2016 HALF-YEAR FINANCIAL REPORT

Edenred

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SECTION 1 – 2016 HALF-YEAR CONSOLIDATED RESULTS

1.1 Introduction

First-half 2016 saw a **strong like-for-like improvement in financial results**, as the following key indicators illustrate:

- **Issue volume up 8.4%** to **€9,079 million**.
- **Total revenue up 6.1%** to **€526 million**.
- **EBIT up 13.0%** to **€161 million**.
- **Funds from operations[1] up 14.2%** to **€125 million**.

EBIT maintained at a high level of €161 million thanks to strong like-for-like growth and **despite unfavorable currency effects.**

Operating EBIT margin[2] of 26.3%, up both like-for-like (+2.5 points) and as reported (+0.7 point).

Net profit, Group share of €71 million.

Significant achievements in first-half 2016 include:

- Continuous digital and mobility-related innovation in the **Employee Benefits** business, with the launch of Apple Pay for the Ticket Restaurant® card holders in France and the roll-out of the Ticket Restaurant® card in Japan and Uruguay.
- Accelerated development in **Expense Management**, with the closing of the Embratec acquisition in Brazil and the launch of a fuel card solution in France.

First-half 2016 key financial metrics

(in € millions)	First-half 2016	First-half 2015	% change Reported	% change Like-for-like[3]
Issue volume	**9,079**	**9,110**	**-0.3%**	**+8.4%**
Operating revenue with issue volume	420	428	-1.7%	+6.8%
Operating revenue without issue volume	74	75	-1.3%	+5.8%
Financial revenue	32	36	-12.6%	-1.6%
Total revenue	**526**	**539**	**-2.4%**	**+6.1%**
Operating EBIT	129	129	+0.7%	+17.1%
Financial EBIT	32	36	-12.6%	-1.6%
Total EBIT	**161**	**165**	**-2.2%**	**+13.0%**
Net profit, Group share	71	82	-12.8%	n/a

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, 2016. Their review report is presented on page 52.

1.2.1 Issue volume

Issue volume totaled **€9,079 million** in first-half 2016, representing a like-for-like increase of **8.4%**. This strong performance reflected continued acceleration in Europe, partly supported by favorable calendar effects, and sustained growth in Latin America despite a difficult economic environment in Brazil and a high basis of comparison in Mexico.

1 Before non-recurring items.

2 Ratio of operating EBIT to operating revenue

3 At constant scope of consolidation and exchange rates (corresponding to organic growth).

On a reported basis, issue volume was down 0.3%. The reported decline reflects the 2.9% positive impact of changes in the scope of consolidation[4] and the 11.6% unfavorable currency effect due mainly to the depreciation of certain currencies against the euro, particularly the Brazilian real (down 19.9%), the Mexican peso (down 16.2%) and the Venezuelan bolívar (down 52.6%).

1.2.1.1 ***Issue volume by region***

Like-for-like growth	First-quarter 2016	Second-quarter 2016	First-half 2016
Europe	+6.9%	+9.7%	**+8.3%**
Latin America	+7.5%	+8.7%	**+8.1%**
Rest of the world	+12.1%	+11.1%	**+11.6%**
TOTAL	**+7.4%**	**+9.3%**	**+8.4%**

In **Europe**, issue volume for the first half was **€4.6 billion** (or 50% of the Group's total issue volume), up 8.3% like-for-like.

Europe (excluding France) posted strong growth in the first half of the year (+9.9% like-for-like), driven by solid operating performances in an improving economic environment and positive calendar effects in the second quarter. Growth was 4.9% like-for-like in **Italy** and continued to accelerate in **Central Europe** (+9.9% like-for-like for the period), thanks to a healthy sales dynamic. **In Germany**, strong gains in the Ticket Plus® Card solution helped deliver significant growth, and in the **United Kingdom**, the Childcare Vouchers® business expanded by +5.4% like-for-like. The other countries in the region posted double-digit growth on average for the period.

The positive trend continued in **France**, where 5.2% like-for-like growth reflected solid gains in the Ticket Restaurant® solution (up 4.5%), driven in particular by a good sales performance as well as positive calendar effects in the second quarter. With 200,000 Ticket Restaurant® card beneficiaries at end-June 2016, Edenred has consolidated its leadership in the French digital meal voucher market. Incentive & Rewards solutions, especially Ticket Kadéos®, also performed solidly in the first half.

In **Latin America**, issue volume for the period was up **8.1%** like-for-like to **€4.1 billion**, which represents 45% of the Group's total issue volume.

In **Brazil**, issue volume rose by 4.5% like-for-like in the first half of 2016 despite a tough economic environment. Reflecting this market's significant growth potential, Expense Management continued to enjoy strong like-for-like growth (16.8%), driven by new client wins and an increase in existing client sales. Issue volume in Employee Benefits solutions was positive and grew 0.7% like-for-like in spite of a surge in the country's unemployment rate, which rose from around 8% in May 2015 to close to 11% in May 2016[5].

In **Hispanic Latin America**, issue volume grew by 13.8% like-for-like. The Employee Benefits business rose by 19.1% like-for-like, reflecting improving momentum in Mexico (despite a tough basis of comparison in the prior-year period) and high inflation in Venezuela. The Expense Management business grew by 6.5% like-for-like due to the high basis of comparison in Mexico in first-half 2015.

Lastly, issue volume in the **Rest of the World** was up by **11.6%** like-for-like in the first half, led mainly by strong growth in **Turkey**, the region's primary contributor.

1.2.1.2 ***Issue volume by type of solution***

	Employee Benefits	Expense Management	Incentive & Rewards	Public Social Programs	TOTAL
Issue Volume *(in euro million)*	6,943	1,572	359	205	**9,079**
As a % of IV	77%	17%	4%	2%	**100%**
Organic growth	+7.1%	+11.6%	+17.9%	N/A	**+8.4%**

Employee Benefits associated with meals and food and quality of life represented 77% of total issue volume at June 30, 2016 and recorded robust 7.1% growth in issue volume in the first half, driven by Europe and Hispanic Latin America. **Expense Management**, Edenred's second growth engine, now accounts for 17% of issue volume. It grew by 11.6% in first-half 2016, reflecting a significant increase in Brazil and more modest gains in Mexico due to the high basis of comparison. **Incentive & Rewards** and **Public Social**

[4] Including the contribution of the Embratec acquisition in Brazil for two months of the first half and of La Compagnie des Cartes Carburant acquisition for six months.

[5] Source: Instituto Brasileiro de Geografia e Estatística.

Programs both posted strong growth in the first six months of the year, accounting for 4% and 2% of consolidated issue volume, respectively, at June 30, 2016.

1.2.2 Revenue

The year's revenue breaks down as follows:

Like-for-like growth	First-quarter 2016	Second-quarter 2016	First-half 2016
Operating revenue with issue volume	+5.8%	+7.8%	**+6.8%**
Operating revenue without issue volume	+6.6%	+5.2%	**+5.8%**
Financial revenue	-3.1%	+0.1%	**-1.6%**
TOTAL REVENUE	**+5.2%**	**+6.9%**	**+6.1%**

Total revenue for the first half of 2016 amounted to **€526 million**, representing a **6.1%** like-for-like increase. Total revenue comprises operating revenue with issue volume (up 6.8% like-for-like), operating revenue without issue volume (up 5.8% like-for-like) and financial revenue (down 1.6% like-for-like).

On a reported basis, the year-on-year change was a decline of **2.4%**, after taking into account the 2.3% positive impact of changes in the scope of consolidation and the 10.8% negative currency effect.

1.2.2.1 ***Operating revenue with issue volume***

Operating revenue with issue volume rose 6.8% like-for-like to €420 million, reflecting solid performances in all regions, with an acceleration in Europe and further sustained growth in Latin America.

Operating revenue with issue volume by region

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

Like-for-like growth	First-quarter 2016	Second-quarter 2016	First-half 2016
Europe	+5.1%	+8.9%	**+7.0%**
Latin America	+6.2%	+6.6%	**+6.4%**
Rest of the World	+7.9%	+8.6%	**+8.2%**
TOTAL	**+5.8%**	**+7.8%**	**+6.8%**

The **take-up rate** [6]in first-half 2016 stood at 4.6%, virtually unchanged from the prior-year period (4.7%).

1.2.2.2 ***Operating revenue without issue volume***

Operating revenue without issue volume amounted to **€74 million**, up 5.8% like-for-like, reflecting the contribution of ProwebCE in France, which is subject to a higher seasonality than other operations within the Group.

1.2.2.3 ***Financial revenue***

Financial revenue totaled **€32 million** for the period, down 1.6% like-for-like resulting from a solid 9.8% like-for-like increase in **Latin America** and a 15.4% like-for-like decline in **Europe**, reflecting interest rate trends in the two regions.

1.2.3 EBIT

EBIT corresponds to total revenue (operating and financial) less operating expenses[7], depreciation, amortization and provisions. It includes:

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

[6] Ratio of operating revenue with issue volume to total issue volume.

[7] Operating expenses correspond to the operating expenses and operating provision charges discussed in Note 4.2 to the consolidated financial statements, page 32.

1.2.3.1 ***EBIT growth***

In first-half 2016, **total EBIT** stood at **€161 million**, up **13.0%**, or €21 million, like-for-like compared with total revenue growth of 6.1%. On a reported basis, EBIT was down by a slight 2.2% after taking into account the €3 million positive contribution of changes in scope of consolidation and the €28 million negative currency effect.

The total EBIT of €161 million for first-half 2016 comprises operating EBIT of €129 million and financial EBIT, which is equal to financial revenue, of €32 million.

1.2.3.2 ***First-half 2016 operating EBIT by region***

(in € millions)	First-half 2016	First-half 2015	% change	
			Reported	Like-for-like
Europe	61	48	+27.1%	+27.7%
Latin America	71	87	-17.1%	+10.8%
Rest of the World	4	3	+12.7%	+7.2%
Worldwide structures	(7)	(9)	-26.6%	+9.5%
TOTAL	**129**	**129**	**+0.7%**	**+17.1%**

Operating EBIT (which excludes financial revenue) rose by **17.1%** like-for-like to **€129 million**. This good performance reflects a high operating flow-through ratio[8] of 66%, which was achieved through a combination of dynamic revenue growth and effective cost management.

Europe performed strongly over the period, delivering operating EBIT growth of **27.7%** like-for-like, versus growth in operating revenue of 6.6%. In **Latin America**, like-for-like operating EBIT growth was **10.8%**, outperforming the 6.2% like-for-like increase in operating revenue.

These strong performances saw the Group increase its profitability in the first half of 2016, with an **operating EBIT margin** (which excludes financial EBIT) of 26.3% for the period, up 2.5 points like-for-like and 0.7 point as reported compared with first-half 2015.

1.2.4 Net financial expense

Net financial expense amounted to **€23 million** in first-half 2016 compared with €21 million in the year-earlier period.

Finance costs for the period totaled €22 million in first-half 2016, while the effects of hedging instruments and interest income from the investment of available cash and from marketable securities came to €7 million, leading to net finance costs of €15 million.

Currency effects and other financial income and expenses represented a net expense of €8 million.

1.2.5 Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items totaled **€142 million** in first-half 2016 versus €148 million in the same period of 2015, a decrease of 4.1% on a reported basis.

1.2.6 Income tax expense

Income tax expense stood at €49 million for the period, versus €56 million in first-half 2015, for an effective tax rate for the Group of **36.3%** versus 34.9% in the prior-year period.

1.2.7 Net profit

Net profit, Group share totaled **€71 million** for first-half 2016, versus €82 million in the six months to June 30, 2015. This figure includes €18 million in non-recurring costs due notably to acquisition-related expenses and to initiatives undertaken as part of a reorganization of the Group. It also takes into account €23 million in net financial expense, €4 million in the share of associate net profit, €49 million in taxes and €4 million in minority interests.

[8] Ratio of the like-for-like change in operating EBIT to the like-for-like change in operating revenue.

1.3 Liquidity and financial resources

1.3.1 Cash flows[9]

(in € millions)	**First-half 2016**	**First-half 2015**
EBITDA	188	188
Net financial expense (1)	(23)	(21)
Income tax paid	(57)	(52)
Non-cash items	10	10
Elimination of provision movements included in net financial expense and income tax	(1)	-
Dividends received from equity method consolidated companies (2)	**8**	**23**
Funds from operations before non-recurring items (FFO)	**125**	**148**
Change in float	(180)	(182)
Change in restricted cash	(57)	2
Change in working capital (excluding the float)	8	(42)
Recurring capex	(22)	(22)
Free cash flow	**(126)**	**(96)**
External acquisitions	(184)	(232)
Dividends paid (3)	(199)	(199)
Capital increase	43	42
(Purchases)/sales of treasury shares	1	(3)
Translation adjustment	5	(60)
Other	5	(25)
(Increase)/decrease in debt	**(455)**	**(573)**

(1) Including € (20) million of financial interests effectively paid in June 2016. No dividends have been received from external companies.

(2) Including € 11 million received in 2015 related to 2014.

(3) Including € (5) millions of tax on dividends in 2016. Moreover, in respect of 2015 year, a dividend amounting to €0.84 per share with the option of reinvesting 50% of this dividend in new shares has paid in cash for €149 million and distributed in new shares for €43 million for 2015 as of June 30, 2016.

The Edenred business model generates significant cash flow. In the first half of 2016, funds from operations before non-recurring items **(FFO)** totaled **€125 million**, a year-on-year increase of **14.2%** like-for-like.

1.3.2 Working capital requirement

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

(in € millions)	**June 30, 2016**	**December 31, 2015**	**June 30, 2015**	**∆ June 30, 2016 /June 30, 2015**	**∆ June 2016 /Dec. 2015**
Inventories (net)	16	19	16	0	(3)
Trade receivables (net)	1,140	973	966	174	167
Other receivables (net)	324	272	312	12	52
Working capital assets	**1,480**	**1,264**	**1,294**	**186**	**216**
Trade payables	136	82	62	74	54
Other payables	157	172	174	(17)	(15)
Vouchers in circulation	3,585	3,564	3,341	244	21
Working capital liabilities	**3,878**	**3,818**	**3,577**	**301**	**60**
Net working capital	**2,398**	**2,554**	**2,283**	**115**	**(156)**

Negative working capital requirement at June 30, 2016 decreased of €115 million compared with June 30, 2015.

[9] See the consolidated statement of cash flows on page 20.

1.3.3 Net debt

The Group had net debt of **€1,092 million** at June 30, 2016 (versus €841 million at end-June 2015). The change in net debt includes a negative impact of €155 million related to currency effect and other non-recurring items, and takes into account the €192 million in acquisition expenses related mainly to the Embratec acquisition in Brazil, and the €192 million in dividends paid to Edenred SA shareholders.

In the first half of the year, Edenred also announced that it had successfully completed the issue of a €250 million ***Schuldschein*** loan - a German form of private placement - consisting of fixed- and floating-rate coupons with an average maturity of 6.1 years, and an average financing cost of 1.2%. In addition, on July 21, 2016, Edenred signed an agreement with its banking syndicate to extend its **€700 million (undrawn) revolving credit facility** until July 2021 (versus June 2019 previously), while taking advantage of significantly more favorable financing conditions. The renegotiation also introduced two 1-year extension options, potentially adding an additional two years to the credit facility's maturity date (July 2023). Both of these transactions help improve the Group's debt profile.

(in € millions)	**June 30, 2016**	**December 31, 2015**	**June 30, 2015**
Non-current debt	1,888	1,476	1,466
Other non-current financial liabilities	33	38	43
Current debt	2	2	3
Bank overdrafts	40	61	154
Other current financial liabilities	55	45	42
DEBT AND OTHER FINANCIAL LIABILITIES	**2,018**	**1,622**	**1,708**
Current financial assets	(56)	(40)	(50)
Other marketable securities	(518)	(478)	(482)
Cash and cash equivalents	(352)	(467)	(335)
CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	**(926)**	**(985)**	**(867)**
NET DEBT	**1,092**	**637**	**841**

At June 30, 2016, the Group had bonds outstanding for an aggregate amount of €1,485 million, which breaks down as follows:

Issue date	**Amount** *(in € millions)*	**Coupon**	**Maturity**
March 10, 2015	500	1.375%	10 years March 10, 2025
October 31, 2013	250	2.625%	7 years October 30, 2020
May 23, 2012	225	3.750%	10 years May 23, 2022
October 6, 2010	510	3.625%	7 years October 6, 2017

1.3.4 Equity

Equity represented a negative amount of **€1,331 million** at June 30, 2016 and €1,442 million at December 31, 2015. This is due to the recognition at historical cost of the assets contributed or sold to Edenred by Accor through the asset contribution-demerger transaction. It has no impact on the Group's refinancing capacity, the underlying strength of its financial position or its dividend paying ability.

Further information about changes in consolidated equity is presented in the condensed half-year consolidated financial statements for the six months ended June 30, 2016 (page 20).

1.4 Material contracts

During first-half 2016, no contract representing a material obligation or commitment for the Group was signed in connection with the Group's external growth operations.

1.5 Significant events of first-half 2016

The first half of 2016 was shaped by a number of achievements aligned with the Group's growth strategy in the Employee Benefits and Expense Management businesses.

Pursuit of digital growth in France and launch of Apple Pay

Since the launch of the Ticket Restaurant® card in 2014, 23 million transactions have been carried out in affiliated restaurants and merchants, with a peak of 300 transactions per minute at lunchtime, for an average amount of €11.43. There are currently 200,000 employee beneficiaries, 80% of whom have already made a transaction using contactless (NFC) payment.

Since July 19, 2016, Edenred has been offering holders of Ticket Restaurant® cards in France the possibility of paying for their lunch using Apple Pay[10]. Payment can be made directly with an iPhone or Apple Watch at all Ticket Restaurant®-affiliated restaurants and merchants equipped with a contactless payment terminal. As the first meal voucher issuer to offer Apple Pay from the moment of its launch in France, Edenred provides its 200,000 Ticket Restaurant® card beneficiaries in France with a unique, comprehensive range of services.

Continuing shift to digital with the launch of the Ticket Restaurant® card in Japan and faster digitalization in Uruguay

Edenred launched several new solutions in the first half, including the first Ticket Restaurant® card in Japan on April 20, 2016.
In Uruguay, the Group completed the shift to digital of the Ticket Restaurant® solution, with issue volume nearly 100% paperless at end-June and more than 110,000 employee beneficiaries of the Ticket Restaurant® card.

Further client wins in Employee Benefits solutions

The Group maintained a healthy sales dynamic in the first half of 2016, which resulted in numerous client wins in all operating regions.
In **Europe**, for example, Edenred has gained a new client in **Germany** in the form of **Datev**, an IT services company with nearly 7,000 Ticket Plus® Card solution beneficiaries.
In **Latin America**, the Group achieved two significant client wins in **Brazil** for the Ticket Restaurant® solution: **LATAM** Airlines (around 25,000 beneficiaries) and pharmaceutical company **Pfizer** (around 1,300 beneficiaries).
Lastly, in the **Rest of the World** region, new Ticket Restaurant® card clients include engineering group Siemens in **India** (around 1,400 beneficiaries) and jewelry brand **Swarovski** in **Japan** (nearly 400 beneficiaries).

Finalization of the Embratec alliance in Brazil

In accordance with an agreement signed in January, Edenred finalized on May 31, 2016 the combination of its Expense Management assets in Brazil with those of Embratec in a new company 65%-owned by Edenred and 35%-owned by Embratec's founding shareholders, thereby creating a **leading player in this fast-growing segment**.

The entity created by the transaction will bring together Edenred's Ticket Car® and Repom assets and Embratec's fuel card and maintenance activities, operated under the Ecofrotas and Expers brands. These activities are now united under a new brand, **Ticket Log**®, which serves around 27,000 clients, representing more than one million active cards that can be used at more than 24,500 affiliated service stations and maintenance workshops, or 58% of Brazil's domestic network.

Thanks to this transaction, **Edenred is doubling the size of its Expense Management business in Brazil** to become the leading provider of fuel card and maintenance solutions for light vehicles and number two for heavy vehicles. With a low penetration rate of between 15% and 20%, the Brazilian B2B fuel card segment holds significant potential for growth.

As announced, Edenred financed the deal mainly by contributing assets to the new entity, with an additional cash payment of **BRL 810 million**, financed locally.

The Group also confirms that the transaction will have an **accretive impact of around 2%** on net profit, Group share (on an annual basis and before purchase accounting impact).

[10] Apple Pay is compatible with the iPhone 6s, iPhone 6s Plus, iPhone 6, iPhone 6 Plus, iPhone SE and Apple Watch.

Successful issue of a €250 million Schuldschein loan

On June 29, 2016, Edenred announced that it had successfully completed the issue of a *Schuldschein* loan – a German form of private placement – consisting of 5- and 7-year tranches with fixed- and floating-rate coupons, with an average maturity of 6.1 years, for a total amount of €250 million.

With an average financing cost of approximately 1.2%, this transaction allows the Group to reduce its average cost of debt, while extending the average maturity. It also diversifies Edenred's sources of financing and expands its investor base.

Appointment to Edenred's Board of Directors

At its meeting on March 23, 2016, Edenred's Board of Directors appointed **Sylvia Coutinho**, Country Head of UBS Brazil, as a Director of Edenred.

The Board of Directors noted that Sylvia Coutinho qualifies as an independent Director according to the AFEP/MEDEF corporate governance code. Shareholders ratified the appointment at the Annual Meeting on May 4, 2016.

Appointments to the Executive Committee

To simplify operating procedures and structures, the operating responsibilities of Edenred's Executive Committee are now organized into five regions instead of seven. In line with this change, Edenred announced on July 1, 2016 the appointment of **Arnaud Erulin** to the newly created position of Chief Operating Officer, Northern Europe, Central Europe, France and Belgium. The new position expands Arnaud Erulin's role within the Group's Executive Committee, of which he was already a member in his previous position as Chief Operating Officer, Central Europe and Scandinavia.

Southern Europe, led by **Graziella Gavezotti**, has now been extended to include Lebanon and Morocco, in addition to Greece, Italy, Portugal, Spain and Turkey.

Operating responsibilities within Edenred's Executive Committee are now organized into the five following regions:

- Hispanic and North America – Chief Operating Officer: Diego Frutos
- Asia-Pacific and Middle East – Chief Operating Officer: Laurent Pellet
- Brazil – Chief Operating Officer: Gilles Coccoli
- Northern Europe, Central Europe, France and Belgium – Chief Operating Officer: Arnaud Erulin
- Southern Europe – Chief Operating Officer: Graziella Gavezotti

SECTION 2 – CONCLUSION AND FULL-YEAR 2016 OUTLOOK

Issue volume growth is expected to remain solid in the second half of 2016, reflecting, on one hand, sustained sales momentum and unfavorable calendar effects in Europe (about two days on average in the second half) and, on the other hand, improved trends in Latin America thanks notably to Mexico and increased exposure to the fast-growing and under-penetrated expense management market in Brazil.

In this context, Edenred has set a **full-year EBIT target of between €350 million and €370 million.** This objective takes into account an estimated negative currency effect of €35 million[11].

For full-year 2016, the Group also confirms its target for like-for-like **issue volume growth** of between 8% and 14% (lower end of the range), in line with its historical target. After rising to high levels in the first half of the year, the **operating flow-through ratio** will reflect additional operating expenses in the second half and should end the year in line with the Group's historical guidance of over 50%. Lastly, **annual like-for-like growth in funds from operations (FFO)** is expected to be in line with the historical guidance of more than 10%.

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 2014 Registration Document filed with French securities regulator AMF on March 25, 2016. As of June 30, 2016, there had been no significant new developments in the Group's main disputes.

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11 Calculated based on an assumption of an average Brazilian real/euro exchange rate of 4.00 for full-year 2016.

SECTION 4 – MAIN RELATED PARTY TRANSACTIONS

There were no material changes in related party transactions during the half year of 2016.

SECTION 5 – SUBSEQUENT EVENTS

Edenred extends the maturity of its 700-million Euro Revolving Credit Facility by 2 years

Edenred successfully signed on **July 21th 2016** with 14 banks an amendment agreement to its €700 million 5-year Revolving Credit Facility dated 25 April 2013, amended firstly on 20 June 2014. It extends the maturity of the facility by 2 years from June 2019 to July 2021 whilst reducing significantly the spread. The amendment also reinstates the two one-year extension options exercisable at the request of Edenred and discretion of the banks.

Interim condensed consolidated financial statements and notes

Consolidated financial statements

1.1 CONSOLIDATED INCOME STATEMENT

1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1.3 CONSOLIDATED BALANCE SHEET

- Consolidated assets
- Consolidated liabilities

1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1.1. CONSOLIDATED INCOME STATEMENT

(in € millions)	Notes	June 2016	June 2015
Operating revenue with IV	4.1	420	428
Operating revenue w/o IV	4.1	74	75
Financial revenue	4.1	32	36
Total revenue	4.1	**526**	**539**
Operating expenses	4.2	(338)	(351)
Depreciation, amortization and provisions		(27)	(23)
EBIT	4.1	**161**	**165**
Net financial expense	6.1	(23)	(21)
Share of associates net profit		4	4
Operating profit before tax and non-recurring items		**142**	**148**
Other income and expenses	10.1	(18)	(8)
Profit before tax		**124**	**140**
Income tax expense	7	(49)	(56)
NET PROFIT		**75**	**84**
Net Profit, Group Share		**71**	**82**
Net Profit, Non-controlling interests		4	2
Weighted average number of shares outstanding (in thousands)	8	228 610	226 971
Earnings per share, Group share (in euros)	8	**0,31**	**0,36**
Diluted earnings per share (in euros)	8	0,31	0,35

1.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	June 2016	June 2015
Net profit	**75**	**84**
Items that may be subsequently reclassified to profit or loss		
Currency translation adjustment (*)	68	(35)
Change in fair value of financial instruments	20	(2)
Tax on items that may be subsequently reclassified to profit or loss	(6)	(2)
Items that will not be reclassified to profit or loss		
Actuarial gains and losses on defined benefit plans	(0)	(0)
Tax on items that will not be reclassified to profit or loss	0	0
Other comprehensive income, net of tax	**82**	**(39)**
TOTAL COMPREHENSIVE INCOME	**157**	**45**
Comprehensive income, Group share	**146**	**45**
Comprehensive income, Non-controlling interests	**11**	**(0)**

(*) See Note 1.4 «Use of estimates and judgment» presenting exchange rates used for this closing on main currencies

1.3. CONSOLIDATED BALANCE SHEET

Consolidated assets

(in € millions)	Notes	June 2016	December 2015	June 2015
Goodwill	5.1	**842**	**575**	**615**
Intangible assets	5.2	**341**	**182**	**185**
Property, plant and equipment		**38**	**37**	**38**
Investments in associates		**146**	**150**	**146**
Non-current financial assets		37	32	26
Deferred tax assets		69	67	66
TOTAL NON-CURRENT ASSETS		**1 473**	**1 043**	**1 076**
Trade receivables	4.3	1 140	973	966
Inventories and other receivables	4.3	340	291	328
Restricted cash	4.3	897	858	809
Current financial assets	6.2 / 6.5	56	40	50
Other marketable securities	6.3 / 6.5	518	478	482
Cash and cash equivalents	6.3 / 6.5	352	467	335
TOTAL CURRENT ASSETS		**3 303**	**3 107**	**2 970**
TOTAL ASSETS		**4 776**	**4 150**	**4 046**

As of 30 June 2016, half-year consolidated financial statements include the impact of “Employee Benefits” and “Incentive & Reward” seasonality with a higher activity at year end. In order to provide more readable half-year financial statements, Edenred chose to display balance sheet as of 31st of December 2015 as a comparative period.

Consolidated liabilities

(in € millions)	Notes	June 2016	December 2015	June 2015
Issued capital		467	462	463
Treasury shares		(45)	(56)	(44)
Consolidated retained earnings		(1 713)	(1 781)	(1 754)
Cumulative compensation costs - share-based payments		82	76	72
Cumulative fair value adjustments of financial instruments		(0)	(14)	(6)
Cumulative actuarial gains (losses) on defined benefit plans		(2)	(2)	(7)
Currency translation reserve		(255)	(316)	(238)
Net profit, Group share		71	177	82
Equity attributable to owners of the parent company		**(1 395)**	**(1 454)**	**(1 432)**
Non-controlling interests		64	12	11
Total Equity		**(1 331)**	**(1 442)**	**(1 421)**
Non-current financial debt	6.4 / 6.5	1 888	1 476	1 466
Other non-current financial liabilities	6.4 / 6.5	33	38	43
Non-current provisions	10.2	37	33	35
Deferred tax liabilities		138	84	96
TOTAL NON-CURRENT LIABILITIES		**2 096**	**1 631**	**1 640**
Current financial debt	6.4 / 6.5	2	2	3
Other current financial liabilities	6.4 / 6.5	55	45	42
Current provisions	10.2	33	22	34
Funds to be redeemed	4.3	3 585	3 564	3 341
Trade payables	4.3	136	82	62
Current tax liabilities	4.3	3	13	17
Other payables	4.3	157	172	174
Bank overdrafts	6.4 / 6.5	40	61	154
TOTAL CURRENT LIABILITIES		**4 011**	**3 961**	**3 827**
TOTAL EQUITY AND LIABILITIES		**4 776**	**4 150**	**4 046**

As of 30 June 2016, half-year consolidated financial statements include the impact of “Employee Benefits” and “Incentive & Reward” seasonality with a higher activity at year end. In order to provide more readable half-year financial statements, Edenred chose to display balance sheet as of 31st of December 2015 as a comparative period.

1.4. CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	Notes	June 2016	June 2015
+ EBITDA		188	188
- Net financial expense (1)	6.1	(23)	(21)
- Income tax paid		(57)	(52)
- Elimination of non-cash revenue and expenses included in EBITDA		10	10
- Elimination of provision movements included in net financial expense and income tax		(1)	-
+ Dividends received from investment in associates (2)		8	23
= Funds from operations before non recurring items (FFO)		**125**	**148**
+ Decrease (increase) in w orking capital	4.3	(172)	(224)
+ Recurring decrease (increase) in restricted cash	4.3	(57)	2
= Net cash from operating activities		**(104)**	**(74)**
+ Non-recurring gains (losses) (including restructuring costs) received / paid	-	(11)	(16)
= Net cash from operating activities including non-recurring transactions (A)		**(115)**	**(90)**
- Recurring expenditure		(22)	(22)
- External acquisition expenditure		(184)	(232)
+ Proceeds from disposals of assets		1	(19)
= Net cash from (used in) investing activities (B)		**(205)**	**(273)**
+ Shares issues by subsidiaries		43	55
- Dividends paid (3)		(199)	(199)
+ (Purchases) sales of treasury shares		1	(3)
+ Increase (Decrease) in debt (4)		**426**	**331**
= Net cash from (used in) financing activities (C)		**271**	**184**
- Net foreign exchange difference and fair value adjustment (D)		**(45)**	**(37)**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	6.5	**(94)**	**(216)**
+ Cash and cash equivalents at beginning of period		406	397
- Cash and cash equivalents at end of period		312	181
= NET CHANGE IN CASH AND CASH EQUIVALENTS	6.5	**(94)**	**(216)**

(4) Including € (20) million of financial interests effectively paid in June 2016. No dividends have been received from external companies.

(5) Including € 11 million received in 2015 related to 2014.

(6) Including € (5) millions of tax on dividends in 2016. Moreover, in respect of 2015 year, a dividend amounting to €0.84 per share with the option of reinvesting 50% of this dividend in new shares has paid in cash for €149 million and distributed in new shares for €43 million for 2015 as of June 30, 2016.

(7) Net debt (Note 6.5), excluding Net Cash.

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

	Notes	June 2016	June 2015
+ Cash and cash equivalents	6.3	352	335
- Bank overdrafts	6.4	(40)	(154)
= CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**312**	**181**

1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Currency translation reserve (1)	Cumulative actuarial gains (losses) on defined benefit plans	Cumulative fair value adjustments of financial instruments	Cumulative compensation costs on share based payments	Treasury shares	Retained earnings and net profit for the period (2)	External changes in consolid-ation scope	Equity attributable to owners of the parent company	Total non-controlling interests	Total equity
December 31, 2014	**(205)**	**(7)**	**(4)**	**64**	**(47)**	**(1 066)**	**(78)**	**(1 343)**	**23**	**(1 320)**
Issue of share capital										
- in cash	-	-	-	-	-	-	-	**-**	-	**-**
- cancellation of treasury shares	-	-	-	-	-	-	-	**-**	-	**-**
- option exercised	-	-	-	-	-	13	-	**13**	-	**13**
- dividends reinvested in new shares	-	-	-	-	-	42	-	**42**	-	**42**
Dividends paid	-	-	-	-	-	(191)	-	**(191)**	(3)	**(194)**
Effect of changes in consolidation scope	-	-	-	-	-	-	(2)	**(2)**	(9)	**(11)**
Compensation costs for the period - share-based payments	-	-	-	8	-	(1)	-	**7**	-	**7**
(Acquisitions) disposals of treasury shares	-	-	-	-	3	(6)	-	**(3)**	-	**(3)**
Other comprehensive income	(33)	(0)	(2)	-	-	(2)	-	**(37)**	(2)	**(39)**
Net profit for the period	-	-	-	-	-	82	-	**82**	2	**84**
TOTAL COMPREHENSIVE INCOME	**(33)**	**(0)**	**(2)**	**-**	**-**	**80**	**-**	**45**	**-**	**45**
June 30, 2015	**(238)**	**(7)**	**(6)**	**72**	**(44)**	**(1 129)**	**(80)**	**(1 432)**	**11**	**(1 421)**
Issue of share capital										
- in cash	-	-	-	-	-	-	-	**-**	-	**-**
- cancellation of treasury shares	-	-	-	-	-	(34)	-	**(34)**	-	**(34)**
- option exercised	-	-	-	-	-	1	-	**1**	-	**1**
- dividends reinvested in new shares	-	-	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	-	-	-	-	**-**	-	**-**
Effect of changes in consolidation scope	-	-	-	-	-	-	1	**1**	(1)	**-**
Compensation costs for the period - share-based payments	-	-	-	4	-	1	-	**5**	-	**5**
(Acquisitions) disposals of treasury shares	-	-	-	-	(12)	1	-	**(11)**	-	**(11)**
Other comprehensive income	(78)	5	(8)	-	-	2	-	**(79)**	(1)	**(80)**
Net profit for the period	-	-	-	-	-	95	-	**95**	3	**98**
TOTAL COMPREHENSIVE INCOME	**(78)**	**5**	**(8)**	**-**	**-**	**97**	**-**	**16**	**2**	**18**
December 31, 2015	**(316)**	**(2)**	**(14)**	**76**	**(56)**	**(1 063)**	**(79)**	**(1 454)**	**12**	**(1 442)**
Increase (decrease) in share capital										
- in cash	-	-	-	-	-	-	-	**-**	-	**-**
- cancellation of treasury shares	-	-	-	-	-	(10)	-	**(10)**	-	**(10)**
- option exercised	-	-	-	-	-	-	-	**-**	-	**-**
- dividends reinvested in new shares	-	-	-	-	-	43	-	**43**	-	**43**
Dividends paid ('3)	-	-	-	-	-	(192)	-	**(192)**	(3)	**(195)**
Effect of changes in consolidation scope (4)	-	-	-	-	-	-	55	**55**	44	**99**
Compensation costs for the period - share-based payments	-	-	-	6	-	-	-	**6**	-	**6**
(Acquisitions) / disposals of treasury shares (5)	-	-	-	-	11	-	-	**11**	-	**11**
Other comprehensive income	61	-	14	-	-	-	-	**75**	7	**82**
Net profit for the period	-	-	-	-	-	71	-	**71**	4	**75**
TOTAL COMPREHENSIVE INCOME	**61**	**-**	**14**	**-**	**-**	**71**	**-**	**146**	**11**	**157**
June 30, 2016	**(255)**	**(2)**	**(0)**	**82**	**(45)**	**(1 151)**	**(24)**	**(1 395)**	**64**	**(1 331)**

(1) The €61 million favorable net exchange difference on foreign operations between December 31, 2015 and June 30, 2016 was mainly due to the appreciation of the Brazilian real €82 million against the euro, the devaluation of the Sterling pound €(10) million against the euro, the devaluation of Venezuelan bolivar €(7) million against the euro and the devaluation of Mexican peso €(5) 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 demerger in June 2010, refers Note 8 – “Shareholders' equity” in Notes of consolidated financial statements for December 2015 – “Preamble for further information regarding the negative situation of retained earnings”.

(3) Shareholders at the Annual Meeting on May 4, 2015, approved a dividend in respect of 2015 year amounting to €0.84 per share with the option of reinvesting 50% of this dividend in new shares. The dividends were paid in cash for €149 million and distributed in new shares for €43 million for 2015 as of June 30, 2016.

(4) By determining the difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired on Embratec, the Group has re-estimated at fair value 37% of Ticket Car activity sold by Edenred Brazil to Embratec. The gain of this disposal has been booked in equity with balance in goodwill for the amount of €72 million.

(5) The movement in treasury shares reflects €1 million in liquidity contract transaction and cancellation of owned shares for €10 million.

Notes to the consolidated financial statements

PREAMBLE

On July 1, 2015, the Financial Market Authority published a "guide on the relevance, the consistency and the readability of financial statements". The purpose of this guide is to assist companies in their preparation of financial statements, in making them more intelligible and relevant.

In the light of this, this guide contains a number of ideas for consideration organized around to three main issues:

1) Make the presented information more relevant by giving more detailed and specific information for the most sensitive and important items and by eliminating, if need be, the information related to irrelevant topics ;

2) Improve the consistency of the presented information with the one communicated to the market. The purpose is to emphasize the same topics in consolidated accounts as in the presentation to financial analysts and press releases ;

3) Make the information more intelligible by reorganising the structure of the notes to the consolidated financial statements and using a number of principles used in financial communication.

In order to participate to this drive for improvement, Edenred undertook to reorganize its financial document notes and to simplify it.

Furthermore, the accounting rules and methods previous single note has been split at the beginning of each specific note it was related to. The notes have been joined together by topic in order to enable the reader to have a global vision of the topics. Finally, in order to provide a quicker reading, visuals have been added as a way to identify the topics among each section.

This frame has also been used to prepare the notes to the interim condensed consolidated financial statements of 2016 half-year.

This icon highlights an IFRS standard issue.

This icon highlights a definition specific to the Edenred Group.

This icon highlights the use of estimates or judgement. In the absence of standards or interpretations applicable to a specific transaction, the Management of Edenred uses judgement to define and apply the accounting methods that will provide relevant and reliable information, so that the financial statements present a true and fair view of the financial situation, the financial performance and the Group cash flows, and show the economic reality of transactions.

This icon highlights the figures of the Group for the current year as well as the comparative period.

In order to facilitate the readability of this new presentation, reconciliation table between the old combined nomenclature of notes and the new combined nomenclature of notes is presented hereby:

New combined nomenclature of notes	Old combined nomenclature of notes
NOTE 1 : Basis of preparation of financial statements	Note 1. Basis of preparation of financial statements
NOTE 2 : Scope of consolidation	Note 2. Changes in consolidation scope and significant events
NOTE 3 : Significant events	Note 2. Changes in consolidation scope and significant events Note 22. Subsequent events
NOTE 4 : Operational buisiness	Note 3. Segment information Note 4. Change in issue volume, revenue and EBIT Note 5. Operating expenses Note 20. Working capital, Service vouchers in circulation and restricted cash
NOTE 5 : Non current assets	Note 6. Depreciation, amortization and provisions Note 11. Goodwill Note 12. Intangible assets
NOTE 6 : Financial elements	Note 7. Net financial expense Note 14. Current financial assets Note 15. Cash and cash equivalent and other marketable securities Note 16. Debt and other financial liabilities Note 17. Financial instruments and market risk management Note 18. Net debt and net cash
NOTE 7 : Taxes - Normative tax rate	Note 9. Income tax - Normative tax rate
NOTE 8 : Earnings per share	Note 10. Earnings per share
NOTE 9 : Potential ordinary shares	Note 13. Potential ordinary shares
NOTE 10 : Other provisions and obligations	Note 8. Non-recurring income and expenses Note 19. Provisions Note 21. Claims and litigation
NOTE 11 : Update on accounting standards	Note 1. Basis of preparation of financial statements

NOTE 1 : BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1.1 . APPROVAL OF THE FINANCIAL STATEMENTS

The Group Edenred condensed consolidated financial statements for the six months ended June 30, 2016 were authorized for issue at the Board of Directors' meeting of July 21, 2016.

1.2 . ACCOUNTING STANDARDS

In application of the European regulation 1606/2002 of July 19, 2002, the consolidated financial statements for the period ended June 30, 2016 were prepared in accordance with IAS 34 – Interim Financial Reporting. These condensed financial statements do not include all the information that need 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, 2015.

These accounts include comparative information for the year 2015, prepared in accordance with the same principles and conventions and the same standards.

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, 2016 and available on:

http://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, 2015 with the exception of:

- ✓ the standards, amendments and interpretations effective for reporting periods beginning on or after January 1, 2016 (Note 11),
- ✓ the specific items related to the preparation of the interim consolidated financial statements (Note 1.3).

1.3 . SPECIFIC ITEMS RELATED TO PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income tax

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 the income before tax of the period.

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.

1.4 . USE OF ESTIMATES AND JUDGMENT

The preparation of the financial statements implies that Edenred's management uses judgment, estimates and hypotheses in determination of assets and liabilities values, of income and expenses over the period and to take into account upside or downside potential effects on closing date. According with the evolution of used hypotheses and economic conditions different from those existing at closing date, amounts in Group's future financial statements could be significantly different from current estimations.

With the exception of particularities related to the preparation of intermediary financial statements, the estimates took into account as of June 30, 2016 are the same than in December 2015.

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

	GBP	BRL	MXN	ARS	SEK	VEF	USD
June 30, 2015	0,71	3,47	17,53	10,17	9,22	220,76	1,12
December 31, 2015	0,73	4,31	18,91	14,08	9,19	216,32	1,09
June 30, 2016	0,83	3,59	20,63	16,70	9,42	696,72	1,11

NOTE 2 : MAIN ACQUISITIONS AND DEVELOPMENTS

Main acquisitions and developments 2016

In the first half year 2016, Edenred finalized its acquisition of Embratec's operations in Brazil. As a result, the Group is stepping up its development in Expense Management and strengthening its fuel card and maintenance offering in Brazil by doubling its size in this promising market.

In accordance with the agreement signed in January, Edenred finalized on May 31, 2016 the takeover of Embratec’s activities. The combination of Edenred’s Expense Management assets in Brazil with those of Embratec in a 63,02%-owned by Edenred and 36,98%-owned by Embratec's founding shareholders dedicated new entity creates a leading player in this fast-growing segment.

The entity created by the transaction will bring together Edenred's Ticket Car and Repom assets and Embratec's fuel card and maintenance activities, operated under the Ecofrotas and Expers brands. These businesses will be regrouped under the new Ticket Log brand. This entity will serve around 27,000 clients, representing more than one million active cards that can be used at more than 24,500 affiliated service stations and maintenance workshops, or 58% of Brazil's national network.

These activities integration was initiated in early May. It includes the rationalization of the Group’s ownership structure in Brazil and the authorization granted by the Brazilian competition authority (CADE) on the 5th May 2016.

The acquisition price for the 63,02% shares amounts to reais 1 056 million equivalent to € 266 million including reais 742 million cash (€ 187 million) translated at the acquisition date exchange rate (1 € = 3.9738 BRL).

After the subsidiarisation of the maintenance activity, the Group will own 65% of the new set of activities.

Thanks to this transaction, Edenred is doubling the size of its Expense Management business in Brazil to become the leading provider of fuel card and maintenance solutions for light vehicles and number two for heavy vehicles. With approximately 60 billion liters of fuel consumed in 2014 and a low penetration rate (between 15% and 20%), the Brazilian B2B fuel card segment holds significant potential for growth.

Edenred has also finalized the acquisition of Embratec's Employee Benefits business, developed under the Ecobeneficios brand, which acquisition price amounts to reais 68 million (€ 17 million).

The acquired activities contribute €2 million to the Group EBIT for May and June 2016.

In accordance with IFRS 3 (revised) “Business Combinations”, the Group has a period of 12 months to allocate those 2 acquisition prices to assets, liabilities and contingent liabilities identifiable as such according to IFRS 3 (revised) and to harmonize accounting and valuation methods.

In the meantime, the total difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired was booked in Goodwill in the half year financial statements, respectively for:

- €211 million regarding Expense Management activities
- €10 million regarding Employee Benefits.

Main acquisitions and developments 2015

On February 27, 2015, Edenred has completed the acquisition of a 34% interest in **Union Tank Eckstein (UTA),** a leading issuer of fuel cards for heavy vehicle fleets in Europe. The transaction represents an investment of €150 million enterprise value. UTA is consolidated by the equity method for the period. The transaction is accompanied by an option to purchase an additional 17% interest, exercisable between 2017 and 2019, which will enable Edenred to increase its stake to 51%.

The total difference between the cost of the business combination and the estimated acquisition date fair value of the net assets acquired has been allocated mainly to trademark and customer list (before deferred tax) for €46 million, the residual difference of €93 million being allocated to the goodwill.

Share result of equity consolidated company is amounting €9 million as of end of December 2015.

In March 2015, Edenred and the **ProwebCE** management team joined forces to acquire 100% of the capital of ProwebCE, the French leader in solutions for works councils. As a result of the deal, Edenred holds a 62% stake in the holding company. This transaction of €50 million enterprise will enable Edenred to pursue its growth in France's employee benefits market and expand its offering for beneficiaries. 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) for €14 million, the residual difference of €49 million being allocated to the goodwill.

In July 2015, Edenred has joined forces with the **Daimler** group in Brazil. With more than 25 years of experience in Brazil's fuel card market via Ticket Car® , its flagship solution, Edenred partners with the Daimler group to launch MercedesServiceCard, a service card co-branded with Ticket Car®., and intended for the Brazilian road transportation market. The Daimler group is a major leading player in the heavy vehicle market in Brazil, with around 450,000 Mercedes-Benz trucks currently on the roads and more than 30,000 new vehicles registered in 2014.

NOTE 3 : SIGNIFICANT EVENTS

3.1 . PAYMENT OF THE 2015 DIVIDEND

At the Annual Meeting on **May 4, 2016**, Edenred shareholders approved the payment of a 2015 dividend of €0.84 per share, with the option of reinvesting 50% of the dividend in new shares.

The reinvestment period, which ran from May 12, 2016 to June 3, 2016, led to the issue of 2,862,997 new shares of Edenred common stock, representing 1.24% of the share capital which have been settled and traded on the NYSE Euronext Paris stock market on June 15, 2016.

The new shares carry dividend rights from January 1, 2016 and rank *pari passu* with existing shares of Edenred common stock. Following the issue, the Company's share capital comprises 233,679,845 shares.

The total cash dividend, which amounts to €149 million, has been paid on June 15, 2016. This corresponds to 50% of directly cash paid dividend (amounting to €96 millions) and €53 million paid to shareholders who decided to not reinvest.

3.2 . CHANGE OF THE BOLIVAR FUERTE EXCHANGE RATE IN 2015

Significant events of the year

In February 2015, the Venezuelan government amended exchange rate regulation by setting up a new foreign currency exchange rate system, SIMADI. The new law merged SICAD I and SICAD II systems, and created a new system SIMADI. Currency control has now three official exchange rates: CADIVI, SICAD and SIMADI. SIMADI substitutes SICAD II and is intended to compete with the black market by establishing a legal trading system based on supply and demand. This system is available to all companies and individuals willing to obtain dollars.

SIMADI first exchange rate was VEF 170 to the dollar and fluctuates on a daily basis. The official exchange rate is unchanged at VEF 6.3 to the dollar, under CADIVI system. Under SICAD exchange rate is at least VEF 12 to the dollar and fluctuates according to auctions, no official details have been communicated by public authorities regarding first auction under merged SICAD and its way of operating.

As of **December 31, 2015** officially adopted rates per exchange rate system were:

- Rate through CADIVI was set up at VEF 6.3 to the dollar
- Rate through SICAD was set up at VEF 12 to the dollar, no public communication has been published
- Through SIMADI, floating exchange rates VEF to the dollar are negotiated on a daily basis.

Since the settlement of SIMADI, Edenred had been able to get an insignificant amount of bolivar fuerte with an average exchange rate at VEF 196.5 to the euro.

Edenred's position

Since SICAD II has no longer legal existence since February 12, 2015, the Group has chosen to apply rates under SIMADI system, which are the most conservative ones.

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 of SICAD II until February 11, 2015 and the average of all exchange rates under SIMADI since the system had been set up (February 12, 2015), translated to EUR, i.e. VEF 198.24 to the euro.
- Closing exchange rate: last SIMADI exchange rate of bolivar fuerte to the US dollar, published before the end of the month of December, translated to EUR, i.e. VEF 216.32 to the euro.

The impact of translating 2014 financial statements of the Venezuelan subsidiaries presented in bolivars at selected exchange rates is as follows:

- Issue volume: €(190) million, i.e. -1.1%;
- Total revenue: €(12) million, i.e. -1.2%;
- EBIT: €(7) million, i.e. -2.2%;
- Net profit: €(5) million, i.e. -3.4%;
- Net debt: + €44 million.

3.3 . DEVALUATION OF THE BOLIVAR FUERTE ON 2016 1ST SEMESTER

Significant events of the year

On **March 10, 2016**, the Venezualian government announced the implementation of a new currency exchange system. It decided to merge two systems that were coexisting until then, the CADIVI with a rate of 6.3 bolivars to the dollar, and the SICAD I with a rate of 11.3 bolivars fuerte to the dollar, and to create a new system called DIPRO, ensuring a fixed rate of 10 bolivars fuerte to the dollar. This new system is intended to rationalize the access to the dollar mainly for the industrial sector and importations as well as to struggle against inflation.

As a substitute to the SIMADI, the government also disclosed a second currency exchange system, the SIMADI / DICOM, for transactions that are not hedged by the fixed exchange system DIPRO. The SIMADI / DICOM fluctuates according to supply and demand and the first rate amounted to 206.92 bolivars fuerte to the dollar US.

On **June 30, 2016**, official rates selected for the exchange system are as follows:

- The rate for the DIPRO system were fixed to 10 bolivars fuerte to the dollar ;
- In the SIMADI / DICOM system, the floating exchange rates bolivar fuerte against dollar are fixed by the market and published on a daily basis by the central Bank on a weighted average of transactions for authorized operators.

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 of SIMADI / DICOM from January 1st to June 30th 2016 translated to EUR, i.e. VEF 372.64 to the euro.
- Closing exchange rate: last SIMADI / DICOM exchange rate of bolivar fuerte to the US dollar, published before the end of the month of June, translated to EUR, i.e. VEF 696.72 to the euro.

The impact of translating 2015 intermediary financial statements of the Venezuelan subsidiaries presented in bolivars at selected exchange rates is as follows:

- Issue volume: €(39) million, i.e. -0.4% ;
- Total revenue: €(3) million, i.e. -0.5% ;
- EBIT: €(2) million, i.e. -1.0% ;
- Net profit: €(2) million, i.e. -1.9% ;
- Net debt: + €14 million ;
- Currency translation reserve in equity: €(7) million.

3.4 . SCHULDSCHEIN OPERATION

One **June 29th 2016**, Edenred successfully completed the issue of a Schuldschein loan – a German form of private placement – consisting of 5- and 7-year tranches with fixed- and floating-rate coupons, with an average maturity of 6.1 years.

The issue was significantly oversubscribed and was therefore increased from the launch amount of €125 million to €250 million (See the different tranches in Note 6.4) in order to meet investor demand.

At an average financing cost of approximately 1.2%, the financing was raised in particularly favorable conditions, allowing the Group to reduce its average cost of debt and extend the average maturity. It also helps to diversify Edenred's sources of financing and expand its investor base.

3.5 . APPOINTMENT TO GROUP'S EXECUTIVE COMMITTEE

On **July 1st, 2016**, Edenred announces the appointment of Arnaud Erulin to the newly created position of Chief Operating Officer, Northern Europe, Central Europe, France and Belgium. The new position expands Arnaud Erulin's role within the Group's Executive Committee, of which he was already a member in his previous position as Chief Operating Officer, Central Europe and Scandinavia. The appointment is part of a drive to organize the Executive Committee's operating activities into five regions instead of seven, in order to simplify operating procedures and structures.

Southern Europe, led by Graziella Gavezotti, will now be extended to include Lebanon and Morocco, in addition to Greece, Italy, Portugal, Spain and Turkey.

Operating responsibilities are now organized into five main regions within Edenred's Executive Committee:

- Asia-Pacific and Middle East - Chief Operating Officer: Laurent Pellet
- Brazil - Chief Operating Officer: Gilles Coccoli
- Hispanic and North America - Chief Operating Officer: Diego Frutos
- Northern Europe, Central Europe, France and Belgium - Chief Operating Officer: Arnaud Erulin
- Southern Europe - Chief Operating Officer: Graziella Gavezotti

3.6 . POST CLOSING EVENTS

Edenred extends the maturity of its 700-million Euro Revolving Credit Facility by 2 years

Edenred successfully signed on **July 21th 2016** with 14 banks an amendment agreement to its €700 million 5-year Revolving Credit Facility dated 25 April 2013, amended firstly on 20 June 2014. It extends the maturity of the facility by 2 years from June 2019 to July 2021 whilst reducing significantly the spread. The amendment also reinstates the two one-year extension options exercisable at the request of Edenred and discretion of the banks.

NOTE 4 : OPERATIONAL BUSINESS

4.1 . SEGMENT INFORMATION

Condensed financial statements

1st Semester 2016

Income statement

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	Elimi-nations	June 2016
ISSUE VOLUME	**1 573**	**2 989**	**4 124**	**393**	**-**	**-**	**9 079**
Operating revenue with issue volume	65	149	187	19	-	-	**420**
Other operating revenue	27	19	10	18	-	-	**74**
Financial Revenue	5	9	16	2	-	-	**32**
Total external Revenue	**97**	**177**	**213**	**39**	**-**	**-**	**526**
Inter-segment revenue	-	*4*	-	-	-	*(4)*	**-**
TOTAL REVENUE FROM OPERATING SEGMENTS	**97**	**181**	**213**	**39**	**-**	**(4)**	**526**
EBIT FROM OPERATING SEGMENTS	**17**	**58**	**87**	**6**	**(7)**	**-**	**161**

1st Semester 2015

Income statement

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structure	Elimi-nations	June 2015
ISSUE VOLUME	**1 431**	**2 741**	**4 558**	**380**	**-**	**-**	**9 110**
Operating revenue with issue volume	61	139	209	19	-	-	**428**
Other operating revenue	26	19	13	17	-	-	**75**
Financial Revenue	7	9	18	2	-	-	**36**
Total external Revenue	**94**	**167**	**240**	**38**	**-**	**-**	**539**
Inter-segment revenue	-	2	-	-	-	(2)	**-**
TOTAL REVENUE FROM OPERATING SEGMENTS	**94**	**169**	**240**	**38**	**-**	**(2)**	**539**
EBIT FROM OPERATING SEGMENTS	**18**	**46**	**105**	**5**	**(9)**	**-**	**165**

Change in issue volume, revenue and EBIT

The organic growth corresponds to the like-for-like growth that is at constant scope of consolidation and exchange rates. This indicator represents the Group's commercial performance.

Change in issue volume, revenue and EBIT between half-year 2016 and half-year 2015 break down as follows:

			Δ June 2016 / June 2015							
			Organic growth		Changes in consolidation scope		Currency effect		Total change	
(in € millions)	June 2016	June 2015	In €M	In %	In €M	In %	In €M	In %	In €M	In %
ISSUE VOLUME	**9 079**	**9 110**	**+761**	**+8.4%**	**+261**	**+2.9%**	**(1 053)**	**(11.6)%**	**(31)**	**(0.3)%**
Operating revenue generated by issue volume	420	428	+29	+6.8%	+13	+3.1%	(50)	(11.6)%	(8)	(1.7)%
Other operating revenue	74	75	+4	+5.8%	(1)	(1.3)%	(4)	(5.8)%	(1)	(1.3)%
Financial revenue - Unrestricted float	29	31	+2	+3.7%	+0	+0.9%	(4)	(13.8)%	(2)	(9.2)%
Financial revenue - Restricted cash	3	5	(2)	(33.1)%	-	+0.0%	-	+0.0%	(2)	(33.1)%
Financial Revenue	**32**	**36**	**(0)**	**(1.6)%**	**+0**	**+0.8%**	**(4)**	**(11.8)%**	**(4)**	**(12.6)%**
TOTAL REVENUE	**526**	**539**	**+33**	**+6.1%**	**+12**	**+2.3%**	**(58)**	**(10.8)%**	**(13)**	**(2.4)%**
EBIT	**161**	**165**	**+21**	**+13.0%**	**+3**	**+1.5%**	**(28)**	**(16.7)%**	**(4)**	**(2.2)%**

Segment information by indicator

Change in issue volume

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2016 Issue volume	1 573	2 989	4 124	393	-	**9 079**
2015 Issue volume	1 431	2 741	4 558	380	-	**9 110**
Change	+142	+248	(434)	+13	-	**(31)**
Reported change in %	+9.9%	+9.0%	(9.5)%	+3.5%	-	**(3,0)%**
LIKE-FOR-LIKE CHANGE	**+74**	**+273**	**+370**	**+44**	**-**	**+761**
LIKE-FOR-LIKE CHANGE IN %	**+5.2%**	**+9.9%**	**+8.1%**	**+11.6%**	**-**	**+8.4%**

Change in revenues

Total revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2016 Total external revenue	97	177	213	39	-	**526**
2015 Total external revenue	94	167	240	38	-	**539**
Change	+3	+10	(27)	+1	-	**(13)**
Reported change in %	+2.9%	+6.0%	(11.1)%	+2.5%	-	**(2,4)%**
LIKE-FOR-LIKE CHANGE	**+2**	**+12**	**+15**	**+4**	**-**	**+33**
LIKE-FOR-LIKE CHANGE IN %	**+1.4%**	**+7.3%**	**+6.5%**	**+9.9%**	**-**	**+6.1%**

Operating revenue with issue volume

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2016 Operating revenue with IV	65	149	187	19	-	**420**
2015 Operating revenue with IV	61	139	209	19	-	**428**
Change	+4	+10	(22)	(0)	-	**(8)**
Reported change in %	+6.1%	+7.8%	(10.4)%	(0.3)%	-	**(1,7)%**
LIKE-FOR-LIKE CHANGE	**+3**	**+11**	**+13**	**+2**	**-**	**+29**
LIKE-FOR-LIKE CHANGE IN %	**+3.7%**	**+8.5%**	**+6.4%**	**+8.2%**	**-**	**+6.8%**

Financial revenue

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2016 Financial revenue	5	9	16	2	-	**32**
2015 Financial revenue	7	9	18	2	-	**36**
Change	(2)	(0)	(2)	-	-	**(4)**
Reported change in %	(23.7)%	(10.3)%	(11.2)%	+3.8%	-	**(12.6)%**
LIKE-FOR-LIKE CHANGE	**(2)**	**(0)**	**+2**	**+0**	**-**	**(0)**
LIKE-FOR-LIKE CHANGE IN %	**(23,7)%**	**(9,0)%**	**+9,8%**	**+14,3%**	**-**	**(1,6)%**

Change in EBIT

(in € millions)	France	Rest of Europe	Latin America	Rest of the world	Worldwide Structures	TOTAL
2016 EBIT	17	58	87	6	(7)	**161**
2015 EBIT	18	46	105	5	(9)	**165**
Change	(1)	+12	(18)	+1	+2	**(4)**
Reported change in %	(5.2)%	+24.2%	(16.1)%	+9.0%	(26.6)%	**(2.2)%**
LIKE-FOR-LIKE CHANGE	**(1)**	**+12**	**+10**	**+1**	**(1)**	**+21**
LIKE-FOR-LIKE CHANGE in %	**(6.2)%**	**+25.5%**	**+10.6%**	**+10.2%**	**+9.5%**	**+13.0%**

4.2 . OPERATING EXPENSES

(in € millions)	June 2016	June 2015
Employee benefit expense	(162)	(169)
Costs of sales	(64)	(67)
Buisness taxes	(16)	(16)
Rental expenses	(10)	(11)
Other operating expenses	(86)	(88)
TOTAL OPERATING EXPENSES (1)	**(338)**	**(351)**

(1) As of June 30, 2016 the currency effect impact the operating expenses for €28 million and €(6) million of scope impact in comparison with June 30, 2015.

4.3 . NET CHANGE IN WORKING CAPITAL

Change in working capital and funds to be redeemed

(in € millions)	June 2016	December 2015	June 2015	Change June 2016/December 2015
Inventories, net	16	19	16	(3)
Trade receivables, net	1 140	973	966	167
Other receivables and accruals, net	324	272	312	52
Working capital requirments - assets	**1 480**	**1 264**	**1 294**	**216**
Trade payables	136	82	62	54
Other payables	157	172	174	(15)
Vouchers in circulation	3 585	3 564	3 341	21
Working capital requirements - liabilities	**3 878**	**3 818**	**3 577**	**60**
NEGATIVE WORKING CAPITAL	**2 398**	**2 554**	**2 283**	**(156)**
Corporate tax liabilities	3	13	17	(10)
NEGATIVE WORKING CAPITAL (incl. Corporate tax liabilities)	**2 401**	**2 567**	**2 300**	**(166)**

Other receivables and payables are presented in detail in Notes of consolidated financial statements for December 2015. They correspond to social and tax receivables, prepaid expenses, social and tax payables, deferred income and to received funds not loaded linked to the digital activity of the Group.

(in € millions)	June 2016
Working capital at beginning of period	**2 554**
Change in w orking capital (1)	(172)
Development Expenditure	49
Disposals	(0)
Provisions	4
Currency translation adjustment	(20)
Reclassification to other balance sheet items	(17)
Net change in working capital	(156)
WORKING CAPITAL AT END OF PERIOD	**2 398**

(1) See Statement of Cash Flows table 1.4

Restricted cash

Restricted cash corresponds mainly to service voucher reserved funds which use is regulated. In the following countries France (€616 million), United Kingdom (€178 million), Romania (€37 million), United-States (€24 million) and India (€13 million).

(in € millions)	June 2016	December 2015	June 2015	Change June 2016/December 2015
Restricted cash	**897**	**858**	**809**	**39**

(in € millions)	June 2016
Restricted cash at beginning of period	**(858)**
Like-for-like change for the period (1)	(57)
Other variations	(3)
Currency translation adjustment	21
Net change in restricted cash	(39)
RESTRICTED CASH AT END OF PERIOD	**(897)**

(1) See Statement of Cash Flows table 1.4

NOTE 5 : NON CURRENT ASSETS

5.1 . GOODWILL

(in € millions)	June 2016	December 2015	June 2015
Goodwill	1 000	734	772
Less accumulated impairment losses	(158)	(159)	(157)
GOODWILL, NET	**842**	**575**	**615**

(in € millions)	June 2016	December 2015	June 2015
Brazil (including Repom and Embratec)	405	131	165
France (Ticket Cadeaux)	91	91	91
France ProwebCE	49	49	48
United Kingdom (including Prepay Technologies)	47	53	54
Mexico	46	49	54
Italy	46	46	46
Romania	32	32	32
Japan	21	19	18
Finland	19	19	19
Sweden	19	19	19
USA	14	15	14
Czech Republic	12	12	12
Dubaï	9	9	9
Portugal	6	6	6
Colombia	5	5	7
Other (individually representing less than €5 million)	21	20	21
GOODWILL, NET	**842**	**575**	**615**

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

(in € millions)	June 2016	December 2015	June 2015
NET GOODWILL AT BEGINNING OF PERIOD	**575**	**570**	**570**
Goodwill recognized on acquisitions for the period and other increases*	223	49	48
. Brazil (Embratec acquisition)	221	-	-
. Brazil (Ecardes acquisition)	1	-	-
. France (LCCC consolidation)	1	-	-
. France (ProwebCE acquisition)	-	49	48
. Other acquisitions	-	-	-
Goodwill written off on disposals for the period	-	-	-
Impairment losses	-	(2)	-
Currency translation adjustement	44	(42)	(3)
Put options on non-controlling interests recognized / remeasured during the period and other	-	(0)	0
NET GOODWILL AT END OF PERIOD	**842**	**575**	**615**

*Cf. Note 2 for further details

5.2 . INTANGIBLE ASSETS

Changes in the carrying amount of intangible assets over the period were as follows:

(in € millions)	June 2016	December 2015	June 2015
CARRYING VALUE OF INTANGIBLE ASSETS AT BEGINNING OF PERIOD	**182**	**160**	**160**
Intangible assets of newly-consolidated companies (*)	131	26	26
Internally-generated assets	17	40	15
Additions	-	-	-
Amortization for the period	(20)	(32)	(16)
Impairment losses for the period	(0)	(1)	-
Disposals	-	(0)	-
Currency translation adjustement	31	(11)	(1)
Reclassifications	0	-	1
CARRYING VALUE OF INTANGIBLE ASSETS AT END OF PERIOD	**341**	**182**	**185**

(*) including €100 million in customer lists, €29 million in licences and €2 million in in-progress assets.

NOTE 6 : FINANCIAL ELEMENTS

6.1 . NET FINANCIAL RESULT

(in € millions)	June 2016	June 2015
Gross borrowing cost	(22)	(21)
Hedging instruments	7	4
Interests income from short term bank deposits and equivalent	0	(0)
Net borrowing cost	**(15)**	**(17)**
Net foreign exchange gains / (losses)	(0)	1
Other financial income and expenses, net	(8)	(5)
NET FINANCIAL EXPENSE	**(23)**	**(21)**

6.2 . CURRENT FINANCIAL ASSETS

	June 2016			December 2015			June 2015		
(in € millions)	Gross value	Depre-ciation	Net value	Gross value	Depre-ciation	Net value	Gross value	Depre-ciation	Net value
Other current financial assets	4	-	4	4	(1)	3	3	-	3
Receivables on disposal of assets	-	-	-	-	-	-	-	-	-
Derivatives	52	-	52	37	-	37	47	-	47
CURRENT FINANCIAL ASSETS	**56**	**-**	**56**	**41**	**(1)**	**40**	**50**	**-**	**50**

6.3 . CASH AND CASH EQUIVALENT AND OTHER MARKETABLE SECURITIES

(in € millions)	June 2016			December 2015			June 2015		
	Gross value	Depre-ciation	Net value	Gross value	Depre-ciation	Net value	Gross value	Depre-ciation	Net value
Cash at bank and on hand	203	-	203	174	-	174	186	-	186
Term deposits less than 3 months	142	-	142	272	-	272	141	-	141
Mutual fund units in cash less than 3 months	7	-	7	21	-	21	8	-	8
CASH AND CASH EQUIVALENTS	**352**	**-**	**352**	**467**	**-**	**467**	**335**	**-**	**335**
Term deposits more than 3 months	518	(4)	514	476	(3)	473	484	(3)	481
Bonds and other negociable debt securities	3	-	3	2	-	2	1	-	1
Mutual fund units in cash more than 3 months	1	-	1	3	-	3	-	-	-
OTHER MARKETABLE SECURITIES	**522**	**(4)**	**518**	**481**	**(3)**	**478**	**485**	**(3)**	**482**
TOTAL CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES	**874**	**(4)**	**870**	**948**	**(3)**	**945**	**820**	**(3)**	**817**

Other marketable securities include €12million in investments denominated in Venezuelan bolivar fuerte (at the closing exchange rate of 627.56 bolivar fuerte per US dollar), of which €11 million are balanced in the liability side by the structural working capital of the Venezuelan subsidiaries.

6.4 . DEBT AND OTHER FINANCIAL LIABILITIES

(in € millions)	June 2016			December 2015			June 2016		
	Non courant	Courant	Total	Non-current	Current	Total	Non-current	Current	Total
Non-banking debt	1 748	-	1 748	1 476	-	1 476	1 465	-	1 465
Bank borrowings	140	2	142	-	2	2	1	3	4
DEBT	**1 888**	**2**	**1 890**	**1 476**	**2**	**1 478**	**1 466**	**3**	**1 469**
BANK OVERDRAFTS	**-**	**40**	**40**	**-**	**61**	**61**	**-**	**154**	**154**
Deposits	-	13	13	9	3	12	10	4	14
Purchase commitments	30	3	33	26	1	27	31	2	33
Derivatives	-	30	30	-	30	30	-	23	23
Other	3	9	12	3	11	14	2	13	15
OTHER FINANCIAL LIABILITIES	**33**	**55**	**88**	**38**	**45**	**83**	**43**	**42**	**85**
DEBT AND OTHER FINANCIAL LIABILITIES	**1 921**	**97**	**2 018**	**1 514**	**108**	**1 622**	**1 509**	**199**	**1 708**

The contractual documents for financial debt and other financial liabilities do not include any particular covenants or clauses that could significantly change the terms.

Financial debts

1) Non-banking debt

a. Bonds

As of June, 30, 2016 the Group gross outstanding bound position amounts to €1,485 million with the following breakdown:

Issue date	Amounts in M€	Annual coupon	Maturity
03/10/2015	500	1.375%	10 years 03/10/2025
10/30/2013	250	2.625%	7 years 10/30/2020
05/23/2012	225	3.750%	10 years 05/23/2022
10/06/2010	510	3.625%	7 years 10/06/2017
Gross outstanding bond position	**1 485**		

As of December 31, 2015, the gross outstanding bound position amouted to € 1,485 million.

b. Non –banking Debt

As of June 30, 2016, €250 million private placement as Schuldschein operation (see Note 3.4) presents different tranches for maturity and rates and can be detailed as follow:

Rate		Amount in € million	Maturity in years	Maturity date
Fixed	1.05%	45	5	06/29/2021
Variable	Euribor 6 months* + 105 bp	68	5	06/29/2021
Fixed	1.47%	32	7	06/29/2023
Variable	Euribor 6 months* + 130 bp	105	7	06/29/2023
	Total Schuldschein loan	**250**		

2) Bank borrowings

New debt in BRL to finance its general activity has been put in place for a total amount of BRL 500 million (equivalent €140 million at closing exchange rate) of which 250 million matured in May 2019 and 250 million matured in June 2018.

The Group has an outstanding bank debt position amounting to € 142 million as of June 30, 2016 of which in Euro 2 million and in BRL 500 million (equivalent €140 million).

3) Credit facility

As of June 30, 2016 Edenred had € 700 million outstanding confirmed credit facilities expiring on June 2019. This facility will be used for general corporate purposes and to support group activities.

Ageing analysis

a. At June 30, 2016

(in € millions)	June 2017	June 2018	June 2019	June 2020	June 2021	Beyond June 2022	June 2016
Total debt and other financial liabilities	97	595	89	5	370	862	2 018
Total	**97**	**595**	**89**	**5**	**370**	**862**	**2 018**

b. At December 31, 2015

(in € millions)	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	2021 and beyond	December 2015
Total debt and other financial liabilities	108	535	15	5	261	698	1 622
Total	**108**	**535**	**15**	**5**	**261**	**698**	**1 622**

c. At June 30, 2015

(in € millions)	June 2016	June 2017	June 2018	June 2019	June 2020	Beyond June 2021	June 2015
Total debt and other financial liabilities	201	13	524	18	1	951	1 708
Total	**201**	**13**	**524**	**18**	**1**	**951**	**1 708**

6.5 . NET DEBT AND NET CASH

(in € millions)	June 2016	December 2015	June 2015
Non-current financial debt	1 888	1 476	1 466
Other non-current financial liabilities	33	38	43
Current financial debt	2	2	3
Other current financial liabilities	55	45	42
Bank overdrafts	40	61	154
TOTAL DEBT AND OTHER FINANCIAL LIABILITIES	**2 018**	**1 622**	**1 708**
Current financial assets	(56)	(40)	(50)
Other marketable securities	(518)	(478)	(482)
Cash and cash equivalents	(352)	(467)	(335)
TOTAL CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	**(926)**	**(985)**	**(867)**
NET DEBT	**1 092**	**637**	**841**

(in € millions)	June 2016	December 2015	June 2015
Net debt at beginning of period	**637**	**268**	**268**
Increase (decrease) in non-current financial debt	412	169	159
Increase (decrease) in other non-current financial liabilities	(5)	(8)	(3)
Decrease (increase) in other marketable securities	(40)	187	183
Decrease (increase) in cash and cash equivalents, net of bank overdrafts	94	(9)	218
Increase (decrease) in other financial assets and liabilities	(6)	30	16
Increase (decrease) in net debt	**455**	**369**	**573**
NET DEBT AT END OF PERIOD	**1 092**	**637**	**841**

6.6 . FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

Rate risk: fixed / variable interest rate analysis

Before hedging

Debt without hedging breaks down as follows:

	June 2016			December 2015			June 2015		
(in € millions)	Amount	Rate	% of total debt	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Fixed rate debt (1)	1 716	3,42%	91%	1 476	2,73%	100%	1 467	2,74%	100%
Variable rate debt	174	1,24%	9%	2	9,08%	0%	2	5,03%	0%
TOTAL DEBT	**1 890**	**3,22%**	**100%**	**1 478**	**2,74%**	**100%**	**1 469**	**2,74%**	**100%**

(1) The rates mentioned for the fixed rate debt correspond to the contractual rates (that are 3.625%, 3.750%, 2.625% and 1.375%) applied among exact days of the year divided by 360.

After hedging

Debt after interest rate hedging breaks down as follows:

	June 2016			December 2015			June 2015		
(in € millions)	Amount	Rate	% of total debt	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Fixed rate debt	598	2,97%	32%	442	1,95%	30%	464	2,01%	32%
Variable rate debt	1 292	2,39%	68%	1 037	1,96%	70%	1 005	2,06%	68%
TOTAL DEBT	**1 890**	**2,58%**	**100%**	**1 478**	**1,96%**	**100%**	**1 469**	**2,05%**	**100%**

Interest rate hedges mainly consist of derivative transactions (about fifty transactions outstanding) which transform fixed rate into floating rate over a debt initially issued at fixed rate with the following characteristics:

- Bond Debt in Euro: notional amount of €1 030 million relating to an underlying debt of €1 485 million for a fair value of €43.4 million representing a financial asset;

- Bank Debt in BRL : notional amount of 250 million Brazilian Real relating to an underlying debt of 500 million Brazilian Real for a fair value of 4.7 million BRL representing a financial asset

The interest rate derivative instruments consist of swaps receiving fixed rate and paying floating rate, IFRS classification is Fair Value Hedge according to IAS 32-39. These hedging operations have no material impact on the P&L due to IFRS classification in Hedge accounting.

Foreign exchange risk: Currency analysis

Before hedging

Debt without hedging breaks down as follows:

	June 2016			December 2015			June 2015		
(in € millions)	Amount	Rate	% of total debt	Amount	Rate	% of total debt	Amount	Rate	% of total debt
EUR	1 748	2,50%	92%	1 476	2,73%	100%	1 467	2,74%	100%
Other currencies	142	12,08%	8%	2	9,21%	0%	2	6,79%	0%
TOTAL DEBT	**1 890**	**3,22%**	**100%**	**1 478**	**2,74%**	**100%**	**1 469**	**2,74%**	**100%**

After hedging

Debt after interest rate hedging breaks down as follows:

(in € millions)	June 2016			December 2015			June 2015		
	Amount	Rate	% of total debt	Amount	Rate	% of total debt	Amount	Rate	% of total debt
EUR	1 742	1,71%	92%	1 470	1,93%	99%	1 461	2,02%	100%
Other currencies	148	12,79%	8%	8	6,91%	1%	7	6,56%	0%
TOTAL DEBT	**1 890**	**2,58%**	**100%**	**1 478**	**1,96%**	**100%**	**1 469**	**2,05%**	**100%**

Foreign currency hedges mainly consist of derivative transactions (swaps) over intragroup loans and borrowings in foreign currencies with the following characteristics:

- Financial assets: notional amount of €21 million for a fair value of €2 million (mainly JPY for a notional amount of €18 million for a fair value of €2 million);

- Financial liabilities: notional amount of €313 million for a fair value of €24 million (mainly GBP, MXN and CZK – notional amount of €286 million for a fair value of €24 million).

These hedging operations have no material impact on the P&L due to IFRS classification in Hedge accounting (Fair value Hedge) for intragroup loans and borrowings.

NOTE 7 : TAXES – NORMATIVE TAX RATE

Edenred decided that French C.V.A.E had characteristics of an income tax. Therefore, income tax expense includes also expense amount related to French C.V.A.E.

The effective tax rate on profit for 2016 half-year is 36.3%. This rate does not take into account the tax charge or tax income from non-recurring income and expenses, the tax on dividends and other unusual items. The reported effective tax rate on profit for 2015 half-year was 34.9%.

NOTE 8 : EARNINGS PER SHARE

Net earnings per share

At June 30, 2016, the Company's share capital was made up of 233 679 845 ordinary shares.
At June 30, 2016, the average number of ordinary shares outstanding breaks down as follows:

In shares	June 2016	June 2015
EDENRED'S SHARE CAPITAL AT CLOSING	233 679 845	231 816 848
Outstanding shares at beginning of period	**227 808 792**	**226 623 633**
Number of shares issued for dividend paid	2 862 997	2 005 302
Number of shares issued from performance plans	501 513	-
Number of shares from exercised of stock-options plans	2 400	-
Number of shares cancelled	(503 913)	-
Issued shares at period-end excluding treasury shares	**2 862 997**	**2 005 302**
Treasury shares not related to the liquidity contract	715 353	222 554
Treasury shares under the liquidity contract	34 348	(92 000)
Treasury shares	**749 701**	**130 554**
OUTSTANDING SHARES AT PERIOD-END	231 421 490	228 759 489
Adjustment to calculate weighted average number of issued shares	(2 595 574)	(1 761 564)
Adjustment to calculate weighted average number of treasury shares	(215 626)	(26 483)
Total weighted average adjustment	**(2 811 200)**	**(1 788 047)**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE PERIOD	228 610 290	226 971 442

In addition, stock options representing 2 142 218 ordinary shares and 4 062 406 performance shares were granted to employees between 2010 and 2016. Conversion of all of these potential shares would increase the number of shares outstanding to 237 626 114.

Based on the above number of potential shares and the average Edenred share price calculated:

- from January 1, 2016 to June 30, 2016 for Plans 1, 2, 3, 4, 5, 6 and 7 (€16.64), and
- from May 4, 2016 to June 30, 2016 for Plan 8 (€16.76).

The diluted weighted average number of shares outstanding at June 30, 2016 was 232 571 379.

	June 2016	June 2015
Net Profit - Group share *(in € millions)*	**71**	**82**
Weighted average number of issued shares (in thousands)	231 084	229 055
Weighted average number of shares held in treasury (in thousands)	(2 474)	(2 084)
Number of shares used to calculate basis earnings per share *(in thousands)*	**228 610**	**226 971**
BASIC EARNINGS PER SHARE *(in €)*	**0,31**	**0,36**
Number of shares resulting from the exercise of stock options *(in thousands)*	1 092	1 579
Number of shares resulting from performance shares grants *(in thousands)*	2 869	2 883
Number of shares used to calculate diluted earnings per share *(in thousands)*	**232 571**	**231 433**
Diluted earnings per share *(in €)*	**0,31**	**0,35**

Recurring profit after tax

Recurring profit after tax corresponds to:

- Operating profit before tax and non-recurring items, and
- Tax adjustment of the period related to the other income and expenses. It is stated net of minority interests.

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

	June 2016	June 2015
Net profit (in € millions)	**75**	**84**
Other income and expenses adjustement, net *(in € millions)*	17	9
Net Profit, Non-controlling interests adjustment *(in € millions)*	(4)	(2)
Recurring profit after tax, Group share *(in € millions)*	**88**	**91**
Number of shares used to calculate basic earnings per share *(in thousands)*	**228 610**	**226 971**
RECURRING PROFIT AFTER TAX. GROUPE SHARE PER SHARE *(IN €)*	**0,39**	**0,40**

NOTE 9 : POTENTIAL ORDINARY SHARES

Performance share plans

The Board of Directors of May 4, 2016 proceeded to the conditional attribution of 990,080 performance shares.

The 990,080 shares initially allocated in the frame of this plan for duration of three years are subject to the achievement of performance conditions, assessed between January 1, 2016 and December 31, 2018 before becoming definitively acquired shares on May 4, 2019.

According to the achieved performance, for each of the three conditions of the Plan, this portion will be reduced or increased. It may reach until 150% of the relative allocation to the said condition without exceeding 100% of the initial acquisition.

Performance shares vest after a three-year period, prorata temporis at the end of the vesting period.

Fulfillment of the performance conditions will be assessed over the period from January 1, 2016 to December 31, 2018, based on the degree to which the following targets have been met:

(i) Two internal performance targets, which will determine 75% of the total grant. They concern like-for-like growth in:

- ✓ of Issue Volume;
- ✓ of Funds From Operations (FFO) ;

(ii) A market performance target, which will determine 25% of the total grant. It concerns:

- ✓ the positioning of the Edenred Total Shareholder Return (TSR) in comparison with the SBF120 TSR.

Fair value of performance share plans

> The fair value of performance shares corresponds to the share price on the day of the granting, net of the expected dividends payment during the vesting period.

Based on these hypotheses, the fair value amounts to €15.04 compared to a share price of €16.995 at the date of the grant.

The fair value of performance shares part of the 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 €0.6 million for 2016 half-year.

NOTE 10 : OTHER PROVISIONS AND OBLIGATIONS

10.1 . OTHER INCOME AND EXPENSES

Other income and expenses can be analysed as follows:

(in € millions)	**June 2016**	**June 2015**
Movements on restructuring provisions	(6)	3
Restructuring costs and reorganization	(3)	(5)
Restructuring expenses	**(9)**	**(2)**
Impairment of goodw ill	-	-
Impairment of intangible assets	-	-
Total impairment losses	**-**	**-**
Others capital gains and losses	(0)	2
Currency translation reclassified to Profit and Losses	-	-
Provisions movments	(1)	(1)
Non-reccuring gains and (losses), net	(8)	(7)
Other non-recurring income and expenses, net	**(9)**	**(6)**
TOTAL OTHER INCOME AND EXPENSES	**(18)**	**(8)**

Other non-recurring income and expenses were as follows:

- In June 2016, mainly development fees for €(4) million and external fees for the Group Edenred’s strategic reorganisation for €(2) million;
- In June 2015, mainly development fees for €(4) million.

10.2 . PROVISIONS

Movements in non-current provisions between January 1, 2016 and June 30, 2016 can be analysed as follows:

(in € millions)	December 2015	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifi-cations and changes in scope	June 2016
- Provisions for pensions and loyalty bonuses	24	(0)	2	(1)	(1)	(0)	-	24
- Provisions for claims and litigation and other contingencies*	10	-	2	(0)	(0)	1	0	13
TOTAL NON-CURRENT PROVISIONS	**34**	**(0)**	**4**	**(1)**	**(1)**	**1**	**0**	**37**

*Including provision for non-current fiscal litigations

Movements in current provisions between January 1, 2016 and June 30, 2016 can be analysed as follows:

(in € millions)	December 2015	Impact on equity	Additions	Utilizations	Reversals of unused amounts	Currency translation adjustment	Reclassifi-cations and changes in scope	June 2016
- Provisions for tax litigations	1	-	0	-	-	0	0	1
- Restructuring provisions	1	-	6	(0)	(0)	(0)	-	7
- Provisions for claims and litigation and other contingencies	20	-	8	(1)	(1)	0	(1)	25
TOTAL CURRENT PROVISIONS	**22**	**-**	**14**	**(1)**	**(1)**	**0**	**(1)**	**33**

Taken individually, there is no significant litigation, with the exception of those presented in the Note 10.3 – Claims and litigations.

Net provision expense - corresponding to increases in provisions less reversals of used and unused provisions set up in prior periods - is reported under the following income statement captions:

(in € millions)	June 2016	June 2015
EBIT	(8)	(1)
Net financial expense	(0)	-
Restructuring costs and impairment losses	(6)	3
Income tax provisions	-	3
TOTAL	**(14)**	**5**

10.3 . CLAIMS AND LITIGATION

Tax litigation in France

Following a tax audit of Accor Services France (now Edenred France) for the 2003 and 2004 fiscal years, the tax authorities notified the Company of a penalty for failure to produce a statement tracking capital gains subject to tax deferral as well as VAT-related penalties.

A collection procedure was initiated and the penalties, which totaled €21.8 million, were paid by the Company in April 2008. This amount was recognized as a result in the financial statements for the year ended 31 December 2008.

On 10 December 2009, the Company applied to the Montreuil Administrative Court for recourse on the matter.

The Montreuil Administrative Court rejected Edenred France's recourse in a decision handed down on 2 December 2010.

The Company appealed the decision on 16 February 2011 before the Versailles Administrative Court of Appeal.

On 6 March 2014, the Versailles Administrative Court of Appeal rendered a decision partially granting the Company's motion. The Court ordered an abatement of the VAT-related penalties for a principal amount of €2.3 million but maintained that the Company was responsible for paying the fine for failure to produce the statement tracking capital gains subject to tax deferral.

The Company was therefore reimbursed the sum of €3.1 million, including €0.7 million in late payment interest, which was recognised as income after the abandonment of the tax authorities' appeal. The Company also decided to appeal the Court's decision maintaining the fine for failure to produce the statement tracking capital gains subject to tax deferral, to the Council of State.

The case is pending.

Dispute with Kering (formerly PPR, which has been substituted for Fnac in the procedure) and Conforama

Edenred France (to which the rights of Accentiv' Kadéos were transferred) is involved in a dispute with Fnac and Conforama, two members of its gift solution acceptance and distribution network. The litigation concerns the breach by both companies of some of their contractual obligations, particularly the exclusive distribution of the Kadéos card applicable until 31 December 2011. Fnac and Conforama created their own single-brand card which they distribute through their respective networks.

The dispute is divided into three steps: the summary procedure, proceedings on the merits and arbitration.

In the summary procedure, Accentiv' Kadéos requested and obtained a court order from the Paris Court of Appeals on 1 December 2010, and then from the Court of Cassation on 15 November 2011, requiring Fnac to stop distributing its single-brand card immediately. A similar order was issued against Conforama on 3 December 2010. The total amount of the penalties is €11.7 million.

The proceedings are ongoing pending the decision on the merits.

Regarding the merits, on 28 January 2011, Fnac and Conforama filed an application to have Accentiv' Kadéos summoned before the Paris Commercial Court to obtain the retroactive removal of the exclusivity clauses and compensation for damages sustained as a result of the continued existence of this exclusivity. Fnac and Conforama estimated the damages at approximately €11.7 million. On 22 June 2012, the Paris Commercial Court, without expressing an opinion on the merits, ruled that it was not competent to hear the case and referred the parties to an arbitral tribunal, given the existence of an arbitration clause in the Kadéos assignment agreement. Accentiv' Kadéos appealed the decision (dispute note). Following a decision by the Court of Appeals, which Kering and Conforama appealed in cassation, the Court of Cassation denied their appeal and referred the parties to the Paris Commercial Court in a ruling handed down on 12 February 2014.

At the same time, based on the Paris Commercial Court's decision of 22 June 2012, Kering (formerly PPR which replaced Fnac in the procedure) and Conforama had submitted a request for arbitration to the International Chamber of Commerce. Each party had appointed its own arbitrator.

Given the decision of the Court of Cassation on 12 February 2014, the arbitral tribunal ruled on 15 April 2014 that it was not competent to hear the case submitted to it. The arbitral proceedings are now closed.

The parties were therefore referred back to the Paris Commercial Court to rule on the merits of the dispute. In a decision handed down on 14 March 2016, the Court ruled that Kering was liable for the penalties already paid, i.e. €11.7 million, and ordered it to pay Edenred an additional €6.6 million for damages sustained as well as €100,000 as compensation for the lawsuit brought by Kering, which was considered abuse of process. Kering made it known that it would appeal this decision.

As legal proceedings are still ongoing, the cash received amounting to 11.7 million euros and additional received 6.6 million euros have been booked in Net Income and then depreciated, pending the final decision not open to appeal.

As Edenred believes that Kering's claims are without merit, no provision has been set up in the Group's financial statements.

Antitrust disputes (France)

On 9 October 2015, the French company Octoplus filed a complaint with the Competition Authority against several French companies in the paperless meal voucher sector, including Edenred France. The case is currently being reviewed by the Competition Authority, whose board met on 5 April 2016 and on 7 July to hear all the parties concerned as well as the investigation departments. The Authority is expected to deliver an initial decision in the second half of 2016, which will concern in particular the request for protective measures presented by the complainant.

ICSID dispute

Following a change in the Hungarian regulatory and tax framework related to the issue conditions of meal and food vouchers, in August 2013 the Company filed a request for arbitration against the Hungarian government before the International Centre for Settlement of Investment Disputes (ICSID). The hearing was held before the arbitral tribunal in November 2015, during which Edenred was able to state its claims, demonstrate their validity, answer all the arbitrators' questions and question the witnesses presented by the Hungarian government. The decision is expected to be rendered in the second half of 2016.

Tax litigation in Brazil

Municipal tax

In December 2011, the municipality of São Paulo notified the Brazilian Ticket Serviços company of a reassessment of municipal tax (ISS - Imposto Sobre Serviços) for the period from April to December 2006, even though the company had already paid this tax to the municipality of Alphaville.

For this period, the principal amount of the reassessment was BRL 7.7 million, plus BRL 55.4 million in penalties, interest and inflation at 31 December 2015.

In November 2012, the municipality notified the company, on the same basis, of the amounts related to the period from January 2007 to March 2009.

For this second period, the principal amount of the reassessment was BRL 28.1 million, plus BRL 198.5 million in penalties, interest and inflation at 31 December 2015. The Company's motion before the Brazilian courts was denied in the first trial and an appeal was filed.

The administrative chamber of appeal ruled against the company on 23 September 2014. The Company appealed the decision.

On 11 August 2015, the appeal lodged by the company was denied, thereby putting an end to the administrative phase of the dispute.

On 10 November 2015, the Company filed a motion with the Court of Justice of the State of São Paulo for cancellation of the reassessments.

Based on the opinion of its tax advisers, the Company believes that the chance of a favorable outcome is very good. Therefore, the Company has not set up a related provision.

The motion included a request to defer the payment of the disputed amount, which was granted by a decision handed down on 12 November 2015. The tax authorities appealed this decision, but the appeal was denied. The State of Sao Paulo appealed on the Supreme Court of Justice.

At the Court's request, the company provided a guarantee issued by Munich Re.

Tax allowance for goodwill amortization

In January 2012, the Brazilian federal tax authorities notified Ticket Serviços of a reassessment of corporate income tax and the additional contribution (IRPJ and CSLL) for the fiscal years spanning from 2007 to 2010. The principal amount of the reassessment was BRL 81.7 million, plus BRL 198.4 million in penalties, interest and inflation at 31 December 2015.

The tax authorities disallowed the tax deductibility of the goodwill amortization recognized on the buyout of the minority interest in Ticket Serviços. Ticket Serviços initiated proceedings before the administrative courts. The motion was denied by the higher court. The Company was officially notified of this decision on 14 August 2015 and filed a request for clarification.

Based on the opinion of its tax advisers, the Company believes that the chance of a favorable outcome is good.

Therefore, no expense has been recognized in Edenred's financial statements.

Moreover, in the normal course of its business, the Group is subject to various existing, pending or future lawsuits, disputes and legal proceedings. To the Company's knowledge, as of the date of this document, there are no lawsuits threatening the Company and/or any of its subsidiaries that could have a material effect on the Group's business, results or financial position.

Slovakian Competition Litigation

Following an investigation in August 2014 of Slovakia's five vouchers' issuers by that country's competition authorities, the Slovak Competition Authority notified Edenred of an €850,000 fine. All the other issuers were notified of similar decisions. According to the procedure under Slovak competition law, Edenred appealed the decision before the administrative courts and the Supreme Court, contesting the lawfulness of the competition authorities' investigation procedure. An initial decision is expected in the second half of 2016. The amount of the fine was recognized in the Slovak entity's financial statements.

NOTE 11 : UPDATE ON ACCOUNTING STANDARDS

11.1 . STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED IN THE EUROPEAN UNION AND MANDATORY FROM JANUARY 1, 2016

Standards, amendments and interpretations adopted by the European Union with mandatory application on January 1, 2016 came into effect on January 1, 2016 and were adopted for use in the European Union as of that date.

Standard	Name of amendement	Summary	Edenred Impact
IAS 1	IAS 1 - Amendment by "Disclosure initiative"	The amendment is intended to clarify the note provisions regarding the concept of materiality and the application of professional judgment.	The Group took into consideration the clarifications within its project of redesigning notes to financial statements.
IAS 16 & IAS 38	Clarification of acceptable methods of depreciation and amortisation	The amendment precises that a depreciation method that is based on revenue is not appropriate.	Non applicable to Edenred
IAS 16 & IAS 41	"Bearer plants "	Those amendments modify financial information for bearer plants such as vines, rubbers and palm oil plantations.	Non applicable to Edenred
IAS 19	Amendment "Employees contributions"	The amendment applies to employee's contributions for defined benefits plans.	Enhanced practices are consistent with our treatment.
IFRS 11	Accounting for acquisition of interests in a joint operations	This amendment defines how to account for an interest acquisition in a joint operation in which activity constitutes a business, as defined in IFRS 3 "Buisness combinations".	No material impact identified
IAS 27	Application of equity method in separate financial statements	This amendment allows an entity to account for investment in subsidiaries using equity method as described in IAS 28.	No material impact identified
Annual IFRS Improve-ments	2010-2012 cycle	Six standards are concerned : 1) IFRS 2 "Share based payment" 2) IFRS 3 "Business combination" 3) IFRS 8 " Operating segments" 4) IFRS 13 "Fair value measurement" 5) IAS 16 "Property plant and equipment" and IAS 38 "Intangible assets" 6) IAS 24 " Related party disclosure"	No material impact identified.
Annual IFRS Improve-ments	2012-2014 Cycle	Four standards are concerned : 1) IFRS 5 "Non-current assets held for sale" 2) IFRS 7 "Financial instruments: disclosure" 3) IAS 19 "Employee benefits" 4) IAS 34 "Interim financial reporting"	No material impact identified.

The application of these texts had no significant effects on the presented periods.

11.2 . OTHER TEXTS PUBLISHED BY IASB BUT NOT APPROUVED BY THE EUROPEAN UNION

Edenred has not chosen to early adopt the following standards, amendments and interpretations that had been adopted by the European Union as of June 30, 2016 and are applicable for annual periods beginning after January 1, 2016.

Standard	Substance	Name of amendement	European application expected on	Summary	Edenred Impact
IFRS 9	New standard	Financial instruments – classification and measurement	01/01/2018	IFRS 9 finalised the first of the three steps in IASB project related to financial instruments to replace IAS 39 "financial instruments: recognition and measurement".	No material impact expected.
IFRS 14	New standard	Regulatory deferral accounts	N/A**	IFRS 14 has the objective to improve comparison of financial information for entities who provides good or services to customers at a price or rate that is subject to rate regulation.	Since the group already apply IFRS standards it is not in the scope of IFRS 14.
IFRS 15	New standard	Revenue from ordinary activities from contracts with customers	01/01/2018	IFRS 15 introduces a single model of revenue recognition from customer's contracts.	The Group has started the analysis of the standard in order to define an action plan able to reach requirements and challenges. For now, potential impacts are not identified.
IFRS 16	New standard	Lease	01/01/2019	IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases.	The standard and potential impacts are under analysis
IFRS 10 & IAS 28	Amendment	Sale or contribution of assets between an investor and its associate or Joint venture	Reported	The amendment narrows the discrepancy between the two standards and clarifies that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business as defined in IFRS 3R.	Non applicable to Edenred
IFRS 10, IFRS 12 and IAS 28	Amendment	Investment Entities: Applying the Consolidation Exception	01/01/2016 *	The amendment clarify some points that have arisen in the context of applying the consolidation exception for investment entities.	Non applicable to Edenred
IAS 7* **	Amendment	Disclosure initiative	01/01/2017	The amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities, wether it is link to cash-flow statment or not.	Edenred's cash-flow statment disclose a separate category named "financing activity"
IAS 12* **	Amendment	"Recognition of deferred tax assets for unrealised losses "	01/01/2017	The emendment clarifies how to evaluate if a deferred tax asset should be recognised for unrealised losses.	The standard and potential impacts are under analysis

** Not yet approved by EU*
*** EU consider this standard as transitory, thus it has been decided to not enter into an approbation process*
**** Application by anticipation allowed*

Auditors' review report on the half year consolidated financial statements

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Statutory Auditor's Review Report

On the Interim Financial Information

For the period from January 1 to June 30, 2016

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

To the Shareholders,

In compliance with the assignment entrusted to us by your 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 interim condensed consolidated financial statements of Edenred S.A., for the period from January 1 to June 30, 2016,
- the verification of the information presented in the half-yearly management report.

These interim condensed 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 interim 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 interim condensed 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 presented in the interim management report on the interim condensed consolidated financial statements subject to our review.

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

Neuilly-sur-Seine and Paris-La-Défense, July 22, 2016

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIÉS	ERNST & YOUNG Audit
Philippe Diu	Patrick E. Suissa

Statement by the person responsible for the 2016 half-yearly financial report

I declare that, to the best of my knowledge, (i) the condensed consolidated financial statements for the first half of 2016 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 scope of consolidation, and (ii) the half-yearly management report includes a fair review of material events of the first six months of the financial year and their impact on the half-yearly financial statements, as well as the main risks and uncertainties in the second half of the year.

Malakoff – July 22, 2016

Bertrand Dumazy

Chairman and Chief Executive Officer