

Financial Report

Half-year 2014

Contents

Half-year Management Report 3

Condensed half-year consolidated financial statements 15

Auditors' review report on the half-year consolidated financial statements..... 50

Statement by the person responsible for the 2013 half-year financial report 53

Half-year Management Report

HALF-YEAR 2014 CONSOLIDATED RESULTS

- Introduction
- Analysis of consolidated financial results
- Liquidity and financial resources
- Material contracts
- Significant events of first-half 2014

CONCLUSION AND FULL-YEAR 2014 OUTLOOK

MAIN RISKS AND UNCERTAINTIES

MAIN RELATED PARTY TRANSACTIONS

SUBSEQUENT EVENTS

Section 1 - HALF-YEAR 2014 CONSOLIDATED RESULTS

1.1 Introduction

Edenred delivered a strong performance in the first half of 2014, in line with the objectives set by the Group, as illustrated by its key indicators:

- **Sustained like-for-like improvement in financial results in the first half of 2014:**
 - **Issue volume up 12.3%** to €8,320 million.
 - **Total revenue up 7.9%** to €486 million.
 - **EBIT up 13.2%** to €148 million.
 - **Funds from operations¹ up 11.9%** to €109 million.
- **An unfavorable currency effect over the period**, which reduced reported EBIT by 22% or €35 million. It was primarily related to the decline in the Brazilian real against the euro and the change in the exchange rate of the Venezuelan bolivar fuerte.
- **Performance in line with the growth strategy:**
 - Opening of **the United Arab Emirates, the Group's 41st country market**, by **acquiring C3 Card**, a payroll card specialist.
 - Continued expansion in the Expense management segment with the creation of an **alliance with American Express** in the **Mexican fuel card sector**.
 - Launch of the **Ticket Restaurant[®] card in France** in April 2014, with 40,000 cards in circulation at the end of June.

¹ Cash flow before non-recurring items.

First-half 2014 financial metrics

<i>(in € millions)</i>	First half 2013 ²	First half 2014	% change	
			Reported	Like-for-like ³
Issue volume	8,197	8,320	+1.5%	+12.3%
Operating revenue with issue volume	402	397	-1.2%	+11.0%
Operating revenue without issue volume	60	53	-14.0%	-8.9%
Financial revenue	41	36	-9.6%	+2.2%
Total revenue	503	486	-3.4%	+7.9%
Operating EBIT	118	112	-5.8%	+17.0%
Financial EBIT	41	36	-9.6%	+2.2%
EBIT	159	148	-6.7%	+13.2%
Operating profit before tax and non-recurring items	135	121	-10.4%	n/a
Net profit, Group share	76	70	-9.3%	n/a
Recurring net profit after tax	90	82	-9.7%	n/a
Recurring earnings per share (in €)	0.40	0.36		

1.2 Analysis of consolidated financial results

The Auditors have performed a limited review of the condensed consolidated financial statements for the six months ended June 30, 2014. Their review report is presented on page 50.

1.2.1 Issue volume

Issue volume totaled **€8,320 million** in first-half 2014, a **like-for-like increase of 12.3%** that was in line with the Group's normalized annual growth target of 8% to 14%. The increase reflected fast organic growth in emerging markets, up 16.0%, and a good performance in developed markets, up 6.8%.

Reported growth stood at 1.5% for the period, after taking into account:

- The 3.2% positive impact from changes in the scope of consolidation following the acquisitions of Big Pass (Colombia), Repom and Bonus (Brazil), Opam (Mexico) and Nets Prepaid (Finland).
- The negative 14.0% currency effect, primarily due to the 15.3% decline in the Brazilian real against the euro and 78.3% change in the exchange rate in the Venezuelan bolivar fuerte.

² First-half 2013 figures have been restated as follows:

- The VEF 11.3/\$ rate was applied from January 1, whereas reported figures used the VEF 6.3/\$ rate over the first three quarters of the year. The full annual impact of the change in VEF/\$ rate (from 6.3 to 11.3) was recognized in the fourth quarter.
- The adjusted figures include the €6 million dividend tax paid that year.

³ At constant scope of consolidation and exchange rates.

1.2.1.1 Issue volume by region

Like-for-like growth	First quarter 2014	Second quarter 2014	First half 2014
Latin America	+17.0%	+16.8%	+16.9%
Europe	+9.8%	+3.8%	+6.7%
Rest of the world	+14.9%	+15.6%	+15.2%
TOTAL	+13.7%	+11.0%	+12.3%

Operations in **Latin America** delivered issue volume of **€4.0 billion in the first half**, up **16.9%** like-for-like in a favorable economic environment and thanks to higher penetration rates and increased face values. This good performance reflected dynamic sales in both **Brazil** (up 14.1%) and the rest of the region (up 21.5%), across every segment of the Employee benefits and Expense management businesses.

In the second quarter alone, issue volume rose by 16.8%, in line with first-quarter trends.

In Europe, issue volume rose by 6.7% like-for-like to €4.0 billion in the first half. The growth attested to the good performance of the sales teams and the strong growth in Portugal, which accounted for 3.6 points of growth in Europe for the period. In **France**, issue volume increased by 3.7% like-for-like, of which 2.7% for the Ticket Restaurant[®] solution, while business in the **United Kingdom** rose by 7.9% over the period.

In the second quarter, performance in Europe was penalized by the 1.2% decline in the number of working days compared with 2013. In **France**, this effect was accentuated by a shift in orders in the Ticket CESU⁴ business, which lowered quarterly growth by 1.2 points, and by the unfavorable impact of the May bank holidays on the number of working days. In **Italy**, second-quarter performance (down 0.6%) was impacted by the sharp 43.5% fall-off in the public sector business⁵.

Lastly, issue volume in the **Rest of the world** rose by 15.2% like-for-like over the first half, led by strong growth in Turkey, the region's primary contributor.

1.2.1.2 Issue volume by growth driver

In the first half, the Group's **four growth drivers** contributed to the **12.3%** like-for-like growth in issue volume as follows:

- **Increased penetration rates in existing markets** added **5.4%**, thanks to the good performance by the sales teams.
- **Increased voucher face values**, mainly in emerging markets, contributed **4.2%**.
- **Creation and deployment of new solutions** added **2.5%**, including in particular the contributions from the **Ticket Plus Card[®]**, launched in Germany in March 2012, and **Ticket Cultura[®]**, launched in Brazil in October 2013.
- **Geographic expansion** accounted for **0.2%**, thanks to the contributions from operations in **Finland, Japan and Colombia**.

1.2.2 Revenue

Total revenue for the first six months of 2014 amounted to **€486 million**, representing a **like-for-like increase of 7.9%** over the prior year period.

⁴ A voucher prepaid by employers that allows employees to pay for a variety of personal services.

⁵ With a limited impact on operating revenue due to lower take-up rates. The decline stemmed from the loss of the contract with Consip, the Italian government procurement agency.

Total revenue comprises operating revenue with issue volume (up 11.0% like-for-like), operating revenue without issue volume (down 8.9% like-for-like⁶) and financial revenue (up 2.2% like-for-like).

On a reported basis, the period-on-period change was a decline of **3.4%**, after taking into account the 2.2% positive impact from changes in the scope of consolidation and the 13.5% negative currency effect.

Revenue growth breaks down as follows by origin:

Like-for-like growth	First quarter 2014	Second quarter 2014	First half 2014
Operating revenue with issue volume	+11.0%	+10.9%	+11.0%
Operating revenue without issue volume	-13.9%	-3.3%	-8.9%
Financial revenue	+1.0%	+3.5%	+2.2%
Total revenue	+7.1%	+8.7%	+7.9%

1.2.2.1 Operating revenue with issue volume

Operating revenue with issue volume increased by **11.0% like-for-like** to **€397 million**.

The 1.3-pt difference between growth in issue volume and growth in operating revenue with issue volume reflects the take-up rates⁷, which vary by type of solution, country and contract size. Excluding Portugal, the gap was 0.1 point, versus 2.7 points in first-half 2013 and 1.8 points in full-year 2013.

⁶ A review of client portfolio profitability in the third quarter of 2013 resulted in the decision to scale back marketing services businesses in Germany, which will have an impact until third-quarter 2014.

⁷ Ratio of operating revenue with issue volume to total issue volume.

Growth in operating revenue with issue volume breaks down as follows by region:

Like-for-like growth	First quarter 2014	Second quarter 2014	First half 2014
Latin America	+15.7%	+17.3%	+16.5%
Europe	+5.3%	+3.1%	+4.2%
Rest of the world	+15.9%	+14.2%	+15.0%
TOTAL	+11.0%	+10.9%	+11.0%

1.2.2.2 Financial revenue

Financial revenue edged up a slight **2.2% like-for-like** in the first half, to **€36 million**. It resulted from a robust 16.0% like-for-like growth in Latin America and a 10.7% like-for-like decline in Europe, reflecting interest rate trends in the two regions.

1.2.3 EBIT

Total EBIT ended the first six months of the year at **€148 million**, an increase of **13.2% like-for-like**. On a reported basis, it was down 6.7%, reflecting the 2.0% contribution from changes in the scope of consolidation and the 22.0% negative currency effect, which amounted to €35 million over the period. Total EBIT comprises operating EBIT and financial EBIT, which corresponds to financial revenue.

Operating EBIT (which excludes financial revenue) rose by **17.0% like-for-like to €112 million**, a good performance that reflected an operating flow-through ratio⁸ of **52%**, in line with the target of more than 50%.

First-half 2014 operating EBIT by region

(in € millions)	First half 2013 ⁹	First half 2014	% change	
			Reported	Like-for-like
Latin America	85	77	-9,4%	+22,6%
Europe ¹⁰	42	45	+2,7%	+4,4%
Rest of the world	(1)	1	n/a	n/a
Worldwide structures	(8)	(11)	n/a	n/a
TOTAL	118	112	-5,8%	+17,0%

Operations in **Latin America** reported a good performance, with EBIT up **22.6%** like-for-like, lifted by the region's dynamic growth. In **Europe**, like-for-like operating EBIT growth was **4.4%**.

⁸ Ratio between the like-for-like change in operating EBIT and the like-for-like change in operating revenue.

⁹ Restated figures.

¹⁰ Of which operating EBIT of:

- €37 million in the Rest of Europe region, up 16.1% like-for-like.
- €8 million in France, down 27.2% like-for-like due to the start-up costs for the Ticket Restaurant[®] card.

1.2.4 Net financial expense

Net financial expense amounted to **€27 million** in first-half 2014 compared with €24 million in the year-earlier period.

Finance costs for the period totaled **€24 million** in first-half 2014, while interest income from the investment of available cash and from marketable securities came to €3 million, leading to **net finance costs** of **€21 million**.

1.2.5 Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items totaled **€121 million**, versus €135 million in first-half 2013.

1.2.6 Income tax expense

Income tax expense stood at **€43 million** for the period, versus €47 million in first-half 2013, for an **effective tax rate for the Group** of **33.2%** versus 32.9% in the prior-year period.

1.2.7 Net profit

After deducting net financial expense of €27 million, income tax expense of €39 million and minority interests of €1 million, **recurring net profit after tax** came to **€82 million**, a decline of 9.7% as reported compared with €90 million in first-half 2013¹¹.

After the negative €18-million impact from currency movements, **net profit, Group share** came to **€70 million**, compared with €76 million for the year-earlier period¹¹.

¹¹ As restated for the change in the Venezuelan bolivar fuerte exchange rate during the year and including in the first half the €6 million dividend tax paid in 2013.

1.3 Liquidity and financial resources

1.3.1 Cash flows

<i>(in € millions)</i>	First-half 2013	First-half 2014
EBITDA	175	167
Net financial expense	(18)	(24)
Income tax paid	(34)	(43)
Non-cash items	8	9
Funds from operations before non-recurring items (FFO)	131	109
Change in float	(214)	(123)
Change in restricted cash ¹³	(41)	(14)
Change in working capital (excluding the float)	6	(21)
Recurring capex	(20)	(19)
Free cash flow	(138)	(68)
External acquisitions	(141)	(61)
Dividends paid to non-controlling shareholders of subsidiaries	(8)	(3)
Dividends paid to equity holders of the parent	(199)	(192)
Capital increase	1	61
(Purchases)/sales of treasury shares	(15)	(20)
Translation adjustment	(193)	(103)
Other	(23)	(10)
(Increase)/decrease in net debt	(708)	(393)

Funds from operations before non-recurring items (FFO) amounted to €109 million, versus €131 million in first-half 2013, representing a **like-for-like increase of 11.9%**, in line with the Group's medium-term guidance of more than 10% normalized annual growth.

A total of **€192 million** in dividends were paid to Edenred SA shareholders, for a **payout ratio of 96% of 2013 profit after tax**.

1.3.2 Working capital requirement

The following table analyzes working capital requirement for the period.

¹² First-half 2013 figures have been restated as follows:

- The VEF 11.3/\$ rate was applied from January 1, 2013 (reported figures used the VEF 6.3/\$ rate over the first three quarters of the year). The full annual impact of the change in VEF/\$ rate (from 6.3 to 11.3) was recognized in the fourth quarter.
- The adjusted figures include the €6 million dividend tax paid that year.

¹³ Restricted cash corresponds to service voucher funds that are required to be invested in risk-free money market instruments convertible at any time into known amounts of cash in accordance with local regulations, mainly in France, Romania and the United Kingdom. Interest on these investments is attributable to Edenred.

<i>(in € millions)</i>	June 30, 2013 ¹⁴	December 31, 2013	June 30, 2014	Δ June 30, 2014/ June 30, 2013	Δ June 30, 2014/ Dec. 31, 2013
Inventories (net)	11	15	13	2	(2)
Trade receivables (net)	977	902	942	(35)	40
Other receivables (net)	270	281	267	(3)	(14)
Working capital assets	1,258	1,198	1,222	(36)	24
Trade payables	63	61	58	(5)	(3)
Other payables	170	187	161	(9)	(26)
Vouchers in circulation	3,139	3,398	3,237	98	(161)
Working capital liabilities	3,372	3,646	3,456	84	(190)
Total working capital	2,114	2,448	2,234	120	(214)

The **float** (vouchers in circulation – trade receivables) totaled **€2,295 million** at June 30, 2014.

1.3.3 Net debt

Consolidated net debt stood at €669 million at June 30, 2014, versus €623 million a year earlier. The increase corresponded mainly to the €103 million negative currency effect.

<i>(in € millions)</i>	June 30, 2013 ¹⁵	December 31, 2013	June 30, 2014
Non-current debt	1,295	1,462	1,289
Other non-current financial liabilities	78	67	73
Current debt	3	3	203
Bank overdrafts	135	40	30
Other current financial liabilities	32	33	31
Debt and other financial liabilities	1,543	1,605	1,626
Current financial assets	(12)	(13)	(35)
Other marketable securities	(656)	(883)	(589)
Cash and cash equivalents	(252)	(433)	(333)
Cash and cash equivalents and other current financial assets	(920)	(1,329)	(957)
Net debt	623	276	669

As of June 30, 2014, long-term debt consisted mainly of:

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

¹⁴ First-half 2013 figures have been restated as follows:

- The VEF 11.3/\$ rate was applied from January 1, 2013 (reported figures used the VEF 6.3/\$ rate over the first three quarters of the year). The full annual impact of the change in VEF/\$ rate (from 6.3 to 11.3) was recognized in the fourth quarter.
- The adjusted figures include the €6 million dividend tax paid that year.

¹⁵ First-half 2013 figures have been restated as follows:

- The VEF 11.3/\$ rate was applied from January 1, 2013 (reported figures used the VEF 6.3/\$ rate over the first three quarters of the year). The full annual impact of the change in VEF/\$ rate (from 6.3 to 11.3) was recognized in the fourth quarter.
- The adjusted figures include the €6 million dividend tax paid that year.

As of June 30, 2014, the Group's debt and other financial liabilities (€1,626 million) were due as follows: 16% in 2015, 50% in 2018 and 34% beyond 2018.

1.3.4 Equity

Equity represented a negative amount of €1,404 million at June 30, 2014 and €1,290 million at December 31, 2013. 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.

Further information about changes in consolidated equity is presented in the condensed interim consolidated financial statements for the six months ended June 30, 2014 (page 22).

1.4 Material contracts

During the first half of 2014, no contracts, other than contracts entered into in the ordinary course of business, were signed by any member of the Group that contained any provision under which any member of the Group would have any obligation or entitlement that was material to the Group.

1.5 Significant events of first-half 2014

1.5.1 Material acquisitions and development projects

In January 2014, Edenred acquired for €25 million euros Nets Prepaid, the leader of benefit market in Finland. Nets Prepaid offers meal benefit and recreational benefits for more than 10,000 clients and 120,000 beneficiaries. Issue volume amounted to more than €200 million in 2013. The total difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired has been provisionally allocated (before deferred tax) to the customer list for €6 million, the residual difference of €20 million being allocated to the goodwill for June 2014 interim accounts.

1.5.2 Other significant events

- **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.

- **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 NYSE 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 €123 million, has been paid on June 18.

- **Renegotiation of the revolving credit facility**

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 offer 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.

- **Devaluation of the bolivar fuerte**

- **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 1st of January 2014, translated to euro, i.e. VEF 68.37 to the dollar.
- Closing exchange rate: last SICAD II exchange rate of Bolivar Fuerte to the US dollar, published before the end of the month of June, translated to euro, i.e. VEF 68.26 to the dollar.

The impact of translating 2013 half-year financial statements of the Venezuelan subsidiaries presented in bolivars at selected exchange rates is as follows:

- Issue volume: €(334) million, i.e. -4.1%;
- Total revenue: €(19) million, i.e. -3.8%;
- EBIT: €(11) million, i.e. -7.0%;
- Net profit: €(7) million, i.e. -8.8%;
- Net debt: €+167 million.

Section 2 - CONCLUSION AND FULL-YEAR 2014 OUTLOOK

Issue volumes are expected to follow first-half trends through the rest of the year, with sustained growth in Latin America across every solution family and a good performance in Europe excluding Portugal, where prior-year comparatives will be higher as from the third quarter. Organic growth in both **operating and financial revenue** is also expected to be in line with first-half trends.

The objective of reaching an estimated operating **flow-through ratio** of more than 50% in 2014 is confirmed.

The negative currency effect¹⁶ should ease in the second half to an estimated €20 million, from €35 million in the first half, primarily due to the Venezuelan bolivar fuerte.

In this context, the Group has set a **full-year EBIT target of between €335 million and €350 million**.

The Group confirms its organic growth objectives of 8% to 14% per year for issue volume and of more than 10% per year for funds from operations.

Section 3 - MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties that may affect the Group in the last six months of the year are presented in the “Risk Factors” section of the 2013 Registration Document filed with French securities regulator AMF on March 31, 2014. As of June 30, 2014, there had been no new developments in the Group’s main disputes.

Section 4 - MAIN RELATED-PARTY TRANSACTIONS

There were no material changes in related party transactions during the first six months of 2014.

Section 5 - SUBSEQUENT EVENTS

There are no subsequent events to report (see Note 22 to the condensed interim consolidated financial statements).

¹⁶ Calculated using closing exchange rates at June 30, 2014 as the average rates over the second half of the year.

Condensed half-year consolidated financial statements and notes

Consolidated financial statements	16
Notes to the consolidated financial statements	24

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED BALANCE SHEET

- **Assets**
- **Equity and liabilities**

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1.1. CONSOLIDATED INCOME STATEMENT

	Notes	June 2013	June 2013 Restated (*)	June 2014
Issue Volume	3/4	8 576	8 197	8 320
Operating revenue with IV	3/4	422	402	397
Operating revenue w/o IV	3/4	61	60	53
Financial revenue	3/4	42	41	36
Total revenue	3/4	525	503	486
Operating expenses	5	(336)	(328)	(319)
Depreciation, amortization and provisions	6	(17)	(16)	(19)
EBIT	3/4	172	159	148
Net financial expense	7	(22)	(24)	(27)
Operating profit before tax and non-recurring items		150	135	121
Other income and expenses	8	(8)	(8)	(7)
Profit before tax		142	127	114
Income tax expense (**)	9	(46)	(47)	(43)
Net profit		96	80	71
Net Profit, Group Share		89	76	70
Net Profit, Non-controlling interests		7	4	1
Weighted average number of shares outstanding (in thousands)	10	225 606	225 606	223 431
Earnings per share, groupe share (in euros)	10	0,39	0,34	0,31
Diluted earnings per share (in euros)	10	0,39	0,33	0,31

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

(**) June 2013 comparative restated period includes tax on dividends amounting to €(6) r

1.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in € millions)</i>	June 2013	June 2013 Restated (*)	June 2014
Net profit	96	80	71
Items that may be subsequently reclassified to profit or loss			
Currency translation adjustment	(47)	(88)	(43)
Change in fair value of financial instruments	(9)	(9)	5
Tax on items that may be subsequently reclassified to profit or loss	3	3	(2)
Items that will not be reclassified to profit or loss			
Actuarial gains and losses on defined benefit plans	0	0	0
Tax on items that will not be reclassified to profit or loss	(0)	(0)	0
Other comprehensive income, net of tax	(53)	(94)	(40)
TOTAL COMPREHENSIVE INCOME	43	(14)	31
Comprehensive income, Group share	39	(7)	38
Comprehensive income, Non-controlling interests	4	(7)	(7)

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

1.3. CONSOLIDATED BALANCE SHEET

Consolidated assets

<i>(in € millions)</i>	Notes	June 2013	June 2013 Restated (*)	December 2013	June 2014
Goodwill	11	597	597	574	598
Intangible assets	12	114	114	132	154
Property, plant and equipment		79	60	58	40
Non-current financial assets		16	16	31	35
Deferred tax assets		43	42	49	60
TOTAL NON-CURRENT ASSETS		849	829	844	887
Trade receivables	20	978	977	902	942
Inventories, other receivables and accruals	20	285	281	296	280
Restricted cash	20	746	746	770	791
Current financial assets	14/18	13	12	13	35
Other marketable securities	15/18	752	656	883	589
Cash and cash equivalents	15/18	252	252	433	333
TOTAL CURRENT ASSETS		3 026	2 924	3 297	2 970
TOTAL ASSETS		3 875	3 753	4 141	3 857

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Consolidated equity and liabilities

<i>(in € millions)</i>	Notes	Jun 2013	June 2013 Restated (*)	December 2013	June 2014
Issued capital		452	452	452	458
Treasury shares		(20)	(20)	(47)	(67)
Consolidated retained earnings		(1 799)	(1 793)	(1 788)	(1 767)
Cumulative compensation costs - share-based payments		38	38	43	50
Cumulative fair value adjustments of financial instruments		(0)	(0)	(5)	(2)
Cumulative actuarial gains (losses) on defined benefit plans		(9)	(9)	(5)	(5)
Currency translation reserve		(41)	(74)	(123)	(158)
Net profit, Group share		89	76	160	70
Equity attributable to owners of the parent company		(1 290)	(1 330)	(1 313)	(1 421)
Non-controlling interests		23	18	23	17
Total Equity		(1 267)	(1 312)	(1 290)	(1 404)
Non-current debt	16/18	1 295	1 295	1 462	1 289
Other non-current financial liabilities	16/18	77	78	67	73
Non-current provisions	19	34	34	28	29
Deferred tax liabilities		81	80	85	93
TOTAL NON-CURRENT LIABILITIES		1 487	1 487	1 642	1 484
Current debt	16/18	3	3	3	203
Bank overdrafts	16/18	135	135	40	30
Other current financial liabilities	16/18	32	32	33	31
Current provisions	19	19	19	50	39
Vouchers in circulation	20	3 202	3 139	3 398	3 237
Trade payables	20	65	63	61	58
Current tax liabilities		20	17	17	18
Other payables	20	179	170	187	161
TOTAL CURRENT LIABILITIES		3 655	3 578	3 789	3 777
TOTAL EQUITY AND LIABILITIES		3 875	3 753	4 141	3 857

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1,2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

1.4. CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in € millions)</i>	Notes	June 2013	June 2013 Restated (*)	June 2014
+ EBITDA		189	175	167
- Net financial expense (1)	7	(16)	(18)	(24)
- Income tax paid		(39)	(34)	(43)
- Elimination of non-cash revenue and expenses included in EBITDA		9	8	8
- Elimination of provision movements included in net financial expense and income tax		0	0	1
= Funds from operations before non recurring items (FFO)		143	131	109
+ Decrease (increase) in working capital	20	(225)	(208)	(144)
+ Recurring decrease (increase) in restricted cash	20	(41)	(41)	(14)
= Net cash from operating activities		(123)	(118)	(49)
+ Non-recurring gains (losses) (including restructuring costs) received/paid		(5)	(5)	(15)
= Net cash from operating activities including non-recurring transactions (A)		(128)	(123)	(64)
- Recurring expenditure		(20)	(20)	(19)
- External acquisition expenditure		(141)	(141)	(61)
+ Proceeds from disposals of assets		(1)	(1)	3
= Net cash from (used in) investing activities (B)		(162)	(162)	(77)
+ Shares issues by subsidiaries		1	1	61
- Dividends paid (2)		(205)	(199)	(192)
+ (Purchases) sales of treasury shares		(15)	(15)	(20)
+ Increase (Decrease) in debt (3)		246	229	234
+ Acquisition of non-controlling interests		(0)	(0)	-
= Net cash from (used in) financing activities (C)		27	16	83
- Net foreign exchange difference and fair value adjustment (D)		(13)	(7)	(32)
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	18	(276)	(276)	(90)
+ Cash and cash equivalents at beginning of period		393	393	393
- Cash and cash equivalents at end of period		117	117	303
= NET CHANGE IN CASH AND CASH EQUIVALENTS	18	(276)	(276)	(90)

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

- (1) Including €(20) million of financial interests effectively paid in 2014. No dividends have been received from external companies.
(2) Including €(4) millions of tax on dividends in 2014.
(3) Net debt (Note 18), excluding net cash.

Cash and cash equivalents at end of the period are as follows:

<i>(in € millions)</i>	Notes	June 2013	June 2013 restated (*)	June 2014
+ Cash and cash equivalents	15	252	252	333
- Bank overdrafts	16	(135)	(135)	(30)
= CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		117	117	303

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

1.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(in € millions)</i>	Currency translation reserve (1)	Cumulative actuarial gains (losses) on defined benefit plans (2)	Cumulative fair value adjustments of financial instruments (3)	Cumulative compensation costs based on share payments (4)	Treasury shares (5)	Retained earnings and net profit for the period (2)	External changes in consolidation scope (6)	Equity attributable to owners of the parent company (7)	Total non-controlling interests (8)	Total equity (9)
January 1st, 2013	3	(9)	6	32	(5)	(1 050)	(34)	(1 057)	24	(1 033)
Issue of share capital	-	-	-	-	-	-	-	-	-	-
- in cash	-	-	-	-	-	-	-	-	1	1
Dividends paid	-	-	-	-	-	(191)	-	(191)	(14)	(205)
Effect of changes in consolidation scope	-	-	-	-	-	0	(72)	(72)	8	(64)
Compensation costs for the period - share-based payments	-	-	-	6	-	-	-	6	-	6
(Acquisitions) / disposals of treasury shares	-	-	-	-	(15)	-	-	(15)	-	(15)
Other comprehensive income	(44)	0	(6)	-	-	-	-	(50)	(3)	(53)
Net profit for the period	-	-	-	-	-	89	-	89	7	96
Total comprehensive income	(44)	0	(6)	-	-	89	-	39	4	43
June 30, 2013	(41)	(9)	(0)	38	(20)	(1 152)	(106)	(1 290)	23	(1 267)
Dividends paid	-	-	-	-	-	6	-	6	6	12
Other comprehensive income	(33)	-	-	-	-	-	-	(33)	(8)	(41)
Net profit for the period (**)	-	-	-	-	-	(13)	-	(13)	(3)	(16)
Total comprehensive income	(33)	-	-	-	-	(13)	-	(46)	(11)	(57)
June 30, 2013 restated (*)	(74)	(9)	(0)	38	(20)	(1 159)	(106)	(1 330)	18	(1 312)
Issue of share capital	-	-	-	-	-	-	-	-	-	-
- in cash	-	-	-	-	-	(4)	-	(4)	-	(4)
Dividends paid	-	-	-	-	-	6	-	6	(1)	5
Effect of changes in consolidation scope	-	-	-	-	-	-	9	9	(2)	7
Compensation costs for the period - share-based payments	-	-	-	5	-	-	-	5	-	5
(Acquisitions) / disposals of treasury shares	-	-	-	-	(27)	-	-	(27)	-	(27)
Other comprehensive income	(49)	4	(5)	-	-	-	-	(50)	1	(49)
Net profit for the period	-	-	-	-	-	78	-	78	7	85
Total comprehensive income	(49)	4	(5)	-	-	78	-	28	8	36
December 31, 2013	(123)	(5)	(5)	43	(47)	(1 079)	(97)	(1 313)	23	(1 290)
Increase (decrease) in share capital	-	-	-	-	-	-	-	-	-	-
- in cash	-	-	-	-	-	-	-	-	-	-
- dividends reinvested in new shares	-	-	-	-	-	61	-	61	-	61
Dividends paid (3)	-	-	-	-	-	(185)	-	(185)	(3)	(188)
Effect of changes in consolidation scope	-	-	-	-	-	-	(9)	(9)	4	(5)
Compensation costs for the period - share-based payments	-	-	-	7	-	-	-	7	-	7
(Acquisitions) / disposals of treasury shares (4)	-	-	-	-	(20)	-	-	(20)	-	(20)
Other comprehensive income	(35)	0	3	-	-	-	-	(32)	(8)	(40)
Net profit for the period	-	-	-	-	-	70	-	70	1	71
Total comprehensive income	(35)	0	3	-	-	70	-	38	(7)	31
June 30, 2014	(158)	(5)	(2)	50	(67)	(1 133)	(106)	(1 421)	17	(1 404)

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

(**) June 2013 comparative restated period includes tax on dividends amounting to €(6) million

- (1) The €(35) million unfavorable net exchange difference on foreign operations between December 31, 2013 and June 30, 2014 was mainly due to the depreciation of the Venezuelan bolivar fuerte €(52) million and is compensated partially by the appreciation of the Brazilian real, +€24 million 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 merger 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 €123 million euros and distributed in new shares for €61 million euros for 2014 half-year.
- (4) The movement in treasury shares reflects €(19) million in the buyback of own shares and €(1) million in liquidity contract transaction

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

	GBP	BRL	MXN	ARS	SEK	VEF	VEF (*)	USD
June 30, 2013	0,86	2,89	17,04	7,05	8,78	8,24	15,58	1,31
December 31, 2013	0,83	3,26	18,07	8,99	8,86	15,58	N/A	1,38
June 30, 2014	0,80	3,00	17,71	11,11	9,18	68,26	N/A	1,37

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Notes to the consolidated financial statements

Note 1.	Basis of preparation of financial statements.....	25
Note 2.	Changes in consolidation scope and significant events	26
Note 3.	Segment information	30
Note 4.	Change in issue volume, revenue and EBIT.....	32
Note 5.	Operating expenses	33
Note 6.	Depreciation, amortization and provisions	33
Note 7.	Net financial expense	34
Note 8.	Non-recurring income and expenses	34
Note 9.	Income tax.....	34
Note 10.	Earnings per share	34
Note 11.	Goodwill.....	36
Note 12.	Intangible assets	37
Note 13.	Potential ordinary shares.....	38
Note 14.	Current financial assets	39
Note 15.	Cash and cash equivalent and other marketable securities.....	40
Note 16.	Debt and other financial liabilities.....	40
Note 17.	Financial instruments and market risk management.....	42
Note 18.	Net debt and net cash	44
Note 19.	Provisions.....	44
Note 20.	Working capital, Service vouchers in circulation and restricted cash	45
Note 21.	Claims and litigations.....	46
Note 22.	Subsequent events	49

Note 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

A. Approval of the financial statements

The group Edenred condensed consolidated financial statements for the six months ended June 30, 2014 were authorized for issue at the Board of Directors' meeting of July 23, 2014.

B. Accounting standards

B. 1. GENERAL FRAMEWORK

The consolidated financial statements for the period ended June 30, 2014 were prepared in accordance with IAS 34 – Interim Financial Reporting. These condensed financial statements do not include all of the information to be provided for year-end financial statements prepared in accordance with International Financial Reporting Standards (IFRS). They should be read jointly with the consolidated financial statements for the year ended December 31, 2013.

The accounting policies retained for the preparation of the Group interim condensed consolidated financial statements are compliant with the IFRS as endorsed by the European Union as of June 30, 2014 and available on.

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

The accounting policies used by the Group in the interim consolidated financial statements are consistent with those applied in the consolidated financial statements at December 31, 2013 with the exception of:

- the standards, amendments and interpretations effective for reporting periods beginning on or after January 1, 2014, and
- the specific items related to the preparation of the interim consolidated financial statements.

B. 2. STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE FROM JANUARY 1, 2014

New standards, amendments and interpretations came into effect and were adopted for use in the European Union as of January 1, 2014:

- IFRS 10 standard "Consolidated financial statement" ;
- IFRS 11 standard « Joint arrangements »;
- IFRS 12 standard « Disclosure of interests in other entities»;
- Amendment to transitional provisions for IFRS 10,11 & 12;
- Amendment to IFRS 10, IFRS 12 & IAS 27 "Interests in other entities";
- Amendment to IAS 32 « Offsetting Financial Assets and Financial Liabilities»;
- Amendment to IAS 36 « Recoverable Amount Disclosures for Non-Financial Assets»;
- Amendment to IAS 39 « Novation of Derivatives and Continuation of Hedge Accounting».

The application of these regulations does not have a material impact on the presented periods.

B. 3. STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION THAT ARE NOT YET MANDATORY

Edenred has not early adopted the standards, amendments and interpretations that had been adopted by the European Union as of June 30, 2014 and are applicable for annual periods beginning after January 1, 2015.

C. Specific items related to preparation of the interim consolidated financial statements

C. 1. Income taxes

In the interim consolidated financial statements, current and deferred income tax expense is computed by applying for each entity or tax group the estimated annual average tax rate for the current year to income before tax for the period.

C. 2. Post-employment and other long-term employee benefits

Post-employment and other long-term employee benefits expense for half-year corresponds to half of the estimated net expense for the full year, as determined based on prior year data and actuarial assumptions. These valuations are adjusted to take into account any significant changes in market conditions compared to the previous period, or any curtailments, settlements or other material non-recurring events.

C. 3. Restatement of June, 30, 2013 reported figures

As of June 30, 2014, in order to allow a better comparison with historical data and a proper understanding of financial statements, the group decided to disclose comparative figures with both reported and restated figures for June 2013. Restated accounts have been produced by applying the VEF 11.3/\$ rate from January 1, 2013 (Note 2.C.4).

D. Use of estimates and judgment

The preparation of the financial statements implies that Edenred's management uses estimates given that some items included in the financial statements cannot be measured with precision. The underlying assumptions used for the main estimates are similar to those described as of December 31, 2013. The management revises these estimates if the underlying circumstances evolve or in light of new information or experience. With the exception of the specific items relating to the preparation of the interim condensed consolidated financial statements, estimates made at June 30, 2014 are similar to those made as of December 31, 2013.

Group management also uses its judgment to define appropriate accounting policies to apply to certain transactions when the current IFRS standards and interpretations do not specifically deal with related accounting issues.

Particularly, given the economic environment in Venezuela, the Group made the judgment-based decision to apply for 2014 half year consolidated accounts the available exchange rate most representative of the economic situation to the Group knowledge (Note 2.C.5).

Note 2. 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 euros **Nets Prepaid**, the leader of benefit market in Finland. Nets Prepaid offers meal benefit and recreational benefits for more than 10,000 clients and 120,000 beneficiaries. Issue volume amounted to more than €200 million in 2013.

The total difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired has been provisionally allocated (before deferred tax) to the customer list for €6 million, the residual difference of €20 million being allocated to the goodwill for June 2014 interim accounts.

B. 2013 changes in 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).

B. 2. DISPOSAL OF ASSETS

In March 2013 Edenred sold its entire stake in **Tinteligen B.V.**, a B2B issuer of Christmas gift cards in the Netherlands offering a wide range of products and services. The business, which does not have any issue volume, contributed €6 million to consolidated revenue in 2012.

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.

C. 2. PAYEMENT 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 NYSE 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 €123 MILLION, HAS BEEN PAID ON JUNE 18.

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 offer 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. 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 2013 half-year 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: €(379) million, i.e. -4.6%;
- Total revenue: €(22) million, i.e. -4.3%;
- EBIT: €(13) million, i.e. -8.4%;
- Net profit: €(11) million, i.e. -13.1%;
- Net debt: +€97 million.

C. 5. CHANGE OF THE BOLIVAR FUERTE EXCHANGE RATE AS OF JUNE 30, 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 1st of January 2014, translated to EUR, i.e. VEF 68.37 to the dollar.
- Closing exchange rate: last SICAD II exchange rate of Bolivar Fuerte to the US dollar, published before the end of the month of June, translated to EUR, i.e. VEF 68.26 to the dollar.

The impact of translating 2013 half-year financial statements of the Venezuelan subsidiaries presented in bolivars at selected exchange rates is as follows:

- Issue volume: €(334) million, i.e. -4.1%;
- Total revenue: €(19) million, i.e. -3.8%;
- EBIT: €(11) million, i.e. -7.0%;

- Net profit: €(7) million, i.e. -8.8%;
- Net debt: €+167 million.

Note 3. SEGMENT INFORMATION

A. Income Statement

A. 1. 2014 HALF-YEAR

<i>(in € millions)</i>	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Eliminations	TOTAL June 2014
ISSUE VOLUME	1 375	2 620	4 024	301	-	-	8 320
Operating revenue generated by issue volume	58	133	191	15	-	-	397
Other operating revenue	11	20	12	10	-	-	53
Financial Revenue	9	9	16	2	-	-	36
Total external Revenue	78	162	219	27	-	-	486
Inter-segment revenue	-	2	-	-	-	(2)	-
TOTAL REVENUE FROM OPERATING SEGMENTS	78	164	219	27	-	(2)	486
EBIT FROM OPERATING SEGMENTS	17	46	93	3	(11)	-	148

A. 2. 2013 HALF-YEAR

<i>(in € millions)</i>	France	Rest of Europe	Latin America	Latin America Restated (*)	Rest of the world	Worldwide Structure	Eliminations	June 2013	June 2013 restated (*)
ISSUE VOLUME	1 326	2 327	4 603	4 224	320	-	-	8 576	8 197
Operating revenue generated by issue volume	57	123	227	207	15	-	-	422	402
Other operating revenue	10	24	16	15	11	-	-	61	60
Financial Revenue	11	11	18	17	2	-	-	42	41
Total external Revenue	78	158	261	239	28	-	-	525	503
Inter-segment revenue	-	2	-	-	-	-	(2)	-	-
TOTAL REVENUE FROM OPERATING SEGMENTS	78	160	261	239	28	-	(2)	525	503
EBIT FROM OPERATING SEGMENTS	22	42	114	101	1	(7)	-	172	159

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1 US dollar applied from January 1, 2013 (Note 2.C.4). 2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

B. Change in issue volume

<i>(in € millions)</i>	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2014 Issue volume	1 375	2 620	4 024	301	-	8 320
2013 Issue volume (*)	1 326	2 327	4 224	320	-	8 197
2013 Issue volume	1 326	2 327	4 603	320	-	8 576
Change in restatement (*)	+49	+293	(200)	(19)	-	+123
Reported change in %	+3,7%	+12,6%	(4,7)%	(6,3)%	-	+1,5%
LIKE-FOR-LIKE CHANGE	+49	+197	+715	+49	-	+1 010
LIKE-FOR-LIKE CHANGE in %	+3,7%	+8,4%	+16,9%	+15,2%	-	+12,3%

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

C. Change in revenue

C. 1. TOTAL REVENUE

<i>(in € millions)</i>	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2014 Total external revenue	78	162	219	27	-	486
2013 Total external revenue (*)	78	158	239	28	-	503
2013 Total external revenue	78	158	261	28	-	525
Change in restatement (*)	-	+4	(20)	(1)	-	(17)
Reported change in %	+0,1%	+2,9%	(8,7)%	(2,6)%	-	(3,4)%
LIKE-FOR-LIKE CHANGE	-	+1	+36	+2	-	+39
LIKE-FOR-LIKE CHANGE in %	+0,6%	+0,4%	+15,0%	+10,1%	-	+7,9%

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

C. 2. OPERATING REVENUE WITH ISSUE VOLUME

<i>(in € millions)</i>	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2014 Operating revenue with IV	58	133	191	15	-	397
2013 Operating revenue with IV (*)	57	123	207	15	-	402
2013 Operating revenue with IV	57	123	227	15	-	422
Change in restatement (*)	+1	+10	(16)	-	-	(5)
Reported change in %	+2,5%	+8,2%	(7,9)%	+2,3%	-	(1,2)%
LIKE-FOR-LIKE CHANGE	-	+8	+34	+2	-	+44
LIKE-FOR-LIKE CHANGE in %	+2,5%	+5,0%	+16,5%	+15,0%	-	+11,0%

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

C. 3. FINANCIAL REVENUE

<i>(in € millions)</i>	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2014 Financial revenue	9	9	16	2	-	36
2013 Financial revenue (*)	11	11	17	2	-	41
2013 Financial revenue	11	11	18	2	-	42
Change in restatement (*)	(2)	(2)	(1)	-	-	(5)
Reported change in %	(13,6)%	(9,5)%	(7,7)%	(5,1)%	-	(9,6)%
LIKE-FOR-LIKE CHANGE	(1)	(2)	+3	+1	-	+1
LIKE-FOR-LIKE CHANGE in %	(9,7)%	(11,7)%	+16,0%	+26,1%	-	+2,2%

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

D. Change in EBIT

<i>(in € millions)</i>	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2014 EBIT	17	46	93	3	(11)	148
2013 EBIT (*)	22	42	102	1	(8)	159
2013 EBIT	22	42	114	1	(7)	172
Change in restatement (*)	(5)	+4	(9)	+2	(3)	(11)
Reported change in %	(24,1)%	+9,4%	(9,1)%	+393,4%	+35,4%	(6,7)%
LIKE-FOR-LIKE CHANGE	(4)	+4	+22	+3	(3)	+22
LIKE-FOR-LIKE CHANGE in %	(18,9)%	+8,9%	+21,4%	+382,4%	+38,2%	+13,2%

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Note 4. CHANGE IN ISSUE VOLUME, REVENUE AND EBIT

Changes in issue volume, revenue and EBIT between 2013 and 2014 are as follows:

Δ June 2014 / June 2013 restated (*)

(in € millions)	June 2013	June 2013 restated (*)	June 2014	Organic growth		Changes in consolidation scope		Currency effect		Total change	
				In €M	in %	In €M	in %	In €M	in %	In €M	in %
Issue volume	8 576	8 197	8 320	+1 010	+12,3%	+262	+3,2%	(1 149)	(14,0)%	+123	+1,5%
Operating revenue generated by issue volume	422	402	397	+44	+11,0%	+11	+2,8%	(60)	(14,9)%	(5)	(1,2)%
Other operating revenue	61	60	53	(6)	(8,9)%	+2	+0,0%	(3)	(5,1)%	(7)	(14,0)%
Financial revenue - Unrestricted float	34	33	29	+2	+5,7%	(1)	+2,5%	(5)	(15,6)%	(4)	(7,4)%
Financial revenue - Restricted cash	8	8	7	(1)	(11,0)%	(1)	-6,9%	+1	(0,1)%	(1)	(18,0)%
Financial Revenue	42	41	36	+1	+2,2%	(2)	+0,6%	(4)	(12,3)%	(5)	(9,6)%
TOTAL REVENUE	525	503	486	+39	+7,9%	+11	+2,2%	(67)	(13,5)%	(17)	(3,4)%
EBIT	172	159	148	+22	+13,2%	+2	+2,0%	(35)	(22,0)%	(11)	(6,7)%

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Note 5. OPERATING EXPENSES

(in € millions)	June 2013	June 2013 restated (*)	June 2014
Employee benefit expense	(153)	(150)	(148)
Other operating expenses (1)	(183)	(178)	(171)
TOTAL OPERATING EXPENSES (2)	(336)	(328)	(319)

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

- (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 € (9) million in June 2014.
- (2) As June 30, 2014 the currency effect impacts the operating expenses for € 32 million.

Note 6. DEPRECIATION, AMORTIZATION AND PROVISIONS

Depreciation, amortization and provisions are as follows:

(in € millions)	June 2013	June 2013 Restated (*)	June 2014
Amortization	(17)	(16)	(19)
Provisions and depreciation	0	-	-
TOTAL	(17)	(16)	(19)

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Note 7. NET FINANCIAL EXPENSE

<i>(in € millions)</i>	June 2013	June 2013 Restated (*)	June 2014
Gross borrowing cost	(20)	(20)	(24)
Hedging instruments	2	2	3
Interests income from short term bank deposits and equivalent	1	1	(0)
Net borrowing cost	(17)	(17)	(21)
Net foreign exchange gains / (losses)	2	-	1
Other financial income and expenses, net	(7)	(7)	(7)
NET FINANCIAL EXPENSE	(22)	(24)	(27)

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Note 8. NON-RECURRING INCOME AND EXPENSES

Non-recurring income and expenses are as follows:

<i>(in € millions)</i>	June 2013	June 2013 Restated (*)	June 2014
Movements on restructuring provisions	(1)	(1)	7
Restructuring costs	(1)	(1)	(9)
Restructuring expenses	(2)	(2)	(2)
Impairment of goodwill	(0)	(0)	(1)
Impairment of intangible assets	-	-	-
Total impairment losses	(0)	(0)	(1)
Other capital gains or losses	0	0	(1)
Provision movements	(2)	(2)	2
Non-recurring gains and losses, net	(4)	(4)	(5)
Other non-recurring income and expenses, net	(6)	(6)	(4)
TOTAL OTHER INCOME AND EXPENSES	(8)	(8)	(7)

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Note 9. INCOME TAX

The effective tax rate on profit for 2014 half-year is 33.2%. This rate does not take into account the tax charge or tax income from non-recurring income and expenses and the tax on dividends. The reported effective tax rate on profit for 2013 half-year was 32.9%.

Note 10. EARNINGS PER SHARE

A. Net earnings per share

At June 30, 2014, the Company's share capital was made up of 228,811,546 ordinary shares.

At June 30, 2014, the average number of ordinary shares outstanding is as follows:

<i>in shares</i>	June 2013	June 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
Issued shares at period-end	-	2 914 150
Treasury shares not related to the liquidity contract (1)	(627 771)	(613 585)
Treasury shares under the liquidity contract	(22 625)	(38 243)
Treasury shares	(650 396)	(651 828)
OUTSTANDING SHARES AT PERIOD-END	224 990 093	226 103 454
Adjustment to calculate weighted average number of issued shares	-	(2 688 746)
Adjustment to calculate weighted average number of treasury shares	616 072	15 751
Total weighted average adjustment	(15 038)	(2 672 995)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE PERIOD	225 606 165	223 430 459

(1) During the period, a total of 857,985 own shares were bought back at an average price of €22.12 per share.

In addition, stock options representing 4,857,525 ordinary shares and 4,089,853 performance shares were granted to employees in 2010, 2011, 2012, 2013 and 2014. Conversion of all of these potential shares would have the effect of increasing the number of shares outstanding to 235,050,832.

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 June 28, 2014 for Plans 1, 2, 3 and 4 (€23.08), and
- from February 17, 2014 to June 30, 2014 for Plan 5 (€23.27),

The diluted weighted average number of shares outstanding in June 30, 2014 was 227,175,533.

	June 2013	June 2013 Restated (*)	June 2014
Operating profit after tax			
Net Profit - Group share (in € millions)	89	76	70
Weighted average number of issued shares (in thousands)	225 640	225 640	226 123
Weighted average number of shares held in treasury (in thousands)	(34)	(34)	(2 692)
Number of shares used to calculate basis earnings per share (in thousands)	225 606	225 606	223 431
BASIC EARNINGS PER SHARE (IN €)	0,39	0,34	0,31
Number of shares resulting from the exercise of stock options (in thousands)	2 565	2 565	1 704
Number of shares resulting from performance shares grants (in thousands)	1 112	1 112	2 041
Number of shares used to calculate diluted earnings per share (in thousands)	229 283	229 283	227 176
Diluted earnings per share (in €)	0,39	0,33	0,31

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

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 non-recurring income and expenses.

It is stated net of minority interests.

The recurring profit after tax and the recurring profit after tax per share are as follows:

	June 2013	June 2013 Restated (*)	June 2014
Net profit (in € millions)	96	80	71
Other income and expenses adjustment, net (in € millions)	8	14	12
Net Profit, Non-controlling interests adjustment (in € millions)	(7)	(4)	(1)
Recurring profit after tax, Group share (in € millions)	97	90	82
Number of shares used to calculate basic earnings per share (in thousands)	225 606	225 606	223 431
RECURRING PROFIT AFTER TAX. GROUPE SHARE PER SHARE (IN €)	0,43	0,40	0,36

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Note 11. GOODWILL

(in € millions)	June 2013	June 2013 Restated (*)	December 2013	June 2014
Goodwill	748	748	724	748
Less accumulated impairment losses	(151)	(151)	(150)	(150)
GOODWILL, NET	597	597	574	598

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

(in € millions)	June 2013	June 2013 Restated (*)	December 2013	June 2014
Brazil	210	210	184	194
France (Ticket Cadeaux)	91	91	91	91
United Kingdom	61	61	61	62
Italy	46	46	46	46
Mexico	52	52	48	59
Romania	37	37	36	37
Finland	-	-	-	20
Sweden	19	19	19	19
Japan	24	24	24	18
USA	13	13	12	12
Czech Republic	12	12	12	12
Colombia	-	-	9	9
Portugal	-	-	8	6
Other (individually representing less than €10 million)	32	32	24	13
GOODWILL, NET	597	597	574	598

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Changes in the carrying amount of goodwill during the periods presented were as follows:

<i>(in € millions)</i>	June 2013	June 2013 Restated (*)	December 2013	June 2014
NET GOODWILL AT BEGINNING OF PERIOD	528	528	528	574
Goodwill recognized on acquisitions for the period and other increases	84	84	79	31
. Finland (Nets Prepaid 's customer list acquisition)	-	-	-	20
. Mexico	-	-	-	10
. Brazil (Comprocard final allocation)	6	6	6	-
. Brazil (Repom acquisition)	53	53	44	-
. Mexico (Opam acquisition)	17	17	14	-
. Colombia (Big Pass acquisition)	8	8	9	-
. Portugal (BES joint venture)	-	-	6	-
. Other acquisitions	-	-	0	1
Goodwill written off on disposals for the period	-	-	-	-
Impairment losses	(0)	(0)	(0)	-
Currency translation adjustment	(15)	(15)	(35)	(5)
Put options on non-controlling interests recognized / remeasured during the period and other	-	-	2	(2)
NET GOODWILL AT END OF PERIOD	597	597	574	598

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4). 2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Note 12. INTANGIBLE ASSETS

<i>(in € millions)</i>	June 2013	June 2013 Restated (*)	December 2013	June 2014
COST				
Kadéos brand (1)	19	19	19	19
Other brands	18	18	19	20
Contractual customer relationships (2)	82	82	88	103
Licenses and softw are	137	136	145	139
Other	50	50	57	59
TOTAL COST	306	306	328	340
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES				
Brands	(6)	(6)	(6)	(6)
Contractual customer relationships	(49)	(49)	(51)	(53)
Licenses and softw are	(98)	(97)	(99)	(86)
Other	(39)	(39)	(40)	(41)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	(192)	(192)	(196)	(186)
INTANGIBLE ASSETS, CARRYING VALUE	114	114	132	154

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4). 2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

(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:

<i>(in € millions)</i>	June 2013			June 2014
	June 2013	Restated (*)	December 2013	
CARRYING VALUE OF INTANGIBLE ASSETS AT BEGINNING OF PERIOD	113	113	113	132
Intangible assets of newly-consolidated companies	8	4	25	4
Internally-generated assets	13	13	33	14
Additions	4	8	2	14
Amortization for the period	(10)	(10)	(20)	(13)
Impairment losses for the period	(3)	(3)	(3)	-
Disposals	(0)	(0)	(0)	-
Currency translation adjustment	(2)	(2)	(10)	3
Reclassifications	(9)	(9)	(8)	0
CARRYING VALUE OF INTANGIBLE ASSETS AT END OF PERIOD	114	114	132	154

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Note 13. POTENTIAL ORDINARY SHARES

A. Performance share plans

A. 1. MAIN CHARACTERISTICS

Edenred's Board of Directors on February 17, 2014 proceeded to the conditional granting of 824,000 performance shares.

Granted performance shares (within a five-year duration plan) to French tax residents are subject to a three-year vesting period followed by a two-year lock-up period. Granted shares to tax residents of other countries are subject to a five-year vesting period without any lock-up period. During the two-year lock-up period, shares cannot be disposed.

The 824,000 shares originally granted under the plan will vest on February 18, 2017 (for French tax residents) and February 18, 2019 (for tax residents of other countries) provided that the performance objectives specified in the plan between January 1, 2014 and December 31, 2016 are met.

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 shares vest after a three-year period, prorata temporis to the grantee's presence within the Group, even if the grantee leaves the group before the end of the vesting period. The total number of vested shares may not exceed 100% of the initial grant.

Fulfillment of the performance conditions will be assessed over the period from January 1, 2014 to December 31, 2016, based on the degree to which the following targets have been met:

- (i) Two internal performance targets, which will determine 80% of the total grant. They concern like-for-like growth in:
 - Issue volume.
 - Funds from operations before non-recurring items (FFO).

- (ii) A market performance target, which will determine 20% of the total grant. It concerns:
- Edenred's total shareholder return (TSR) compared with the average TSR of the companies included in the SBF 120 index.

A. 2. FAIR VALUE OF THE PERFORMANCE SHARES PLAN

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%. Based on those assumptions the average fair value amounts to 14.12€ for French tax residents and 14.58€ for tax residents of other countries; compared to a share price for 22.25€ on the day of the granting.

The fair value of performance shares part of 2014 plan is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity. The total cost recognized in respect of the plan amounted to €1.2 million for 2014 half-year.

Note 14. CURRENT FINANCIAL ASSETS

	June 2013			December 2013			June 2014		
	Gross value	Depre- ciation	Net value	Gross value	Depre- ciation	Net value	Gross value	Depre- ciation	Net value
<i>In € millions</i>									
Other current financial assets	3	(0)	3	4	(1)	3	4	(1)	3
Receivables on disposal of assets	-	-	-	-	-	-	-	-	-
Derivatives	10	-	10	10	-	10	32	-	32
CURRENT FINANCIAL ASSETS	13	(0)	13	14	(1)	13	36	(1)	35

Note 15. CASH AND CASH EQUIVALENT AND OTHER MARKETABLE SECURITIES

<i>In € millions</i>	June 2013			June 2013 restated (*)			December 2013			June 2014		
	Gross value	Depre- ciation	Net value	Gross value	Depre- ciation	Net value	Gross value	Depre- ciation	Net value	Gross value	Depre- ciation	Net value
Cash at bank and on hand	135	-	135	135	-	135	105	-	105	124	-	124
Term deposits in less than 3 months	105	-	105	105	-	105	316	-	316	199	-	199
Bonds and other negotiable debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Interest-bearing bank accounts	-	-	-	-	-	-	-	-	-	-	-	-
Mutual fund units in cash in less than 3 months	12	-	12	12	-	12	12	-	12	10	-	10
CASH AND CASH EQUIVALENTS	252	-	252	252	-	252	433	-	433	333	-	333
Term deposits in more than 3 months	706	(2)	704	610	(2)	608	855	(3)	852	592	(3)	589
Bonds and other negotiable debt securities	48	-	48	48	-	48	31	-	31	-	-	-
Interest-bearing bank accounts	-	-	-	-	-	-	-	-	-	-	-	-
Mutual fund units in cash in more than 3 months	-	-	-	-	-	-	-	-	-	-	-	-
OTHER MARKETABLE SECURITIES	754	(2)	752	658	(2)	656	886	(3)	883	592	(3)	589
TOTAL CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES	1 006	(2)	1 004	910	(2)	908	1 319	(3)	1 316	925	(3)	922

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1 US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

Other marketable securities include €36 million in investments denominated in Venezuelan bolivar fuerte (at the exchange rate of 49.98 bolivar fuerte per US dollar), of which €27 million are balanced in the liability side by the structural working capital of the Venezuelan subsidiary.

Note 16. DEBT AND OTHER FINANCIAL LIABILITIES

<i>In € millions</i>	June 2013			December 2013			June 2014		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Bonds	1 023	-	1 023	1 265	-	1 265	1 289	-	1 289
Bank borrow ings	272	3	275	197	3	200	-	203	203
DEBT	1 295	3	1 298	1 462	3	1 465	1 289	203	1 492
BANK OVERDRAFTS	-	135	135	-	40	40	-	30	30
Deposits	11	1	12	8	1	9	11	1	12
Purchase commitments	66	4	70	59	3	62	62	13	75
Derivatives	-	15	15	-	20	20	-	3	3
Other	-	12	12	-	9	9	-	14	14
OTHER FINANCIAL LIABILITIES	77	32	109	67	33	100	73	31	104
DEBT AND OTHER FINANCIAL LIABILITIES	1 372	170	1 542	1 529	76	1 605	1 362	264	1 626

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 and 2011, the Group repaid respectively €200 million and €100 million in advance.

In May and in September 2012, the Group paid down its bank debt by €200 million and by €125 million, which extended the average maturity of its debt. After taking into account previous repayments, the remaining €275 million outstanding at June 30, 2012 is repayable in installments in June 2015.

In 2013, the Group paid down its bank debt by €75 million in November 2013, which extended the average maturity of its debt. After taking into account previous repayments, the remaining €200 million outstanding at December 31, 2013 is repayable in instalments in June 2015.

B. Maturities of debt analysis

B. 1. BOOK VALUE

B. 1. 1. At June 30, 2014

<i>(in € millions)</i>	June 2015	June 2016	June 2017	June 2018	June 2019	2020 and beyond (1)	June 2014
Total debt and other financial liabilities	264	4	2	806	53	497	1 626
Total	264	4	2	806	53	497	1 626

(1) Including €497 million expiring in 2020 mainly related to the two bond loans (€250 million and €225 million expiring in October 2020 and May 2022).

B. 1. 2. At December 31, 2013

<i>(in € millions)</i>	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. 1. 3. At June 30, 2013

<i>(in € millions)</i>	June 2014	June 2015	June 2016	June 2017	June 2018 (2)	beyond Jun. 2018	June 2013 restated (*)
Total debt and other financial liabilities	170	274	1	1	864	232	1 542
Total	170	274	1	1	864	232	1 542

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

(2) Including €800 million expiring on October 2017

<i>(in € millions)</i>	June 2014	June 2015	June 2016	June 2017	June 2018 (2)	beyond Jun. 2018	June 2013
Total debt and other financial liabilities	170	274	1	1	864	232	1 542
Total	170	274	1	1	864	232	1 542

(2) Including €800 million expiring on October 2017

B. 2. CREDIT FACILITIES

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 June 30, 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 17. FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

A. Rate risk

A. 1. ANALYSIS BY INTEREST RATE

A. 1. 1. Before hedging

Financial debt excluding hedging is as follows:

<i>In € millions</i>	June 2013			December 2013			June 2014		
	Amount	Rate	% of total debt	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Fixed rate debt (1)	1 023	3,60%	79%	1 265	3,40%	86%	1 294	3,40%	87%
Variable rate debt	275	1,43%	21%	200	1,78%	14%	198	1,55%	13%
TOTAL DEBT	1 298	3,14%	100%	1 465	3,18%	100%	1 492	3,16%	100%

(1) The rates mentioned for the fixed rate debt correspond to the contractual rates applied to exact number of days of the year divided by 360.

A. 1. 2. After hedging

Financial debt after interest rate hedging is as follows:

<i>In € millions</i>	June 2013			December 2013			June 2014		
	Amount	Rate	% of total debt	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Fixed rate debt	461	3,29%	36%	536	3,18%	37%	479	3,18%	32%
Variable rate debt	837	2,24%	64%	929	2,52%	63%	1 013	2,53%	68%
TOTAL DEBT	1 298	2,61%	100%	1 465	2,76%	100%	1 492	2,74%	100%

B. Foreign exchange risk

B. 1. CURRENCY ANALYSIS

B. 1. 1. Before hedging

Financial debt without hedging is as follows:

<i>In € millions</i>	June 2013			December 2013			June 2014		
	Amount	Rate	% of total debt	Amount	Rate	% of total debt	Amount	Rate	% of total debt
EUR	1 294	3,13%	100%	1 462	3,18%	100%	1 488	3,15%	100%
Other currencies	4	8,24%	0%	3	5,95%	0%	4	5,79%	0%
TOTAL DEBT	1 298	3,14%	100%	1 465	3,18%	100%	1 492	3,16%	100%

B. 1. 2. After hedging

Financial debt after foreign currency hedging is as follows:

<i>In € millions</i>	June 2013			December 2013			June 2014		
	Amount	Rate	% of total debt	Amount	Rate	% of total debt	Amount	Rate	% of total debt
EUR	1 290	2,59%	99%	1 459	2,75%	100%	1 485	2,73%	100%
Other currencies	8	7,17%	1%	6	6,21%	0%	7	5,90%	0%
TOTAL DEBT	1 298	2,61%	100%	1 465	2,76%	100%	1 492	2,74%	100%

Note 18. NET DEBT AND NET CASH

<i>(in € millions)</i>	June 2013	June 2013 restated (*)	December 2013	June 2014
Non-current debt	1 295	1 295	1 462	1 289
Other non-current financial liabilities	77	78	67	73
Current debt	3	3	3	203
Bank overdrafts	135	135	40	30
Other current financial liabilities	32	32	33	31
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	1 542	1 543	1 605	1 626
Current financial assets	(13)	(12)	(13)	(35)
Other marketable securities	(752)	(656)	(883)	(589)
Cash and cash equivalents	(252)	(252)	(433)	(333)
TOTAL CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	(1 017)	(920)	(1 329)	(957)
NET DEBT	525	623	276	669

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1 US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/€.

<i>(in € millions)</i>	June 2013	June 2013 restated (*)	December 2013	June 2014
Net debt at beginning of period	(85)	(85)	(85)	276
Increase (decrease) in non-current debt	(6)	(6)	161	(173)
Increase (decrease) in other non-current financial liabilities	61	62	51	6
Decrease (increase) in other marketable securities	246	342	115	294
Decrease (increase) in cash and cash equivalents, net of bank overdrafts	276	276	(0)	90
Increase (decrease) in other financial assets and liabilities	33	34	34	176
Increase (decrease) in net debt	610	708	361	393
NET DEBT AT END OF PERIOD	525	623	276	669

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1 US dollar applied from January 1, 2013 (Note 2.C.4).
2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/€.

Note 19. PROVISIONS

Changes in non-current provisions between January 1, 2014 and June 30, 2014 are as follows:

<i>(in € millions)</i>	Dec. 31, 2013	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifi- cations and changes in scope	June 31, 2014
- Provisions for pensions and loyalty bonuses	28	(0)	2	(1)	(0)	0	0	29
- Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT PROVISIONS	28	(0)	2	(1)	(0)	0	0	29

Changes in current provisions between January 1, 2014 and June 30, 2014 are as follows:

<i>(in € millions)</i>	Dec. 31, 2013	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifi- cations and changes in scope	June 31, 2014
- Provisions for tax litigations	18	-	1	(1)	(3)	1	-	16
- Restructuring provisions	10	-	-	(7)	-	(1)	-	2
- Provisions for claims and litigation and other contingencies	22	-	1	(2)	-	-	-	21
TOTAL CURRENT PROVISIONS	50	-	2	(10)	(3)	-	-	39

There is no contingent liability set aside for litigations that are each above €2 million.

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:

<i>(in € millions)</i>	June 2013	June 2013 restated (*)	June 2014
EBIT	(1)	(1)	(2)
Net financial expense	(0)	(0)	-
Restructuring costs and impairment losses	1	1	9
Income tax expense	-	-	3
TOTAL	(0)	(0)	10

Note 20. WORKING CAPITAL, SERVICE VOUCHERS IN CIRCULATION AND RESTRICTED CASH

A. Net change in working capital and service vouchers in circulation

<i>(in € millions)</i>	June 2013	June 2013 restated (*)	December 2013	June 2014	Change june. 2014/ dec. 2013
Inventories, net	11	11	15	13	(2)
Trade receivables, net	978	977	902	942	40
Other receivables and accruals, net	274	270	281	267	(14)
Working capital requirements - assets	1 263	1 258	1 198	1 222	24
Trade payables	65	63	61	58	(3)
Other payables	179	170	187	161	(26)
Vouchers in circulation	3 202	3 139	3 398	3 237	(161)
Working capital requirements - liabilities	3 446	3 372	3 646	3 456	(190)
NEGATIVE WORKING CAPITAL	2 183	2 114	2 448	2 234	(214)

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

<i>(in € millions)</i>	June 2014
Working capital at beginning of period	2 448
Working capital at beginning of restated period (*)	2 448
Change in working capital (1)	(144)
Development Expenditure	1
Disposals	-
Other income and expenses	-
Provisions	5
Currency translation adjustment	(76)
Reclassification to other balance sheet items	-
Net change in working capital	(214)
WORKING CAPITAL AT END OF PERIOD	2 234

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1 US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

(1) See statement of cash flows 1.4

B. Net change in restricted cash

Restricted cash corresponds mainly to service voucher reserve funds submitted to local specific regulation in France (€595 million), United Kingdom (€145 million) and Romania (€36 million).

<i>(in € millions)</i>	June 2014
Restricted cash at beginning of period	770
Restricted cash at beginning of restated period (*)	770
Like-for-like change for the period (1)	14
Reclassification from cash and cash equivalents to restricted cash	1
Currency translation adjustment	6
Net change in restricted cash	21
RESTRICTED CASH AT END OF PERIOD	791

(*) June 2013 restated : closing exchange rate for the Venezuelan bolivar fuerte of 113 to 1 US dollar applied from January 1, 2013 (Note 2.C.4).

2013 half-year reported figures applied a closing exchange rate for the Venezuelan bolivar fuerte of VEF 6.3/\$.

(1) See statement of cash flows 1.4

Note 21. CLAIMS AND LITIGATIONS

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 qualifying for rollover relief.

After the tax authorities issued a collection notice, the fines – which totaled €21.8 million – were paid by the company in April 2008 and recognized as an expense in the 2008 financial statements.

The company subsequently contested the fines in September 2009, claiming that the tax authorities' position was without merit. The challenge was rejected by the tax authorities on October 14, 2009.

On December 10, 2009, the company applied to the Montreuil Administrative Tribunal for a ruling on the matter.

The application was rejected by the Tribunal on December 2, 2010.

On February 16, 2011, the company appealed the decision before the Versailles Administrative Tribunal.

On March 6th, 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.

An appeal of the administration has also been registered at the office of the Council of State.

Given the lack of suspensory effect of the appeal, the Company benefited of the payment of €2.3 million, bearing moratory interests.

B. Dispute with Fnac and Conforama

Edenred France (which is Accentiv'Kadéos suscessor 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 next stages consisted of legal proceedings based on the merits of the cases and arbitration proceedings.

Out of the three steps of legal proceedings of this litigation (emergency hearing, proceedings on the merits and arbitration proceedings), only the proceedings on the merits are still to be occurring.

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.

Edenred France brought an action against this ruling. On March 26, 2013, the Paris Court of Appeals found unenforceable the arbitration clause for partnership contracts, which invalidates the Commercial Court ruling on June 22, 2012 stating that it was not competent to hear the case. 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. The arbitral Court ruled on April 15, 2014 that it was not competent to hear the case.

As a consequence, the Commercial Court was seized. The ruling is not expected before the fourth quarter 2014.

Edenred believes that Fnac and Conforama's claims are without merit. Consequently, no related provision has been set aside in the financial statements.

C. 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 25th, 2014.

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 2011, 2012 and 2013 consolidated income statement. There were no developments in this matter during first-half 2014.

D. Tax litigation in Brazil

D. 1. MUNICIPAL TAX

In December 2011, the City of São Paulo notified Brazilian subsidiary Ticket Serviços of a municipal tax (*ISS Imposto Sobre Serviços*) reassessment in respect of the period April to December 2006. Ticket Serviços had already paid this tax to the City of Alphaville.

The reassessment amounts to BRL 7.7 million, and Ticket Serviços also faces claims for late interests, fines and inflation adjustments estimated at BRL 42.4 million at June 30, 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 143.3 million at June 30, 2014. The company applied to the tax court to have the reassessment overturned. Its request was rejected in the first instance and this decision is now being appealed.

The company still believes that the reassessment is without merit. Based on the opinion of its tax advisors, it believes that the probability of a favorable outcome is high. Consequently, no related provision has been set aside in the financial statements.

D. 2. TAX ALLOWANCE FOR GOODWILL AMORTIZATION

In January 2012, the Brazilian federal tax administration notified Ticket Serviços of a proposed reassessment of corporate income tax and the IRPJ and CSLL surtaxes for the years 2007 to 2010. The reassessment amounts to BRL 81.7 million, and Ticket Serviços also faces claims for late interest, fines and inflation adjustments estimated at BRL 181.9 million at June 30, 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 first instance and this decision is now being appealed.

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 22. SUBSEQUENT EVENTS

None.

Auditors' review report on the half-year consolidated financial statements

EDENRED

Société Anonyme

166-180 Boulevard Gabriel Péri

92240 Malakoff

STATUTORY AUDITORS' REVIEW REPORT ON THE 2014 HALF-YEAR FINANCIAL INFORMATION

For the six-month period ended June 30, 2014

This is a free translation into English of the statutory auditors' review report on the half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the Group's interim management report. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Edenred, for the six-month period ended June 30, 2014;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of half-year financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris and Neuilly-sur-Seine, July 24, 2014

The Statutory Auditors

French original signed by

CABINET DIDIER KLING & ASSOCIÉS

DELOITTE & ASSOCIÉS

Didier KLING

David DUPONT-NOEL

Statement by the person responsible for the 2014 interim financial report

Statement by the person responsible for the 2014 interim financial report

I declare that, to the best of my knowledge, (i) the consolidated 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 the companies included in the consolidation, and (ii) the interim management report includes a fair review of material events of the first six months of the financial year and their impact on the interim financial statements, as well as a discussion of the main risks and uncertainties in the second half of the year and a description of the main related party transactions for the period.

Malakoff – July 24, 2014

Jacques Stern

Chairman and Chief Executive

Officer

A handwritten signature in dark ink, consisting of several overlapping, sweeping lines that form a stylized, abstract shape. The signature is positioned to the left of the printed name and title.