	**+11.0%**	**+10.9%**	**+10.6%**	**+10.7%**	**+10.8%**

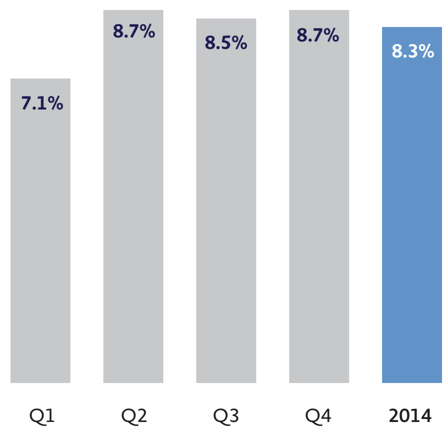
b) Financial revenue

Financial revenue amounted to **€76 million** in 2014, up **3.2%** like-for-like (up 6.4% in the fourth quarter), with a robust 16.1% like-for-like increase in **Latin America** and a 9.8% like-for-like decline in **Europe** reflecting interest rate trends in the two regions.

Like-for-like growth	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014
France	-9.6%	-9.8%	-10.3%	-8.6%	-9.6%
Rest of Europe	-16.3%	-6.3%	-8.3%	-8.1%	-10.0%
Latin America	+18.6%	+13.6%	+12.6%	+19.7%	+16.1%
Rest of the world	+17.7%	+34.3%	+27.6%	+25.1%	+26.2%
TOTAL	**+1.0%**	**+3.5%**	**+2.2%**	**+6.4%**	**+3.2%**

c) Total revenue by quarter

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



EBIT

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

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

a) EBIT growth

On a reported basis, **total EBIT** remained stable year-on-year, at **€343 million**. Like-for-like, total EBIT advanced by €50 million or **14.4%.** Changes in the scope of consolidation had a positive €7 million (2.0%) impact, while the currency effect was a negative €57 million, or 16.5% over the year.

Operating EBIT (which excludes financial revenue) rose by **17.8%** like-for-like to **€267 million**, a good performance that reflected an operating flow-through ratio [2] of **57%,** in line with the target of more than 50%.

Operations in **Latin America** reported an excellent performance, with operating EBIT up **21.9%** like-for-like driven by the region's dynamic growth. In **Europe,** like-for-like operating EBIT growth was **4.4%.**

Financial EBIT(corresponding to financial revenue) was up 3.2% like-for-like to €76 million.

b) EBIT by region

	Year		% change	
Region (in € millions)	**2013**	**2014**	**Reported**	**Like-for-like**
France	43	40	-5.9%	-5.0%
Rest of Europe	97	100	+3.3%	+2.5%
Latin America	218	213	-2.3%	+21.0%
Rest of the world	3	9	n/a	n/a
Worldwide structures	(18)	(19)	+6.4%	+1.0%
TOTAL	**343**	**343**	**+0.0%**	**+14.4%**

Net financial expense

Net financial expense amounted to **€46 million** in 2014, versus €41 million the previous year.

Finance costs for the year totalled €47 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 €41 million in 2013.

Currency effects and other financial income and expenses represented a net expense of €5 million.

Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items totalled €297 million in 2014 versus €302 million in 2013, a decline of **1.7%** on a reported basis.

Income tax expense

Income tax expense amounted to €99 million in 2014 versus €103 million the year before. The effective tax rate on recurring profit was 33.2%, compared with 32.6% in 2013.

Net profit

After deducting net financial expense of €46 million, income tax expense of €99 million and minority interests of €4 million, **recurring profit after tax** came to **€194 million,** an increase of 0.5% from €193 million in 2013.

Net profit, Group share totalled **€164 million** for the year, compared with €160 million for 2013.

(1) Operating expenses correspond to the operating expenses and operating provision charges discussed in Note 6 of the consolidated financial statements, page 177.

(2) Ratio of the like-for-like change in operating EBIT to the like-for-like change in operating revenue.

2.1.1.3 Dividend and payout rate

	2012	2013	2014	% change 2014 vs. 2013
Recurring profit after tax [1] *(in € millions)*	**208**	**193**	**194**	**+0.5%**
Weighted average shares outstanding *(in millions)*	226	225	225	
Recurring profit after tax per share *(in €)*	0.92	0.86	0.86	0.0%
Ordinary dividend per share *(in €)*	**0.82**	**0.83**	**0.84** [2]	**+1.2%**
Ordinary dividend payout *(in € millions)*	**185**	**185**	**190**	
Payout ratio [3]	**89%**	**96%**	**97%**	

(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 April 30, 2015. Shareholders will be given the option of receiving the total dividend in cash or receiving 50% in cash and 50% in stock at a 10% discount.

(3) Total dividend as a percentage of recurring profit after tax.

2.1.1.4 Liquidity and financial resources

Cash flows [1]

(in € millions)	December 2013	December 2014
Net cash from operating activities	382	385
Net cash from operating activities including non-recurring transactions	373	353
Net cash used in investing activities	(187)	(117)
Net cash used in financing activities	(124)	(231)
Effect of changes in exchange rates and fair values	(62)	(1)
Net change in cash and cash equivalents	**0**	**4**
Cash and cash equivalents at beginning of period	393	393
Cash and cash equivalents at end of period	393	397
Net change in cash and cash equivalents	**0**	**4**

(1) See the consolidated statement of cash flows on page 154 and Note 26 to the consolidated financial statements on page 207.

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 €797 million at December 31, 2014 versus €770 million at December 31, 2013, corresponds mainly to service voucher funds in France (€594 million), the United Kingdom (€130 million) and Romania (€41 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 amounted to €261 million, versus €262 million in 2013. The like-for-like increase of **15.1%** 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 2013	December 2014	% change
Inventories, net	15	14	(1)
Trade receivables, net	902	1,035	133
Other receivables and accruals, net	281	272	(9)
Working capital assets	**1,198**	**1,321**	**123**
Trade payables	61	67	6
Other payables	187	169	(18)
Vouchers in circulation	3,398	3,615	217
Working capital liabilities	**3,646**	**3,851**	**205**
Net working capital	**2,448**	**2,530**	**82**

Negative working capital requirement at December 31, 2014 was up €82 million compared with December 31, 2013.

Debt

Net debt analysis

The Group had net debt of €268 million at December 31, 2014 versus net debt of €276 million at the previous year-end.

The €268 million net debt position at December 31, 2014 takes into account:

- the €335 million in free cash flow for the year allocated to the shareholder return policy for €152 million and to acquisitions for €72 million;
- the currency effect and non-recurring items for a negative €103 million.

The ratio of adjusted funds from operations to adjusted net debt was an estimated 39%, higher than required by Standard and Poor's for a strong investment grade rating.

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

Non-current debt consists mainly of:

- €821 million (€800 million gross) in 3.625% fixed-rate 7-year **bonds** due October 6, 2017;
- €231 million (€225 million gross) in 3.75% fixed-rate 10-year **private placement notes** due May 23, 2022;
- €255 million (€250 million gross) in 2.625% fixed-rate 7-year **bonds** due October 30, 2020.

The €200 million in bank borrowings repayable in June 2015 were paid down in the second half of 2014. As a result, the Group no longer has any bank debt other than short-term bank overdrafts.

As of December 31, 2014, the Group's debt and other financial liabilities, totalling €1,409 million, were due as follows: 4% in 2015, 1% in 2016, 58% in 2017, 1% in 2018 and 36% in 2020 and beyond, as laid out in the table below.

(in € millions)	2015	2016	2017	2018	2019	2020 and beyond	December 31, 2014
Debt and other financial liabilities	56	12	823	20	5	493	1,409
TOTAL	**56**	**12**	**823**	**20**	**5**	**493**	**1,409**

The cost of gross debt at December 31, 2014 was 3.41% before hedging and 2.68% after hedging (see Notes 23.A.1.1 and 23.A.1.2 to the consolidated financial statements, page 195).

The maturity of financial investments (see Note 21 Cash and cash equivalent and other marketable securities page 193 and Note 27 Restricted Cash in the consolidated financial statements page 209) breaks down as follows:

- Maturity > 1 year: 30%
- Maturity < 1 year: 70%

Marketable securities include €661 million worth of term deposits and equivalents with maturities of more than three months and €4 million worth of money market securities and bonds.

Cash and cash equivalents break down as €129 million in cash and €296 million in money market instruments with original maturities of less than three months.

Free cash flow

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

(in € millions)	December 2013	December 2014
EBITDA	**376**	**381**
Net financial expense	(39)	(46)
Income tax paid	(91)	(95)
Non-cash items	16	21
Funds from operations	**262**	**261**
Change in working capital requirement	183	160
Change in restricted cash	(63)	(36)
Recurring capital expenditure	(47)	(50)
FREE CASH FLOW	**335**	**335**

Equity

Equity represented a negative amount of **€1,343 million** at December 31, 2014 and **€1,313 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 155 of the consolidated financial statements.

Off-balance sheet commitments

Off-balance sheet commitments at December 31, 2014 amounted to €94 million versus €118 million at December 31, 2013. For more details, see Note 30 of the consolidated financial statements, page 211.

2.1.1.5 Management ratios

Key ratios and indicators

	2013	2014
Like-for-like growth in issue volume	+11.8%	+12.0%
Total net margin (EBIT/issue volume)	2.0%	1.9%
EBIT margin excluding financial revenue (EBIT – financial revenue/issue volume)	1.5%	1.5%
Like-for-like growth in FFO (1)	+11.5%	+15.1%
Adjusted FFO/adjusted net debt (estimated) (2)	38%	39%

(1) FFO growth is calculated as follows: *(in € millions)*	2013	2014
+ EBITDA	376	381
- Net financial expense	(39)	(46)
- Income tax paid	(91)	(95)
- Non-cash income and expenses included in EBIT	15	19
- Cancellation of financial provisions and provisions for taxes	1	2
= Funds from operations before non-recurring items (FFO)	**262**	**261**
Increase in FFO	-11.3%	-0.4%
Like-for-like increase in FFO	+11.5%	+15.1%

*(2) The adjusted FFO/adjusted net debt * ratio is calculated as follows:* *(in € millions)*	2013 *	2014
Net debt (cash) at December 31	276	268
Standard & Poor's adjustment	339	375
Adjusted net debt (cash)	**615**	**643**
EBITDA	376	381
Standard & Poor's adjustment	(145)	(131)
Adjusted FFO	**231**	**250**
Adjusted FFO/adjusted net debt (estimated)	**38%**	**39%**

* *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 2014, 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 2015 is described in section 1.3, 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 211.

2.1.5 RESEARCH AND DEVELOPMENT ACTIVITIES

None.

2.1.6 SOCIAL, SOCIETAL AND ENVIRONMENTAL INFORMATION

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

2.1.7 SUBSEQUENT EVENTS

Subsequent events are presented in Note 35 to the consolidated financial statements, page 213.

1. Bond issue

On February 24, 2015, Edenred announced the launch of an offer to repurchase part of its 3.625% bond issue due October 2017 for cash. The operation was followed, on March 3, 2015, by a €500 million 10-year 1.375% bond issue. The new bond issue was placed with around 200 international institutional investors and was more than five times oversubscribed, confirming the market’s confidence in the Group’s credit quality. In particular, the new bond issue has enabled the Group to repurchase(1) €290 million of its 3.625% outstanding bonds due in October 2017, representing 36% of the aggregate nominal value.

As a result, Edenred has refinanced part of its bond issue due in 2017 before the maturity date, and has significantly increased the average life of its debt to six years. The transaction will be accretive to earnings from 2015.

2. VEF rate

On February 12 2015, the Venezuelan government abandoned the flexible exchange rate system, called SICAD II, now replaced by the SIMADI, exchange system implemented by the Venezuelan Central Bank. The Edenred Group will study the exchange rates applicable in the consolidated accounts of the first semester, when examining recent evolutions and the durability of this new system.

(1) Partial debt tender offer announced on February 24, 2015 and expired on March 2, 2015.

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 Alimentación*®, *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.

2014 RESULTS

The Company reported 2014 revenue of €29 million versus €31 million in 2013, 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)	2013	2014	% of total
Service fees			
• *Mutual costs*			
• IT services	7	7	24.20%
• Master Services Agreement	18	18	62.00%
• Other	6	4	13.70%
TOTAL	**31**	**29**	**100%**

Operating income and expenses

Other revenues, reversals of depreciation, amortization and provisions and expense transfers together totalled €40 million in 2014 compared with €50 million in 2013.

The Company ended the year with an operating loss of €24 million versus a €21 million loss in 2013.

Operating expenses in 2014 amounted to €98 million compared with €105 million the previous year.

External charges went up to €39 million from €42 million in 2013.

Payroll costs amounted to €34 million versus €40 million in 2013.

Depreciation, amortization and impairment of fixed assets was €2 million in 2014, versus €1 million the previous year.

Provisions for length-of-service awards payable to employees on retirement amounted to a net addition of €1 million in 2014, versus a net reversal of €4 million in 2013.

Net financial expense

Net financial income for the year amounted to €62 million compared with €127 million in 2013.

Movements on financial provisions, for the most part provisions for impairment of shares in subsidiaries and risks related to subsidiaries, represented a net expense of €8 million. This amount reflected (i) €42 million in write-downs of shares in subsidiaries and affiliates, mainly the Venezuelan subsidiaries for €20 million and Edenred China for €7 million, (ii) €37 million in reversals of provisions for shares in subsidiaries and affiliates, including €34 million for Edenred France and (iii) €2 million in provisions for risks related to subsidiaries, relating to a €2 million provision concerning Shanghai Yagao Meal and Beijing Yagao Meal, and a €4 million reversal of provisions for risks relating to subsidiaries, concerning Edenred Singapore.

Dividend income for the year totalled €97 million, versus €78 million in 2013. It included €49 million from Edenred Belgium, €34 million from Saminvest SAS, €4 million from Edenred Brasil Participações and €3 million from Cestaticket Edenred CA.

Recurring profit before tax

Recurring profit before tax amounted to €38 million versus €106 million in 2013.

Non-recurring items

Non-recurring items represented a net expense of €2 million, compared with net income of €300 million the previous year, mainly due to the capital gain on the disposal of 30% of the Saminvest subsidiary in 2013.

Income tax expense

Edenred SA reported a €69 million tax loss in 2014, compared with a €43 million tax loss the previous year. 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.

The tax group members in 2014 were:

- Edenred paiement;
- GABC.

In 2014, Group relief of €9 million was recorded in Edenred SA's accounts, including tax credits.

Edenred SA reported a consolidated tax loss of €43 million on behalf of the tax group in 2014.

Net profit

Net profit for 2014 stood at €41 million (€41,569,054), compared with €414 million (€414,004,198) in 2013.

Non-deductible provisions for liabilities and charges and non-deductible expense accruals recorded in the balance sheet at December 31, 2014 totalled €25 million, compared with €26 million a year earlier.

Edenred S.A. paid out €185 million (€185,294,847) in dividends for 2013, or €0.83 per share, giving shareholders the option of reinvesting 50% of the dividend in new shares. Shareholders representing over 67% of Edenred's capital chose to reinvest their dividends. The total cash dividend, in an amount of €123 million, was paid on June 18, 2014.

The recommended ordinary dividend has been set at €0.84 per share. Details of the proposed appropriation of earnings are provided in section 8 page 268.

Details of the positions and directorships held by the Executive Director and of his compensation are provided in section 5, Corporate Governance page 116.

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
	Trade payables	0	2	-	-
2013	Supplier invoices receivable	3	2	-	-
	TOTAL	**3**	**4**	**1**	**-**
	Trade payables	0	1	-	-
2014	Supplier invoices receivable	3	2	1	-
	TOTAL	**3**	**3**	**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 €110,230 for 2014 and the tax paid thereon was €37,955 (disclosure made in application of Articles 223 *quater* and *quinquies*, 39-4 and 39-5 of the Tax Code).

BUSINESS REVIEW

In 2014, the Company carried out its holding company activities.

During the year, the Company acquired a 44.32% stake in La Compagnie des Cartes Carburants (LCCC).

TRANSACTIONS IN EDENRED SA SHARES

At December 31, 2014, Edenred SA held 1,166,121 of its own shares, representing 0.51% of the capital.

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

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

On November 3, 2014, Edenred SA entered into a liquidity contract with Oddo Corporate Finance that complies with the Code of Conduct issued by AMAFI on March 8, 2011 and approved by the Autorité des marchés financiers on March 21 of the same year.

The resources credited to the liquidity account to fund these market-making transactions were, at November 3:

- €7,865 million in cash;
- 100,000 Edenred shares;

and at December 31, 2014:

- €6,550 in cash;
- 159,000 Edenred shares.

FINANCING

In June 2014, Edenred signed an agreement amending and extending its €700 million revolving credit facility set up in April 2013. The facility's revised terms are significantly more favorable, reflecting the market's confidence in the Group and the strength of its balance sheet. The facility has been extended by five years, expiring in June 2019, thereby increasing the average life of the Group's debt.

At December 31, 2014, Edenred had €700 million in undrawn confirmed lines of credit, expiring at the end of June 2019. These facilities are for general corporate purposes.

The Group paid down its bank debt by €200 million during the second half of 2014, extending the average maturity of its debt. As a result of previous paid down, the Group had no more bank debt left to pay back at December 31, 2014.

Following these transactions, at December 31, 2014 the Company had total debt of €1,275 million.

To protect against the impact of interest rate fluctuations on its variable and fixed rate debt, Edenred has set up a €1,050 million hedging program, comprised mainly of swaps and collars.

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 meal vouchers and other prepaid services solutions to customers in France.

  In 2014, it had revenues of €143,372,160, versus €154,020,529 in 2013, and recurring profit before tax of €75,563,034, compared with €49,228,000 for the previous year.
- **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 2014, it had revenues of €54,300,363 versus €59,781,688 in 2013 and recurring profit before tax of €85,005,293 versus €59,687,330 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 and affiliates with a carrying amount in excess of 1% of Edenred SA's capital		
Subsidiaries (at least 50%-owned)		
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%
Foreign subsidiaries		
Surgold India pvt Ltd (Singapore)	INR	100%
Edenred Shanghai Yagao Meal Ltd (China)	CNY	100%
Edenred (India) PVT Ltd (India)	INR	94.90%
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%
Edenred Portugal	EUR	50%
Edenred Finland OY	EUR	33.55%
Big Pass (Colombia)	COP	100%

The other subsidiaries and affiliates are presented in Note 24 to the Company financial statements - Subsidiaries and affiliates page 240.

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, 2014.

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 135.

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 2014, Employee Benefits solutions accounted for 81% 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, any unfavorable change in the regulatory or legislative environment could 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 page 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 62% of issue volume at the end of 2014 – 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 certain 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 some 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 corresponding to e-money or payment services 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.

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, in particular with regard to the use of information systems.

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 client, 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 42 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. The Group's biggest countries in terms of issue volume are Brazil (biggest contributor), France and Mexico. Together, they account for 62% of the Group's issue volume and 66% of operating income (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 2014, emerging markets accounted for around 59% 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 195).

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 (99.9% 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, 2014, 33% of total debt was at fixed rates of interest and 67% at variable rates, after taking into account the effect of hedges (see Note 23, "Financial Instruments and Market Risk Management", section A.1 "Analysis by Interest Rate", page 195.

Interest rate fluctuations have a direct impact on the Group's financial revenue and other interest income. The float amounted to €1,887 million at December 31, 2014, of which €1,090 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 193), and €797 million reported as restricted cash (see Note 27 "Working Capital, Service Vouchers in Circulation and Restricted Cash", section B "Net Change in Restricted Cash", page 208).

The average interest rate was 3.3% at December 31, 2014 and 3.7% at December 31, 2013.

A 100-basis point change in interest rates would have an impact of approximately €10 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, 2014.

Instruments with maturities of more than one year represented 30% of the total at December 31, 2014 versus 31% at December 31, 2013.

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 €1,050 million on debt, covering the risks on the €1,275 million worth of debt securities, and €315 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 195).

The impact of a 100-basis point change in interest rates on the gross debt of €1,275 million at December 31, 2014, is presented in the notes to the consolidated financial statements (see Note 23 "Financial Instruments and Market Risk Management," section A.3 "Sensitivity Analysis," page 195).

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 42 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 2014, the notional amounts of cash flow hedges of currency risks were limited. These hedges concerned forecast capital flows for less than the first six months of 2015.

Exchange gains and losses recognized in the 2014 income statement are presented in the notes to the consolidated financial statements (see Note 8 "Net Financial Expense," page 178.

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," section B.3 "Sensitivity Analysis," page 197).

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," section D "Credit and Counterparty Risk," page 198).

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," section C "Liquidity Risk," page 197).

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 (i) setting up financing sources at Group level through the Corporate Treasury and Financing Department; (ii) using diversified financing sources; (iii) meeting most of its financing needs through more cost-effective medium-term credit facilities; (iv) ensuring that sources of financing are available at all times and (v) 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.

Short-term financing needs are secured by undrawn medium-term confirmed lines of credit obtained from leading banks (see Note 22 to the consolidated financial statements "Debt and Other Financial Liabilities," section B.2 "Credit Facilities," page 194). At December 31, 2014, these undrawn confirmed lines of credit totalled €707 million, of which €700 million expire in June 2019.

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 193).

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 2014 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.

Moreover, some country organizations have set up dedicated teams to manage this risk, and use external databases to obtain a second opinion on the financial health of prospects or customers. Some country organizations have chosen to implement risk transfer solutions, notably in the form of credit insurance.

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 20) 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. The migration to cards will help reduce certain risks, notably those stemming from the production and storage of paper vouchers, risk during transportation, and voucher forgery.

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. These back-ups are tested annually.

In addition, the Group develops business-specific information systems that are rolled out to the subsidiaries to promote synergies and reduce risks. In February 2014, the Group set up a dedicated digital risk transfer solution described in section 3.7 "Risks Transferred to the Insurance Market," page 56. At the same time, the Group conducts internal and external audits dedicated to these sensitive computer sites in order to monitor safety and improve quality if needed.

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 83.

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, 2014 amounted to €570 million while net intangible assets totalled €160 million. The Group believes that the 2014 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. They are described in the notes to the consolidated financial statements (see Note 29 "Claims and Litigation," page 209).

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, 2014 was 39%, above the level required for such a rating by Standard & Poor's (see 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, March 26, 2013 and April 22, 2014. 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.

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 209).

To the best of the Company's knowledge, no other governmental, legal or arbitration proceedings that may have significant effects on the financial position of the Company and/or the Group [(1)] have been initiated against the Company or any of its subsidiaries.

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 165).

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 the notes to the consolidated financial statements (see Note 25 "Provisions", page 202).

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 211).

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 2014, 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 180 sites in 42 countries as of December 31, 2014.

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 2014 insurance market was such that the Group was able to maintain the amounts transferred to the market.

To enable the transfer of risks specific to Edenred's businesses, including digital risk, the Group acquired a reinsurance captive in 2014.

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

4

CORPORATE SOCIAL RESPONSIBILITY

INTRODUCTION

People and Social Responsibility are two key pillars in the implementation of the Group's strategy.

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

Social Responsibility, driven by employees, is central to Edenred's solutions, given that the *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 boxes 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 the sharing of the best practices that everyone is expected to apply across the HR and CSR spectrum. Some countries 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 countries 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 the United Nations Global Compact. A cross-reference table with Article 225 of the Grenelle II Act is available on page 299.

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 entities has grown steadily since Edenred was created, rising from 14 subsidiaries in 2010 to 33 in 2011, 35 in 2012, 36 in 2013 and 37 in 2014 in the Group's 42 host countries [(1)], representing 98.4% of the workforce. Of the five remaining subsidiaries, three are too small (less than three employees) to provide meaningful environmental and societal data, while the other two (UAE and Russia) were only integrated during the year. Consumption data were collected and consolidated for the main sites (subsidiary headquarters, production site and branches with more than 50 employees). Joint ventures in which Edenred has a majority interest are fully consolidated, with the exception of those that were incorporated during the year.

Collection and reporting of HR and CSR data

The process for collecting and reporting HR and CSR data has been made more secure and reliable over the past three years by being integrated into the information system used for financial consolidation. 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 shared ambition to achieve sustainable growth.

In the Group's changing environment, Human Resources policies and the managerial approach are powerful tools for providing structure and driving engagement and motivation. Employees' actions are motivated by a shared principle: "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 the Group's strategic thinking and decision-making processes.

(1) Including the UAE and Russia, where operations started up in 2014

Edenred's values

Entrepreneurial spirit

Entrepreneurial spirit is a key driver of Edenred's growth. It fosters accountability, common sense, agility and anticipation and it blossoms in our environment, where initiative, testing and learning are key values.

Innovation

Its innovation capacity allows the Group to continuously develop inventive and differentiating ideas. Listening and responding to trends and needs in our markets are fundamental to our business. Employees are invited to pass on their ideas for improving or changing processes.

Performance

The quest for performance, which is one of the Group's key requirements, is central to its success. Individually and collectively, employees themselves are the best ambassadors of this value.

Simplicity

Simplicity is integrated into all of our solutions. Relationships with our stakeholders are natural, direct and friendly.

Sharing

The sense of sharing is an everyday reality at Edenred, whether it be sharing skills, experiences, perspectives and solidarity between employees or with external stakeholders.

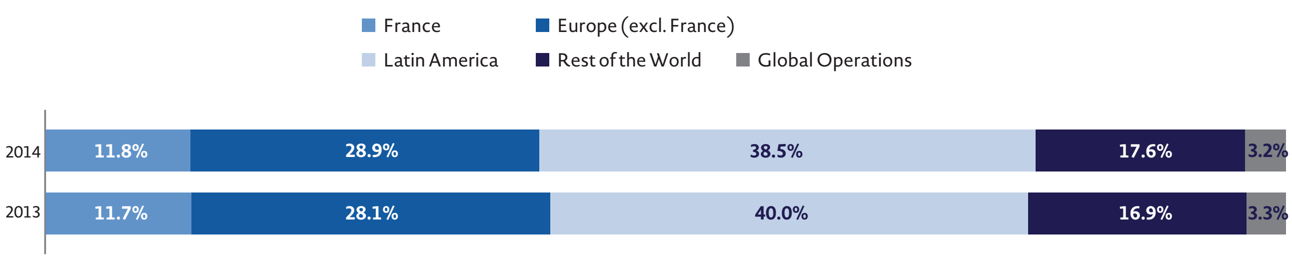
4.1.1 KEY FIGURES

4.1.1.1 Human Resources data at December 31, 2014

At December 31, 2014, Edenred employed 6,263 [1] people in its subsidiaries around the world. On a like-for-like basis this represents an increase of 1.4% from December 31, 2013.

a) Workforce by region

The diversity of geographical locations reflects the Group's international character: 85% of employees worked outside France at the end of 2014.

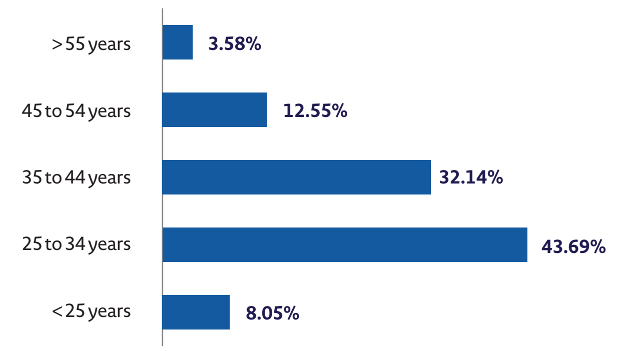


Note: Employees of Edenred International and the regional headquarters are reported under "Global Operations".

(1) Number of individuals on the payroll at December 31, 2014.

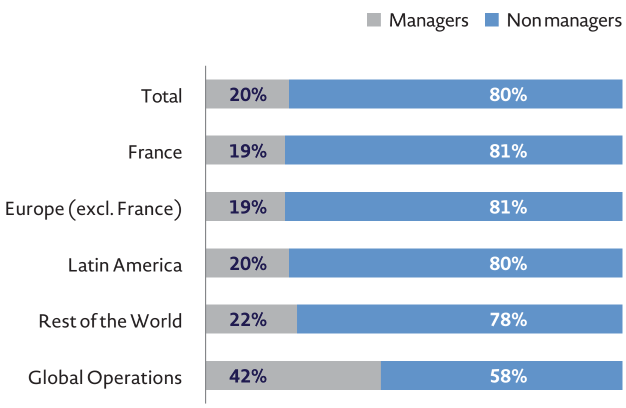
b) Workforce by age

Edenred has a relatively young workforce, with 52% of all employees aged under 35.



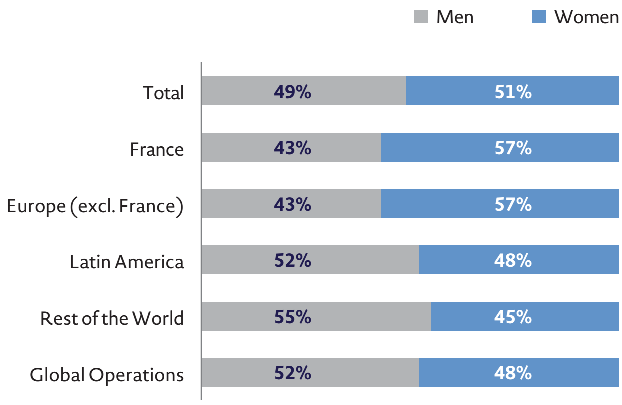
c) Workforce by job category

A manager is defined as an employee who manages others and/or has a high level of responsibility within the organization. At December 31, 2014, managers accounted for 20% of the workforce, as follows:



d) Workforce by gender

Women accounted for 51% of the workforce, as follows:



4.1.1.2 Hires and departures in 2014

In 2014, the Group hired 1,815 people, of whom 41% in Latin America, 22.4% in Europe outside France, 23.4% in the rest of the world, 11.6% in France and 1.7% in Global Operations. Seventy-five percent of hires were made through external recruitment and were for permanent employment.

During the same period, 1,719 people [(1)] left the Group's various subsidiaries. Resignations, expiration of temporary contracts, uncompleted trial periods and retirements accounted for the majority (64%) of these departures. Terminations accounted for 36% of the total, and 73.6% 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 2014, 94.89% of Group employees had permanent contracts and 96.55% worked full time.

(1) Definitive departures only (resignations, terminations, uncompleted trial periods, expiration of temporary contracts, retirement and pre-retirement, transfers outside the Group, etc.). Does not include mobilities or long-term absences that may lead to a temporary suspension of the work contract, but not its termination.

4.1.2 MAIN HUMAN RESOURCES POLICIES AND 2014 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.

Each policy is applied locally, taking the units' size, history, culture, environment and legislation into account. The Group Human Resources Department coordinates the sharing of best practices with the countries 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' stepped-up operational development. It also maintains the entities' agility, a key driver in the Group's multi-local organization.

Edenred's Human Resources policies are built on three pillars:

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

Organizational performance

Put the right person in the right place

- Hiring
- Training
- Performance management

Employee motivation

Harness each employee's full potential

- Remuneration and benefits
- Recognition
- Careers and mobility
- Induction

Quality of the environment

Create a stimulating work environment

- Best Place to Work
- Social dialogue
- Health and safety
- Diversity

Country HR teams are responsible for implementing Human Resources principles at the local level and for establishing the legal and contractual framework.

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. Hiring, training and employee appraisals are key steps in developing individual and organizational performance.

a) Hiring for the long term

Edenred recruits more than 1,000 employees each year across the Group on permanent contracts in support of business development. The diversity of profiles is the wealth of Edenred's teams, boosting the Group's capacity for creativity. With this in mind, hiring is seen as a critical process, and is managed rigorously. Internal policies ensure compliance with the principles of non-discrimination and diversity so that the recruitment process takes place without any form of discrimination.

Before starting an external search, the countries first look at internal mobility paths. Our small local organizations require us to foster internal mobility in order to retain talent and enable employees to grow, in terms of skills, agility and employability. Once the requirement and job description have been fully defined, a decision may be made to hire an external candidate. In such cases, candidates can be sought in several ways:

- by publishing advertisements on Edenred websites in the various countries and on external recruitment websites;
- through referrals. Edenred encourages referrals based on the Customer Inside principle that employees are company ambassadors. In most of Edenred's countries, including India, Spain, China and the Czech Republic, employees are encouraged to act as referrers in recruiting, by recommending people they know to the Group. Through the "Refer a Friend" system, Edenred rewards any non-manager employee who helps to bring new talent into the organization;
- through the use of social media;
- by participating in educational partnerships or school-sponsored job fairs;
- or through recruitment agencies.

b) 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 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 considerable role in the Group's strategic development. In 2014, 4,889 employees (or 78% of the workforce) participated in at least one training course during the year. Complete data on training are provided on page 71.

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. During the annual appraisal process, employees share their training requests with their managers. They are then consolidated for all employees and matched to "big picture" business issues, such as the emergence of new skill-sets, new operating objectives and new solutions. Most of the Group's countries 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 Group level.

b1) 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 2014 were to:

- enhance marketing, technological and functional expertise, with:
  - training for sales and marketing teams (Uruguay, Brazil, USA, Japan, Poland, Venezuela),
  - support for the transition to digital solutions and digital awareness training (Twitter training at Edenred International; digital workshop in Belgium),
  - product training,
  - customer relationship management,
  - new information technologies,
  - project management (introduction to Agile methodology at PPS and Edenred International).
- strengthen managerial capabilities. Several programs have been developed in Edenred subsidiaries in Latin America, Europe, Asia and France 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;
- promote knowledge sharing, through knowledge sharing sessions, such as those organized at Edenred International or in Brazil.

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

b2) Group training programs

In addition to local programs, a number of training initiatives are conducted at the Group level to support global strategic priorities. In 2014, focus areas included:

- **training concerning strategy and the development of new solutions:** Edenred offers digital transition training in 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 2014, more than 400 employees participated in the sessions, bringing the total to more than 1,600 people in 40 countries since the program's 2010 launch. The following courses were offered in 2014:
  - training in electronic banking and innovative payment systems,
  - mobile and digital solutions,
  - social media and digital marketing training,
  - methodologies for implementing card-based programs and handling expense management.
- **workshops to cascade the Customer Inside managerial approach,** which continued in 2014 with sessions on:
  - the impact of behavioral mechanisms in decision making,
  - listening and challenging,
  - operational excellence,
  - differentiation (customer paths, customer loyalty).

c) Appraising employee performance

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

Performance appraisal has a dual purpose:

- empowerment: the objective is to allow all employees to act independently to achieve goals shared by the entire team;
- co-responsibility: the appraisee and the appraiser share responsibility for the performance appraisal process.

This key step includes a review of the past year and preparation for the future. Many countries encourage their team members to perform a self-evaluation before the appraisal. During the appraisal interview, the employee and manager set objectives aligned with the strategy of the entity and Group.

To help the players make this process their own, certain entities have created performance management training courses for managers or employees. Venezuela, Mexico, Slovakia and Germany, for example, have developed specific training sessions on performance appraisals.

In addition to the annual performance review, some countries, such as Uruguay, India, the United Kingdom and the United States, have established 360-degree feedback for managers.

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 6,263 employees are active players in the Group's transformation. Leveraging their full potential is a key collective success factor and a shared ambition in all host countries.

a) Offering motivating career paths

At Edenred, there are no standard career paths, and employee mobility is managed locally to a large extent. In line with the Group's entrepreneurial spirit, each employee is seen as an actor of his or her personal and career development. 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 have 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. Some countries, including India, Edenred International, PPS, Turkey and the United States, advertise vacancies internally. This practice is currently being expanded. Several countries, 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 countries the opportunity to participate in short-term audit missions in order to discover new professions and new spheres.

Some countries, including Italy, the United States, the United Kingdom, India and France, have created the potential for gateways between jobs for certain functions (IT and sales teams in particular). These gateways provide openings for possible moves from one level or type of position to another.

International career management is handled at the corporate 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, an awareness session on the startup ecosystem, with immersion in an accelerator, and lastly opportunities to network with members of the Executive Committee and experts from Edenred International. Talent Week targets employees with recognized commitment and growth potential. In September 2014, 28 team members representing all Edenred host regions attended the program;
- the Executive Induction Seminar, which provides the opportunity for new Executives to gain a broader vision of the Group, to work on leadership, to benefit from behavioral coaching in connection with Customer Inside and to work in close proximity with startups. This seminar also allows them to interact with members of the Executive Committee and experts from Edenred International.

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

In addition to these two programs, the Executive Committee prepared and reviewed a succession plan for the Group's Top 100 managers in 2014.

Certain countries, such as PPS, Edenred Venezuela, Edenred Slovakia and Edenred Brazil, have set up local initiatives to develop talent identified in-house. These programs often comprise an external component (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

The first steps are key. This is why Edenred countries put so much effort into welcoming new employees into teams. Most of them have set up onboarding programs that help new employees quickly find their way within the organization and discover Edenred's culture and specific atmosphere of friendliness, sharing and simplicity.

Depending on the position and the host country's local environment, several induction programshare 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:

- welcome booklets, to provide concrete information, useful for helping new employees on a day-to-day basis. For this purpose, a Group welcome booklet was prepared in 2014 and distributed to all countries;
- the announcement of new arrivals via the intranet or another dedicated channel, such as Edenred International's "Welcome to newcomers" program;
- feedback sessions with Human Resources and/or the immediate supervisor after one month, three months and six months (in Germany);
- mentoring programs that team a newcomer with a more seasoned employee (in Slovakia);
- "Walk in my shoes" days that give employees the opportunity to discover a different job (in Germany and 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.

Golden Ewards and silver Ewards are handed out at the annual Ewards ceremony. Team Ewards recognize teams of all types (national, international, profession and project). Since the Ewards system was created in 2011, nearly 61 employees worldwide and 10 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. In the same vein, the "Employee Excellence Awards" allow managers to reward employees whose investment and results have been outstanding.

Across the Board, Edenred's entities 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 2014, the Group's gross payroll totalled €191 million (1), up 2.9% from the year before. Europe (including Global Operations) accounted for 59.6%, Latin America 27.7% and the Rest of the world 12.7%.

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.

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

These services and solutions, which vary from country to country, aim to:

- make life easier: *Ticket Restaurant®*, *Ticket CESU*, *Ticket Alimentación®*, *Ticket Car®*, *Childcare Vouchers®,* etc.;
- motivate and reward: *Shopping Card®, Ticket Kadéos®*, *Ticket Compliments®*, *Tickets Sports et Culture*, etc.
- manage business expenses: some managers and sales employees use, in the course of their duties, Edenred's services to manage business expenses.

Certain countries, such as the United Kingdom, Slovakia, the Czech Republic and Hungary, 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.

Very often, bonuses are linked to an entity'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. 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 entity level and enhance the sense of mutual support among employees working at the Group's two French units, a Group agreement was signed in November 2010 and renewed in 2013 to create a single, pooled Special Employee Profit-sharing Reserve. The amount of profit-sharing bonuses varies on the basis of net income, shareholders' equity, wages and value added.

Independently of this shared agreement, the Group's French companies (Edenred International and Edenred France) have all signed discretionary profit-sharing agreements aimed at giving employees a stake in their company's performance by rewarding them with a collective bonus, based on the achievement of the performance laid down in the agreement. In 2014, all the French subsidiaries paid out discretionary profit-shares.

In 2014, 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 are eligible for the "participation in profit and results" (PPR) plan [(1)] 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. Lastly, countries including Japan, Venezuela, Colombia and Mexico have implemented employee savings plans.

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 years for each of the three indicators: growth in issue volume, funds from operations (FFO) and Edenred's Total Shareholder Return (TSR) compared to that of the SBF 120 (see chapter on Governance, page 129).

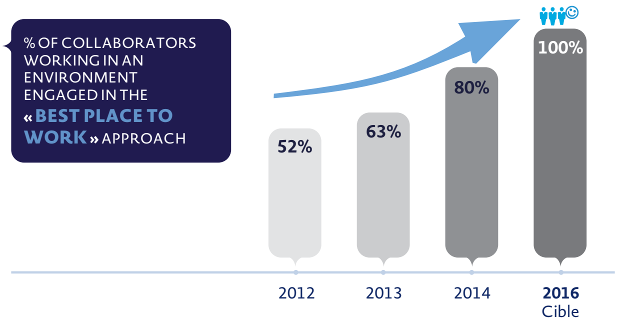
4.1.2.3 Workplace environment

a) Being a best place to work

High performance and well-being are part of Edenred's commitment 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 42 countries to be engaged in a "Best Place to Work" initiative by 2016.

(1) With the exception of members of the Executive Committee of Brazil.

Our ambition "Best Place To Work"



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 are being used to that purpose. 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 2014:

- 25 units obtained or were working towards certification for quality of life in the workplace;
- 84% of the Group's employees worked in a "best place to work" certified environment or an entity actively involved in obtaining certification.

The following external organizations have been used, based on their presence in the host country:

- the Great Place to Work Institute has been selected by 12 units. Employee well-being is assessed on the basis of three key criteria: trust, pride and camaraderie. We are especially proud that our subsidiary in Greece achieved third place in the 2014 Great Place to Work ranking;
- the Best Company survey was chosen by the United Kingdom. In addition, the United Kingdom holds annual HR feedback review meetings to collect feedback from employees on their work, the team and business in general. These meetings are conducted by the HR team, without managers, in each of the unit's teams;
- PPS has worked with the Investor in People organization for the past six years;
- Edenred Slovakia was granted Best Employer accreditation by AON Hewitt;
- 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, Edenred Romania and Edenred France.

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, Finland, Germany, PPS and Slovakia encourage part-time work for employees with young children,
  - in Chile, the work week has been cut from 45 to 42 hours a week.
- benefits to promote employee well-being, such as gym and dance 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:
    - the distribution of childcare solutions to Edenred employees (e.g. *Childcare Vouchers*® in the United Kingdom *Ticket Junior*® in the Czech Republic, and the CESU voucher in France);
    - 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. 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's certification as a "Family Responsible Company" was renewed in 2014.

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 endeavors to fight all forms of discrimination.

c1) A diverse workforce

Edenred sees itself as a multi-local company and is keen to promote multiculturalism. The Group is aware that the diversity of its workforce is both its strength and its greatest asset. Edenred subsidiaries operate in very different and complex markets, and the diversity of its workforce reflects the geographic diversity of its customer base. The 88 employees of the United States subsidiary, for instance, represent 15 different nationalities, while the 144 PPS employees cover 9 nationalities and speak 17 languages.

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 for success, 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,
- 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.

c2) Gender equality

At end-2014, women accounted for 51% of employees worldwide and held 39% of the Group's management positions. Different types of initiatives have been taken within the subsidiaries to promote gender equality. They include:

- formal policies to eradicate discrimination and promote gender equality, implemented for example at PPS, and in the United States and the United Kingdom;
- agreements on workplace gender equality, such as the one signed by Edenred France, which reaffirms the principles of respect for equal opportunity between men and women at all stages of their careers. It includes initiatives to eliminate roadblocks for women at Edenred, as well as measures to facilitate more equal sharing of childcare responsibilities. The intergenerational contract, which came into force in early 2014, also commits the Company to ensuring a balance between men and women and maintaining employment levels for young people and older workers;
- external studies on effective wage equality, such as the one conducted by Edenred Germany.

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 made a commitment to increase the percentage of people with disabilities in the workforce by 2% by December 31, 2014. At end-2014, Edenred renewed its commitment in the field of disability by signing a new three-year agreement. The new agreement notably includes a plan to keep people in employment, as well as communication/awareness, training and employment initiatives (with a minimum target of eight hires, including three on permanent contracts over the term of the agreement).

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 Venezuela and Edenred United States, 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 countries hire people with disabilities indirectly. Examples include Edenred Spain, Edenred France and Edenred International for various services, and Edenred Italy, in accordance with an agreement signed with Milan province to integrate employees with disabilities 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 partnerships with recruitment organizations and sheltered workshops, creating a purchasing policy, ensuring the continued employment of employees recognized as having disabilities, and organizing employee information and awareness sessions on disability issues;
- communication and awareness initiatives include:
  - National Disability Week, from November 17 to 21, 2014, organized by the Edenred France/ Edenred International disability team. The theme of this year's event was individual commitment. *"Hangagez-vous,"* or commit yourself to an act of solidarity, for instance by turning to sheltered workshops for external services, taking corks to dedicated collection points or submitting ideas to advance disability issues. The event included three key activities: preventive screening of hearing disorders; interactive terminals to test disability knowledge and watch episodes of the new season of the series "I can't believe my eyes"; and the launch of a sorting system for plastic cups and cans in partnership with an adapted structure;
  - the web series "I can't believe my eyes," co-financed by Edenred France, was again broadcast in 2014. The series portrays scenes of everyday office life. The episodes are available on the French subsidiary's intranet;
  - an intranet page in France devoted entirely to disabilities in the workplace and the different measures introduced so far.

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 increasing the hiring rate of people aged under 26 by 2 percentage points and maintaining the proportion in the workforce of employees over 45. 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, as they would be deemed discriminatory.

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 Edenred organizations (except small entities), 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, 64% of Edenred employees work at entities with employee representative bodies and 50% of them are currently covered by a collective agreement.

During 2014, 27 collective agreements were signed in the countries on a wide variety of issues, including wages, profit sharing, intergenerational agreements, working time, gender equality, and workplace health and safety.

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 entity. The agreement specifies that the Group Works Council's role is not the same as that of the entity 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 2014.

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 has been created. A special negotiating group with representatives from 13 European countries has been formed and met in July 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 agreement on the European Works Council was signed in September 2014 and the Council's first meeting was held in November 2014.

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 (i.e. concerning at least two countries) in an even-handed spirit of discussion and dialogue. It will meet once a year. It consists of four representatives and is chaired by the Vice President, Human Resources.

e) Promoting workplace health and safety

In line with Edenred's ambition to be a best 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 countries 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 72.

e1) Preventing professional risks

Edenred works closely with existing Health, Safety and Working Conditions Committees (CHSCT) to implement its approach. Numerous countries have a CHSCT or similar organization. Training and employee awareness programs are set up and experts visit sites to verify their compliance with health and safety standards and provide employees with health and safety advice.

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. In addition, safety training is provided to all new employees joining the subsidiary.

Brazil

In accordance with legal requirements, the Company calls the Internal Accident Prevention Committee (CIPA) to a 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. A regular newsletter provides information on occupational health, ergonomics, road safety, etc. Workplace rescue and first-aid staff are regularly trained to assist in the event of an accident.

Germany

The subsidiary has implemented a program known as "Health@work." It includes measures such as health information (e.g. flu prevention), annual visits to occupational medicine, checks of workstations, newsletters about healthy eating, sport and relaxation and a weekly fruit basket. It is based on a network of 10 first-aid correspondents and 15 fire and security correspondents, who receive regular training.

Belgium

Edenred Belgium is affiliated with CESI, an external prevention and protection service. CESI's consultants help identify and manage workplace risks. A prevention consultant has been appointed to take charge of protection and well-being at work. He is a full-fledged member of the workplace accident prevention and protection committee (CPPT), which also includes the CEO (or his/her representative), management representatives, employee representatives and the occupational physician. The CPPT meets monthly.

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.

A survey of psychosocial risks and stress was conducted over a year in conjunction with the occupational medicine team. The results have been analyzed and will give rise to an action plan in 2015. The Company has also brought in an ergonomist to reduce musculoskeletal disorders.

Italy

In 2014, the subsidiary reviewed the analysis of work-related stress factors conducted in 2013. The results were communicated to the Health and Safety Committee and the labor unions.

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 the insurance benefits offered to employees in subsidiaries around the world. With mandatory cover varying significantly from one country to the next, each entity selects the level of additional cover it wishes to provide in line with the local situation, as well as the entity'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 Colombia, Edenred Poland and Edenred Hungary.

In other countries, the Group's commitment is also demonstrated through initiatives to promote healthy living and/or a 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 workplace health and safety issues, such as a one-day event to fight hepatitis with Santé en Entreprise, an annual flu vaccination drive, a day-long program on healthy eating and balanced diet, and a full week dedicated to well-being (Bee Week).

4.1.3 2014 SUMMARY TABLES OF EMPLOYEE DATA - GROUP

	France	Rest of Europe	Latin America	Rest of the world	Global operations	Total 2014	Total 2013
Number of employees	736	1 812	2 413	1 104	198	6 263	6 175
% women	56.93%	56.68%	47.58%	45.20%	48.48%	50.92%	50.77%
% men	43.07%	43.32%	52.42%	54.80%	51.52%	49.08%	49.23%
Number of interns	21	25	27	11	7	91	84
% under permanent contracts	90.63%	92.22%	97.26%	96.74%	96.46%	94.91%	94.56%
Full-time equivalent	672	1,829	2,463	1,043	164	6,170	6,136
Managers							
% of total workforce (1)	19.16%	18.65%	19.69%	21.92%	42.42%	20.44%	20.05%
% women	46.81%	42.01%	34.32%	40.08%	38.10%	39.06%	40.06%
% men	53.19%	57.99%	65.68%	59.92%	61.90%	60.94%	59.94%
Training							
Number of hours of training	**10,835**	**23,065**	**54,623**	**14,758**	**1,243**	**104,524**	**101,169**
Number of hours of training for managers	2,009	7,356	15,789	2,420	493	28,067	28,858
Number of hours of training for non-managers	8,826	15,709	38,834	12,338	750	76,457	72,311
Number of employees having attended at least one training course	**615**	**1,274**	**2,274**	**661**	**65**	**4,889**	**4,677**
Number of managers having attended at least one training course	116	266	486	121	24	1,013	1,055
Number of non-managers having attended at least one training course	499	1,008	1,788	540	41	3,876	3,622
Occupational accidents (2)							
Lost-time incident frequency rate (LTIF)	6.44	1.93	2.27	1.33	0.00	2.38	3.87
Number of fatal accidents in the workplace	0	0	0	0	0	0	0
Severity rate (*en %*) (3)	0.26	0.06	0.05	0.00	0.00	0.07	0.15
Absenteeism rate (4)	3.85	3.38	1.35	1.21	1.39	2.20	2.42

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, including commuting accidents, 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 2014 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.

	2014
Number of Employees	
Total number of employees [(1)]	736
Percentage of women	57%
Percentage of men	43%
Employees by age	
Under 25	3%
25 to 34 years	40%
35 to 44 years	37%
45 to 54 years	14%
55 and older	5%
Number of full-time employees under permanent contracts	667
Number of full-time employees under fixed-term contracts	69
Number of part-time employees	44
Non-French employees working in France [(2)] *(as a % of total employees)*	4.22%
Hiring	
Number of persons hired under permanent contracts	87
Number of persons hired under fixed-term contracts	123
Compensation	
Gross payroll [(3)] (in millions of euros)	27.7
2013 discretionary profit-shares paid in 2014	
Number of beneficiaries	793
Average gross amount per beneficiary *(in €)*	1,330.13
Additional 2013 discretionary profit-shares paid in 2014	
Number of beneficiaries [(3)]	793
Average gross amount per beneficiary *(in €)*	214.76
2013 statutory profit-shares paid in 2014	
Special employee profit sharing reserve, net [(3)] *(in €)*	570,936
Number of beneficiaries [(4)]	793
Mean net amount per beneficiary *(in €)*	739.78
Health and Safety Conditions	
Number of meetings of Health, Safety and Working Conditions Committees	6
Number of employees receiving onsite safety training	163
Employee Relations	
Collective agreements signed in 2013	2
Total hours used for employee delegate activities	36
Number of meetings with employee representatives	24

(1) All employees on the payroll at December 31, 2014, regardless of the type of employment contract.
(2) Number of foreign employees working in France.
(3) Employees who 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

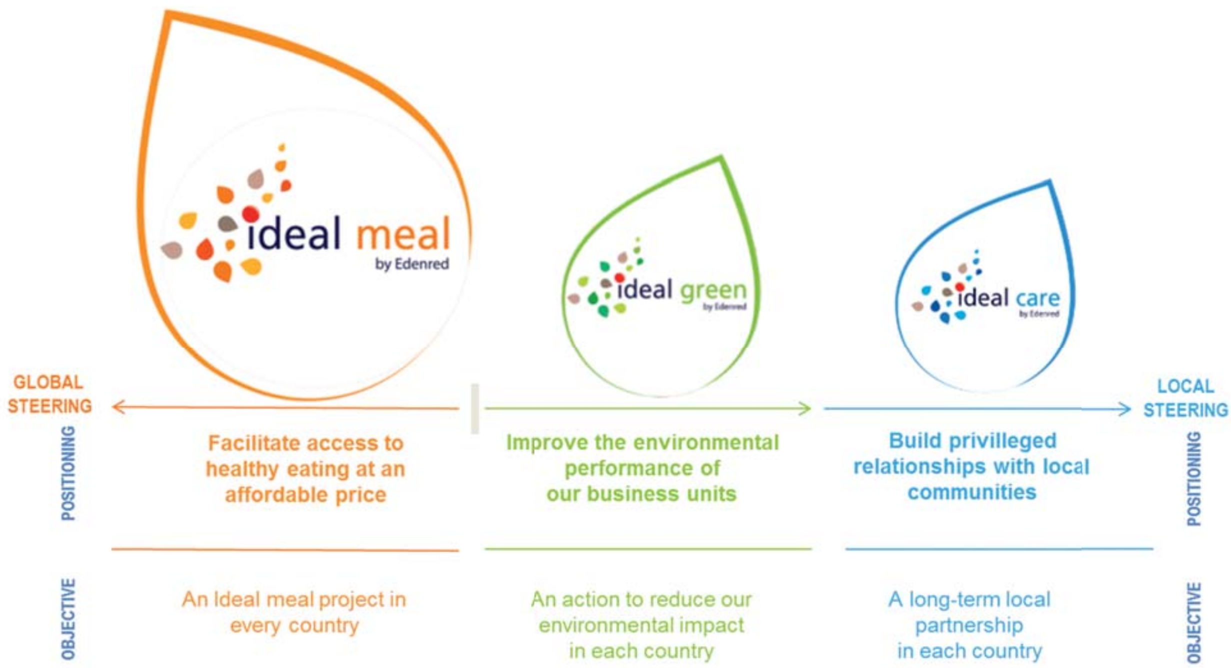
By inventing the *Ticket Restaurant®* meal voucher in 1962, Edenred helped to spread the practice of taking a lunch break to all employees. Since then, the Group has contributed to social progress with programs that make life easier for both employees and consumers. Edenred has deployed a Corporate Social Responsibility (CSR) approach applicable on a daily basis. Known as "Ideal," it is aligned with its operations and 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 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 42 host countries around the world, Edenred's teams see local solidarity as an essential component of the Group's integration into local ecosystems.

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. The "Ideal meal" line is the priority issue identified by the Group for the years to 2016. It involves global management with dedicated resources and the production of tools to facilitate the deployment of new initiatives.

4.2.1 IDEAL MEAL TO PROMOTE HEALTHY EATING

With nearly 10 years' experience in promoting good eating habits and fighting obesity, Edenred has sought to step up its action in this area since its independence. 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 led 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 almost 660,000 corporate clients, 1.4 million affiliated merchants and 41 million beneficiaries, Edenred can take tangible action to promote healthy food choices.

Each subsidiary is encouraged to deploy its own projects with direct stakeholders – clients, 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's creation, it has taken many initiatives contributing to the development of the "Ideal meal" program: the **FOOD program,** which houses the majority of the Group's initiatives in Europe, the **Nutritional Balance program** in the South American countries and local initiatives in countries such as Brazil with the **AVANTE**™ **program.** As of end-2014, 15 countries covering 68% 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. For the third consecutive year, 5,500 employees and 720 restaurants in six European countries (Belgium, Czech Republic, France, Italy, Slovakia and Spain) completed the questionnaires in 2014, thereby providing a clearer picture of needs and expectations as regards access to healthy eating for lunch. Portugal, which joined the program in 2012, for the first time surveyed its network of 50 labelled restaurants. The rate of participation in the survey was 88%.

Almost three-quarters of employees surveyed have a lunch break every day (stable since 2012), and 69% of restaurants think that customers are sensitive to balanced diets (up 12 points compared with 2013), resulting in an increase in sales of balanced meals of 20% on average every year.

Notable achievements in FOOD member countries in 2014

In 2013, Edenred Portugal created a book on smart eating in partnership with the Ministry of Health. It provides advice and recipes to help readers buy, prepare, cook and store food while adapting to a difficult economic environment. In 2014, Edenred Portugal

(1) *http://www.food-programme.eu/en/projet/publication-finale-projet.*

developed, together with its public-sector partner, two tools to enrich the contents of the book:

- a website incorporating in an interactive and illustrative manner the book's entire contents – http://www.alimentacaointeligente.dgs.pt/ – which received over 44,500 visits in six months;
- a two-hour workshop presenting the book's main recommendations, led by a nutritionist to train the employees of Edenred clients on the principles of a healthy diet at an affordable price. These workshops were conducted in five customer businesses, involving roughly 150 people.

In Spain and the Czech Republic, Edenred teams hosted a contest to showcase restaurant owners committed to a balanced diet: the "FOOD restaurant award".

- in the Czech Republic, 3,600 restaurants were nominated by more than 3,200 *Ticket Restaurant*® beneficiaries, with more than 1,000 receiving the FOOD label;
- in Spain, the FEDN *(Fundación Española de Dietistas-Nutricionistas)* selected three out of sixty-nine FOOD restaurant owners based on the daily menus served in the restaurant (starter, main course, dessert). The nominees then took part in a tasting test. The competition's coverage in the press and on social media increased awareness of the winning restaurants.

The program's website was also redesigned, with a view to better disseminating existing and future communication tools, generating 40,000 additional visits.

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.

Notable achievements in Nutritional Balance member countries in 2014

In Chile, Edenred teams restructured the program around a scalable offer for their clients. All clients have free access to the first level of awareness, which, for beneficiaries, includes nutritional advice, the opportunity to talk with a dietitian, access to in-house awareness workshops, and individual online diagnosis. Other levels include additional services such as cooking classes and year-long personalized coaching tied to employees' eating habits and health.

In Uruguay, the Uruguayan subsidiary's program, which turns 10 this year, is still very active with all stakeholders. In 2014, 400 employees attended training sessions on the principles of healthy eating. For key accounts, cooking classes were led by a chef and a representative of the Honorary Board for Cardiovascular Health, reaching nearly 200 people. Numerous direct and indirect promotional initiatives were also organized to highlight members' commitment to the program. Lastly, Edenred teams regularly work in partnership with government to educate the general public: with the INDA (France's National Institute of Food) for High Blood Pressure Day, and with Health and Agriculture Departments and the FAO (Food and Agriculture Organization) on World Food Day.

In 2013 in Mexico, teams launched an internal investigation to study employees' eating habits. The results of this study were used in 2014 in a White Paper bringing together the best practices of Mexican companies in health, published by the Mexican Human Resources Managers Association. The subsidiary also took part in the Ideal meal competition organized at Group level on World Food Day, inviting nearly 500,000 beneficiaries to share their ideal meal on social media.

In Venezuela, the subsidiary's employees in turn took part in the Ideal meal survey of their eating habits in 2014, which helped to identify immediate actions to raise awareness of the consequences of a poor diet, a major issue in the difficult economic context prevailing in that country. In response to the needs reported in this survey, Edenred Venezuela organized a cooking class for employees at an affiliate and a week of health-related activities for its employees: dance classes, consultations with nutritionists and endocrinologists, as well blood sugar and blood pressure tests.

c) The AVANTE™ program in Brazil

The AVANTE™ program, which is part of the Group's Ideal meal approach, aims to improve quality of life through initiatives promoting healthier eating habits.

It targets all Edenred stakeholders, with the following objectives:

- educate beneficiaries about the importance of a healthy diet;
- provide affiliates with advice on how to offer more balanced menus;
- allow clients to act in favor of their employees' health.

Many AVANTE™ initiatives have been implemented since 2013:

- for beneficiaries: a specialized website provides nutrition tips, recipes and other tools encouraging a more balanced diet;
- for affiliates: courses and tips to offer customers healthier food;
- for client businesses: working groups, establishment of their employees' nutritional profiles and communication tools;

- in addition, Edenred Brazil has organized numerous events such as the "Melhor Prato feito" *(Best dish)* competition and the sampling of healthy dishes at the "CONARH" (National Congress of Human Resources).

For Edenred Brazil employees, the "Viva Melhor" *(Live better)* program, led by a team of health workers and the Benefits, Health and Motivation Department, has three focuses: quality of life, awareness of health and disease prevention.

In this context, the Edenred Brazil team has implemented the "Medida Ticket®" program *(Take action with Ticket®),* which has enabled 22 employees to be monitored by endocrinologists and nutritionists over four months with the aim of losing weight and preventing chronic diseases associated with excess weight. This support came in the form of individual interviews and sporting activities.

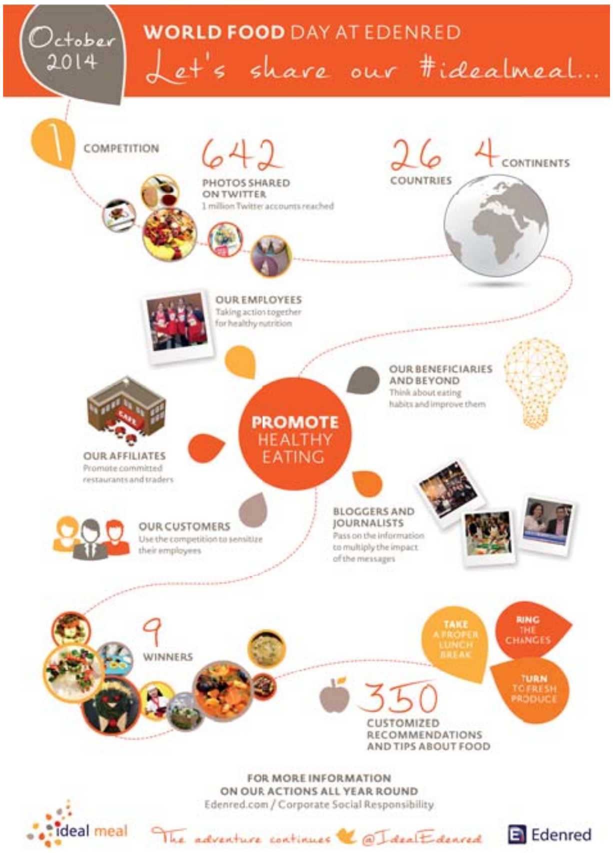
4.2.1.2 Ideal meal Day, a second edition focused on sharing

On October 16, World Food Day, each subsidiary educates its employees, clients, affiliates and beneficiaries, organizing activities to promote healthy eating and giving nutritional advice.

For the 2014 edition, an international competition was held to get users to "Share their #idealmeal," or in other words their idea of a healthy meal. From October 16 to 22, 2014, participants posted pictures of their ideal meal on Twitter, with comments describing the dish, the place (@restaurant) and the recipe. The top three proposals in the "gourmet," "beautiful" and"original" categories were selected by a panel of chefs, nutritionists and bloggers and rewarded with prizes. Over 600 photos were shared, and were viewed by more than 1 million users.

For the duration of the contest, nutritional advice was posted on Edenred's CSR Twitter account, and dietitians responded directly to participants in the form of comments on their healthy meal proposals. Nearly 350 tips were traded in three languages during the course of the week.

ILLUSTRATION SHOWING THE IMPACT OF THE 2014 IDEAL MEAL DAY:



4.2.1.3 The Ideal meal survey to respond better to local contexts

Employees have a central role in designing and spreading the Ideal meal approach. In 2013, Edenred launched a survey on the diversity of its employees' eating habits. Its aim was to improve the understanding of the diversity of eating habits, and above all to identify the right levers to use in the local context and culture of each subsidiary.

The survey was first conducted in Mexico, the United States, Poland and Belgium among a sample of 650 employees. Based on the analysis of these results and existing external studies to complement the vision of employees, teams then organize workshops to draw up local action plans for targeting the Group's affiliates, clients and beneficiaries, to respond to the specific food challenges of their markets.

The survey continued in 2014 in seven new countries (Brazil, Germany, Greece, Italy, Romania, United Kingdom and Venezuela). The 18 shared questions have been posed to a little over half of the Group's employees, a total of more than 3,000 people. The results collected during these internal surveys will be consolidated in 2015.

"IDEAL MEAL" KEY INDICATORS IN 2014

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.

Our employees are the driving force behind these initiatives, which take the form of donations, skills support or social welfare programs. Stakeholders (clients, affiliates, beneficiaries, etc.) are very often associated with these social welfare programs.

Edenred focuses on long-term partnerships with assisted structures. It supports a diverse range of projects chosen on the basis of the local context of each subsidiary: food aid through collections and donations of vouchers, support for education or 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 day-long event, employees organize fund-raising drives to meet the needs of a partner association and/or donate their time by participating in one or more charity projects.

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

Initiatives taken in the subsidiaries in 2014 included:

In Germany, teams became involved in three activities aimed at providing support to children from disadvantaged families: a cake sale helped raise almost €2,000 for the Deutsche Lebenshilfe association, which offers breakfast to children throughout the school year; three employees collected €20,000 worth of toys for children in the "Marienheim Baschenegg" home; and another two employees delivered 30 sleds for the children of the Tabaluga Foundation.

In Brazil, employees, accompanied by their children and Gilles Cocolli, CEO of the subsidiary, spent a day with people with mental disabilities accompanied by the ADERE association. The program for this day of mutual support included craft workshops, games and a shared meal.

In Romania, the Christmas fair organized by 110 employees with their children helped fund the education of 60 underprivileged children, raising €1,200 for the OvidiuRo association, which helps them throughout the year.

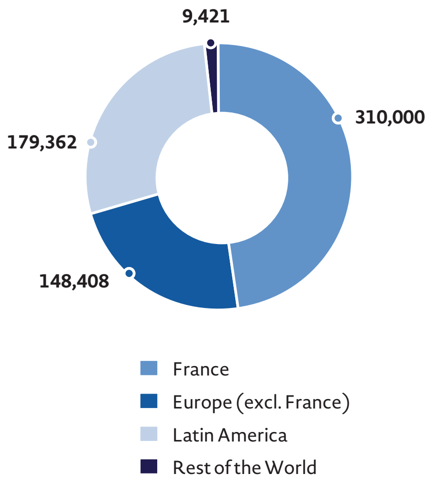
In Singapore, all employees became involved in preparing 400 gifts and 400 cakes for the residents of a retirement home. Fifty-five volunteers then spent an afternoon of games and conversation with residents.

In 2014, 29 host countries and 4,098 employees participated in the event.

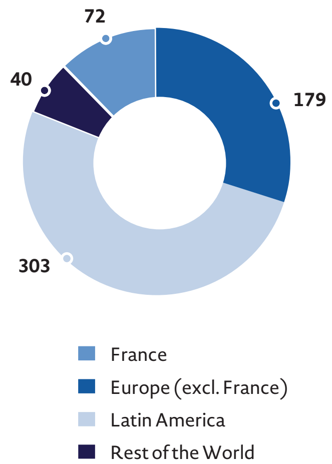
4.2.2.2 Other initiatives

In addition to "Eden for all" day, the Group puts an internal focus on the many community initiatives led year-round in partnership with local non-profit associations. In all, the Group supports 245 associations across its host countries, with €647,191 in donations and 594 days (on the basis of 8 hours a day) devoted to volunteering activities, as well as donations in kind.

FINANCIAL DONATIONS TO ORGANIZATIONS BY REGION IN 2014 *(in €)*



TIME DEVOTED TO VOLUNTEERING ACTIVITIES BY REGION IN 2014 *(person days)*



a) Employee initiatives

Mexico

Since 2007, Edenred has supported the association "A roof for my country" *(Un Techo para mi país),* which builds homes for families in difficulty. Over the ensuing eight years, the commitment of volunteer employees has represented nearly 1,300 hours of work. Approximately 500 employees, assisted by the association's volunteers, have helped to build housing for 53 families.

Headquarters (France)

Headquarters employees took part in an original initiative organized by the French association Probono. Entitled "Campus Probono," the initiative aims to mobilize the skills of volunteer employees of companies like Edenred to help small and medium-sized organizations on specific issues. These skills sharing days are organized with the help of students on their respective campuses to promote the diversity of profiles and assist associations in the best possible way. Two associations were assisted on issues of communication and Human Resources.

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.

b) Initiatives carried out with other Group stakeholders

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

France

- Edenred France has for 12 years worked alongside the French Red Cross by encouraging 1.2 million employees to donate their *Ticket Restaurant®* vouchers to support Red Cross actions. Edenred was the first French issuer to suggest donating vouchers, and its *"Tickets solidaires"* campaign has raised more than €2 million. For each donated voucher, the Red Cross is able to serve up to seven full meals to people in need. *Ticket Restaurant®* card users can now, throughout the year, make donations to the French Red Cross, safely and in just a few clicks on the employee website, www.myedenred.fr. To mark the new year, they also have the opportunity of handing over, between March 1 and 15, 2015, all or part of the 2014 funds remaining in their account to the French Red Cross.

- For the second consecutive year, *Ticket Kadéos*® 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. In 2014, this initiative resulted in the planting of 1,000 trees in these two French forests. The virtual allotment listing all the trees planted by *Ticket Kadéos*® receives boosts throughout the year from other responsible marketing operations. The goal for 2015 is to plant another 1,500 trees on this land: http://www.reforestaction.com/fr/France/Ticket+Kad%C3%A9os/#planter_arbres

Italy

Edenred Italy and *Banco Alimentare* have signed a partnership to encourage food rescue from the network of *Ticket Restaurant*® affiliates. Through the program, known as "Siticibo" and launched in 2003 by Banco Alimentare, an Italian NGO, over 120,000 Ticket Restaurant® network affiliates are now asked to donate their surplus food to a charity.

The "Siticibo" initiative rescues uneaten dishes, delivering them quickly to various charities, thanks to the work of volunteers. In 2013, 71.5 million kilos of food were collected, helping 1.8 million needy people in Italy.

Czech Republic

Edenred provides financial support to employees who become involved in community projects on their own time. Each employee can submit an associative project to a selection committee made up of CSR and HR teams. Proposed projects must have the support of an employee and must target children. In 2014, the six projects submitted to the selection committee received support from Edenred in the amount of CZK 110,900 (€3,960). They broke down as five employee initiatives and one cross-cutting project put together by an association to facilitate the return to work of employees after parental leave.

"IDEAL CARE" KEY INDICATORS IN 2014

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. There are nearly 1.4 million affiliated merchants in its 42 host countries.

France

Summary of Human Resources data for France [1]

Employment	At December 31, 2014
Total number of employees	934
Compensation	
Gross payroll *(in millions of euros)*	42

(1) French subsidiaries and Edenred International

Neighbors and local communities

Ticket Alimentation® food vouchers are one of Edenred's flagship food-based products. They 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:

- **for clients:** Edenred France has established increased support for the launch of the new *Ticket Restaurant*® card. As a reward for this approach, Edenred France won the "Best Customer Service Award 2015" for the second consecutive year. It also won the "Award for the service that simplifies the daily lives of French people";
- **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. The subsidiary in the United Kingdom implemented a system called the total reward statement, which allows employees to access all the benefits they receive from their company (wages, childcare, retirement, etc.) online;
- **for affiliates:** the Italian subsidiary launched "Edenred Fast," Edenred Italy's first mobile application devoted specially to affiliates. The aim of the new application is to simplify the procedure for redeeming *Ticket Restaurant*® vouchers. Scanning the barcode of printed vouchers on a cellphone, restaurant owners can directly process them via "Edenred Fast," without having to use their usual collection terminal. All steps are now digital, to maximize time savings. 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;
- **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 84% of Edenred employees work in a subsidiary that has initiated a Human Resources certification approach;
- **among shareholders:** the Group's Annual General Meeting, held on May 13, 2014, was the occasion to present the Corporate Social Responsibility approach to shareholders, by zooming in on the Ideal meal program and its key achievements. Following the plenary session, shareholders were able to question a dietitian and sample two healthy meals from the Ideal meal recipe book containing the countries' Ideal meal recipes, which was given to them as a gift;

- **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. On World Food Day, Edenred Czech Republic organized a conference on healthy eating at work, in cooperation with the Employers Union. The event, held in Prague on October 16, was attended by over 60 participants, mostly from the civil service, private companies and Czech NGOs, with the aim of promoting healthy eating at work. 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. Eight months after the launch of the *Ticket Restaurant®* card, Edenred France announced in December 2014 the introduction of online donations to the French Red Cross. *Ticket Restaurant®* card users can now, throughout the year, make donations to the French Red Cross, safely and in just a few clicks from the employee website, www.myedenred.fr.

b) Partnerships and sponsoring

Edenred partners 245 local associations through its various subsidiaries. More detailed information on partnerships and sponsorships is available in section 4.2.2, page 77, "Ideal care to support local community development."

4.2.3.3 Subcontractors

a) Inclusion of social and environmental issues in purchasing policy

The Group formalized at the end of 2014 a Charter of ethics that lays out relations with suppliers and commits its sales representatives, subcontractors and suppliers to adopting ethical, environmental and social rules in accordance with the values described in this document. 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 20), 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. By virtue of its ethics charter, Edenred is committed not to use forced or concealed labor, and to refuse to work or immediately stop working with suppliers and service providers using employees working under duress or threat. 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 entities have developed their own code of ethics to address specific legal requirements. This is the case for Edenred Italy, Edenred Brazil, Edenred Mexico, Edenred Uruguay and *Cestaticket* in Venezuela, as well as Edenred France since 2014. These codes of ethics now cover 54% of the Company's workforce. Prepay Solutions in the UK has established a separate anti-corruption policy. Recognizing the importance of spreading these principles at the Group level, the Legal Department has also formalized a Group Charter of ethics, distributed to all employees in December 2014 and available on the Group's website as of April 2015.

In 2012, Edenred initiated a procedure to fight 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 assisted a number of countries (including Germany and Romania) in implementing the procedure. In 2014, Internal Audit assignments were conducted jointly between the Group Audit Department and Prepay Solutions to verify the existence and proper application of AML procedures in Germany and Poland, leading to local action plans. The Group's audit framework was revised in 2014, and now includes several points relating to anti-money laundering procedures.

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 is committed to respecting human rights as defined in the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. 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 305 European companies in the FTSE4Good, only 45 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

For the second consecutive year, the "Dow Jones Sustainability Index" (DJSI) acknowledged Edenred's commitment to Corporate Social Responsibility. In 2013, Edenred was included in the Dow Jones Sustainability Index (DJSI) Europe in the Commercial & Professional Services industry group. The index assesses companies in three areas: economy, social issues and the environment, covering criteria such as governance, Human Resources policy, human rights and environmental impact. Edenred is one of the 19 French companies in the DJSI Europe, which lists some 154 companies headquartered in Europe.

4.2.4.3 Other acknowledgment

France

In 2014, Edenred France undertook a project to bolster its commitment to Corporate Social Responsibility. To this end, 11 projects taking into account the recommendations of the ISO 26000 standard were launched. The assessment carried out by Bureau Veritas in December 2014 highlighted the successful integration of CSR within Edenred France (rated 3.6/5). The results allowed the subsidiary to ascertain its level of maturity, and identify areas for improvement on the seven key issues: Governance, Human rights, Working relations and conditions, Environment, Fair trade practices, Consumer issues and Communities and local development.

Venezuela

Launched in late 2009, the *Narices Mágicas Cestaticket®* volunteer program received an award for best Corporate Social Responsibility initiative from the Franco-Venezuelan Chamber of Commerce in November 2014 (for more information see 4.2.2.2 Other initiatives, page 78).

United Kingdom

In June 2014, the British government recognized Edenred's teams for the fourth year in a row, with a Silver Award acknowledging their commitment to the Payroll Giving scheme, through which employees can donate part of their wages to charities. In 2013, they received a Bronze Award. Edenred United Kingdom broadly supports this initiative not only by encouraging giving, but also 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.

Europe

The FOOD program, which Edenred coordinates, has been identified as one of the 20 best projects funded by the European Commission's Directorate General for Health and Food Safety (DG HEALTH) in its publication "Health in Europe in 20 success stories: A selection of successful projects funded by the EU health programmes". The program was also presented at the joint session of the High Level Group on Nutrition and Physical Activity and the EU Platform for Diet, Physical Activity and Health, in Brussels on June 10, 2014.

The FOOD program is regularly presented at international conferences as a successful example of public-private partnerships. Examples include the 20th World Congress on Safety and Health at Work (August 2014, Frankfurt) organized by the International Labour Office.

4.3 ENVIRONMENTAL DATA

INTRODUCTION

Information is reported by geographical region, as follows:

- France;
- Europe (excl. France);
- Latin America;
- Rest of the world.

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 pledges 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 stakeholders, 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 ISO 14001.

France, Brazil, and the United Kingdom have received this certification and renew it at least once every three years. Mexico and the Czech Republic have obtained other local environmental certifications. As a result, 47% of Edenred employees now work in a subsidiary that has received environmental certification.

In 2014, Bureau Veritas renewed the ISO 14001 certification obtained by Edenred Brazil in 2012. To receive this certification, the subsidiary has set up and now monitors specific indicators, such as the percentage of suppliers trained in environmental issues. Edenred Brazil has trained 87.5% of its target of 70% of suppliers.

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 entities.

A consolidated reporting system has been established for the environmental initiatives undertaken by all of the Group's countries. It is based on some 20 indicators covering:

- water consumption;
- energy consumption;
- paper consumption;
- plastic consumption;
- waste production;
- greenhouse gas emissions.

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-2014, 62% of Edenred's solutions (in issue volume) were produced using paperless media. This approach considerably reduces the impact of Edenred's activities on paper resources.

In 2014, 16 countries, representing 64% of the workforce and 79% of issue volumes, used recycled paper or paper certified to the standards of the Forest Stewardship Council (FSC) for voucher production. In addition, three countries were certified to ISO 14001 standards (source: 2014 CSR reporting).

c) Programs for clients and affiliated merchants

A number of Edenred entities 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. Edenred has distributed to all dry cleaners in France a guide to best practices and an environmental charter setting out the main legal requirements incumbent on them since the new order 2345 (August 2009). In 2012, the ECO Pressing® program was recognized with a Fair

Business Communication award for the educational quality of its communication resources. Starting this year, the quarterly newsletter sent to affiliates has included an ECO Pressing® column providing regulatory information and best practices related to the environment.

Brazil and Mexico

Ticket Car®'s *Ticket Carbon Control*® program, which gives clients detailed, precise information about their vehicles' CO_2 emissions, was launched 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. Some 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.

United Kingdom

Cycle to Work is a solution devised by the UK subsidiary that allows employers to reduce their payroll costs by subsidizing the purchase of bikes for their employees. The model strongly encourages employers to promote this clean, healthy mode of transportation.

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. In 2014, 3,995 employees were made aware of environment issues. Edenred Brazil, for example, provided environmental training to 825 employees during the year, an increase of 11% compared with 2013.

4.3.1.2 Employee training and information

a) Earth Day

Each year on International Earth Day (April 22), Edenred goes green to remind employees about environmental protection and encourage them to take action.

Since 2011, Earth Day has provided an opportunity to raise awareness and get teams to work on one of the key environmental issues facing Edenred. In 2014, Earth Day was devoted to cutting waste, with the 26 participating subsidiaries focusing on the three Rs (reduce, recycle and reuse), and suggesting ways to reduce the impact of the Group's activities on climate change.

Attached is a series of charts showing the various issues discussed on Earth Day, and a summary of the actions taken in 2014 on the issue of waste. A map identifying the initiatives taken by the 26 participating subsidiaries on this day is available in the CSR section of the edenred.com website.

b) Edenred City

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 English, French and Spanish.

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

Visit Edenred City from this link [(1)]

For each area of operation (offices, production, clients and affiliated merchants), Edenred City offers a close-up of the different challenges, illustrates action levers through a number of best practices implemented by the Group's countries 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.

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 €460,683 in 2014. These funds were dedicated to organizing Earth Day, moving entities into compliance with ISO 14001 standards, launching environmental communication campaigns and purchasing recycled paper to print prepaid vouchers, catalogues and 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 2014 for environmental risks. Edenred was not subject to any court rulings on environmental claims during the year.

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.

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

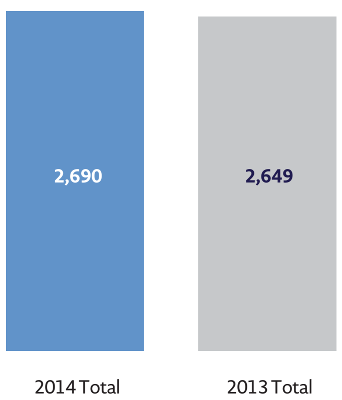
The Group's operations do not result in any soil pollution or significant air pollution. Some of the Group's subsidiaries personalize vouchers directly on pre-printed backgrounds. This is done at Edenred production sites using specific printers. Host countries are encouraged to use environmentally friendly 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

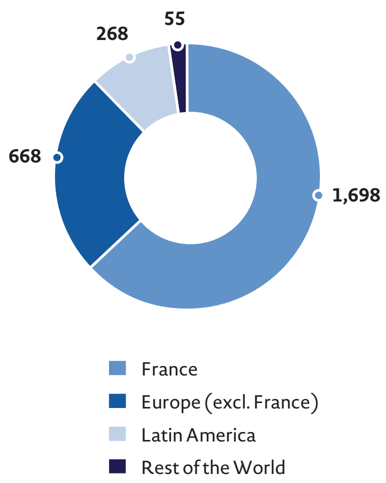
The environmental management system based on ISO 14001 implemented by Edenred covers sustainable waste management and recycling. Edenred City includes a section on waste production and recycling with educational information and examples of good practices in the Group's subsidiaries. Edenred's eco-design 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 2014 *(in metric tons)*



Waste production was virtually stable across the Group, with an increase of 1.53% between 2014 and 2013. This increase is not material in view of the growth in the Group's issue volumes.

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

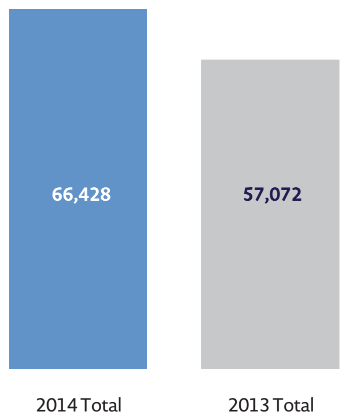
The environmental management system based on ISO 14001 implemented by Edenred encourages reasonable use of water.

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

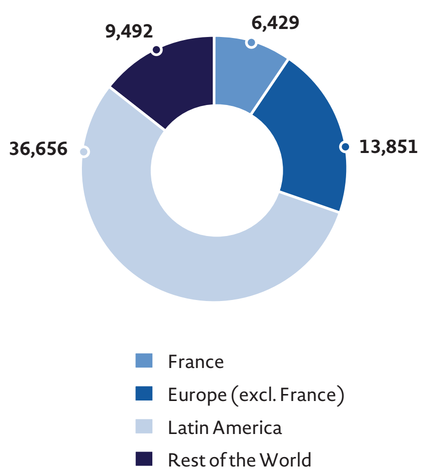
Edenred's offices, most of which are located in cities, are connected to municipal sewage systems.

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 2014 *(in cubic meters)*



At the Group level, total energy use increased by 16.39% in 2014. This increase was attributable mainly to changes in the scope accounting for this resource (Singapore, Japan, Belgium) and leaks in several major subsidiaries (France, Brazil). 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.

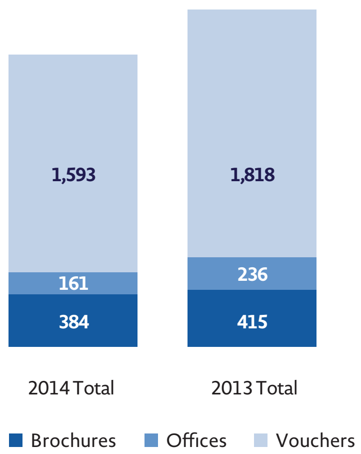
Eco-design is one of the four key improvement paths of Edenred's environmental policy. To contribute to this approach, subsidiaries are encouraged to use recycled paper or paper certified to the standards of the Forest Stewardship Council (FSC), both for voucher production and everyday office use.

In 2014, 16 countries (representing 64% of the workforce and 79% of issue volumes) used this type of paper, thereby limiting the Group's impact on wood resources. In France, Edenred is the first meal voucher issuer to use fully recycled security paper and to have obtained FSC certification.

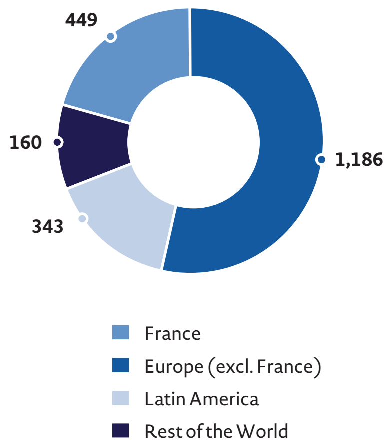
Edenred City includes a section on paper use and recycling with educational information and examples of good practices in the Group's subsidiaries.

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 2014 *(in metric tons)*



Total paper use decreased by 13.43%. This reflects the Group's continuing policy to transition to digital solutions, which has had a positive impact on paper use. The breakdown by region is consistent with the progress made by subsidiaries in terms of their transition 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 62% 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.

Another source of plastic consumption stems from Edenred's office work and the use of plastic cups. Several subsidiaries have taken action to reduce this consumption. They include France, where all new employees are given a cup; the impact of plastic consumption is also reduced through the sorting of cups in France and Japan.

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

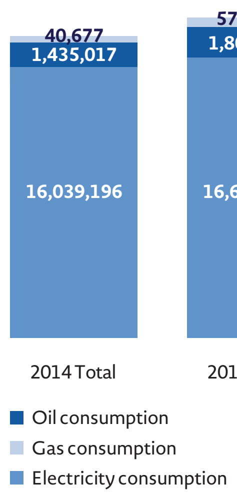
The environmental management system based on ISO 14001 implemented by Edenred includes measures to reduce energy use and improve energy efficiency.

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.

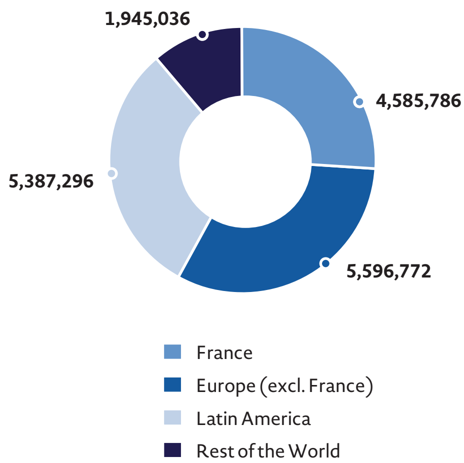
The table below shows the total amount of energy used worldwide and by region.

TOTAL ENERGY USE *(in KWh HHV*)*



* *High Heating Value (HHV)*

ENERGY USE BY REGION IN 2014 *(in kWh)*



At the Group level, total energy use decreased by 7.74% in 2014, due primarily to efforts made in the subsidiaries to reduce electricity use and, for certain subsidiaries, changes in scope (Hungary and Italy) and overall a milder winter in Europe. The breakdown by region is aligned with the breakdown in the Group's business.

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

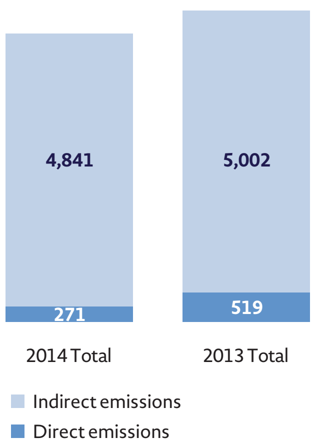
4.3.4.1 Greenhouse gases

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

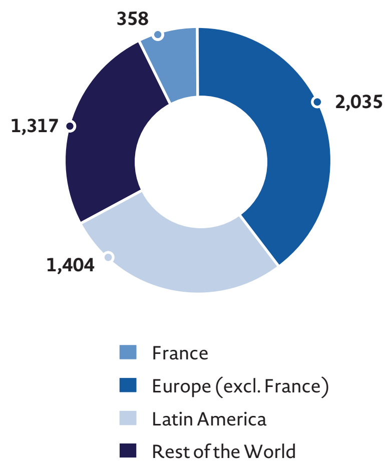
Greenhouse gas emissions are calculated based on the energy use data provided above, as follows:

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

TOTAL GREENHOUSE GAS EMISSIONS *(in tCO^2 eq)*



GREENHOUSE GAS EMISSIONS BY REGION IN 2014
(in tCO^2 eq)



Total greenhouse gas emissions decreased by 7.4% in 2014 in line with the decrease in total energy use. The calculation of greenhouse gas emissions is made on the basis of emission factors for natural gas and fuel oil (source: 2006 IPCC guidelines for National GHG Inventory) and electricity (source: ADEME).

Brazil

An ISO 14001-certified environmental management system has been deployed in the offices, involving all employees. It has received ISO 14001 certification. In addition, in 2014 Edenred chose to offset all of the unavoidable energy consumption recorded at its Brazilian sites during the subsidiary's 2012 carbon review, with a biomass-to-energy investment project.

In 2014, certain subsidiaries encouraged the reuse of supplies. They include Global Operations and Edenred Austria, which organized "swaps" within offices. These swaps have helped give a second life to "old things" that would otherwise have been discarded. In Belgium, teams have refurbished their cafeteria with second-hand furniture. Meanwhile, Portuguese employees learned how to make candles from cooking oil.

Others have implemented actions related to their employees' transportation: Edenred France launched an internal carpool project called *Auto Partagée Ideal (API)*. Employees who wish to carpool were able to register via a dedicated forum. In Germany, the subsidiary has purchased bikes that are available to employees to get around during their lunch break.

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. They 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 Bulgaria

As part of the events organized for Earth Day 2014, employees planted trees or vegetable gardens at dedicated sites.

Romania and Slovakia

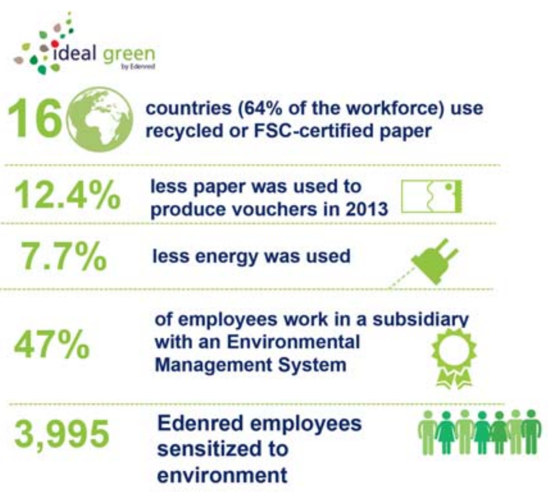
Edenred's local teams cleaned up protected sites on Earth Day (April 22).

France

Ticket Kadéos® 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 IN 2014



4.4 CSR INDEPENDENT THIRD-PARTY ENTITY REPORT

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

Year ended December 31, 2014

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.

To the shareholders,

In our capacity as one of the Statutory Auditors of Edenred SA, and appointed as independent third-party, for whom the certification request has been approved by the French National Accreditation Body (COFRAC) under the number 3-1048 (1), we hereby provide you with our report on the social, environmental and societal information presented in the management report for the year ended December 31, 2014 (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 management report which includes the CSR Information in accordance with the provisions set forth in Article R. 225-105-1 of the French Commercial Code, in line with the reporting protocols and guidelines used by Edenred (hereinafter the "Reporting Guidelines"), which are available for consultation upon request at 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 auditing 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 are presented in the management report or, in the event of omission, are 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 Guidelines (Formed opinion on the fair presentation of CSR Information).

Our work was carried out by a team of four people between November 2014 and February 2015, 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 auditing standards applicable in France, with the order of May 13, 2013 determining the methodology according to which the independent third party conducts its assignment and, with regard to the formed opinion on the fair presentation of CSR Information, with the international standard ISAE 3000 (2).

1. 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 compared the CSR Information presented in the 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 verified that explanations were provided in accordance with the third paragraph of the Article R. 225-105 of the French Commercial Code.

We 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 limitations set forth in the methodological note presented in the corporate social responsibility section of the management report.

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

(1) The scope of which is available at www.cofrac.fr

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

2. FORMED OPINION ON THE FAIR PRESENTATION OF 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 data collection process and, when appropriate, those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Reporting Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into consideration, when relevant, the sector's best practices;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR information;
- review the internal control and risk management procedures used to prepare 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 (see annex):

- for the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), we performed 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 [(1)] 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 performed substantive tests using sampling techniques, consisting in verifying the calculations made and reconciling the data with supporting evidence. The selected sample represented 36% of the headcount, between 27% and 48% of the environmental quantitative information and between 19% and 66% of the societal quantitative information.

Regarding the other consolidated CSR Information, we have assessed its consistency in relation to our understanding of the Group.

Lastly, we 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, we did not identify any material anomaly likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly, in accordance with the Reporting Guidelines.

Neuilly-sur-Seine, February 17, 2015

French original signed by one of the statutory auditors:

DELOITTE & ASSOCIES

David DUPONT-NOEL
Partner

Florence DIDIER-NOARO
Partner

Annex

The CSR Information that we considered to be the most important, on which we conducted detailed tests, are the following:

Quantitative information:

Social: Total workforce by gender, age, job category and region; Percentage of women in management positions; Number of hires and departures by type (excluding mobility); Absenteeism rate; Number of signed collective agreements; Occupational accidents: Lost-time incident frequency rate (LTIF) and Severity rate; Number of hours of training.

Environment: Total energy use; Total greenhouse gas emissions; Total paper use (brochures, office paper, vouchers) by region; Number of country organizations using recycled paper or paper certified FSC; Number of certified ISO 14,001 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 days dedicated by employees to sponsorship initiatives.

Qualitative information:

Social: Certification initiatives for quality of life in the workplace; Establishment of a European Works Council; Social dialogue at the national level.

Environment: Deployment of the awareness-raising tool "Edenred City"; Paperless policy.

Societal: Formalization of the Group policy to prevent corruption risks and deployment of the anti-money laundering procedure; Nutritional balance program in Latin America.

(1) Edenred France, Edenred Italy, Edenred Belgium and Edenred Brazil.

5

CORPORATE GOVERNANCE

5.1 CORPORATE GOVERNANCE

Edenred's system of corporate governance is based on the AFEP-MEDEF Corporate Governance Code for listed companies dated June 2013. Edenred complies with the corporate governance principles as defined in the Code, with the exception of 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	Edenred's practices and explanations
Termination of the employment contract of the Executive Director – Article 22	Chairman and Chief Executive Officer's employment contract maintained due to his long period of service. The reasons for this exception and the adopted alternative measures are explained in section 5.4.1.4 Chairman and Chief Executive Officer's Employment Contract, of this Registration Document page 121.

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, Edenred 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 and confirmed this decision when it re-elected the Chairman and Chief Executive Officer on May 13, 2014. 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. In light of its decision to combine the functions of Chairman of the Board of Directors and Chief Executive Officer, the Board decided to appoint an independent director as Vice-Chairman of the Board. Philippe Citerne has held this position since June 29, 2010.

On February 11, 2015, the Board of Directors decided to amend its Internal Regulations to formalize this practice. Under Article 1.5 of the amended Internal Regulations, the Vice-Chairman may also act as senior independent director provided he/she qualifies as an independent director in accordance with the criteria disclosed by the Company. In addition, the Board of Directors must appoint a Vice-Chairman if the Chairman is also the Chief Executive Officer, in which case the Vice-Chairman will also serve as senior independent director.

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 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, who also acts as senior independent director, 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. 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, who also acts as senior independent director, 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 on the items to be included on the agenda of Board meetings. 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 deals with any conflicts of interest involving Board members.

5.2.1.2 Membership of the Board of Directors

As of December 31, 2014, the Board of Directors had 11 members, eight 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 amended in June 2013.

Of the eleven members, eight are men and three are women, representing 27% of the Board members in compliance with the French Act no. 2011-103 of January 27, 2011 on the balanced representation of women and men on Boards of Directors and Supervisory Boards, and on professional equality. The Board's membership therefore complies with the current rules and the gender parity recommendations of the AFEP-MEDEF Corporate Governance Code.

Each director's situation in relation to the independence criteria, defined in collaboration with the Compensation and Appointments Committee, is reviewed annually by the Board of Directors. In 2014, the Board of Directors carefully examined whether the directors had any significant business relationships with the Company and found that they had 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. Pursuant to the independence criteria approved by the Board of Directors, qualified independent directors cannot:

- have been at any time in the past five years an employee or a corporate officer of the Company, or an employee or director of its parent or a company that it consolidates;
- be a corporate officer of a company in which the corporation directly or indirectly holds a directorship, or in which an employee appointed as such or a corporate officer of the Company (current or in the past five years) holds a directorship;
- be a customer, supplier, investment banker or commercial banker:
  - that is material for the Company or its Group, or
  - for which the Company or its Group represents a material proportion of the activity;
- have any close family ties with a corporate officer;
- have been a Statutory Auditor of the Company at any time in the last five years;
- be a director of the Company for more than twelve years.

As of the date of this Registration Document, the membership of the Board of Directors is 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 was renewed on May 15, 2012 and 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.

Directorships and positions held as of December 31, 2014

Position	Company	Country
Director	Accor SA *(listed company)*	France
Honorary *Chairman*	*La Poste SA (listed company)*	*France*

Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Former directorships and positions held in the past five years

Position	Company
Director	Sopassure SA CNP Assurances SA *(listed company)* Poste Immo SA – Permanent representative of La Poste Geopost SA – Permanent representative of La Poste Sofipost SA – Permanent representative of La Poste Xelian SA – Permanent representative of La Poste GDF Suez SA *(listed company)* – Representing the French State
Chairman and Chief Executive Officer	La Poste SA *(listed company)*
Chairman of the Supervisory Board	La Banque Postale SA *(listed company)*
Member of the Supervisory Board	La Banque Postale SA *(listed company)* La Banque Postale Asset Management SA

Anne Bouverot *

- Director since June 29, 2010. Her term of office was renewed on May 24, 2013 and 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: March 23, 1966. Nationality: French.
- Director General of GSMA, the international association of mobile network operators.
- Business address: The Walbrook Building, 25 Walbrook, London, EC4N 8AF, United Kingdom.
- A graduate of École Normale Supérieure and of Télécom Paris, Anne Bouverot was head of presales operations at 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, 2014

Position	Company	Pays
Director	CapGemini SA *(listed company)*	France
Chief Executive Officer	*GSMA SV*	*Switzerland*
Member of the Board of Directors	*GSMA Ltd*	*United States*

Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Former directorships and positions held in the past five years

Position	Company
Director	Orange SA *(listed company)* Groupama SA *(listed company)*
Chairman	France Telecom North America
Member of the Board of Directors	GSMA *(international association of mobile network operators) – Permanent representative of France Telecom Orange*
Member of the Scientific Advisory Board	France Telecom Orange SA *(listed company)*

Philippe Citerne *

- Director since June 29, 2010. His term of office was renewed on May 24, 2013 and 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: 1,061.
- 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.

Directorships and positions held as of December 31, 2014

Position	Company	Pays
Director and Vice-Chairman of the Board of Directors	*Accor SA (listed company)*	France
Member of the Supervisory Board	*Lendix*	France
Chairman	*Filcico*	*France*
Director	*MK2*	*France*
Chairman	*C2.0*	*France*
Chairman	*Inverewe Capital*	*Ireland*
Non-executive Chairman	*Telecom & Management SudParis (research institute)*	*France*

Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Former directorships and positions held in the past five years

Position	Company
Director	Sopra Group SA *(listed company)* Rosbank *Rexecode*
Chairman of the Board of Directors	Accor SA (listed company)
Deputy Chief Executive Officer	Société Générale SA (listed company)
Member of the Supervisory Board	Deposit guarantee fund – Representative of Société Générale
Chairman	Systèmes Technologiques d'Échanges et de Traitement (STET)

Gabriele Galateri di Genola *

- Director since June 29, 2010. His term of office was renewed on May 13, 2014 and expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2017.
- 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, 2014

Position	Company	Pays
Chairman	*Assicurazioni Generali SpA (listed company)* *Istituto Italiano di Tecnologia (IIT)* *Fondazione Marcianum*	*Italy* *Italy* *Italy*
Director	*Accor Hospitality Italia Srl* *Lavazza SpA* *FAI – Fondo per l'Ambiente Italiano* *Assonime* *Moncler Italia SpA (listed company)*	*Italy* *Italy* *Italy* *Italy* *Italy*
Member of the General Board and Executive Committee	*Fondazione Giorgio Cini*	*Italy*
Member of the Management Board	*Associazione De Sono*	*Italy*
Member of the International Advisory Board	*Columbia Business School*	*United States*

Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Former directorships and positions held in the past five years

Position	Company
Director	Italmobiliare SpA *(listed company)* Azimut – Benetti SpA Saipem SpA *(listed company)* Accor SA *(listed company)* Fondazione Rosselli Banca Esperia SpA Istituto Europeo di Oncologia (IEO) Fondazione Nuovi Mecenati Fiera di Genova SpA Utet SpA Fondazione R&I Cassa di Risparmio di Savigliano (CRS) Banca Carige *(listed company)* Fondazione Ravello Fondazione Santa Cecilia TIM Participaçoes SA Confindustria
Member of the Central Advisory Board	Commerzbank AG
Chairman	TIM Brazil S&P SA *(listed company)* TIM Participacoes SA Telecom Italia SpA *(listed company)*
Vice-Chairman	RCS Mediagroup SpA *(listed company)*
Member of the Supervisory Board	San Faustin NV
Member of the Compensation Committee	TIM Participaçoes SA
Member of the Management and/or Executive Board	Confindustria Unione Industriali Napoli – Vice-Chairman of the Banda Larga Project Assolombarda
Member of the General Board	Fondation Ravello

Maëlle Gavet *

- Director since May 13, 2014. Her term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ended December 31, 2017.
- Number of Edenred registered shares held: 500.
- Born: November 22, 1978. Nationality: French.
- Chief Executive Officer of Ozon Holdings.
- Business address: Sokol Place Business Centre, 14, Chapaevsky pereulok, Moscow, Russia.
- A graduate of La Sorbonne University, École Normale Supérieure de Saint-Cloud and IEP de Paris, in 2001 Maëlle Gavet set up Predstavitelskij.Dom, a Russian conference room rental company, before joining the Boston Consulting Group as a partner in 2003. In 2010, she joined Ozon.ru as Marketing Director, becoming Chief Executive Officer in April 2011.

Directorships and positions held as of December 31, 2014

Position	Company	Pays
Chief Executive Officer	*Ozon Holdings*	*Russia*

Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Former directorships and positions held in the past five years

Position	Company
Chief Executive Officer	LLC Internet Solutions (Ozon.ru)
Partner	The Boston Consulting Group

Françoise Gri *

- Director since June 29, 2010. Her term of office was renewed on May 24, 2013 and 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.
- Independent director.
- Business address: 166-180, boulevard Gabriel-Péri, 92245 Malakoff Cedex, 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 to 2012, before joining the Pierre & Vacances Center Parcs Group in 2013, where she served as Chief Executive Officer until October 2014

Directorships and positions held as of December 31, 2014

Position	Company	Pays
Director	Crédit Agricole SA (listed company)	France
Member of the Ethics Committee	*MEDEF*	*France*
Member	*High Corporate Governance Committee* *Institut Français du Tourisme*	*France* *France*
Vice-Chairman	*Institut de l'Entreprise*	*France*
Co-Chairman	*Comité Sup'Emploi*	*France*

Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Former directorships and positions held in the past five years

Position	Company
Director	STX Europe
Chief Executive Officer	Pierre & Vacances Center-Parcs *(listed company)*
Member of the Supervisory Board	Rexel *(listed company)*

Jean-Romain Lhomme

- Director since October 3, 2013. His term of office was renewed on May 13, 2014 and expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2017.
- 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 at ESADE (Barcelona).

Directorships and positions held as of December 31, 2014

Position	Company	Pays
Director	*Holding Sports & Événements SAS*	*France*
Chief Executive Officer	*Colony Capital SAS*	*France*
Chairman of the Supervisory Board	*BUT SAS* *Decomeubles Partners SAS*	*France* *France*
Member of the Supervisory Board	*Colfilm SAS*	*France*
Legal Manager	*Colony Luxembourg Sarl* *Fair Sponsors Sarl* *Fair Zero Sarl* *Fair Topco Sarl* *Lake Invest Sarl* *30GV Genpar* *30GV Master Genpar I* *30GV Master Genpar II* *Des Garçons SCI*	*Luxembourg* *Luxembourg* *Luxembourg* *Luxembourg* *Luxembourg* *Luxembourg* *Luxembourg* *Luxembourg* *France*
Director	*CDSR Burlington House Developments Limited*	*United Kingdom*
Director and CEO	*Colyzeo Investment Management*	*United Kingdom*

Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Former directorships and positions held in the past five years

Position	Company
Director	Sisters Soparfi SA Colwine Sarl Clinique de Carouge CMCC SA Permanence de la Clinique de Carouge La Tour Sarl La Tour Réseau de Soins Château Lascombes SA
Chairman of the Board of Directors	Château Lascombes SA
Chairman of the Supervisory Board	Buffalo Grill
Legal Manager	Fair Finance Sarl Fair Partners Sarl

Bertrand Meheut *

- Director since June 29, 2010. His term of office was renewed on May 15, 2012 and 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, 92863 Issy-les-Moulineaux Cedex 9, 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, 2014

Position	Company	Pays
Director	Accor SA (listed company) *Sport+ SA – Permanent representative of Groupe Canal+* *Aquarelle* *Cinémathèque*	France *France* *France* *France*
Chairman of the Executive Board	Groupe Canal+	France
Chairman of the Board of Directors	*Société d'Édition de Canal Plus SA (listed company)*	*France*
Chairman of the Supervisory Board	*Studio Canal SA*	*France*
Member of the Supervisory Board	*TVN*	*Poland*
Chairman	*Canal+ Régie SAS*	*France*

Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Former directorships and positions held in the past five years

Position	Company
Director	SFR Canal+ Finance SA – Permanent representative of Groupe Canal+
Chairman of the Board of Directors	Canal+ International Development SA
Chairman of the Executive Board	Canal+ France SA
Member of the Executive Board	Vivendi SA *(listed company)*
Chairman of the Management Board	Canal+ Régie SA Canal+ Overseas SAS
Chairman	Kiosque Sport SAS
Co-Legal Manager	Canal+ Éditions SNC – Permanent representative of Groupe Canal+
Managing Partner	Kiosque SNC – Permanent representative of Canal+ France SA

Nadra Moussalem

- Director since June 29, 2010. His term of office was renewed on May 15, 2012 and 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.
- Chairman of Colony Capital SAS.
- 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, 2014

Position	Company	Pays
Director	Accor SA *(listed company)*	France
	Carmila	*France*
	Distribuidora Internacional de Alimentación SA (listed company)	*Spain*
Chairman	*Colony Capital SAS*	*France*
	Data IV France	*France*
	Data IV Services	*France*
	DC115 SAS	*France*
	Colfilm SAS	*France*
	Collilkirsh France SAS	*France*
	Collilkirsh	*France*
	Data 4 Italy	*Italy*
	Data 4 Services Italy	*Italy*
Chief Executive Officer	*Colspa SAS*	*France*
Legal Manager	*SC 30GV 301*	*France*
	SC 30GV 302	*France*
	Data Genpar Sarl	*Luxembourg*
Director	*Colyzeo Investment Management*	*United Kingdom*
	Data 4 UK Limited	*United Kingdom*
	Data 4 UK Services Limited	*United Kingdom*

Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Former directorships and positions held in the past five years

Position	Company
Director	Sisters Soparfi SA
Legal Manager	Cedar Trust
	CT Real Estate

Roberto Oliveira de Lima *

- Director since June 29, 2010. His term of office was renewed on May 24, 2013 and 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.
- Chief Executive Officer of Natura Cosméticos SA.
- Business address: Rod. Anhanguera, Km 30.5 Empresarial Itaim CEP:07790-190 Cajamar, SP, 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 Telefonica Brasil S.A.

Directorships and positions held as of December 31, 2014

Position	Company	Pays
Member of the Board of Directors	*Telefonica Brasil S.A. (listed company)*	*Brazil*
	Rodobens Negócios Imobiliários SA (listed company)	*Brazil*
	Natura Cosméticos SA (listed company)	*Brazil*
	Companhia Brasileira de Distribuiçao SA (listed company)	*Brazil*
	Naspers Limited (listed company)	*South Africa*

Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Former directorships and positions held in the past five years

Position	Company
Chairman	Vivo Participacoes SA *(listed company)*

Jacques Stern

- Director since June 29, 2010. His term of office was renewed on May 13, 2014 and expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2017.
- Number of Edenred registered shares held: 129,921.
- 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, 2014

Position	Company	Pays
Director	*Edenred Italia SRL* *Conecs SAS* *Global Blue Management & Co*	*Italy* *France* *Luxembourg*
Chairman	*Edenred (UK Group) Limited*	*United Kingdom*

Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Former directorships and positions held in the past five years

Position	Company
Director	Voyage Privé.com Accor.Com – Permanent representative of Accor SA Société Française de Participations et d'Investissements Européens - Permanent representative of Accor SA Red Roof Inn Accor Lodging North America Inc. Accor North America Inc Accor Partepazioni Italia Srl Devimco – Permanent representative of Accor SA Société de Participation et d'Investissements de Motels – Permanent representative of IBL Edenred Belgium - Representative of Soparac
Chairman and Chief Executive Officer	ASM SA
Chairman	Edenred Participations SAS IBL SAS ASH SAS - Representative of Accor IBL LLC Sodenos
Deputy Chief Executive Officer	Accor SA *(listed company)*
Member of the Supervisory Board	Groupe Lucien Barrière Lyeurope SAS
Legal Manager	Sodetis

5.2.1.3 Changes in the membership of the Board of Directors in 2014

The table below shows the changes in the membership of the Board of Directors that took place during 2014:

Date of the change	Director concerned	Change
May 13, 2014	Maëlle Gavet	Appointment as a director at the Shareholders Meeting
May 13, 2014	Jean-Romain Lhomme	Ratification of his appointment and renewal of his term of office at the Shareholders Meeting
May 13, 2014	Gabriele Galateri di Genola	Renewal of his term of office as director at the Shareholders Meeting
May 13, 2014	Jacques Stern	Renewal of his term of office as director at the Shareholders Meeting

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 past 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 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

Diego Frutos

Chief Operating Officer, Hispanic and North America

Graziella Gavezotti

Chief Operating Officer, Southern Europe

Loïc Jenouvrier

Chief Financial Officer in charge of Legal Affairs

Laurent Pellet

Chief Operating Officer, Asia-Pacific and Middle East

Philippe Relland-Bernard

Vice-President Legal and Tax Affairs and Insurance

Jeanne Renard

Executive Vice-President, Human Resources and Corporate Social Responsibility

Bernard Rongvaux

Chief Operating Officer, Northern Europe and Africa

Konstantinos Voyiatzis

Executive Vice-President, Technology and Strategic Information Systems

5.2.2 PRACTICES OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

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' Internal Regulations 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 112) whose practices are described in the Board of Directors' Internal Regulations of June 29, 2010, amended on February 11, 2015.

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 Statutory 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 Internal Regulations of the Board of Directors

At its meeting on February 11, 2015, the Board of Directors amended the Internal Regulations adopted on June 29, 2010, describing the Board's procedures and practices. These Internal Regulations 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 110, for a description of these committees).

Board composition (Article I.1 of the Board of Directors' Internal Regulations)

At least half of the directors on the Board of Directors must be independent within the meaning of the criteria set forth in the AFEP-MEDEF Corporate Governance Code.

Board meetings (Article I.2 of the Board of Directors' Internal Regulations)

The Board of Directors meets as frequently as necessary in the Company's interest at the call of its Chairman. It 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 can be called by mail, e-mail or fax or verbally by the Board's Secretary.

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.

In accordance with Article 15 of the Company's bylaws, 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 I.3 of the Board of Directors' Internal Regulations)

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.

The Board is informed on a regular basis of the financial position, cash position and commitments of the Company and the Group, as well as the main policies in the areas of Human Resources, organization and information systems, and discusses these matters and policies at periodic intervals. The Board is also informed on a regular basis of the Company's financial communications strategy. Presentations commented by the Group's senior management may be held and additional documents may be provided, if necessary.

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 directors can ask the Chairman or the Chief Executive Officer for copies of any additional documents that they consider necessary to make an informed contribution to Board discussions. The Chairman or the Chief Executive Officer may ask the Board for its opinion before supplying the documents concerned.

The directors can also ask the Chairman or the 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 I.4 of the Board of Directors' Internal Regulations)

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations, including matters requiring the Board's prior authorization under the law, particularly Articles L.225-35 and L.225-38 of the French Commercial Code.

In addition, the Board of Directors:

a) reviews and approves the Group's overall strategy, at least once a year, in accordance with Article I.2 of the Board's Internal Regulations;

b) reviews the interim financial statements and approves the interim management report in accordance with Article L.451-1-2 of the French Monetary and Financial Code;

c) automatically authorizes in advance the following decisions and transactions:

- any financial commitments of the Company or a Group company (defined as commitments related to the purchase or sale of business units, assets or majority or minority interests in non-Group companies, direct investments, lease commitments, loans, advances, capital increases in non-controlled entities, and bilateral or syndicated bank loans) in excess of €50 million. However, the Chairman and Chief Executive Officer may contract (i) bank loans for up to €250 million provided that the loan fits in with the Group's Board-approved financing strategy and (ii) bank loans due in less than one year, whatever the amount borrowed, without the Board's specific prior authorization,
- any transactions affecting the Group's strategy or business scope or not in line with the Company's stated strategy.

d) sets, each year, the total amount up to which the Chief Executive Officer is authorized to issue undertakings, avals and guarantees, which may not exceed €250 million per year.

Vice-Chairman of the Board of Directors and senior independent director (Article I.5 of the Board of Directors' Internal Regulations)

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.

Under Article I.5 of the Board of Directors' Internal Regulations, the Vice-Chairman or Vice-Chairmen are appointed for their term as director.

The Vice-Chairman may also serve as senior independent director. In this case, the Vice-Chairman/senior independent director must qualify as an independent director in accordance with the criteria disclosed by the Company.

A Vice-Chairman must be appointed if the Chairman is also the Chief Executive Officer, in which case the Vice-Chairman will also serve as senior independent director.

Independent directors (section III of the Board of Directors' Internal Regulations)

According to section III of the Internal Regulations, the qualification of independent director is discussed every year by the Compensation and Appointments Committee, which submits a report to the Board of Directors. Each director's situation in relation to the independence criteria is reviewed annually by the Board of Directors based on this report.

The Board of Directors must disclose the conclusions of the assessment to shareholders in the Annual Report, indicating that it carefully examined whether the directors had any significant business relationships with the Company and the criteria which were adopted to reach these conclusions.

The definition and independence criteria are set in accordance with the AFEP-MEDEF Corporate Governance Code.

The Board of Directors may decide that a director meeting these criteria does not qualify as independent given his or her situation or the Company's situation due to its shareholding structure or for any other reason. Conversely, the Board of Directors may decide that a director who does not meet these criteria is independent.

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 provisions of the law and the Company's bylaws applicable to the Chief Executive Officer also apply to the Chairman.

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' Internal Regulations.

Audit and Risks Committee

Members

As of December 31, 2014, 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. 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. All of its members have expert knowledge of financial and accounting matters.

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 monitoring the financial reporting process and 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). It assists the Board of Directors in ensuring that the financial statements of the Company and the Group are accurate, fairly stated and reliable. The Committee makes proposals and recommendations to the Board in the areas described below. 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 assessing the follow-up of the systems whereby the accounts are drawn up and the validity of methods selected to account for material transactions;
- reviews the procedures for preparing information provided to shareholders and to the market and Company press releases relating to accounting and financial information;
- reviews the scope of consolidation and the reasons for excluding any entities;
- reviews the Group's risk management policy and ensures that effective systems are in place;
- 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 is provided with the results of the Internal Audits carried out since the last presentation;
- reviews the Statutory Auditors' audit plan and the results of their audits. It receives a copy of the Statutory Auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the Statutory Auditors' appointment is due to expire, oversees the Statutory 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 Statutory Auditor;
- ensures compliance with the rules governing the Statutory Auditors' independence;
- reviews the categories of additional audit-related work that the Statutory 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 Statutory 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.

Meetings

The Audit and Risks Committee meets at least three times a year and whenever necessary, including prior to Board meetings whose agenda includes matters within its purview. One meeting attended by the head of Internal Audit is devoted to reviewing the effectiveness of the internal control system.

The Committee may make regular enquiries of the directors, the Chief Executive Officer, the head of Internal Audit, the Statutory Auditors and the Group's senior management (i.e., persons in charge of preparing the financial statements of the Company and the Group, risk management, internal control, legal and tax affairs, treasury and finance) without the Executive Director, being present, after first notifying the Chairman of the Board or the 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 of the Board, the Chief Executive Officer, the Chief Financial Officer and the Statutory Auditors can be invited to attend Audit and Risks Committee meetings.

Commitments Committee

Members

As of December 31, 2014, 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.

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 of the Company or a Group company representing more than €50 million per transaction. "Financial commitments" are defined as:

- acquisitions or disposals of business units, assets or majority or minority interests in non-controlled entities within the meaning of Article L.233-3 I and II of the French Commercial Code by the Company or a Group company; 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, business unit, subsidiary or expenditure on technological developments,
- lease commitments, the amount of the commitment being measured on the basis of the market value of the leased asset,
- loans, advances or capital increases in non-controlled entities within the meaning of Article L.233-3 I and II of the French Commercial Code, by the Company or a Group company, and
- bilateral or syndicated borrowings (i) not consistent with or in compliance with the annual Group financing strategy as previously approved by the Board of Directors or (ii) in excess of €250 million. The Commitments Committee's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed.

Meetings

Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman.

The Commitments Committee meets whenever necessary, including prior to Board meetings whose agenda includes matters within its purview. 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, 2014, the Compensation and Appointments Committee members were Gabriele Galateri di Genola, Philippe Citerne, Françoise Gri and Nadra Moussalem.

The Committee 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.

The Executive Director cannot be a member of the Compensation and Appointments Committee. However, the Executive Director works with the Committee to review candidates for election as directors or the Executive Director's succession plan. The Executive Director also participates in the Committee's review of the compensation policy for members of the Group Executive Committee.

Terms of reference

The Compensation and Appointments Committee's role is to prepare the Board of Directors' decisions on the determination of the Executive Director's compensation and benefits and the Group's policy with respect to stock option plans or performance share plans. It also participates in preparing senior management succession plans.

To this end, the Committee makes proposals and recommendations to the Board in the areas described below.

- Regarding appointments, the Committee:
  - makes recommendations, in liaison with the Chief Executive Officer, regarding the appointment and re-election of directors, the Chairman of the Board and the Vice-Chairman or Chairmen, and the termination of their terms of office, and organizes the selection of candidates for election as directors so as to take into consideration the need for balance in the Board's membership and ensure 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 Executive Management and any given shareholder or group of shareholders,
  - expresses its opinion on the appointment or re-election of the members of the Audit and Risks Committee, the Chairman of the Audit and Risks Committee and the members of the other Committees,
  - establishes a succession plan for the Executive Director, to be able to propose succession solutions to the Board of Directors in the event of an unforeseen vacancy,
  - proposes the qualification of independent director for the directors concerned, ensures compliance with the independence criteria within the meaning of the AFEP-MEDEF Corporate Governance Code, expresses an opinion on this issue, if appropriate, and advises the Chairman on the number of independent directors,
  - is informed of the succession plan concerning members of the Group's Executive Committee;
- Regarding compensation and benefits, the Committee:
  - 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,
  - proposes and monitors the implementation of 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,
- is informed of and expresses an opinion on the compensation policy for members of the Group Executive Committee,
- 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 Chief Executive Officer,
- reviews liability insurance cover taken out by the Company on behalf of the Executive Director,
- expresses an opinion on the information provided to the shareholders in the Annual Report regarding i) the Executive Director's compensation; ii) the principles and methods used to set such compensation, and iii) stock options or performance shares granted to the Executive Director.

Meetings

The Compensation and Appointments Committee meets at least twice a year and whenever necessary, including prior to Board meetings whose agenda includes matters within its purview. Calls to meetings are issued by the Committee Chairman and include the meeting agenda.

5.2.2.6 Director's Charter

Under Article 1.6 of the Board of Director's Internal Regulations, the Board of Directors, a collegial body, must act at all times in the Company's interest.

Directors perform their duties with loyalty and professionalism in accordance with the Director's Charter adopted by the Board of Directors at its meeting of June 29, 2010 to comply with the best practices of corporate governance. The Director's Charter, which describes the ethical principles applicable to directors, in accordance with the applicable laws and regulations and the Company's bylaws, applies to all directors regardless 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 that includes reporting 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' Internal Regulations, 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.

Transparency and preventing 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 Board Secretary

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 of the Board 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 I.3 of the Board of Directors' Internal Regulations, when requested to do so by the Chairman of the Board or the Chief Executive Officer, 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 the Transparency and Preventing Conflicts of Interests section of the Director's Charter.

Lastly, the Board Secretary attends the meetings of the Board Committees as needed, at the request of the Chairman or Chief Executive Officer and with the approval of the Committees' Chairmen, and may also be given the task of sending meeting files to the Committees' 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. The compensation allocation method must include a variable portion (representing the largest part of each director's fee).

Allocation is based on the following principles:

- the duties of Board member are compensated with a fixed portion of a flat amount defined by the Board of Directors and with a variable portion based on the number of meetings attended in the previous year, which will exceed the amount of the fixed portion;
- 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 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 exceed the amount of the fixed portion;

- 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 observer, if any, 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 exceed the amount of the fixed portion;
- 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 the French 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 the 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 a certificate of share ownership *("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 the French 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 the 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

5.4.1.1. Compensation of the Chairman and Chief Executive Officer

Processes for determining compensation

The Chairman and Chief Executive Officer's compensation is determined by the Board of Directors based on the recommendation of the Compensation and Appointments Committee. The various components of the compensation package, i.e., fixed salary and bonus, long-term performance share plans, benefits and pension plans, are taken into account.

The Compensation and Appointments Committee meets four times a year to discuss relevant subjects and performs preparatory work conducted under the supervision of the Committee's Chairman. This work includes analyzing the performance of the Company and its Chairman and Chief Executive Officer, ensuring that objectives are in line with the Group strategy and shareholders' interests, reviewing executive compensation data from similar companies and monitoring changes in Corporate Governance Codes.

This work is used as a basis to assess the prior year's performance and set the Chairman and Chief Executive Officer's targets and compensation for the following year. The short and long-term bonuses are reviewed each year. The fixed salary is adjusted every four years, in line with the Chairman and Chief Executive Officer's performance and market practices.

Compensation philosophy

The Chairman and Chief Executive Officer's **compensation** 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 compensation paid to the Chief Executive Officers of companies or groups of a comparable size to Edenred.

The Chairman and Chief Executive Officer's compensation package includes Company-funded supplementary pension rights and, more generally, all of the benefits described below.

It is determined based on the following three key principles: compliance, comparability and performance.

Compliance

All components of the Chairman and Chief Executive Officer's compensation package – short-term compensation (fixed salary and bonus), deferred compensation (incentive plans) and commitments – comply with the AFEP-MEDEF Corporate Governance Code dated June 2013.

The Compensation and Appointments Committee ensures that the Chairman and Chief Executive Officer's compensation complies with the AFEP-MEDEF Corporate Governance Code.

Comparability

Every year, the Compensation and Appointments Committee engages outside consulting firm Mercer to conduct a benchmarking analysis of the Chairman and Chief Executive Officer's compensation.

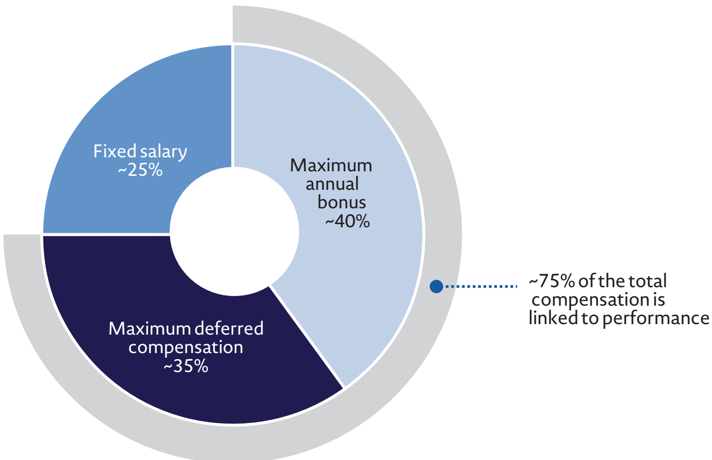
This comparison is based on a peer group of French companies from a variety of sectors included in the SBF 120 index with similar characteristics to Edenred, selected based on the following four criteria: (i) market capitalization, (ii) EBIT, (iii) total number of employees and (iv) percentage of employees worldwide.

The results, based on the information in the 2013 Annual Reports, compared to the Chairman and Chief Executive Officer's compensation of 2014, are as follows:

Compensation	Comparison with peer group	
Fixed salary	Mr Jacques Stern	87%
	Peer group average	100%
Bonus	Mr Jacques Stern	88%
	Peer group average	100%
Deferred compensation	Mr Jacques Stern	73%
	Peer group average	100%
Director's fees	No directors' fees are allocated to Jacques Stern as Chairman of the Board of Directors of Edenred. 21% of Executive Directors from the sample receive directors' fees.	

Performance

Performance is a major component of the Chairman and Chief Executive Officer's compensation, as 75% of his compensation is based on the criteria set by the Committee:



The Committee has set diverse and demanding performance criteria, which are used to perform a complete analysis of the Chairman and Chief Executive Officer's performance, in line with the Group's strategy and shareholders' interests. Performance assessment is based on a balance between financial, stock market performance, operational and management criteria as well as a balance between short-term and long-term performance. The criteria are summarized in the table hereafter:

		Included in compensation:	
Criteria	**Indicators**	**Short-term (1 year) Bonus**	**Long-term (3 years) Performance share plans**
Financial (like-for-like growth)	EBIT	x	
	Issue volume		x
	FFO [1]		x
Stock market performance	Edenred's TSR compared to the average TSR for SBF 120 companies		x
Non-financial	Quantitative operational indicators	x	
	Management-related indicators	x	

5.4.1.2. Chairman and Chief Executive Officer's compensation

2014

At its meeting of February 11, 2014, the Board decided to maintain the Chairman and Chief Executive Officer's **gross fixed annual fixed salary at €700,000** for the fourth year in a row, in line with the recommendation of the Compensation and Appointments Committee.

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 fixed salary**, depending on actual performance in relation to various objectives, with two components:

- a component based on **financial targets** representing up to the equivalent of 100% of fixed 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 fixed salary. If the targets are exceeded, the bonus may represent up to a maximum of 100% of fixed salary;
- a component representing up to 50% of fixed salary, based on **quantitative operational objectives relating to the deployment of the Group's strategy** (for 30%) **and qualitative management objectives** (for 20%) [2].

Jacques Stern's 2014 bonus was determined during the Board meeting held on February 11, 2015, 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.

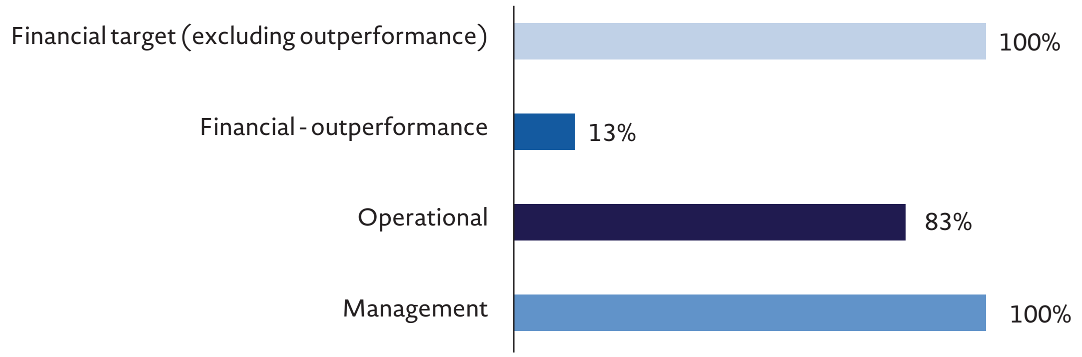
In light of the quantitative and qualitative criteria selected by the Board on February 11, 2014 and actual performance for the 2014 fiscal year, Jacques Stern's bonus was as follows:

Criteria	Target	Target bonus as a percentage of fixed salary	Actual bonus as a percentage of fixed salary
Financial	Like-for-like EBIT growth	50% if targets met and up to 100% if targets exceeded	56.3%
Operational	Digital issue volume as a %of total issue volume	5%	5%
	Contribution of new solutions to like-for-like growth	5%	5%
	Like-for-like growth in expense management solutions	5%	5%
	Integration of Brazil's Repom, acquired in December 2012	5%	0%
	Adaptation of operating structures in line with the digital transition	10%	10%
Management	Team leadership and motivation, the successful integration of recent acquisitions, the implementation of the Group's succession plan for top managers	20%	20%
TOTAL		**150%**	**101.3%**

(1) Funds from operations including non-recurring items.

(2) Contrary to 2013, stock market performance has not been included this year in the criteria used to calculate the Chairman and Chief Executive Officer's annual bonus. The Board believes that stock market performance – the comparison of Edenred's total shareholder return (TSR) to the average TSR for SBF 120 companies – is more appropriate as a criterion for analyzing long-term performance. According to consulting firm Essere, less than 5% of SBF 120 companies include stock market performance in their criteria for calculating executive officers' annual bonuses. This change is therefore in line with market practices. Stock market performance represented the equivalent of 10% of annual fixed salary.

SUMMARY – ACHIEVEMENT OF PERFORMANCE CRITERIA IN RELATION TO OBJECTIVES:



Comments on meeting the criteria:

In 2014, EBIT rose by 14.4% like-for-like, in excess of the budget set by the Board of Directors at December 31, 2013.

The Group pursued its "Invent 2016" strategy, primarily by:

- accelerating the transition of its solutions to digital media: 62% of digital issue volume (versus 58% at December 31, 2013), on track to reach the target of more than 75% of digital issue volume by 2016. The transition to digital requires subsidiaries to adjust their organization structures to improve the flow-through ratio. In 2014, the flow-through ratio stood at 57%, in excess of the target of more than 50%. The transfer to digital solutions is described on page 20;
- developing new solutions to create new sources of growth, in particular the family of expense management solutions. In 2014, like-for-like growth in issue volume coming from new solutions reached 2.6%, compared to 2.1% in 2013, in line with the 2% to 4% target. Expense management solutions rose at a rapid pace by 24% like for like. This strategic phase is described on page 18.

In addition to these like-for-like growth targets, the Group has been strengthening its acquisition investments since 2013. Acquisition investments amounted to €138 million in 2013, including €110 million for Repom in Brazil, as described on page 19, and €72 million in 2014. The successful integration of these companies in line with the business plans is reviewed every year by the Board of Directors. The acquisitions made over the period are described on page 14.

The implementation of a succession plan at the initiative of the Compensation and Appointments Committee in 2013 is a key step in Edenred's establishment as an independent company. This project was carried out in two phases, with the implementation of a succession plan for the Chairman and Chief Executive Officer and the members of the Executive Committee in 2013 and for the Group top managers in 2014.

As a result of the above, Jacques Stern was awarded a 2014 bonus of €709,000, representing 68% of his maximum possible bonus and 101% of his fixed annual fixed salary.

2015

At its February 11, 2015 meeting, the Board of Directors decided to adjust the Chairman and Chief Executive Officer's compensation, based on the recommendation of the Compensation and Appointments Committee. This adjustment is based on the analysis of the Chairman and Chief Executive Officer's performance over the past four years and on the benchmarking analysis of his compensation against the peer group's practices conducted by consulting firm Mercer. The results of this analysis are described in section 5.4.1.1 of the Registration Document. According to this analysis:

- Jacques Stern's level of compensation is clearly below that of the Executive Directors from the peer group;
- all three compensation components, i.e., fixed salary, bonus and deferred compensation are lower.

Based on this information, the Compensation and Appointments Committee discussed and reviewed Jacques Stern's compensation level. This review was initiated in 2013 and continued in 2014.

In line with shareholders' interests, the Board's goal is twofold: to ensure that the Chairman and Chief Executive Officer's salary is competitive, for purposes of retention and given the results obtained since 2010, i.e., financial and operational targets met each year despite the difficult economic environment, and to align shareholders' long-term interests with those of the Chairman and Chief Executive Officer.

Therefore, based on the recommendation of the Compensation and Appointments Committee, the Board of Directors decided to:

- adjust Jacques Stern's fixed salary to €750,000, representing a 7% increase compared to 2013, after four years without any fixed salary increase. Jacques Stern's salary will not be adjusted again until 2018, in accordance with the compensation policy defined by the Compensation and Appointments Committee. This means that Mr. Stern's fixed salary will have increased at a rate of less than 1% per year over the 2011-2018 period;
- increase the target bonus to up to 120% of fixed salary (capped at 180% if the financial targets are exceeded, compared to 150% previously), to increase the portion of performance-related pay and align this percentage to market practices. The Board of Directors also introduced the earnings per share (EPS) criterion, with the goal of strengthening the alignment of shareholders' interests with those of the Chairman and Chief Executive Officer;
- review the Chairman and Chief Executive Officer's deferred compensation to align it with market practices (see benchmarking results on page 117).

In 2015, Jacques Stern's short term and deferred compensation will be close to the average compensation of the 2013 peer group as a result of this adjustment, as described on page 117.

Detailed information concerning the Chairman and Chief Executive Officer's compensation for 2015 will be available in the 2015 Registration Document. In accordance with the "Say on Pay" principle, the Board of Directors will consult the shareholders on these issues at the Shareholders Meeting held in 2016.

5.4.1.3 Long-term incentive plans

The Chairman and Chief Executive Officer is covered by the Group's long-term incentive plan, in the same way as the other beneficiaries of this plan (members of the Executive Committee, senior executives and middle managers in some forty countries). Information about the plan, including the performance criteria, is presented in section 5.4.1.2 of the Registration Document.

In 2014, the Board of Directors granted 66,000 performance shares to the Chairman and Chief Executive Officer valued at €931,920, slightly lower than in 2013 (grant of 50,000 performance shares valued at €985,997). The Board of Directors' goal was to maintain the value of deferred compensation at around the same level for 2014.

Stock options and performance shares awarded to the Chairman and Chief Executive Officer

	2012	2013	2014
Stock options:			
Number of options granted during the year	66,000	0	0
Value of stock options granted during the year (see Table 4 section 5.4.1.8.1 for details)	€280,639	€0	€0
Performance share rights:			
Number of performance share rights granted during the year	38,500	50,000	66,000
Value of performance share rights awarded during the year (see Table 6 of section 5.4.1.8.2 for details)	€719,511	€985,997	€931,920
TOTAL VALUE	**€1,000,150**	**€985,997**	**€931,920**

Acquisition of performance share rights by the Chairman and Chief Executive Officer

	2012	2013	2014
Stock options:			
Grant date	-	-	2010
Number of options granted during the year	0	0	240,000
Performance share rights:			
Grant date	-	2010	2011
Number of performance share rights acquired during the year	0	60,000	42,000

Shares held at December 31, 2014

Jacques Stern held 129,921 Edenred shares at December 31, 2014.

5.4.1.4. 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. The addendum provides 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 of Directors 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.

5.4.1.5. Other commitments given to the Chairman and Chief Executive Officer

Compensation for loss of office payable to the Chairman and Chief Executive Officer (1)

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 offense 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 two years' total gross annual compensation as Chairman and Chief Executive Officer, defined as:

- 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 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

(1) Related-party agreement authorized at the Board of Directors' meeting of February 11, 2014, approved by the Shareholders Meeting of May 13, 2014 and reviewed by the Board at its meeting of February 11, 2015 in accordance with the new Article L.225-40-1 of the French Commercial Code.

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 [(1)] compared with the previous year;
- increase in the Company's share price at least equal to 85% of the increase in the 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 payable under his employment contract [(2)] 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 [(3)], over a specified period of service, subject to the performance conditions [(4)] 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 offense 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 (fixed 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 [(5)]

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.

Death/disability and health insurance [(5)]

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 2014 amounted to €5,299.58.

(1) Funds from operations: cash flow before non-recurring items.

(2) 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 121.

(3) With one-third of the rights vesting on each annual anniversary of the grant date (for a three-year vesting period).

(4) The plans' performance conditions are described on page 129.

(5) Related-party agreement authorized at the Board of Directors' meeting of February 11, 2014, approved by the Shareholders Meeting of May 13, 2014 and reviewed by the Board at its meeting of February 11, 2015 in accordance with the new Article L.225-40-1 of the French Commercial Code.

Supplementary Pension Benefits [(1)]

General Supplementary Pension Plan

A supplementary pension plan has been set up for Group senior executives above certain grades whose compensation meets certain criteria. This plan is comprised of a defined contribution plan ("Article 83") and a defined benefit plan ("Article 39"):

- under the Article 83 defined contribution plan, the Company pays an annual contribution of up to 5% of five times the annual cap for calculating Social Security [(2)] contributions, representing a maximum amount of €9,387 in 2014.
- under the Article 39 defined benefit plan (17 persons in 2014), 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 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 final gross annual compensation represents more than 12 times the annual cap for calculating Social Security contributions [(3)], 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.

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.

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.

Edenred's annual contribution to the Article 83 defined contribution plan on his behalf (€9,387) represented 0.7% of his gross annual compensation for 2014. 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.

5.4.1.6 Summary table of the Chairman and Chief Executive Officer's compensation

Table 1: Compensation, stock options and performance share rights awarded to the Executive Director

(in €)

Jacques Stern	2012	2013	2014
Compensation for the year (see Table 2 for details)	1,405,980	1,295,000	1,409,000
Value of long-term incentives awarded during the year	0	0	0
Value of stock options granted during the year (see Table 4 section 5.4.1.8.1 for details)	280,639	0	0
Value of performance share rights awarded during the year (see Table 6 of section 5.4.1.8.2 for details)	719,511	985,997	931,920
TOTAL	**2,406,130**	**2,280,997**	**2,340,920**

(1) Related-party agreement authorized at the Board of Directors' meeting of February 11, 2014, approved by the Shareholders Meeting of May 13, 2014 and reviewed by the Board at its meeting of February 11, 2015 in accordance with the new Article L.225-40-1 of the French Commercial Code.

(2) The annual cap for calculating Social Security contributions represented €37,548 in 2014.

(3) Gross annual compensation corresponds to the participant's fixed salary and bonus, excluding any exceptional bonuses.

Table 2: Compensation paid to the Executive Director *(in €)*

Jacques Stern	2012 Amount due	2012 Amount paid	2013 Amount due	2013 Amount paid	2014 Amount due	2014 Amount paid
Fixed salary	700,000	700,000	700,000	700,000	700,000	700,000
Annual bonus	700,000	805,000	595,000	700,000	709,000	595,000
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	5,980	5,980	0	0	0	0
Vacation pay under the employment contract	0	0	0	0	0	0
TOTAL	**1,405,980**	**1,510,980**	**1,295,000**	**1,400,000**	**1,409,000**	**1,295,000**

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*	(suspended since June 29, 2010)		X		X			X

5.4.1.7 Directors' fees

The Shareholders Meeting of May 10, 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.

The principles governing the allocation of total directors' fees for 2014 among the members of the Board of Directors, as decided at the Board meeting of February 11, 2015 are in compliance with the AFEP-MEDEF Corporate Governance Code. 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;
- all Board members were allocated a fixed fee of €1,575 per meeting, plus a fee of €1,950 for each meeting attended during the year (including by videoconference);
- the chairmen of specialized Board Committees were allocated a fixed fee of €5,000;
- all members of specialized Board Committees were allocated a fixed fee of €2,672 per meeting plus a fee of €3,265 per meeting attended during the year (including by videoconference).

The Board of Directors also decided at the same meeting to distribute the remaining funds allocated to directors' fees on an exceptional basis. In light of the work carried out during the year, an additional €10,000 each was allocated to the Chairman of the Audit and Risks Committee and to the Chairman of the Compensation and Appointments Committee.

Table 3: Directors' fees and other compensation paid to Non-Executive Directors

Board of Directors *(in euros)*	**Fees payable for 2013**	**Fees paid in 2013**	**Fees payable for 2014**	**Fees paid in 2014**
Jean-Paul Bailly	51,305	42,920	52,706	51,305
Sébastien Bazin (1)	27,967	56,730	n/a	27,967
Anne Bouverot	41,633	33,890	48,424	41,633
Philippe Citerne	84,452	68,649	97,174	84,452
Gabriele Galateri di Genola	47,695	42,728	60,812	47,695
Maëlle Gavet	n/a	n/a	17,382	n/a
Françoise Gri	45,475	38,295	48,424	45,475
Jean-Romain Lhomme	16,378	n/a	44,467	16,378 (2)
Bertrand Meheut	31,170	33,890	33,284	31,170
Virginie Morgon (3)	0	38,295 (4)	n/a	0
Nadra Moussalem	52,793	38,295 (2)	61,341	52,793 (2)
Roberto Oliveira de Lima	37,791	36,376	34,639	37,791
Patrick Sayer (3)	0	47,325 (4)	n/a	0
TOTAL	**436,657**	**477,393**	**498,654**	**436,657**

(1) Resigned from the Board on October 2, 2013.
(2) The fees shown in the table are paid to Colony Capital.
(3) Resigned from the Board on March 6, 2013.
(4) The fees shown in the table are paid to Eurazeo.

5.4.1.8 Directors' and managers' interests

5.4.1.8.1 Stock option plans

Details of stock option plans

Pursuant to the authorization given by the Shareholders Meeting of May 10, 2010, the Board of Directors held on June 29, 2010, February 23, 2011 and February 22, 2012 defined the terms and conditions of three stock option plans for certain Group employees and Executive Directors and granted stock options as summarized in the table below. The number of options granted may not be exercisable for shares representing more than 7% of the Company's share capital.

Table 8: Details of stock option plans currently in progress

INFORMATION ABOUT STOCK OPTIONS

	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan
Grant date	August 6, 2010(1)	March 11, 2011(2)	February 27, 2012(3)	None	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, 2014	1,675,846	0	0	-	-
Cumulative number of options canceled or forfeited	429,500	10,350	12,000	-	-
Options outstanding at the year-end	2,130,154	601,350	370,800	-	-
TOTAL	**4,235,500**	**611,700**	**382,800**	**-**	**-**

(1) Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of June 29, 2010.
(2) Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2011.
(3) Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 22, 2012.

2014

No stock options were granted to Group employees or Executive Directors in 2014. The Board of Directors was not granted any authorizations by the Shareholders Meeting for the issue of stock options.

In 2014, stock options granted to or exercised by the Executive Director of Edenred and the top ten grantees other than the Executive Director were as follows:

Executive Director

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		

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
Jacques Stern	2010 Plan	90,000	13.69
TOTAL		**90,000**	

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.

The Executive Director and members of the Executive Committee who receive stock options are banned by the Company from hedging the related equity risk upon exercise of stock options until the end of the lock-up period set by the Board of Directors.

Employees other than the Executive Director

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 2014 to the ten employees other than the Executive Director who received the largest number of options (aggregate information)	None	
Options exercised in 2014 by the ten employees other than the Executive Director who exercised the largest number of options (aggregate information)	536,500	13.69
TOTAL	**536,500**	

5.4.1.8.2 Performance share plans

Details of performance share plans

Pursuant to the authorizations given by the Shareholders Meeting of May 10, 2010 and May 24, 2013, the Board of Directors held on June 29, 2010, February 23, 2011, February 12, 2013 and February 11, 2014, defined the terms and conditions of five plans and granted performance shares to certain Group employees and Executive Directors as summarized in the table below.

Table 10: Details of performance share plans currently in progress

INFORMATION ABOUT PERFORMANCE SHARES

	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan
Grant date	August 6, 2010 (1)	March 11, 2011 (2)	February 27, 2012 (3)	February 18, 2013 (4)	February 17, 2014 (5)
Total number of performance share rights awarded, of which rights awarded to:	912,875	805,025	867,575	845,900	824,000
Jacques Stern	60,000	42,000	38,500	50,000	66,000
Vesting date (6)	Aug. 7, 2013 or Aug. 7, 2015	March 12, 2014 or March 12, 2016	Feb. 28, 2015 or Feb. 28, 2017	Feb. 19, 2016 or Feb. 19, 2018	Feb. 18, 2017 or Feb. 18, 2019
End of lock-up period (7)	August 6, 2015	March 11, 2016	February 27, 2017	February 19, 2018	February 18, 2019
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	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, 2014	259,066	244,400	0	0	0
Cumulative number of cancelled and forfeited performance share rights	54,887	57,712	79,487	50,642	10,666
Performance share rights outstanding at December 31, 2014	598,922	502,913	788,088	795,258	813,334
TOTAL	**912,875**	**805,025**	**867,575**	**845,900**	**824,000**

* *Before non-recurring items.*

(1) *Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of June 29, 2010.*

(2) *Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2011.*

(3) *Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 22, 2012.*

(4) *Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 12, 2013.*

(5) *Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 11, 2014.*

(6) *Three-year vesting period for French tax residents and non-residents subject to the French social security system and a five-year vesting period for tax residents of other countries who are not subject to the French social security system.*

(7) *The lock-up period only applies to French tax residents and non-residents subject to the French social security system.*

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, individual achievements and potential.

2014

The Shareholders Meeting of May 24, 2013 authorized the Board of Directors to grant performance share rights. According to the terms of this authorization, 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 total maximum amount provided for in the second paragraph of the 13th resolution of the Shareholders Meeting of May 15, 2012 or, if applicable, the total maximum amount 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.

Under the 2014 performance share plan set up by the Board of Directors pursuant to the authorization given by the Shareholders Meeting of May 24, 2013, rights to 824,000 shares were awarded to 400 grantees in some forty countries (the Executive Director, members of the Executive Committee, senior executives and middle managers), representing 0.36% 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.

It was also decided to adjust the performance criteria and include a stock market performance corresponding to Edenred's TSR compared with the average TSR for companies included in the SBF 120 index. 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 page 23). 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:

Like-for-like issue volume growth over three years	
Like-for-like issue volume growth of less than 8%	0%
Like-for-like issue volume growth of 8-9%	50%
Like-for-like issue volume growth of 9-10%	75%
Like-for-like issue volume growth of 10-12%	100%
Like-for-like issue volume growth of 12% or more	125%
Like-for-like growth in FFO over three years	
Like-for-like growth in FFO of less than 8%	0%
Like-for-like growth in FFO of 8-10%	50%
Like-for-like growth in FFO of 10-12%	75%
Like-for-like growth in FFO of 12-14%	100%
Like-for-like 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.

The performance criteria were achieved at 100% in 2014. However, performance will be measured after a period of three fiscal years. The level of achievement of the performance targets is broken down as follows:

Criteria	2014 performance	Achievement rate	Weight
Like-for-like issue volume growth	12.0%	125%	40%
Like-for-like growth in FFO	15.1%	125%	40%
TSR	Edenred TSR <TSR SBF120	0%	20%

Executive Director

A total of 66,000 performance shares were granted to the Chairman and Chief Executive Officer, in line with the decision of the Board of Directors on February 11, 2014 based on the recommendation of the Compensation and Appointments Committee. The shares are subject to the same performance conditions as for the other grantees.

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	2014 Date: February 17, 2014	66,000	931,920	February 18, 2017	February 18, 2019	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 available by the Executive Director

Performance share rights available by the Executive Director during the year	Plan no. and date	Number of performance share rights exercisable during the year	Performance conditions
Jacques Stern		None	
TOTAL		**NONE**	

Table 7 bis: Performance share rights acquired by the Executive Director

Performance share rights acquired by the Executive Director during the year	Plan no. and date	Number of performance share rights acquired during the year	Performance conditions
Jacques Stern	2011 Plan	42,000	Like-for-like growth in issue volume and funds from operations * (FFO)
TOTAL		**42,000**	

* *Before non-recurring items.*

Fifteen percent of the performance shares awarded under the August 6, 2010, March 11, 2011, February 27, 2012, February 18, 2013 and February 17, 2014 plans must be held in registered form for as long as the Chairman and Chief Executive Officer remains in office. 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 until the end of the lock-up period set by the Board of Directors.

Employees other than the Executive Director

Table 9 bis: Performance shares granted to and acquired by the top ten employees other than the Executive Director

	Number of performance share rights granted/shares acquired	Fair value (in €)
Performance shares granted in 2014 to the ten employees other than the Executive Director who received the largest number of performance shares (aggregate information)	200,000	2,867,240
Performance shares acquired in 2014 by the ten employees other than the Executive Director who received the largest number of acquired shares (aggregate information)	82,650	1,541,423

Table: 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 the French Monetary and Financial Code.

Directors concerned:	Transaction date	Type of transaction	Number of shares
Jacques Stern *Chairman and Chief Executive Officer*	August 8, 2014	Exercise of stock options	28,000
	August 8, 2014	Sale of shares	10,000
	August 15, 2014	Exercise of stock options	10,000
	August 15, 2014	Sale of shares	10,000
	August 25, 2014	Exercise of stock options	289
	August 25, 2014	Sale of shares	289
	October 31, 2014	Exercise of stock options	6,711
	October 31, 2014	Sale of shares	6,711
	November 11, 2014	Exercise of stock options	5,000
	November 11, 2014	Sale of shares	5,000
	November 24, 2014	Exercise of stock options	5,000
	November 24, 2014	Sale of shares	5,000
	November 25, 2014	Exercise of stock options	8,000
	November 28, 2014	Exercise of stock options	7,000
	November 28, 2014	Sale of shares	7,000
	December 4, 2014	Exercise of stock options	5,000
	December 4, 2014	Sale of shares	5,000
	December 8, 2014	Exercise of stock options	5,000
	December 8, 2014	Sale of shares	5,000
	December 24, 2014	Exercise of stock options	10,000
	December 24, 2014	Sale of shares	10,000
Anne Bouverot *Director*	November 15, 2014	Share purchase	500
Gilles Bonnin *Member of the Executive Committee*	June 5, 2014	Share purchase	119
	June 5, 2014	Share purchase	119
	June 5, 2014	Share purchase	119
	June 4, 2014	Share purchase	394

Directors concerned:	Transaction date	Type of transaction	Number of shares
Jean-Louis Claveau *Member of the Executive Committee*	April 17, 2014	Sale of shares	288
	October 21, 2014	Exercise of stock options	1,000
	October 21, 2014	Sale of shares	1,000
	November 5, 2014	Exercise of stock options	1,000
	November 5, 2014	Sale of shares	1,000
	November 10, 2014	Exercise of stock options	3,000
	November 10, 2014	Sale of shares	3,000
	November 13, 2014	Exercise of stock options	5,000
	November 13, 2014	Sale of shares	5,000
	November 21, 2014	Exercise of stock options	2,500
	November 21, 2014	Sale of shares	2,500
	November 25, 2014	Exercise of stock options	2,500
	November 25, 2014	Sale of shares	2,500
	December 4, 2014	Exercise of stock options	15,000
	December 4, 2014	Sale of shares	15,000
	December 9, 2014	Exercise of stock options	5,000
	December 9, 2014	Sale of shares	5,000
	December 18, 2014	Exercise of stock options	5,000
	December 18, 2014	Sale of shares	5,000
Gilles Coccoli *Member of the Executive Committee*	August 13, 2014	Exercise of stock options	1,000
	August 13, 2014	Sale of shares	1,000
	September 9, 2014	Exercise of stock options	1,000
	September 9, 2014	Sale of shares	1,000
	November 7, 2014	Exercise of stock options	1,000
	November 7, 2014	Sale of shares	1,000
	November 10, 2014	Exercise of stock options	1,000
	November 10, 2014	Sale of shares	1,000
	November 21, 2014	Exercise of stock options	1,000
	November 21, 2014	Sale of shares	1,000
	November 26, 2014	Exercise of stock options	1,000
	November 26, 2014	Sale of shares	1,000
Laurent Delmas *Member of the Executive Committee*	October 31, 2014	Exercise of stock options	26,000
Philippe Dufour *Member of the Executive Committee*	September 22, 2014	Exercise of stock options	21,505
	December 16, 2014	Exercise of stock options	25,000
Antoine Dumurgier *Member of the Executive Committee*	December 8, 2014	Exercise of stock options	13,000
	December 8, 2014	Sale of shares	13,000
	December 11, 2014	Exercise of stock options	5,000
Arnaud Erulin *Member of the Executive Committee*	December 4, 2014	Exercise of stock options	49,404
	December 4, 2014	Sale of shares	49,404
	December 5, 2014	Exercise of stock options	40,596
	December 5, 2014	Sale of shares	40,596
Loïc Jenouvrier *Member of the Executive Committee*	August 07, 2014	Exercise of stock options	100,000
	December 3, 2014	Sale of shares	15,000

Directors concerned:	Transaction date	Type of transaction	Number of shares
Laurent Pellet *Member of the Executive Committee*	August 07, 2014	Exercise of stock options	90,000
	August 07, 2014	Sale of shares	90,000
Philippe Relland-Bernard *Member of the Executive Committee*	August 07, 2014	Exercise of stock options	10,000
	June 7, 2014	Sale of shares	10,000
	December 2, 2014	Exercise of stock options	3,500
	December 2, 2014	Sale of shares	3,500

5.4.2 STATUTORY AND DISCRETIONARY PROFIT-SHARING PLANS

Information about statutory and discretionary profit-sharing plans is provided in section 4 Corporate Social Responsibility, page 66, part 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, 2014 on the preparation and organization of Board of Directors' meetings and on internal control procedures has been drawn up in compliance with Article L.225-37 of the French Commercial Code.

It was reviewed by the Audit and Risks Committee on February 6, 2015 and approved by the Board of Directors on February 11, 2015. 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.

The report, to be presented at the Shareholders Meeting of April 30, 2015, is made up of this section, section 5.1 Corporate governance, section 5.2 Administrative, management and supervisory bodies, section 5.3 Shareholders Meetings, and section 5.4 Executive Director's compensation, directors' and managers' interests, which includes 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).

The report refers to the disclosure of information in the management report in compliance with Article L.225-100-3 of the French Commercial Code on the Company's capital structure and items that could have an impact in the event of a public tender offer for the Company's shares.

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), amended 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". The Corporate Governance Code is available from the MEDEF website (www.medef.com) and 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' Internal Regulations, amended on February 11, 2015 which also describe the procedures of the Committees of the Board (see the section "Board of Directors' Internal Regulations").

Since the appointment of Maëlle Gavet as a Board member at the Shareholders Meeting of May 13, 2014, of all the members, eight are men and three are women, i.e., more than 27% are women. Therefore, the Board continues to be in compliance with the French Act no. 2011-103 of January 27, 2011 on workplace equality and the balanced representation of women and men on Boards of directors and Supervisory Boards. The Board's membership also complies with the current rules and the gender parity recommendations of the AFEP-MEDEF Corporate Governance Code.

The Board of Directors includes two non-French members (Brazilian and Italian) and five members with extensive professional experience outside France (Russia, UK, Italy and Brazil), 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 seven times in 2014. Calls to meeting are sent by e-mail and/or by mail, with the agenda, generally eight days before the meeting date. The directors receive all necessary information on a timely basis to enable them to fulfil their duties. Background information about agenda items are sent to them sufficiently well in advance to allow them to make an informed contribution to the Board's discussions. They are kept regularly informed of the financial position, cash position and commitments of the Company and the Group as well as the Group's strategy and main policies in the areas of Human Resources, organization and information systems, and discuss these strategies and policies at periodic intervals. The Board members are also informed on a regular basis of the Company's financial communications strategy. Presentations commented by the Group's senior management may be held and additional documents may be provided, if necessary. In the period between two meetings, directors are kept regularly informed of significant events and transactions involving the Group and are sent copies of all press releases issued by the Company.

The Board meetings lasted three hours and a half on average and the average attendance rate was 91%.

Work carried out in 2014

At the Board of Directors meetings held in 2014, the Board of Directors dealt with the following matters:

- approval of the financial statements for the year ended December 31, 2013;
- the financial communication processes;
- the 2014 budget and financing plan;
- the Group's strategy;
- the Annual Shareholders Meeting of May 13, 2014 and the resolutions to be tabled at the meeting;
- the notifications received under disclosure threshold rules and the monitoring of the changes in the Company's shareholding structure;
- the review of the interim financial statements and the preparation of the interim management report;
- the Chairman and Chief Executive Officer's compensation;
- the allocation of performance shares;
- the breakdown of directors' fees;
- the proposed re-election of three directors;
- the proposed appointment of a new director;
- the organization of Executive Management;
- the renewal of the term of office of the Chairman and Chief Executive Officer, and his powers;
- the renewal of the term of office of Committee members;
- the establishment of a succession plan for the Executive Director, members of the Executive Committee, and managers reporting to the Executive Committee;
- the independence criteria applied to directors and the specific financial and other expertise of the members of the Audit and Risks Committee;
- the ratio of men and women on the Board of Directors;
- the authorizations given to the Chairman and Chief Executive Officer to carry out bond issues and undertakings, avals and guarantees;
- the implementation of the share buyback program;
- Edenred development projects;
- the review of related-party agreements that remained in effect during the year and the signature of new agreements with the Chairman and Chief Executive Officer;
- the cancelation of a certain number of Edenred shares and issue of a certain number of new shares under the 2010 stock option plan.

Part of each meeting was devoted to discussing the Group's business, strategy, results, cash position, capital expenditure and acquisition projects. Among other topics, the directors discussed the regulatory environment for Edenred's solutions, the expense management market, the acquisition of a 34% stake in Union Tank Eckstein (UTA), and the transition in France from paper meal vouchers to card-based solutions. In addition, one meeting was devoted to reviewing the Group's medium and long-term strategic plan.

Assessment

Pursuant to Article 10 of the AFEP-MEDEF Corporate Governance Code, the Board is required to assess its ability to meet the needs of shareholders, which have entrusted it with the Company's management. This self-assessment entails the regular review of its membership, organization, practices and procedures. In accordance with Article 1.2 of the Internal Regulations, the Board of Directors conducts a self-assessment of its procedures, with a view to identifying opportunities to improve its efficiency, at least once a year, and a formal self-assessment with the assistance of an outside consultant, at least once every three years.

In the second half of 2014, the Board carried out a self-assessment of its performance and practices of its committees, and devoted part of one of its meetings to discussing the assessment results, with a view to identifying opportunities to improve its efficiency. This assessment conducted by the Vice-Chairman of the Board was based on an anonymous questionnaire specific to Edenred that was sent to all of the directors and mainly addressed the following:

- balanced membership on the Board of Directors;
- operating procedures of the Board of Directors;
- frequency of Board meetings and directors' attendance;
- preparation and discussion of key issues;
- expertise of directors and their contribution to the Board's activities;
- efficiency of the Board's committees.

The discussion enabled the directors to share their observations. All of them concluded that the membership, organization and procedures of the Board and its Committees were entirely satisfactory. In particular, the Board emphasized the quality of the discussions carried out among Board members, which it considers open and unrestrained. The conclusions of the review also revealed an overall favorable opinion of governance.

The directors expressed an interest in allowing more time during meetings for issues relating to information systems. In response to this request, the directors have been invited to take part in a special meeting during the first half of 2015 to discuss the Group's information systems architecture and its technological and digital strategy.

Vice-Chairman

In the interest of sound governance, in its Internal Regulations, amended on February 11, 2015, the Board of Directors confirmed its decision to appoint a senior independent director if the positions of Chairman of the Board of Directors and Chief Executive Officer are not separated, thereby strengthening the role of Philippe Citerne, as Vice-Chairman of the Board and senior independent director.

As well as participating 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 2014 to discuss various issues such as how to protect the interests of shareholders not represented on the Board of Directors, the method by which shareholders would be represented by the independent directors, the Group's results and dividend policy, and the business' growth outlook. He 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 2014.

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 of the Board. 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 management or from external consultants, at the Company's expense. In both cases, the Chairman of the Board or the Board of Directors is notified in advance and the Committees report to the Board of Directors. They 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 of the Board or the 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 *ad hoc* committees.

Each Committee is chaired by one of its members, designated by the Board on the recommendation of the Compensation and Appointments Committee.

The Committees may invite the Chief Executive Officer to attend any and all their meetings, except for the part of the Compensation and Appointments Committee meetings during which agenda items concerning him personally are discussed.

After consulting with the Board of Directors, the Committee Chairman appoints a person (who need not be a Committee member or a director) 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 or that will improve their procedures.

The Board Committees do not have any decision-making authority and can, under no circumstances, replace the Board of Directors, which has sole decision-making authority.

The **Audit and Risks Committee** met four times in 2014, 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' Internal Regulations. The work of the Audit and Risks Committee focused on reviewing (i) the annual financial statements for the year ended December 31, 2013 and the financial statements for the six months ended June 30, 2014 (ii) the proper application of accounting principles (iii) the financial communication process (iv) audit and internal control matters, (v) tax and legal risks, and (vi) policies governing the investment of available cash. 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 Statutory 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 term of office of one Committee member was renewed in 2014.

The Committee's meetings lasted one hour and fifty-five minutes on average and the average attendance rate was 93.75%.

The **Commitments Committee** met twice in 2014, in line with its terms of reference as set out in the Board of Directors' Internal Regulations, to prepare the Board of Director's decisions on the following matters:

- transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base;

- 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.

At its meetings in 2014, the Committee examined acquisitions completed recently or in progress representing an investment of more than €50 million, including the acquisition of a 34% stake in Union Tank Eckstein (UTA).

The Commitments Committee has four members, three of whom are qualified by the Board of Directors as independent directors.

The Committee's meetings lasted one hour and fifty-two minutes on average and the average attendance rate was 87.5%.

The **Compensation and Appointments Committee,** which met four times in 2014, drew up recommendations to the Board on the determination of the Executive Director's compensation and benefits and the Group's policy with respect to stock option plans or performance share plans. It also participated in preparing senior management succession plans, in line with its terms of reference as set out in the Board of Directors' Internal Regulations.

In 2014, the Compensation and Appointments Committee made recommendations concerning the Chairman and Chief Executive Officer's 2013 bonus, his salary for 2014, the performance criteria to be applied to determine his 2014 bonus, performance share awards and stock option grants, the allocation of 2013 directors' fees, the re-election of three directors, including the Chairman and Chief Executive Officer, the re-election of the Committees' members, and the succession plan for the Executive Director, members of the Executive Committee, and managers reporting to the Executive Committee. The Committee organized the selection and proposed the appointment of a new director. The Committee also made recommendations about the establishment of "Say on Pay" procedures concerning the compensation due or awarded to the Chairman and Chief Executive Officer in respect of 2013, and about the renewal of agreements with the Chairman and Chief Executive Officer and related resolutions to be tabled at the meeting. 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. The term of office of the Compensation and Appointments Committee's Chairman was renewed in 2014.

The Committee's meetings lasted one hour and twenty-five minutes on average and the average attendance rate was 100%.

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 "Information about the Company and its capital", page 254.

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 reaffirmed its decision not to separate the positions of Chairman of the Board of Directors and Chief Executive Officer in its meeting of May 13, 2014.

Consequently, the Chairman of the Board of Directors is responsible for the executive management the Company, represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances within the scope of the powers ascribed to the Board by law or by regulations and vested in it under its Internal Regulations.

In accordance with the Internal Regulations, amended on February 11, 2015, the Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations, including:

- calling the Shareholders Meeting and setting the meeting agenda;
- approving the annual budget and financing plan and the multi-year plan presented by the Chief Executive Officer and any changes in the budget;
- preparing the Company's financial statements and consolidated financial statements as well as the management report;

- authorizing the related-party agreements and commitments governed by Articles L.225-38 *et seq.* of the French Commercial Code;
- choosing the organization of the Company's Executive Management in accordance with Article 17 of the bylaws;
- appointing or removing the Chairman of the Board, the Vice-Chairman of the Board, the Chief Executive Officer and the Chief Operating Officers;
- determining the powers of the Chief Executive Officer and, with the latter's agreement, the powers of the Chief Operating Officers;
- appointing directors;
- setting the compensation of the Chairman of the Board, the Chief Executive Officer and the Chief Operating Officers;
- appointing the members of the Committees created in accordance with the law, the bylaws and the Board of Director's Internal Regulations;
- allocating directors' fees to directors in accordance with the Internal Regulations;
- approving the Chairman's report on the Board of Directors' procedures, internal control and risk management;
- deciding to issue debt securities not giving access to capital under Article L.228-40 of the French Commercial Code;
- deciding on the compensation to be paid to observers;
- authorizing the Chief Executive Officer, with the right of delegation, to grant undertakings, avals and guarantees in accordance with Article L.225-35 of the French Commercial Code;
- deciding every year on the Company's gender and salary equality policy in accordance with Article L.225-37-1 of the French Commercial Code.

In addition, the Board of Directors performs any and all controls and verifications it considers appropriate.

More generally, the Board of Directors:

- ensures that shareholders are properly informed, based on information received from senior management; and
- ensures that the Company has identification, assessment and risk management procedures, including off-balance sheet procedures, as well as an appropriate internal control system.

In addition to the powers vested in it by law or regulations, the Board of Directors:

a) reviews and approves the Group's overall strategy, at least once a year, in accordance with Article 1.2 of the Internal Regulations;

b) reviews the interim financial statements and approves the interim management report in accordance with Article 451-1-2 of the French Monetary and Financial Code;

c) systematically authorizes in advance the following decisions and transactions:

- any and all immediate or deferred financial commitments of the Company or a Group company representing more than €50 million per transaction. "Financial commitments" are defined as:
  - acquisitions or disposals of business units, assets or majority or minority interests in non-controlled entities by the Company or a Group company within the meaning of Article L.233-3 I and II of the French Commercial Code; 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, business unit, subsidiary or expenditure on technological developments,
  - lease commitments, measured on the basis of the market value of the leased asset,
  - loans, advances or capital increases in non-controlled entities by the Company or a Group company within the meaning of Article L.233-3 I and II of the French Commercial Code,
  - any and all bilateral or syndicated bank loans,

  However, taking out bank loans of up to €250 million per year is not subject to approval, provided that the commitment is consistent with, and complies with, the Group's annual financing strategy as previously approved by the Board of Directors. In this case, the Chairman and Chief Executive Officer informs the Board of Directors of the commitments after they have been made.

  The Board's prior approval is also 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), or not in line with the Company's stated strategy, whatever the amount of the commitment.

  The Chief Executive Officer or any other person duly empowered to implement the transactions assesses, under its responsibility, the transactions that are significant;

d) sets, each year, the total amount up to which the Chairman is authorized to issue undertakings, avals and guarantees, 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 the undertakings, avals and guarantees issued under the authorization. These items should be included in a note to the minutes recording the Board's decision. The Board of Directors can authorize the Chairman and Chief Executive Officer to issue tax and customs undertakings, avals and guarantees for unlimited amounts as provided for by law.

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 5.5.3 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 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 and Middle East;
- Chief Operating Officer, Northern Europe 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 Statutory Auditors, who audit the financial statements of the Company and the Group in accordance with the applicable laws and regulations.

Group Internal Audit and Information Systems Audit

Reporting to the Chief Financial Officer in charge of Legal Affairs, the Group Internal Audit and Information Systems 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 Statutory Auditors' work plans. In 2014, the Group Internal Audit team comprised the department manager and eight auditors (six operations auditors and two information systems auditors).

Group 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 directors 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 and 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.

Group Management control

This department supervises the Consolidation and Group Financial Control units, the Group Information Systems Department and the Group Accounting Department.

Consolidation and Group Financial Control

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 are 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 two systems:

- a group accounting system, to be deployed in the main subsidiaries;
- 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 that 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 106.

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 by nature, function and solution.

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. 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 the 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 the Group Internal Audit and Information Systems Audit teams. 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 Statutory 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 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' Internal Regulations 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 monitoring the process for the preparation of financial information and 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. It assists the Board of Directors in ensuring that the financial statements of the Company and the Group, are accurate, fairly stated and reliable. The Committee makes proposals and recommendations to the Board in the areas described below. 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 assessing the monitoring of the systems used to draw up the accounts and the validity of methods selected to account for material transactions;
- reviews the procedures for preparing information provided to shareholders and to the market and Company press releases relating to accounting and financial information;
- reviews the scope of consolidation and the reasons for excluding any entities;
- reviews the Group's risk management policy and ensures that effective systems are in place;
- 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 Statutory Auditors' audit plan and the results of their audits. It receives a copy of the Statutory Auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the Statutory Auditors' appointment is due to expire, oversees the Statutory 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 Statutory Auditor;
- ensures compliance with the rules governing the Statutory Auditors' independence;
- validates the categories of additional audit-related work that the Statutory 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 Statutory 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 Statutory Auditors' level of independence.

The Audit and Risks Committee has between three and five members. At least one member has expert knowledge of financial and accounting matters and 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 and whenever necessary, including prior to Board meetings whose agenda includes matters within its purview. One meeting attended by the head of Internal Audit is devoted to reviewing the effectiveness of the internal control system.

The Committee may make regular enquiries of the directors, the Chief Executive Officer, the head of Internal Audit, the Statutory Auditors and the Group's senior management (i.e., persons in charge of preparing the financial statements of the Company and the Group, risk management, internal control, legal and tax affairs, treasury and finance) without the Executive Director being present, after first notifying the Chairman of the Board or the Chief Executive Officer.

Calls to meeting shall be 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 must 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 of the Board, the Chief Executive Officer, the Vice President, Finance, and the Statutory Auditors can be invited 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, 2014)

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, 2014.

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 17, 2015
The Statutory Auditors

DELOITTE & ASSOCIES	CABINET DIDIER KLING & ASSOCIES
David DUPONT-NOEL	Didier KLING

6

FINANCIAL STATEMENTS

6.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2014

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, 2014, 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, 2014 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 "Use of estimates and judgment" and Note 3.C.6 "Highlights – Change of the Bolivar Fuerte exchange rate in 2014" 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 31, 2014. 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 information.

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 17, 2015

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 2013	December 2014
Issue Volume	4/5	**17,119**	**17,713**
Operating revenue with IV	4/5	830	843
Operating revenue w/o IV	4/5	120	115
Financial revenue	4/5	80	76
Total revenue	4/5	**1,030**	**1,034**
Operating expenses	6	(654)	(653)
Depreciation, amortization and provisions	7	(33)	(38)
EBIT	4/5	**343**	**343**
Net financial expense	8	(41)	(46)
Operating profit before tax and non-recurring items		**302**	**297**
Other income and expenses	9	(28)	(30)
Profit before tax		**274**	**267**
Income tax expense	10	(103)	(99)
NET PROFIT		**171**	**168**
Net Profit, Group share		**160**	**164**
Net Profit, Non-controlling interests		11	4
Weighted average number of shares outstanding *(in thousands)*	11	224,773	224,601
Earnings per share, groupe share *(in euros)*	11	**0.71**	**0.73**
Diluted earnings per share *(in euros)*	11	0.70	0.72

6.2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

6.2.3 CONSOLIDATED BALANCE SHEET

Consolidated assets

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

Consolidated liabilities

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

6.2.4 CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

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

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

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 on 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 31, 2012	**3**	**(9)**	**6**	**32**	**(5)**	**(1,050)**	**(34)**	**(1,057)**	**24**	**(1,033)**
Issue of share capital	-	-	-	-	-	-	-	-	-	-
• *in cash*	-	-	-	-	-	(4)	-	**(4)**	1	**(3)**
Dividends paid	-	-	-	-	-	(185)	-	**(185)**	(9)	**(194)**
Effect of changes in consolidation scope	-	-	-	-	-	-	(63)	**(63)**	6	**(57)**
Compensation costs for the period -share-based payments	-	-	-	11	-	-	-	**11**	-	**11**
(Acquisitions)/ disposals of treasury shares	-	-	-	-	(42)	-	-	**(42)**	-	**(42)**
Other comprehensive income	(126)	4	(11)	-	-	-	-	(133)	(10)	(143)
Net profit for the period	-	-	-	-	-	160	-	**160**	11	**171**
TOTAL COMPREHENSIVE INCOME	**(126)**	**4**	**(11)**	**-**	**-**	**160**	**-**	**27**	**1**	**28**
December 31, 2013	**(123)**	**(5)**	**(5)**	**43**	**(47)**	**(1,079)**	**(97)**	**(1,313)**	**23**	**(1,290)**
Increase (decrease) in share capital	-	-	-	-	-	-	-	-	-	-
• *in cash*	-	-	-	-	-	-	-	**-**	(0)	**(0)**
• *cancellation of treasury shares*	-	-	-	-	-	(37)	-	**(37)**	-	**(37)**
• *option exercised*	-	-	-	-	-	22	-	**22**	-	**22**
• *dividends reinvestedin new shares*	-	-	-	-	-	61	-	**61**	-	**61**
Dividends paid (3)	-	-	-	-	-	(185)	-	**(185)**	(4)	**(189)**
Effect of changes in consolidation scope	-	-	-	-	-	-	19	**19**	7	**26**
Compensation costs for the period -share-based payments	-	-	-	21	-	(7)	-	**14**	-	**14**
(Acquisitions)/ disposals of treasury shares (4)	-	-	-	-	0	(5)	-	**(5)**	-	**(5)**
Other comprehensive income	(82)	(2)	1	-	-	-	-	**(83)**	(7)	**(90)**
Net profit for the period	-	-	-	-	-	164	-	**164**	4	**168**
TOTAL COMPREHENSIVE INCOME	**(82)**	**(2)**	**1**	**-**	**-**	**164**	**-**	**81**	**(3)**	**78**
December 31, 2014	**(205)**	**(7)**	**(4)**	**64**	**(47)**	**(1,066)**	**(78)**	**(1,343)**	**23**	**(1,320)**

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

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

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

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

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

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

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

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

By ensuring that allocated funds are used specifically as intended, these solutions enable companies to more effectively manage their:

- employee benefits (*Ticket Restaurant®, Ticket Alimentación, Ticket CESU, Childcare Vouchers*, etc.);
- expense management process (*Ticket Car®, Ticket Clean way®, Repom®*, etc.);
- incentive and rewards programs (*Ticket Compliments®, Ticket Kadéos®*, etc.).

The Group also supports public institutions in managing **their social programs**.

A.2 Management of the Group's capital structure

The Group's main capital management objective is to maintain a satisfactory credit rating and robust capital ratios in order to facilitate business operations and maximize shareholder value.

Its capital structure is optimized to keep pace with changes in economic conditions by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management policies and procedures were unchanged for the two periods presented.

B. Accounting standards

B.1 General framework

As required by European Commission regulation 1606/2002/EC dated July 19, 2002, the Edenred consolidated financial statements for the year ended December 31, 2014, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union as of that date. They include comparative financial information for the year 2013, prepared in accordance with the same principles and conventions and the same standards.

IFRS are downloadable from the European Commission's website:

http://www.ec.europa.eu/internal_market/accounting/ias/index_en.htm

At December 31, 2014, the accounting standards and interpretations adopted by the European Union were the same as the International Financial Reporting Standards (including IFRSs, IASs and Interpretations) published by the International Accounting Standards Board ("IASB"), with the exception of IAS 39, which was only partially adopted.

The difference between the standard as published by the IASB and as adopted by the European Union does not have a material impact on the Edenred consolidated financial statements because the currently unadopted provisions of IAS 39 will have no impact on the Group's financial statements when they are adopted by the European Union and become applicable by the Group.

As a result, the Group's consolidated financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

The financial statements of consolidated companies prepared in accordance with local accounting principles have been restated to conform to Group policies prior to consolidation. All consolidated companies have a December 31 year-end.

B.2 Standards, amendments and interpretations applicable from January 1, 2014

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

		Applicable for annual periods beginning on or after	Description	Applicable for annual periods beginning on or after
STANDARDS				
IFRS 10	Consolidated Financial Statements	January 1, 2014	IFRS 10 redefines the principle of control, with the result that its application may lead to changes in a group's scope of consolidation.	As of January 1 2014, the Group used the proportionate method to consolidate just one non material company; which is now fully consolidated. The impact of applying this standard is not material.
IFRS 11	Joint Arrangements	January 1, 2014	IFRS 11 redefines the different types of joint arrangement and the consolidation method to be applied in each case. It also bans the use of the proportionate consolidation method.	
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2014	IFRS 12 presents in a single standard the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.	
IAS 27 revised	Separate Financial Statements	January 1, 2014	The revised version of IAS 27 sets out the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates in the separate financial statements.	This standard has no material impact.
IAS 28 revised	Investments in Associates and Joint Ventures	January 1, 2014	The revisions have been made to align IAS 28 with the changes arising from the publication of IFRS 10, IFRS 11 and IFRS 12.	This standard has no material impact.
AMENDMENTS				
IFRS 10, IFRS 11 and IFRS 12	Transition guidance	January 1, 2014	These amendments clarify the transition guidance for IFRS 10 and reduce the disclosure requirements by requiring only one comparative period to be restated. In addition, comparatives for the disclosures relating to unconsolidated structured entities under IFRS 12 are not required.	As of January 1 2014, the Group used the proportionate method to consolidate just one non material company; which is now fully consolidated. The impact of applying this standard is not material.
IFRS 10, IFRS 12 and IAS 27R	Investment entities	January 1, 2014	These amendments, which apply to a particular class of business qualified as investment entities, provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them.	Edenred is not concerned by this interpretation.
IAS 32	Offsetting Financial Assets and Financial Liabilities	January 1, 2014	IAS 32 clarifies the requirements for offsetting financial assets and financial liabilities.	The standard concerns disclosure and has no impact on reported amounts.
IAS 36	Impairment of assets (disclosure)	January 1, 2014	These amendments clarify the application scope of required disclosure regarding non-financial assets impairment.	The amendment concerns disclosure and has no impact on reported amounts.
IAS 39	Financial instruments: novation of derivatives and continuation of hedge accounting	January 1, 2014	IAS 39 allows an entity continuing the application of hedge accounting for a derivative when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations.	No material impact identified.

B.3 Standards, amendments and interpretations adopted by the European Union that are applicable in future periods

Edenred has not chosen to early adopt the following standards, amendments and interpretations that had been adopted by the European Union as of December 31, 2014 and are applicable for annual periods beginning after January 1, 2014:

		Applicable for annual periods beginning on or after	Description	Impacts on Edenred's consolidated financial statements in the first year of application
Annual IFRS Improvements	2010-2012 cycle	July 1, 2014	The improvements make amendments to the following standards: IFRS 2 "Share based payment" The amendment specifies the definition of "vesting conditions" as it creates two sub notions of "performance condition" and "service condition". IFRS 3 "Business combination" The amendment specifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date. IFRS 8 "Operating segments" The amendment requires companies to: **a)** Disclose the judgements made by management in applying aggregation criteria to operating segments **b)** Reconcile the total of the reportable segments's assets to the entity's assets. IFRS 13 "Fair value measurement" The amendment completes the issuing of this standard by explaining that amendment upon IFRS 9 and IAS 39 did not remove the ability to measure short term receivables and payables with not stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial. IAS 16 "Property plant and equipment" and IAS 38 "intangible assets" Amendments are related to the gross carrying amount revaluation method and precise method to determine amounts of cumulated depreciation. IAS 24 "Related party disclosure" The amendment precises that when an entity provides key management services to the reporting entity, the related party corresponding is the entity. Therefore, amounts to be disclosed are fees paid and not compensation given to key management officers.	No material impact identified
Annual IFRS improvements	2011-2013 cycle	July 1, 2014	The improvements make amendments to the following standards: IFRS 1"First adoption of IFRS" The amendment precises that in its first IFRS financial statement, the entity has the choice, but is not mandatory to apply standard which early application are allowed. IFRS 3 "Business combination" The amendment excludes from the scope of application joint venture and joint operations. It also precises that the exclusion is only related to financial statements of both kinds of partnership. IFRS 13 "Fair value measurement" The amendment precises the ability to measure financial assets and liabilities fair value on a net basis, applied to all contracts in the scope of IFRS 9 and IAS 39 without any obligation of being in the scope of IAS 32. IAS 40"Investing property" The amendment precises that the IFRS 3R should be applied independently of the application of IAS 40 for investing property acquisitions.	Not expected material impact identified.

		Applicable for annual periods beginning on or after	Description	Impacts on Edenred's consolidated financial statements in the first year of application
IFRIC 21	Taxes	January 1, 2014	IFRIC 21 "Levies" The interpretation precises how to account for taxes excluded from IAS 12 scope of application. It precises that their treatment should be done according to trigger event occurrence as defined into IAS 37. Expected impacts relate to half-year period.	Investigations allow us to conclude that the application of the interpretation would have no significant impact on half-year accounts.
	IAS 19 amendment "Employees contributions"	July 1, 2014	IAS 19 "Employees contributions" The amendment applies to employee's contributions for defined benefits plans.	Enhanced practices are consistent with our treatment.

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

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

		Applicable for annual periods beginning on or after	Description	Potential impact on Edenred's consolidated financial statements in the first year of application
STANDARDS				
IFRS 9	Financial instruments – classification and measurement	January 1, 2018	IFRS 9 finalised the first of the three steps in IASB project related to financial instruments to replace IAS 39 "financial instruments": recognition and measurement.	No changes have been identified.
IFRS 15	Revenue from ordinary activities from contracts with customers	January 1, 2017	IFRS 15 introduces a single model of revenue recognition from customer's contracts. By contrast with previous standards upon revenues (IAS 11, IAS 18, IFRIC 13, IFRIC 18 & SIC 31, it is based on the core principle of control transfer, and not anymore risk & rewards transfer. This single model allows two way recognition model which are over the time or point of time. The five analytic steps are: • Identify the contract with the customer • Identify the performance obligations in the contract • Determine the transaction price • Allocate the transaction price to the performance obligations in the contract • Recognise revenue when (or as) the entity satisfies a performance obligation	The Group has started the analysis of the standard in order to define an action plan able to reach requirements and challenges. For now, potential impacts are not identified.
	2012-2014 Cycle	January 1, 2016	IFRS 5 "Non-current assets held for sale" The amendment adds specific guidance for method of disposal considered. It particularly modifies how to account for assets held-for-distribution to owners. IFRS 7 "Financial instruments: disclosure" The amendment clarifies how to determine interaction with servicing contract, and specify how to apply this to condensed interim financial statements. IAS 19 "Employee benefits" The amendment clarifies, for the high quality corporate bonds, which discounted rate should be used. It also specifies that it should be assessed at currency level and not country level. IAS 34 "Interim financial reporting" The amendment clarifies the meaning of "elsewhere in the interim report" and requires a cross-reference to allow user to find the information.	No material impact expected
AMENDMENTS				
IFRS 11	Accounting for acquisition of interests in a joint operations	January 1, 2016*	This amendment defines how to account for an interest acquisition in a joint operation in which activity constitutes a business, as defined in IFRS 3 "Buisness combination"	No material impact identified
IAS 16 & IAS 38	Clarification of acceptable methods of depreciation and amortisation	January 1, 2016*	The amendment precises that a depreciation method that is based on revenue is not appropriate.	Non applicable to Edenred

		Applicable for annual periods beginning on or after	Description	Potential impact on Edenred's consolidated financial statements in the first year of application
IAS 27	Application of equity method in separate financial statements	January 1, 2016*	This amendment allows an entity to account for investment in subsidiaries using equity method as described in IAS 28.	No material impact identified
IFRS 10 & IAS 28	Sale or contribution of assets between an investor and its associate or Joint venture	January 1, 2016*	The amendment narrows the discrepancy between the two standards and clarifies that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business as defined in IFRS 3R.	Non applicable to Edenred

* *These standards, amendments or interpretations are not applicable until they have been adopted by the European Union.*

C. Use of estimates and judgment

The preparation of financial statements implies the use of estimates and assumptions that can affect the reported amount of certain assets and liabilities, income and expenses, as well as the information disclosed in the Notes to the financial statements. Edenred's management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and the current economic situation. Reported amounts in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments made by management in preparing the financial statements relate to the following items:

- the measurement of the goodwill and the acquired intangible assets (see Note 2.C, Note 2.E.1, Note 12 and Note 13);
- the estimation of the recoverable amount of assets (see Note 2.E.5, Note 12, Note 13, Note 14 and Note 15);
- the provisions and post-employment benefits (see Note 2.K, Note 2.L and Note 25);
- the deferred taxes (see Note 2.N and Note 10.A&D);
- the share-based payments (see Note 2.O and Note 18);
- the financial instruments (see Note 2.Q and Note 23).

When a specific transaction is not covered by any standards or interpretations, management uses its judgment in developing and applying an accounting policy that results in the production of relevant and reliable information. As a result, the financial statements provide a true and fair view of the Group's financial position, financial performance and cash flows and reflect the economic substance of transactions.

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

NOTE 2 ACCOUNTING POLICIES

A. Consolidation Methods

The companies over which the Group exercises exclusive de jure or de facto control, directly or indirectly, are fully consolidated.

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

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

B. Business combinations

Since January 1, 2010, following the adoption of IFRS 3 (revised) – Business Combinations and IAS 27 (revised) – Consolidated and Separate Financial Statements, the Group has accounted for business combinations and changes in percentage ownership in accordance with the new standards, in line with the accounting policies described above.

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

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

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

C. Goodwill

In the year following the acquisition of a consolidated company, fair value adjustments are made to the identifiable assets and liabilities acquired. For this purpose, fair values are determined in the new subsidiary's local currency.

In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate.

C.1 Positive goodwill

Goodwill, representing the excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date, is recognized in assets under "Goodwill". Goodwill mainly results from the expected synergies and other benefits arising from the business combination.

In accordance with IFRS 3 (revised), which is applicable to business combinations carried out on or after January 1, 2010, each time it acquires a less than 100% interest in an entity, the Group must choose whether to measure the non-controlling interest at fair value or as the non-controlling interest's proportionate share of the acquiree's identifiable net assets (with no change possible later in the event of an additional interest being acquired that does not transfer control). If the business is measured at its total fair value including non-controlling interests, goodwill attributable to non-controlling interests is also recognized.

Goodwill arising on the acquisition of associates – corresponding to companies over which the Group exercises significant influence – is included in the carrying amount of the associate concerned.

Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is reported separately.

In accordance with IFRS 3 – Business Combinations, goodwill is not amortized but is tested for impairment at least once a year and more frequently if there is any indication that it may be impaired. The methods used to test goodwill for impairment are described in Note 2.E.5. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in profit.

C.2 Negative goodwill

Negative goodwill, representing the excess of the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date over the cost of the business combination, is recognized immediately in profit during the acquisition period.

D. Foreign currency translation

The presentation currency is the Euro.

The balance sheets of foreign subsidiaries are translated into euros at the exchange rate on the balance sheet date (closing exchange rate), and their income statements are translated at the average rate for the period. Differences arising from translation are recorded as a separate component of equity and recognized in profit on disposal of the business.

E. Non-current assets

E.1 Intangible assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, in accordance with IAS 38 – Intangible Assets.

The Group's main brands are considered as having indefinite useful lives and are therefore not amortized. Their carrying amount is reviewed at least once a year and more frequently if there is any indication that they may be impaired. If their recoverable amount determined according to the criteria applied at the acquisition date is less than their carrying amount, an impairment loss is recognized (see Note 2.E.5).

Other intangible assets (software, licenses and customer lists) are considered as having finite useful lives. They are amortized on a straight-line basis over their useful lives, as follows:

- licenses: life of the license;
- customer list: 3 to 15 years;
- software: 2 to 7 years.

Identifiable intangible assets recognized in a business combination are initially recognized at amounts determined by independent valuations, performed using relevant criteria for the business concerned that can be applied for the subsequent measurement of the assets. Identifiable brands are measured based on multiple criteria, taking into account both brand equity and their contribution to profit. Customer lists are measured based on the cost of acquiring new customers.

E.2 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16 – Property, Plant and Equipment.

Assets under construction are measured at cost less any accumulated impairment losses. They are depreciated from the date when they are put in service.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, determined by the components method, from the date when they are put in service. The main depreciation periods applied are as follows:

- building improvements, fixtures and fittings: 5 to 15 years;
- equipment and furniture: 4 to 7 years.

E.3 Investment properties

Investment properties are those properties held to earn rentals and for capital appreciation.

Investment properties are measured at cost less accumulated depreciation and impairment losses if any.

Investment properties are depreciated on a straight-line basis over their estimated useful lives, determined by the components method. Buildings are depreciated over 40 years. Other components are depreciated over the same periods as other property, plant and equipment.

E.4 Other non-current financial assets

Investments in non-consolidated companies are classified as "Available-for-sale financial assets" and are therefore measured at fair value. If their fair value can be reliably estimated, they are measured at fair value through equity.

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

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

E.5 Recoverable amount of assets

In accordance with IAS 36 – Impairment of Assets, the carrying amounts of goodwill, intangible assets, property, plant and equipment, and investment properties are tested for impairment when there is any indication that they may be impaired. Assets with an indefinite useful life – corresponding solely to goodwill and brands – are tested at least once a year.

E.5.1 Indications of impairment

Indications of impairment are as follows:

- a 15% drop in like-for-like operating revenue; or
- a 20% drop in like-for-like EBITDA; or
- any events or changes in the economic environment indicating a current risk of impairment.

E.5.2 Cash-Generating Units

Impairment tests are performed at the level of the Cash-Generating Unit (CGU).

CGUs are homogeneous groups of assets whose continuous use generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

All intangible assets, including goodwill, and all items of property, plant and equipment are allocated to CGUs.

CGUs are identified by country. For the main countries, they are identified by type of solution (Employee Benefits, Expense Management and Incentive & Rewards) if there are very different activities with separated commercial teams and customer portfolios.

Methods used to determine recoverable amounts

Impairment tests consist of comparing the carrying amount of a CGU with its recoverable amount.

The recoverable amount of a CGU is the higher of:

- its fair value less costs to sell; and
- its value in use.

The recoverable amount of a CGU is determined:

- firstly, by the EBITDA multiples method (fair value approach);
- and then, by the discounted cash flows method (value in use approach) if the test on EBITDA multiples is unsatisfactory.

a) Valuation by the EBITDA multiples method

The EBITDA multiples method is considered to be the best method of calculating fair value less costs to sell, representing the best estimate of the price at which a CGU could be sold on the market on the valuation date.

The method consists of calculating the CGU's average EBITDA for the last two years and applying a multiple based on the CGU's geographic location and the specific country risk.

The multiples applied correspond to the average transaction multiples observed on the market.

If the recoverable amount is less than the carrying amount, it is recalculated using the discounted cash flows method.

b) Valuation by the discounted cash flows method

The projection period is limited to five years, unless the use of a longer period is justified such as at the bottom of the economic cycle. Cash flows are discounted at a rate corresponding to the year-end weighted average cost of capital. The perpetuity growth rate is aligned with the economic outlook in each of the countries concerned.

E.5.3 Measurement of impairment losses

If the recoverable amount is less than the carrying amount, an impairment loss is recognized in an amount corresponding to the lower of the impairments calculated by the EBITDA multiples and discounted cash flows methods. Impairment losses are recognized in the income statement under “Other income and expenses” (see Note 2.T. 9).

E.5.4 Reversal of impairment losses

In accordance with IAS 36 – Impairment of Assets, impairment losses on goodwill as well as on intangible assets with a finite useful life, such as licenses and software, are irreversible. Impairment losses on property, plant and equipment and on intangible assets with an indefinite useful life, such as brands, are reversible in the case of a change in estimates used to determine their recoverable amount.

F. Inventories

Inventories are measured at the lower of cost and net realizable value, in accordance with IAS 2 – Inventories. Cost is determined by the weighted average cost method.

G. Receivables

Trade and other receivables are initially recognized at fair value. They are subsequently measured at amortized cost, net of any impairment losses recorded in the income statement. An impairment loss is recognized when the total amount receivable is not recoverable in accordance with the originally agreed terms.

H. Restricted cash

Restricted cash corresponds to service voucher reserve funds. These funds, which are equal to the face value of service vouchers in circulation, are subject to specific regulations in some countries such as France for the products *Ticket Restaurant*® and *Ticket CESU*®, United Kingdom and Romania. In particular, use of the funds is restricted and they must be clearly segregated from the Group’s other cash. The funds remain Edenred’s property and are invested in interest-bearing financial instruments.

I. Prepaid expenses

Prepaid expenses correspond to expenses paid during the period that relate to subsequent periods. They are reported in the balance sheet under “Other receivables and accruals”.

J. Treasury stock

Edenred shares held by the Group are recorded as a deduction from consolidated equity at purchase cost. Capital gains/losses on disposal of Edenred shares are recognized directly in equity and do not affect profit for the financial year.

K. Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognized when the Group has a present obligation (legal, contractual or implicit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined based on the best estimate of the expenditure required to settle the obligation.

Provisions for restructuring costs are recorded when the Group has a detailed formal plan for the restructuring and the plan’s main features have been announced to those affected by it.

Provisions for losses due to voucher theft are calculated for reported thefts based on a percentage of the stolen vouchers’ aggregate face value corresponding to the Group’s best estimate of the proportion of those vouchers that will be cashed in.

L. Pensions and other post-employment benefits

The Group operates various supplementary pensions, length-of-service award and other post-employment benefit plans in accordance with the laws and practices of the countries where it operates.

These plans are either defined contribution or defined benefit plans.

Under defined contribution plans, the Group pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions to these plans are recognized immediately as an expense.

For defined benefit plans, the Group’s obligation is determined in accordance with IAS 19 – Employee Benefits.

The Group’s obligation is determined by the projected unit credit method based on actuarial assumptions related to future salary levels, retirement age, mortality, staff turnover and discount rates. These assumptions take into account the macroeconomic situation and other specific circumstances in each country.

Pension and other retirement benefit obligations recognized in the balance sheet correspond to the discounted present value of the defined benefit obligation less the fair value of plan assets. Any surpluses, corresponding to the excess of the fair value of plan assets over the projected benefit obligation, are recognized only when they represent the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are fully recognized immediately in equity.

The net defined benefit obligation is recognized in the balance sheet under “Long-term provisions”.

For defined benefit plans, current and past service costs and benefits paid are recognized in “Operating expenses”.

Plan curtailments or settlements: interest costs and income on the liability and the asset are fully recognized in "Net financial expense".

For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity.

However, actuarial gains and losses related to current employees' long-term benefits, particularly long-service awards and loyalty bonuses, are recognized immediately in "Net financial expense".

M. Translation of foreign currency transactions

Foreign currency transactions are recognized and measured in accordance with IAS 21 – Effects of Changes in Foreign Exchange Rates. As prescribed by this standard, each Group entity translates foreign currency transactions into its functional currency at the exchange rate on the transaction date.

Foreign currency receivables and payables are translated into euros at the exchange rate on the balance sheet date (closing exchange rate). Foreign currency financial liabilities measured at fair value are translated at the exchange rate on the valuation date. Gains and losses arising from translation are recognized in "Other financial income and expenses, net", except for gains and losses on financial liabilities measured at fair value which are recognized in equity.

N. Taxes

The income tax is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

In accordance with IAS 12 – Income Taxes, deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base using the liability method. This method consists of adjusting deferred taxes at each period-end, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The effects of changes in tax rates (and tax laws) are recognized in the income statement for the period in which the change is announced.

Deferred taxes are recognized for all temporary differences, except when the difference arises from the initial recognition of non-deductible goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable profit.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates and joint ventures except when:

- the Group is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for ordinary and evergreen tax loss carry forwards only when it is probable that the asset will be recovered in the foreseeable future.

Deferred taxes are normally recognized in the income statement. However, when the underlying transaction is recognized in equity, the related deferred tax is also recorded in equity.

Since January 1, 2010, adjustments to deferred tax assets acquired in a business combination are recognized in profit or loss without a corresponding adjustment to goodwill.

In accordance with IAS 12, deferred taxes are not discounted.

In France, the "taxe professionnelle" local business tax has been replaced in the 2010 Finance Act by the "Contribution Economique Territoriale" tax (CET). The CET comprises two separate taxes, as follows:

- a tax assessed on the rental value of real estate ("CFE"). Similar to the "taxe professionnelle", it fulfills the criteria for recognition as an operating expense;
- a tax assessed on the value added by the business ("CVAE"), which has some of the characteristics of a tax on income, as defined in IAS 12.

In a press release dated January 14, 2010, France's National Accounting Board, the Conseil National de la Comptabilité, stated that each business should exercise its own judgment to determine the accounting classification of the CVAE.

After analyzing the CVAE, Edenred decided that it had characteristics of an income tax. This change had no material impact on the consolidated financial statements.

O. Share-based payments

O.1 Stock option plans

IFRS 2 "Share-based Payment" applies to the stock option plans set up by the Board of Directors on August 6, 2010, March 11, 2011 and February 27, 2012. These plans do not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the end of the vesting period.

The fair value of services received as consideration for the stock options is measured by reference to the fair value of the options at the grant date. The fair value of the options is determined using the Black & Scholes option pricing model. The grant date is defined as the date when the plan's terms and conditions are communicated to Group employees: it corresponds to the date on which the Board of Directors approved the plan.

The fair value of the options is recognized on a straight-line basis over the vesting period for the relevant plan. The cost is included in employee benefit expense, with a corresponding adjustment to equity. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to equity.

O.2 Performance share plans

IFRS 2 "Share-based Payment" also applies to the performance share plans set up by the Board of Directors on August 6, 2010, March 11, 2011, February 27, 2012, February 18, 2013 and February 17, 2014.

The recognition principles are the same as those applied to stock option plans.

The number of performance shares is reviewed annually based on changes in the probability of the performance objectives being met.

P. Service vouchers in circulation

Service vouchers in circulation are recognized as short-term liabilities at face value.

Q. Financial instruments

Financial assets and liabilities are recognized and measured in accordance with IAS 39 – Financial Instruments, Recognition and Measurement, and its amendments.

Financial assets and liabilities are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Q.1 Financial assets

Financial assets are classified between the three main categories defined in IAS 39, as follows:

- "loans and receivables" mainly comprise time deposits and loans to non-consolidated companies. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss - corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of expected cash flows discounted using the original effective interest rate) - is recognized in the income statement. It may be reversed if the recoverable amount increases in a subsequent period;
- "held-to-maturity investments" mainly comprise bonds and other marketable securities intended to be held to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss - corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of expected cash flows discounted using the original effective interest rate) - is recognized in the income statement. It may be reversed if the recoverable amount increases in a subsequent period.

For these two categories, initial fair value is equivalent to acquisition cost, because no material transaction costs are incurred.

- "available-for-sale financial assets" mainly comprise investments in non-consolidated companies, mutual fund units and money market securities. These assets are measured at fair value, with changes in fair value recognized in equity. The fair value of listed securities corresponds to market price (level 1 valuation technique) and that of mutual funds corresponds to their published net asset value (level 2 valuation technique). For unlisted securities, fair value is estimated based on the most appropriate criteria applicable to each individual investment using valuation techniques that are not based on observable data (level 3 valuation technique). Securities that are not traded on an active market, for which fair value cannot be reliably estimated, are carried in the balance sheet at historical cost plus any transaction expenses. When there is objective evidence of a significant or prolonged decline in value, the cumulative unrealized loss recorded in equity is reclassified to the income statement.

Q.2 Bank borrowings

Interest-bearing drawdowns on lines of credit and bank overdrafts are recognized for the amounts received, net of direct drawdown costs.

Q.3 Other financial liabilities

Other financial liabilities are measured at amortized cost. Amortized cost is determined by the effective interest method, taking into account the costs of the issue and any issue or redemption premiums.

Q.4 Other financial liabilities

The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of its business. Hedged risks are currency and interest rate risks.

In accordance with IAS 39, derivatives are initially recognized at cost. They are subsequently measured at fair value at each period-end. The accounting treatment of changes in fair value of derivatives depends on their intended use and the resulting designation.

Most interest rate and foreign currency derivatives used by Edenred are designated as hedging instruments. In accordance with IAS 39, hedge accounting is applicable in particular if, and only if:

- at the time of setting up the hedge, there is a formal designation and documentation of the hedging relationship;
- the effectiveness of the hedging relationship can be demonstrated from the outset and at each balance sheet date, prospectively and retrospectively.

Financial instruments designated as hedging instruments

When derivatives are designated as hedging instruments, their accounting treatment varies depending on whether they are designated as:

- a fair value hedge of an asset or a liability or of an unrecognized firm commitment; or
- a cash flow hedge.

Fair value hedge

A fair value hedge is a hedge of the exposure to changes in the fair value of a financial asset, a financial liability or an unrecognised firm commitment.

The gain or loss from remeasurement at fair value of the hedging instrument is recognized in profit on a symmetrical basis with the loss or gain from remeasurement at fair value of the hedged item. These two remeasurements offset each other within the same line items in the income statement, except for the ineffective portion of the hedge.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in future cash flows associated with an existing asset or liability, or a highly probable forecast transaction.

The effective portion of the gain or loss from remeasurement at fair value of the hedging instrument is recognized in equity and the ineffective portion is recognized in the income statement for the period.

Cumulative gains or losses in equity are recycled to the income statement in the period when the hedged item affects profit.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss carried in equity at the time remains in equity and is recognized in the income statement when the forecast transaction is ultimately recognized in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss carried in equity at the time remains in equity and is recognized in the income statement when the forecast transaction is ultimately recognized in the income statement.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss carried in equity is immediately transferred to the income statement.

R. Cash and cash equivalents

Cash and cash equivalents include bank balances, and short-term investments in money market instruments. These instruments mainly correspond to bank time deposits risk free and interest-bearing demand deposits. They have initial maturities of three months or less, are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value.

In accordance with IAS 39, marketable securities are measured at fair value, with changes in fair value recognized in profit under "Net financial expense".

S. Other marketable securities

Instruments that have initial maturities of more than three months are reported under "Marketable securities". These instruments are highly liquid and are subject to an insignificant risk of changes in value due to interest rate and foreign exchange rate changes. However, they are no longer classified as cash and cash equivalents in line with the guidance issued by France's securities regulator (AMF recommendation no.2011-16 applicable for the 2011 year-end closing). This line item also includes restricted cash, corresponding to cash and cash equivalents subject to restrictions due to regulations such as exchange controls that are specific to a country.

Both cash and cash equivalents and Marketable securities are taken into account for the calculation of net debt. Net debt is presented in Note 24 "Net debt and net cash".

T. Presentation of the income statement and the statement of cash flows

T.1 Issue volume

Issue volume corresponds to the face value of prepaid vouchers issued during the period plus the amount loaded on prepaid cards.

It is tracked for all vouchers and cards in circulation that are managed by Edenred.

T.2 Operating revenue

In accordance with IAS 18 – Revenue, operating revenue corresponds to the value of goods and services sold in the ordinary course of business by fully and proportionally consolidated companies.

It is measured at the fair value of the consideration received or receivable, net of all discounts and rebates, VAT and other sales taxes, in compliance with IAS 18.

Operating revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. If there is significant uncertainty about the collectability of revenue, it is not recognized until the uncertainty is removed.

There are two types of operating revenue:

T.2.1 Operating revenue generated by issue volume

Operating revenue generated by issue volume corresponds to operating revenue generated by prepaid vouchers managed by Edenred.

For all of these products, recognized revenue comprises:

- commissions received from client companies on the sale of prepaid vouchers and cards and all related amounts billed to clients such as delivery costs, card sales and voucher customization costs. These amounts are recognized in revenue when the prepaid vouchers and cards are issued and delivered to clients;
- affiliate contributions ("Network fees"), corresponding to the margin deducted from the amount reimbursed to the affiliate that provides the service, and any related billings such as up-front payments, monthly subscription fees and electronic payment terminal sales or rentals. These contributions and billings are recognized in revenue when the vouchers or cards are issued to the extent that the processing transaction cannot be dissociated from the issuance transaction, and an accrual is booked for the future processing costs;
- profits on vouchers and cards that expire without being reimbursed. To take into account commercial practices in each country (refunds of expired service vouchers and other commercial gestures), these profits are recognized gradually once the vouchers have expired;
- revenue from advertisements printed on vouchers and cards. This revenue is recognized on the billing date to the advertiser.

T.2.2 Other operating revenue

Other operating revenue corresponds essentially to revenue from value-added services such as incentive programs, human services and event-related services. The corresponding revenue is the amount billed to the client and is recognized on delivery of the solutions.

T.3 Financial revenue

This is interest generated by investing cash over the period between

- the issue date and the reimbursement date for vouchers; and
- the loading date and the redeeming date for cards.

The interest represents a component of operating revenue and as such is included in the determination of revenue.

T.4 EBITDA

EBITDA includes operating revenue and expenses and rental expense.

T.5 Depreciations, amortization and provisions

Depreciation, amortization and provision expenses reflect the operating costs of holding assets.

T.6 EBIT

EBIT corresponds to EBITDA after the operating costs of holding mainly non-tangible assets. It is used as the benchmark for determining senior management and other executive compensation, as it reflects the economic performance of the business.

It is also the basis for calculating operating margin (EBIT/Issue volume ratio).

T.7 Net financial expense

This item includes:

- interest expense or income on borrowings, other financial liabilities and loans and receivables;
- exchange gains and losses on financial transactions;
- movements on financial provisions.

T.8 Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items corresponds to the results of operations of the Group's businesses less the related financing cost. Net financial expense represents an integral part of operating profit before tax and non-recurring items, as it contributes to the performance indicator used by Edenred in its investor communications.

T.9 Other income and expenses

Other income and expenses include:

- restructuring costs, corresponding to all the costs incurred in connection with restructuring operations;
- impairment losses recorded in accordance with IAS 36 - Impairment of Assets;
- gains and losses on disposals of fixed assets, non-operating provision movements and other non-operating gains and losses.

The transactions concerned are not directly related to the management of continuing operations.

T.10 Operating profit before tax

Operating profit before tax corresponds to profit after income and expenses that are unusual in terms of their amount and frequency that do not relate directly to the Group's ordinary activities.

T.11 Operating profit before non-recurring items

Operating profit before non-recurring items corresponds

- to operating profit before tax; and
- non-recurring items less income tax on recurring income for the period. It is stated net of non-controlling interests.

T.12 Statement of cash flows

The statement of cash flows is presented on the same basis as the management reporting schedules used internally to manage the business. It shows cash flows from operating, investing and financing activities.

Cash flows from operating activities include:

- funds from ordinary activities, before non-recurring items;
- cash received and paid on non-recurring transactions;
- changes in working capital;
- changes in restricted cash.

Cash flows from investing activities comprise:

- recurring expenditure to maintain in a good state of repair operating assets held at January 1 of each year;
- development expenditure, including the fixed assets and working capital of newly consolidated subsidiaries and additions to fixed assets of existing subsidiaries;
- proceeds from disposals of assets.

Cash flows from financing activities include:

- changes in equity;
- changes in debt;
- dividend payments;
- purchases/sales of treasury shares;
- acquisition of non-controlling interests.

U. Earnings per share

U.1 Net earnings per share

Basic earnings per share are calculated by dividing net profit (Group share) by the weighted average number of shares outstanding during the year (adjusted to exclude shares held in treasury stock during the year).

U.2 Diluted earnings per share

Diluted earnings per share are calculated based on the average number of outstanding shares, as adjusted to include the weighted average number of shares that would result from the exercise, during the year, of existing stock options and any other dilutive instruments.

V. Other information

Current assets and liabilities are assets and liabilities that the Group expects to recover or settle:

- in the normal course of business; or
- within twelve months of the period-end.

W. Information about Edenred 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

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

NOTE 3 CHANGES IN CONSOLIDATION SCOPE AND SIGNIFICANT EVENTS

A. 2014 changes in consolidation scope

A.1 Main acquisitions and developments

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

In May 2014, Edenred announced that it has acquired a 50% interest in **C3 CARD**, a payroll card company in the United Arab Emirates. As a key player in the payroll card market in the United Arab Emirates, C3 CARD manages solutions for more than 2,000 clients (businesses and financial institutions). C3 CARD's payroll cards offer a simple, secure solution for paying employees who do not have a bank account, while allowing client businesses to comply with the local Wage Protection System, which requires wages traceability. Founded in 2007, C3 CARD has enjoyed very fast growth, recording business volume of more than €1 billion and revenue of nearly €5 million in 2013.

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

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

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

B. 2013 changes in the consolidation scope

B.1 Main acquisitions and developments

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

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

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

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

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

C. Significant events

C.1 Launch of the Ticket Restaurant® card

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

C.2 Payment of the 2013 dividend

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

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

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

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

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

C.3 Amendment to the revolving loan agreement

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

C.4 Launch of Ticket Travel Pro®

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

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

Significant events of the year

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

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

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

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

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

Edenred's position

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

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

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

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

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

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

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

Significant events of the year

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

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

Edenred's position

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

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

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

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

NOTE 4 SEGMENT INFORMATION

Chief operating decision maker

Edenred's chief operating decision maker is executive management assisted by the Executive Committee. Executive management makes decisions about resources to be allocated to the operating segments and assesses their performance.

Executive management decisions are based on data produced by the Group's internal reporting system. The internal reporting system presents information at the country level.

Aggregation

In the Group's internal reporting system, country-level information is aggregated into four geographical areas:

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

Except France, the presented segments are thus an aggregation of operating segments performed in accordance with IFRS 8 principles.

In addition to the similarity of long-term economic characteristics, IFRS 8 lists five aggregation criteria:

a) the nature of the products and services;

b) the nature of the production processes;

c) the type or class of customer for their products and services;

d) the methods used to distribute their products or provide their services; and

e) if applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities.

The "Rest of Europe" and "Latin America" aggregations meet all the criteria mentioned above.

The "Rest of the world" segment aggregates the countries that are not included in "France", "Rest of Europe" and "Latin America".

Finally, the "Worldwide structures" include the Edenred SA holding company, regional headquarters and companies with no operating activity.

Transactions between segments are not material.

A. 2014 information

A.1 Income statement

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

A.2 Balance sheet

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

B. 2013 information

B.1 Income statement

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

B.2 Balance sheet

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

C. Change in issue volume

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2014 Issue volume	2,880	5,342	8,851	640	-	**17,713**
2013 Issue volume	2,757	4,904	8,824	634	-	**17,119**
Change	+123	+438	+27	+6	-	**+594**
Reported change in %	+4.5%	+9.0%	+0.3%	+0.9%	+0.0%	**+3.5%**
LIKE-FOR-LIKE CHANGE	**+123**	**+245**	**+1,590**	**+100**	**-**	**+2,058**
LIKE-FOR-LIKE CHANGE IN %	**+4.5%**	**+5.0%**	**+18.0%**	**+15.8%**	**+0.0%**	**+12.0%**

D. Change in revenues

D.1 Total revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2014 Total external revenue	165	335	472	62	-	**1,034**
2013 Total external revenue	163	326	484	57	-	**1,030**
Change	+2	+9	(12)	+5	-	**+4**
Reported change in %	+1.3%	+2.7%	(2.6)%	+10.7%	-	**+0.5%**
LIKE-FOR-LIKE CHANGE	**+2**	**+1**	**+77**	**+5**	**-**	**+85**
LIKE-FOR-LIKE CHANGE IN %	**+1.1%**	**+0.3%**	**+15.8%**	**+9.7%**	**-**	**+8.3%**

D.2 Operating revenue with IV

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2014 Operating revenue with IV	127	270	413	33	-	**843**
2013 Operating revenue with IV	121	253	425	31	-	**830**
Change	+6	+17	(12)	+2	-	**+13**
Reported change in %	+4.8%	+6.9%	(2.8)%	+8.7%	-	**+1.7%**
LIKE-FOR-LIKE CHANGE	**+4**	**+10**	**+71**	**+5**	**-**	**+90**
LIKE-FOR-LIKE CHANGE IN %	**+3.5%**	**+4.2%**	**+16.7%**	**+13.2%**	**-**	**+10.8%**

D.3 Financial revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2014 Financial revenue	17	20	35	4	-	**76**
2013 Financial revenue	21	21	34	4	-	**80**
Change	(4)	(1)	+1	-	-	**(4)**
Reported change in %	(13.7)%	(6.3)%	+0.7%	+2.2%	-	**(4.7)%**
LIKE-FOR-LIKE CHANGE	**(2)**	**(2)**	**+6**	**-**	**-**	**+2**
LIKE-FOR-LIKE CHANGE IN %	**(9.6)%**	**(10.0)%**	**+16.1%**	**+26.2%**	**-**	**+3.2%**

E. Change in EBIT

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Total
2014 EBIT	40	100	213	9	(19)	**343**
2013 EBIT	43	97	218	3	(18)	**343**
Change	(3)	+3	(5)	+6	(1)	**-**
Reported change in %	(5.9)%	+3.3%	(2.3)%	N/A	+6.4%	**+0.0%**
LIKE-FOR-LIKE CHANGE	**(2)**	**+2**	**+46**	**+4**	**+0**	**+50**
LIKE-FOR-LIKE CHANGE IN %	**(5.0)%**	**+2.5%**	**+21.0%**	**N/A**	**+1.0%**	**+14.4%**

NOTE 5 CHANGE IN ISSUE VOLUME, REVENUE AND EBIT

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

			Δ December 2014 / December 2013							
			Organic growth		Changes inconsolidation scope		Currency effect		Total change	
(in € millions)	Dec. 2013	Dec. 2014	In €M	in %	In €M	in %	In €M	in %	In €M	in %
ISSUE VOLUME	**17,119**	**17,713**	**+2,058**	**+12.0%**	**+354**	**+2.1%**	**(1,818)**	**(10.6)%**	**+594**	**+3.5%**
Operating revenue generated by issue volume	830	843	+90	+10.8%	+16	+2.1%	(93)	(11.2)%	+13	+1.7%
Other operating revenue	120	115	(7)	(6.1)%	+6	+4.1%	(4)	(2.8)%	(5)	(4.8)%
Financial revenue - Unrestricted float	64	62	+4	+7.3%	+1	+2.5%	(7)	(11.1)%	(2)	(1.3)%
Financial revenue - Restricted cash	16	14	(2)	(12.5)%	(1)	(5.0)%	+1	+0.0%	(2)	(17.5)%
Financial Revenue	**80**	**76**	**+2**	**+3.2%**	**-**	**+1.0%**	**(6)**	**(8.9)%**	**(4)**	**(4.7)%**
TOTAL REVENUE	**1,030**	**1,034**	**+85**	**+8.3%**	**+22**	**+2.2%**	**(103)**	**(10.0)%**	**+4**	**+0.5%**
EBIT	**343**	**343**	**+50**	**+14.4%**	**+7**	**+2.0%**	**(57)**	**(16.5)%**	**-**	**+0.0%**

NOTE 6 OPERATING EXPENSES

(in € millions)	December 2013	December 2014
Employee benefit expense	(302)	(301)
Other operating expenses (1)	(352)	(351)
TOTAL OPERATNG EXPENSES (2)	**(654)**	**(653)**

(1) Other operating expenses consist mainly of production, supply chain, information systems, marketing, advertising and promotional costs as well as various fee payments. They also include rental expenses for €(18) million in December 2014.

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

NOTE 7 DEPRECIATION, AMORTIZATION AND PROVISIONS

Depreciation, amortization and provisions can be analyzed as follows:

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

NOTE 8 NET FINANCIAL EXPENSE

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

NOTE 9 OTHER INCOME AND EXPENSES

Other income and expenses can be analyzed as follows:

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

A. Restructuring costs

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

B. Impairment losses

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

C. Other non-recurring income and expenses

Other non-recurring income and expenses were as follows:

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

NOTE 10 INCOME TAX

A. Income tax expense for the period

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

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

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

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

B. Tax proof

(in € millions)	December 2013	December 2014
OPERATING PROFIT BEFORE TAX (A)	**274**	**267**
Non-deductible impairment losses	0	1
Elimination of intercompany capital gains	-	0
Other	13	12
TOTAL PERMANENT DIFFERENCES(NON-DEDUCTIBLES EXPENSES) (B)	**13**	**13**
UNTAXED PROFIT AND PROFIT TAXED AT A REDUCED RATE (C)	**(33)**	**(11)**
PROFIT TAXABLE AT THE STANDARD RATE (D) = (A) + (B) + (C)	**254**	**269**
STANDARD TAX RATE IN FRANCE (E)	**34.43%**	**34.43%**
THEORETICAL TAX AT STANDARD RATE (F) = (D) X (E)	**(87)**	**(93)**
Adjustments for:		
• Differences in foreign tax rates	8	10
• Unrecognized tax losses for the period	(3)	(2)
• Utilisation of previously unrecognised tax losses	2	0
• Effect of changes in future tax rates	1	(1)
• Net change in provision for tax risks	(7)	(1)
• Other items	(15)	(10)
TOTAL ADJUSTMENTS (G)	**(14)**	**(4)**
Actual tax at standard rate (h) = (f) + (g)	**(101)**	**(97)**
Tax at reduced rate (i)	**(2)**	**(2)**
INCOME TAX EXPENSE (J) = (H) + (I)	**(103)**	**(99)**

C. Normative tax rate

(in € millions)	December 2013	December 2014
Operating profit before tax	274	267
Adjustment related to the other income and expenses	28	30
Operating profit before tax and other income and expenses	**302**	**297**
Income tax expense	(103)	(99)
Tax adjustement related to the other incomeand expenses	(8)	(8)
Adjustment of other unusual items (1)	13	8
Standard Group Income tax expense	**(98)**	**(99)**
STANDARD INCOME TAX	**32.6%**	**33.2%**

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

D. Details of recognized deferred tax assets and liabilities

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

E. Unrecognized deferred tax assets

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

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

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

NOTE 11 EARNINGS PER SHARE

A. Net earning per share

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

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

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

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

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

Diluted earnings per share are based on the average number of outstanding shares that is adjusted with the effect of the potential ordinary shares.

Based on the above number of potential shares and the average Edenred share price calculated:

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

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

Operating profit after tax

	December 2013	December 2014
Net Profit - Group share *(in € millions)*	**160**	**164**
Weighted average number of issued shares *(in thousands)*	225,887	227,478
Weighted average number of shares held in treasury *(in thousands)*	(1,114)	(2,877)
Number of shares used to calculate basis earnings per share *(in thousands)*	**224,773**	**224,601**
BASIC EARNINGS PER SHARE *(in €)*	**0.71**	**0.73**
Number of shares resulting from the exercise of stock options *(in thousands)*	1,861	1,611
Number of shares resulting from performance shares grants *(in thousands)*	2,038	2,828
Number of shares used to calculate diluted earnings per share *(in thousands)*	**228,672**	**229,040**
DILUTED EARNINGS PER SHARE *(in €)*	**0.70**	**0.72**

B. Recurring profit after tax

Recurring profit after tax corresponds to:

- operating profit before tax and non-recurring items; and
- tax adjustment of the period related to the other income and expenses.

It is stated net of minority interests.

The recurring profit after tax and the recurring profit after tax per share break down as follows:

	December 2013	December 2014
Net profit *(in € millions)*	**171**	**168**
Other income and expenses adjustement, net *(in € millions)*	33	30
Net Profit, Non-controlling interests adjustment *(in € millions)*	(11)	(4)
Recurring profit after tax, Group share *(in € millions)*	**193**	**194**
Number of shares used to calculate basic earnings per share *(in thousands)*	**224,773**	**224,601**
RECURRING PROFIT AFTER TAX. GROUPE SHARE PER SHARE *(in €)*	**0.86**	**0.86**

NOTE 12 GOODWILL

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

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

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

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

NOTE 13 INTANGIBLE ASSETS

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

(1) The Kadéos brand was recognized following the acquisition of this company in March 2007.
(2) Of which €19 million corresponding to Kadéos customer lists, totally depreciated at the end of 2010.

Changes in the carrying amount of intangible assets over the period were as follows:

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

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

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

Most brands have been qualified as having an indefinite useful life because the Group considers that there is no foreseeable limit to the period in which they can be used.

NOTE 14 PROPRETY, PLANT AND EQUIPMENT

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

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

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

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

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

NOTE 15 IMPAIRMENT TESTS

A. Impairment losses

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

CGUs impacted by cumulated impairment losses are detailed as follows:

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

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

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

B. Key assumptions

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

As the Group has operations in a very large number of countries, discount rates are set by main geographical region taking into account specific risk factor:

	Discount rates		Perpetuity growth rates	
	2013	2014	2013	2014
France	7.2%	7.3% - 7.7%	2.0%	2.0%
Rest of Europe	7.7% - 10.2%	6.4% - 13.0%	2.0%	1.5% - 3.0%
Latin America	9.3% - 20.0%	10.1% - 19.1%	2.0%	2.0% - 4.0%
Rest of the world	9.2% - 12.2%	6.8% - 15.7%	2.0%	2.0%

C. Sensitivity analysis

C.1 Rate sensitivity

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

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

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

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

C.2 Flow sensitivity

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

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

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

NOTE 16 RECEIVABLES AND PAYABLES

A. Trade receivables and related provisions

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

Provisions for impairment in value of trade receivables correspond to numerous separate provisions, none of which are material. Past-due receivables are tracked individually and regular estimates are made of potential losses in order to increase the related provisions if and when required.

B. Details of inventories, other receivables and accruals

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

C. Details of other payables and accruals

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

D. Receivables and payables by maturity

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

NOTE 17 SHAREHOLDER'S EQUITY

A. Share capital

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

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

Change in capital in number of shares

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

B. Treasury stock

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

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

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

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

The funds allocated to the liquidity contract but not invested in Edenred shares represent liquid assets and are classified as “Cash and cash equivalents”.

C. Dividends

C.1 2014 dividends

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

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

C.2 2013 dividends

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

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

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

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

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

NOTE 18 POTENTIAL ORDINARY SHARES

A. Stock option plans

The main characteristics of the current stock option plan at December 31, 2014 are summarized in the table below:

	Plan 1	Plan 2	Plan 3
Date of shareholder authorization	May 10, 2010	May 10, 2010	May 10, 2010
Grant date by the Board of Directors	August 6, 2010	March 11, 2011	February 27, 2012
Duration of the plan	8 years	8 years	8 years
Starting date of the exercise period	August 7, 2014	March 12, 2015	February 28, 2016
Expiry date of the exercise period	August 6, 2018	March 11, 2019	February 27, 2020
Expected life of the options	3.7 years	4.3 years	5.3 years
Exercise price	€13.69	€18.81	€19.03
Number of grantees at the grant date	455	58	18
Number of options at the grant date	4,235,500	611,700	382,800

The fair value of the options at the grant date has been determined using the Black & Scholes option-pricing model. The main data and assumptions used for the fair value calculations are as follows:

	Plan 1	Plan 2	Plan 3
Grant date by the Board of Directors	August 6, 2010	March 11, 2011	February 27, 2012
Data at the grant date			
Number of options	4,235,500	611,700	382,800
Edenred share price	€13.45	€20.04	€20.36
Exercise price	€13.69	€18.81	€19.03
Duration of the plan	8 years	8 years	8 years
Expected volatility	27.20%	28.80%	26.50%
Risk-free interest rate	1.79%	2.73%	1.72%
Expected dividend yield	2.55%	2.43%	2.81%
OPTION FAIR VALUE	**€2.62**	**€5.07**	**€4.25**
PLAN FAIR VALUE	**€11.1M**	**€3.1M**	**€1.6M**

Maturity of stock options

The Group has decided to base the assumed exercise dates of stock options on observed exercise dates under previous plans in the Accor Group. The schedule that is applied is as follows:

- 35% of options exercised after 4 years;
- 20% of options exercised after 5 years;
- 35% of options exercised after 6 years;
- 5% of options exercised after 7 years;
- 5% of options exercised after 8 years.

Maturities of stock options correspond to the options' expected lives.

Share price volatility

Edenred's volatility assumptions are based on the period covered by its liquidity contract.

However, as the options have an eight-year life, the Group Edenred also calculated the historical volatility over eight years for three companies operating in the same business segment. Average volatility for these companies was consistent with the rate used for the Group Edenred.

Risk free interest rate

The risk-free interest rate is the implied yield available on zero-coupon issues by the French Government at the grant date.

Stock option subscription plans at December 31, 2014 are detailed below:

	December 2013		December 2014	
	Number of options	Average exercise price	Number of options	Average exercise price
OPTIONS OUTSTANDING AT THE BEGINING OF PERIOD	**4,938,150**	**€14.72**	**4,857,525**	**€14.74**
Options granted	-	-	-	-
Options cancelled or expired	(80,625)	€13.69	(79,375)	€14.03
Options exercised	-	-	(1,622,871)	€13.69
OPTIONS OUTSTANDING AT THE BEGINING OF PERIOD	**4,857,525**	**€14.74**	**3,155,279**	**€15.30**
OPTIONS EXERCISABLE AT THE END OF PERIOD	**-**	**-**	**2,183,129**	**€13.69**

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

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

B. Performance share plans

B.1 Main Characteristics

Edenred's Boards Directors of August 6, 2010, March 11, 2011, February 27, 2012 and February 18, 2013 and February 17, 2014 carried to the conditional attribution of respectively 912,875; 805,025; 867,575; 845,900 and 824,000 performance shares.

Performance shares granted to French tax residents are subject to a three-year vesting period followed by a two-year lock-up and shares granted to residents of other countries are subject to five-year vesting period without any lock-up. During the two-year lock-up, shares cannot be disposed. Performance share are granted definitively after the vesting period on a pro rata temporis basis even in the event of a departure within the vesting period. Those shares definitively acquired can't exceed 100% of the initial amount granted.

The performance objectives are as follows:

- for the August 6, 2010 plan:
  - for half of the shares granted, like-for-like growth in issue volume for the years 2010, 2011 and 2012,
  - for 33% of the shares granted, like-for-like growth in funds from operations for the years 2011 and 2012,
  - for 17% of the shares granted, the 2010 consolidated EBIT target;
- for the March 11, 2011 and February 27, 2012 plans:
  - for half of the shares granted under the 2011 plan and half of the shares granted under the 2012 plan, like-for-like growth in issue volume for the years 2011, 2012 and 2013 under the 2011 plan and the years 2012, 2013 and 2014 under the 2012 plan,
  - for half of the shares granted under the 2011 plan and half of the shares granted under the 2012 plan, like-for-like growth in funds from operations for the years 2011, 2012 and 2013 under the 2011 plan and the years 2012, 2013 and 2014 under the 2012 plan;
- for the February 18, 2013 plan:
  - (i) for 80% of the shares granted, internal performance conditions based on like-for-like growth in:
    - issue volume,
    - funds from operations (FFO);
  - (ii) for 20% of the shares granted, an external market-based performance condition based on:
    - Edenred's total shareholder return (TSR) compared with that of SBF 120 companies;
- for the February 17, 2014 plan:
  - (i) for 80% of the shares granted, two internal performance targets, they concern like-for-like growth in:
    - issue volume,
    - funds from operations before non-recurring items (FFO);
  - (ii) for 20% of the share granted, a market performance target, which concerns:
    - Edenred's total shareholder return (TSR) compared with the average TSR of the companies included in the SBF 120 index.

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

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

B.2 Fair value of performance share plans

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

The fair value of performance shares is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity. It amounted to €18.65, €18.69, €19.72 and €14.12 under the 2011, 2012, 2013 and 2014 plans respectively for French tax residents and to €17.78, €17.61, €19.18 and €14.58 under the 2011, 2012, 2013 and 2014 plans respectively for residents of other countries.

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

NOTE 19 NON-CONTROLLING INTERESTS

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

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

NOTE 20 CURRENT FINANCIAL ASSETS

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

NOTE 21 CASH AND CASH EQUIVALENT AND OTHER MARKETABLE SECURITIES

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

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

NOTE 22 DEBT AND OTHER FINANCIAL LIABILITIES

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

The contractual documents for financial debt and other financial liabilities do not include any particular covenants or clauses that could significantly change the terms.

A. Debt

Debt includes the following items:

A.1 Bonds

In September 2010, the Group placed €800 million worth of 3.625% 7-year bonds due October 6, 2017 with European institutional investors.

In May, 2012, the Group successfully placed a €225 million issue of 10-year fixed-rate bonds, maturing in May 23, 2022 and paying 3.75% interest.

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

A.2 Bank borrowings

In June 2010, the Group set up a €900 million 5-year term loan in a club deal with a group of lenders. The loan is repayable in three annual installments, the first of which is due on June 30, 2013.

In 2010, 2011, 2012 and 2013, the Group repaid respectively €200 million, €100 million, €325 million and €75 million in advance.

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

B. Maturities of debt analysis

B.1 Book value

B.1.1 At December 31, 2014

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

B.1.2 At December 31, 2013

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

B.2 Credit facilities

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

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

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

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

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

NOTE 23 FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

A. Rate risk

A.1 Analysis by fixe/variable interest rate

A.1.1 Before hedging

Debt without hedging breaks down as follows:

	December 2013			December 2014		
In € millions	**Amount**	**Rate**	**% of total debt**	**Amount**	**Rate**	**% of total debt**
Fixed rate debt [(1)]	1,265	3.40%	86%	1,307	3.40%	100%
Variable rate debt	200	1.78%	14%	2	7.60%	0%
TOTAL DEBT	**1,465**	**3.18%**	**100%**	**1,309**	**3.41%**	**100%**

(1) The rates mentioned for the fixed rate debt correspond to the contractual rates (that are 3.625%, 3.75% and 2.625%) applied among exact days of the year divided by 360.

A.1.2 After hedging

Debt after interest rate hedging breaks down as follows:

	December 2013			December 2014		
In € millions	**Amount**	**Rate**	**% of total debt**	**Amount**	**Rate**	**% of total debt**
Fixed rate debt	536	3.18%	37%	436	3.21%	33%
Variable rate debt	929	2.52%	63%	873	2.41%	67%
TOTAL DEBT	**1,465**	**2.76%**	**100%**	**1,309**	**2.68%**	**100%**

A.2 Interest rate hedges

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

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

(1) 1,015 million of Brazilian real (BRL) equivalent of €315 million.

A.3 Sensitivity analysis

Edenred is exposed to the risk of fluctuations in interest rates, given:

- the cash flows related to variable rate debt, after hedge accounting; and
- derivative financial instruments eligible for cash flow hedge accounting for the ineffective portion of the hedging relationships.

However, changes in the effective value portion of derivatives eligible for cash flow hedge accounting are recognized directly in equity and have no effect on profit or loss.

The analysis below has been prepared assuming that the amount of the debt and the notional amounts of derivative instruments at December 31, 2014 remains constant over one year.

A 100-basis point change in interest rates (mainly the 3-month Euribor) would have the following impacts on equity and pre-tax income at year-end:

	Result		Equity	
(in € millions)	decrease in interest rates of 100 bp *	increase in interest rates of 100 bp	decrease in interest rates of 100 bp *	increase in interest rates of 100 bp
Debt at variable rate after hedge accounting	1	(8)	-	-
Derivatives	-	-	1	1
TOTAL	**1**	**(8)**	**1**	**1**

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

B. Foreign exchange risk

B.1 Currency analysis

B.1.1 Before hedging

Debt without hedging breaks down as follows:

	December 2013			December 2014		
In € millions	Amount	Rate		Amount	Rate	% of total debt
EUR	1,462	3.18%	100%	1,307	3.40%	100%
Other currencies	3	5.95%	0%	2	7.69%	0%
TOTAL DEBT	**1,465**	**3.18%**	**100%**	**1,309**	**3.16%**	**100%**

B.1.2 After hedging

Debt after interest rate hedging breaks down as follows:

	December 2013			December 2014		
In € millions	Amount	Rate		Amount	Rate	% of total debt
EUR	1,459	2.75%	100%	1,302	2.65%	99%
Other currencies	6	6.21%	0%	7	6.68%	1%
TOTAL DEBT	**1,465**	**2.76%**	**100%**	**1,309**	**2.74%**	**100%**

B.2 Currency hedges

For each currency, the notional amount corresponds to the amount of currency sold or purchased forward. Fair value corresponds to the difference between the amount of the currency sold (purchased) and the amount of the currency purchased (sold), converted in both cases at the period-end forward exchange rate.

All currency transactions carried out by the Group, as listed below, are hedging transactions. They consist of designated hedges of intra-group loans and borrowings in foreign currencies and correspond to documented fair value hedging relationships.

At December 31, 2014, currency derivatives had an aggregate positive fair value of €8 million, as:

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

B.3 Sensitivity analysis

A change of 10% in currency exchange rates of the major currencies would have the following impact on the EBIT: Brazil (BRL) €17 million, Mexico (MXN) €2 million and Venezuela (VEF) €1 million.

C. Liquidity risk

The tables below show the repayment schedule of debt, interest included.

Future cash flows relating to interest are calculated using market interest rates at December 31, 2014. Variable rates are estimated by reference to forecast rates and fixed rates are known in advance. Future cash flows represented by debt repayments are estimated based on the assumption that the facilities will not be rolled over at maturity.

C.1 At December 31, 2014

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

C.2 At December 31, 2013

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

D. Credit and counterparty risk

In the normal course of business, the Group is exposed to the risk of counterparties being unable to honor their contractual obligations.

For example, the Group is exposed to credit risk in the event of default by its customers and to counterparty risk in respect of its investments of cash and its purchases of derivative instruments.

With several tens of thousands of corporate and public authority customers at December 31, 2014, the Group has a highly diversified customer base. Moreover, they include all types of entities, ranging from large and medium-sized corporates to national, regional and local public authorities.

As a result, default by a single customer would have a very limited impact on the Group.

The Group diversifies its exposure to financial counterparties by investing available cash with a variety of leading financial institutions. About 80% of investments are with institutions rated investment grade.

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

E. Financial instruments

E.1 Fair value of financial instruments

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

E.2 Fair value analysis of financial assets and liabilities

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

* *The fair value hierarchy comprises the following levels:*

- Level 1: fair value assessed by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: fair value assessed by reference to quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

- Level 3: fair value assessed by reference to inputs related to the asset or liability that is not based on market data (unobservable inputs).

E.3 Derivative financial instruments

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

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

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

F. Cumulative fair value of financial instruments

Changes in retained earnings related to fair value of financial instruments are detailed in the table below:

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

NOTE 24 NET DEBT AND NET CASH

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

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

NOTE 25 PROVISIONS

A. Provisions at December, 31, 2014

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

(in € millions)	Dec. 2013	Impact on equity	Additions	Utiliza-tions	Reversals of unused amounts	Currency translation adjustment	Reclassifica-tions and changes in scope	Dec. 2014
- Provisions for pensionsand loyalty bonuses	28	2	3	(0)	(2)	1	(0)	32
- Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT PROVISIONS	**28**	**2**	**3**	**(0)**	**(2)**	**1**	**(0)**	**32**

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

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

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

Net provision expense - corresponding to increases in provisions less reversals of used and unused provisions set up in prior periods - is reported under the following income statement captions:

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

B. Provisions for pensions and other post-employment benefits

B.1 Description of the plans

Group employees receive various short-term benefits (paid vacation, paid sick leave and profit-shares) and long-term benefits (long-service awards, long-term disability benefits, loyalty bonuses and seniority bonuses), as well as various post-employment benefits provided under defined contribution and defined benefit plans (length-of-service awards payable on retirement, pension benefits).

Short-term benefit obligations are recognized in the balance sheets of the Group entities concerned.

Post-employment benefits are provided under either defined contribution or defined benefit plans.

B.1.1 Defined contribution plans

Obligations under these plans are funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The external organization is responsible for all benefit payments and the Group has no liability beyond the payment of contributions. Examples of defined contribution plans include the government-sponsored basic pension and supplementary pension (ARRCO/AGIRC) schemes in France and defined contribution pension schemes in other countries.

Contributions to these plans are recognized in the period to which they relate.

B.1.2 Defined benefit plans

Benefit obligations under the Group' defined benefit plans are generally funded by plan assets, with any unfunded portion recognized as a liability at the balance sheet date.

The defined benefit obligation (DBO) is determined by the projected unit credit method, based on actuarial assumptions concerning future salary levels, retirement age, mortality rates, staff turnover rates and the discount rate. These assumptions take into account the macro-economic situation and other specific circumstances in each host country.

Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity, in accordance with Group accounting policy.

At Edenred, the main post-employment defined benefit plans concern:

- length-of-service awards in the Worldwide Structures (19% of the obligation at December 31, 2014) and in France (4% of the obligation at December 31, 2014):
  - these are lump-sum payments made to employees on retirement they are determined by reference to the employee's years of service and final salary,
  - the calculation is based on parameters defined by Corporate Finance and Human Resources of each year,
  - the related obligation is covered by a provision;
- length-of-service awards in Italy (6% of the obligation in 2014):
  - these are lump-sum payments made to employees when they retire, resign or are laid off. They are determined by reference to the employee's years of service and final salary,
  - the related obligation is covered by a provision;
- pensions: the main defined benefit pension plans are for employees in the United Kingdom (30% of the obligation in 2014), in the Worldwide Structures (23% of the obligation in 2014) and in Belgium (12% of the obligation in 2014). Pension benefit obligations are determined by reference to and employees' years of service and final salary. They are funded by payments to external organizations that are legally separate from Edenred;
- the Edenred Group's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly of the classes of assets held in insurers' general portfolios managed according to conservative investment strategies.

B.2 Actuarial assumptions

Actuarial valuations are based on a certain number of long-term parameters supplied by the Group, which are reviewed each year.

		Rest of Europe				
2013	**France**	**United Kingdom**	**Belgium**	**Italy**	**Worldwide Structures**	**Other countries**
Rate of futur salary increase	3.0%	3.4%	3.0%	2.0%	3%-4%	3% - 10%
Discount rate	3.0%	4.5%	3.0%	3.0%	3.0%	3% - 9.2%

		Rest of Europe				
2014	**France**	**United Kingdom**	**Belgium**	**Italy**	**Worldwide Structures**	**Other countries**
Rate of futur salary increase	3.0%	4.0%	3.0%	2.0%	3.0%	2% - 7%
Discount rate	2.0%	4.0%	2.0%	2.0%	2.0%	2% - 5%

B.3 Funded status of post-employment defined benefit plans and long-term employee benefits

The method used by the Group is the Projected Unit Credit method.

At December 31, 2014

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

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

At December 31, 2013

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

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

Funded status of post-employment defined benefit plans by region

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

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

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

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

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

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

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

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

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

Sensitivity analysis

At December 31, 2014, a 0.5-point increase (decrease) in the discount rate would lead to a €5.0 million decrease (increase) in the projected benefit obligation. The impact on the cost for the year would not be material.

NOTE 26 RECONCILIATION OF FUNDS FROM OPERATIONS

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

NOTE 27 WORKING CAPITAL, SERVICE VOUCHERS IN CIRCULATION AND RESTRICTED CASH

A. Net change in working capital and service vouchers in circulation

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

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

B. Net change in restricted cash

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

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

(1) See Statement of Cash Flows table 1.4.
(2) Reclassification into cash & cash equivalent.

NOTE 28 CAPITAL EXPENDITURE

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

(in € millions)	2013	2014
Recurring expenditure	47	50
Development expenditure	138	72
TOTAL CAPITAL EXPENDITURE	**185**	**122**

NOTE 29 CLAIMS AND LITIGATION

A. Tax litigation in France

Following a tax audit of the 2003 and 2004 accounts of Edenred France (previously Accor Services France), the French tax authorities imposed various fines on the Company related to VAT payments and failure to produce a schedule tracking capital gains subject to tax deferral.

After the tax authorities issued a collection notice, the fines – which totaled €21.8 million – were paid by the Company in April 2008 and recognized as an expense in the 2008 financial statements.

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

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

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

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

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

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

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

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

The three steps of legal proceedings of this litigation are: emergency hearing, proceedings on the merits and arbitration proceedings.

Accentiv' Kadéos requested and obtained a court order from the Paris Court of Appeals on December 1, 2010, and a subsequent ruling from the Supreme Court of Appeals (Cour de Cassation) on November 15, 2011, requiring Fnac to stop distributing its single-brand card immediately or suffer a penalty. A similar order was issued to Conforama on December 3, 2010.

The related procedures are still ongoing, pending a ruling on the merits of the cases. Consequently, the cash compensation received to date in relation to the cases has not yet been recognized in the income statement.

Concerning the merits of the cases, on January 28, 2011, Accentiv' Kadéos was summoned before the Paris Commercial Court following an application lodged by Fnac and Conforama to obtain retroactive removal of the exclusivity obligations as well as compensation for losses suffered as a result of the continued existence of those obligations, estimated by the two groups at around €6 million. On June 22, 2012, without commenting on the merits, the Paris Commercial Court ruled that it was not competent to hear the case. Referring to the arbitration clause contained in the Kadéos share purchase agreement, the Court stated that the parties should submit their disputes to arbitration.

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

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

At the same time, referring to the Paris Commercial Court's ruling of June 22, 2012, PPR (which has been substituted for Fnac in the procedure) and Conforama applied to the International Chamber of Commerce to initiate arbitration proceedings.

Each party has appointed its own arbitrator. Given the decision of the Court of Cassation on February 12, 2014, the arbitrational Court ruled on April 15, 2014 that it was not competent to hear the case. The arbitration proceeding is now closed.

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

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

C. ICSID dispute

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

D. Tax audit and tax litigation in Italy

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

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

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

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

The companies believe that the tax reassessment is without merit and, after consulting with their legal and tax advisors, consider that their challenges have a reasonable chance of success.

As a result, no expense was recorded in Edenred's consolidated income statement.

E. Tax litigation in Brazil

E.1 Municipal tax

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

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

In November 2012, Ticket Serviços was notified of the corresponding amounts for the period January 2007 to March 2009.

For this second period, the reassessment amounts to BRL 28.1 million, and the late interest, fines and inflation adjustments represent an estimated at BRL 163.5 million at December 31, 2014. The Company's motion before the Brazilian courts was denied in the first instance and is now the subject of an appeal.

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

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

E.2 Tax allowance for goodwill amortization

In January 2012, the Brazilian federal tax administration notified Ticket Serviços of a proposed reassessment of corporate income tax and the IRPJ and CSLL surtaxes for the years 2007 to 2010. The reassessment amounts to BRL 81.7 million, and Ticket Serviços also faces claims for late interests, fines and inflation adjustments estimated at BRL 187.2 million at December 31, 2014.

The reassessment is based on the tax administration's decision to disallow amortization of the goodwill recognized on the buyout of minority interests in Ticket Serviços. the Company applied to the tax court to have the reassessment overturned. Its request was rejected in the second instance. The Company is waiting to be officially notified of the decision.

After consulting its tax advisors, Ticket Serviços believes that the probability of a favorable outcome is high. No income statement effect has been recorded in Edenred's financial statements in respect of this dispute.

The Group is also involved or may be involved in the future in various claims or legal proceedings in the normal course of business. As of the date of this report, to the best of the Company's knowledge, there are no claims or legal proceedings in progress, pending or threatened against the Company or its subsidiaries that could have a material effect on the Group's business, results or financial position.

NOTE 30 OFF-BALANCE SHEET COMMITMENTS

A. Off-balance sheet commitments given

Off-balance sheet commitments granted to third parties amount to €94 million as of December 31, 2014 and to €118 million as of December 31, 2013.

December 31, 2014 amount breaks down as follows:

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

To the best of the Group's knowledge and in accordance with generally accepted accounting principles, no commitments given have been omitted from the above list.

B. Off-balance sheet commitments received

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

NOTE 31 ADDITIONAL INFORMATION ABOUT JOINTLY CONTROLLED ENTITIES

Nil

NOTE 32 RELATED PARTIES TRANSACTIONS

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

- all fully or accounted for by the equity method;
- all members of the Executive Committee and the members of their direct families;
- all companies in which a member of the Executive Committee holds material voting rights;
- Accor SA.

All fully or accounted for by the equity method.

Relations between the parent company and its jointly-controlled entities are presented in Note 31. Transactions between the parent company and its subsidiaries constitute related party transactions that are eliminated in consolidation. Hence, they are not disclosed in these Notes. However, transactions between the parent company and its joint ventures were not material in the periods presented.

Members of the Executive Committee

Transactions with members of the Executive Committee are disclosed in full in Note 33.

Companies in which a member of the Executive Committee of Edenred holds material voting rights

All transactions with companies in which a member of the Executive Committee holds material voting rights represent transactions carried out in the normal course of business on arm's length terms and are not material.

Accor SA

Transactions with Accor SA during each of the two periods presented were as follows

		Transaction amount		Receivables		Payables		Off-balance sheet commitments	
(in € millions)	Type of transaction	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014
	Inter-entitybillings	(1)	-	-	-	-	-	-	-
	Loans	-	-	-	-	-	-	-	-
Accor SA	Dividends	-	-	-	-	-	-	-	-

NOTE 33 COMPENSATION PAID TO CORPORATE OFFICERS

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

NOTE 34 AUDITOR'S FEES

The table below shows the total fees billed by the auditors that were recognized in the income statement for the periods presented:

	Deloitte & Associés				Didier Kling & Associés			
	Amount without VAT		%		Amount without VAT		%	
(in € millions)	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014
Audit								
Statutory audit, certification, consolidated andindividual statement audit								
• - Issuer	(0.5)	(0.5)	18%	17%	(0.2)	(0.2)	100%	100%
• - Fully consolidated subsidiaries	(2.2)	(2.1)	74%	67%				
Other work and services directly related tothe statutory audit								
• - Issuer	(0.0)	(0.0)	1%	-	-	-	-	-
• - Fully consolidated subsidiaries	(0.1)	(0)	4%	0.0	-	-	-	-
SUB-TOTAL	**(2.8)**	**(2.8)**	**97%**	**88%**	**(0.2)**	**(0.2)**	**100%**	**0%**
Other services provided by the networkto the fully consolidated subsidiaires								
• - Legal, tax and social matters	(0.0)	(0.1)	1%	1%				
• - Other	(0.1)	(0.3)	2%	11%				
SUB-TOTAL	**(0.1)**	**(0.4)**	**3%**	**12%**				
TOTAL	**(2.9)**	**(3.2)**	**100%**	**100%**	**(0.2)**	**(0.2)**	**100%**	**0%**

NOTE 35 SUBSEQUENT EVENTS

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

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

NOTE 36 MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2014

The main consolidated companies are presented below:

EDENRED

FRANCE

Edenred France	France	Glob	100.00%
Accentiv' Travel	France	Glob	100.00%
Servicarte	France	Glob	100.00%
Edenred Paiements	France	Glob	100.00%
Conecs	France	Equity	25.00%
Aqoba	France	Equity	38.92%

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 Italia	Italy	Glob	100.00%
E-Lunch	Italy	Glob	100.00%
Edenred Italia Fin s.r.l	Italy	Glob	100.00%
Edenred Luxembourg	Luxembourg	Glob	100.00%
Cube Re	Luxembourg	Glob	100.00%
Daripod Holding S.a.r.l	Luxembourg	Glob	50.00%
Edenred Nederland	Netherlands	Glob	100.00%
Edenred Polska	Poland	Glob	100.00%
Edenred Portugal	Portugal	Glob	50.00%
Edenred CZ	Czech Republic	Glob	100.00%
Edenred Romania	Romania	Glob	94.83%
Edenred (UK Group)	United Kingdom	Glob	100.00%
Edenred (Incentives & Motivation)	United Kingdom	Glob	100.00%
Edenred (Employee Benefits)	United Kingdom	Glob	100.00%
Prepay Technologies	United Kingdom	Glob	70.45%
Cleanway	United Kingdom	Glob	100.00%
Luncheon Vouchers Catering Education Trust	United Kingdom	Glob	100.00%
ChildCare Vouchers	United Kingdom	Glob	100.00%
Edenred (Travel)	United Kingdom	Glob	100.00%
Daripodarki	Russia	Glob	50.00%
Edenred Slovakia	Slovakia	Glob	100.00%
Edenred Sweden	Sweden	Glob	100.00%
Delicard Group AB	Sweden	Glob	100.00%
Edenred Suisse	Switzerland	Glob	100.00%

NORTH AMERICA

Edenred North America	Etats-Unis	Glob	100.00%
Wiredcommute	Etats-Unis	Glob	100.00%
NutriSavings LLC	Etats-Unis	Glob	66.70%

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%
Edenred Chile	Chile	Glob	74.35%
Edenred Colombia	Colombia	Glob	100.00%
Big Pass	Colombia	Glob	100.00%
Edenred Mexico	Mexico	Glob	100.00%
Servicios Accor	Mexico	Glob	100.00%
Asesoria Mex-CEE	Mexico	Glob	100.00%
Sedesa	Mexico	Equity	20.00%
Opam	Mexico	Glob	100.00%
Sopame	Mexico	Glob	100.00%
Holding Punto Clave S.A.P.I de C.V.	Mexico	Glob	84.50%
Merchant Services de Mexico S.A. de C.V.	Mexico	Glob	84.50%
Sinergel S.A. de C.V.	Mexico	Glob	84.50%
Vales y Monederos Electronicos Puntoclave	Mexico	Glob	84.50%
Accor Services Panama	Panama	Glob	100.00%
Edenred Perou	Peru	Glob	67.00%
Luncheon Tickets	Uruguay	Glob	100.00%
Uniticket	Uruguay	Glob	100.00%
Westwell Group*	Uruguay	Glob	100.00%
Cestaticket Services	Venezuela	Glob	57.00%
Inversiones Quattro Venezuela	Venezuela	Glob	100.00%
Inversiones Cinq Venezuela	Venezuela	Glob	100.00%
Inversiones Huit Venezuela	Venezuela	Glob	100.00%
Inversiones Neuf	Venezuela	Glob	100.00%
Inversiones Dix	Venezuela	Glob	100.00%
Inversiones Onze 2040	Venezuela	Glob	100.00%
Inversiones Douze	Venezuela	Glob	100.00%
Inversiones Quatorze	Venezuela	Glob	100.00%
Inversiones Quinze 1090	Venezuela	Glob	100.00%
Inversiones Seize 30	Venezuela	Glob	100.00%

OTHER COUNTRIES

Edenred SAL	Lebanon	Glob	80.00%
Edenred Maroc	Morocco	Glob	51.00%
Edenred South Africa	South Africa	Glob	74.00%
Edenred Kurumsal Cozumler	Turkey	Glob	100.00%
Network Servisleri	Turkey	Glob	50.00%
Accentiv Hediye Ve Danismanlik Hizmetleri	Turkey	Glob	100.00%
C3 Card International Ltd	United Arab Emirates	Glob	50.00%
C3 Card FZ LLC	United Arab Emirates	Glob	50.00%
Beijing Surfgold Technology	China	Glob	100.00%
Accentiv Shanghai Company	China	Glob	100.00%
Beijing Yagao Meal Service	China	Glob	88.75%
Shangai Yagao Meal Service	China	Glob	100.00%
Accor Corporate Services (Shangai) Company	China	Glob	100.00%
Accor Services Chengdu Company	China	Glob	100.00%
Accor Services Wuxi	China	Glob	100.00%
Edenred China	China	Glob	100.00%
Edenred Korea	Korea	Glob	100.00%
Edenred Hong-Kong	Hong Kong	Glob	100.00%
SRI Ganesh Hosp.*	India	Glob	100.00%
Edenred India	India	Glob	100.00%
Surfgold.com India	India	Glob	100.00%
CardTrend Systems Sdn Bhd	Malaysia	Glob	70.00%
Edenred PTE	Singapor	Glob	100.00%
Edenred PTE. Ltd., Taiwan Branch	Taiwan	Glob	100.00%
Edenred Japan	Japan	Glob	100.00%

WORLDWIDE STRUCTURES

ASM*	France	Glob	100.00%
Saminvest*	France	Glob	100.00%
GABC	France	Glob	100.00%
Veninvest Quattro*	France	Glob	100.00%
Veninvest Cinq*	France	Glob	100.00%
Veninvest Huit*	France	Glob	100.00%
Veninvest Neuf*	France	Glob	100.00%
Veninvest Dix*	France	Glob	100.00%
Veninvest Onze*	France	Glob	100.00%
Veninvest Douze*	France	Glob	100.00%
Veninvest Quatorze*	France	Glob	100.00%
Veninvest Quinze*	France	Glob	100.00%
Veninvest Seize*	France	Glob	100.00%

Glob: fully consolidated

Equity: accounted for by the equity method

** Holding*

6.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2014

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, 2014, 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, 2014, 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 17, 2015

The Statutory Auditors

CABINET DIDIER KLING & ASSOCIÉS	DELOITTE & ASSOCIÉS
Didier KLING	David DUPONT-NOEL

6.4 PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

6.4.1 BALANCE SHEET AT DECEMBER 31, 2014

Assets

(in € millions)	Notes	December 2013	December 2014
Fixed assets			
Intangible assets			
Licenses, trademarks and rights of use	(2-3)	4	3
Other intangible assets	(2-3)	41	45
TOTAL INTANGIBLE ASSETS		**45**	**48**
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)	2,299	2,332
Loans and advances to subsidiaries and affiliates	(2-5-7-16-17)	1,510	1,463
Other investments	(2)	48	30
TOTAL INVESTMENTS		**3,857**	**3,825**
TOTAL FIXED ASSETS		**3,903**	**3,874**
Current assets			
Inventories			
Prepayments to suppliers			
Receivables			
Trade receivables	(4-7-16-17)	9	9
Other receivables		102	142
Cash and cash equivalents			
Marketable securities	(8)	290	114
Cash and cash equivalents		57	25
TOTAL CURRENT ASSETS		**458**	**290**
Accruals and other assets			
Prepaid expenses	(9-16)	1	1
Deferred charges	(9)	8	6
Bond redemption premiums	(9)	2	2
Conversion differences	(10)	30	39
TOTAL ACCRUALS AND OTHER ASSETS		**41**	**48**
TOTAL ASSETS	**(1)**	**4,402**	**4,212**

Liabilities and shareholders' equity

(in € millions)	Notes	December 2013	December 2014
Shareholders' equity			
Share capital	(13)	452	458
Additional paid-in capital	(13)	598	638
Legal reserve	(13)	45	45
Untaxed reserves	(13)	-	
Others reserves	(13)	-	
Retained earnings	(13)	130	359
Net profit for the year	(13)	414	41
Untaxed provisions	(13)		
TOTAL SHAREHOLDERS' EQUITY		**1,639**	**1,541**
Provisions			
Provisions for contingencies	(7)	31	41
Provisions for charges	(7)	32	33
TOTAL PROVISIONS		**63**	**74**
Liabilities			
Bonds	(15)	1,283	1,283
Bank borrowings	(15)	218	13
Other borrowings	(15-17)	1,163	1,269
Trade payables	(15)	5	4
Accrued taxes and payroll costs	(15)	12	10
Due to suppliers of fixed assets	(15)		
Other liabilities	(15)	1	1
TOTAL LIABILITIES	**(15)**	**2,682**	**2,580**
Accruals and other liabilities			
Deferred income	(15)	-	-
Conversion differences	(10)	18	17
TOTAL ACCRUALS AND OTHER LIABILITIES		**18**	**17**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**(1)**	**4,402**	**4,212**

6.4.2 INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

(in € millions)	Notes	December 2013	December 2014
Operating revenue			
Sales of goods and services		31	29
Net revenue	**(18)**	**31**	**29**
Own work capitalized		3	5
Reversals of depreciation, amortization and provisions and expense transfers		20	13
Other income		30	27
TOTAL OPERATING INCOME		**84**	**74**
Operating expenses			
Purchases of goods for resale		-	
Purchases of raw materials and supplies		-	
Other purchases and external charges		42	39
Taxes other than on income		6	5
Wages and salaries		29	19
Payroll taxes		11	15
Depreciation, amortization and provision expense		-	
Depreciation and amortization of fixed assets	(3)	1	2
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)	13	15
Other expenses	(7)	1	1
TOTAL OPERATING EXPENSES		**105**	**98**
Operating loss		**(21)**	**(24)**
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)	126	141
Income from investment securities and long-term loans		-	
Other interest income	(17)	10	9
Financial provision reversals and expense transfers		119	51
Foreign exchange gains		1	2
TOTAL FINANCIAL INCOME	**(20)**	**256**	**203**
Financial expenses			
Additions to financial amortization and provisions		52	70
Interest expense	(17)	77	70
Foreign exchange losses			1
TOTAL FINANCIAL EXPENSES	**(20)**	**129**	**141**
NET FINANCIAL INCOME		**127**	**62**

(in € millions)	Notes	December 2013	December 2014
RECURRING PROFIT BEFORE TAX		**106**	**38**
Non-recurring income			
Non-recurring income one revenue transactions		-	
Non-recurring income on capital transactions		308	1
Non-recurring provision reversals and expense transfers			6
TOTAL NON-RECURRING INCOME		**308**	**7**
Non-recurring expenses			
Non-recurring expense on revenue transactions		-	
Non-recurring expense on capital transactions		3	7
Non-recurring additions to depreciation, amortization and provisions		5	2
TOTAL NON-RECURRING EXPENSES		**8**	**9**
Net non-recurring income	**(21)**	**300**	**(2)**
Income tax	(22)	(8)	(5)
TOTAL INCOME		**648**	**284**
TOTAL EXPENSES		**234**	**243**
NET PROFIT		**414**	**41**

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 as of December 31, 2014 before appropriation of profit for the year, which shows total assets of €4,212 million, and to the 2014 income statement, which shows net profit for the year of €41 million.

The financial statements cover the 12-month period from January 1 to December 31, 2014.

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

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

At the close of the reinvestment period, which ran from May 20 to June 5 2014, this option had been chosen by shareholders owning more than 67% of Edenred shares.

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

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

The total cash dividend, in an amount of €123 million, was paid on June 18, 2014.

On June 20, 2014, Edenred signed an amendment agreement to its €700 million credit facility settled on April 2013. The transaction offers significantly improved financing conditions, attesting to the market's confidence in Edenred and its sound financial situation. It extends the maturity of the facility for a new, 5-year duration with a final maturity in June 2019 and lengthens the average maturity of Edenred's financing.

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

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

Total gross debt amounted to €1.275 million at December 31, 2014.

Edenred has a €1,050 million hedging program, consisting mainly of swaps and collars, to protect against the impact of interest rate fluctuations on its variable rate and fixed rate debt.

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 favourable official rate. The new exchange rate with the US dollar was established at VEF 6.3 per dollar, which represents a devaluation of 19%.

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.

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.

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

On March 24, 2014, the Venezuelan government introduced a new flexible exchange rate system, called SICAD II. This system is available for both individuals and companies wishing to obtain US dollars. The first published exchange rate was 51.86 Bolivar Fuerte for 1 US dollar. The latest published exchange rates fluctuated at around 49.9 Bolivar Fuerte for 1 US dollar.

The Cash-on-hand and receivables held in Venezuelan subsidiaries are translated by applying SICAD II to their financial statements. The impact of applying this selected exchange rate represents €10 million for 2014.

6.4.3 NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with ANC Regulation No. 2014-03. There has been no change in accounting methods for the periods presented compared with the previous year.

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 2013 R-02.

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

In application of France's *Plan Comptable Général* statutory chart of accounts, the Company recognizes a liability covering the amount of the probable outflow of economic resources when obligations under the plan will be satisfied by allocating existing shares. 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, 2014.

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, 2014

Items *(in € millions)*	Cost at December 31, 2013	Acquisitions and inter-item transfers	Retirements and disposals and inter-item transfers	Other	Cost at December 31, 2014
Intangible assets					
Trademarks and rights of use	-				-
Licences, purchased software	18	1			19
Other intangible assets [(1)]	39	3	1		43
Prepayments	2	2	(1)		3
TOTAL INTANGIBLE ASSETS	**59**	**6**	**-**	**-**	**65**
Property and equipment					
Machinery and equipment	-				-
Other property and equipment	3				3
Assets under construction	-				-
Prepayments	-				-
TOTAL PROPERTY AND EQUIPMENT	**3**	**-**	**-**	**-**	**3**
Investments					
Shares in subsidiaries and affiliates [(2) (3)]	2,441	37	2		2,480
Loans and advances to subsidiaries and affiliates [(4)]	1,512	2	(49)		1,465
Other investment securities [(5)]	9	3			12
Other loans	-				-
Other investments [(5)]	42	18	(40)		20
TOTAL INVESTMENTS	**4,004**	**60**	**(87)**	**-**	**3,977**
TOTAL FIXED ASSETS	**4,066**	**66**	**(87)**	**-**	**4,045**

(1) Including €36 million corresponding to technical loss 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 €24 million increase folllowing the capital increase of Edenred Espana SA.

(4) See Note 5 for details.

(5) Related to investment in Partech VI investment fund.

(6) The Company holds 1,007,121 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, 2014

Items *(in € millions)*	Cost at December 31, 2013	Increase	Decrease	Cost at December 31, 2014
Intangible assets				
Trademarks and rights of use	-			-
Licenses, purchased software	14	1		15
Other intangible assets	-	1		1
TOTAL AMORTIZATION	**14**	**2.0**	**-**	**16**
Property and equipment				
Machinery and equipment				-
Other property and equipment	2.0			2.0
TOTAL DEPRECIATION	**2.0**	**-**	**-**	**2.0**
TOTAL AMORTIZATION AND DEPRECIATION	**16**	**2.0**	**-**	**18**

NOTE 4 RECEIVABLES AT DECEMBER 31, 2014

(in € millions)	Cost at December 31, 2013	Cost at December 31, 2014
Prepayments to suppliers		
Trade receivables	**9**	**9**
Other receivables	**107**	**151**
Supplier-related receivables		
Recoverable VAT and other taxes	*4*	*4*
Currrent accounts with subsidiaries	*98*	*144*
Other	*5*	*3*
TOTAL	**116**	**160**

NOTE 5 LOANS AND ADVANCES TO SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2014

(in € millions)	Cost at December 31, 2013	Increase	Decrease	Other	Cost at December 31, 2014
Edenred España	89		(24)		65
Edenred Belgium	664				664
Edenred France	435				435
Edenred Italia	319		(24)		295
Edenred South Africa	2	1			3
Cestaticket (1)	1		(1)		-
C3 Card		1			1
Daripodarki		1			1
Surgold	-	1			1
TOTAL	**1,510**	**4**	**(49)**	**-**	**1,465**

(1) *Related to 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, 2013			Business acquisitions and purchases of newly issued shares, mergers		Disposals		At December 31, 2014			
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	39,998	3	100.00%	-	-			39,998	3	100.00%	
Accentiv' Travel	1,600,000	14	100.00%					1,600,000	14	100.00%	12
Edenred France SAS	29,060,432	642	100.00%					29,060,432	642	100.00%	
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%	6
Veninvest Huit	678,947	7	100.00%					678,947	7	100.00%	5
Gabc	600		100.00%		1			600	1	100.00%	
Lccc				1,341	2	(510)	(1)	831	1	44.32%	
Asm	19,141,709	306	100.00%					19,141,709	306	100.00%	
Saminvest	12,000	277	60.00%					12,000	277	60.00%	
Veninvest Neuf	559,366	6	100.00%					559,366	6	100.00%	4
Veninvest Onze	548,487	5	100.00%					548,487	5	100.00%	4
Veninvest Douze	945,388	9	100.00%					945,388	9	100.00%	7
Veninvest Quinze	456,953	5	100.00%					456,953	5	100.00%	4
Veninvest Seize	1,091,299	11	100.00%					1,091,299	11	100.00%	10
Veninvest Quatorze	456,953	5	100.00%					456,953	5	100.00%	3
Edenred Austria GmbH (Autriche)	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 SA	101,477,495	7	50.00%					101,477,495	7	50.00%	3
Edenred Deutschland GMBH (Allemagne)	16,662,810	27	100.00%					16,662,810	27	100.00%	
Edenred Espana SA (Espagne)	90,526	29	99.99%		24			90,526	53	99.99%	
Edenred Bulgaria AD (Bulgarie)	16,960	1	50.00%					16,960	1	50.00%	1
Westwell Group Sa (Uruguay)	1,864,040	2	100.00%					1,864,040	2	100.00%	
Edenred Finland OY				101	7			101	7	33.56%	
Edenred Peru SA (Perou)	603,000	1	67.00%					603,000	1	67.00%	1
Edenred Panama SA	1,250,000	1	100.00%					1,250,000	1	100.00%	1
Shanghai Yagao Meal Service Card Company (Chine)	8,250,000	6	100.00%					8,250,000	6	100.00%	6

	At December 31, 2013			Business acquisitions and purchases of newly issued shares, mergers		Disposals		At December 31, 2014			
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)*
Beijing Yagao Meal Service Card Company (Chine)	1,775,000	2	88.75%					1,775,000	2	88.75%	2
Edenred (India) Pvt Ltd (Inde)	20,896,276	13	94.34%	2,461,898	1			23,358,174	14	94.90%	5
Edenred Singapore Pte Ltd (Singapour)	6,392,151	15	100.00%					6,392,151	15	100.00%	15
Edenred s.a.l (Liban)	2,599,997	1	80.00%					2,599,997	1	80.00%	1
Surgold India Pvt Lvd	1,589,860	8	100.00%					1,589,860	8	100.00%	8
Accentiv' Shanghai Company (Chine)	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			3,885,514	19	100.00%	15
Big Pass (Colombie)	151,444	13	100.00%					151,444	13	100.00%	1
Edenred Brasil Participacoes SA (Brésil)	228,718	3	7.04%					228,718	3	7.04%	
Edenred Suisse SA	2,500	3	100.00%					2,500	3	100.00%	1
Edenred China	190,000,000	22	100.00%					190,000,000	22	100.00%	8
Barclay Vouchers Co Ltd	10,100	30	100.00%					10,100	30	100.00%	7
Edenred Polska Sp ZO.O	18,183	4	5.00%					18,183	4	5.00%	4
SAVINStAR	1,098,443	4	10.80%					1,098,443	4	10.80%	
Edenred Italia Srl	101,300	17	1.70%					101,300	17	1.70%	2
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%	0
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%	
Prowebclub						2,820,014	3	2,820,014	3	9.95%	
Other investments (1)	2,228,850	3	0.00%	85,949		(1,500)		2,313,299	3		3
TOTAL	**430,886,796**	**2,441**		**2,549,289**	**38**	**2,818,004**	**2**	**436,254,089**	**2,480**		**148**

(1) All of the investments included under this heading represents more than €1 million.

NOTE 7 PROVISIONS AND ASSET IMPAIRMENTS AT DECEMBER 31, 2014

Items *(in € millions)*	At December 31, 2013	Increases	Decreases: Surplus provisions	Decreases: Utilized provisions	At December 31, 2014
Untaxed provisions					
Excess tax depreciation					-
TOTAL UNTAXED PROVISIONS	**-**	**-**	**-**	**-**	**-**
Provisions for contingencies					
Claims and litigation (1)	1	3		(1)	3
Foreign exchange losses (2)	13	20	(10)		23
Other	17	2	(4)		15
TOTAL PROVISIONS FOR CONTINGENCIES	**31**	**25**	**(14)**	**(1)**	**41**
Provisions for charges (3)					
Pension and other post-retirement benefit obligations	17	1			18
Taxes	4				4
Other	11	11	(6)	(5)	11
TOTAL PROVISIONS FOR CHARGES	**32**	**12**	**(6)**	**(5)**	**33**
TOTAL PROVISIONS	**63**	**37**	**(20)**	**(6)**	**74**
Impairments					
Intangible assets	-				-
Property and equipment	-				-
Investments *	147	42	(37)		152
Trade receivables	-				-
Other receivables *	4	5			9
TOTAL IMPAIRMENTS	**151**	**47**	**(37)**	**-**	**161**
TOTAL PROVISIONS AND IMPAIRMENTS	**214**	**84**	**(57)**	**(6)**	**235**

Income statement impact of movements in provisions	Increases	Decreases
Operating income and expenses	15	(12)
Financial income and expenses	69	(51)
Non-recurring income and expenses		
Movements with no income statement impact		
TOTAL	**84**	**(63)**

* *Set up in accordance with the method described in Note 1.2.*

(1) *The provision for foreign exchange losses mainly concerns the devaluation of the bolivar fuerte (see "Significant Events").*

(2) *The balance of other provisions for contingencies consist mainly of provisions for the losses of subsidiaries for €15 million, including Shanghai Yagao Meal (€11 million) and Beijing Yagoo Meal (€2 million).*

(3) *The balance of provisions for expenses include provisions for pension and other post-retirement benefit obligations for €18 million, provision for taxes for €4 million and provisions for employee share-based payment plans for €11 million. The €11 million increase over the year mainly comprised additions to provisions for employee share-based payment plansfor €11 million. The €11 million decrease corresponded to withdrawall of the plan expired on August 2014, and to the reversal of 2013 provision balance in order to be revaluated as of December 31, 2014.*

(4) *Asset impairments mainly concern shares in subsidiaries and affiliates, including for the most representative Inversiones 10 Venezuela SA (€15 million), Surfgold Singapore (€15 million), Accentiv' Ttravel (€12 million), Veninvest Seize Venezuela (€10 million), Edenred China (€8 million) andSurfgold India (€8 million).*

Movements for the year were as follows:

- €42 million in impairment losses on shares in subsidiaries and affiliates, including €25 million related to the Venezuelian holdings;
- €37 million in reversals of impairment losses on shares in subsidiaries and affiliates, consisting mainly of the €34 million impairment reversal on Edenred France shares.

Pension and other post-employment benefit obligations and underlying actuarial assumptions

	At December 31, 2014
Discount rate	2.0%
Mortality tables	TGH -TGF05
Rate of future salary increases	2%
Retirement age	65
Voluntary or compulsory retirement	Voluntary
Payroll tax rate	46%

	At December 31, 2014
Provisions for pensions and other post-retirement benefit obligations at December 31, 2013	16.3
Service cost	1.0
Interest cost	0.5
Benefit payments for the period	(0.2)
Actuarial (gains)/losses	(0.3)
Plan amendments	
Provisions for pensions and other post-retirement beneft obligations at December 31, 2014	17.3

NOTE 8 MARKETABLE SECURITIES PORTFOLIO

(in € millions)	At December 31, 2013 costs	At December 31, 2014 costs
Term deposits	211	80
Term accounts	50	
Retail certificates of deposit [1]	12	3
Money market funds – Liquidity contract	9	6
Edenred SA shares – Liquidity contract	5	25
Accrued interest	3	
TOTAL	**290**	**114**

Term deposits, accounts and retail certificates of deposit are classified as held-to-maturity investments.

The fair value of money market funds corresponds to their net asset value.

The €25 million balance of Edenred SA shares includes €4 million worth of shares held under the liquidity contract and €21 million in shares acquired for employees' stock option plans. During 2014, Edenred SA bought back 1,056,192 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 as of December 31 (see Note 7).

NOTE 9 ACCRUALS AND OTHER ASSETS AT DECEMBER 31, 2014

(in € millions)	At December 31, 2013 net	Increases	Decreases	At December 31, 2014 net
Deferred charges				
Debt issuance costs [(1)]	1		(1)	-
Bond issuance costs [(2)]	7	1	(2)	6
TOTAL	**8**	**1**	**(3)**	**6**
Bond issue premiums				
Issue premiums	2			2
TOTAL	**2**	**-**	**-**	**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 €200 million anticipated pay down of its bank debt.

(2) The increase concerns June 2014 cost of set up, these are due to the extension of maturity and change in financing conditions for the €700 million revolving line settled of credit on April 25, 2013.

NOTE 10 CONVERSION DIFFERENCES

(in € millions)	At December 31, 2013	At December 31, 2014
Assets		
Decrease in receivables [(1)]	28	33
Increase in payables [(2)]	2	6
TOTAL	**30**	**39**
Conversion differences in liabilities		
Increase in receivables [(2)]	9	16
Decrease in payables [(2)]	9	1
TOTAL	**18**	**17**

(1) Translation differences on currency swaps and bank balances following the devaluation of the bolivar fuerte (see Significant Events).

(2) Translation 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, 2013	At December 31, 2014
Loans and advances to subsidiaries and affiliates	1	-
Trade receivables	2	2
Marketable securities	3	-
Cash	3	2
TOTAL	**9**	**4**

NOTE 12 ACCRUED EXPENSES

Accrued expenses are included in the following balance sheet items *(in € millions)*	At December 31, 2013	At December 31, 2014
Bonds	8	7
Bank borrowings	1	-
Other borrowings	11	11
Trade payables	3	3
Accrued taxes and payroll costs	8	7
Other liabilities	1	1
TOTAL	**32**	**29**

NOTE 13 CHANGES IN SHAREHOLDERS' EQUITY

Items *(in € millions)*	At December 31, 2013	Appropriation of 2013 net profit	Shares issued/ (canceled)	Other	2014 Net profit	At December 31, 2014
Number of shares outstanding [(1)]	**225,897,396**		**2,914,150**			**228,811,546**
Share capital	452		6			458
Additional paid-in capital	598		40			638
Legal reserve	45					45
Untaxed reserves	-					-
Other reserves	-					-
Retained earnings	130	229				359
Net profit for the year	414	(414)			41	41
Untaxed provisions	-					-
TOTAL SHAREHOLDERS' EQUITY	**1,639**	**(185)** [(2)]	**46**	**-**	**41**	**1,541**

(1) Shares with a par value of €2. At December 31, 2014, Edenred SA held 1,166,121 of its own shares, representing 0.51% of the capital, directly (see foot Note 2) and under the liquidity contract (see Note 8).

(2) Dividends of €185 million were paid on June 18, 2014.

NOTE 14 STOCK OPTION AND PERFORMANCE SHARE PLANS

Stock option plan	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan
Grant date	August 6, 2010	March 11, 2011	Feb. 27, 2012	-	-
Vesting date	August 7, 2014	March 12, 2015	Feb. 28, 2016	-	-
Expiry date	August 6, 2018	March 11, 2019	Feb. 27, 2020	-	-
Exercise price *(in €)*	13.69	18.81	19.03	-	-
Value used for calculating the 10% contribution sociale surtax *(in €)*	2.62	5.07	4.25	-	-
Vesting conditions	Continued presence within the Group as of August 6, 2014 (except in the specific circumstances provided for in the plan rules)	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	4,235,500	611,700	382,800	-	-
Number of options cancelled since the plan launch	429,500	10,350	12,000	-	-
Number of options exercised since the plan launch	1,675,846	-	-	-	-
Number of options outstanding at December 31	2,130,154	601,350	370,800	-	-

Performance share plans	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan
Grant date	August 6, 2010	March 11, 2011	Feb. 27, 2012	Feb. 18, 2013	Feb. 17, 2014
Vesting date	August 7, 2013 or April 7, 2015 (1)	March 12, 2014 or March 12, 2016 (2)	Feb. 28, 2015 or Feb. 28, 2017 (3)	Feb. 19, 2016 or Feb. 19, 2018 (4)	Feb. 18, 2017or Feb. 18, 2019 (5)
IFRS 2 fair value for French tax residents *(in €)*	12.46	18.65	18.69	19.72	14.12
IFRS 2 fair value for non French tax residents *(in €)*	11.82	17.78	17.61	19.18	14.58
Vesting conditions	1/3 based on 2011 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 2011 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 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% FFO 2013-2015, 40% Issue volume 2013-2015, 20% TSR relative performance 2013-2015	40% FFO 2014-2016,40% Issue volume 2014-2016,20% pTSR relative performance 2014-2016
Number of performance shares granted at the plan launch	912,875	805,025	867,575	845,900	824,000
Number of performance shares vested since the plan launch	259,066	244,400	-	-	-
Number of performance shares cancelled since the plan launch	54,887	57,712	79,487	50,642	10,666
Number of performance shares outstanding at December 31	**598,922**	**502,913**	**788,088**	**795,258**	**813,334**

(1) August 7, 2013 for French tax residents and August 7, 2015 for non-residents.
(2) March 12, 2014 for French tax residents and March 12, 2016 for non-residents.
(3) February 28, 2015 for French tax residents and February 28, 2017 for non-residents.
(4) February 19, 2016 for French tax residents and February 19, 2018 for non-residents.
(5) February 18, 2017 for French tax residents and February 18, 2019 for non-residents.

NOTE 15 MATURITIES OF DEBT AND PAYABLES AT DECEMBER 31, 2014

(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)	13	13		
Other borrowings (2) (3)	1,269	1,003	266	
Operating payables				
Trade payables	4	4		
Other payables				
Accrued taxes and payroll costs	10	10		
Due to suppliers of fixed assets				
Other liabilities	1	1		
Deferred income				
TOTAL	**2,580**	**1,039**	**1,066**	**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	37
EUR	2,250
GBP	164
HUF	10
MXN	73
JPY	14
SEK	14
CHF	4
USD	7
TOTAL	**2,580**

NOTE 16 MATURITIES OF RECEIVABLES AT DECEMBER 31, 2014

(in € millions)	Total	Due within 1 year	Due beyond 1 year
Receivables included in fixed assets			
Loans and advances to subsidiaries and affiliates	1,465	6	1,459
Other loans			
Other investments	23	23	
Receivables included in current assets			
Trade receivables	10	10	
Other receivables	151	150	1
Accrued expenses	1	1	
TOTAL	**1,650**	**190**	**1,460**

Breakdown by currency (in € millions) is as follow :

Receivables by currency	
EUR	1,628
ZAR	3
SGD	14
Autres devises	5
TOTAL	**1,650**

NOTE 17 RELATED PARTY TRANSACTIONS (1)

(in € millions)	2013	2014
Assets		
Shares in subsidiaries and affiliate	2,441	2,470
Loans and advances to subsidiaries and affiliates	1,512	1,465
Other investment securities	3	3
Trade receivables	10	10
Other receivables	101	142
Liabilities		
Other borrowings	1,163	1,269
Trade payables	1	1
Income and expenses		
Income from investments in subsidiaries and affiliates	126	141
Other financial income	2	2
Financial expenses	27	26

(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)	2013	2014
France	9	7
TOTAL FRANCE	**9**	**7**
International	22	22
TOTAL INTERNATIONAL	**22**	**22**
TOTAL NET REVENUE	**31**	**29**

NOTE 19 MANAGEMENT COMPENSATION AND EMPLOYEE INFORMATION

Compensation paid to members of the Company's administrative and supervisory bodies

(in € millions)	2013	2014
Members of the Executive Committee (excluding payroll taxes) and the Board of Directors	6	6
Number of employees		
Employee category		
Managers	177	183
Supervisors	6	7
Administrative staff (interns)	10	13
Apprentices	5	4
TOTAL	**198**	**207**

Stat the Company has a total of 207 employees, including 3 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 not set aside any provisions relating to employees' statutory training entitlement under The "DIF" scheme in its financial statements closed on December 31, 2014.

As of December 31, 2014, Edenred employees had accumulated a total of 8,553 training hours under this entitlement.

NOTE 20 NET FINANCIAL INCOME

(in € millions)	2013	2014
Income from investments in subsidiaries and affiliates	**126**	**141**
Dividends received from subsidiaries	78	97
Interest received on intra-group loans and receivables	48	44
Other interest income	**10**	**9**
Interest income on current accounts advances	1	2
Interest income on interest rate and currency swaps	5	3
Other interest income	4	4
Reversals of provisions for financial items	**119**	**51**
Reversals of provisions for impairment of shares in subsidiaries and affiliates	112	37
Reversals of provisions for impairment of other receivables		
Reversals of provisions for contingencies and charges	7	14
Foreign exchange gains	**1**	**2**
FINANCIAL INCOME	**256**	**203**
Interest expense	**(77)**	**(70)**
Interest paid on bonds	(39)	(44)
Interest paid on bank borrowings	(4)	(2)
Interest paid on other borrowings	(7)	(4)
Interest paid on current accounts advances	(2)	(2)
Interest paid on loans from subsidiaries	(25)	(18)
Amortization and provisions – financial assets	**(52)**	**(70)**
Additions to provisions for impairment of shares in subsidiaries and affiliates	(39)	(47)
Additions to provisions for impairment of loans		
Additions to provisions for impairment of current assets	(1)	(1)
Amortization of bond issue premiums		
Additions to provisions for contingencies and charges	(12)	(22)
Foreign exchange losses		**(1)**
FINANCIAL EXPENSES	**(129)**	**(141)**
NET FINANCIAL INCOME	**127**	**62**

NOTE 21 NON-RECURRING ITEMS

In 2014, total non-recurring items represented net income of €(2) million before tax, breaking down as follows:

(in € millions)	2013	2014
Gains (losses) on disposals of capital operation	-	(6)
Gains (losses) on disposals and liquidations of investments	305	
Non-reccuring charges to financial provisions	(1)	(1)
Non-reccuring charges to provision for contingencies and charges	(4)	(1)
Additions to provisions for subsidiaries' losses	-	
Reversals of provisions for risks related to subsidiaries	-	6
NET NON-RECURRING INCOME	**300**	**(2)**

NOTE 22 INCOME TAX AND CONSOLIDATION

A. Income tax expense of Edenred SA

The Company recorded a tax loss of €69 million (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)	2013	2014
Tax on reccuring profit	(12)	(18)
Tax on non-reccuring items	4	
Income tax exepense (benefit) [(1)]	(8)	(5)

(1) Including the 3% additional tax on distributed earnings, applicable to earnings distributed since September 15, 2014 for €4 million less €9 million in group relief.

Potential deferred taxes arising from deductible and taxable temporary differences, including tax loss carry-forward, represented a net asset of €56 million at December 31, 2014.

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 2014 were:

- Saminvest;
- Asm;
- Edenred France;
- Veninvest Quattro;
- Veninvest Cinq;
- Veninvest Huit;
- Accentiv' Travel;
- Servicarte;
- Veninvest Neuf;
- Veninvest Dix;
- Veninvest Onze;
- Veninvest Douze;
- Veninvest Quatorze;
- Veninvest Quinze;
- Veninvest Seize;
- Gabc*;
- Edenred Paiment*.

C. Group relief benefit

In 2014, a net group relief benefit of €9 million including tax credits was recorded in Edenred SA's accounts.

The tax group's tax loss for the year was €43 million.

* *Companies included in the tax group as of 2014.*

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, 2014 break down as follows:

At December 31 *(in € millions)*	Within 1 year	1 to 5 years	Beyond 5 years	At December 31, 2013	At December 31, 2014
Total renovation commitments					
Guarantees given (1)	6	6	5	50	17
Guarantees for bank borrowings (2)	9	1	2	9	12
TOTAL GUARANTEE COMMITMENTS	**15**	**7**	**7**	**59**	**29**

(1) Corresponding to bonds given to banks on behalf of subsidiaries for €9 million and capital commitments of €9 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, 2014:

		At December 31, 2014
(in € millions)	Expering 2015	Notional amount
Forward sales and currency swaps		
ZAR	2	2
USD	1	1
RUB	1	1
HKD	1	1
FORWARD SALES	**5**	**5**
Forward purchases and currency swaps		
GBP	158	158
MXN	69	69
SEK	13	13
CZK	33	33
JPY	14	14
TRY	5	5
HUF	4	4
CHF	4	4
USD	3	3
FORWARD PURCHASES	**300**	**300**
TOTAL CURRENCY HEDGES	**305**	**305**

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, 2014, currency instruments had a negative fair value of €7 million.

Options de change et ventes à terme *(en millions d'euros)*	Expering 2015	December 31, 2014
BRL	39	39
TOTAL CURRENCY HEDGES	**39**	**39**

As of December 31, 2014, the fair value of all these currency hedges EUR/BRL accounts for an asset of 1 million euros. These operations referred to economic hedges on internal dividends.

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, 2014:

At December 31 *(in € millions)*	2014 Notional amount	2015	2016	Beyond
Interest rate swaps where Edenred is the fixed rate borrower EUR Euribor/Fixed rate	117	67	-	50
Interest rate collars where Edenred is the fixed rate borrower	33	33		
Interest rate hedges where Edenred is the variable rate borrower EUR Euribor/Fixed rate	900			900
TOTAL INTEREST RATE HEDGES	**1,050**	**100**	**-**	**950**

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, 2014, interest rate instruments had a negative fair value of €37 million.

NOTE 24 MAIN SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2014

		(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 Peri 92240 Malakoff	EUR	2,400	(845)	100.00%	14,183	1,944	12,239
Edenred France 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	464,967	(6,529)	100.00%	641,997	641,997	
Veninvest Quattro 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	6,444	(3,511)	100.00%	6,444	2,513	3,931
Veninvest Cinq 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	7,381	(2,140)	100.00%	7,381	1,852	5,529
Veninvest Huit 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	6,789	(582)	100.00%	6,789	1,842	4,947
ASM 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	306,267	10	100.00%	306,267	306,267	
Saminvest 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	3,060	306	60.00%	276,760	276,760	
Veninvest Neuf 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	5,594	(1,547)	100.00%	5,594	1,508	4,086
Veninvest Onze 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	5,485	(3,241)	100.00%	5,485	1,133	4,352
Veninvest Douze 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	9,454	(4,022)	100.00%	9,454	2,188	7,266
Veninvest Quinze 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	4,570	(2,520)	100.00%	4,570	488	4,082
Veninvest Seize 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	10,913	(6,131)	100.00%	10,913	1,107	9,806
Veninvest Quatorze 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	4,570	(328)	100.00%	4,570	1,294	3,276

(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 2014 exchange rate
		527	527	(517)	(517)	-	1,00000
434,679		143,372	143,372	71,389	71,389	-	1,00000
		-	-	(425)	(425)	-	1,00000
		-	-	(3,395)	(3,395)	-	1,00000
		-	-	(4,369)	(4,369)	-	1,00000
		-	-	16,617	16,617	-	1,00000
		-	-	25,529	25,529	33,606	1,00000
		-	-	(2,544)	(2,544)	-	1,00000
		-	-	(1,116)	(1,116)	-	1,00000
		-	-	(3,249)	(3,249)	-	1,00000
		-	-	(1,565)	(1,565)	-	1,00000
		-	-	(3,680)	(3,680)	-	1,00000
		-	-	(2,951)	(2,951)	-	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 companies							
Edenred Belgium Av. Herrmann Debroux 44 1 160 Bruxelles	EUR	8,608	192,176	100.00%	865,415	865,415	
Edenred Portugal SA Edificio Adamastor, Torre B Av. D.Joao II 1 990-077 Lisoa	EUR	2,030	6,454	50.00%	6,765	3,352	3,413
Edenred Deutschland GmbH (Allemagne)	EUR	1,520	5,991	100.00%	26,651	26,651	-
Edenred Espana SA (Espagne)	EUR	11,544	24,042	100.00%	53,141	53,141	
Edenred Finland OY Elimaenkatu15 00510 Helsinki	EUR	6,536	(150)	33.55%	6,502	6,502	
Shangai Yagao Meal Service Card Company Ltd (Chine)	CNY	62,209	(117,062)	100.00%	6,362	-	6,362
Edenred India PVT Ltd (Inde) [1]	INR	246,131	229,142	94.90%	14,001	8,619	5,382
Edenred Singapore Pte Ltd (Singapour)	SGD	6,392	(10,697)	100.00%	14,772	-	14,772
Surgold India PVT Ltd (Inde) [1]	INR	15,898	42,681	100.00%	7,539	-	7,539
Cestaticket Services C.A. (Venezuela)	VEF	6,000	35,760	57.00%	16,309	16,309	
Inversiones Dix Venezuela SA	VEF	207,719	28,840	100.00%	18,608	3,480	15,128
Big Pass (Colombie)	COP	1,514,440	3,681,965	100.00%	12,759	11,462	1,297
Edenred China	CNY	190,000	60,489	100.00%	21,644	13,919	7,725
Barclays Vouchers Co. Ltd	JPY	1,000,000	(590,944)	100.00%	29,624	22,931	6,693
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. (Pologne)	PLN	18,170	5,417	5.00%	4,682	243	4,439
Edenred Italie SRL Via GB Pirelli 19 Milano Italia	EUR	5,959	39,942	1.70%	16,717	15,051	1,666
Edenred Servicos E Participacoes S/A	BRL	138,261	226,554	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 Peri 92 240 Malakoff	EUR	610	252	100.00%	2,799	2,799	,

(in € thousands)

Outstanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2014 exchange rate
664,458		54,300	54,300	85,007	85,007	49,179	1,00000
	-	5,260	5,260	106	106	-	1,00000
		9,266	9,266	(1,202)	(1,202)	-	1,00000
65,078		15,866	15,866	15,696	15,696	1,412	1,00000
		7,905	7,905	(4,458)	(4,458)	-	1,00000
		166	20	(4,344)	(530)	-	8,18890
		319,350	3,939	17,280	213	-	81,08250
		5,092	3,025	(1,303)	(774)	-	1,68310
	-	1,810,567	22,330	(51,988)	(641)	-	81,08250
		1,164,497	17,551	513,720	7,743	3,063	66,35020
		-	-	10,781	162	-	66,35020
		8,617,931	3,245	(1,425,052)	(537)		2,655,99380
		6,033	737	(15,461)	(1,888)	-	8,18890
		636,967	4,537	(28,440)	(203)	-	140,39750
		6,114	1,461	(6,372)	(1,523)	-	4,18520
295,000		1,076,404	1,076,404	45,077	45,077	768	1,00000
		-	-	342,923	109,788	853	3,12350
		14,000	14,000	2,039	2,039	2,135	1,00000

		(in thousands of local currency units)			Carrying amount of shares		
Subsidiaries and affiliates	**Currency**	**Share capital**	**Reserves**	**% interest**	**Cost**	**Net**	**Provisions**
GABC 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	60	(64)	100.00%	760	760	
LCCC 32 Ter Bld Ornano 93 200 Saint-Denis [4]	EUR	188	(9)	44.32%	1,141	1,141	,
Veninvest Dix 166- 180 Bld Gabriel Péri 92240 Malakoff	EUR	15	(7)	100.00%	15	15	
ACTIVITIZ 4 bis rue Saint Saveur 75 002 PARIS [1]	EUR	49	635	9.89%	250	-	250
PROWECLUB	EUR	28,345	267	9.95%	2,820	2,820	-
VOUS AVEZ CHOISI	EUR	158	(173)	30.28%	244	-	244

(in € thousands)

Outstanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2014 exchange rate
		-	-	29	29		1,00000
		156,444	156,444	547	547	-	1,00000
		-	-	(3)	(3)	-	1,00000
		2,444	2,444	(193)	(193)	-	1,00000
		785	785	344	344		1,00000
		5	5	(60)	(60)	-	1,00000

Subsidiaries and affiliates	Currency	Share capital (in thousands of local currency units)	Reserves (in thousands of local currency units)	% interest	Cost (Carrying amount of shares)	Net (Carrying amount of shares)	Provisions
b) Foreign companies							
Soltis BV Weena 695 3013 AM Rotterdam (Pays-Bas)	EUR	140	65	100.00%	494	391	103
Edenred Austria GmbH Am Euro Platz 1, A-1120 Wien (Autriche)	EUR	1,600	44	100.00%	1,589	1,589	
Edenred North America Inc.	USD	15,616	13,303	100.00%	333	333	
Corporate Insurance Boker Magyarorszag Kft (Hongrie)	HUF	50,000	(20,619)	56.00%	105	55	50
Edenred Bulgaria ad 137 Tzarigradsko Shausse Blvd Sofia 1784, Bulgaria	BGN	3,392	(896)	50.00%	1,272	496	776
Westwell Group SA José Enrique Rodo 2123, Montevideo Uruguay	USD	1,864	1,002	100.00%	2,209	2,209	
Edenred Peru SA (Perou)	PEN	900	(575)	67.00%	1,455	104	1,351
Edenred Panama SA	PAB	1,250	(1,438)	100.00%	1,024	-	1,024
Edenred South Africa (Proprietary) Ltd (Afrique du Sud)	ZAR	5,000	(48,144)	74.00%	424	424	
Edenred Maroc SAS 110 BD Zerktouni Casablanca	MAD	11,000	(26,479)	51.00%	496	-	496
BEIJING YAGAO Meal Service Card Company Ltd (Chine)	CNY	16,435	(23,053)	88.75%	1,854	-	1,854
Edenred s.a.l (Liban) SID EL Bauchrieh Beyrouth	LBP	3,250	(3,742)	80.00%	1,559	219	1,340
Accentiv' Shanghai Company (Chine)	CNY	7,041	(4,579)	100.00%	650	650	
Edenred Colombia S.A.S (Colombie)	COP	218,818	584,312	96.70%	2,084	370	1,714
Ticket Servicos SA (Brésil)	BRL	40,221	323,470	0.11%	230	230	
Edenred Bresil Participacoes SA (Brésil)	BRL	555,634	(33,432)	7.04%	3,306	3,306	
Edenred Suisse SA	CHF	2,500	-	100.00%	2,456	1,627	829
Savingstar	USD	27,370	(19,295)	10.80%	3,887	3,887	
Izicard (3)	EUR	-	-	35.33%	425	425	
Launchpad (2)	GBP	0	452	11.10%	338	338	
Edenred Partners Capital (3)	GBP	-	-	10.00%	1	1	
Edenred Magyarorszag Kft (Hongrie)	HUF	89,000	429,880	1.69%	373	-	373
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	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2014 exchange rate
	-	-	-	255	255	-	1,00000
	-	1,451	1,451	106	106	47	1,00000
	-	527	397	(2,489)	(1,873)	-	1,32890
	-	-	-	-	-	-	308,73710
	-	3,032	1,550	(45)	(23)	-	1,95580
	-	-	-	1,831	1,378	1,446	1,32890
	-	-	-	(884)	(235)	-	3,76970
	-	-	-	-	-	-	1,32890
2,517	-	18,217	1,264	2,615	182	-	14,40760
	-	2,655	238	(2,170)	(194)	-	11,16980
	-	549	67	(1,329)	(162)	-	8,18890
412	-	1,045	1	(69)	(0)	-	2,006,35720
	-	30,084	3,674	886	108	-	8,18890
	-	-	-	(138,495)	(52)	-	2,655,99380
	-	933	299	344	110	55	3,12350
	-	-	-	341,430	109,310	3,498	3,12350
	-	355	292	(343)	(282)	-	1,21460
		5,970	4,492	(4,502)	(3,388)		1,32890
	-		-		-	-	1,00000
		120	149	(418)	(518)		0,80650
							0,80650
	-	185,182	600	(153,129)	(496)		308,73710
	-	6,011	6,011	2,188	2,188	24	1,00000

Subsidiaries and affiliates	Currency	Share capital (in thousands of local currency units)	Reserves	% interest	Carrying amount of shares: Cost	Net	Provisions
Edenred UK Group Limited 50 Vauxhall Bridge Road, London SW1V 2RS UK	GBP	13,394	52,612	1.70%	3,117	3,117	
Edenred Sweden Liljeholmsstranden 3,105 40 Stockholm	SEK	9,974	20,660	1.70%	897	500	397
Edenred Mexico Sa De Cv Lago Rodolfo 29 Granada CP 11520 Mexico DF	MXN	175,154	51,545	1.70%	3,256	3,256	
Luncheon Tickets SA José Enrique Rodo 2123, Montevideo Uruguay	UYU	5,236	4,054	1.74%	231	231	
Edenred Romania SRL	RON	73,162	(24,490)	1.70%	4,426	1,497	2,929
Edenred Slovakia (Slovaquie)	EUR	664	96	1.70%	309	309	
Edenred Kurumsal Coz.A.S (Turquie)	TRY	2,980	3,653	1.70%	55	55	
G Log Servicos De Gestao De Distribuicao Ltda (Brésil)	BRL	10	(480)	1.70%	1	1	
Ticketseg - Corretora De Seguros S/A (Brésil)	BRL	2,526	216	0.43%	8	8	
Accentiv Servicos Tecnologia Da Informacoa S/A	BRL	21,114	(1,280)	0.31%	387	32	355
Edenred Cz S.R.O Na Porici 5, Praha 1, Czech Republic	CZK	13,500	673,426	1.70%	725	725	
3-Other investments							
A - Subsidiaries and affi liates with a carrying amount in excess of 1% of Edenred SA's capital							
a) French subsidiaries (aggregate)					1,300,407	1,240,893	59,514
b) Foreign subsidiaries (aggregate)					1,131,099	1,056,683	74,416
B - Investments with a carrying amount of less than 1% of Edenred SA's capital							
a) French subsidiaries (aggregate)					8,029	7,535	494
b) Foreign subsidiaries (aggregate)					39,976	26,385	13,591
TOTAL (NOTE 24)					**2,479,512**	**2,331,497**	**148,015**

Provisional unaudited balance sheet data :

(1) Balance sheets as of March 31, 2013.

(2) Balance sheet closed on February 28, 2014.

(3) Created in 2014.

(4) Fiscal year of 19 months.

(in € thousands)

Outstanding loans and advances granted by Edenred SA	Guarantees given by Edenred SA	Last reported revenue	Last reported revenue	Last reported profit (loss) *(local currency)*	Last reported profit (loss)	Dividends received by Edenred SA during the year	Average 2014 exchange rate
	-	71,667	88,862	1,166	1,446	165	0,80650
	-	79,527	8,740	(2,311)	(254)	32	9,09870
	-	1,087,214	61,545	210,784	11,932	185	17,66530
	-	-	-	156,711	5,085	64	30,82020
		72,661	16,350	21,329	4,799		4,44420
	-	9,414	9,414	2,664	2,664	40	1,00000
	-	35,584	12,240	20,323	6,991	84	2,90720
	-	7,049	2,257	1,752	561	-	3,12350
	-	1,216	389	1,157	370	1	3,12350
	-	35,483	11,360	1,414	453		3,12350
	-	402,944	14,633	68,815	2,499	140	27,53710
434,679	-					33,606	
1,024,536	-					55,275	
-	-					2,135	
2,929	-					5,781	
1,462,144	**-**					**96,797**	

NOTE 25 FIVE-YEAR FINANCIAL SUMMARY

Description *(in € millions)*	2010	2011	2012	2013	2014
1 – Capital at December 31					
Share capital	452	452	452	452	458
Number of shares in issue	225,897,396	225,897,396	225,897,396	225,897,396	228,811,546
Number of convertible bonds					
2 – Results of operations					
Net revenues	18	24	26	31	29
Profit before tax, depreciation, amortization and provision expense	222	297	68	356	64
Income tax		13	10	8	5
Net profit	152	378	56	414	41
Total dividend	113	158	185	185	190
3 – Per share data *(in €)*					
Earnings/(loss) per share after tax, before depreciation, amortization and provision expense	0.98	1.31	0.30	1.58	0.28
Earnings/(loss) per share	0.67	1.67	0.25	1.83	0.18
Dividend per share	0.50	0.70	0.82	0.83	0.84
4 – Employee information					
Number of employees (2)	136	148	160	174	179
Total payroll	(5)	(17)	(18)	(29)	(19)
Total benefits	(4)	(9)	(10)	(11)	(15)

(1) 2013 recommended dividend payable on 226,623,633 shares.

(2) Average number of employees as of December, 31.

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.

Edenred is a *société anonyme* with a Board of Directors governed by the laws of France, mainly the provisions of the French Commercial Code (*Code de commerce*).

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

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

All of the shares are listed on Euronext Paris (Compartment A) under ISIN FR0010908533 (ticker symbol: EDEN). Edenred is included in the CAC Large 60 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 the French 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 256).

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, 2014 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 French 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 French 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 French Commercial Code. Shares issued in payment for contributed assets are subject to the specific procedure provided for in Article L.225-147 of the French 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 French 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 French 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, Article 9 of the Company's bylaws requires 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 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 French 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 French 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 7.3.1, page 263.

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 marchés 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 French 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 and items that could have an impact in the event of a public tender offer

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 the French Commercial Code):

- **capital structure:** see section 7.3.1, page 264;
- **voting right restrictions:** see section 7.2 on disclosure thresholds, page 254;
- **direct or indirect equity interests in the Company that have been disclosed:** see section 7.3.1, page 263;
- **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 121;
- **employee share ownership system when the employee does not exercise the control rights:** 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 for 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;
- **rules for appointing and replacing members of the Board of Directors and amending the bylaws:** see section 5.2.2.1, page 107. No specific rules apply to amending the bylaws;
- **agreements entered into by the Company that would alter or terminate upon a change of control:** bonds for a total of €1,275 million excluding accrued interest could become immediately repayable in the event of a change of control, by decision of any individual 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).

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 combating 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, 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 combating tax fraud and evasion and stipulating that the French tax authorities are entitled to obtain from the country where the fund is established the information necessary to verify that the funds (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 section 1, paragraphs 1, 2, 3, 5 and 6 of subsection 2, subsection 3 or subsection 4 of section 2 in chapter IV, part I, book II of France's Monetary and Financial Code.

The withholding tax may be reduced or canceled 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, corporate shareholders that hold at least 5% of the Company's capital 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 combating 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, 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.

7.2.2 SHARE BUYBACK PROGRAM

This section presents the share buyback program in accordance with Articles 241-1 *et seq.* of the General Rules of the *Autorité des marchés financiers* (AMF).

7.2.2.1 Authorizations granted by the Annual Shareholders Meeting

Authorizations to buy shares

The Shareholders Meeting of May 13, 2014 gave the Board of Directors an eighteen-month authorization to buy back a number of shares that may not exceed 10% of the total number of shares outstanding, as allowed by Articles L.225-209 *et seq.* of the French 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 purposes of this share buyback program are provided in the program description published on the Company's website on June 30, 2014 in accordance with Articles 241-1 *et seq.* of the AMF's General Rules.

The characteristics of the buyback program are as follows:

Shares concerned	Equities
Maximum percentage of capital purchased into treasury	10% (the number of Edenred 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)
Maximum number of shares that may be purchased	22,589,739 shares, representing 10% of the capital at December 31, 2013
Maximum total amount allocated to the program	€790,640,865
Maximum purchase price per share	€35
Validity	18 months until November 12, 2015

At the Shareholders Meeting scheduled for April 30, 2015, the Board will submit a proposal to approve a new eighteen-month authorization that would override the authorization granted at the Shareholders Meeting of May 13, 2014 to buy a number of shares that may not exceed 10% of the total number of shares outstanding (i.e. 20,693,241 shares, or 9.04% of the capital at December 31, 2014, provided Edenred held 2,187,913 of its own shares at that date, representing 0.96% of the capital) at a maximum purchase price of €35 per share. The total amount allocated to this buyback program cannot exceed €724,263,435. If the authorization is approved by the Shareholders Meeting on April 30, 2015, the share buybacks will be used for the following purposes:

- to cancel all or some of the acquired shares in connection with a capital reduction decided or authorized by the Company's shareholders in an Extraordinary Meeting;
- to allocate shares upon exercise of stock options granted under plans governed by Articles L.225-177 *et seq.* of the French 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 French 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*; or
- 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 Conduct 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.

The maximum purchase price may be adjusted as necessary to reflect the impact of any corporate actions.

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 – but excluding the sale of put options – 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. The entire buyback program may be implemented through a block trade.

Shares may be bought back, sold or otherwise transferred at any time for a period of 18 months from the date of the Shareholders Meeting on April 30, 2015 until October 29, 2016, except when a takeover bid for the Company is in progress, in accordance with the applicable regulations.

Authorization to cancel shares

The Shareholders Meeting of May 13, 2014 authorized the Board of Directors to cancel shares bought back under the provisions of Article L.225-209 *et seq.* of the French Commercial Code. The number of shares canceled in any given 24-month period may not exceed 10% of the total shares outstanding.

Pursuant to this authorization, on December 16, 2014 the Board of Directors decided to cancel 1,622,871 shares, representing approximately 0.7% of the capital, purchased under the 2013 share buyback program authorized by the Shareholders Meeting of May 24, 2013 and set aside for cancellation.

7.2.2.2 Implementation of the share buyback program in 2014

The authorization given at the Annual Shareholders Meeting of May 13, 2014 was used by the Company during 2014.

At the year-end, 2,187,913 shares, representing 0.96% of the share capital, were held directly or indirectly by the Company.

(a) Transactions carried out excluding the liquidity contract

During 2014, the Company:

- purchased 858,000 Edenred shares for cancellation at an average price of €22.12 per share for a total spend of €18.976 million. This transaction was carried out by independent investment services providers acting under the Company's share buyback program;
- allocated 244,400 shares to be delivered under the performance share plan of March 11, 2011 reserved for certain employees and Executive Directors who are French tax residents;
- purchased 1,016,192 Edenred shares for allocation to stock grant plans governed by Articles L.225-197-1 *et seq.* of the French Commercial Code, at an average price of €20.41 per share for a total spend of €20.736 million. This transaction was carried out by independent investment services providers acting under the Company's share buyback program;
- canceled 1,622,871 Edenred shares totaling €37,236,437 to offset the stock dilution following the share issue as a result of the exercise of options vested under the stock option plan of August 6, 2010.

(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 Euronext Paris stock exchange. The contract, which complied with the AMAFI Code of Conduct approved by the *Autorité des marchés financiers* on March 21, 2011, ended on October 31, 2014.

On November 3, 2014, the Company signed a new liquidity contract with Oddo Corporate Finance that complies with the AMAFI Code of Conduct approved by the *Autorité des marchés financiers* on March 21, 2011. During 2014, under the liquidity contracts with Exane BNP Paribas and Oddo Corporate Finance, the Company:

- purchased 3,060,546 shares at an average price of €22.75 per share, for a total outlay of €69,626,188; and
- sold 3,035,803 shares at an average price of €22.74 per share, for total proceeds of €69,034,167.

At December 31, 2014, the Company held 159,000 shares under the liquidity contract with Oddo Corporate Finance, acquired at an average price of €23.13 per share, for a total of €3.677 million or 0.07% of the capital.

In addition, the Company's balance sheet at December 31, 2014 included €6.550 million in marketable securities held under the liquidity contract.

(c) Utilization of authorizations granted by the Annual Shareholders Meeting

Type of authorization	Maximum nominal amount authorized	Duration	Utilization in 2014
Share buyback program			
Shareholders Meeting of May 24, 2013 (8th resolution)	up to the equivalent of 10% of the capital at the completion date	18 months	Purchase for cancellation 858,005 shares
	Total amount: 790,640,865		Purchase under the Exane liquidity contract 746,786 shares
	Maximum purchase price: €35		
Shareholders Meeting of May 13, 2014 (15th resolution)	up to the equivalent of 10% of the capital at the completion date	18 months	Purchase for allocation to performance share plans 1,016,192 shares
	Total amount: 790,640,865		Purchase under the Exane liquidity contract 981,187 shares
	Maximum purchase price: €35		Purchase under the Oddo liquidity contract 1,332,573 shares
Cancellation of shares			
Shareholders Meeting of May 24, 2013 (9th resolution)	up to the equivalent of 10% of the capital at the cancellation date for each 24-month period	24 months	None
Shareholders Meeting of May 13, 2014 (15th resolution)	up to the equivalent of 10% of the capital at the cancellation date for each 24-month period	24 months	Cancellation of 1,622,871 shares as decided by the Board of Directors on December 16, 2014

The Shareholders Meeting of April 30, 2015 will rule whether to renew the authorization to trade in the Company's shares and the authorization to reduce the capital by canceling shares, under the terms defined in section 8.1.

7.2.2.3 Overview of the share buybacks carried out in 2014

The number of shares and percentage of capital held by the Company at December 31, 2014 are summarized below (information disclosed pursuant to Instruction 2005-06 issued by the AMF on February 22, 2005):

Number of Edenred shares canceled over the last twenty-four months	1,881,937
Number of Edenred shares held in treasury at December 31, 2014, of which	2,187,913
• shares bought back for cancellation	1,007,121
• shares held for allocation under performance share plans	1,021,792
• shares held under the liquidity contract with Oddo Corporate Finance	159,000
Percentage of capital held by the Company directly and indirectly at December 31, 2014	0.96%
Book value of treasury shares	€46.971 million
Market value of treasury shares at December 31, 2014	€50.311 million

The total amount of buyback transaction fees excluding tax was €0.04 million in 2014.

The Company held no open long or short positions in derivatives at December 31, 2014.

7.2.3 FINANCIAL AUTHORIZATIONS

At the Annual Shareholders Meetings of May 24, 2013 and May 13, 2014, shareholders granted the Board of Directors the following authorizations.

The Annual Shareholders Meeting of April 30, 2015 will rule whether to renew the authorization to grant performance shares under the terms described in the table below.

Type of authorization	Date of authorization	Nominal amount authorized	Duration and expiry date	Utilization	Financial authorization proposed at the Annual Shareholders Meeting of April 30, 2015
Issue of shares					
Issue with pre-emptive subscription rights	Shareholders Meeting of May 13, 2014 17th resolution	Equity securities: €225 million Debt securities: €2,250 million	26 months July 13, 2016		
Public offering without pre-emptive subscription rights	Shareholders Meeting of May 13, 2014 18th resolution	Equity securities: €45 million (1) Debt securities: €450 million (2) These maximum amounts are deducted from the maximum amounts authorized in the 17th resolution	26 months July 13, 2016		
Private placement without pre-emptive subscription rights	Shareholders Meeting of May 13, 2014 19th resolution	Equity securities: €45 million Debt securities: €450 million These maximum amounts are deducted from the maximum amounts authorized in the 17th resolution	26 months July 13, 2016		
Increase in the amount of any issues that are oversubscribed	Shareholders Meeting of May 13, 2014 20th resolution	15% of the amount of the initial issue	26 months July 13, 2016		
In payment for contributed assets	Shareholders Meeting of May 13, 2014 21st resolution	Equity securities: €45 million These maximum amounts are deducted from the maximum amounts authorized in the 17th resolution	26 months July 13, 2016		
Issuance of new shares by capitalizing reserves, retained earnings, additional paid-in capital or any other eligible amounts	Shareholders Meeting of May 13, 2014 22nd resolution	Equity securities: €225 million (3)	26 months July 13, 2016		
Employee savings plans					
Issue without pre-emptive subscription rights reserved for members of an employee stock ownership plan	Shareholders Meeting of May 13, 2014 23rd resolution	2% of the capital as at the close of the Shareholders Meeting of May 13, 2014	26 months July 13, 2016		
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 8% of the number of shares granted to Executive Directors 25% of the number of shares granted to members of senior management	26 months July 24, 2015	Board meeting of February 11, 2014 awarded 824,000 performance share rights Board meeting of February 11, 2015 awarded 800,000 performance share rights	8th resolution Maximum amount: 1.5% of the capital as at the award date Annual maximum amount of 0.06% of the capital as at the award date for the Executive Director Duration: 26 months

(1) *Maximum amount applicable to the 18th, 19th and 21st resolutions adopted at the Annual Shareholders Meeting of May 13, 2014.*
(2) *Maximum amount applicable to the 18th and 19th resolutions adopted at the Annual Shareholders Meeting of May 13, 2014.*
(3) *Maximum amount applicable to the 17th, 18th, 19th, 20th, 21st and 23rd resolutions adopted at the Annual Shareholders Meeting of May 13, 2014.*

In addition to these authorizations to issue shares, the Shareholders Meeting authorized the Board of Directors to cancel shares bought back by the Company. This authorization was used by the Board of Directors in 2014 (see paragraph 7.2.2.2 (c) Utilization of authorizations granted by the Annual Shareholders Meeting above).

7.2.4 SHARE EQUIVALENTS

The Company has not issued any share equivalents.

However, it should be noted that:

- up to 3,102,304 new shares may be issued upon exercise of stock options;
- up to 3,498,515 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 from page 126.

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				
Transaction date	**Transaction**	**Number of shares**	**Par value** *(in €)*	**Premium** *(in €)*	**New capital** *(in €)*	**Total number of shares**
Dec. 14, 2006	Initial capital	370	37,000		37,000	370
April 9, 2010	Cancellation of shares	119	11,900		25,100	251
April 9, 2010	Issue of shares	119	11,900	100	37,000	370
April 9, 2010	50-for-1 stock-split	18,500	37,000		37,000	18,500
May 11, 2010	Shares issued in payment for assets contributed by Accor S.A.	225,878,896	451,757,792	647,427,593.63	451,794,792	225,897,396
July 23, 2013	Cancellation of shares	259,066	518,132	4,149,941	451,276,660	225,638,330
Aug. 7, 2013	Issue of shares after vesting of shares granted	259,066	518,132	518,132	451,794,792	225,897,396
June 16, 2014	Issue of shares after dividend reinvestment	2,914,150	5,828,300	55,223,142	457,623,092	228,811,546
Dec. 16, 2014	Issue of shares after exercise of stock options	1,622,871	3,245,742	18,971,362	454,377,350	227,188,675
Dec. 16, 2014	Cancellation of shares	1,622,871	3,245,742	-33,990,695	457,623,092	228,811,546

7.3 OWNERSHIP STRUCTURE

7.3.1 OWNERSHIP OF SHARES AND VOTING RIGHTS

In accordance with the declaration made on January 6, 2015 pursuant to Article L.233-8-II of the French Commercial Code and Article 223-16 of the General Regulations of the *Autorité des marchés financiers*, at December 31, 2014, the Company's capital was made up of 228,864,521 shares representing a total of 246,329,964 voting rights, of which 244,142,051 were exercisable.

The Company had 2,965 registered shareholders representing 10.9% of the Company's capital and 17.4% of exercisable voting rights.

The Company's ownership structure over the last three years was as follows:

	At December 31, 2012			At November 30, 2013 [(3)]			At November 30, 2014 [(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%	14.07%	25,506,869	11.29%	14.99%	25,506,869	11.08%	14.67%
Total for Colony Capital	25,506,869	11.29%	14.07%	25,506,869	11.29%	14.99%	25,506,869	11.08%	14.67%
Legendre Holding 19 (Eurazeo)	23,061,291	10.21%	14.94%	-	-	-	-	-	-
Eurazeo SA	170,235	0.08%	0.07%	-	-	-	-	-	-
Total for Eurazeo	23,231,526	10.29%	15.01%	-	-	-	-	-	-
Total for shareholders acting in concert [(1)]	**48,738,395**	**21.58%**	**29.08%**	**-**	**-**	**-**	**-**	**-**	**-**
The Capital Group Companies, Inc. [(4)]	**-**	**-**	**-**	**-**	**-**	**-**	**26,608,781**	**11.58%**	**10.75%**
Morgan Stanley IM	**22,653,117**	**10.03%**	**8.78%**	**22,419,737**	**9.92%**	**9.25%**	**-**	**-**	**-**
Véritas AM LLP	**-**	**-**	**-**	**11,307,070**	**5.01%**	**4.67%**	**11,307,070**	**4.91%**	**4.56%**
Other institutional investors	**142,592,517**	**63.12%**	**55.47%**	**151,450,726**	**67.05%**	**62.70%**	**150,216,361**	**65.28%**	**60.67%**
Individual shareholders	**11,656,460**	**5.16%**	**6.56%**	**13,176,373**	**5.83%**	**7.55%**	**12,712,005**	**5.52%**	**7.83%**
Edenred (treasury stock) [(2)]	**256,907**	**0.11%**	**0.10%**	**2,036,621**	**0.90%**	**0.84%**	**3,753,784**	**1.63%**	**1.52%**
TOTAL	**225,897,396**	**100%**	**100%**	**225,897,396**	**100%**	**100%**	**230,104,870**	**100%**	**100%**

Sources: Euroclear France, Edenred share register, additional survey and disclosures made to the Autorité des marchés financiers.

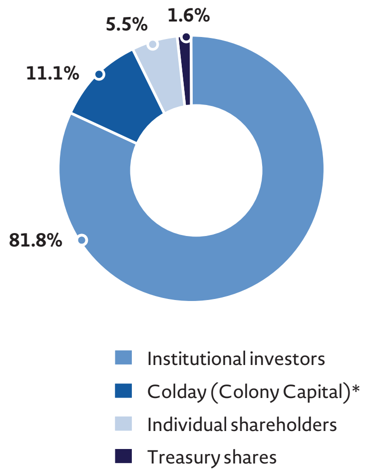
(1) *The shareholders' pact ended on March 6, 2013 after Eurazeo sold all of its 23.1 million Edenred shares, representing 10.2% of the Company's capital, via Legendre Holding 19.*

(2) *At the year-end, 2,187,913 shares, representing 0.96% of the share capital, were held by the Company. The voting rights associated with shares held in treasury are not exercisable.*

(3) *Date of the most recent shareholder survey.*

(4) *The Capital Group Companies, Inc. has increased its interest since November 30, 2014. As at December 18, 2014 (AMF reference no. 214C2666), The Capital Group Companies, Inc. disclosed that it holds 37,509,500 shares, representing 16.30% of the share capital and 15.15% of the voting rights.*

THE COMPANY'S OWNERSHIP STRUCTURE IS AS FOLLOWS:



** Reference shareholder*

The free float represents 87.3% of outstanding shares.

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%
The Capital Group Companies, Inc.	September 12, 2014	214C1884	Increase	12,522,526	5.45%	12,522,526	5.07%

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
Morgan Stanley Investment Management	September 18, 2014	211C1920	Decrease	9,070,152	3.95%	9,070,152	3.67%
The Capital Group Companies, Inc.	October 24, 2014	214C2220	Increase	23,485,133	10.22%	23,485,133	9.50%
The Capital Group Companies, Inc.	October 29, 2014	214C2255	Increase	26,608,781	11.58%	26,608,781	10.76%
The Capital Group Companies, Inc.	December 17, 2014	214C2658	Increase	35,052,654	15.23%	35,052,654	14.16%
The Capital Group Companies, Inc.	December 18, 2014	214C2666	Increase	37,509,500	16.30%	37,509,500	15.15%

Shareholders' pacts

None.

Voting rights of the main shareholders

As of December 31, 2014, 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 253).

In accordance with the declaration made on January 6, 2015 pursuant to Article L.233-8-II of the French Commercial Code and Article 223-16 of the General Regulations of the Autorité des marchés financiers, at December 31, 2014, the Company's capital was made up of 228,864,521 shares representing a total of 246,329,964 voting rights, of which 244,142,051 were exercisable.

Agreements that may lead to a change of control

None.

7.3.2 DIVIDENDS

Edenred made the following dividend payments in 2012, 2013 and 2014:

Years	Shares outstanding at December 31	Dividend per share *(in €)*	Total dividend paid *(in €)*	Paid on	Share price *(in €)* High	Share price *(in €)* Low	Share price *(in €)* Year-end	Yield based on year-end price
2011	225,897,396	0.70	158,128,177	May 31, 2012	22.64	15.40	19.02	3.68%
2012	225,897,396	0.82	185,025,201	May 31, 2013	24.79	18.31	23.30	3.52%
2013	225,897,396	0.83	185,294,847	June 18, 2014	27.10	22.50	24.33	3.41%

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. The dividend policy set out in the bylaws is described in section 7.2.1.4.

At the Annual Shareholders Meeting of April 30, 2015, the Board of Directors will recommend setting the 2014 dividend at €0.84 per share. Shareholders will be paid half of the 2014 dividend in cash. They may opt to receive the other half of the dividend 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 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 2014, the shares closed at €22.96, giving the Company a market capitalization of €5.3 billion.

EDENRED SHARE PRICES AND TRADING VOLUMES (ISIN: FR0010908533)

(in €)	Average closing price	High	Low	Trading volume
2014				
January	22.99	24.77	20.61	11,025,340
February	22.17	23.36	20.54	9,521,732
March	23.00	24.18	21.85	8,415,441
April	23.85	25.10	22.35	8,004,260
May	23.87	24.70	22.93	5,176,672
June	22.58	23.35	21.62	6,421,358
July	22.53	24.35	21.53	6,659,522
August	22.95	23.54	22.33	5,452,462
September	21.05	22.62	19.27	8,659,512
October	20.88	22.31	19.78	12,293,176
November	22.61	23.47	21.79	6,306,542
December	23.42	24.27	22.46	12,372,106
2015				
January	23.94	27.15	21.78	12,972,396
February	24.77	25.90	23.54	11.365.141

Source: 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, APPROPRIATION OF PROFIT AND DIVIDEND PAYMENT

The purpose of the **first resolution** is to approve the annual financial statements of Edenred SA for the year ended December 31, 2014, which show net profit of €41,569,054. 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 €110,230 for 2014, and the tax paid thereon, which was €37,955.

The purpose of the **second resolution** is to approve the consolidated financial statements of the Edenred Group for the year ended December 31, 2014, which show attributable net profit of €164 million, 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: €190,363,851 (based on 226,623,633 shares carrying dividend rights at December 31, 2014);
- Legal reserve: €582,830, which increases the total to €45,762,309;
- Retained earnings: €(149,377,626), which decreases the total to €209,228,833.

Shareholders are invited to set the 2014 dividend at €0.84 per share, representing a payout rate of 97% of recurring net profit after tax.

Dividends per share for the previous three years were as follows:

- 2011: €0.70;
- 2012: €0.82;
- 2013: €0.83.

As was the case last year, the **fourth resolution** introduces a dividend reinvestment option. Under this option, shareholders can choose to receive half of their 2014 dividend in Edenred shares, as follows:

- €0.42 per share in cash only; and
- €0.42 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 April 30, 2015 Shareholders Meeting, 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 lower whole number of shares and the balance in cash.

The dividend reinvestment option will be exercisable between May 12 and the close of business on May 28, 2015. Shareholders that do not exercise the reinvestment option by May 28, 2015 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 8, 2015. For shareholders that opt to reinvest part of their dividend, the shares will be delivered as from the same date, i.e. June 8, 2015.

8.1.2 ADVISORY VOTE ON THE COMPENSATION DUE OR AWARDED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR 2014

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 French 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:

- fixed 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 116.

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, 2014 to Jacques Stern, Chairman and Chief Executive Officer.

Compensation due or awarded to Jacques Stern, Chairman and Chief Executive Officer, for 2014, submitted to an advisory vote by shareholders

Compensation components	Amount	Comments
Fixed salary	€700,000	Gross annual fixed salary of €700,000 approved by the Board of Directors on February 11, 2014 based on the recommendation of the Compensation and Appointments Committee (unchanged since 2011).
Annual bonus	€709,000	***General principle:*** The bonus may range from 0% to 150% of Mr. Stern's fixed salary, depending on actual performance compared to the objectives, with two components: • A component based on financial targets representing up to the equivalent of 100% of fixed 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 fixed salary. If the targets are exceeded, the bonus may represent up to a maximum of 100% of fixed salary; • A component representing up to 50% of fixed salary, based on operating targets relating to the deployment of the Group's strategy (for 30%) and management objectives (for 20%). ***2014*** Jacques Stern's 2014 bonus was determined during the Board meeting held on February 11, 2015, 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. He was awarded €709,000, representing 68% of his possible maximum bonus and 101% of his annual fixed salary. The performance criteria and actual levels achieved are analyzed on page 129.
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.
Stock options and/or performance shares	66,000 performance share rights awarded, valued at €931,920 based on the method used in the consolidated financial statements	On February 17, 2014, the Board of Directors used the authorization given at the Annual Shareholders Meeting of May 24, 2013 to award Jacques Stern rights to 66,000 performance shares. 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 percent of the performance shares granted must be held in registered form for as long as the Chairman and Chief Executive Officer remains in office. Executive Directors are banned by the Company from hedging the related equity risk until the end of the lock-up period for shares set by the Board of Directors. No stock options were granted to Mr. Stern during 2014.

Compensation components	Amount	Comments
Compensation for loss of office	No benefits 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' fixed salary and bonus. Said compensation is subject to performance criteria and would only be payable in the event that Mr. Stern 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 serious misconduct or gross negligence. For further details, see page 121. In accordance with the procedure governing related party agreements and commitments, this commitment was authorized by the Board of Directors on February 11, 2014, approved by the Annual Shareholders Meeting of May 13, 2014 and reviewed by the Board of Directors on February 11, 2015.
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 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, which covered 17 members of staff in 2014, represented 0.7% of Mr. Stern's gross annual compensation (1) for 2014, i.e. €9,387. 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 February 11, 2014, approved by the Annual Shareholders Meeting of May 13, 2014 and reviewed by the Board of Directors on February 11, 2015.
Death/disability and health insurance cover	No benefits due or paid	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 2014 amounted to €5,299.58. In accordance with the procedure governing related party agreements and commitments, this commitment was authorized by the Board of Directors on February 11, 2014, approved by the Annual Shareholders Meeting of May 13, 2014 and reviewed by the Board of Directors on February 11, 2015.
Unemployment insurance	No benefits due or paid	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. In accordance with the procedure governing related party agreements and commitments, this commitment was authorized by the Board of Directors on February 11, 2014, approved by the Annual Shareholders Meeting of May 13, 2014 and reviewed by the Board of Directors on February 11, 2015.
Other benefits	€0	Jacques Stern is not entitled to any other benefits.

(1) Gross annual compensation corresponds to the participant's fixed salary and bonus, excluding any exceptional bonuses.

8.1.3 AUTHORIZATIONS GRANTED TO THE BOARD OF DIRECTORS

8.1.3.1 Authorization to trade in the Company's shares

The purpose of the **sixth 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 13, 2014 (15th 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 seventh resolution of this meeting or in any similar resolution that supersedes said 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 French 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 Conduct 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.

Pursuant to Article 225-210 of the French Commercial Code, the number of shares held by Edenred at any moment in time cannot exceed 10% of its share capital on that date.

On December 31, 2014, Edenred held 2,187,913 of its own shares, equivalent to 0.96% of the Group's total share capital. The maximum number of its own shares that it could potentially buy back would therefore be equivalent to 9.04% of Edenred's share capital on December 31, 2014, i.e. 20,693,241 Edenred shares, equivalent to a maximum purchase value of €724,263,435.

The authorizations to the same effect granted by the Shareholders on May 24, 2013 and May 13, 2014 were used by the Board of Directors during 2014 to buy back 4,937,743 shares (including purchases made as part of the liquidity contract) at an average share price of €22.15, equivalent to a total of €109 million. The total amount of transaction fees excluding tax was €0.02 million in 2013.

8.1.3.2 Authorization to reduce the capital by canceling shares

In the **seventh 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 18 months and is the subject of a special report by the Statutory Auditors. It will supersede the authorization given by the Annual Meeting of May 13, 2014 (16th resolution).

The previous authorization for the same purpose granted by shareholders on May 13, 2014 was used during the year to cancel 1,622,871 shares on December 16, 2014. This was done to offset the dilutive impact of the capital increase that occurred after stock options awarded as part of the stock option plan on August 6, 2010 were exercised.

Over the past 24 months, Edenred has canceled 1,881,937 shares representing 0.8% of the capital on December 31, 2014.

8.1.3.3 Authorization to grant performance shares without pre-emptive subscription rights for existing shareholders

The purpose of the **eighth resolution** is to authorize the Board of Directors to grant performance shares on one or several occasions to Executive Directors and/or Company employees and/or Group employees pursuant to the provisions of Article L.225-129 et seq. and Article L.225-197-1 et seq. of the French Commercial Code.

The number of performance share rights granted during the 26-month authorization period will not exceed 1.5% of the capital and the aggregate par value of the shares concerned by the rights will be deducted from the total maximum amount provided for in the second paragraph of the 17th resolution of the Annual Shareholders Meeting of May 13, 2014 or, if applicable, the blanket ceiling set in any new resolution to the same effect adopted while this authorization is in force.

At the Board of Directors' discretion, grantees may be awarded existing shares bought back for this purpose or newly issued shares. If grantees are awarded newly issued shares, the authorization will automatically entail the waiver by shareholders, in favor of the grantees, of their pre-emptive right to subscribe for the said shares as well as their right to the portion of retained earnings, profit or additional paid-in capital that will be transferred to the capital account to pay up the vested shares, as and when the shares vest.

No more than 0.06% of the total capital on the allocation date may be granted to the Executive Director for the fiscal year.

Based on the recommendation of the Compensation and Appointments Committee, the Board of Directors will select the grantees. Any performance shares granted must be awarded on the basis of continued presence within the Group and individual/group performance. The criteria apply to Executive Directors and Company/Group employees.

The performance share plans would cover a five-year period, with performance shares granted to French tax residents subject to a three-year vesting period followed by a two-year lock-up and shares granted to residents of other countries subject to a five-year vesting period without any lock-up.

The shares would only vest at the end of at least a three-year vesting period after which, if the conditions laid out by the Board of Directors are met, the grantee becomes a shareholder. This would be followed by a second period of at least two years during which the shares cannot be sold (referred to as the lock-up period). To use this system outside France while also avoiding grantees in these other countries being subject to punitive income tax and payroll tax costs, the Board of Directors may set the vesting period for these grantees at five years or more and shorten or waive the lock-up period.

This authorization is valid for a period of twenty-six months and supersedes the unused portion of the authorization granted to the Board of Directors at the Shareholders Meeting held on May 24, 2013.

The granting of this authorization would enable the Board of Directors to introduce performance share plans for the Group's top managers in France and abroad, representing around 400 people, to pursue its policy of giving them a stake in the Group's performance and development. This would help to (i) ensure that managers actively support the Group's long-term strategy and targets, (ii) retain key Human Resources and (iii) align managers' interests with those of our shareholders.

The performance share plans to be introduced on the basis of this authorization would entail shares being granted based on continued presence within the Group and 100% of performance conditions based on three criteria assessed at the end of three consecutive fiscal years, and will vest as follows:

- 37.5% if the target for like-for-like issue volume growth is met;
- 37.5% if the target for like-for-like growth in funds from operations (FFO) is met;
- 25% 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, page 23. 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 will set the performance ranges (lower and upper limits) for each criterion based on the recommendation of the Compensation and Appointments Committee.

Pursuant to the terms of the plans, the criteria assessed over three consecutive fiscal years starting from the launch of each plan are as follows:

Like-for-like issue volume growth over three years	
Like-for-like issue volume growth of less than 8%	0%
Like-for-like issue volume growth of 8-9%	50%
Like-for-like issue volume growth of 9-10%	75%
Like-for-like issue volume growth of 10-12%	100%
Like-for-like issue volume growth of 12% or more	125%
Like-for-like growth in FFO over three years	
Like-for-like growth in FFO of less than 8%	0%
Like-for-like growth in FFO of 8-10%	50%
Like-for-like growth in FFO of 10-12%	75%
Like-for-like growth in FFO of 12-14%	100%
Like-for-like 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 equal to or above 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 confirm these performance assessments after consulting the Compensation and Appointments Committee. The Board's assessment will be final and will not be subject to any right of appeal. Each grantee will be personally informed of the level of achievement of the performance criteria, by the procedure provided for in the Plan rules.

The number of shares that vest based on the level of achievement of the performance criteria will not exceed 100% of the rights initially granted by the Board of Directors for each plan.

8.1.4 AMENDMENTS OF BYLAWS IN RELATION TO THE ANNUAL SHAREHOLDERS MEETING

In the **ninth resolution**, shareholders are invited to amend Article 23 of the bylaws to ensure their compliance with Article R.225-85 I and II of the French Commercial Code as amended by Decree no. 2014-1466 of December 8, 2014 amending the date and procedures for establishing the list of persons authorized to take part in shareholders and bondholders meetings of commercial companies.

Shareholders are also invited to amend Article 24 of the bylaws to stipulate the rules governing participation in and video conference transmission of the Annual Shareholders Meeting in accordance with the law and current regulations by establishing, at the Board's discretion, the terms under which all shareholders can participate in the Annual Shareholders Meeting and vote by video conference or by other means of electronic telecommunication or mail that allows them to be identified in accordance with the law and current regulations and to request an admission card electronically.

8.1.5 AUTHORIZATIONS TO CARRY OUT FORMALITIES

The purpose of the **tenth 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 2014 PARENT COMPANY FINANCIAL STATEMENTS)

Having considered the parent company financial statements for the year ended December 31, 2014, the Chairman's report, the report of the Board of Directors and the Statutory Auditors' reports, the shareholders approve the financial statements of the parent company for the year ended December 31, 2014, which show net profit for the year of €41,569,054, 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 €110,230 for 2013, and the tax paid thereon, which was €37,955.

SECOND RESOLUTION (APPROVAL OF THE 2014 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 French Commercial Code, and (iii) the Statutory Auditors' reports, the shareholders approve the consolidated financial statements for the year ended December 31, 2014 as presented, as well as the transactions reflected in said financial statements, which show attributable net profit for the year of €164 million, or described in the Group Management Report.

THIRD RESOLUTION (APPROPRIATION OF 2014 PROFIT AND DIVIDEND)

Having noted that the Company recorded net profit of €41,569,054 in 2014, and that €358,606,461 in retained earnings were brought forward from the prior year, for a total of €400,175,515 available for distribution,

the shareholders resolve to appropriate this amount as follows in accordance with the Board of Directors' recommendation:

- Dividends: €190,363,851 (1);
- Legal reserve: €582,830;
- Retained earnings: €209,228,833.

(1) The total amount to be distributed as dividends as presented here is based on the 226,623,633 shares carrying dividend rights at December 31, 2014. However, the number of shares carrying dividend rights may change between January 1, 2015 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).

The dividend per share will amount to €0.84 per share, payable from June 8, 2015, with an ex-dividend date of May 12, 2015. The dividends on shares held in treasury or that are canceled 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 226,623,633, 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 (€0.84).

Dividends for the last three years were as follows (information disclosed in application of Article 243 bis of the French Tax Code):

- 2013 dividend per share of €0.83 paid on June 18, 2014, representing a total payout of €185,294,847;
- 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.

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 2011, 2012 and 2013 dividends, unless they had elected to be taxed at the flat rate of 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 30 of the year preceding the one in which the dividend is paid.

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 et seq. of the French 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 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, 2015 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 12, 2015 and the close of business on May 28, 2015 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, France. Shareholders who do not exercise this option by May 28, 2015 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 8, 2015, 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 lower number of whole shares with the balance paid to them in cash corresponding to the difference between the amount of dividends for which the option is exercised and the exercise price of the lower number of whole shares.

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 2014)

The shareholders, consulted in compliance with the recommendation made in paragraph 24.3 of the AFEP-MEDEF Corporate Governance Code for Listed Companies of June 2013, to which the Company refers in accordance with Article L.225-37 of the French Commercial Code, are invited to issue a favorable opinion on the components of the compensation due or awarded for the year ended December 31, 2014 to Jacques Stern, Chairman and Chief Executive Officer, as presented to the Shareholders Meeting in the Board of Directors' report in section 8.1.2.

SIXTH 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 French 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 seventh resolution of this meeting or in any similar resolution that supersedes said 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 French 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 French Labor Code;
- to grant shares under plans governed by Articles L.225-197-1 *et seq.* of the French 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 Conduct 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 French 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. 20,693,241 shares based on the number of shares outstanding at December 31, 2014. 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 – but excluding the sale of put options – 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 €724,263,435.

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 15th resolution of the Annual Meeting of May 13, 2014 and resolve that this authorization shall be valid for a period of eighteen months from the date of this meeting.

8.3 EXTRAORDINARY RESOLUTIONS

SEVENTH RESOLUTION (AUTHORIZATION FOR THE BOARD OF DIRECTORS TO REDUCE THE COMPANY'S CAPITAL BY CANCELING SHARES)

Having considered the report of the Board of Directors and the Statutory Auditors' report on capital reductions carried out by canceling shares, in accordance with Articles L.225-209 *et seq.* of the French Commercial Code, the shareholders:

1. 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 as part of the share buyback programs authorized under the sixth resolution or prior to this meeting, provided that the number of shares canceled in any 24-month period does not exceed 10% of the total shares outstanding;
2. grant 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;
   - and generally take any steps required to implement this authorization, amend the Bylaws accordingly and carry out any related formalities;

   all in compliance with the laws and regulations in force when this authorization is used.

This authorization is granted for a period of eighteen (18) months from the date of this meeting. It supersedes, with immediate effect, the authorization given in the sixteenth resolution of the Annual Shareholders Meeting of May 13, 2014.

EIGHTH RESOLUTION (AUTHORIZATION TO GRANT PERFORMANCE SHARES WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS FOR EXISTING SHAREHOLDERS)

Having considered the report of the Board of Directors and the Statutory Auditors' special report, in accordance with Article L.225-129 et seq. and Article L.225-197-1 *et seq.* of the French Commercial Code, the shareholders:

1. authorize the Board of Directors, on one or several occasions, to grant employees and/or Executive Directors of the Company and/or its directly or indirectly related entities or groupings within the meaning of Article L.225-197-2 of the French Commercial Code, or to certain categories among them, performance shares in the Company that already exist and/or will be issued;
2. resolve that the Board of Directors will select the grantees and the number of shares to be granted as well as the criteria that must be met for the shares to vest. Any performance shares granted must be awarded on the basis of continued presence within the Group and individual/group performance. These criteria apply to both Executive Directors and employees of the Company and its related entities and groupings;
3. resolve that the total number of performance shares granted pursuant to this resolution may not exceed 1.5% of the total shares outstanding on the date of the Board of Directors' decision, not including any additional shares to be issued or granted to protect the grantees' rights in the case of any corporate actions carried out during the vesting period;
4. resolve that the number of performance share rights granted to the Company's Executive Director pursuant to this authorization may not exceed 0.06% of the capital on the date of the Board of Director's decision;
5. resolve that the aggregate par value of the shares to be issued immediately or at a future date pursuant to this authorization will be deducted from the total maximum amount provided for in the second paragraph of the 17th resolution of the Annual Shareholders Meeting of May 13, 2014 or, if applicable, the total maximum amount set in any new resolution to the same effect adopted while this authorization is in force;
6. resolve that the allocation of the shares will be final for all or some of the shares:
   - by decision of the Board of Directors, at the end of a vesting period of at least three years, in which case the shares will be subject to a two-year lock-up as from the end of the vesting period, or
   - by decision of the Board of Directors, at the end of a vesting period of at least five years, in which case there will be no minimum lock-up period,
7. resolve, however, that in the event that the grantee has a category 2 or category 3 disability as defined in Article L.341-4 of France's Social Security Code, or the equivalent classification in the grantee's home country, the shares will vest immediately and will not be subject to any lock-up;
8. grant the Board of Directors full powers to implement this authorization – which may be delegated as provided for by law – and to:
   - determine whether the performance share rights will be exercisable for new or existing shares and, if appropriate, determine otherwise before the shares vest,
   - set the terms and, if applicable, the allocation criteria, including the minimum vesting period and the lock-up period applicable to each grantee, as provided for above, provided that for the performance share rights granted to the Executive Director, the Board of Directors shall either (i) decide that the vested performance shares may not be sold for as long as he holds office as an Executive Director, or (ii) set the number of performance shares that must be held in registered form for as long as he holds office,
   - determine the number of performance shares subject to a vesting period of at least three years and the number subject to a vesting period of at least five years,
   - decide, if necessary, to increase the minimum vesting and/or lock-up periods in accordance with the law and the conditions set out in the authorization,
   - allow for the temporary suspension of the right to exercise the performance share rights, for a period of no more than three months, in the case of any financial transactions involving the exercise of a right attached to the Company's shares,
   - place on record the actual vesting dates and the dates from which the shares will be freely transferable, taking into account any legal restrictions,
   - in the case of an issue of new shares, transfer an amount equal to the aggregate par value of the shares from retained earnings, profit or additional paid-in capital to the capital account, place on record the capital increase carried out pursuant to this authorization, amend the Bylaws to reflect the new capital and generally carry out all necessary procedures and formalities.
9. authorize the Board of Directors, if necessary during the vesting period, to adjust the number of performance share rights to take into account the effects of any corporate actions in order to protect the grantees' rights;

10. note that in the event that new shares are issued, this authorization will result, at the end of the vesting period, in a capital increase paid up by capitalizing retained earnings, profit, or additional paid-in capital, such that existing shareholders will waive their rights to the capitalized portion of retained earnings, profit, or additional paid-in capital as well as their pre-emptive right to subscribe to the shares to be issued to the holders of the performance share rights.

This authorization is given for a period of twenty-six (26) months from the date of this Meeting. It supersedes, with immediate effect, the authorization given in the twelfth resolution of the Annual Shareholders Meeting of May 24, 2013.

NINTH RESOLUTION (AMENDMENT TO ARTICLES 23 AND 24 OF THE BYLAWS REGARDING THE ANNUAL SHAREHOLDERS MEETING)

The shareholders, having considered the report of the Board of Directors:

1. resolve to amend the bylaws to stipulate the rules for participation in and video conference transmission of the Annual Shareholders Meeting in accordance with the law and current regulations;
2. resolve, in order to bring the bylaws into compliance with Article R.225-85 I and II of the French Commercial Code as amended by Decree no. 2014-1466 of December 8, 2014 amending the date and procedures for establishing the list of persons authorized to take part in shareholders and bondholders meetings of commercial companies, to amend the second paragraph of Article 23 of the Company's bylaws as follows (the amendment is shown in bold):

   "Article 23 - Convening notice for Shareholders Meetings

   Shareholders Meetings are convened under the conditions set by law.

   Pursuant to the regulatory provisions in force, any shareholder has the right to attend Shareholders Meetings and to take part in the resolutions or to be represented by proxy, irrespective of the amount of shares he holds, if, under the legal and regulatory conditions, he justifies the registration of his shares in its name - or as long as the Company's shares are admitted to trading on a regulated market, in the name of the intermediary registered on the shareholder's behalf pursuant to paragraph seven of Article L.228-1 of the French Commercial Code - on the **second** *business day prior to the date on which the Meeting is held, at 12:00 AM, Paris time, either in nominative share accounts held by the Company, or in bearer share accounts held by one of the authorized intermediaries, as long as the Company's shares are admitted to trading on a regulated market, referred to in paragraphs 2 to 7 of Article L.542-1 of the French Monetary and Financial Code.*

   The registration or accounting entry of shares in the bearer share accounts held by the authorized intermediary is recorded by a profit share certificate issued, **electronically if necessary,** *by the latter under the legal and regulatory conditions in force."*

The remainder of Article 23 is unchanged.

3. resolve to amend paragraph three, Article 24 of the Company's bylaws as follows (the amendment is shown in bold):

   "Article 24 - holding of the Shareholders Meeting

   Any shareholder has the right to take part in the Shareholders Meetings or to be represented by proxy under the conditions determined by law.

   He can cast his vote by post pursuant to Article L.225-107 of the French 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.

   If the Board of Directors so decides when the Shareholders Meeting is convened, shareholders may also participate in and vote at the Meeting by videoconference or by any other means of electronic telecommunication or remote transmission that allows them to be identified in accordance with the current laws and regulations.

   In addition, and if the Board of Directors so decides when the Shareholders Meeting is convened, **shareholders may also request an admission card electronically.**

   Are deemed present, for the calculation of the quorum and the majority, the shareholders who take part in the Shareholders Meeting by videoconference or by any other means of **electronic** *telecommunication* **or remote transmission** *that allow them to be identified, and the nature and conditions of application of which are determined by the law and regulations in force.*

   If the Board of Directors so decides when the Shareholders Meeting is convened, the entire Meeting may be publicly broadcast by videoconference or any other means of telecommunication or remote transmission, including via the Internet."

The remainder of Article 24 is unchanged.

8.4 ORDINARY RESOLUTIONS

TENTH 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 SHARES

Combined Ordinary and Extraordinary Shareholders' Meeting of April 30, 2015

7th 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 eighteen months starting from this April 30, 2015 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 17, 2015

The Statutory Auditors

CABINET DIDIER KLING & ASSOCIÉS	DELOITTE & ASSOCIÉS
Didier KLING	David DUPONT-NOEL

8.5.2 STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION FOR THE FREE GRANTING OF EXISTING SHARES AND/OR SHARES TO BE ISSUED TO EMPLOYEES AND/OR CORPORATE OFFICERS

Combined Ordinary and Extraordinary Shareholders' Meeting of April 30, 2015

8th 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 your Company and in accordance with Article L.225-197-1 of the French Commercial Code *(Code de Commerce)*, we have prepared this report on the proposed free granting of existing shares and/or shares to be issued, subject to performance conditions, to employees and/or corporate officers of Edenred and affiliated companies within the meaning of Article L.225-197-2 of the French Commercial Code, or certain categories of them, a transaction on which you are asked to vote.

Based on its report, shareholders are requested to authorize the Board of Directors to grant, for a period of twenty-six months from the date of this General Assembly, for no consideration and on one or more occasions, existing shares and/or shares to be issued, subject to performance conditions, within 1.5% of the Company's share capital at the date of the decision by the Board of Directors, provided that the amount of capital increases that may be performed under this resolution shall be the overall ceiling of the capital increase under the seventeenth resolution adopted by the General Meeting of May 13, 2014.

It is the role of the Board of Directors to prepare a report on the transaction which it wishes to conduct. It is our role, where necessary, to comment on the information which is communicated to you on the proposed transaction.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying that the proposed terms and conditions presented in the Board of Directors' report comply with the provisions provided for by law.

We have no comments to make on the information given in the Board of Directors' report relating to the proposed free granting of shares, subject to performance conditions.

Paris and Neuilly-sur-Seine, February 17, 2015

The Statutory Auditors

CABINET DIDIER KLING & ASSOCIES	DELOITTE & ASSOCIES
Didier KLING	David DUPONT-NOEL

8.5.3 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, 2014

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

Pursuant to Article L.225-38 of the French Commercial Code, we hereby advise you that we have not been informed of any agreements or commitments signed during the year to be approved by the Annual Shareholders' Meeting.

II Agreements and commitments previously approved by the Shareholders' Meeting, which continued during fiscal year 2014

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: Jean-Paul Bailly, Philippe Citerne, Bertrand Meheut, Nadra Moussalem, common directors of Edenred and Accor Groups.

1.1. Framework contract for IT services of June 29, 2010

An IT services master agreement, concluded with the Accor Group in 2010, remained effective during the year. It includes twenty individual contracts (security, hosting, outsourcing, maintenance ...).

The amounts paid during the year pursuant to this agreement totaled €101,800.00. It ended on December 31, 2014.

1.2. Tax matters agreement of December 19, 2011

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, entered into an agreement on December 19, 2011to equally share the risk and potential cost.

The Court of First Instance of Milan ruled in favor of Accor and Edenred on March 11, 2014, and the Italian tax administration has appealed this decision. As the appeal was rendered without suspending effect, the Italian tax administration has repaid the amounts in dispute.

No income was recorded in respect of fiscal year 2014 to the extent that Edenred did not record any expense originally in 2011.

2. Agreements and commitments entered into with Mr. Jacques Stern, Chairman and Chief Executive Officer

The following agreements and commitments continued in effect in fiscal year 2014, although certain agreements have not yet been performed during the year:

2.1. 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;

This commitment, whose terms are detailed in the management report, was previously authorized by the Board of Directors on February 11, 2014 but was not performed during fiscal year 2014.

2.2. The purchase of private unemployment insurance;

Under this agreement, the Company paid €24,781.68 in 2014.

2.3. The extension to the Chairman and Chief Executive Officer of the pension plan applicable to employees of the Company;

In fiscal year 2014, the Company paid €3,558.49 for pension guarantees and €1,741.09 in health costs.

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 and defined benefit plans) in force in the Company;

This commitment, whose terms are detailed in the management report, was not performed during fiscal year 2014.

Under the defined contribution plan (Article 83), the Company paid €9,387 in 2014.

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) 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.

These two amendments were not performed during fiscal year 2014.

The agreements referred to in sections 2.2 and 2.3 and the commitments mentioned in sections 2.1 and 2.4 have been approved during the past year by the Shareholders' Meeting of May 13, 2014 pursuant to the Statutory Auditors' Special report of February 28, 2014.

Neuilly-sur-Seine and Paris, February 17, 2015

The Statutory Auditors

DELOITTE & ASSOCIES	CABINET DIDIER KLING & ASSOCIES
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 Statutory Auditors' reports and all other corporate documents are available for consultation in paper format at the Company's headquarters.

MEETINGS WITH INVESTORS

In 2014, Edenred met some 720 representatives of 360 financial institutions, held 18 roadshows in Europe, the United States and Canada, and participated in seven investor conferences in France, the UK, United States and Spain.

The Group also met with private shareholders at shareholder events in Tours, Lille and Strasbourg.

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

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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 Statutory 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 18, 2015

9.2.2 STATUTORY 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 STATUTORY AUDITORS

The following table presents the fees paid to the Statutory Auditors and the members of their networks by the Group for 2013 and 2014:

	Deloitte & Associés				Didier Kling & Associés			
	Amount without VAT		%		Amount without VAT		%	
(in € millions)	2013	2014	2013	2014	2013	2014	2013	2014
Audit								
Statutory audit, certification, consolidated and individual statement audit								
• Issuer	(0.5)	(0.56)	18%	17%	(0.2)	(0.2)	100%	100%
• Fully consolidated subsidiaries	(2.2)	(2.1)	74%	67%	-	-	-	-
Other audit-related services								
• Issuer	(0.0)	-	1%	0%	-	-	-	-
• Fully consolidated subsidiaries	(0.1)	(0.1)	4%	4%	-	-	-	-
SUB-TOTAL	**(2.8)**	**(2.8)**	**97%**	**88%**	**(0.2)**	**(0.2)**	**100%**	**100%**
Other services provided by the network to the fully consolidated subsidiaries								
• Legal, tax and social matters	(0.0)	(0.1)	1%	1%	-	-	-	-
• Other	(0.1)	(0.3)	2%	11%	-	-	-	-
SUB-TOTAL	**(0.1)**	**(0.4)**	**3%**	**12%**	**-**	**-**	**-**	**-**
TOTAL	**(2.9)**	**(3.2)**	**100%**	**100%**	**(0.2)**	**(0.2)**	**100%**	**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, 2014”, page 214).

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 Statutory 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 Statutory 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 Statutory 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 Statutory 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.

2013 REGISTRATION DOCUMENT

The 2013 Registration Document was filed on March 31, 2014 with the *Autorité des marchés financiers*. It concerns:

- the consolidated financial statements and corresponding Statutory Auditors' report presented on pages 137 to 236 of Edenred's 2013 Registration Document;
- the financial information presented on pages 29 to 44 of Edenred's 2013 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 February 28, 2014 and February 27, 2015):

- disclosure of number of shares and voting rights at February 28, 2014;
- press release dated March 7, 2014 announcing the launch of the *Ticket Restaurant*® card;
- press release dated March 31, 2014 announcing the publication of the Registration Document;
- 2013 Annual Financial Report published on March 31, 2014;
- fees paid to the Statutory Auditors for 2013, disclosed on March 31, 2014;
- 2013 report on corporate governance and internal control, published on March 31, 2014;
- disclosure of number of shares and voting rights as of March 31, 2014;
- press release dated April 15, 2014 announcing first-quarter 2014 revenue;
- press release dated April 22, 2014 announcing that proxy documents for the 2014 Annual Meeting have been made available to shareholders;
- disclosure of number of shares and voting rights as of April 30, 2014;
- press release dated May 12, 2014 announcing the start of operations in the United Arab Emirates;
- press release dated May 13, 2014 on the 2014 Annual Shareholders Meeting;
- press release dated May 13, 2014 on the payment of the 2013 dividend;
- disclosure of number of shares and voting rights as of May 31, 2014;
- press release dated June 16, 2014 on the results of the dividend reinvestment plan;
- disclosure of number of shares and voting rights as of June 30, 2014;
- press release dated July 4, 2014 concerning liquidity contract transactions in the six months ended June 30, 2014;
- press release date July 9, 2014 on appointments to the Executive Committee;
- press release dated July 24, 2014 announcing the Group's first-half 2014 results and second-quarter 2014 revenue;
- press release dated July 24, 2014 announcing an alliance with American Express in Mexico;
- press release dated July 24, 2014 announcing the publication of the 2014 half-year financial report;
- disclosure of number of shares and voting rights as of July 31, 2014;
- disclosure of number of shares and voting rights as of August 31, 2014;
- press release dated September 4, 2014 announcing the launch of the *Ticket Travel Pro*® in France;
- disclosure of number of shares and voting rights as of September 30, 2014;
- press release dated October 15, 2014 announcing third-quarter 2014 revenue;
- press release dated December 20, 2014 announcing the acquisition of a 34% stake in UTA;
- press release dated October 28, 2014 on appointments to the Executive Committee;
- press release date October 31, 2014 on the liquidity contract;
- disclosure of number of shares and voting rights as of October 31, 2014;
- disclosure of number of shares and voting rights as of November 30, 2014;
- disclosure of number of shares and voting rights as of December 31, 2014;
- press release dated January 6, 2015 concerning liquidity contract transactions in the six months ended December 31, 2014;
- disclosure of number of shares and voting rights as of January 31, 2015;
- press release dated February 12, 2015 announcing 2014 annual results and fourth-quarter 2014 revenue;
- press release dated February 24, 2015 announcing a debt tender offer ;
- disclosure of number of shares and voting rights as of February 27, 2015.

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.

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No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page(s)
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No.	Key information required under Annex 1 of European Commission Regulation 809/2004	Registration Document section(s)	Page(s)
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9.9 CROSS-REFERENCE TABLE WITH THE ANNUAL FINANCIAL REPORT

The 2014 Registration Document contains all of the information required to be included in the Annual Financial Report governed by Article L.451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

9.10 MANAGEMENT REPORT CROSS-REFERENCE TABLE

The management report cross-reference table is presented pursuant to Articles L.225-100 *et seq.* of the French Commercial Code.

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