

April 16, 2015

FIRST HALF FISCAL 2015 RESULTS



sodexo
QUALITY OF LIFE SERVICES

FORWARD-LOOKING INFORMATION

This presentation contains statements that may be considered forward-looking statements and as such may not relate strictly to historical or current facts.

These statements represent management's views as of the date they are made and we assume no obligation to update them. You are cautioned not to place undue reliance on our forward-looking statements.

SUMMARY



1. FIRST HALF FISCAL 2015:
A SOLID PERFORMANCE
2. FINANCIAL PERFORMANCE
3. ON-SITE SERVICES
4. BENEFITS AND REWARDS
SERVICES
5. OUTLOOK
6. APPENDICES

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FIRST HALF
FISCAL 2015:
A SOLID
PERFORMANCE

- ▶ **Solid performance in H1 2015**
- ▶ **Full fiscal 2015 objectives confirmed**

FIRST HALF FISCAL 2015: A SOLID PERFORMANCE

Total revenues	9.9 bn €	+7%	
Organic revenue growth		+2.2%	
Operating profit	620 M€	+10.9%*	+8.6%* Excl. Currency effects
Operating margin	6.2%		+30 bps** Excl. Currency effects
Net income	343 M€	+23.4%	+17.6% Excl. Currency effects

* Compares with H1 2014 before exceptionals

**After restatement of H1 Fiscal 2014 operating margin using the rate, 1USD = 51.06VEF

FIRST HALF FISCAL 2015: A SOLID PERFORMANCE

Recognized expertise as an integrator of Facilities management services

- A major lever to accelerate organic growth in On-site Services e.g.,
 - In the UK (+8.4%)
 - In Corporate in North America (+6.6%)

A relevant offer in Benefits and Rewards Services

- Strong double-digit growth maintained in Latin America and Asia

FIRST HALF FISCAL 2015: A SOLID PERFORMANCE

Operating profit up and in line with Fiscal 2015 objectives

- Program to improve operational efficiency and reduce costs continues to deliver returns
- Growth in on-site services operating profits
- Another double-digit progression in Benefits and Rewards Services
- A robust cash-generating financial model

FIRST HALF FISCAL 2014-2015 NEW CONTRACT WINS: QUALITY OF LIFE SERVICES OFFER

CORPORATE

DIAGEO

DIAGEO in the UK and in Ireland

Facilities management services for 70 sites



STMicroelectronics, France

HEALTHCARE



University of Louisville Hospital, Kentucky, USA



Shanghai Starcastle Senior Living Services, China



Perinatal Hospital – 2 sites in Brazil



Östergötland Hospital, Sweden

Facilities management services

FIRST HALF FISCAL 2014-2015 NEW CONTRACT WINS: QUALITY OF LIFE SERVICES OFFER

EDUCATION



Medical University of South Carolina, USA

REMOTE SITES

RioTinto

Jerriwah Village, Australia
Integrated services on a mining site

BENEFITS AND REWARDS SERVICES



Axis Bank, India



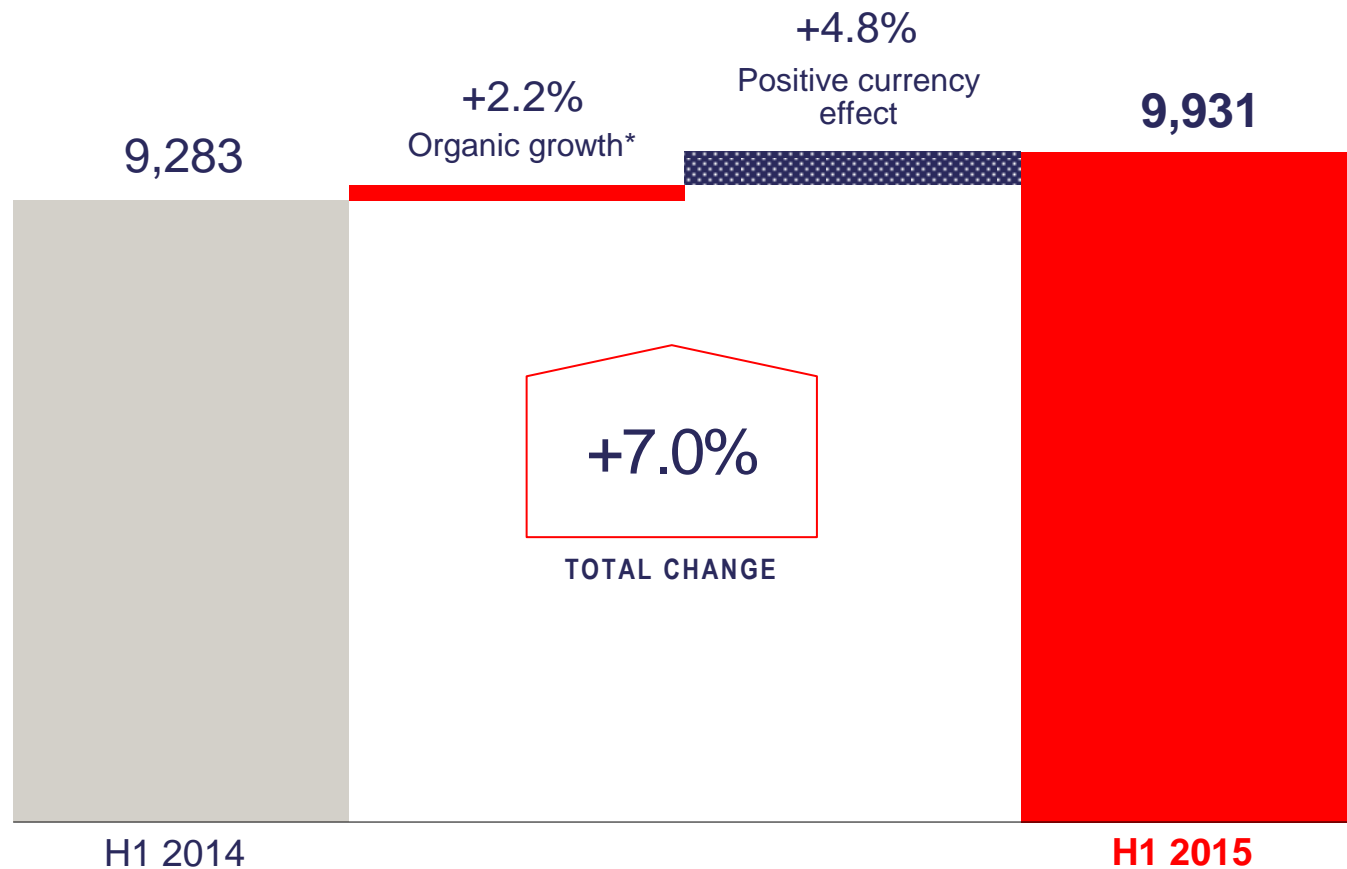
GE Medical Systems, Turkey

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FINANCIAL PERFORMANCE

FIRST HALF 2015 REVENUES REVENUE GROWTH

€ Million



* Organic growth: increase in revenues at constant scope of consolidation and exchange rates, with the exception of the Venezuelan Bolivar Fuerte, for which the exchange rate used for the first Half Fiscal 2014 is 1USD = 51.06VEF

FIRST HALF FISCAL 2015 ORGANIC GROWTH

Growth driven by integrated Quality of Life Services offers

- **On-Site Services:**
 - Facilities management growth above 6%
 - Return to growth in Remote Sites
- **Benefits and Rewards Services:**
 - Sustained strong momentum in Latin America

**Organic growth
of 2.2%***

of which:

On-Site Services
+1.9%

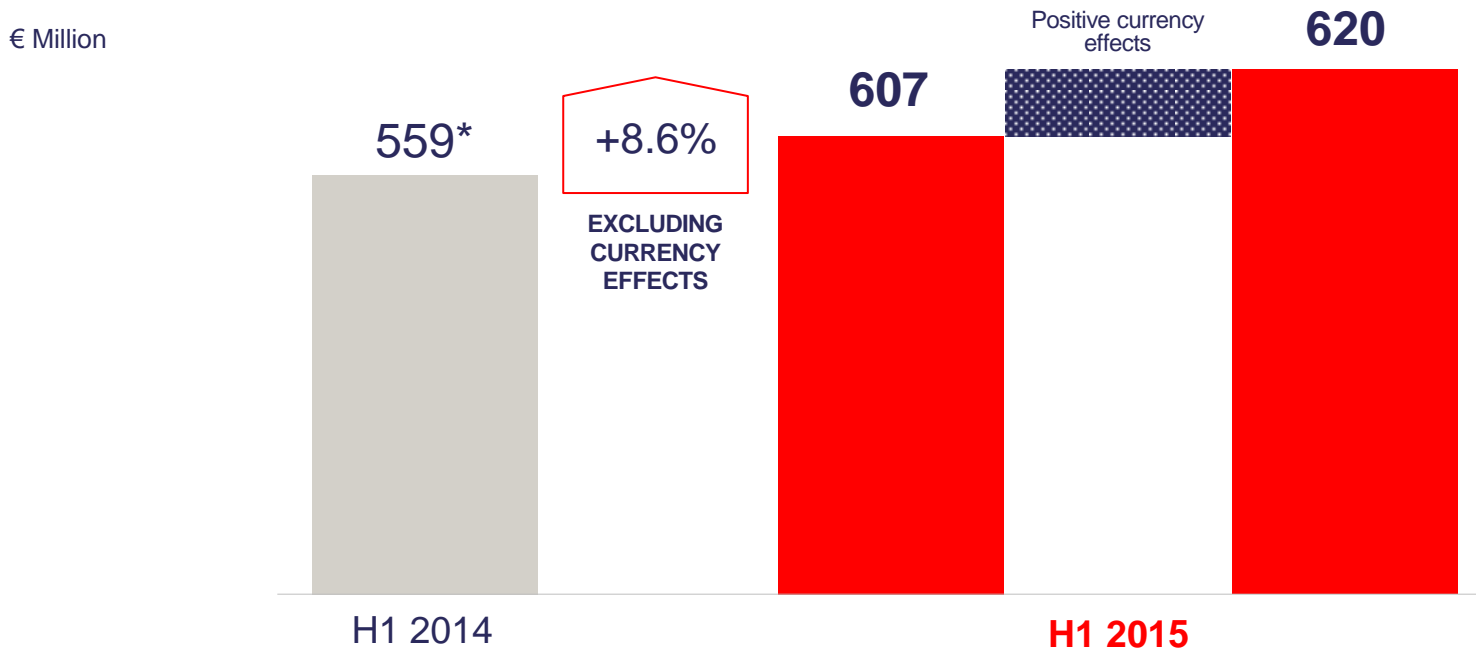
Benefits and Rewards Services
+9.8%*

* Organic growth: increase in revenues at constant scope of consolidation and exchange rates, with the exception of the Venezuelan Bolivar Fuerte, for which the exchange rate used for the first Half Fiscal 2014 is 1USD = 51.06VEF

FINANCIAL PERFORMANCE

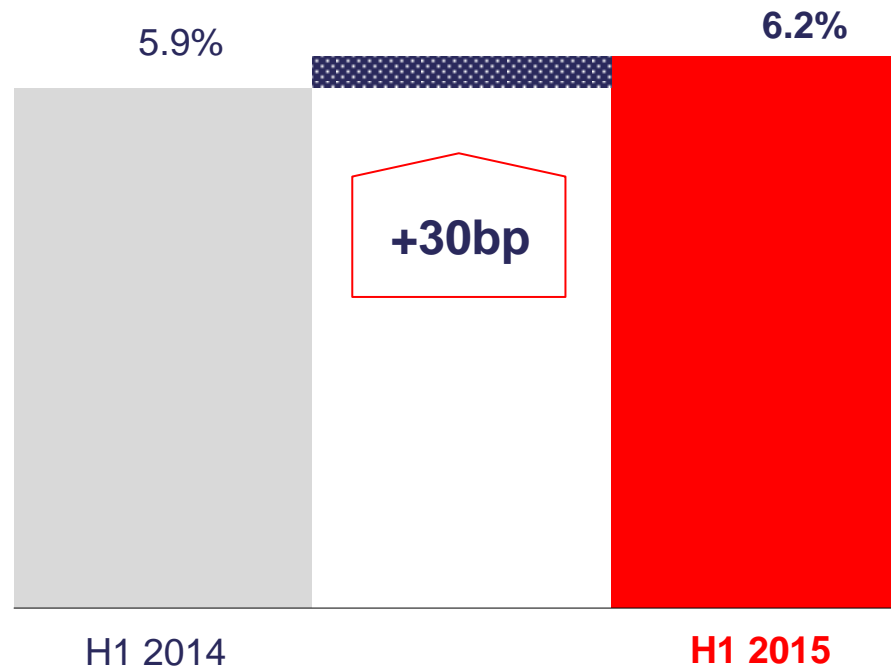
OPERATING PROFIT

Operating profit up 10.9%



* Operating profit and margin are presented before exceptional costs related to the operational efficiency improvement program in H1 2014

FINANCIAL PERFORMANCE OPERATING MARGIN (ADJUSTED)*



- Adjusted: Operating profit and margin are presented before exceptional costs related to the operational efficiency improvement program in H1 2014 and Operating margin restated for H1 2014 using the rate 1USD = 51.06 VEF

FINANCIAL PERFORMANCE

CONSOLIDATED STATEMENT OF INCOME

	H1 2014	H1 2015	CHANGE	
	millions €	millions €	At current exchange rates	At constant exchange rates
Revenues	9,283	9,931	+7.0%	+2.2%
Operating profit before exceptional items	559	620	+10.9%	+8.6%
Exceptional items	(30)	-		
Operating profit (reported)	529	620	+17.2%	+14.7%
Financial expense	(85)	(79)		
Income tax expense	(158)	(191)		
Effective tax rate	36%	35.5%		
Non-controlling interests / Associates	(8)	(7)		
Net income	278	343	+23.4%	+17.6%

SOLID FINANCIAL PERFORMANCE PROGRAM TO IMPROVE OPERATIONAL EFFICIENCY AND REDUCE COSTS

€ Million

EXCEPTIONAL
IMPLEMENTATION

COSTS

TOTAL
over 18 months
(Sept. 2012-Feb. 2014)

166

SUSTAINABLE
ANNUAL

SAVINGS

Achieved in
Fiscal 2014

100

**Achieved in
H1 Fiscal 2015**

35

Objective for
Fiscal 2015

160

- Sustainable savings aligned with our plans

FINANCIAL PERFORMANCE

CONSOLIDATED CASH FLOW

€ Million

	S1 13-14	S1 14-15
Operating cash flow	376	483
Net capital expenditure	(146)	(160)
Change in working capital	(138)	(272)
Free cash flow	92	51
Net acquisitions	(48)	(45)
Change in shareholder's equity	(225)	(284)
Other changes (including scope and exchange rates)	(15)	(156)
(Increase) / decrease in net debt	(196)	(434)

FINANCIAL PERFORMANCE CONSOLIDATED BALANCE SHEET

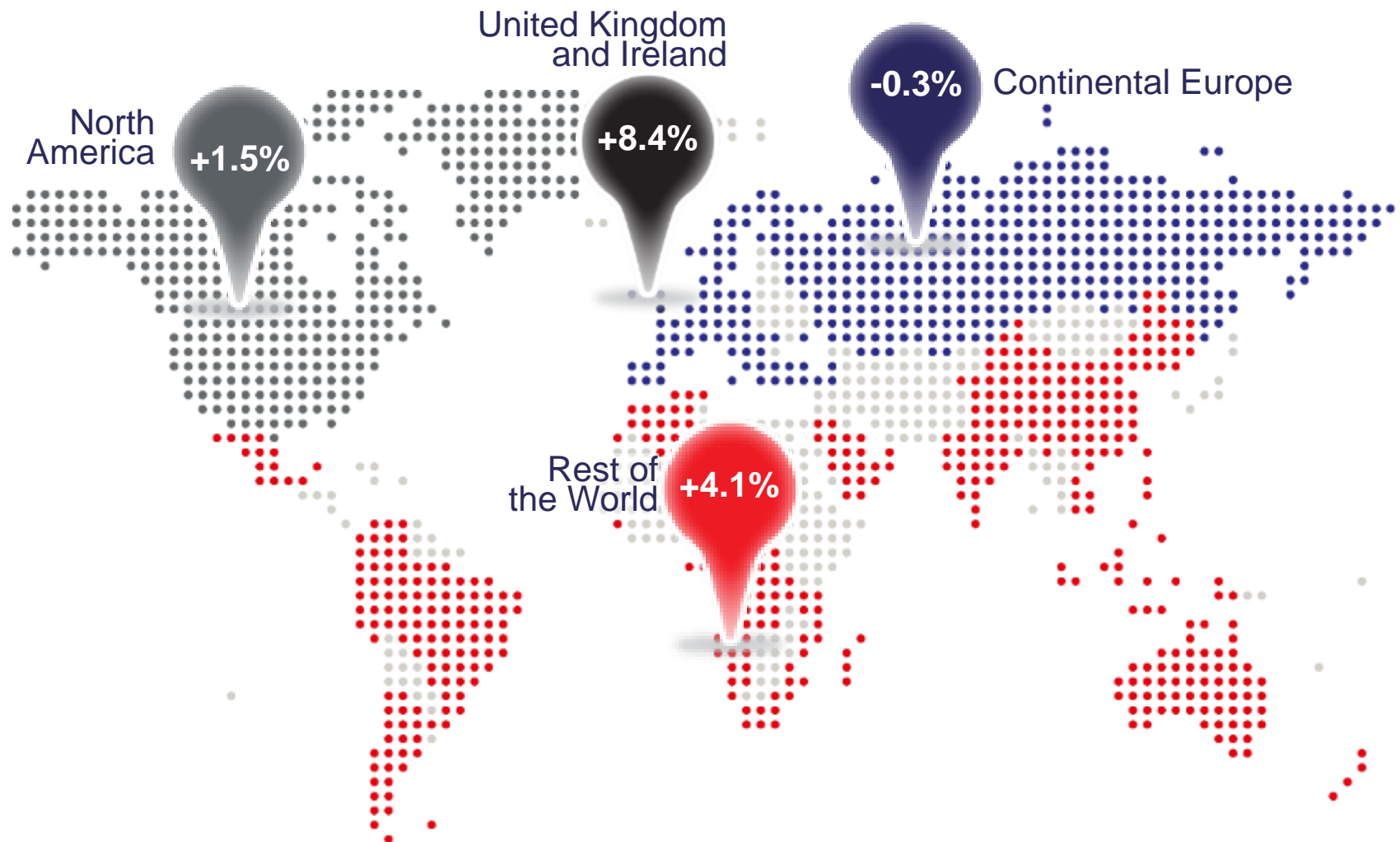
SOLID FINANCIAL POSITION

€ Million	February 28, 2014	February 28, 2015		February 28, 2014	February 28, 2015
Non-current assets	6,554	7,447	Shareholders' equity	2,929	3,514
Current assets excluding cash	4,347	5,000	Non-controlling interests	46	40
Financial assets (Benefits and Rewards Services)	785	749	Non-current liabilities	2,132	3,812
Cash	1,186	1,573	Current liabilities	7,765	7,403
Total assets	12,872	14,769	Total liabilities & equity	12,872	14,769
			Net debt	674	805
			Gearing ratio	23%	23%

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ON-SITE SERVICES

ON-SITE SERVICES ORGANIC GROWTH +1.9%



ON-SITE SERVICES ORGANIC GROWTH BY CLIENT SEGMENT



Corporate

- Strong demand for integrated Quality of Life Services offers
- Progression fuelled by growth in facilities management services
- Return to growth in Remote Sites

+3.9%



Health Care and Seniors

- Voluntary withdrawal in late FY 2014 from part of HCR ManorCare
- Weak new business development in Europe
- Continued strong growth from new business development in Latin America and China

+0.1%



Education

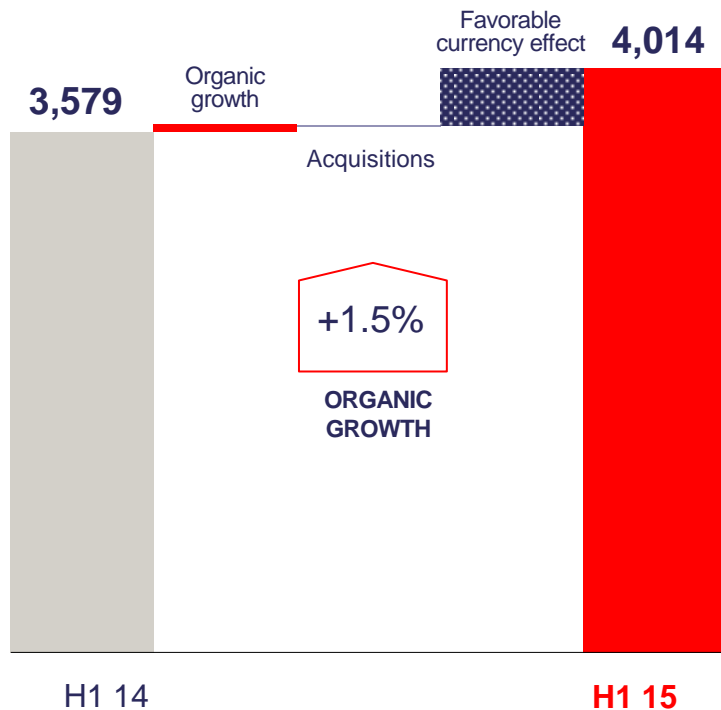
- Selective approach to new business in Europe
- Voluntary withdrawal from Detroit Schools
- High-single digit growth in emerging economies

-0.4%

ON-SITE SERVICES NORTH AMERICA

€ Million

Revenues



Corporate

+6.6%

- Strong demand for integrated Quality of Life Services offers

Healthcare and Seniors

-1.0%

- Voluntary withdrawal in late FY14 from part of HCR ManorCare
- Closure of certain laundry facilities

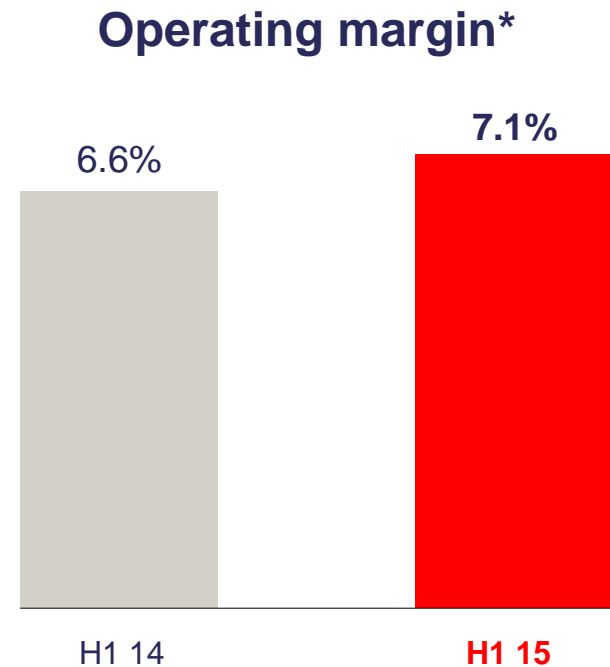
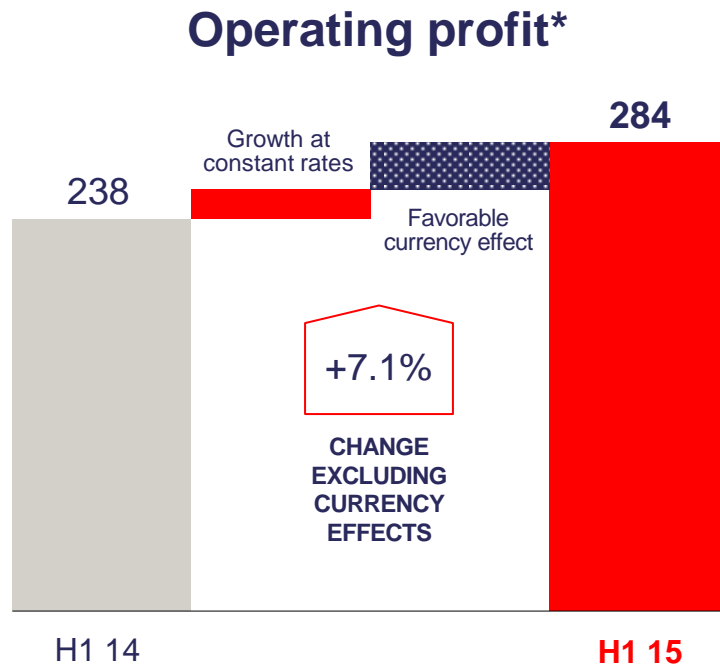
Education

+0.7%

- Solid comparable unit growth in Universities and Schools
- Voluntary withdrawal from the Detroit schools contract (non-payment)

ON-SITE SERVICES NORTH AMERICA

€ Million



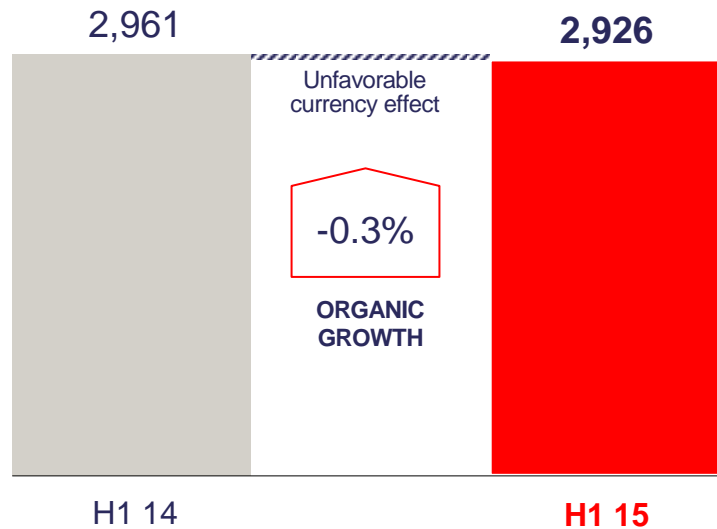
- Effective pass through of inflation
- Labor productivity gains, notably in Education

* Operating profit and margin are presented before exceptional costs related to the operational efficiency improvement program in H1 2014

ON-SITE SERVICES CONTINENTAL EUROPE

€ Million

Revenues



Corporate

+2.1%

- Decline in foodservices volumes offset by the continued success of facilities management offers

Health Care and Seniors

-2.6%

- Weak growth on existing sites
- Slower pace of business development, particularly in France

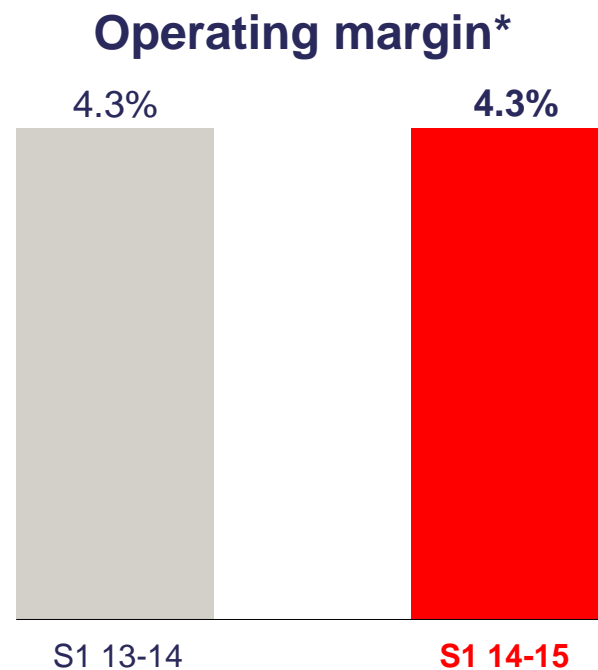
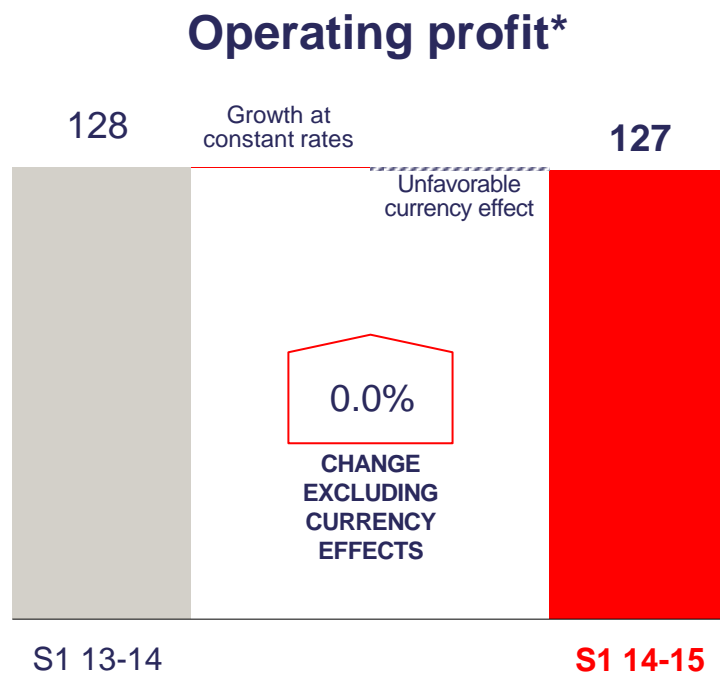
Education

-5.2%

- Reductions in school budgets
- Non-renewal of several contracts in Fiscal 2014, particularly in Italy

ON-SITE SERVICES CONTINENTAL EUROPE

€ Million



- Savings achieved in line with objectives from the operational efficiency improvement plan, notably in France

Offset by

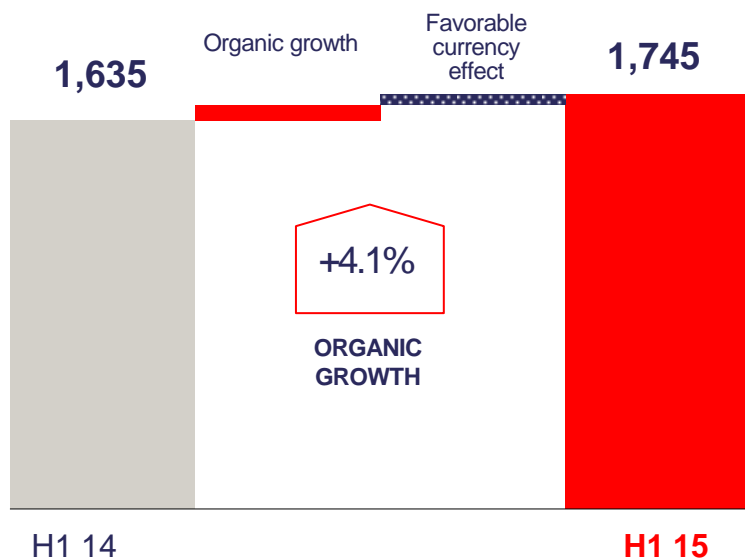
- Challenging environment in countries such as Italy and Russia.
- Mobilisation of new integrated services contracts in Benelux

* Operating profit and margin are presented before exceptional costs related to the operational efficiency improvement program in H1 2014

ON-SITE SERVICES REST OF WORLD

€ Million

Revenues



Corporate

+3.0%

- Return to growth in Remote Sites (+6.1%)
- Strong growth in India and Southeast Asia
- A more challenging environment in Latin America

Healthcare and Seniors

+21.8%

- Continued solid new business development in Latin America and China

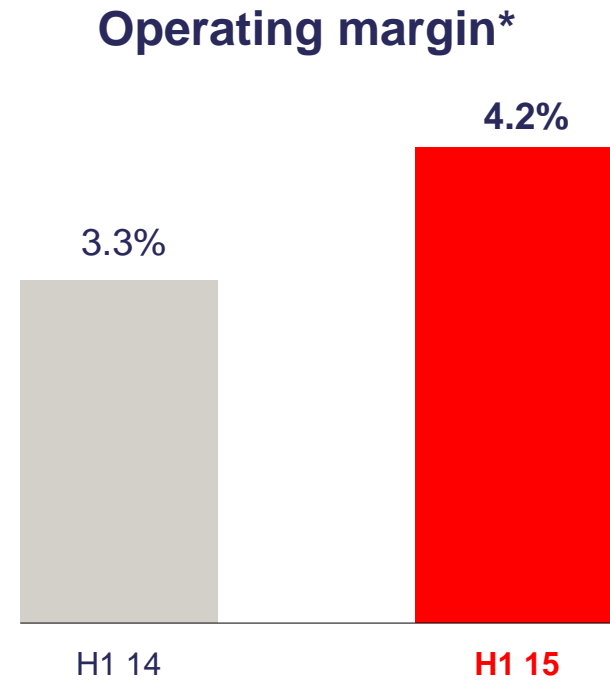
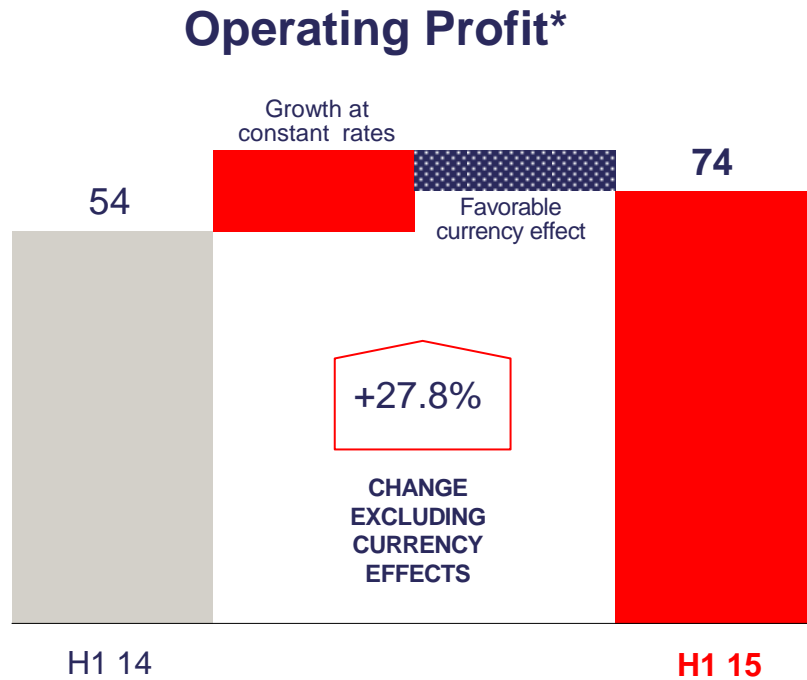
Education

+7.7%

- Sustained growth in both India and Latin America

ON-SITE SERVICES REST OF WORLD

€ Million



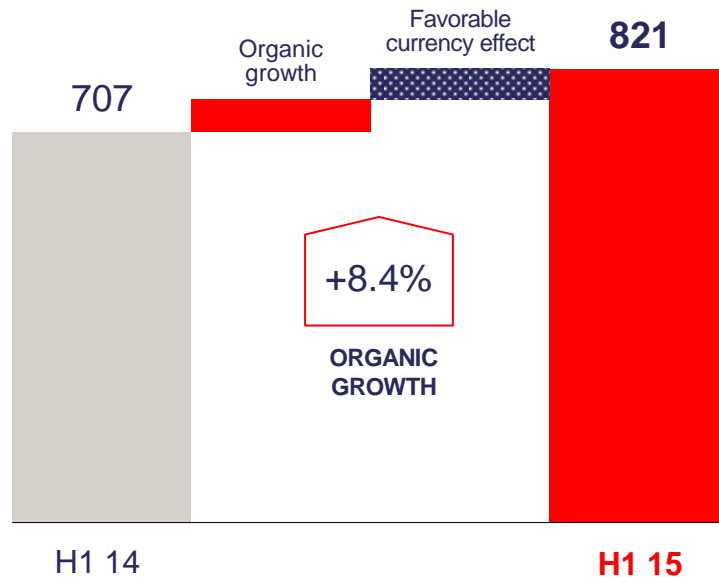
- Solid level of offshore activity
- Positive impact of ongoing productivity initiatives in Latin America

* Operating profit and margin are presented before exceptional costs related to the operational efficiency improvement program in H1 2014

ON-SITE SERVICES UNITED KINGDOM AND IRELAND

€ Million

Revenues



Corporate

+8.1%

- Solid development of integrated services
- Significant growth in Justice (Northumberland)

Health Care and Seniors

+10.9%

- Contribution of new contracts in several hospitals

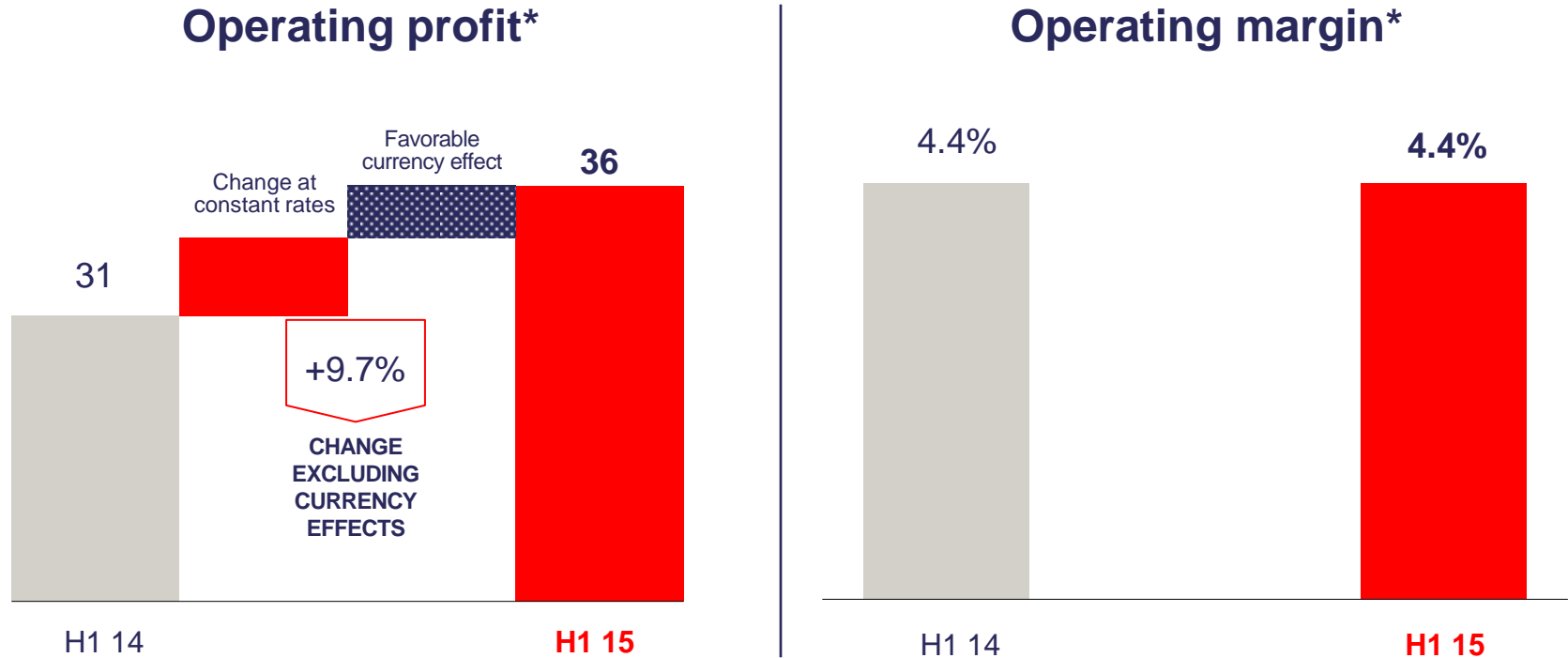
Education

+5.2%

- Return to growth led by business development in Universities

ON-SITE SERVICES UNITED KINGDOM AND IRELAND

€ Million



- Operating profit growth driven by new business development

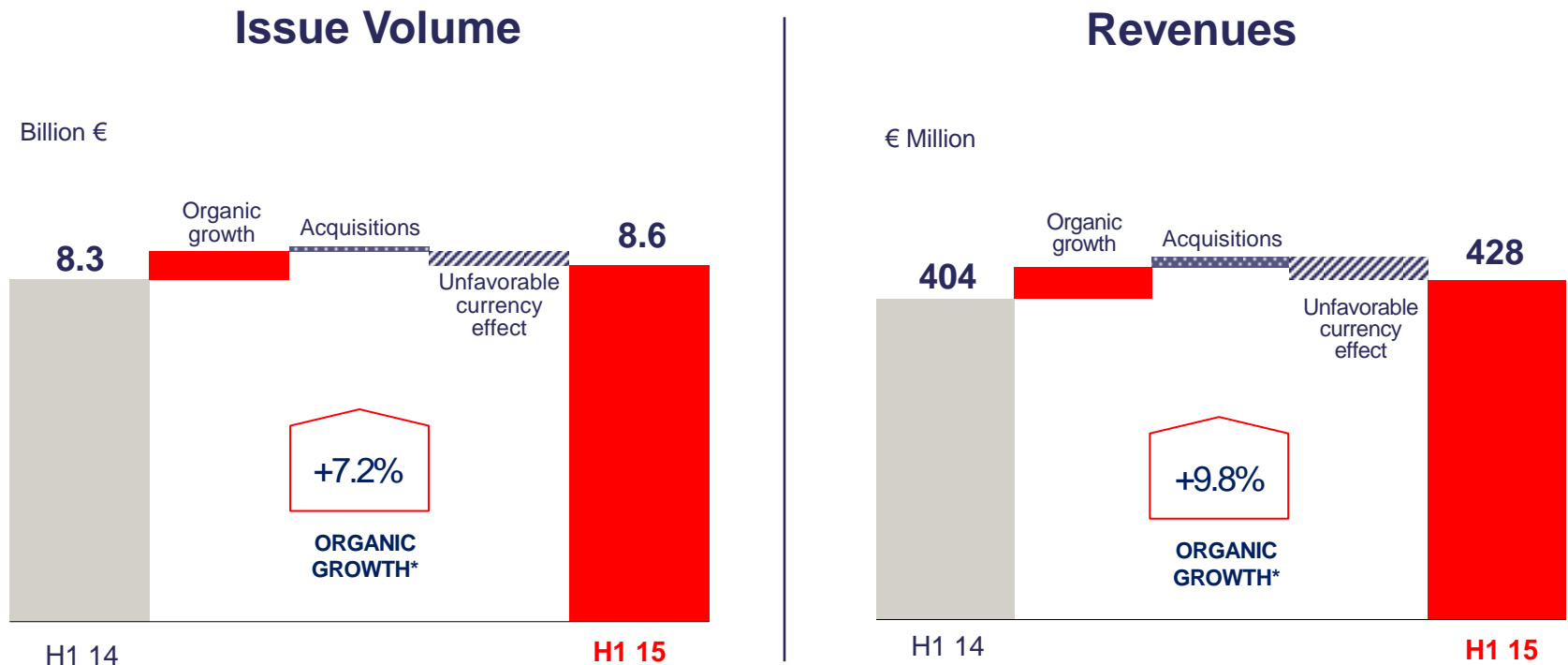
* Operating profit and margin are presented before exceptional costs related to the operational efficiency improvement program in H1 2014

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BENEFITS AND REWARDS SERVICES

BENEFITS AND REWARDS SERVICES ISSUE VOLUME AND REVENUES

Group

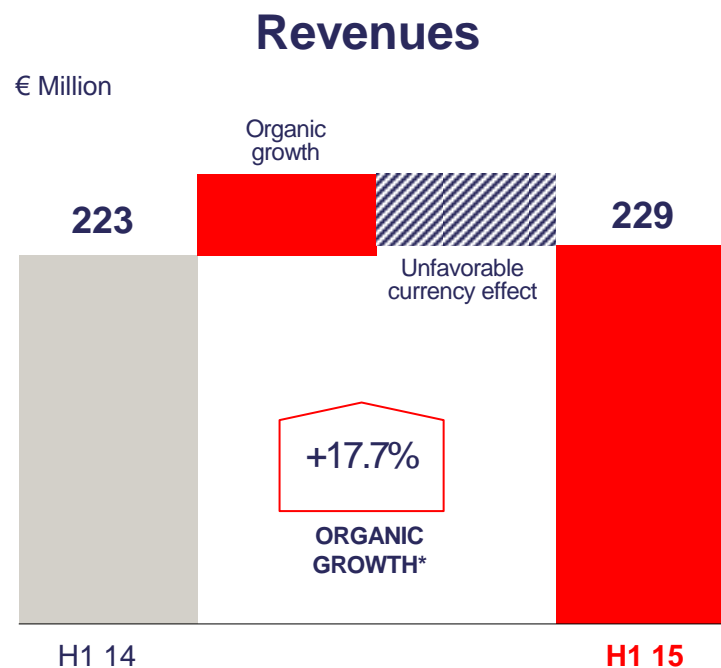
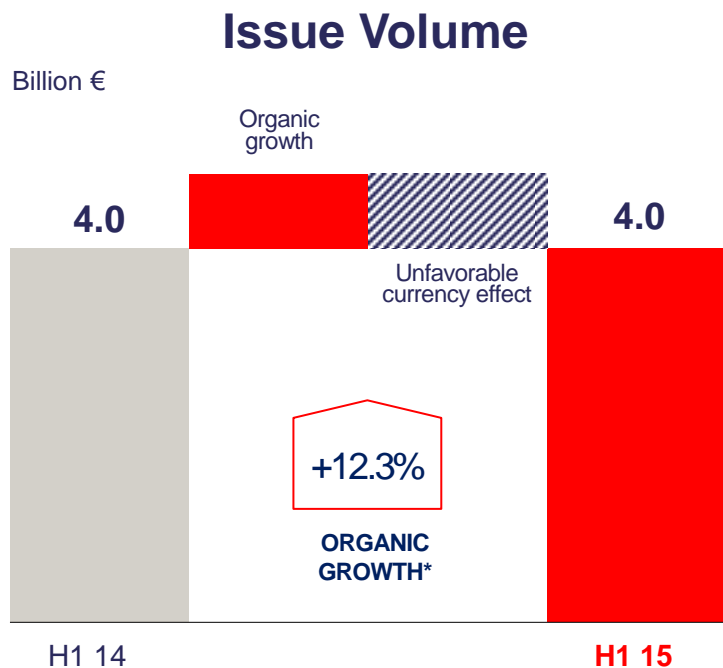


- Excellent performance in emerging economies, in both Latin America and Asia

* Organic growth: increase in revenues at constant scope of consolidation and exchange rates, with the exception of the Venezuelan Bolivar Fuerte, for which the exchange rate used for the first Half Fiscal 2014 is 1USD = 51.06VEF

BENEFITS AND REWARDS SERVICES ISSUE VOLUME AND REVENUES

Latin America



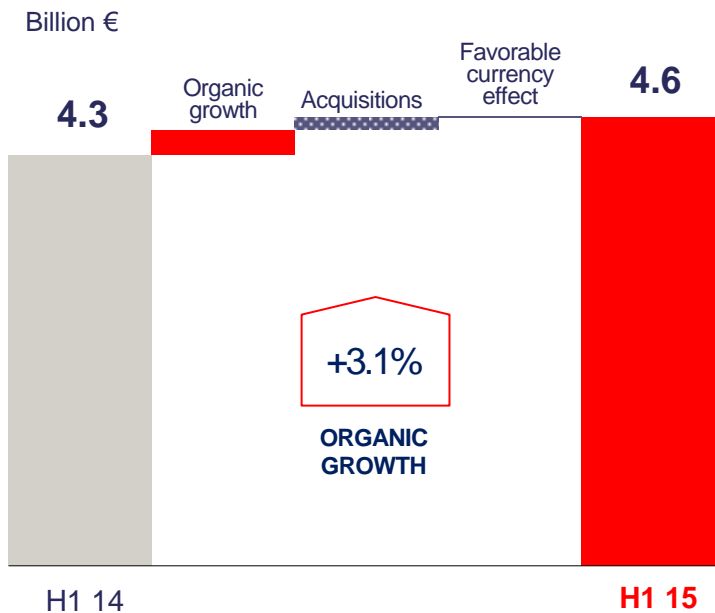
- Increase in face value in Brazil and Venezuela
- Growth in number of beneficiaries, particularly in Chile and Brazil

* Organic growth: increase in revenues at constant scope of consolidation and exchange rates, with the exception of the Venezuelan Bolivar Fuerte, for which the exchange rate used for the first Half Fiscal 2014 is 1USD = 51.06VEF

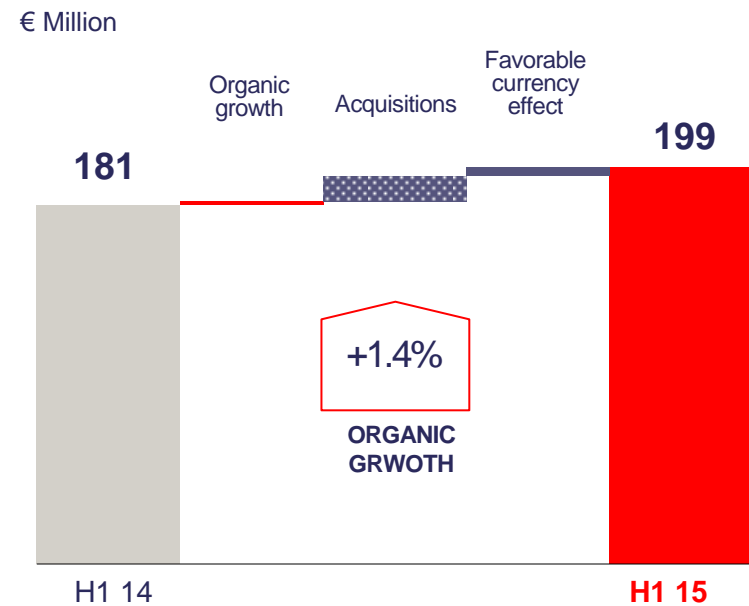
BENEFITS AND REWARDS SERVICES ISSUE VOLUME AND REVENUES

Europe and Asia

Issue Volume



Revenues

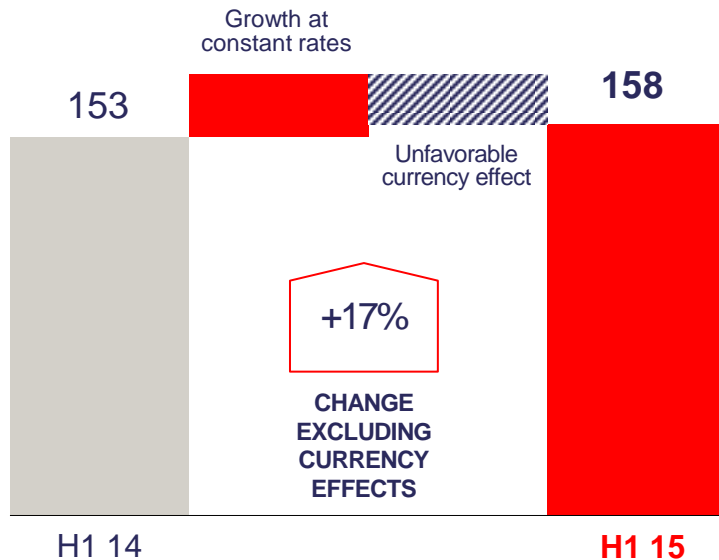


- Robust growth in Turkey, India and China

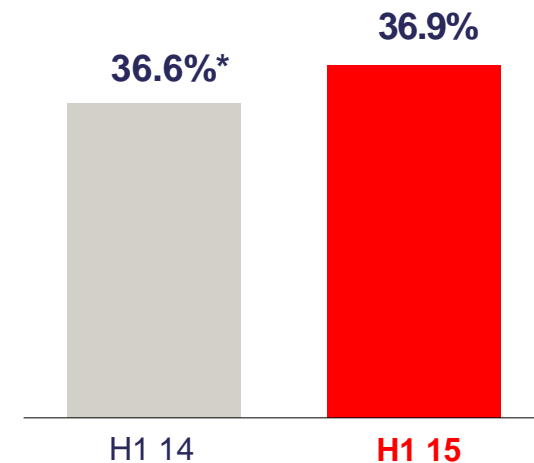
BENEFITS AND REWARDS SERVICES OPERATING PROFIT

€ Million

Operating profit



Operating margin



- Productivity gains in processing costs and strict control of overheads,
- Continued investment in Quality of Life Services research and innovation

* Operating margin restated for H1 Fiscal 2014 using the rate, 1 USD = 51.06VEF

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OUTLOOK

OUTLOOK

FISCAL 2015 OBJECTIVES CONFIRMED

As indicated last November, Sodexo's objectives are:



Organic revenue growth of around 3%

and

an increase in operating profit of around 10%
(excluding currency effects and exceptional items).

As a result, operating margin is targeted to increase by 0.8% over the two-year period covering Fiscal 2014 and Fiscal 2015, in line with the objectives announced in November 2013.



THANK YOU!

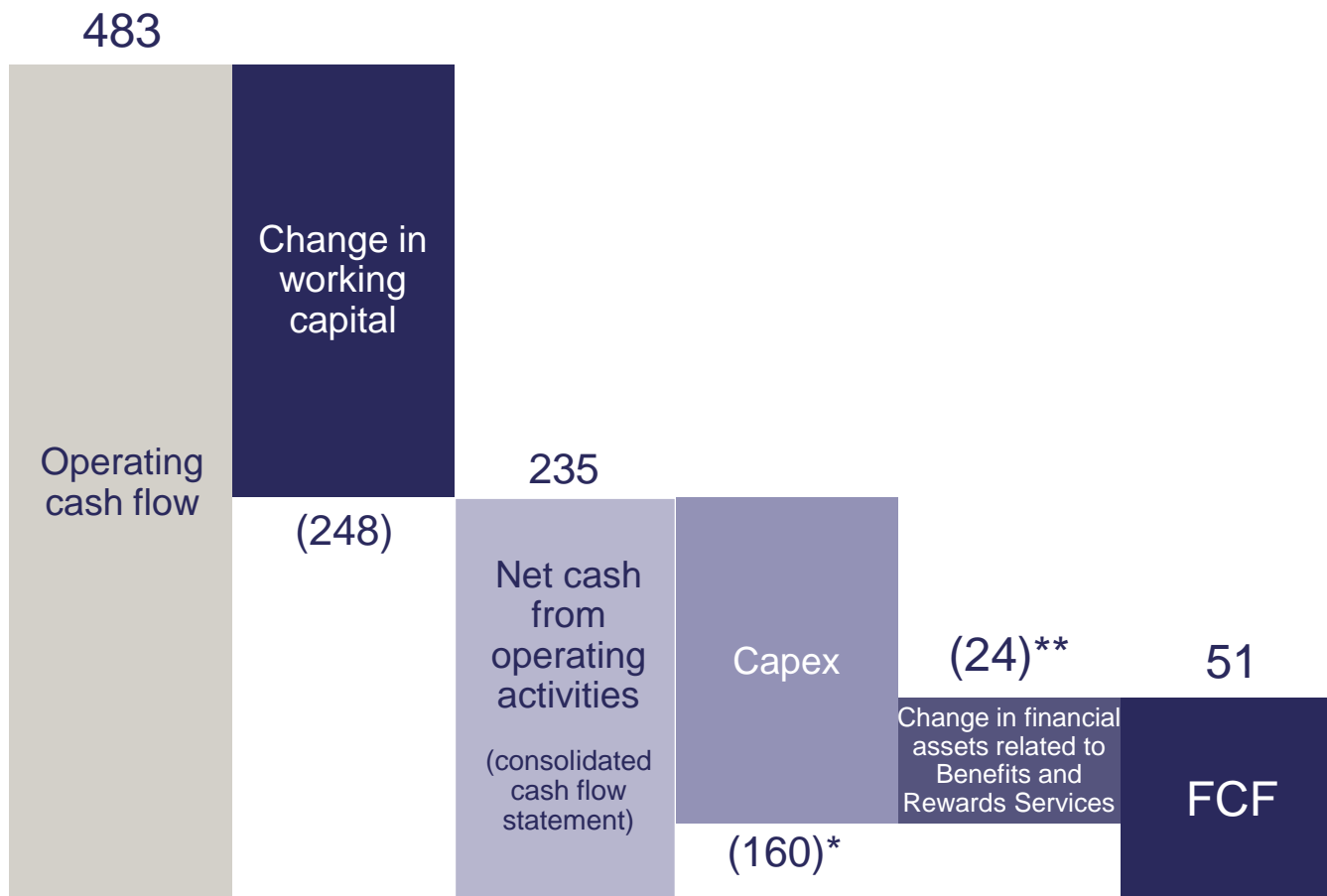
| Q&A |

APPENDICES



1. Financial debt analysis
2. Free cash flow
3. Principal exchange rates used
4. Impact of the principal exchange rates on the balance sheet
5. Currency effect: Venezuelan bolivar

FREE CASH FLOW



* (160) = (154) Tangible and intangible fixed asset investments
 12 Fixed asset disposals,
 (17) Change in client investments
 (1) Leasing investments

** Not included in working capital changes from consolidated cash flow statement
 Total change in working capital = (248)-(24) =(272)

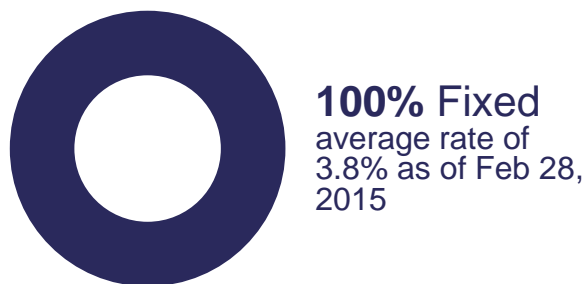
ANALYSIS OF FINANCIAL DEBT

€ millions

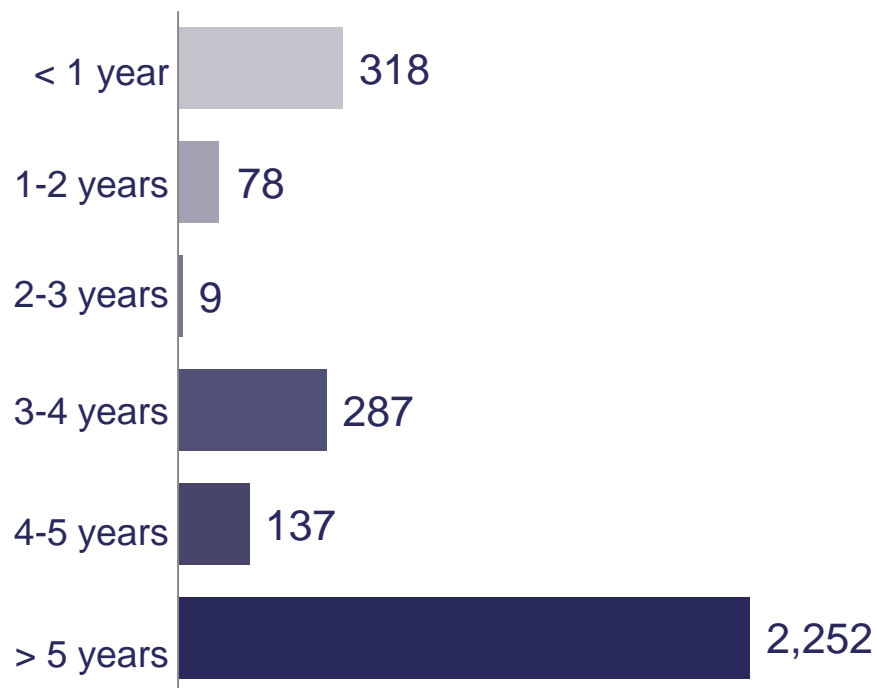
BY CURRENCY



BY INTEREST RATE



BY MATURITY



* Financial debt of 3,081 million euro (excluding derivative financial instruments for -12)

PRINCIPAL EXCHANGE RATES

	Average rate H1 2015	Average rate H1 2014	Change	Impact on revenues (in millions euros)
Dollar US	1.22	1.36	+11.5%	+397
Livre sterling	0.78	0.84	+7.8%	+62
Real brésilien	3.12	3.15	+0.8%	+4
Bolivar fuerte	57.39	14.10	-75.5%	-45

PRINCIPAL CURRENCY EFFECTS ON BALANCE SHEET

as of February 28, 2015

€ millions

	USD	£	BRL	VEF		USD	£	BRL	VEF
Non-current assets	472	79	(75)	0	Shareholders' equity	224	63	(66)	2
Deferred tax assets	16	2	(4)	0	Provisions	3	1	(4)	0
Change in working capital and other assets	152	31	(60)	4	Deferred tax liabilities	11	1	(9)	0
Cash	67	22	(31)	4	Borrowings	245	11	(13)	0
					Change in working capital and other liabilities	224	58	(78)	6
	707	134	(170)	8		707	134	(170)	8

IMPACTS OF THE DEVALUATION OF THE VENEZUELAN BOLIVAR FUERTE

Continuing the conversion method used since 2010 and in the absence of any new transactions in the first half of Fiscal 2015, Sodexo continues to convert Venezuelan bolivars at the rate used for the most recent transactions, which were carried out in August 2014. The rate applied is therefore 1 U.S. dollar = 51.06 bolivars and 1 euro = 57.39 bolivars as of February 28, 2015.

On February 10, 2015, the Venezuelan government announced the creation of a new foreign exchange platform called SIMADI (Marginal Currency Exchange System). As the system is very new, the Group considers that it would be premature to use it and has not made any decision to use this exchange system.

Based on an exchange rate observed on SIMADI on February 26, 2015 of 1 U.S. dollar = approximately 173 bolivars, the impact on the Group's main financial indicators at February 28, 2015 would, if decided upon, be as follows:

€ Million

Currency	First-half Fiscal 2015				
	Impact on revenues	Impact on operating profit	Impact on profit attributable to equity holders of the parent	Impact on total cash and cash equivalents	Impact on shareholders' equity
Bolivar (VEF)	(10)	(5)	(0,3)	(41)	(16)