Registration Document Fiscal 2013

including the Annual Financial Report

QUALITY OF LIFE SERVICES

CONTENTS

REGISTRATION DOCUMENT FISCAL 2013

including the Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
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The French version of this Registration document was filed with the French Financial Markets Authority on November 18, 2013, in accordance with article 212-13 of its General Regulations. It may be used in support of a financial transaction if it is supplemented by a prospectus approved by the French Financial Markets Authority. This document has been prepared by the issuer under the liability of the signatories.

This document is a free translation from French into English and has no other value than an informative one. Should there be any difference between the French and the English version, only the text in the French version shall be deemed authentic and considered as expressing the exact information published by Sodexo.

This document is available on Sodexo's website, www. sodexo.com or on the website of the *Autorité des marchés financiers*, www.amf-france.org.


sodexo

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GROUP PRESENTATION

Message from PIERRE BELLON
Chairman of the Sodexo Board

1. THE REASONS BEHIND THIS REMARKABLE GROWTH: THE SEVEN FUNDAMENTAL PRINCIPLES OF OUR DEVELOPMENT

1.1 A WILLINGNESS TO GROW AND DREAD OF RECESSION

The initial reason was my willingness to grow and my dread of recession. At the time, Marseilles' maritime supply industry was in decline. I saw three of the world's largest shipyards disappear from Provence in the space of a few years. So, even before creating the company, I made the audacious statement: "Sodexo will be a growth company".

From the start, I decided to focus on organic growth because that's what maintains jobs and gives employees opportunities for internal advancement.

1.2 OUR VISION OF THE BUSINESS

Sodexo is a community shaped by:

- its clients and consumers, serving 75 million people daily;
- its employees and leaders, with a total workforce of 428,000 employees, of which more than 30,000 managers and a number of great "internal entrepreneurs";
- its shareholders totaling around 65,000, of whom 35,000 are Group employees.
  - **Our clients and our consumers:** our job is to listen to their needs and create value for them. Value is usually created at the level of the site manager, the district manager and the regional manager.
  - **Our employees and our leaders: our core strength lies in the fact that Michel Landel, our managers and our teams share the same values and are all committed to taking Sodexo forward.** Our employee engagement rate was 57% in 2012. Our goal is to increase it to 65%, to put us in a league with the large global companies that are ranked among the best places to work. And then we will set the bar even higher.
  - **Our shareholders:** I remind you that Bellon SA currently holds nearly 38% of the capital and over 50% of the voting rights, followed by four other shareholders who own between 2% and 4% of the capital and ten others with between 1% and 2%.

> "How did Sodexo, which started from nothing in Marseilles in 1966, become a large global company?"

My children currently own two-thirds of Bellon SA. I would like to thank and congratulate them on behalf of our community. They embody Sodexo's values. They put the Group's interests before their own and their ambitions for its growth before their personal ambitions. **To fully guarantee Sodexo's independence, my children, my wife and I have signed a 50-year agreement that binds our grandchildren to the organization.**

1.3 A CULTURE FOCUSED ON THE CLIENT AND THE CONSUMER, WITHOUT WHOM WE WOULDN'T EXIST

Segmentation, sub-segmentation and the identification of niches are the keys to accelerating our growth and have required us to make investments.

These "intangible" investments have allowed us today in France, for example, to become number one in the Healthcare segment and number two in the Education and Corporate segments.

1.4 DEVELOPING OUR HUMAN RESOURCES

Human resources development has been a factor in our growth up to now but more importantly, it is the key to our future growth.

At the outset, I made three crucial observations:

- on my own, it would be hard to accomplish anything; I could become a barrier to development. This is why I surrounded myself with competent men and women;
- recognition of the efforts of the men and women on our sites is critical; they are the ones who are in daily contact with consumers, who understand their needs, ensure their satisfaction and are the ambassadors of the Group's image. Nothing gives me greater pleasure than hearing fellow business leaders tell me "your employees are amazing";
- starting out in the foodservices business, an under-recognized profession in general, I realized that our work needs to be valued and have meaning and that we need to take pride in it.

Upon the creation of Sodexo in 1966, we defined our:

- mission;
- values;
- ethical principles.

PIERRE BELLON message, continued

Chairman of the Sodexo Board

Our mission is twofold:

- improve the Quality of Life of our employees and all whom we serve: employees in their workplace, patients in hospital, students in schools and universities, prisoners in correctional facilities, soldiers in garrisons, workers at onshore and offshore remote sites, etc.;
- contribute to the economic, social and environmental development of the communities, regions and countries in which we operate.

Our values

The values shared by Sodexo's 428,000 employees are:

- service spirit;
- team spirit;
- spirit of progress.

Our ethical principles

- loyalty;
- respect for people and equal opportunity;
- transparency;
- business integrity.

Our mission, our values and our ethical principles impart a common vision, give meaning to our initiatives and to the work we do as individuals. They are shared by our managers, who set the example, and by our 428,000 employees.

Today, 47 years after Sodexo's creation, they are the foundation of our commitment, uniting us and serving as a common bond for our teams throughout the world. This is what sets us apart from our competitors. Sodexo has been able to grow thanks to its employees and, above all, its internal entrepreneurs.

They all have the same profile; they learned the ropes firsthand, acquired an understanding of the business, took on broad responsibilities and worked to guarantee long-term earnings growth. Their values, behaviors and expertise have helped them climb the career ladder and grow with the Company.

We also benefit from the leadership of our functional senior managers. Their contribution is a determining factor in Sodexo's development.

1.5 OUR STRATEGIC POSITIONING

To define a strategy is to make a choice. It is to decide what we will do and, more importantly, what we will not do. When Sodexo was created in 1966, we made two key choices that remain the cornerstones of our strategy:

We are and will remain a services company

WHY FOCUS ON SERVICES

We made the simple observation that the tertiary (services) sector was going to grow much faster than the primary (raw materials) and secondary (manufacturing) sectors.

WHICH SERVICES

In such a vast sector, we simply cannot do everything.

We chose to focus on Quality of Life Services

Our strategic positioning is clear. It reflects the mission that I defined when the Company was founded back in 1966: "to improve the Quality of Life of our employees, our clients' employees, our consumers and our beneficiaries".

For this reason, to fulfill our mission and set ourselves apart from the competition, Sodexo has become the world leader in Quality of Life Services.

This is also why we have chosen three activities:

- On-site Services;
- Benefits and Rewards Services;
- Personal and Home Services.

All of these services help to improve the Quality of Life of our employees, our clients' employees and our consumers.

1.6 CHOOSING TO BECOME GLOBAL

We quickly understood that, like our clients and suppliers, we too had to become global, particularly as France represented only 1% of the world's population.

We have built a global presence in two ways:

- mainly through organic growth, in Belgium, Italy, Spain, the Middle East, Africa, Brazil, Russia, India, China, etc.;
- but also through three major acquisitions completed in the 1990s, in the United Kingdom, Scandinavia and the United States, which represented exceptional, "once in a lifetime" opportunities;

We will not be making any such large acquisitions in the future, because our global network is relatively complete. We will limit ourselves to small acquisitions, mainly to extend our expertise, and will focus on organic growth.

1.7 OUR INDEPENDENCE

Since its creation in 1966, independence has been one of the Group's fundamental principles, as it enables the organization to:

- maintain its values;
- focus on a long-term strategy;
- maintain management continuity;
- ensure its longevity.

Starting with nothing in Marseilles in 1966, Sodexo has become a large international business and a global leader in most of its markets: with 428,000 employees in 80 countries it is the largest private sector French employer in the world and the 18th largest worldwide (in terms of the number of employees).

This ascension was driven by our seven fundamental principles, which we must hold on to unflinchingly and tenaciously.

Rather than list the seven reasons for our exceptional growth, I could have mentioned just one: the sum of our successes has been slightly greater than the sum of our failures. Personally, I have had many failures. I have taken risks and so have my colleagues. This gives them the right to fail. I have learned much more from my failures than from my successes.

PIERRE BELLON
message, continued
Chairman of the Sodexo Board

2. HOW WE CAN RESPOND TO THE CHANGING GLOBAL LANDSCAPE AND PURSUE OUR GROWTH TRAJECTORY?

We have defined five priorities:

2.1 SODEXO'S CORPORATE CULTURE...

... is strong and essential to the Company's development, but I believe **it needs to evolve** in three directions by:

- **looking reality in the face,** *i.e.* each of us should try to see things how things really are at our respective levels;
- **promoting transparency** to instill trust across the organization;
- **inverting the hierarchical pyramid,** by giving more power and responsibility to employees on the front lines and knowing how to listen to them.

2.2 OUR GROWTH POTENTIAL...

... is 50 times greater than our current revenue figures. However, we need to further develop our human resources, as people are the key to transforming this enormous potential into operating income, free cash flow and revenue.

With this in mind, we will focus on:

- succession planning and future management of our leaders;
- reviewing our compensation and performance incentive policies for our managers;
- facilitating the emergence of future internal entrepreneurs, who will increasingly need to be "global citizens".

2.3 THE TRANSFORMATION OF OUR ON-SITE SERVICES ACTIVITY

Currently this activity is mainly organized by geographic region. Our future organization will be clearer, simpler and more easily understandable by our employees, our clients, our consumers, our suppliers and the public authorities. It will be designed to increasingly take into consideration the needs of our clients and consumers. It will gradually evolve into global divisions, segment by segment.

For a Group the size of Sodexo, Michel Landel and I consider that we are not investing enough in Research and Development or Innovation. In addition, I have spoken to Michel and the Board of Directors about my intention to create a Strategy Committee. I am now taking the time to draft recommendations to the Board concerning the Committee's objectives, membership and resources.

2.4 TO IMPROVE OUR COMPETITIVENESS

- We are making headway in the following areas: consumer satisfaction, cost-effective purchasing and menu planning, renegotiation with our clients of under-performing contracts, and reducing operating expenses.
- We have also made major progress on our improvement indicators, which drive growth in operating profit and revenue.

- The bulk of our investments are essentially intangible. The question is how to incorporate them into our decision-making processes. We operate in the services sector, which is inherently low in capital intensity. Our assets are our people. We have therefore decided to create a dedicated working group to make recommendations to us, supported by a multi-disciplinary team representing all of the Group's activities.
- Lastly, paperless solutions and databases are revolutionizing the way companies work and improving their competitiveness. We have to act fast to reap the benefits.

2.5 LASTLY, THE FIFTH PRIORITY IS TO ESTABLISH A GLOBAL BRAND AND A COMMUNICATION STRATEGY

Our goal is to make Sodexo a globally recognized, loved and chosen brand. This will give us a competitive advantage and improve our margins.

But Sodexo is not a product brand, a mass market brand or a luxury brand of clothing, bags or jewelry. The Sodexo brand is the reflection of our history, of who we are today and of what we want to be in the future. It belongs to the Sodexo community, to its clients, its consumers, its shareholders and, above all, its employees.

We've made progress in this area.

- Our managers and their teams understand better than ever the importance of our brand.
- Our logo is now the same everywhere in the world.
- Our visual identity has been simplified and standardized.
- We have chosen uniforms that will be gradually introduced for our employees worldwide.
- The Sodexo positioning, "Quality of Life Services" has been adopted in all activities and countries.

Nevertheless, we still have a lot of work to do to materialize our choice of a single brand.

To conclude

How we can respond to the changing global landscape and pursue our growth trajectory?

People have been talking about the crisis for five years now. In many companies, especially in Europe, we hear them saying that the situation is catastrophic, that we can't do anything except wait for the crisis to end.

This is the prevailing attitude in today's global economy.

But we cannot let ourselves fall into the trap of making excuses.

We have identified plenty of opportunities for Sodexo.

I am therefore very confident in its future.

I would like to say thank you to the clients and consumers who put their trust in us and to the shareholders who guarantee our independence, and thank you and well done to our directors, our managers and all of our employees for everything you have done to make Sodexo a great international business, and also for everything you will continue to do to ensure our future growth.

PIERRE BELLON

Chairman of the Board of Directors of Sodexo

SODEXO'S BOARD OF DIRECTORS AS OF AUGUST 31, 2013

NATHALIE SZABO
Member of the Management Board, Bellon SA

PIERRE BELLON
Chairman of Sodexo Board of Directors

SOPHIE BELLON
Chairman of the Management Board, Bellon SA

FRANÇOIS-XAVIER BELLON
Chief Executive Officer, Bright Yellow Group Plc

ASTRID BELLON
Member of the Management Board, Bellon SA

Sodexo Board of Directors as of August 31, 2013

MICHEL LANDEL
Chief Executive Officer, Sodexo

ROBERT BACONNIER
Vice President of Sodexo Board of Directors

PATRICIA BELLINGER
Executive Director, Executive Education, Harvard Business School

BERNARD BELLON
Member of the Supervisory Board of Bellon SA

FRANÇOISE BROUGHER
Business Lead, Square

PAUL JEANBART
Chief Executive Officer, Rolaco

ALAIN MARCHETEAU
Company Director

PETER THOMPSON
Company Director

Message from
MICHEL LANDEL
Sodexo Chief Executive Officer

1. REINFORCING OUR COMPETITIVENESS

Our competitiveness depends on our ability to accelerate our organic growth as well as the implementation of specific action plans to improve our efficiency at all levels.

1.1 ACCELERATING OUR GROWTH

Since 2005, our revenue has grown by more than 50%, from 11.7 billion euro to 18.4 billion euro as of August 31, 2013, representing average annual growth, excluding currency effects, of 6.1%. Over the same period, our operating profit and net income (excluding currency effects and exceptional items) increased by an average of 8.4% and 10%, respectively. Finally, in terms of cash flow generation, Sodexo has reached an annual average ratio of "cash conversion" (of net income to free cash flow) over the past eight years of approximately 140%.

This very solid and consistent performance is even more significant considering that, over this same period, the global economic environment in which we operate has continued to deteriorate.

While Europe still appears mired in the vicious circle of recession with an outlook for a slow recovery, the U.S. remains weakened by the weight of its debt and so-called «emerging» countries feel the effects of the global slowdown and high inflation.

Despite this tense economic climate, we are confident in our ability to accelerate our organic growth to reach average annual revenue growth of 7%, in the medium term.

We are actively focused on three main areas:

- **continuing to develop our expertise in quality of life services.** We are the only company able to provide a comprehensive offer of more than 100 services: On-site Services, Benefits and Rewards Services and Personal and Home Services.

  Facilities management services now accounts for 27% of consolidated revenues (compared with 18% in Fiscal 2005) and is today one of Sodexo's key growth drivers. These services, especially hard facilities management services, will ultimately contribute to improving our margins by providing ever-increasing value to our clients in all client segments.

  The business successes achieved in Fiscal 2013 confirm the relevance of our offer. Demand for integrated services continues to grow across all client profiles. For example, three quarters of tenders in the Corporate segment in Europe today are for integrated services solutions;

> "In Fiscal 2013, Sodexo once again confirmed the relevance of its development strategy: our financial results were in line with the objectives that we set at the beginning of the year. We maintained our performance without losing focus of our long-term vision, while continuing to build our expertise as an integrator of Quality of Life services. To achieve this, we retained the investments needed to implement our strategy while strengthening our competitiveness and operational efficiency. Today, we are ready for the challenges that lie ahead: strengthening our competitiveness to create the conditions for sustainable growth and prepare Sodexo's future."

- strengthening our presence in "emerging" markets. Our early development in markets with high growth potential, particularly in the so-called "emerging" countries, has made us a leader today in all of the BRIC countries.

  In fact, our activities in emerging countries in Fiscal 2013 represent 21% of total On-site Services (compared with only 10% in 2005) and more than 8 billion euro (compared with 2.1 billion euro in Fiscal 2005) in issue volume for Benefits and Rewards Services.

  The growth rate for Benefits and Rewards Services is particularly strong in South America and Asia, with major business wins such as the contract for the 140,000 South American employees of FEMSA - the world's largest Coca-Cola bottler – as well as the contract for meal cards for the 13,800 Capgemini employees in India;
- strengthening our brand. We know that a strong brand helps accelerate our business development and our attractiveness as an employer. Here, we have also advanced, both in terms of reputation and image: our services are better identified as contributing to improving the quality of life of all those we serve. A recent international study showed an increased preference for our brand when it is associated with our positioning.

1.2 ENHANCING EFFICIENCY TO BUILD FOR THE FUTURE

For several years, our gross margin on sites and our cash flow have been subject to significant pressure, with our clients focused on reducing costs and improving competitiveness.

We have been actively mobilized, and in November 2012 we launched our plan to improve operational efficiency and reduce costs. We are making tough decisions to exit from entities or contracts that are insufficiently profitable. We also have become more stringent in managing our overhead costs. As a result, excluding the cost impact associated with implementing our operational efficiency program, which itself is a sign of progress and adaptation, our administrative overheads have decreased compared to Fiscal 2012.

Today the global competitive environment requires us to go even further in improving our operations and reducing costs. To ensure profitable growth, we must be even more proactive. This is imperative to maintaining our investments, keeping our promise to improve quality of life for our teams and for those we serve, and continuing to contribute to the development of the communities in which we operate.

MICHEL LANDEL
message, continued
Sodexo Chief Executive Officer

For the next two years, we will focus our efforts particularly on:

- the recovery, renegotiation or exit of contracts that have become insufficiently profitable;
- more rigorously monitoring rising food and labor costs and ensuring the associated impacts are passed on to our clients;
- improving the productivity of our sites.

All of these actions will enable us, in a global economic environment that continues to fluctuate, to reach an operating margin in two years of 6%, which is necessary to secure our long-term development.

2. PREPARING SODEXO'S FUTURE

Our teams are mobilized to strengthen our competitiveness, which is essential for our durability and for our future. At the same time, we need to be prepared to respond to the emerging global trends in all fields – political, social, demographic, technological and environmental – and find new ways to grow. In order to build sustainable long-term growth and seize the opportunities that lie before us, we need to capitalize on our strengths and rethink the way we do business.

We have already started what will be a long process, and we did this by building on our core strengths:

2.1. A POSITION AT THE HEART OF SOCIETAL CHANGES

Services are becoming drivers of development for contemporary societies. They are playing an increasingly significant role in economic activity, employment and responding to the needs of individuals.

At Sodexo, we believe that to create lasting value, companies and organizations must place people at the center of their thinking. We consider Quality of Life to be a key and as yet largely unexplored factor in individual and collective performance. In order to continue to improve the performance of collective places such as companies, schools, universities, hospitals or prisons and hospitals, we must now turn our attention to the individuals within them. For Sodexo, improving Quality of Life is our business and our core mission.

2.2 A POWERFUL GLOBAL NETWORK OF SPECIALIZED EXPERTISE

Over the years, Sodexo has structured its expertise around two strengths: an unmatched international professional network and expertise specialized by client segments and sub-segments.

As a result, we have been able to respond to all of the needs of our clients and consumers everywhere and with the same level of precision.

At a time of accelerating globalization of our markets, we are working to strengthen this dual competitive advantage. This is why we will be putting in place in the years ahead a global organization by client segment, to better anticipate and support the evolution of our clients, regardless of their size.

- This new organization will of course benefit our major international clients for whom our integrated services offering plays a transformative role, as is the case today for clients like Unilever and Astra Zeneca.
- It will also benefit local clients by providing them with access to expertise developed around the world in their industry. What we have put in place in the healthcare sector illustrates what we want to implement in all client segments. As the global leader in this sector with more than 4,000 Health Care clients worldwide, Sodexo is already capitalizing on experience and expertise gained in North America and Europe, enabling clients in India and Southeast Asia to receive service levels that meet the highest international standards.

Becoming an increasingly interconnected global company will enable us to go further in efficiency and standardization, and thus improve the competitiveness and quality of the services we deliver.

2.3 A RESPONSIBLE COMMITMENT TO SUSTAINABLE GROWTH

To build our future, we rely on the men and women of Sodexo, who are the main drivers of our performance.

Our success depends on the motivation and commitment of our 428,000 employees and, naturally, on their professionalism. We will continue to invest in their training and the development of their skills: this is a priority for achieving our ambition.

For this reason, we are maintaining our investment in training at a level of approximately 10% of Group operating profit.

Finally, we are focused on fostering the diversity of our teams as we consider this a strategic issue: if we want to meet the diverse needs of more than 75 million consumers in 80 countries, the diversity of our employees must be a natural reflection of the plurality of those we serve.

Our proactive policy in this area is beginning to bear fruit, especially on the issue of gender balance: today, women comprise 38% of Sodexo's Board of Directors and 23% of our executives (compared with 16% in 2008); in Europe, eleven of our country directors are women.

Finally, Sodexo remains faithful to its mission, defined when the Group was created in 1966, **to contribute to the economic, social and environmental development of the countries in which we operate.** I am convinced that today, alongside public policymakers, global businesses can play a key role in all regions of the world in leading by example in how they function.

Sustainable growth is the only growth possible in a world economy that must increasingly consider the well-being of people in the way it operates. The quality of our commitments to local communities, particularly our STOP Hunger program, has once again been recognized through numerous awards, including the ranking in the prestigious Dow Jones Sustainability Indices as Global Sustainability Leader for the ninth year row.

MICHEL LANDEL
message, continued
Sodexo Chief Executive Officer

2.4 AT THE BEGINNING OF THIS NEW FISCAL YEAR, I AM CONFIDENT IN SODEXO'S FUTURE

We have a clear strategy that allows us to create value for our clients and to differentiate ourselves from our competitors by continuously capitalizing on our expertise in our three activities.

We benefit from a number of strengths.

In a market with considerable potential, our unique range of Quality of Life services responds to the expectations of our clients and our consumers; our global network is unmatched; we are the undisputed leader in emerging countries; and our teams are engaged and united through a strong culture.

We remain faithful to our mission and, in a global economic growth model that is destined to evolve, Sodexo will more than ever play a role in the development of the communities in which it operates.

Finally, our financial model and our independence allow us to make long-term investments as we build our future.

I want to thank our clients for their loyalty and our shareholders for their confidence.

Finally, I want to warmly acknowledge all of our employees whose commitment has led to our good performance during Fiscal 2013 and who, every day, demonstrate their commitment to improving the quality of life of the women and men they serve.

MICHEL LANDEL
Sodexo Chief Executive Officer

SODEXO'S EXECUTIVE COMMITTEE
as of September 1, 2013

MICHEL LANDEL
Chief Executive Officer and member of the Board of Directors of Sodexo; President of Executive Committee

ELISABETH CARPENTIER
Group Executive Vice President and Chief Human Resources Officer

GEORGE CHAVEL
Chief Executive Officer, North America, On-site Services

PIERRE HENRY
Chief Executive Officer Europe, On-site Services; President, Benefits and Rewards Services, and President Personal and Home Services

SIÂN HERBERT-JONES
Group Executive Vice President and Chief Financial Officer

NICOLAS JAPY
Chief Executive Officer, Remote Sites; Chief Executive Officer Asia/Australia, In charge of Defense, On-site Services

DAMIEN VERDIER
Group Executive Vice President responsible for Client Retention, Consumer satisfaction, Offer Marketing, Supply Chain and Sustainable Development

1.2 Our History

Pierre Bellon founds Sodexho, a company specializing in providing foodservices to institutions, businesses, schools and hospitals, in Marseilles (France).	1966	
	1967	CNES, in French Guiana, awards Sodexho a contract in the "multiservices" market, signaling its entry into the remote site management business.
International expansion starts with Belgium, Italy and Spain, with developments in Africa and the Middle East. A new business – Service Vouchers – is launched in Belgium.	1971-1978	
	1983	Initial public offering of Sodexho shares on the Paris Bourse.
Sodexho establishes operations in North and South America, Japan, Russia and South Africa, and reinforces its presence in Continental Europe.	1985-1993	
	1995	Acquisitions of Gardner Merchant in the United Kingdom and Partena in Sweden, the then leaders in foodservices in their respective countries.
The Service Vouchers and Cards business expands into Brazil with the acquisition of Cardàpio.	1996	
	1997	The holding company changes its name to Sodexho Alliance.
The merger of the foodservices operations of Marriott International and Sodexho and the formation in the U.S. of Sodexho Marriott Services, 48.4% owned by Sodexho, which becomes North American market and global leader in Food and facilities management services. Sodexho Marriott Services will become Sodexho, Inc., a wholly-owned subsidiary of the Group, in 2001.	1998	
	2000	Following the integration of Universal, Sodexho becomes the world leader in remote site management.
Sogeres (France) and Wood Dining Services (U.S.) join the Group.	2001	
	2003	Succeeding Albert George, Jean-Michel Dhenain and Michel Landel are appointed Chief Operating Officers.

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The succession plan for Pierre Bellon is put into place. In September, the Board of Directors announces that effective September 1, 2005, the roles of Chairman of the Board and Chief Executive Officer will be separated.	2004	
	2005	Michel Landel becomes Chief Executive Officer of Sodexho Alliance, succeeding Pierre Bellon, who retains his role as Chairman of the Board of Directors.
Sodexho Alliance becomes Sodexo. Corporate headquarters is transferred to Issy-les-Moulineaux. Acquisition of VR's Service Vouchers and Cards activity making Sodexho the co-leader of this market in Brazil, the world's largest. Sodexo makes several further acquisitions in several markets, including Zehnacker, which doubles Sodexo's size in Germany, making it the leader in the Health Care segment.	2008	
	2009	Acquisition of Radhakrishna Hospitality Services Group (RKHS), the leading provider of On-site Services in India, tripling Sodexo's size in this market with vast potential. In North America, following the acquisition of Circles, a concierge services business, the acquisition of Comfort Keepers, specialized in non-medical services for seniors, contributes to the development of the Group's third activity: Personal and Home Services.
Sodexo becomes No. 1 in On-site Services in Brazil, following the acquisition of Puras do Brasil. The acquisition of Lenôtre, one of the greatest names in French cuisine, strengthens Sodexo's *savoir faire* in luxury gastronomy in Paris and worldwide. Acquisition of Roth Bros, a U.S.-based company specialized in technical maintenance services.	2011	
	2012 and 2013	Sodexo continues to strengthen its multi-technical services expertise, a major growth driver, with the ongoing deployment of an organization of dedicated specialists, establishment of a global technical expertise platform and targeted acquisitions: Roth Bros in the United States, MacLellan in India, and the facilities management activities of Atkins in the UK.

Source: Sodexo.

1.3 Our Group and Our Quality of Life Services

1.3.1 PROFILE

1.3.1.1 SODEXO IN BRIEF

GROUP KEY FIGURES

- 18.4 billion euro in consolidated revenues
- 427,921 employees
- 33,279 sites
- 75 million consumers served daily
- 80 countries

Source: Sodexo.

Quality of Life in the service of performance

Quality of Life, recognized today as a factor in individual well-being and societal progress, is a pre-requisite for improving the performance of companies and organizations.

It's why we have developed our expertise in this area for over 45 years, supported by nearly **428,000 people** in **80 countries.** Through the diversity of Sodexo's talent, we are able to offer a comprehensive array of Quality of Life Services, based on more than 100 different professions.

Sodexo is the world's only company offering **On-site Services, Benefits and Rewards Services** and **Personal and Home Services,** which contribute to the performance of its clients, the fulfillment of its teams and the economic, social and environmental development of its host communities.

Our growth potential is considerable

Sodexo's market potential is estimated at more than 820 billion euro, approximately 50 times its current revenues.

- **On-site Services:** A market estimated at more than 650 billion euro
- **Benefits and Rewards Services:** A market estimated at more than 170 billion euro in issue volume

Sodexo estimate.

Note: Market estimates are likely to evolve over time, given the growing reliability of information sources in various countries.

Focus on...

SODEXO AND OECD JOIN FORCES TO INCREASE UNDERSTANDING AND PROMOTE QUALITY OF LIFE WORLDWIDE

Underlining the importance of Quality of Life to societal progress, Sodexo and the Organisation for Economic Co-operation and Development (OECD) have entered into an unprecedented partnership to foster information exchange on the subject between the private sector, NGO's, academics and the public sector.

The ambitious three-year agreement will enable the two partners to exchange based on their distinct but complementary experiences. The OECD has developed a macro-economic vision on Quality of Life through its work with governments, business and labor that it has translated into a unique international indicator, the Better Life Index. Sodexo's highly granular, micro-economic perspective has been developed through the daily services it delivers to 75 million people worldwide.

Commenting on the agreement, OECD Secretary General Angel Gurria said: *"This partnership is founded on our shared interest in well-being and Quality of Life. Sodexo's support is most valuable in this endeavor."*

Sodexo also participated in OECD's Forum 2013 in May with CEO Michel Landel speaking during the plenary session and a number of Sodexo's senior leaders and experts contributing to Forum discussions and debates.

Awards

SODEXO ONE OF FORTUNE'S MOST ADMIRED COMPANIES

FORTUNE magazine again included Sodexo on its prestigious listing of the world's "Most Admired Companies" in 2013. In addition, Sodexo was ranked as the most admired company overall in its industry category, "Diversified Outsourcing Services", as well as being rated number one in innovation, social responsibility, financial soundness, long-term investment and global competitiveness.

The rankings are derived from evaluations of approximately 700 companies in 30 countries conducted with 4,000 business executives, directors and analysts based on nine criteria. Sodexo's strong showing in the key reputation categories reflects its social model and the values that unite its 428,000 employees around the world.

SODEXO, SUSTAINABLE DEVELOPMENT LEADER FOR ITS INDUSTRY

Sodexo's commitment to social, environmental and economic responsibility earns major recognitions in 2013:

- a member of the DJSI World and DJSI STOXX indexes since 2005, Sodexo was named **"global leader for its industry"** by the **Dow Jones Sustainability Indices (DJSI)**[1] for the ninth consecutive year;
- at the 2013 World Economic Forum in Davos, Sodexo received three prestigious awards: **"Sector Leader"**, **"Gold Class"** and **"Sector Mover"**, from **RobecoSAM**, an asset management company specializing in sustainable investment. RobecoSAM's "Sustainability Yearbook" is considered the world's leading publication for corporate social responsibility.

(1) *Dow Jones Sustainability Indices (DJSI)*
Launched in 1999, the Dow Jones Sustainability Indexes are the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide. Compiled by Dow Jones Indexes and SAM, these indexes provide asset managers with sustainability benchmarks.

On-site Services

KEY FIGURES

- 96% of Group revenues
- 413,000 employees*
- 17.6 billion euro in consolidated revenues

Source: Sodexo.

* *Including Personal and Home Services.*

Sodexo deploys its On-site Services in a wide array of workplace environments and living spaces.

In businesses, hospitals, schools and universities, prisons and major work sites located in extreme environments, our teams ensure the well-being of individuals, optimize work processes and ensure the proper and safe operation of facilities.

Sodexo-delivered services contribute to progress in eight client segments:

- Corporate;
- Remote Sites;
- Defense;
- Justice Services;
- Sports and Leisure;
- Health Care;
- Seniors;
- Education.

LEADER IN ON-SITE SERVICES IN MOST OF ITS MARKETS

Source: Sodexo.

Benefits and Rewards Services

KEY FIGURES

- 16 billion euro in issue volume
- 4% of Group revenues
- 790 million euro in consolidated revenues
- 4,058 employees
- 420,000 clients (excluding individuals)
- 31.9 million beneficiaries
- 1.2 million affiliated partners

Source: Sodexo.

Sodexo designs, manages and delivers nearly 250 Benefits and Rewards Services adapted to the strategic objectives of **each company and organization.**

These solutions help improve the Quality of Life of individuals by:

- promoting a satisfying **work-life balance;**
- encouraging them **to maintain their health;**
- making them **feel truly valued**; and
- enhancing their **standard of living.**

These Quality of Life solutions provide companies with customized, innovative and effective responses to their primary human resources and performance challenges.

Combining **economic performance** and **sustained improvement in Quality of Life,** Sodexo's offer is focused around on three service categories to help clients:

- **recruit and retain talented individuals and increase their motivation.** Employee Benefits responds to the issues of company compensation policies, helping clients enhance their attractiveness;
- **mobilize teams around quantitative or qualitative objectives.** With Sodexo's Incentive and Recognition programs, companies have access to customized tools to boost sales, engage their partner networks and promote good plant safety practices;
- **ensure and enhance the distribution and delivery of Public Benefits.** Sodexo-designed solutions are simple, transparent and effective in facilitating the work of governments and local authorities, helping them to optimize budgets and achieve their social policy, cultural or educational goals.

Transport, foodservices, gifts, training... more than one million merchants and service providers worldwide accept Sodexo Pass.

A WORLDWIDE LEADER IN BENEFITS AND REWARDS SERVICES

Source: Sodexo.

Personal and Home Services

Sodexo designs and deploys Personal and Home Services that improve **Quality of Life** in three main areas:

- childcare:

  Sodexo designs, builds and manages childcare centers for local authorities and companies, providing attentive care and education and helping parents balance family and work life;
- concierge services:

  Sodexo helps to increase employee loyalty toward its clients by taking on the private to-do lists of their customers and employees – from restaurant reservations and ticketing to in-home services, vacations and dry cleaning;
- Home Care:

  Home Care services support seniors' independence and quality of life in offering customized services to facilitate daily life, such as mobility assistance, help with errands, preparation of balanced meals and medication reminders, personal care, and much more.

Through these services, Sodexo contributes to improving Quality of Life for children, adults and seniors.

1.3.1.2 FINANCIAL PERFORMANCE AND KEY FIGURES

Consolidated revenues

CONSOLIDATED REVENUES

	(in millions of euro)
Fiscal 2009	14,681
Fiscal 2010	15,256
Fiscal 2011	16,047
Fiscal 2012	18,236
Fiscal 2013	**18,397**

Sodexo's consolidated revenues for Fiscal 2013 totaled 18.4 billion euro, an increase of 0.9%. Organic growth was 1.1% or 2.9% excluding the impacts of the Rugby World Cup, the Olympic Games and the 53rd week of activity in North America.

Organic growth for the On-site Services activity of 2.6% excluding the special events mentioned above resulted from increased demand for integrated Quality of Life service offers in all geographic regions and by Sodexo's leadership in emerging countries, offsetting lower foodservices volumes, notably in Europe. **Organic growth for Benefits and Rewards Services of 8.3%** reflects continued dynamism in Latin America.

REVENUES BY ACTIVITY AND CLIENT SEGMENT (FISCAL 2013)

On-site Services	96%
• Corporate	32%
• Remote Sites	10%
• Defense	4%
• Justice Services	2%
• Sports and Leisure	3%
• Health Care	18%
• Seniors	6%
• Education	21%
Benefits and Rewards Services	4%

For On-site Services by client segment, organic growth (excluding the impacts of the 53rd week of activity in North America, the Olympic Games and the Rugby World Cup) was as follows:

- +4.1% in **Corporate**, reflecting solid sales development in emerging countries as well as the success of integrated offers in North America and Europe;
- +0.8% in **Health Care and Seniors,** reflecting modest business development (new contract wins) in the prior fiscal year;
- +1.2% in **Education**, resulting from excellent client retention in North America but also a slowdown in Europe.

Organic growth for **Benefits and Rewards Services** was +8.3%, similar to Fiscal 2012, reflecting in particular continued dynamism in Latin America.

FACILITIES MANAGEMENT SERVICES' SHARE OF REVENUES

Fiscal 2009	23%
Fiscal 2010	24%
Fiscal 2011	25%
Fiscal 2012	26%
Fiscal 2013	**27%**

Facilities management services now represent 27% of consolidated revenues, compared with 18% in Fiscal 2005. Similar to the two prior fiscal years, these services continue to grow at a higher rate than foodservice, yet again confirming the relevance of the Group's positioning.

REVENUES AND ISSUE VOLUME, BENEFITS AND REWARDS SERVICES (FISCAL 2013)

	Revenues	Issue volume
Latin America	57%	51%
Europe and Asia	43%	49%

CONSOLIDATED REVENUES BY REGION (FISCAL 2013)

North America	38%
Continental Europe	34%
Rest of the World	21%
United Kingdom and Ireland	7%

Sodexo benefits from a global network which today covers 80 countries, with leadership in emerging countries with strong growth potential. Revenues in **Latin America, Asia, Australia, Africa,** the **Middle East** and in **Remote Sites** (together, Rest of the World) represented 21% of On-site Services revenues in Fiscal 2012 compared to only 10% in Fiscal 2005.

Employees

NUMBER OF EMPLOYEES AS OF THE END OF FISCAL

2009	379,749
2010	379,137
2011	391,148
2012	421,391
2013	**427,921**

EMPLOYEES BY REGION (FISCAL 2013)

North America	31%	132,611 employees
Continental Europe	24%	102,236 employees
Rest of the World	37%	158,002 employees
United Kingdom and Ireland	8%	35,072 employees

EMPLOYEES BY ACTIVITY AND CLIENT SEGMENT (FISCAL 2013)

On-site Services	97%
• Corporate	40%
• Remote Sites	10%
• Defense	3%
• Justice Services	1%
• Sports and Leisure	3%
• Health Care	15%
• Seniors	3%
• Education	22%
Benefits and Rewards Services	1%
Personal and Home Services	0.5%
Group headquarters and shared structures of activities	1.5%

Sites

NUMBER OF SITES AS OF AUGUST 31

2009	33,884
2010	33,543
2011	33,400
2012	34,343
2013	**33,279**

Sites by client segment as of August 31, 2013 were as follows:

• Corporate	51%
• Remote Sites	5%
• Defense	3%
• Justice Services	1%
• Sports and Leisure	2%
• Health Care	12%
• Seniors	9%
• Education	17%

Results and Ratios

OPERATING PROFIT*

	(in millions of euro)
Fiscal 2009	746
Fiscal 2010	771
Fiscal 2011	853
Fiscal 2012*	958
Fiscal 2013*	**953**

* *Excluding exceptional items resulting from the program to improve operational efficiency in Fiscal 2013 and the favorable accounting adjustment related to the pension plan in the United Kingdom in Fiscal 2012.*

At 953 million euro, operating profit increased by 1.7% excluding currency effects, compared to the prior year, and decreased slightly, by 0.5%, at current exchange rates.

Operating profit reflects the following:

- excellent progress of over 13% in the Benefits and Rewards Services activity and an increase of nearly 7% in On-Site Services – North America;
- a decline in On-site Services – Continental Europe and Rest of the World –, resulting from lower foodservices volumes and increasing pressure from clients seeking cost reductions, as well as inflationary pressures in emerging countries.

GROUP NET INCOME

	(in millions of euro)
Fiscal 2009	393
Fiscal 2010	409
Fiscal 2011	451
Fiscal 2012	525
Fiscal 2013*	**530**
Fiscal 2013 (reported)	**439**

* *Excluding exceptional items related to the program to improve operational is efficiency in Fiscal 2013, net of taxes.*

The change in reported Group net income was significantly affected by the following:

- costs of 91 million euro net of tax, related to the implementation of the program to improve operational efficiency and reduce costs, for which the return on investment will not be seen for two or three years to come;
- The favorable adjustment in Fiscal 2012 related to retirement plans in the United Kingdom resulting in a higher comparison base in the prior year.

These two elements overshadowed the true progress and performance of Sodexo's teams in Fiscal 2013. Excluding these two elements, Group net income increased by around 5% in Fiscal 2013.

DIVIDENDS PAID

	(in millions of euro)
Fiscal 2009	197
Fiscal 2010	208
Fiscal 2011	221
Fiscal 2012	240
Fiscal 2013	**254***

* *Subject to approval at the Annual Shareholders' Meeting of January 21, 2014.*

Sodexo's Board of Directors will propose a dividend of 1.62 euro per share, an increase of nearly 2% from the prior year, at the January 21, 2014 Shareholders' Meeting.

In addition, and for the first time this year, shares held in registered form for more than four years will qualify for a 10% dividend premium (rounded down to the nearest cent), provided that they do not represent over 0.5% of the capital per shareholder.

CASH CONVERSION RATIO OF NET INCOME TO FREE CASH FLOW*

Fiscal 2009	114%
Fiscal 2010	184%
Fiscal 2011	146%
Fiscal 2012	130%
Fiscal 2013	**120%**

* *Cash flow conversion: free cash flow / Group net income*

Over the past eight years Sodexo has achieved an average cash conversion ratio of its net income to free cash flow of 140%.

NET DEBT AS A PERCENTAGE OF SHAREHOLDERS' EQUITY*

(including non-controlling interests)

Fiscal 2009	38%
Fiscal 2010	24%
Fiscal 2011	15%
Fiscal 2012	21%
Fiscal 2013	**16%**

* *Debt net of cash and financial assets related to Benefits and Rewards Services activity, less bank overdrafts.*

During Fiscal 2013, the Group reduced its net debt by 161 million euro.

As of August 31, 2013, Sodexo's ratings from Standard & Poors were BBB+ for its long-term corporate credit rating.

RETURN ON CAPITAL EMPLOYED (ROCE)*

Fiscal 2009	15%
Fiscal 2010	15%
Fiscal 2011	18%
Fiscal 2012	17%
Fiscal 2013	**15%**

$$\frac{\text{* Operating income after tax.}}{\text{Total of tangible and intangible assets plus goodwill plus client investments plus working capital, as of the end of the year.}}$$

1.3.1.3 SODEXO SHARES

EARNINGS PER SHARE *(IN EURO)*

Fiscal 2009	2.54
Fiscal 2010	2.64
Fiscal 2011	2.95
Fiscal 2012	3.48
Fiscal 2013	**2.91**

DIVIDEND PER SHARE *(IN EURO)*

Fiscal 2009	1.27
Fiscal 2010	1.35
Fiscal 2011	1.46
Fiscal 2012	1.59
Fiscal 2013	**1.62***

* *To be proposed at the January 21, 2014 Shareholders' Meeting.*
In addition, and for the first time this year, shares held in registered form for more than four years will qualify for a 10% dividend premium (rounded down to the nearest cent), provided that they do not represent over 0.5% of the capital per shareholder.

1.3.2 OUR QUALITY OF LIFE SERVICES

SODEXO IS THE WORLD'S LEADING QUALITY OF LIFE SERVICES COMPANY

Sodexo's mission, since its founding in 1966, has been improving the Quality of Life of its own employees, its clients' employees, as well as students, patients, seniors, workers at remote on- and off-shore work sites, soldiers in garrisons or on peacekeeping missions and prisoners.

To fulfill its mission, Sodexo has chosen three activities:

- On-site Services;
- Benefits and Rewards Services;
- Personal and Home Services.

SYNERGIES BETWEEN OUR THREE ACTIVITIES

Important synergies exist between Sodexo's three activities:

Business synergies

Commercial relationships created by one of the three activities generate business development opportunities for the other two, such as:

- On-site Services clients may also need restaurant vouchers for employees who are geographically dispersed; conversely, Benefits and Rewards Services clients may seek On-site Services;
- Benefits and Rewards Services and On-site Services clients may need Personal and Home Services such as concierge services, a childcare center or assistance for elderly individuals.

Brand visibility synergies

The Benefits and Rewards Services activity includes a large number of affiliates. The presence of the Sodexo brand at their points of sale contributes to building global brand awareness in countries where the Group operates, helping promote medium term development.

Organizational and cost synergies

The teams of Sodexo's different activities are able to share the same infrastructure (support functions, facilities, etc.), saving on overheads. In addition, the multiple career gateways that exist between the Group's three activities offer significant opportunities for employees.

These examples illustrate how the choice of these three activities helps Sodexo **accelerate its organic growth**.

EIGHT LONG-TERM TRENDS CONTRIBUTE TO THE DEVELOPMENT OF SODEXO'S THREE ACTIVITIES:

- **demographic change** (population growth, life expectancy);
- **a global economy** in which capital, information, talents and trade are continuously interconnected;
- **rapid urbanization** and the development of megacities;
- **the transfer of economic power to new countries** with the development of emerging markets (including the BRIC countries, Mexico and Turkey) and a rising middle class;
- **increased public deficits** that create additional pressures to find savings through outsourcing;
- **environmental issues** including natural resource depletion leading to high inflation in the cost of raw materials and the search for new renewable resources;
- **the growing influence of consumers** seeking well-being, quality of life, improved health and personalized service;
- **development of new information and communication technologies**.

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Focus on...

DELIVERING GLOBAL SUPPORT THROUGH EXPANDED PARTNERSHIP: SODEXO BECOMES NOKIA'S SOLE ON-SITE SERVICES PROVIDER

Nokia has chosen Sodexo as its single global supplier to provide an integrated range of facilities management services across Nokia's worldwide office portfolio. The agreement, spanning 55 countries and 140 sites, will ultimately integrate all 290 locations in 66 countries of the world leader in mobile communications and online mapping solutions.

The contract includes a complete offer of innovative services – ranging from technical maintenance and energy management to foodservices, concierge and wellness services – that improve Quality of Life for Nokia employees while enabling Nokia to focus on its core business.

As the sole global supplier, Sodexo helped simplify current processes, increase visibility and measurement of performance at Nokia sites worldwide and ensured the needed flexibility to respond to Nokia's evolving needs.

In addition to its facilities management expertise, Sodexo also provides Benefits and Rewards Services to Nokia teams in 15 countries. Nokia says that Sodexo's combined Quality of Life Services offer contributes to employee well-being and engagement, helping to make Nokia an employer of choice in its industry.

"Through its Quality of Life Services, Sodexo is helping us implement our strategy of enabling our employees to excel by providing workplaces and services that allow them to achieve maximum success," said Nokia Security & WR Head of Strategic Partnerships, Riku Pentikainen.

1.3.2.1 OUR ON-SITE SERVICES

KEY FIGURES

- 96% of Group revenues
- 17.6 billion euro in consolidated revenues
- 413,000 employees*

Source: Sodexo.

* *Including Personal and Home Services.*

From construction management to reception, from medical equipment sterilization to housekeeping, from technical maintenance to leisure cruises, from foodservices to prisoner rehabilitation… **Sodexo delivers a wide array of services to improve Quality of Life and improve organizational performance** across eight client segments:

- Corporate;
- Remote Sites;
- Defense;
- Justice Services;
- Sports and Leisure;
- Health Care;
- Seniors;
- Education.

Whether improving workplace productivity, reinforcing a hospital's reputation, promoting student fulfillment, furthering prisoner rehabilitation or ensuring safety and comfort on a remote site… Sodexo contributes through its mission: Improve the Quality of Life.

Focus on...

REINFORCING SODEXO'S TECHNICAL EXPERTISE

A major growth driver, reinforced through:

- a dedicated organization of specialists

  Demand for facilities management services continues to grow two to three times the rate of foodservices. With technical maintenance activities delivered by 18,000 employees in 57 countries, Sodexo also has become a leader in technical facilities management services.

  To respond to consumer expectations, meet client needs and increase its competitiveness in a rapidly changing marketplace, Sodexo continues to recruit technical specialists and share best practices through its centralized Worldwide Technical Expertise Platform (WTEP). At the heart of this platform, the Asset Management Framework contains all core processes, tools and technical maintenance standards needed to develop and deploy overall management systems for infrastructure and equipment. The new facilities management framework will serve as the benchmark for all future contracts. Sodexo also is seeking to become the world's first facilities management services supplier to offer ISO[(1)] 55000 service levels on a global scale.

  To support its continuous improvement process, Sodexo has developed and deployed tools including:

  - a new single health and safety management system,
  - Maximo, a worldwide computerized maintenance management system to ensure delivery of consistent levels of service to clients across the world;

- targeted acquisitions

  Following recent acquisitions of technical services specialist Roth Bros in the U.S. and Atkins' facilities management subsidiary in the UK, Sodexo further reinforced its expertise with the acquisition of **MacLellan in India,** a leader in technical facilities management, with a nationwide presence and expertise in HVAC services, energy management, maintenance and building management services.

(1) ISO
ISO (International Organization for Standardization) is the world's largest developer of voluntary International Standards. International Standards give state of the art specifications for products, services and good practice, helping to make industry more efficient and effective. These standards include ISO 9001 (quality management), ISO 14001 (environmental management), ISO 22000 (food safety management) and ISO 55000 (asset management).

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CORPORATE

KEY FIGURES

- **5,867** million euro in revenues
- **32%** of Group revenues
- **172,617** employees
- **17,154** sites

Source: Sodexo.

Our offer

QUALITY OF LIFE FOR BETTER PERFORMING ORGANIZATIONS

Faced with the unprecedented pace of competition, innovation and globalization, corporations are seeking solid partners to improve their employees' **quality of life** and **productivity**.

In essential areas such as **employee motivation, process efficiency** and **equipment reliability,** Sodexo provides innovative and integrated services to clients, meeting industry-specific challenges in offices, R&D laboratories, manufacturing sites and industrial zones. Through its strong presence in emerging countries, Sodexo supports its international clients while providing services to an increasing number of local companies.

Market trends and growth potential

MARKET TRENDS

Beyond the long-term trends that promote the development of all Sodexo activities, several other specific factors affect the Corporate segment.

In a rapidly changing socio-economic context and a market still beset by uncertainty, clients are seeking **efficiency, simplification, flexibility, cost reduction and risk mitigation** to reinforce their ability to compete:

- new approaches such as working at home or remotely, made possible by new technologies, are leading to alternative workplace strategies for promoting productivity, flexibility and work-life balance;
- economic momentum in developing markets such as China, India, Brazil, Turkey and Mexico is accelerating competition for talent, driving higher demand for integrated services that contribute to the engagement and well-being of client employees;
- clients and governments are seeking socially-responsible outsourcing partners with demonstrated efficiency based on best practices, expertise in integrating business services and a capacity for ongoing innovation;
- international companies are seeking a single global partner able to meet their needs and capable of adapting to local contexts and cultures;
- the increasingly sophisticated expectations of clients and their global procurement strategies demand tailored solutions adapted to the client's specific organization, site portfolio and scale.

Source: Sodexo.

GROWTH POTENTIAL

More than 250 billion euro
in estimated total market value,
with an outsourcing rate around 55% (among the highest rates: the United Kingdom and Italy, above 70%; among the lowest rates: China, around 35%).

Sodexo estimate.

Supporting our client, the International Monetary Fund in Washington

BROAD ARRAY OF SERVICES TO MEET A WORLD OF NEEDS

To support its mission of fostering global monetary cooperation and sustainable economic growth, the International Monetary Fund expanded its relationship with Sodexo through a seven-year contract for a broad array of Quality of Life Services. The challenge: create an environment responsive to the needs of a diverse, multi-cultural population.

Our client's needs

With representation of 188 member countries from around the globe, IMF's headquarters in Washington, D.C., plays host to a diverse population of country delegations, visitors and staff. The IMF needed a partner organization capable of responding to the highly varied cultures of its 4,000-member community and managing nearly three million square feet of high-end headquarters office space in two buildings. To manage the increasing expectations for quality of life services, the IMF placed its confidence in the experience of Sodexo, which had already demonstrated its shared commitment of its client's values of diversity, innovation and sustainability through two years as foodservices provider.

Sodexo's response

To respond to the diverse needs of IMF employees and country delegations and reinforce the organization's efficiency, Sodexo proposed a comprehensive offer of integrated and sustainable Quality of Life Services.

Sodexo teams implemented its integrated facilities management offer, an array of online and On-site Services designed to improve workplace quality of life.

Sodexo also implemented technical services for the IMF's two headquarters buildings, including technical systems, building appearance care, tenant services, move management, construction, energy management and call center services. Sodexo also plays an integral role in the implementation of IMF's environmental initiatives.

In offering today a range of services adapted to multiple cultures, IMF's headquarters reflects even more the organization's global character.

Focus on...

FRANCE – BREATHING LIFE INTO A "VERTICAL CAMPUS"

An innovative architectural renovation melds ecological responsibility with Quality of Life to deliver a stimulating work environment and helps lead the revival of a Paris business district.

To respond to the needs of future occupants of the 80,000-m^2 EQHO tower, property management company Icade turned to Sodexo for its expertise in foodservices, maintenance and energy management. The mission: create a welcoming, friendly and environmentally sustainable "vertical campus", combining well-being, comfort and efficiency.

Sodexo responded with an integrated Quality of Life Services offer focused on people to create a vibrant ecosystem for the tower. Creativity, friendliness, engagement and dynamism are the characteristics of the array of integrated and scalable services emphasized by Sodexo, which participated in the 40-story building's design prior to its public opening. The objective? Optimize the use of common areas, maximize the effectiveness of facilities and services and ensure the performance and energy efficiency of equipment. Sodexo teams also integrated environmental HQE(1) and BREEAM certifications into their management system.

For the 5,600 people who will eventually be part of this community, the offer provides a friendly environment for exchange and sharing similar in spirit to that found on "horizontal" campuses managed by Sodexo. Numerous brightly illuminated, welcoming foodservices spaces, including self-service cafeterias, quick snack facilities and a top-floor restaurant promote networking and informal meetings, encouraging teamwork. Consumers in the dining areas will be treated to a diversity of imaginative dishes prepared by chefs using local, organic

(1) *HQE (Haute Qualité Environnementale or High Quality Environmental standard)*
A French green building standard, based on the principles of sustainable development to limit short and long term environmental impacts from building construction and rehabilitation, while ensuring comfortable and healthy conditions for occupants.

and sustainably sourced ingredients. A business center responds to efficiency requirements and encourages networking with its 350-seat auditorium and high tech collaborative tools. A fitness and relaxation center, concierge services, a luggage room... a wide range of *à la carte* services enabling "free spirit" working in comfortable workspaces and with a better work-life balance.

Highlights

INTERNATIONAL

"Quality of life per square foot"

Sodexo continued to work closely on facilities management issues with **CoreNet Global,** an association for corporate real estate and workplace professionals, service providers and economic developers, with over 7,000 members. A Sodexo-developed position that companies should measure "quality of life per square foot" was adopted as part of a new position statement by CoreNet Global advocating the quality of working environments and work experiences as a socially responsible corporate practice.

Sodexo employee honored as chef of the year

Darren Thompson, one of Sodexo's executive chefs who serves major international clients in the UK and the U.S., won the prestigious Contract Catering Chef award from the British **Craft Guild of Chefs** at the Group's annual event dedicated to the recognition of chefs from around the world who demonstrate excellence at the highest level from across all foodservices sectors. Now in its 20th year, the Guild's awards have become the chefs' "Oscars", recognizing the leading talent working in kitchens across the industry.

Meeting pharmaceutical industry standards

To further reinforce its global **Quality Management System** (QMS)[1] within the organization, Sodexo is implementing an IT solution for Quality Management, validated to operate in highly regulated environments. QMS ensures that Company services meet the most rigorous regulatory standards of the pharmaceutical industry, contributing to client quality and safety goals and enabling clients to focus on their core business. Centered on core regulated services such as Good Manufacturing Practice (GMP)[2] cleaning, distribution/logistics, laboratory services and technical facilities management, Sodexo's global pharmaceutical QMS has been certified as meeting ISO 9001 for a second year.

BRAZIL – GOLD MEDAL SUPPLIER

For the second consecutive year, Sodexo received "Gold Supplier" recognition from **Boticário Group** as part of its Evaluation and Supplier Development Program. Founded in 1977, O Boticário is one of the most recognized brands in Brazil's cosmetics market and has been a Sodexo client for 14 years.

CHINA – CUSTOMIZED PHARMACEUTICAL LABORATORY SERVICES

Sodexo is expanding the **laboratory services** it provides to major pharmaceutical clients, delivering comprehensive support for research and development laboratories and testing facilities. Alongside general laboratory services, including lab cleaning, waste management and equipment operation, the broadened service scope extends further into areas such as media preparation, laboratory logistics and storage management, and lab instrument management and maintenance activities.

FRANCE – BUILDINGS GOOD FOR OCCUPANTS, CLIENTS... AND THE PLANET

Sodexo continued to strengthen the support it provides clients by obtaining **BREEAM In-Use certification,** the world's leading building environmental performance indicator. The qualification underlines Sodexo's capabilities to ensure quality, comfortable and efficiently operated buildings that also increase the perceived value of the property asset on real estate sale and rental markets.

(1) *Quality Management System (QMS)*
A set of guidelines to support implementation of required policy and quality objectives to control and improve various organizational processes to achieve continuous improvement in results and performance.

(2) *Good Manufacturing Practice (GMP)*
Established by countries or bodies such as the European Commission in the development of quality procedures, GMP applies to the manufacture of medicinal products for human or veterinary use.

The new offer adds to Sodexo's existing expertise in **HQE buildings,** which helps reinforce sustainable operating practices and energy efficiency while improving health and quality of life for occupants. Of 145 HQE-certified buildings in France, Sodexo has helped with the certification for 28 of them[1].

ITALY – STRENGTHENING TECHNICAL SERVICES EXPERTISE

In 2012, Sodexo strengthened its facilities management offer in Italy. Key areas of expertise include heating and air-conditioning maintenance, fire prevention, gas leak detection, hydraulic and industrial electrical systems, diagnostic equipment installation, energy management and renewable energy.

PERU – OCCUPATIONAL SAFETY COMMITMENT AGAIN RECOGNIZED

For the third consecutive year, Sodexo was recognized for its commitment to occupational health and safety by **Pacífico Seguros**, which highlighted Sodexo's efforts to establish a culture of workplace safety and positively affect worker well-being and engagement.

UNITED KINGDOM – EXCELLENCE IN SAFETY STANDARDS FOR INTEGRATED SERVICES

Sodexo's integrated facilities management services received a gold-level safety award from the **Royal Society for the Prevention of Accidents (RoSPA)**[2] in recognition of the Company's on-going commitment improving health and safety standards across its contracts with all clients. Based on 10 key performance questions, from management leadership to employee preparation and training, the award expands on the existing award for technical services that Sodexo has held since 2011 to also encompass cleaning, foodservices, horticultural services and food safety.

UNITED STATES – U.S. POSTAL SERVICE RECOGNIZES SODEXO WITH SUPPLIER INNOVATION AWARD

Just one year after winning the contract to serve as the national roof asset management supplier the U.S. Postal Service, **Sodexo's Roth Bros** received a Supplier Innovation Award from its client at a ceremony in Washington, D.C. Roth Bros, was singled out as one of only 10 companies among more than 20,000 suppliers to the Postal Service, which called them "several of the U.S. nation's most outstanding companies who happen to be superior suppliers and partners." Under the contract, Roth Bros provides maintenance services for the U.S. Postal Service's 6,150 locations, covering 200 million square feet of facilities.

INTERNATIONAL – CERTIFICATIONS EARNED

India

ISO 2000 certifications for food safety were received for the Volkswagen, MIOT, IBM Manyata and ASB Kohinoor Park client sites. In addition, the Bureau of Energy Efficiency (BEE) certified Sodexo as **an energy services company** (ESCO[3] Grade 2) for energy efficiency projects.

Peru

ISO 14001 environmental and **OHSAS 18001**[4] occupational risk prevention certifications were received for the Procter & Gamble contract.

(1) *Source: Certivéa end-April 2013 (Certivéa is a subsidiary of the Scientific and Technical Center for Building (CSTB) which helps construction companies improve performance through a certification process.*

(2) *Royal Society for the Prevention of Accidents (RoSPA)*
RoSPA is a registered charity that promotes safety and prevents accidents through safety education to save lives and reduce injuries at work, on the road, in the home and during leisure activities.

(3) *ESCO*
An energy services company is a commercial or non-profit business providing a broad range of comprehensive energy solutions including design and implementation of energy savings projects, retrofitting, energy conservation, energy infrastructure outsourcing, power generation, energy supply and risk management.

(4) *OHSAS 18001*
A UK-developed standard (Occupational Health and Safety Assessment Series) used as a model for occupational health and safety management systems. Its objective is to provide companies with assessment and certification of their health and safety management systems, consistent with international management system standards.

Key contract wins

INTERNATIONAL – REINFORCED RELATIONSHIPS

AstraZeneca enlarges its international contract with Sodexo

In the **UK,** AstraZeneca entrusted Sodexo with a full range of multi-technical services, including building maintenance and engineering at its sites in London, Luton and County Cheshire sites. Sodexo is also the sole provider of foodservices and cleaning services at all of the global biopharmaceutical company's UK sites. Sodexo also provides support services at three sites in **Sweden**. Finally, in **China,** Sodexo is providing a full range of Quality of Life Services, including engineering, foodservices and well-being services. The developments further reinforce Sodexo's relationship with AstraZeneca, to which it also delivers services in **Belgium, Denmark, the U.S., Finland, France, Norway** and **Switzerland.**

Unilever reaffirms its confidence in Sodexo's Quality of Life Services

Having entrusted a wide range of integrated services to the Group last year at **70 sites** in **15 European countries,** global consumer products leader Unilever again chose Sodexo to improve the quality of life of its employees in North America. Under this new contract, Sodexo teams will provide engineering, building management, facilities, security, energy and waste management services as well as administrative and reception services, foodservices and other services to improve employee well-being at **30 Unilever sites** in **the U.S.** and **Canada.**

BELGIUM – FRANCE: SECURITY BLANKET

Euroclear provides domestic and cross-border settlement and related services for bond, equity, derivatives and fund transactions, serving over 2,000 financial institutions in more than 90 countries and millions of retail investors. Euroclear has relied on the expertise of Sodexo's technical maintenance teams for almost 15 years to ensure its Paris region **data centers** operate without interruption around the clock. Euroclear has reaffirmed its confidence in Sodexo in renewing its operating contract for the fifth time and extending its responsibilities to the multi-technical management of new data centers in Belgium.

BRAZIL – SODEXO'S TECHNICAL EXPERTISE SUPPORTS NEW AUTO PLANT

Sodexo was awarded a three-year contract to provide foodservices for 5,000 consumers at **automotive manufacturer Myoung Shin's new plant** located in the state of Sao Paulo. The Sodexo team worked closely with the client during the construction of the new plant and provided counsel on technical aspects of the restaurant facilities.

CANADA

Siemens chooses Sodexo as its facilities management services provider

Siemens chose Sodexo as the single provider of integrated facilities management (IFM) services for its **44 Canadian sites.** Under the three-year contract, Sodexo will be responsible for HVAC, plumbing, electrical, mechanical, janitorial, Help Desk, mailroom, landscape and snow removal, housekeeping, pest control as well as building operations and maintenance. The 30-member Sodexo team also provides "tech-in-truck" technical services with mobile technicians servicing multiple nearby Siemens sites. Siemens also has awarded Sodexo with a contract to provide foodservices at its new 800-person Oakville, Ontario, headquarters.

Integrated technical services for Pfizer

As part of a strategic decision to implement a completely outsourced solution for facilities management services, U.S. pharmaceutical company Pfizer awarded Sodexo a contract to deliver multi-technical services for **two sites** including their Canadian headquarters location in Kirkland, Quebec, and a Consumer Healthcare site in Mississauga, Ontario. The contract includes building equipment operations and systems maintenance, asset and project management, moves, adds & changes (mac's), janitorial services, waste management, pest control, landscaping and snow removal, reception, mailroom and shipping services, audio-visual services and foodservices.

CHILE – NATIONWIDE FACILITIES MANAGEMENT SERVICES

Fonasa *(Fondo Nacional de Salud),* Chile's public health insurance entity that provides coverage for 75% of the population, chose Sodexo to maintain **117 offices throughout the country.** Services include cleaning, central help desk and HVAC, electrical, building and plumbing maintenance.

CHINA

Engineering services growth

Multiple large international accounts chose Sodexo's technical services for their China sites. Sodexo also launched an energy reporting tool on 10 client sites that identified significant energy savings opportunities. The tool, which is being expanded to all engineering services sites in China, enables clients to reduce their energy costs.

VIP foodservices offers

Sodexo's foodservices offer attracted **Commercial Aircraft Corporation of China** and **Beijing Automotive.** Sodexo will provide breakfasts, lunches and dinners for 300 employees at its test center and 1,000 consumers at one of the automaker's sites as well as providing executive dining services at both companies.

In Hong Kong, Sodexo began providing foodservices at Hong Kong International Airport, for **Virgin Atlantic Airways'** business and first-class lounges.

COLOMBIA – SODEXO'S EXPERTISE CONTRIBUTES TO LOCAL DEVELOPMENT

One of Colombia's first shopping malls, the 26,000-square-meter **Mall Plaza El Castillo** in the city of Cartagena draws 14.5 million customers annually. The owner, Mall Plaza SA, turned to Sodexo to provide the requisite skill sets to manage 18 services under a five-year contract. Sodexo's 45-member on-site team is drawn from the local community, consistent with a shared commitment with the client to ensure that the mall benefits those who live nearby.

FRANCE

L'Oréal – Luxury makeover for L'Oréal's technical services

Employees working on four campuses near Paris for **three of L'Oréal's key product segments,** luxury, cosmetics and hair care, **and its sales and marketing center,** are benefiting from a workplace environment that fully meets their expectations after the world's largest cosmetics and beauty company asked Sodexo to take over facilities management responsibilities. A 10-member team services and maintains heating, ventilation, air conditioning, electricity and mechanical elements for four office buildings, encompassing 80,000 square meters, under a three-year contract.

Air France – Ground support delivers high-flying service

For its maiden flight in outsourcing facilities management services for its buildings, Air France selected Sodexo to provide **technical services, cleaning and accommodations services** for airline staff at the airline's Orly airport site for transit, training, IT and communications near Paris. In addition to its own employees, Sodexo also manages a 60-person team responsible for security on the seven-building site as well as screening of flight staff and their baggage under the four-year, contract. Sodexo implemented an organization and technology solutions to streamline management of site facilities, delivers energy efficiency savings and provides more harmonized and responsive service to improve aircrew and facility staff quality of life.

POLAND – A QUALITY OF LIFE AIR FOR OXYGEN PARK

Sodexo will be delivering technical maintenance, cleaning, reception and security services as well as foodservices at the newly built, **high-tech Oxygen Park office complex** in Warsaw. In addition to offering the most advanced Quality of Life solutions to promote comfort and optimize productivity of building occupants, Sodexo is also helping the client obtain ecological BREEAM certification.

RUSSIA – BUILDING NUTRITION

A new company corporate restaurant in the 16,000-square-meter **Sadovaya Plaza** in central Moscow is Sodexo's fourth venture on behalf of building owner and client ENKA, joining Naberezhnaya Tower, Paveletskaya Plaza and Riverside Towers. The foodservices offer emphasizes healthy well-balanced nutrition for occupants of the 14-story modern office complex, featuring "*Le Chef* by Sodexo," the Vitality offer and the Show Cooking concept with dishes prepared and cooked in front of consumers.

SPAIN – NUTRITION, SUSTAINABILITY, TECHNOLOGY HIGHLIGHT NEW BBVA HEADQUARTERS

BBVA awarded Sodexo the contract to provide **foodservices** to 6,500 employees at the financial services leader's new headquarters in Madrid. Consumers will benefit from Sodexo Quality of Life Services that include "Be-healthy," providing on-site and online advice on nutrition and eating habits, as well as e-menus that display nutritional content of dishes on interactive screens, online ordering and reservations and a smartphone app for payments. Sodexo's state-of-the-art design proposal puts a focus on sustainability with a cutting-edge technology waste management system and a LED lighting system.

SWEDEN – VOLVO GIVES SODEXO THE WHEEL FOR MULTI-TECHNICAL SERVICES

Sodexo delivers **a range of facilities management services** at several Volvo sites, including technical service and installations, building and outdoor maintenance and cleaning at a 78,000-square-meter factory in Braås and 12 VolvoTruck Center locations in Stockholm, Malmö and Gothenburg.

UNITED KINGDOM – NEW INTEGRATED SERVICES CONTRACT FOR BAE SYSTEMS

A new contract for BAE Systems covers a range of **integrated, hard and soft facilities management services on 26 sites** including centralized help desk, supply chain management, mechanical and electrical, asset management and strategy, cleaning, reception, switchboard, vending and gym management.

UNITED STATES

Expansion of FM services

Facilities management services grew significantly during the year. Among the clients who enlarged the range of services entrusted to Sodexo:

- **Nokia** – expansion of portfolio and provision of a broad range of services including janitorial, building management, reception, lease administration, mailroom, shipping and receiving and foodservices;
- **Invensys** – janitorial, building management, reception, lease administration, landscaping, mailroom, shipping and receiving, waste water treatment and security.

Aviation sector growth

A number of airlines entrusted Sodexo with helping to ensure passenger comfort and well-being on the ground including:

- **Delta Airlines**: two additional new club openings and the Los Angeles Delta Sky Club;
- **Westfield Concessions – Los Angeles Airport** Food Court: janitorial services.

Among our clients...

Aéroports de Paris, Orly and Roissy Charles de Gaulle airports, Île-de-France (France)

Agrosuper, 4 sites, Chile

AgustaWestland, 3 sites (United Kingdom)

Air France, Orly Airport (France)

Alpina 6 sites, Colombia

ArcelorMittal, Belgium

AstraZeneca, 10 countries: Belgium, China, Denmark, Finland, France, Norway, Sweden, Switzerland, United Kingdom, United States

Autoliv, 4 sites, Romania

AXA, 6 countries: Belgium, France, Germany, Luxembourg, Spain, United States

BAE Systems, 26 sites (United Kingdom)

Banco de Santander, Madrid, Spain

Baosteel Group, 4 sites, China

BBVA Banco Continental (Continental Bank), 268 sites, Peru

China Energy Conservation and Environmental Protection Group, China

Coca-Cola Enterprises, 6 countries: Belgium, France, Netherlands, Norway, Sweden, United Kingdom

Compañía Manufacturera de Papeles y Cartones(CMPC), 12 sites, Chile

Danfoss, 6 sites, Denmark

Dow Chemical, (Michigan) United States

Eli Lilly, 7 countries: China, France, Germany, Ireland, Italy, Spain, United Kingdom

Endesa, Madrid, Spain

ENKA, 4 business centers, Moscow, Russia

Ericsson, 6 countries: China, Mexico, Netherlands, Russia, Turkey, United States

Exxon Mobil, 9 countries: Australia, Canada, China, Finland, Italy, Norway, Qatar, Saudi Arabia, United States

FAW, 22 sites, China

Foreign Office, Israel

GSK, 17 countries: Argentina, Australia, Belgium, Brazil, Canada, Chile, China, Costa Rica, France, Ireland, Italy, Mexico, Poland, Spain, Turkey, United Kingdom, United States

Icade, The EQHO tower, La Défense (France)

International Monetary Fund (IMF), Washington DC (United States)

Kamaz, Naberezhnyie Chelny, Republic of Tatarstan (Russia)

L'Oréal, Paris and Île-de-France (France)

La Poste Belge, 35 sites, Belgium

Ma'adeen Aluminum Company, Saudi Arabia

Merck MSD, 31 countries: Algeria, Austria, Belgium, Brazil, Chile, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Israel, Italy, Lebanon, Morocco, Netherlands, Norway, Poland, Romania, Russia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States

Molinos Río de la Plata, 5 sites, Argentina

National Instruments, Malaysia

Natura, 2 sites, State of São Paulo, Brazil

Nokia, 55 countries, including: Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Finland, Germany, India, Indonesia, Italy, Mexico, Saudi Arabia, Singapore, South Africa, Spain, United Arab Emirates, United Kingdom, United States...

PricewaterhouseCoopers, Australia (6 sites), Germany

Procter & Gamble, 28 countries: Argentina, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, France, Germany, Hungary, India, Indonesia, Ireland, Italy, Japan, Mexico, Morocco, Peru, Poland, Romania, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, United States, Vietnam

Qatar Airlines, Qatar

RAI (public Italian television), 17 sites, Italy

Royal Dutch Shell, 5 countries: Denmark, North Sea, Norway, Russia, United States

Sanofi, 8 countries: Brazil, Canada, France, Germany, India, Italy, Spain, United States

Shanghai Automotive Industrial Corporation (SAIC), 11 sites, China

Société Générale, 6 countries: Czech Republic, France, Luxembourg, Morocco, Poland, United States

Standard Charterd Bank, Singapore

Tata Group, 46 sites, India

Toyota, 1 site, Turkey

Unilever, 21 countries: Austria, Belgium, Canada, China, Costa Rica, Denmark, Finland, France, Germany, India, Ireland, Italy, Netherlands, Poland, Portugal, Russia, Spain, Sweden, Switzerland, United Kingdom, United States

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REMOTE SITES

KEY FIGURES

- **1,923** million euro in revenues
- **10%** of Group revenues
- **41,276** employees
- **1,639** sites

Source: Sodexo.

Our offer

QUALITY OF LIFE AND EFFICIENCY AT THE ENDS OF THE EARTH

Sodexo contributes to the performance of remote sites clients around the world, **both on and offshore**. Our teams' international expertise and our proven technical processes put us in a unique position to deliver **innovative, valued services** that contribute to the **well-being** of the women and men who live and work in these challenging, often isolated environments.

From site conception to dismantling, Sodexo's integrated offer:

- includes added-value technical and cost-saving services;
- meets rigorous Quality, Health, Safety and Environmental[(1)] standards;
- creates a safe and comfortable workplace for all;
- reflects Sodexo's commitment to sustaining the economic development, social needs and environmental resources of host communities.

Market trends and growth potential

MARKET TRENDS

In the oil and gas market, sustained crude oil prices are driving growth, predominantly in offshore activity and specifically deep and ultra-deep production. Onshore development continues with shale oil and gas projects, notably in the U.S. Lower natural gas prices are driving operators to seek cost savings, including from their suppliers.

The mining industry has been impacted by both slower growth in some emerging markets and the Eurozone crisis. Mining companies are becoming more selective, seeking higher investment returns and significant reductions in their costs. Challenges facing clients include reaching remote locations lacking infrastructure, attracting and retaining employees as well as ensuring project responsiveness to local sustainability and development needs.

In the engineering and construction sector, while work remains suspended or has slowed on some mega-projects launched before the recession, new growth opportunities are driven in part by demand from financially constrained governments that increasingly rely on private sector participation to address infrastructure needs.

Source: Sodexo.

GROWTH POTENTIAL

10 billion euro total estimated sales for On-site Services

Sodexo estimate.

(1) *Quality, Hygiene, Safety, Environmental standards (QHSE)*
These four components of a responsible corporate management approach are based on the belief that most, if not all, accidents involve human error and are therefore preventable with better training and management practices.

Supporting our clients on Qatar Petroleum's Ras Laffan site

KEEPING ENERGY PRODUCTION COMPLEX RUNNING SMOOTHLY

Through its expertise and responsiveness, Sodexo serves oil and gas clients operating in Ras Laffan Industrial City (RLIC), the vast oil and gas production center of national company Qatar Petroleum.

Our clients' needs

Qatar Petroleum relies on Sodexo to help oil and gas companies operating on RLIC achieve short mobilization timelines, respect industry-driven Health, Safety and Environment requirements and meet high quality standards in a technically demanding environment while improving comfort and safety for the people working on the site. The remote, desert location of this vast complex requires a reliable service partner with recognized expertise and responsible environmental practices.

Sodexo's response

At RLIC, Sodexo's 600-member team applies its technical expertise and experience of complex project environments to ensure smooth operations and improve the quality of life for the people working there by providing comprehensive facility management services that include: operations and infrastructure maintenance for all RLIC buildings and port facilities, water and wastewater management, HVAC, plumbing, housekeeping and laundry, logistics, security and road safety, fire-fighting, camp accommodations and recreational facilities.

Results

A longstanding partnership with Qatar Petroleum and extensive experience at its huge production site, an intimate understanding of the needs of operators, proven rapid mobilization capacity and the quality of services delivered under difficult conditions have made Sodexo the preferred partner of companies working on the Ras Laffan site.

Sodexo also supports new operators in getting established at Ras Laffan, facilitating their administrative procedures by providing temporary lodging and transport and helping to determine their needs for office space and accommodations.

"The professionalism and experience of Sodexo-Teyseer teams ensures the comfort of our teams and the smooth operation of our facilities. By efficiently managing crucial support activities such as Ras Laffan Industrial City infrastructure, maintenance and waste, water treatment operations as well as fire safety, they enable us to focus on our core business."

Balakrishnan Nair Dinesh Kumar
Assistant Manager Maintenance
Qatar Petroleum Industrial Cities

Focus on...

COLOMBIA – RAPID, AGILE SERVICE RAMP-UP IN FAST-GROWING MARKET

When one of Colombia's major oil producers, Pacific Rubiales Energy needed a partner capable of helping it rapidly grow its Quifa oil project to steeply rising demand, it turned to Sodexo for its service needs.

On the 12 sites of Pacific Rubiales' still-growing Quifa project, which expanded from 1,000 to 6,000 employees in six months, a 615-member Sodexo team is providing housekeeping, cleaning, gardening, laundry, pest control and foodservices. Among Sodexo's challenges: ensure continuity of service and continuously adapt services to meet the needs of its consumers and client. Sodexo's programs to improve Quality of Life for client employees include *"Equilibrate,"* an online wellness platform to promote balanced diets, regular physical activity and a healthy lifestyle.

In addition to responding to the rapid expansion, Sodexo was also required to adapt to the condition of the remote region of central Colombia where the oil field is located, such as setting up its own satellite phone communications to manage logistics.

Sodexo's success, its first in Colombia's oil sector, positions the Company for further expansion in one of the country's fastest growing industries.

Highlights...

INTERNATIONAL

"Efficiency@sea" breathes new life into offshore units

Better quality of life by improving the attractiveness of their employees' offshore living environments is crucial to clients' ability to recruit, retain and engage a skilled workforce. To respond to employees' increasingly demanding expectations for comfort and privacy on-board offshore work sites, Sodexo introduced the "efficiency@sea" solution, which optimizes limited space on-board while improving amenities by providing soundproof cabins, comfortable recreational and relaxing facilities, functional kitchens and pleasant restaurant environments.

Efficiency@sea complies with the latest safety standards while improving social interaction among crew, providing smoking and non-smoking TV lounges and quiet/reading rooms and improving laundry rooms and corridors. Refurbishment includes consulting, design and project management and is carried out offshore to avoid interruption to drilling operations.

Certifications

Certifications earned by Sodexo in **Chile** include **ISO** 9001 (quality management), 14001 (environmental management), and 18001 (health/safety management) at the **Antofagasta Minerals** "Pelambres Division" site and NCh2861 – **HACCP**(1) for the **Yamana Gold Inc.** Minera "El Peñon Project" and **BHP Billiton**'s Minera Escondida – "Villa Cerros Alegres Division".

In the **United Arab Emirates,** Sodexo earned **ISO 14001 environmental certification** for its entire foodservices business, reflecting progress made in reducing the generation of food and material wastes and lowering consumption of electricity, water and vehicle fuel.

CHILE – SAFETY CULTURE REFLECTED IN RESULTS

Sodexo was honored by **"Mutual de Seguridad"** for five million hours worked with no lost time accidents on the **AngloAmerica** "Los Bronces Escondida Villa Hills" mine site where more than 400 employees work. Sodexo also was recognized for achieving four million hours with no lost time accidents at both the **BHP Billiton** "Villa Cerros Alegres Minera Escondida" and the **Antofagasta Minerals** "Los Pelambres" sites. The recognitions reflect the progress in creating a culture of prevention throughout the organization through the systematic improvement of safe behaviors.

NORTH SEA AND INDIA – NEW RECOGNITION BY THE BRITISH SAFETY COUNCIL

For the 14th consecutive year, the expertise in health and safety management systems of Sodexo teams working on North Sea remote sites earned the prestigious **"International British Safety Council Award".** In addition, Sodexo teams in India also received this award for the first time after scoring 57 out of a possible 60 points. The awards reflect the HSE performance at Remote Sites operations around the world.

QATAR – FACILITIES MANAGEMENT SERVICES IMPROVE SAFETY PERFORMANCE

ExxonMobil recognized the excellent safety record achieved by Sodexo since starting its facilities management services contract in Qatar in June 2011: 265,000 hours worked with no lost time incidents. Among the major challenges met by the 63-member on-site team: deployment of a particularly difficult service of exterior window cleaning at the client's 16-floor headquarters and the implementation and management of a common safety culture integrating subcontractor staff. Services provided at the headquarters and research center include managing the technical hotline, equipment maintenance, janitorial services, pest control, landscaping, visitor reception, vehicle fleet management, mail delivery and management of file/copy rooms and conference space.

RUSSIA – HSE PERFORMANCE

Salym Petroleum Development NV presented Sodexo with a diploma for high Health, Safety and Environment standards, reflecting the strong performance and zero lost time incidents since the beginning of the contract in March 2010.

(1) *HACCP (Hazard Analysis Critical Control Point)*
A management system for controlling food safety through the prevention, elimination or reduction to an acceptable level of any biological, chemical or physical risk. Created in the United States, HACCP has been institutionalized in the European Union and in many countries.

Key contract wins

CHILE – IMPROVING QUALITY OF LIFE AT MINING SITE

At **BHP Billiton**'s "Cerro Colorado" mine, Sodexo delivered services include foodservices, accommodations, maintenance, leisure activities coordination, shops and management of green spaces. In total, 2,600 consumers are served each day.

NORTH SEA – RENEWED AND EXPANDED PARTNERSHIP

Talisman Energy renewed its confidence in Sodexo through a five-year contract to provide a wide array of services to support workers on offshore platforms in the North Sea. The contract, which includes an option for an additional five years, testifies to the strength of Sodexo's 30-year partnership with Talisman, which began with a single site and has since expanded to 12. A recent survey to measure Talisman employee satisfaction on key performance indicators across all sites showed an average satisfaction rate of 94.3%.

"What stands out is Sodexo's shared commitment to creating the best place to work and in supporting a safety culture at Talisman with flexibility, innovation and service improvements," said Talisman Energy's Senior Vice President, Geoff Holmes.

Sodexo teams deliver foodservices and accommodation services as well as refurbishment of recreation, mess and galley areas. In addition, Sodexo provides building management, space planning, reception services, maintenance, foodservices and security and hygiene services at the Flotta terminal, located on an island in Orkney, Scotland, and at Talisman offices in Aberdeen, Scotland.

OMAN – SERVICES FROM PHYSICIANS TO SMARTPHONES

Sodexo provides **ABB SpA** with a wide range of direct and subcontracted services under a 20-month agreement including medical services, telecommunications equipment supply, camp maintenance and refurbishment, waste management, manpower supply, water treatment, motor vehicles, stationery, office and commissary supplies, laundry services, housekeeping, pest control and foodservices.

RUSSIA – WIDE ARRAY OF SERVICES FOR MINING CLIENTS

- Mining company **Pavlik** awarded Sodexo a three-year contract to provide bundled services to 450 employees at its Pavlik Gold Field site, including foodservices, cleaning, administrative services, laundry, logistics and transport services. The site is located in the Magadan region, more than 9,000 km from Moscow.
- Sodexo is providing Quality of Life Services to employees working at the Klen gold-silver deposit in Siberia owned by **Russdragmet,** one of Russia's top five gold companies. Services include foodservices, cleaning and administrative services, laundry, logistics and transport services.

THAILAND – LEADERSHIP REINFORCED IN OFFSHORE MARKET

Sodexo reinforced collaboration with its strategic client **Seadrill** by integrating the Seadrill contracts previously held by Amarit Catering into the Sodexo Amarit Joint Venture. This has enabled Sodexo to consolidate its leadership position in the Thai market while strengthening its offer to this client.

Among our clients...

OIL AND GAS

Arabian Drilling Company, Saudi Arabia

Baker Hughes, Oman

BJP, Saudi Arabia

BP, Argentina, Brazil, Norway, United Kingdom, United States (Alaska, Gulf of Mexico)

ConocoPhillips, Algeria, United Kingdom, United States (Alaska, Gulf of Mexico)

DI-MEDCO, United Arab Emirates

ExxonMobil, Australia, Canada, Norway, Qatar, Saudi Arabia, Singapore, United States (West)

KCA Deutag, Oman

Nabors, Saudi Arabia

Pacific Rubiales, "Quifa Field", Colombia

PanAmerican Energy, Argentina

Petrobras, Brazil, Peru

Saudi Aramco, Saudi Arabia

Shell, Norway, Russia, United States (Gulf of Mexico)

Sinopec, Saudi Arabia

Sipetrol, Argentina

Talisman, Canada, Norway, United Kingdom

Total, Angola, Congo, Gabon, Korea (Offshore), Netherlands, United Arab Emirates

Western Geco, Saudi Arabia

ENERGY

GDF-Suez, Netherlands, Saudi Arabia

Hydro Quebec, Canada

Manitoba Hydro, Canada

Suncor, Canada

OFFSHORE AND MARINE

Atwood Oceanics, Cameroon, Netherlands, Singapore, Thailand, United States (Gulf of Mexico)

Diamond Offshore, Norway, United Kingdom

ENSCO, Angola, Brazil, Denmark, India, Indonesia, Qatar, United Kingdom

Noble Drilling, Egypt, Gabon, Netherlands, Qatar, Singapore, United Kingdom, United States (Alaska, Gulf of Mexico)

Ocean Rig, Brazil, Tanzania

Rowan, United Kingdom, United States (Gulf of Mexico)

Seadrill, Angola, Brazil, China, Indonesia, Korea, Malaysia, Mexico, Norway, Qatar, Saudi Arabia, Singapore, Thailand, United Kingdom, United States (Gulf of Mexico), Vietnam

Subsea 7, Brazil, Gabon

Technip, Angola, Gabon, India

Teekay, Brazil, Norway, Qatar, Singapore, United Kingdom

Transocean, India, Indonesia, Malaysia, Mozambique, Norway, Qatar, Saudi Arabia, Singapore, Thailand

Workfox, Netherlands, Singapore

MINES

Anglo American, Chile, Peru

Antofagasta, Chile

Barrick Gold, Australia, Chile, Peru, Saudi Arabia, Tanzania

BHP Billiton, Australia, Brazil, Chile, Gabon, Peru

Freeport McMoran, Democratic Republic of Congo

Glencore Xstrata, Australia, Chile, Peru

KGHM International, Chile

Lumina Copper, Chile

Ma'aden Phosphate Company, Saudi Arabia

Newmont Mining, Australia

Rio Tinto, Australia, India, Guinea Conakry, Madagascar, Peru, Russia

Vale, Brazil, New Caledonia, Peru

Yamana Gold, Chile

ENGINEERING AND CONSTRUCTION

ABB SpA, Oman

CH2M HILL, United States (Alaska)

Consolidated Contractors Company, Qatar

Descon Engineering, United Arab Emirates

Fluor Daniel, Canada, Qatar, Saudi Arabia

Foster Wheeler, Australia

GS Engineering, Oman

Halliburton, Algeria, Angola, Qatar, United Kingdom, United States (Gulf of Mexico)

Hyundai Engineering, Oman

JGC Corporation, Qatar

MIDMAC Contracting, Qatar

Punj Lloyd, Indonesia, Oman, Qatar, Thailand, United Arab Emirates

Samsung Engineering, Kuwait, Qatar, United Arab Emirates

DEFENSE

KEY FIGURES

- **645** million euro in revenues
- **4%** of Group revenues
- **12,603** employees
- **1,071** sites

Source: Sodexo.

Our offer

SUPPORTING QUALITY OF LIFE AT HOME AND ABROAD

Sodexo has more than 30 years of experience supporting armed forces throughout the world. With its expertise and insight into the special demands of military life, Sodexo delivers **integrated service offers that improve the quality of life** for women and men serving their countries, on domestic bases and on missions overseas.

With an offer ranging from technical maintenance services, recreational activities and dining facilities on bases for service personnel and their families to the complex logistical services of peacekeeping operations, Sodexo's **flexibility, thoroughness, reliability** and **rapid deployment capabilities** make it a valued long-term strategic partner for defense leadership teams in delivering quality of life services.

Market trends and growth potential

MARKET TRENDS

Professionalizing the armed forces

The trend toward professionalizing armies continues. Military leaders seek comprehensive quality of life services that contribute to troop retention, improve service quality on bases and help to control costs. By outsourcing activities such as base operations maintenance, technical maintenance, uniform care and dining services, military leaders are able to focus their resources on their core mission.

Peacekeeping operations

Armed forces are being downsized due to budget reductions but governments seek to maintain their foreign peacekeeping commitments undertaken through international bodies such as the United Nations, NATO and the European Union. The stretching of military forces and increasing complexity of operations demand experienced partners with the required expertise, a global footprint and sophisticated logistical resources.

Source: Sodexo.

GROWTH POTENTIAL

Over 20 billion euro in estimated total market value,

with an outsourcing rate around 40% (among the highest rates: the United Kingdom, more than 85%; among the lowest rates: Canada, around 15%).

Sodexo estimate.

Focus on...

UNITED STATES – BETTER UNDERSTANDING CONSUMER NEEDS

Sodexo has conducted thousands of consumer preference surveys for Defense clients to better understand lifestyle needs and taste preferences. Results are used to shape the service offer and increase consumer satisfaction and, thus, improve client performance. Targeted consumer feedback on topics such as design styles, graphics, promotional concepts, food preferences and likelihood of purchase is also used to refine its offers under development and produce winning concepts for clients and consumers.

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Sodexo launched its first **Consumer Centric Process (CCP)**[1] with the **U.S. Air Force** in 2013 to optimize its foodservices offer and service delivery methods for the military service's varied types of consumers identified on each site. Using the Sodexo-developed Personix[TR] tool to understand on-site population needs across client segments, CCP was adapted to address the specific needs of Defense clients. The results were very well received and will drive actions to further customize and improve Sodexo services provided on Air Force sites.

Highlights

FRANCE – INTERNATIONAL POSTAL SERVICES FOR TROOPS DEPLOYED ABROAD

Following the contract awarded last year in partnership with La Poste to provide postal service for French troops deployed in military bases across Africa, the Middle East and Central Asia, Sodexo opened a **central project management center** in Dubai in September 2012. La Poste operates an identical center in support of the mission at Charles de Gaulle airport in Paris. The new center manages project coordination of the various post offices, staff rotation, reporting and billing.

To optimize services for troops, **post offices** are being opened this year in Abu Dhabi and Chad with offices to follow in 2014 in Djibouti, Kabul and other operational theaters to handle the distribution of mail and packages and receive outgoing posts for 19,000 deployed French troops. The partners also provide a fast reaction capability to establish a new post office within seven days of new international deployments of French forces.

UNITED KINGDOM – RECOGNITION FOR HEALTHY EATING INITIATIVES

Sodexo was recognized with the **Health & Vitality** Public Sector category award[2] for its commitment to supporting healthy eating habits for British armed forces personnel through nutritionally balanced and innovative meals. Sodexo focuses on understanding overall eating trends and the differing needs of individuals at the sites it serves, whether a military headquarters or a busy training establishment. Sodexo already provides calorie information at 35% of its sites as part of the Food Standards Agency's initiative and is preparing to roll out calorie labeling at all client sites as part of its commitment to promoting healthy lifestyles.

UNITED STATES

Adherence to the most stringent QHSE standards

To ensure aggressive quality control monitoring and defect elimination, Sodexo created an **automated reporting system** that monitors more than 60 performance thresholds, reports results and identifies required corrective actions. Used on a daily basis, the system enables systematic quality control and adherence by Sodexo employees to the most stringent **Quality, Health, Safety and Environmental** standards. The Company's quality control programs are standardized and monitored continually by third parties and government inspectors. Many contracts are subject-specific and include quantifiable performance thresholds that directly impact revenues, as well as published performance assessment scores that are critical to gaining new government contracts.

Globe & Anchor Award Marine Scholarship Foundation

The United States Marine Corps honored Sodexo for its support of the Marine Corps Scholarship Foundation with the Corps' Globe & Anchor Award. Past recipients include Bob Hope, U.S. Senator John Glenn, John Wayne, and Robert J. Stevens of Lockheed Martin.

(1) The Consumer Centric Process analyzes client responses to a detailed questionnaire using a Sodexo-proprietary algorithm that categorizes the on-site population into six groups. Sodexo determines the nature and style of service delivery according to each group's characteristics, needs and preferences.

(2) The Health and Vitality awards were organized by Foodservice Footprint Magazine to showcase best practices in healthy eating.

Key contract wins

AUSTRALIA – ASC RETAINS AND EXTENDS OUR SERVICES

ASC, Australia's leading shipyard for the design, building and maintenance of ships and submarines, chose Sodexo to provide integrated facilities management services to seven sites. A partner with ASC for the past 15 years as its foodservices provider, Sodexo is now also responsible for specialist cleaning such as windows and building exteriors, grounds maintenance including indoor horticultural services, pest control, waste disposal, and laundry services. The expanded scope reflects ASC's priority on improving the quality of life of its employees and increasing operational efficiency.

FRANCE – NEW CONTRACT AT NAVAL BASE IN BREST

Sodexo won the tender to provide foodservices and cleaning services for the Brest Defense Base. A key factor in the successful bid was the positive reviews gained for services provided by Sodexo to other nearby military facilities.

UNITED STATES – IMPROVING QUALITY OF LIFE FOR NAVAL PERSONNEL IN CALIFORNIA, NEVADA & ARIZONA

For the sixth consecutive year, the U.S. Navy has renewed Sodexo's contract to provide facilities management services at bases in three western states. Sodexo teams have continuously earned favorable ratings for outstanding contractor performance through their dedication to safely cleaning and maintaining building infrastructure and base equipment 24 hours a day, seven days a week.

The wide variety of services include maintaining HVAC units by Sodexo's certified technicians and testing fire suppression systems during physical safety audits. The Company's state-of-the-art safety program has contributed to a remarkable record, with only a single reported safety incident at facilities in the three states over the past six years.

An example of Sodexo's commitment to ensuring healthy, safe environments with efficient and sustainable maintenance programs was the deployment of divers to clean and inspect water supply tanks at the Naval Air Weapons Station (NAWS) China Lake in Ridgecrest, California, documented on video to inform the client of any structural damage and breaches in water safety (NAWS China Lake provides and maintains land, facilities and other assets that support the Navy's research and development of cutting-edge weapons systems.)

Among our clients…

AUSTRALIA

Australian Defence Force, 52 bases – 6 contracts

Australian Submarine Corp, 2 sites, Adelaide

CHILE

Astilleros y Maestranzas de la Armada (ASMAR), naval base in Talcahuano

Empresa Nacional de Aeronáutica de Chile (ENAER), Santiago

Military Hospital, Santiago and Antofagasta

Naval Hospital, Talcahuano and Viña del Mar

FRANCE

Future Defense Ministry Headquarters, Paris

Institution Nationale des Invalides (Military hospital), Paris

Instruction center and Naval Air Station, Brest Defense Base

GERMANY

Universität der Bundeswehr, Munich

INDIA

Naval Officers Club, Delhi

POLAND

Military Medical Institute, Warsaw

SINGAPORE

Civil Defence Force Basic Rescue Training Centre and Academy

SOUTH KOREA

DLA Troop Support, Osan

SWEDEN

The Ronneby Air Force Garrison

UNITED ARAB EMIRATES

1 U.S. base

1 French Foreign Legion base, Abu Dhabi

UNITED KINGDOM

Army main garrisons of Aldershot, Brecon, Bulford, Catterick, Colchester, London, Tidworth, Warminster, York

Joint garrisons in Cyprus and the Falkland Islands

Naval Air Stations: Culdrose and Yeovilton

Naval shore establishments: Fleet Headquarters Portsmouth, HMS Nelson, HMS Sultan, HMS Collingwood

Royal Marines Commando Training Centre

UNITED STATES

U.S. Air Force, 5 dining halls, 9 clubs, 11 retail operations

U.S. Army, 9 hospital sites, 1 retail operation

U.S. Department of Defense retail operations, 5 sites

U.S. Marine Corps, 48 mess halls

U.S. Navy, 7 Starbucks stores, 5 facilities management contracts

IN THEATER MILITARY FORCES

Postal service for French troops deployed abroad

UNIFIL, Lebanon

U.S. Air Force 1 site, Kuwait

U.S. Defense Logistics Agency (MRO contract), South Korea

U.S. Forces Camps, 3 sites, Kuwait

JUSTICE SERVICES

KEY FIGURES

- 371 million euro in revenues
- 2% of Group revenues
- 4,489 employees
- 123 sites

Source: Sodexo.

Our offer

QUALITY OF LIFE AT THE SERVICE OF PRISONER REHABILITATION

Sodexo operates prisons only in democratic countries that do not have the death penalty, where the ultimate goal of incarceration is prisoner rehabilitation and where its staff is not required to carry arms. Sodexo adapts its offer to national laws and cultures.

To help its 4,500 employees better understand the sensitive nature of interacting with people who have had their freedom removed, Sodexo has developed a **Human Rights e-learning program.** Using real life examples, the curriculum focuses on issues such as prisoner rights and the daily interactions between staff and prisoners, providing models for constructive behavior.

Consistent with its commitment, Sodexo has developed a strong expertise **in prisoner rehabilitation** and has made education, training and help with basic activities necessary to successfully re-enter society, such as opening a bank account or finding housing or a job, an intrinsic part of its offer.

Market trends

ECONOMIC AND SOCIETAL COSTS, PRISON OVER-POPULATION ARE MAJOR CHALLENGES

Government budgets everywhere are falling, reflecting the continuing effects of the global economic crisis and causing many clients to outsource certain services in an effort to significantly reduce costs while maintaining standards.

The high economic and societal costs of re-offending resulting from the associated police, court and prison costs are compelling governments to look at more effective forms of rehabilitation in order to reduce the number of repeat offenders.

Justice Departments around the world are turning to private sector experts like Sodexo capable of creating value in the management of prisons and offender rehabilitation, while respecting budgetary constraints. Technology is playing an increasingly important role within prisons as well as in the development of alternatives to incarceration.

Source: Sodexo.

Focus on...

SAFELY AND SUCCESSFULLY RECONNECTING AFTER RELEASE

A new rehabilitation and resettlement program identifies and focuses on prisoners with high risk of re-offending.

Through its information management system, Sodexo's team monitors prisoners who have a high risk of re-offending throughout the duration of their sentences to ensure they are receiving appropriate services that address their identified needs and difficulties.

At the HMP Peterborough prison, Sodexo has also developed an "Outside Links" center to provide additional support to prisoners who are released into the community. The center is an external building located outside the prison wall.

When prisoners are released from the prison, they are met by a mentor who accompanies them to the center where they can access support services including support for housing or budget needs, internet access, mobile phone chargers, survival kits and food bank vouchers, reduced price taxi services...

Sodexo is setting up similar arrangements to improve services to prisoners upon release across all managed prisons in the UK.

Highlights

CHILE – BICYCLE REPAIR SKILLS TO PROMOTE REHABILITATION

Working with the local municipal government, Sodexo teams at the **Concepción prison** developed and launched a bicycle mechanics and repair training workshop for prisoners as part of its rehabilitation/re-integration program. In addition to supporting a community priority to promote bicycling, the program provides 20-prisoner classes with 150 hours of training, helping them to develop skills they can use following their release. The bicycle repair program adds to existing offender training and rehabilitation programs at Concepcion, including woodworking, leather craft and food preparation classes.

FRANCE – SUPPORTING SOCIETAL RE-ENTRY

Through professional opportunities...

Through **trade forums** organized each week in one of the 21 prisons managed by Sodexo, participating prisoners are provided help in building a career plan, preparing their return to the labor market and facilitating their reintegration. At booths of sponsoring training organizations and local businesses, the prisoners learn more about businesses in such diverse areas as bakeries, butchers, sales, spa treatments, foodservices, mechanics, electricity, metallurgy and florists.

... and a personal investment

In February 2013, 12 brick presses arrived in Mahajanga, in northwestern Madagascar, for use in building schools, health centers and housing. The metal presses were produced by prisoners in Sodexo-managed workshops at the Liancourt and Neuvic correctional facilities in France. The initiative benefits a humanitarian project managed by **"Schools of the world"**, an association that works to improve living conditions in developing countries through education, health and economic development. Since 2007, the prisoners' efforts have resulted in delivery of 22 single and double brick presses, the construction of a school – which requires about 30,000 bricks – and the production of 50 desks for schoolchildren. The program has provided opportunities for prisoners to invest in others, contributing to prisoner training, awareness of humanitarian needs and higher self-esteem.

UNITED KINGDOM – HEALTH AND SAFETY RECOGNITIONS FOR ALL SODEXO PRISONS

All prisons operated by Sodexo in the UK received the **International Health & Safety Award** and the British Safety Council's **Five-star "*****" accreditation.** Three prisons hold the highest award for safety, the British Safety Council's "Sword of Honour", awarded annually to only 40 companies worldwide.

INTERNATIONAL – CERTIFICATIONS

Chile

The prisons **Alto Hospicio, La Serena** and **Rancagua** prisons continued to move toward **OHSAS 18001** certification, advancing on their GS – ACHS Professional Risk Prevention programs to the third of four levels.

United Kingdom

All Sodexo-operated prisons in the UK hold the following certifications:

- ISO 9001 Food Safety;
- ISO 9001 Facilities Management;
- ISO 14001 Environment and Waste Management;
- OHSAS 18001 Health & Safety;
- ISO 27001 Information Security.

Key contract wins

UNITED KINGDOM

HMP Northumberland

Sodexo won a 15-year **operations and management contract** to provide all staffing and Quality of Life Services at the 1,348-prisoner HMP Northumberland correctional facility. The 550-600 staff positions include all custodial officers, managers, administration, rehabilitation and resettlement staff and most other services staff, as well as the senior management team and prison governor. Services delivered include all hard and soft facilities management services provided at other Sodexo-run prisons in the UK, including foodservices and retail, grounds maintenance, waste management, pest control, custodial services, prison visits, and religious services. Sodexo also develops rehabilitation and resettlement services, including industry workshops and training, and drug rehabilitation programs.

Nationwide offer of facilities management services

The Ministry of Justice has placed Sodexo on the **Total Facilities Management Framework Contract,** opening opportunities for new business growth in hard and soft facilities management services at the Ministry headquarters and in all public sector prisons across England and Wales.

Among our clients...

BELGIUM

Ministry of Justice, 1 prison (2013)

CHILE

Ministry of Justice, 5 prisons

FRANCE

Ministry of Justice, 34 prisons

ITALY

Ministry of Justice, 17 prisons

NETHERLANDS

Ministry of Justice, 54 prisons

SPAIN

Catalonia Government, 2 prisons

UNITED KINGDOM

Ministry of Justice England and the Scottish Prison Service, 4 prisons

SPORTS AND LEISURE

KEY FIGURES

- **643** million euro in revenues
- **3%** of Group revenues
- **10,872** employees
- **794** sites

Source: Sodexo.

Our offer

QUALITY OF LIFE FOR EXCEPTIONAL MOMENTS

With more than 20 years experience in managing **unique venues** and organizing **world-class sports and cultural events,** including the Olympics and Rugby World Cup, Sodexo knows what it takes to create exceptional moments for consumers and respond to the demands of exacting clients. From ticketing, travel, foodservices, security and logistics to technical and artistic execution, Sodexo teams are expert at producing memorable events for attendees while enhancing the reputation of prestigious sites.

By emphasizing social responsibility, local procurement and eco-friendly practices in its operations, Sodexo also responds to issues that are important to visitors and consumers, further increasing the appeal of its clients' offerings.

Market trends

The continuing uncertain economic climate has impacted the market in terms of:

- **funding**: Reduced government and sponsorship support for sports and leisure activities is prompting clients to seek high value-added solutions to attract consumers;
- **limiting discretionary spending** in many parts of the world;
- in these difficult economic conditions, **France,** and particularly **Paris,** where Sodexo has a significant presence, remains a favored destination for international tourists.

New trends opening development opportunities in this market include:

- **sustainability, wellness and diversity** are fast becoming key drivers for partner selection and retention and a source of differentiation for market leaders like Sodexo;
- **optimization of venue utilization** is a key request from clients, who are seeking partners that can better assist them in attracting new guests to boost attendance and facility rentals.
- **digital technology** is changing models and concepts for sporting and cultural event organizers through the ability to reach a greater number of potential viewers by providing easier access to both events and performers;
- sporting event organizers are seeking to attract a wider audience by enhancing the spectator experience through additional **entertainment** linked to the event;
- **emerging countries** are increasingly hosting international sporting events and are starting to promote their national sports outside their borders.

Source: Sodexo.

Focus on...

TALENT OF TOP SODEXO CHEFS RECOGNIZED THROUGH PRESTIGIOUS AWARDS

Sodexo's ability to offer memorable dining experiences is due in no small part to the inspiration and passion of some of the world's most talented chefs, who refine their uniquely flavored creations into gourmet offerings of the highest level. Underlining the level of quality were the prestigious recognitions awarded to two Sodexo chefs in 2013.

In France, **Thibaut Ruggeri** won the competition for the **Bocuse d'or,** sometimes called France's gastronomy Olympics, beating out 24 fellow chefs from around the world. The 32-year-old Thibaut developed his talents working alongside Michelin-starred chefs such as Georges Blanc, Michel Guérard and Michel Kaiser prior to becoming part of the creative team at Sodexo's l'École Lenôtre where he also serves as an instructor. His culinary skills are regularly on display at special events managed by Sodexo such as creating the menu for the French

Tennis Federation during the most recent Roland Garros tournament.

In addition to the Bocuse d'Or, other talented individuals trained by Sodexo receiving honors included **Julie Lhumeau,** pastry chef apprentice at l'*École Lenôtre,* who won the award for best European apprentice. Demonstrating that Sodexo's culinary expertise does not stop at the doors of kitchens was **Jean-Jacques Chauveau,** director Sodexo's Pré Catelan gourmet restaurant in Paris, who won the International Academy of Gastronomy's 2013 Grand Prize for the Art of Living.

In the UK, Steve Golding was honored as **Event Caterer of the Year** at the Food Service Management magazine awards. Steve serves as executive chef at the world-renowned Ascot Racecourse, overseeing all foodservices operations and 15 restaurants across the site. During the five days of Royal Ascot, over 40 different kitchens serve approximately 54,000 meals to racegoers and create 100 different variations of dishes each day.

Other recognitions won by Sodexo chefs in the UK and Ireland included a "Best Hospitality Experience Eventia Award" for Royal Ascot, "Menu Innovation and Development award" for Siemens' Crystal Café, and a listing for the Gateway Restaurant at Royal Botanic Garden of Edinburgh in the prestigious Good Food Guide 2013.

Highlights

CANADA – SODEXO SUPPORTS CANADA GAMES

Sodexo teams provided foodservices to **2,000 athletes and volunteers** during the 2013 Canada Summer Games, held August 2-17 in Sherbrooke, Quebec. Working closely with the Canada Games organizers, Sodexo designed healthy menus adapted to the nutritional needs of athletes and organized an informational campaign to encourage youngsters to make healthy choices.

CHILE – RACING THE SUN

It may be one of the world's two hottest races: **the Atacama Solar Race,** that runs through the planet's driest desert (a similar event is held in Australia[(1)]). Sodexo teams harnessed the sun's energy to provide meals cooked in solar ovens to competitors, race authorities and journalists, including 500 attendees at the awards luncheon. In addition to contributing sustainable foodservices, Sodexo sponsored a hybrid car designed by students at a French technical school and were part of the team for the race's winning car, sponsored by client Antofagasta Mineral.

FRANCE

Happy 100th Edition for the Tour!

As the world-famous **Tour de France** celebrated its 100th edition, a 45-member Sodexo team accompanied the race on every stage along its more than 3,400-kilometer route to provide foodservices for 4,000 participants. For this year's race – Sodexo's 22nd consecutive year supporting the Tour – emphasis was placed on regional markets, local products, and sustainability with the use of recyclable materials for supplies and eating utensils. Sodexo's traveling teams met the logistical challenges of providing fresh quality products on a daily basis for Tour organizers, support staff, motorcyclists, drivers and VIP guests. The teams, which actually cover more than twice the distance of the official race in order to leapfrog ahead of the Tour, begin in the early hours of each day, continuing through each evening's post-race reception.

Aromas and flavors mingle at new Versailles center

Versailles has held an iconic place in the history of perfume in France since the 18th Century. Located steps away from the city's world-famous château, a new fragrance center, la *Cour des Senteurs,* allows visitors to breathe the rare scents of raw materials used in perfume making. Also providing stimulation for guests' senses are the aromas wafting from the Lenôtre center's tasting room. On the menu, the latest sweet and savory creations of internationally renowned chefs, as well as a surprising novelty: a macaroon-sequined heart floating

(1) A similar event, the World Solar Challenge, is held every two years in Australia.

in a jasmine flowered jam, a nod to a favorite flower of Marie-Antoinette.

Upgrade for riverside events in Paris

An ambitious renovation project for Sodexo subsidiary **Yachts de Paris** and its Seine River port area is strengthening the Company's offer for upscale business conferences and private events in the heart of Paris. The initial step was the refurbishment of the 700-square meter **"Barge Liberty,"** capable of hosting up to 450 people. The custom-designed "houseboat" is open to sky and water and is named for the model of the Statue of Liberty that sits just upstream. The high-end, flexible space is the first phase of a project that will eventually total 2,500 square meters, available for offer by Sodexo under a 22-year concession contract.

Welcome aboard the Bateaux Parisiens

Following the complete renovation of the "Crystal II" in 2010 and the "Diamond II" in 2011, 2013 saw the birth of a new boating concept: the **"Pierre Bellon,"** a next generation trimaran, was baptized September 23, 2013, named for Sodexo's Chairman and founder. Reflecting the latest technologies, offering the utmost in comfort and bringing the essence of Paris to life for millions of visitors from around the world – while stimulating the city's economic activity – this is the Bateaux Parisiens challenge. The building of the Pierre Bellon is part of an ambitious and unprecedented modernization and renovation of the cruise boat fleet: three trimarans will soon be refurbished along the lines of the Pierre Bellon.

UNITED KINGDOM – RUGBY WORLD CUP PERFORMANCE WINS RECOGNITION

Rugby Travel and Hospitality (RTH), a joint venture between Sodexo and the Mike Burton Group, was awarded the **International Sports Event Management Award** for the organization and management of hospitality operations at the **2011 Rugby World Cup in New Zealand.** The partnership was recognized for demonstrating an innovative and enterprising approach to hospitality that made a significant contribution to the experience of 1.35 million spectators and to event revenues. RTH, which also exclusively created, operated and marketed the corporate hospitality and travel at the 2007 Rugby World Cup in France, has been awarded the contract for the tournaments in 2015 in the United Kingdom and 2019 in Japan.

UNITED STATES

Kids LiveWell at Children's Museum of Indianapolis

Families touring the Children's Museum of Indianapolis are finding it easier to make healthy dining choices during their visit thanks to the **"Kids LiveWell"** program sponsored by the museum, Sodexo and the National Restaurant Association. Restaurants that participate in the award-winning program(1) such as the Sodexo-managed Children's Museum commit to offering healthful meal items for children, with a particular focus on increasing consumption of fruit and vegetables, lean protein, whole grains and low-fat dairy, while limiting unhealthy fats, sugars and sodium.

Menu items designated as Kids LiveWell options are reviewed and approved by a team of registered Sodexo dietitians, ensuring the museum has a wide variety of healthy options. Participating restaurants benefit from the third-party verification and promotional materials for qualified meals and individual menu items while parents and caretakers are provided with accurate information helping to encourage healthy eating choices for children.

Sodexo takes the checkered flag with Formula 1 Grand Prix

Sodexo was an integral part of the winning Formula 1 Circuit of The Americas™ team that was honored by Sports Business Journal/Daily as **the top American sports event for 2012.** Circuit of The Americas™ chose Sodexo as its partner to enhance the spectator experience for more than 265,000 fans for the U.S. debut of Formula 1 Grand Prix racing, Nov. 16-18, 2012 in Austin, Texas. Sodexo designed, managed and delivered all aspects of concession services including catering, food and beverage service, hospitality and vendor management. Sodexo had previously managed Formula 1 Grand Prix events in India, the UK and Bahrain.

(1) Winner of Ragan's PR Daily Awards, Communication Gold Circle Award, PR New Platinum PR Awards 2012, PR Daily's Media Relations Awards 2012.

Key contract wins

FRANCE

A river of music and culture

Sodexo is part of a consortium of companies awarded the contract for the design, construction and operation of a **Music City** on the Seine river island, the Ile Seguin, under a 27-year Public-Private Partnership contract. Located on the site of a former auto plant and designed by Japanese architect Shigeru Ban, the world-class musical and cultural venue will include a 900-seat auditorium and a hall with a capacity for 5,000 attendees, as well as rehearsal and recording space and seminar rooms. Sodexo's customized comprehensive service offer for performing artists, residents and visitors includes facility maintenance, management of green spaces, reception, foodservices, security, cleaning, waste management, logistics and technical production. Sodexo is also responsible for managing the 2,600 square meters of seminar and convention facilities. Groundbreaking on the center will occur in March 2014 with the official opening scheduled for September 2016.

New Marseilles museum opens

The *Musée des Regards de Provence* opened its doors in March 2013, the largest of Marseilles' new private cultural facilities launched during the year in celebration of the city's designation as Europe's 2013 Capital of Culture. Sodexo is delivering an array of services for the museum under a comprehensive services contract including ticketing, maintenance and repair, foodservices and site security.

Paris Saint-Germain (PSG) places trust in Sodexo

The PSG chose Sodexo and Lenôtre to provide general public and VIP foodservices at its Parc des Princes stadium, home to its soccer team, and at Pierre de Coubertin stadium, which hosts team handball. The two Parisian sports sites welcome more than one million spectators at 38 sporting events each year. Now a partner of France's three most iconic soccer clubs, with Paris Saint-Germain joining the teams Olympique de Marseille and Olympique Lyonnais, in addition to the French Football Federation, Sodexo confirms its leading position in the sport.

POLAND – SUPPORTING SCIENTIFIC DISCOVERY

Sodexo is providing technical maintenance for Warsaw's **Copernicus Science Center** as well as operating the ticketing system and supervising installation of exhibits. The largest institution of its kind in Poland and one of the most advanced in Europe, the Center, welcomed its two millionth visitor in September 2012. Its more than 450 interactive exhibits allow visitors to carry out experiments and discover the laws of science for themselves.

http://www.kopernik.org.pl/en/

SLOVENIA – HITTING CULINARY HIGH NOTES

Under its new contract with the **Slovenia National Opera and Ballet Theater,** Sodexo chose the splendid venue to launch its new national "So Extra" brand to describe the high quality foodservices offered to opera and theater patrons attending performances and major events. The prestigious client provides Sodexo with a high-profile reference in the country's rapidly opening sports & leisure market.

SWEDEN – NEW HOTEL AND CONFERENCE CENTER IN GOTHENBURG

When Gothenburg's latest **hotel and conference facility** opens in June 2015, Sodexo will be there, delivering foodservices and managing conference facilities for up to 1,000 participants. Other facilities management services being provided by Sodexo include cleaning and technical maintenance. In addition to 130 rooms and a 250-seat restaurant, the 46,000-square-meter facility, the city's largest building, will house an indoor soccer field and a covered, year-round cross-country ski area.

UNITED KINGDOM

Sustainable service at The Crystal, London's newest landmark

A new star in the London sky, **Siemens' "The Crystal"** is the world's first building devoted entirely to innovation in sustainable urban planning. The Crystal, a corporate events site, will also serve as a global think tank for engineers and city experts to collaborate on projects that drive sustainable urban innovation and create a better future for cities. Sodexo's commitment to the highest standards in service and quality and to sourcing and preparing food in the most sustainable manner possible helped win the contract to deliver all public, workplace and event foodservices at the site. In addition to using environmentally friendly products and supplies, Sodexo also supports the local community by giving priority to job candidates from the local community whenever possible. The quality of Sodexo's service offer to visitors to the Crystal Café has already won acclaim with the receipt of a 2013 "Menu Innovation and Development Award."

Innovative site's conference center

"The Exchange" at Colworth Park, a conference and banquet center in Bedfordshire, chose Sodexo to manage its reception and hospitality services and manage events organized by companies at the innovative site. A unique partnership between property developer Goodman and Unilever, a global consumer products leader, **Colworth Park** provides companies with office space, laboratories and technical support as well as the 2,000-square-meter "The Exchange" conference center. With nine meeting rooms and a state-of-the-art 250 seat lecture suite, the site is the ideal setting for Board meetings, team briefings, product launches, sales seminars, training courses and client meetings. The agreement is part of Sodexo's European facilities management contract with Unilever covering 70 locations in 15 European countries.

Café ahoy!

Designed and managed by Sodexo, the **"Upper Deck"** is a new destination bar and café with spectacular views of the WWII warship "HMS Belfast" and surrounding London landmarks, including Tower Bridge, the Tower of London and City Hall. Launched in partnership with the Imperial War Museums, the new venue is an extension of the foodservices, retail and sales and marketing services Sodexo already provides to the Churchill War Rooms and HMS Belfast – whose maritime architecture inspired the design for the Upper Deck's visitor center and outdoor terraced bar.

Rocking Hyde Park

Bon Jovi, Sir Elton John, The Rolling Stones, Lionel Richie and Jennifer Lopez were among the headline acts in July at **"British Summer Time Hyde Park,"** a ground breaking new outdoor summer concert series. More than 7,000 guests were entertained in hospitality suites and international food courts provided by Sodexo, with concepts emphasizing a British summer fair theme such as live cookery stations and street food outlets. The prestigious Hyde Park locale made event sustainability a prerequisite, with Sodexo introducing numerous innovations, including the use of biodegradable or reusable disposables and local and seasonal produce.

Among our references...

ATHLETIC AND CULTURAL ACTIVITIES

Art Café, Strasbourg (France)

Bateaux Parisiens, Paris (France)

Café Carlu (Cité de l'Architecture et du Patrimoine), Paris (France)

Children's Museum of Indianapolis, Indiana (United States)

Churchill War Rooms, London (United Kingdom)

Dallas Museum of Art, Texas (United States)

Detroit Institute of Art, Michigan (United States)

Grand Parc du Puy du Fou (France)

Hampden Park, Glasgow, Scotland (United Kingdom)

Hippodromes : Auteuil, Chantilly, Enghien, Longchamp, Maisons-Laffitte, Saint-Cloud, Vincennes (France)

HMS Belfast, London (United Kingdom)

Houston Zoo, Texas (United States)

Jardin du Petit Palais, Paris (France)

Lenôtre, Cour des Senteurs, Versailles (France)

L'Olympique de Marseille, (France)

L'Olympique Lyonnais, Lyon (France)

La Cité Musicale de L'île Seguin (France)

Le Musée des Regards de Provence (France)

Le Paris Saint-Germain (France)

Le Rallye Dakar (Argentina-Chile)

Lido de Paris (France)

Museum of Science and Industry, Chicago, Illinois (United States)

Newcastle United Football Club, Newcastle (United Kingdom)

RHS Chelsea Flower Show, London (United Kingdom)

Roland Garros, Paris (France)

Royal Botanic Garden Edinburgh, Edinburgh, Scotland (United Kingdom)

Seattle Aquarium, Washington (United States)

Shedd Aquarium, Chicago, Illinois (United States)

Space Center Houston, Texas (United States)

The Open Shampionship, (United Kingdom)

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PRESTIGE RESTAURANTS

Don Juan II, Yachts de Paris, Paris (France)

Huntington Library Gardens Café, Pasadena, California (United States)

Le Pavillon Elysée Lenôtre, Paris (France)

Le Pré Catelan, Paris (France)

Les restaurants de la Tour Eiffel, Paris (France)

PRIVATE CLUBS, ASSOCIATIONS AND CONFERENCE CENTERS

Aéroclub de France, Paris (France)

Black Canyon Conference Center, Phoenix, Arizona (United States)

Centre d'Affaires Capital 8, Paris (France)

Centre d'Affaires Étoile Saint-Honoré, Paris (France)

Château de Fillerval, Thury-sous-Clermont (France)

Domaine du Manet, Montigny-le-Bretonneux (France)

La Faisanderie – Stade Français, Paris (France)

Maison des Polytechniciens, Paris (France)

Maison de la Recherche, Paris (France)

Salons de la Maison des Arts et Métiers, Paris (France)

San Ramon Valley Conference Center, California (United States)

Tecnológico de Monterrey, (Mexico)

The Crystal, London (United Kingdom)

Yachts de Paris, Paris (France)

OUTSTANDING EVENTS

Ascot Racecourse

Euro 2012 soccer tournament

London 2012 Olympic and Paralympic Games

Tour de France

Rugby World Cup

HEALTH CARE

KEY FIGURES

- **3,276** million euro in revenues
- **18%** of Group revenues
- **64,662** employees
- **3,946** sites

Source: Sodexo.

Our offer

IMPROVING HEALTH CARE THROUGH QUALITY OF LIFE SERVICES

Sodexo understands the interdependency of care activities in a hospital and contributes to a **positive patient experience** through the productive use of human, materiel and financial resources. Sodexo's services range from management of clinical equipment to sterilization of medical devices, from disinfection of patient rooms and operating theaters to patient reception and admissions, and from hospital logistics to providing foodservices for patients, visitors and hospital staff. With all of this expertise, Sodexo's **services are adapted to address client priorities**:

- increase patient satisfaction;
- motivate and retain staff;
- improve quality of care;
- ensure compliance with rigorous medical standards;
- reduce overheads;
- maximize revenues.

The value added: **better patient outcomes**, improved **operational performance** and **increased competitiveness** in their market.

Market trends and growth potential

MARKET TRENDS

Health care costs are constantly increasing, driven by a combination of demographic, social, economic and technological factors. Since 2010, however, the economic crisis has resulted in a significant slowdown in health care expenditures *(Source: OECD)*, putting economic pressure on health care facilities, which must re-think their organizational, operational and financial models.

In developed countries:

- a sharp slowdown in health spending growth as a result of lower public expenditures as well as a decrease in private spending, reflecting reduced or stagnant household income, unemployment and other factors;
- concentration of the health care sector is resulting in larger but fewer facilities;
- budgetary constraints and technological advances are contributing to a reduction in the number of beds and average length of stay, as well as the development of care outside of the traditional hospital setting (ambulatory centers or home care);
- chronic diseases (diabetes, cardiovascular disease, cancer, etc.) have a significant impact on the organization and costs of health systems;
- patient consumerism is forcing hospitals to focus increasingly on improving the patient experience and compete in non-clinical areas such as reception services, management of the patient pathway and administrative services;
- the economic crisis and healthcare reforms are reducing reimbursement rates, requiring hospitals to further focus on increasing efficiency and cutting costs.

In emerging markets:

- over the next decade, the growth of health spending will come mainly from countries in Asia (China, India, Indonesia), South America (Brazil, Colombia) and the Middle East (United Arab Emirates, Saudi Arabia);
- increased disposable income, the rapidly expanding middle class, emergence of private insurance and population growth are driving higher demand;
- national health care systems are struggling to provide the appropriate level of care, due to insufficient infrastructure and limited budgets and health care human resources, paving the way for a growing and ever stronger private healthcare sector, particularly regional and international health care chains;
- increasingly high expectations of patients, who frequently pay for their care out of pocket, are creating a boom in medical tourism that is forcing health care facilities to compete nationally and internationally.

Source: Sodexo.

GROWTH POTENTIAL

More than 150 billion euro in estimated total market value,

with an outsourcing rate around 40% (among the highest rates: Chile and Italy above 60%; among the lowest rates: Finland and Sweden, around 25%).

Sodexo estimate.

Supporting our client, Mackenzie Health in Canada

HOSPITALITY CULTURE IMPROVES QUALITY OF LIFE AND EFFICIENCY

Mackenzie Health, a leading Ontario regional hospital, relies on Sodexo's expertise in Quality of Life Services to help enhance the well-being of patients, visitors and staff through optimization of its operations, infrastructure and budget.

Our client's needs

Mackenzie Health (previously York Central Hospital) is a 511-bed full service community hospital near Toronto in Richmond Hill, Ontario, Canada. Serving a population of 400,000 people in one of the country's fastest growing regions, the hospital provides diagnostic and medical services, including surgery and obstetrics, recovery and long-term care.

In 2007, the hospital was looking for a single partner able to support its ambitious redevelopment program and address its operational challenges. The goal: create synergies that would improve the quality of services, maximize the use of aging infrastructure and optimize budgets. By outsourcing services, the hospital could also free up management time to focus on other priorities.

Sodexo's response

Sodexo proposed an integrated Quality of Life Services offer designed to break down historical barriers and build cooperation between different service areas, contributing to a new "hospitality" culture.

Sodexo determined that, with 511 beds, non-medical support services staff interact with patients 2,000 times each day – with each occasion an opportunity to positively influence the patient experience. A dedicated on-site Sodexo trainer working with support services employees was among the proposals for improving teamwork and renewing the emphasis on the patient experience. Sodexo also adds value for the hospital through the use of new technologies and providing innovative funding solutions for service development.

The range of services entrusted to Sodexo has expanded over the years. It now includes management of clinical technologies, a call center combining service response and switchboard operations, scheduling of support services staff, environmental services, management and maintenance of facilities and equipment, security services, logistics, laundry services, transport of patients and equipment as well as residential services for dependent persons provided through Sodexo's Comfort Keepers subsidiary. Sodexo also manages retail food services and has implemented its "Expressly For You" foodservices offer for patients.

Results

In choosing Sodexo, Mackenzie Health went from several vendors providing various services to one, with a single point of contact at the management level. A fully engaged partner, Sodexo is represented on **30 hospital Committees**.

Since Sodexo began providing services, satisfaction levels of patients, staff and visitors has increased significantly:

- patient satisfaction has increased **20%;**
- support services staff satisfaction has improved by **20%;**
- bed discharge clean times have improved by over **50%;**
- the average number of transports per day is more than **10%** above target;
- work order turnaround has been reduced to **two days,** compared with a four-day target.

Focus on...

INTERNATIONAL – SUPPORTING HEALTH CARE CLIENT CERTIFICATION

Sodexo continues to apply its global health care expertise to help clients in emerging countries achieve and maintain accreditation from international agencies. Sodexo's value adding Quality of Life Services contribute not only to strengthening operational performance but also to improving patient and staff satisfaction and, thus, client competitiveness.

- **In Brazil,** Sodexo supported 14 sites in maintaining ONA, (National Accreditation Organization) Certification at levels 1, 2 and 3, four sites in renewing their status with Accreditation Canada, a not-for-profit, independent organization accredited by the International Society for Quality in Health Care, and three clients in being recertified by the Joint Commission International (JCI)[(1)].
- **In India,** renewals obtained included JCI certification at Fortis Mulund and National Accreditation Board for Hospitals (NABH) accreditation for three hospitals. New NABH accreditation was earned by two more hospitals and a third was newly certified with JCI. Sodexo also received ISO 22000 food safety certification for foodservices at Madras Institute of Orthopaedics and Traumatology MIOT International Block.

(1) *Joint Commission International (JCI)*
JCI certifies health care organizations that meet a set of standard, internationally recognized requirements designed to improve quality of care and ensure a safe environment for patients and staff.

- **Additional technical qualifications** earned during the year included HACCP(1) certification for food services at Instituto Argentino de Diagnóstico y Tratamiento in **Argentina** and at Clinica Alemana in **Chile,** ISO 14001 Environmental Management System Certification at King George Hospital in the **UK** and first-time ISO 10002 accreditation for Customer Satisfaction and Complaints Handling in **Turkey.** In **Poland,** Sodexo was recertified ISO 9001 for facilities management services including technical maintenance, cleaning and reception.

Highlights

BRAZIL – INNOVATIVE HEALTHY OFFERS

New sodium-free, low-fat/low-salt recipes, seasoned with fresh herbs and sauces, are featured in Sodexo's new **"Cardiology Offer,"** launched in a São Paulo hospital. Meanwhile, at two clinics in Rio de Janeiro, **"Pediatrics and Maternity Offers"** provide personalized assistance and à la carte menus to new mothers and breakfasts for family members and visitors.

CHILE – INTEGRATED CUSTOMIZED SERVICES

Sodexo teams adopted an **integrated approach** to service delivery to the Health Care segment, building a comprehensive FM services offer covering hospital hygiene, patient transport, waste management and laundry services. In adapting the foodservices offer to meet consumer expectations, the successful *Le Jardin* retail offer introduced last year at the Clinica Alemana was joined by the *"La Cafet"* and "Coffee Break" brands and a Green Box convenience store concept. For patients, a new **Atmósfera** offer was launched, featuring food and facilities management services customized to respond to the specific needs of four patient categories: cancer, maternity, children and general.

SINGAPORE – GOLD AWARD FOR HEALTHIER EATING INITIATIVES

The Singapore Health Ministry has recognized Sodexo's efforts to **promote healthier eating** with the 2012-2013 Gold Award. Initiatives include healthy menu development that incorporates healthier ingredients and cooking methods into food preparation and the creation of an environment, including through health promotion programs, to encourage better nutritional habits. Specific actions include limiting fats, salt and sugar and increasing offers of vegetables and fresh fruits.

UNITED KINGDOM – SODEXO CLIENTS AWARDED FOR INNOVATIONS, SUSTAINABILITY

The Birmingham Children's Hospital NHS Foundation Trust was recognized with i-FM.net's Technology in FM award for "Maple," the hospital's interactive electronic patient meal ordering system designed by Sodexo. Through the use of mobile touch screen technology, the system is designed to further improve patient care by making meal ordering time an appealing, fun and informative activity for the hospital's young patients. Maple, the first program of its kind to be used within the UK's National Health Services, also was recognized with numerous other awards for innovation, contributing to waste reduction and recycling and improving patient quality of life.

UNITED STATES

Sodexo extends leadership with sustainable disinfection innovations

As part of its Better Tomorrow Plan commitment to source sustainable supplies and expand the choices for environmentally friendly cleaning products and protocols offered to clients, Sodexo introduced **two new sustainable cleaning technologies**: the **Hydris™** on-site generation system uses a mineral solution and electrically activated

(1) *HACCP (Hazard Analysis Critical Control Point)*
A management system for controlling food safety through the prevention, elimination or reduction to an acceptable level of any biological, chemical or physical risk. Created in the United States, HACCP has been institutionalized in the European Union and in many countries.

water to clean and disinfect most surfaces; **Ecolab**'s bio-based Hard Surface Cleaners are formulated using plant-derived natural resources to reduce environmental impact and help eliminate the need to wear personal protective equipment during product use. Through the two initiatives, Sodexo is helping to improve the quality of life for its employees, client staff and consumers.

Client "Health is Your Treasure" video presents Sodexo's Mindful program

Conemaugh Memorial Hospital in Johnstown, Pennsylvania, created a video to introduce Sodexo's "Mindful" wellness approach that seeks to make healthy choices a matter of second nature. Central to the program are the delicious healthy, nutritious recipes created by Sodexo executive chefs and registered dietitians, based on consumer feedback and marketplace research. Mindful also focuses on transparency of ingredients, satisfying portions and clarity in message to reinforce good nutritional choices. Designed for Company managed restaurants in all client segments, the Mindful approach can be easily adapted at home by consumers to preserve their investment in good health.

http://www.youtube.com/watch?v=MhB7SOJkZ4o&hd=1

Key contract wins

BRAZIL

Sodexo delivers foodservices to the 357-bed **São Rafael Hospital** in Salvador (Bahia), which has become a reference of excellence in medical service in Brazil.

CHINA

At **Renmin Hospital of Wuhan University,** Sodexo is providing foodservices to 4,000 medical and hospital staff members and 3,000 patients.

FRANCE – CONTINUED GROWTH OF QUALITY OF LIFE SERVICES

Historic partnership renewed and expanded

Sodexo's foodservices contract with **AP-HP (Paris Public Hospitals)** was renewed, continuing a 40-year relationship with the major Paris region health care provider and Europe's leading university hospital center. Through a concentrated team effort, the Company was selected in the highly competitive request for proposals, a process conducted every three to four years. As a result of the strength of its past performance and its proposal to support AP-HP's intensified focus on the quality of patient services, Sodexo will soon be providing foodservices **to two new AP-HP hospitals,** in addition to the three it already serves and five administrative centers.

Nouvelles Cliniques Nantaises outsources quality of life services

The Nouvelles Cliniques Nantaises (NCN) in the city of Nantes chose Sodexo as their provider of **care support services,** previously provided in-house, with responsibilities that include management of NCN's existing restaurant teams, patient room and operating theatre biocleaning, logistics and management of four conference rooms. The decision to outsource the quality of life services allows NCN's medical and administrative teams to concentrate on maintaining the quality of health care that earned the facility the country's number two ranking in a recent ranking by the French newsmagazine *Le Point*. Commented NCN's CEO Ronan Dubois, *"We sought a partner that would help us improve economic performance while maintaining quality levels and it was clear that Sodexo could help us meet these requirements."* The three clinics of the 550-bed facility treat almost 70,000 patients annually, making NCN one of France's largest private health centers.

Groupe Vitalia – Innovative, differentiating offer wins contract

Vitalia Group, France's second largest private hospital operator, chose Sodexo to provide foodservices at all of its **38 sites** on the basis of the Company's innovative proposal. In serving sites ranging from 10 to 280 consumers per day, Sodexo teams are providing patients with the ability to choose ***à la carte*** lunch and dinner services, helping the client ensure consistent quality across all sites and reinforce its reputation for high quality.

INDIA – NEW SUCCESSES FUEL CONTINUED GROWTH

Recent Sodexo wins include providing foodservices at the 107-bed **Hayat Hospital** in Guwahati and delivering a monitored dietary program for patients as well as foodservices at the 110-bed **Hinduja Hospital** in Mumbai. At the 300-bed **Sakra Hospital** in Bangalore, Sodexo is now responsible for an array of facilities management services including housekeeping, technical maintenance, patient transport and attendant services, nursing accommodations and central desk management, as well as foodservices.

PERU – FIRST HEALTH CARE CONTRACT

In its first contract in Peru's fast-growing Health Care segment, Sodexo is working to help **Clínica Internacional,** one of the country's leading private hospital operators, achieve Joint Commission International certification. Sodexo teams provide technical services to ensure the smooth running of six clinics' non-medical infrastructure, including electrical system maintenance, elevator maintenance, certain specialist management functions such as including supplies purchasing and providing service desk software to consolidate all client requirements and status reports. Sodexo's team in Chile contributed to winning the initial contract that has since been expanded to five additional sites, an 80-bed main hospital building and four medical centers.

POLAND – THE JOHN PAUL II HOSPITAL OF KRAKOW ENTRUSTS SODEXO

Sodexo is providing cleaning services and foodservices to the 500-bed John Paul II Hospital in Krakow under a three-year contract. The hospital facilities include 14 wards and 40 specialized laboratories.

SWEDEN – IMPROVING QUALITY OF LIFE FOR CANCER PATIENTS

Sodexo has been awarded the contract to operate a 246-room residence for oncology/cancer patients in Umeå, in close collaboration with the University hospital. Under the 10-year contract, Sodexo provides all of the services normally provided at a regular hotel as well as certain treatment services for patients.

UNITED KINGDOM – SODEXO WINS ONE OF YEAR'S LARGEST NHS CONTRACTS

Under one of the year's largest National Health Services (NHS) contracts awarded in the UK, Sodexo is providing a full range of soft FM services at **Brighton and Sussex University Hospitals.** In addition to a full range of foodservices, facilities management services provided by Sodexo for the hospitals' 750,000 patients and visitors under the seven-year contract include cleaning, housekeeping, linen supply, concierge and transport services, grounds maintenance and waste management.

UNITED STATES

Catholic Health Initiatives and Sodexo partnership

Reducing the high cost of health care is a priority for hospital administrators, and Catholic Health Initiatives (CHI) is addressing the challenge through its mission to create healthier communities. After a comprehensive evaluation of food services programs across the enterprise, CHI determined that a partnership with a leader in health care dining- and nutrition-services was essential to improving services and reducing costs. CHI selected Sodexo as its business partner to help develop and manage the organization's National Food Services Program. The program is expected to yield significant financial improvement in the operating performance of CHI's food programs, while enhancing quality and increasing the satisfaction levels of patients, guests and employees. Sodexo's expertise and industry-leading practices in healthy menu options will support CHI's focus on community health and wellness by making healthy foods more accessible, enabling the organization to create a better experience for those it serves.

Multiple services for multiple Florida sites

HCA East Florida, 3,394-bed medical complex, awarded Sodexo the contract to provide foodservices and environmental services at its complex of facilities that includes 14 hospitals, 12 surgery centers, six diagnostic imaging centers, seven psychiatric care facilities and one regional laboratory.

Ochsner chooses quality of life in Louisiana

Sodexo is providing food and nutrition services and to **seven sites**, with a total of 1,550 beds, for Ochsner across the state of Louisiana. The Sodexo Solutions Center also manages construction projects for its client.

ProMedica Health System expands contract with Sodexo in Michigan and Ohio

Sodexo added **eight more hospitals** to the one at which it already provides foodservices for ProMedica Health System. The nine hospitals have a total of 1,269 beds.

Among our clients...

AP-HP (Assistance Publique – Hôpitaux de Paris), Paris (France)

BDMS Group (Bangkok Hospital and Samitivej), 8 locations throughout Thailand

Beijing Friendship Hospital, Beijing (China)

Boston Children's Hospital, Massachusetts (United States)

Bumrungrad Hospital, Bangkok (Thailand)

Casa di Cura Multimedica SpA, 4 sites, Sesto San Giovanni, Milan (Italy)

China Welfare Institute Rest Home, Shanghai (China)

Danderyd's Hospital, Danderyd (Sweden)

HCA East, 12 sites, Florida (United States)

Hospital Militar de Santiago, Santiago (Chile)

ICESP – Hospital do Câncer de São Paulo, (Brazil)

Institut Catala de Salud, 10 sites, Catalonia (Spain)

KCS Klinikum, Darmstadt (Germany)

Krakow University Hospital, Krakow (Poland)

Lowell General Hospital, Massachusetts (United States)

Mackenzie Health, Ontario (Canada)

Medi-Partenaires, 25 sites (France)

Military Medical Institute (WIM), Warsaw (Poland)

National University Hospital, (Singapore)

Northern Devon Healthcare NHS Trust, Devon (United Kingdom)

Papworth Hospital NHS Foundation Trust, Cambridgeshire (United Kingdom)

Siriraj Hospital, Bangkok (Thailand)

Stockholm County Council (Sweden)

Tun Hussein Onn National Eye Hospital (Malaysia)

Universitair Ziekenhuis Gent, Ghent (Belgium)

Vitalia, 38 sites (France)

Wilhelminenspital, Vienna (Austria)

Ziekenhuis Gelderse Vallei, Ede (Netherlands)

SENIORS

KEY FIGURES

- **1,094** million euro in revenues
- **6%** of Group revenues
- **10,987** employees
- **2,910** sites

Source: Sodexo.

Our offer

IMPROVING THE QUALITY OF LIFE OF SENIORS

Sodexo helps ensure the overall well-being of seniors through medical nutrition and a full range of high value-added services designed to:

- **improve seniors' quality of life**: with a good understanding of the diversity of senior needs, Sodexo offers services appropriate to all stages of the aging process;
- **contribute to the physical, emotional and mental well-being of seniors** residing in retirement communities and care facilities;
- **enable seniors to preserve their independence** through the delivery of quality services in the home;
- **ensure efficient assistance** to senior care providers: Sodexo's services enhance client business performance and reputation.

Market trends and growth potential

MARKET TRENDS

Economic trends

Rising demand and expenditures

- The increasing senior population is contributing to rising health care costs.
- Greater prevalence of chronic diseases is contributing to higher costs.

Controlling budgets

- Many seniors lack sufficient personal resources to cover medical care costs.
- Governments are seeking cost-effective solutions to meet the increasing demands for senior care.

Social trends

Extended life expectancy, changing society

- Medical advances are prolonging life expectancy with those over 80 comprising the fastest growing segment of the population in many countries.
- More seniors, preferring to live independently at home, are entering facilities later in life.

A rising need for professional caregivers

- Growing numbers of families are seeking help to meet the unique requirements of the elderly.
- Competition for professional caregivers is intensifying.

Source: Sodexo.

GROWTH POTENTIAL

Close to 90 billion euro
in estimated total market value,

with an outsourcing rate around 25% (among the highest rates: Italy and Denmark, above 50%; among the lowest rates: Hungary and the United States, around 10%).

Sodexo estimate.

Focus on...

LIVING BETTER WITH ALZHEIMER'S

Through its offer for combating malnutrition, encouraging independence and breaking the isolation of Alzheimer's patients, Sodexo seeks to improve quality of life for patients, families and caregivers.

In Spain, Sodexo continued to extend its offer to address the needs of Alzheimer's patients and their families, forming a partnership with Spain's National Alzheimer's Association (AFAL). The two partners will work to develop C'ALMA, the Spanish version of Sodexo's M'ama program developed in partnership with the Italian Center of Alzheimer Studies. The program is being implemented at AFAL's flagship project, Villafal, a senior care home complex in Madrid, specially designed to welcome Alzheimer's patients and their families. The complex focuses on innovative activities to maximize the well-being of Alzheimer's patients, their families and caregivers. The C'ALMA program uses a digital platform to track changes in a patient's history that affect their care, such as dietary habits, mobility, food preferences and alterations in behavior. A Sodexo dietitian works closely with the Villafal medical team and reports on the progress of each patient's eating habits during regular meetings with the family.

In France, Sodexo has implemented a comparable innovative, proactive foodservices offer, *Un air de famille,* to encourage better eating by Alzheimer's patients through an emphasis on enjoyment, autonomy and familial references.

Geriatrics coordinator at the senior living center in Livry-Gargan, Frédéric Ammouial, said such programs reduce behavioral problems that affect patient nutrition. "Nutritionally, residents spend more time at the table and eat more. Some of our patients are more optimistic and our caregivers are very enthusiastic with this innovation."

Highlights

ITALY – CERTIFICATION FOR HEALTH AND REHABILITATION SERVICES

Sodexo has received its first ISO 9001 quality management certification for provision of health, assistance and rehabilitation services at the Casa di Riposo Caprotti-Zavaritt residence and day center for partially or fully non-self-sufficient adults and the elderly. The services are part of Sodexo's "global hospitality" services offer that includes foodservices, health care (nurses), rehabilitation (physiotherapists) and care services, cleaning, gardening, technical maintenance and transportation.

SWEDEN – GUESS WHO'S COMING TO LUNCH?

Students in schools in Gävle are now enjoying lunches in the company of seniors from the community. A 12-month intergenerational exchange project prepared and piloted last year by Sodexo and the municipality, was considered highly successful. The pilot project has now been extended on a permanent basis to two and probably soon more of the city's 32 schools in which Sodexo provides foodservices for 12,500 schoolchildren.

UNITED STATES – STRATEGIC ALLIANCE WITH MASTERPIECE LIVING

Sodexo further expanded its Quality of Life services offering to seniors with a holistic wellness platform, developed through a strategic alliance with senior wellness specialist, Masterpiece Living. The approach builds on the traditional focus of services on care, comfort and security to also encompass spiritual, mental, emotional and physical growth, enabling older adults to maximize their potential. More than a wellness program, Masterpiece Living is a lifestyle platform for successful aging and growth. Participants experience increased self-awareness and empowerment leading directly to improved physical and mental vitality, social engagement and a renewed sense of purpose. Among the benefits demonstrated by outcomes data – which are measured and tracked on an individual, community and national aggregate basis – is a lowering of risks for impairment for disease and accidents.

Key contract wins

FRANCE – EXPERTISE ON THE MENU

Edenis, a non-profit association, chose Sodexo's "So Appro" offer to ensure quality, harmonization and optimization of its foodservices for 1,600 residents in its 18 living centers for seniors and dependent adults. What attracted Edenis, according to Eric Odegaard, purchaser for the association? *"The simplicity, obviously, because our teams have only to enter the number of meals to determine what to order from suppliers, relieving our chefs of this administrative task and allowing them to focus on their core responsibilities."* Sodexo also provides its expertise in foodservices (food safety, hygiene, menus...).

TURKEY – SERVING SENIORS, SUPPORTING A SCHOOL

Sodexo is delivering a range of Quality of Life Services to four senior residences for the Darüssafaka Foundation, which is also an Education client. Services provided to the 450 consumers in the senior residences include cleaning, pest control, laundry, reception, porter services, meeting room management and foodservices.

UNITED STATES

Delivering exceptional Quality of Life Services

United Church Homes and Services (UCHS) provides retirement living to seniors in the North Carolina communities of Thomasville and Newton as well as Suffolk, Virginia. Sodexo is providing foodservices in the communities designed to deliver a rich and varied dining experience that support UCHS' objective of ensuring that residents enjoy active, vibrant and productive lives in beautiful settings.

Quality dining services and employee development

Sodexo is providing foodservices under a five-year contract to residents at more than **300 HCR ManorCare sites nationwide.** An important element in the decision to award the contract was Sodexo's ability to create a workplace that engages residence staff through an educational and rewarding environment that provides exposure to excellence in dining services, expertise in meal planning, food selection, wellness and nutritional care. Sodexo's ability to offer a broader career path to employees seeking to advance in the dietary services field was also a key factor for HCR ManorCare.

Among our clients...

American Baptist Homes of the West (ABHOW), 10 sites (United States)

Asbury Group, 6 sites (United States)

Baptist Housing, 5 sites in British Columbia (Canada)

Covenant Retirement Communities, 15 sites (United States)

Domain Principal Group, 7 sites (Australia)

Elim Park Baptist Home, Cheshire, Connecticut (United States)

Fondation Caisses d'Epargne pour la Solidarité, 94 sites

Fondazione Santa Maria Ausiliatrice, Bergamo (Italy)

Fundación Teleton, 6 sites (People with Disabilities) Santiago (Chile)

Grupo SAR (Spain)

HCR ManorCare, 302 sites (United States)

Hopeatie Senior Home, Helsinki (Finland)

Hospedaría Hogares de Cristo, 5 sites, Santiago (Chile)

Jewish Senior Life, Michigan, 7 sites (United States)

Keshet Amuta Le-Maan Ha-Kashish, 3 sites (Israel)

Korian, 95 sites

Maison Marie Immaculée, 4 sites – Neufvilles (Belgium)

Maisons de Soins de Bettembourg et de Wasserbillig (Luxembourg)

MENSA, 8 sites – Meulebeke (Belgium)

Novaire, 11 sites (Spain)

Plymouth Place, Chicago, Illinois (United States)

Retirement Home, City of Stockholm (Sweden)

RSA – Casa di Riposo Villa Serena, Brembate Sopra, Bergamo (Italy)

Shepherd Village, Toronto, Ontario (Canada)

TLC, 10 sites Victoria, Australia

Uniting Care Ageing NSW ACT, 15 Aged Care sites, Sydney, New South Wales (Australia)

Yallambi Aged Care Facility, Melbourne, Victoria (Australia)

PEOPLE WITH DISABILITIES

Our offer

IMPROVING QUALITY OF LIFE FOR INDIVIDUALS WITH DISABILITIES

Sodexo helps people with disabilities overcome daily challenges and provides ways to make their daily life simpler, safer and more enjoyable.

In helping to integrate people with disabilities more fully into society and the workplace, Sodexo performs a role as a responsible citizen in actively helping to increase awareness – and alter attitudes – about all forms of disability.

Highlights

CANADA – PROVIDING A ROAD BACK FROM MENTAL ILLNESS

The Willow Bean Café in Vancouver, managed by Sodexo, offers jobs to people recovering from mental illness through which they gain confidence and the support needed to return to the work force. The social enterprise coffee shop provides participants the opportunity to obtain skills and work experience, return to the rhythm of a normal workday and re-build their confidence in an environment without any of the stigma often attached to mental illness. The supported employment program is a partnership between Vancouver Coastal Health, the Canadian Mental Health Association and Sodexo.

FRANCE

Valuing differences, recognizing talent

The 15th edition of **the "One for all, all for one"** national competition, presided over by world-renowned chef Michel Bras, offers individuals with disabilities from Sodexo client sites to show off their culinary skills and gain additional self-confidence. Participants, from throughout France, were part of a team with a teacher and a Sodexo employee that prepared entries under this year's theme, "Create a magnificent dessert", based on a floral theme and judged on the basis of presentation, originality, taste, compliance with hygiene standards and the ability to work in teams. Congratulations go to this year's winning team from the specialized residence, *La Villa Clé des Dunes* in the town of Berck-sur-Mer.

Guarding flavor for more appetizing, healthful meals

A new offer developed by Sodexo chefs at a residence for disabled individuals in Ales puts a renewed emphasis on flavor. People with severe disabilities often have difficulty eating: it is therefore the texture of food that is the primary focus. But these mixed dishes lost their flavor and appeal to consumers. With the new recipes, flavors remain intact and attention is paid to ensuring an attractive presentation, improving residents' quality of life.

Key contract wins

SPAIN – AN INNOVATIVE PARTNERSHIP TO COMBAT ALZHEIMER'S

Under a new contract, Sodexo will be implementing its C'ALMA offer for the **Villafal center,** a center for Alzheimer's patients and their families. When completed, the private project, financed by the national Alzheimer's association (AFAL) and the Fundación Reina Sofia, will have 90 rooms for residents and a 26-room hotel for visitors. Sodexo is providing engineering services to optimize the physical layout for the center's restaurant and the hotel cafeteria.

SWEDEN – SERVICING TECHNICAL MEDICAL DEVICES

Sodexo has yet again been entrusted with the responsibility for medical device technical assistance serving the **county of Stockholm.** Effective in 2014, the five-year contract covers provision of technical equipment for people with disabilities, including thousands of products, from very simple tools to very complex articles,

EDUCATION

KEY FIGURES

- **3,798** million euro in revenues
- **21%** of Group revenues
- **94,597** employees
- **5,642** sites

Source: Sodexo.

Our offer

FOSTERING SUCCESS THROUGH ENHANCED QUALITY OF LIFE

Schools and universities today face considerable challenges, from increased competition for students and faculty to aging infrastructure and constrained budgets to concern over student nutritional habits. Sodexo plays a key role in helping **ensure a safe, welcoming and healthy learning environment** through efficient and innovative integrated service offers that:

- create positive student experiences that improve performance and achievement;
- enhance quality of life for the learning community;
- ensure students are offered balanced, healthy diets;
- strengthen clients' image and reputation;
- retain students and faculty;
- help control operating expenses.

Market trends and growth potential

MARKET TRENDS

Student health and wellness

Governments in developed and emerging economies are battling to curb alarming increases in both obesity and malnutrition, including among student populations. In the U.S., the Healthy Hunger-Free Kids Act provides an opportunity to make real reforms to school lunch and breakfast programs for the first time in 30 years by improving the critical nutrition and hunger safety net for millions of children.

Globalization of education

International student and faculty exchanges are on the rise; Western schools and universities are building campuses abroad and increasing international partnerships to meet rising demand in developing countries, especially Southeast Asia and the Middle East, while adapting to increased international student enrollment on their home campuses.

Sustainability

With an educational institution's commitment to sustainable practices now a key factor influencing school selection, universities are increasingly adopting sustainable energy and environmental policies – which also help reduce operating costs while protecting the planet and improving satisfaction and health.

Financial constraints

With a focus on attracting and retaining students but facing increased financial constraints, educational institutions are hard-pressed to meet day-to-day operating budgets and fund capital projects; increasingly, they are relying on their outsourcing partners to optimize costs while governments are turning to the private sector for investments.

Technology

More than ever before, technology is transforming classroom dynamics. Education is being individualized, allowing for greater engagement with students and increasing knowledge development. For today's educational institutions, applying cutting edge technology is an absolute requirement.

Economic conditions

Prolonged and rising unemployment in many developed nations has reduced families' spending power, multiplying the number of children without access to proper nutrition.

Source: Sodexo.

GROWTH POTENTIAL

Over 150 billion euro in estimated total market value,

with an outsourcing rate around 35% (among the highest rates: Belgium and Spain, more than 60%; among the lowest rates: Canada and Poland, around 25%).

Sodexo estimate.

Supporting our client: United World College of South East Asia in Singapore

GROWING WITH A RENOWNED WORLD-CLASS INSTITUTION

UWC South East Asia (UWCSEA) is projected to become the world's largest international school in 2015, with a student population of 5,400 students from nearly 90 countries on two sites: the Dover Campus, where Sodexo has been providing foodservices since 1999 and the East Campus, which opened on its current site in 2011.

Our client's needs

To improve quality of life for students and staff, UWCSEA sought a unique strategic partner for the two campuses capable of offering a wide variety of food choices to respond to the increasingly diverse needs of a multi-cultural community. The challenge: offer a range of food that is varied, balanced, healthy and sustainable … and supports the College commitment to sustainability and "shaping a better world."

Sodexo's response

Already a UWC strategic partner in other UWC schools and colleges in Hong Kong, India and the USA. and with solid experience in meeting the expectations of consumers on the Dover Campus, Sodexo won the East Campus tender through its comprehensive "nutrition, health and well-being" offer integrating:

- an array of concepts to respond to the cultural diversity of tastes;
- educational information encouraging balanced nutritional habits;
- "green solutions" such as the use of corn starch ware-based bio plastic, biofuel and eco-friendly cleaning materials, food waste recycling, minimization of waste, water and electricity and a cashless Smart Card system with digital receipts.

Results

- 87% excellence rating **in building safety and the quality of products** served according to an audit by external QHSE auditor, Silliker;
- UWC's East Campus was awarded the **"Green Mark Award"** by the Building Construction Authority as Singapore's most energy efficient school. Sodexo helped its client earn the award through a range of services included ensuring efficient use of electrical equipment and water, recycling food packaging and cooking oils, conversion to environment friendly cleaning agents, replacement of plastic ware with corn ware and organizing composting for use in UWC gardens.

"Visitors to the College from schools around the world are impressed with both the quality and variety of food served. We also have seen a significant improvement in service standards. No detail seems too small for Sodexo."

Julian Whiteley, Head of UWCSEA

Focus on...

UNITED STATES – ENHANCING QUALITY OF LIFE AT HIRAM COLLEGE

Sodexo is implementing a full service master plan to improve quality of life for 1,300 students at Hiram College, a private liberal arts college in Ohio.

The plan is addressing critical strategic questions to help the college reinforce its market position and value proposition and increase its competitiveness by enhancing quality of life for students and staff.

The plan's scope of work includes Master Planning Services, representing alternative planning and design concepts to create consensus among key stakeholders. Areas covered include landscape and circulation improvements, renovation of academic buildings, classrooms and residence halls, modernization and replacement of existing support facilities and athletic facilities.

The plan examines a wide array of issues such as potential initiatives, utilization data, current balance sheet, projected deferred maintenance, operational requirements and standards, inherent site and access issues and the competitive environment.

The schedule for implementing the project through a comprehensive action plan is being finalized.

Highlights

COLOMBIA – NUTRITIONAL TIPS AND A SMILE FROM "ED"

As part of its commitment to educate future generations about the importance of **good nutritional practices**, Sodexo developed an informative and entertaining nutrition education program featuring "Ed", a puppet character that takes the stage in school lunchrooms in Colombia. Friendly and fun, Ed and his fellow puppets interact directly with students during their lunch period, providing examples of good eating habits and tips on maintaining healthy lifestyle behaviors.

FRANCE

Optimizing the work environment

A **management tool for computer-aided maintenance** is enabling Sodexo to analyze and qualify the work to be done to maintain schools. In addition to increasing responsiveness to daily demands, the system enables Sodexo to respond to client challenges including improving the working environment for students, teachers and administrative staff, optimize infrastructure use, reliability and security and extending the breadth of services provided. A partner for 15 years with the Collège Lycée Île-de-France à Villebon-sur-Yvette near Paris, Sodexo is responsible for all technical maintenance for which it has implemented this tool.

Marseilles foodservices highly rated

National consumers association UFC Que Choisir has given good grades to Marseilles' school cafeterias for the quality of the 50,000 meals per day served by Sodexo. A local elected official said the high rating reflected the school system's commitment to providing a diverse menu and a range of high quality organic and locally grown products.

SPAIN

Close-to-home summer vacations

Children between 6 and 14 years old can now participate in healthy alternative activities during the summer in their own school. In partnership with several schools, Sodexo has developed "FUNtástico," in which school playgrounds are transformed into adventure parks for children to enjoy a wide variety of open air activities, including climbing, archery, aquatic sports, theater productions, scavenger hunts and mountain biking. The fact that the urban camps are located at the schools helps facilitate scheduling for families while providing an enriching experience for children.

Certification for integrated sustainable development system

ISO 50001 Energy Management System certification based on Sodexo's Sustainable Integrated Management System covering the areas of quality assurance, engagement with the safety and health of employees, respect for the environment and the efficient use of energy. The scope of the certification is multi-technical services and applies to two public schools: Escuela Oficial de Idiomas in Sabadell and the High School Marítim in Barcelona.

UNITED KINGDOM – TRAINING TOP CHEFS AT ÉCOLE LENÔTRE

As part of its program to ensure chefs are able to deliver quality food consistently to Independent Schools, Sodexo sends senior chefs to polish their mastery of gastronomic arts at *École Lenôtre*. One of the most prestigious culinary schools in the world, École Lenôtre became part of the Group's extended family with Sodexo's 2011 acquisition of gourmet specialist Lenôtre. The training helps chefs to continuously improve and deliver on Sodexo's Fresh Food from Scratch commitment through which the food served is prepared from scratch at the majority of the 76 independent schools for which Sodexo provides foodservices.

UNITED STATES

Energy efficiency enhances technical services offer

New technical services introduced by Sodexo include energy reducing capital projects, utility expense management, energy procurement and auditing and centralized facilities management through automated remote control access. With the Roth Bros acquisition, Sodexo also provides roof management and mobile HVAC services to supplement and strengthen Sodexo's on-site FM services. The expanded offering reinforces Sodexo's expertise in multi-technical services, enabling it to further support clients to optimize their energy consumption.

Imagining the future with university client

Sodexo helped New Jersey's Caldwell College develop a seven-year facilities improvement master plan that proved instrumental in securing 3.8 million dollars in grants for capital improvements, technology infrastructure upgrades and deferred maintenance. Among the projects included in the plan were projects for a clinical nursing program, simulation labs and classrooms, replacement of roof and electrical and heating distribution systems, dormitory renovations and technology and infrastructure improvements.

Key contract wins

BELGIUM – SUSTAINING ANDERLECHT SCHOOLS

A new meals offer emphasizing sustainability helped Sodexo win a new contract to provide foodservices for 31 schools in the **community of Anderlecht (Brussels).** Based on a theme of goodness for earth, living and taste, the offer has now been implemented with 18 clients at all levels of education, from primary schools to universities.

CHINA – SODEXO ADDS SECURITY CONSULTING AND SERVICES FOR LEADING INTERNATIONAL SCHOOL

Sodexo is now providing security consulting services and cleaning services to long-time foodservices client, **Dulwich College Shanghai.** This leading international school provides a world-class education for more than 1,400 expatriate students from 40 nations, aged 2-18. The contract, the first of its kind for Sodexo in China, covers a full assessment of school security risks and requirements. On the basis of the analysis, Sodexo is designing and implementing state-of-the-art security measures that blend technology, enhanced business processes and guard services to provide a comprehensive total security solution.

COLOMBIA – A CUSTOMIZED, BALANCED NUTRITIONAL OFFER

Under a five-year contract, Sodexo is providing 1,800 meals per day for students, teachers and staff at the **English School,** a private institution ranked as one of Colombia's best schools. A variety of age appropriate programs have been launched to respond to student taste preferences and nutritional needs, including reinforcing proper nutritional habits and teaching table etiquette.

HUNGARY – RENEWED TRUST

Sodexo's contract to provide 20,000 meals per day at 73 schools in **Debrecen** was renewed for an additional five years. Sodexo's largest contract in Hungary, the win reflects the confidence established over 10 years of providing foodservices to Debrecen's students and staff. In addition, another significant contract was renewed in Budapest following a public tender procedure. Sodexo will continue to serve nearly 5,000 students in 25 schools under the new 10-year contract.

SWEDEN – EXPANDED TECHNICAL SERVICES CONTRACT

Energy audits and consumption analysis, outdoor maintenance and fire protection inspections were among the new services added under a contract signed at the end of 2011 with the **municipality of Norrköping.** The contracts for technical services and building and installation maintenance cover 50 school buildings, attended by a total of 4,100 students.

UNITED STATES

Sodexo's technical services at University

Administrators at **St. John's College** in Annapolis, Maryland awarded a new five-year facilities management contract to Sodexo. Services to be provided under the contract include maintenance, grounds and custodial management. An understanding of the high-quality services and cutting-edge technology provided by Sodexo to one of the showcase sites at Hobart and William Smith Colleges in New York contributed to this win.

Spotsylvania County, Virginia, selects Sodexo

Spotsylvania County Schools, the largest outsourced school district in the state of Virginia, with nearly **24,000 students at 29 schools,** chose Sodexo as its student nutrition partner. Sodexo was selected for the new five-year partnership based on a strategically designed offer to respond to a highly competitive bid process. The winning proposal incorporated best practices such as "Guest Chef Celebrations" and "Sodexo's Right Start Mobilization" program, as well as emphasizing community involvement, local foods and educating students about the importance of sustainability initiatives.

Among our clients...

Aalborg University, Copenhagen campus, (Denmark)

Aalto University, Helsinki (Finland)

ABQ School (Oman)

Acadia University, Wolfville, Nova Scotia (Canada)

AIM, Melbourne (Australia)

American Schools, Mumbai (India), Doha (Qatar)

Asian Institute of Technology, Pathum Thani – Bangkok area (Thailand)

British International School, Kuala Lumpur (Malaysia), Abu Dhabi (United Arab Emirates)

British School of Beijing, Beijing (China)

Crèches de la ville de Paris (France)

Darüşşafaka Schools (Turkey)

École Française de Riyadh (Saudi Arabia)

Écoles de la ville de Brest (France)

Écoles de la ville de Marseille (France)

EDHEC, Lille (France)

EDUCatt – Università Cattolica di Milano, 3 sites (Italy)

Embry-Riddle Aeronautical University, Daytona Beach, Florida, & Prescott, Arizona (United States)

English School, Bogota (Colombia)

Établissement Privé Saint Vincent, Rennes (France)

Établissement Privé Saint-Michel de Picpus, Paris (France)

Haileybury College, Melbourne (Australia)

Hong Kong International School, Hong Kong (China)

Instituto de Empresa (Spain)

Jakarta International School, Jakarta (Indonesia)

Kellett School, Hong Kong (China)

Kindergartens and Primary Schools, Debrecen (Hungary)

Lappeenranta University of Technology, Lappeenranta (Finland)

Lecong Middle School, Guangdong (China)

Liceo Francés Jean Mermoz, 1 site. Buenos Aires (Argentina)

Loyola Marymount University, Los Angeles, California (United States)

Lubbock School System, Lubbock, Texas (United States)

Lycée Français, Singapore, Doha (Qatar), Bangkok (Thailand)

Lycée Louis Massignon, Abu Dhabi, (United Arab Emirates)

Mahindra United World College of India, India

Northwestern University, Evanston, Illinois (United States)

Oasis Community Learning, 17 sites (United Kingdom)

Providence City School District, Rhode Island (United States)

Putnam City School District, Oklahoma City, Oklahoma (United States)

Queen's University, Kingston, Ontario (Canada)

Saginaw Public Schools, Saginaw, Michigan (United States)

Saudi Mining Institute (Saudi Arabia)

Southampton Solent University (United Kingdom)

SSMS and Birla Institute of Technology and Science, Vidya Vihar City, Rajasthan (India)

St Paul's College, Sydney University (Australia)

Sultan Qaboos University (Oman)

Tulane University, New Orleans, Louisiana (United States)

United World College of South East Asia (Singapore)

Universidad Católica de Chile, Santiago (Chile)

Universidad Europea de Madrid (Spain)

Università di Pavia, 2 sites (Italy)

Université Omar Bongo, Libreville (Gabon)

University of Technology and Economics, Budapest (Hungary)

Vrije Universiteit Amsterdam (Netherlands)

Wellington College (United Kingdom)

1.3.2.2 BENEFITS AND REWARDS SERVICES

ACTIVITY

KEY FIGURES

- **16.0** billion euro in issue volume
- **790** million euro in revenues
- **4%** of Group revenues
- **4,058** employees
- **420,000** clients (excluding individuals)
- **31.9** million beneficiaries
- **1.2** million affiliated partners

Source: Sodexo.

Our offer

IMPROVING QUALITY OF LIFE TO BOOST MOTIVATION

Sodexo designs, manages and delivers nearly 250 Benefits and Rewards Services adapted to the strategic objectives of **each company and organization.** These solutions help improve the quality of life of individuals by:

- promoting a satisfying **work-life balance;**
- encouraging **them to maintain their health;**
- making them **feel truly valued;** and
- enhancing their **standard of living.**

These quality of life solutions provide companies with customized, innovative and effective responses to their primary human resources and performance challenges.

Combining **economic performance and sustained improvement in quality of life,** Sodexo's offer is focused around on three service categories to help clients:

- **recruit, retain and increase the motivation of talented people.** Employee Benefits responds to the issues of Company compensation policies, helping clients enhance their attractiveness;
- **mobilize teams around quantitative or qualitative objectives.** With Sodexo's Incentives and Recognition programs, companies have access to customized tools to boost sales, engage their partner networks and promote good plant safety practices;
- **ensure and enhance the distribution and delivery of Public Benefits.** Sodexo-designed solutions are simple, transparent and effective in facilitating the work of governments and local authorities, helping to optimize budgets and achieve their social policy, cultural or educational goals.

Market trends and growth potential

MARKET TRENDS

Beyond long-term trends that promote the development of all of Sodexo's activities, specific factors affecting Benefits and Rewards Services include:

- **macroeconomic change:** the increasing service economy, growing numbers of working women, the search for a competitive edge, growing importance given to the human factor;
- **sociological change:** growing focus on well-being, quality of life and health;
- **political issues:** combating illegal work, public health policy, controlling public spending.

Companies seeking to attract and retain talent to cope with rapidly changing markets are turning to employee motivation programs to differentiate themselves, enhance productivity and respond to the new needs of their workforce.

The impact of these trends varies widely according to country economic situations.

- **In industrialized countries,** continuing urbanization, a growing number of working women and an aging population that is working longer are creating new needs and expectations.
- **In emerging countries,** population growth, particularly of the middle class, and a more service-driven economy are increasing demand for human resource services. Companies in countries like Brazil, where competition for trained talent is intense, are seeking solutions to attract and retain employees and improve their purchasing power.

Governments and local authorities are increasingly searching for efficient aid distribution solutions in a context of higher budget constraints while pursuing pro-active policies to improve delivery of support to disadvantaged members of society.

Source: Sodexo.

GROWTH POTENTIAL

A market estimated at
more than 170 billion euro
in issue volume.

Sodexo estimate.

Supporting our client, Crédit Agricole Consumer Finance in France

A CUSTOMIZED RESPONSE

In seeking an exclusive partner for its gift vouchers incentive programs, banking client Crédit Agricole Consumer Finance (CA-CF) chose Sodexo's customized response, a common motivation solution adapted to each beneficiary, whether an internal employee or external partner.

Our client's needs

CA-CF needed a way of organizing its gift incentive program to recognize all parties contributing to its objectives: 4,000 external commercial partners and employees. The challenges included offering beneficiaries a wide selection of gift choices, avoiding the handling of often perishable merchandise inventory, minimizing the risk of loss or theft and reducing costs.

Sodexo's response

Sodexo supported and advised its client at each step of the project, implementing a single solution built around its "Spirit of Cadeau" gift card. This solution enabled CA-CF to provide a consistent offer adapted to both external and internal beneficiaries: brokers compensated according to the number of contracts signed; vendor employees, based on attainment of sales objectives; and, CA-CF employees, with rewards linked to performance metrics such as achieving a 100% rate at the call center. All beneficiaries can use the card at a network of 150 affiliated stores and 40 internet sites or convert it into gift vouchers on a special website.

Results

A major factor for CA-CF was Sodexo's expertise, including its ability to advise the client about legal obligations and develop a successful incentive program that fully complied with new French regulations on external motivation programs.

Today, says CA-CF's CEO for France Stéphane Priami, the Company is able to manage its motivation program more easily and efficiently, helping to drive sales and manage its network of partners:

"Sodexo's solution has enabled us to increase the effectiveness of our motivation program with both our employees and external partners while also simplifying its administration and reducing its costs. Their expertise in creating and running incentive programs and on the application of the new regulations also has been invaluable."

Focus on…

INTERNATIONAL – E-BUSINESS WEBSITES EXPAND IN NUMBER AND ACTIVITY

In continuing to open client-focused websites in each country in which it operates, Benefits and Rewards Services facilitates access to its services while continuing to increase Sodexo's overall online visibility.

New e-Business websites went live during the year in Austria, Belgium, Brazil, Bulgaria, Chile, China, Czech Republic, France, India, Indonesia, Israel, Luxembourg, Mexico, the Philippines, Romania, Spain, Tunisia, Turkey, Venezuela, Vietnam and the UK with several more country websites in the works.

The client-oriented websites provide an extensive overview of all services with direct access links for ordering services. The presentation of services is customized according to whether the visitor is a client, affiliate, beneficiary or other stakeholder. Other features include maps of affiliates and a calculator to determine tax benefits.

The 21 existing websites have proven their success as a marketing tool, generating business and drawing significant traffic, led by the Brazil e-Business site, which is recording 170,000 visits per month. All Benefits and Rewards Services countries will deploy these websites.

Highlights

INTERNATIONAL – SODEXO CONTINUES TO IMPLEMENT GROWTH STRATEGY

Sodexo launched Benefits and Reward Services operations in two new countries in which it already offers On-site Services:

Israel – Sodexo becomes market leader in Benefits and Rewards Services

With its March 2013 acquisition of Cibus Business Meal Ltd, Sodexo rose to number one in Israel in Benefits and Rewards Services, today providing 1,350 companies with meal cards that can be used by their employees in 3,700 restaurants. The transaction opens potential opportunities for all of Sodexo's Benefits and Rewards Services programs in the country as well as the ability to now offer comprehensive Quality of Life Services.

Sweden – Sodexo reinforces Quality of Life Services offer

Complementing its services offer in Sweden, Sodexo has added Benefits and Rewards Services through its acquisition of Rikslunchen, Sweden's second largest issuer of restaurant cards. Rikslunchen serves more than 50,000 beneficiaries through a nationwide network of over 18,000 affiliated restaurants. Sodexo is the only company proposing a comprehensive Quality of Life Services offer in Sweden.

CHINA – SODEXO OBTAINS ISSUER LICENSE FOR PREPAID CARDS

The People's Bank of China (PBOC) granted Sodexo a five-year license, according to Chinese regulations applicable to issuers of prepaid cards. Sodexo is continuing to develop motivation and loyalty programs in Shanghai for more than 275,000 beneficiaries and 1,300 clients, with a network of 8,000 affiliated partners.

EMPLOYEE BENEFITS

KEY FIGURE

> 25 million beneficiaries

Source: Sodexo.

Our offer

IMPROVING QUALITY OF LIFE TO ATTRACT AND RETAIN TALENT

In today's extremely competitive environment, **attracting and retaining top performers** is essential for every public and private organization, regardless of size or market. Knowing how to motivate employees can provide companies with a true competitive edge.

"With its goal to become the leader in the employee benefits market, Sodexo has developed **customized, easy-to-use, economical solutions with optimized tax treatment** that address client human resource needs and help them improve their image.

Whether through access to a varied diet offered by Meal Pass, the ability to buy environmentally friendly products through Eco Pass or the support for commuting costs provided by Mobility Pass... our services improve the lives of employees and their quality of life, enabling them to devote themselves fully to their work.

Focus on...

BRAZIL – INNOVATIVE EMPLOYEE SERVICES CARDS

Innovative new cards released by Sodexo Benefits and Rewards Services in Brazil are expanding and improving services for beneficiaries.

The first, **Refeição Pass,** is a new meal card based on the PAT law (*Programa de Alimentação do Trabalhador* or Workers meal program). This card uses the latest EMV chip technology[1]. Considered the most secure on the Brazilian market, this breakthrough technology provides greater security and flexibility for Company employees in Brazil. The more than 1.5 million users can use the card in a large network of more than 320,000 affiliates throughout the country.

An additional innovation, the **Cultura Pass** card (a 50 reals card) based on the PAC Law *(Programa de Cultura do Trabalhador)* allows Company employees to purchase cultural good and services such as books, CDs and tickets for the cinemas. This card gives also access to specific cultural discounts and promotions.

Finally, the **Alimentação Pass Natal** gift card offers employees the freedom to choose products they want for Christmas from a wide network of supermarkets. This card is an alternative to the traditional food basket given at many companies.

Highlight

FRANCE – NEW CARD CREATES NEW OPTIONS FOR GIFT GIVING

With the success of the "Spirit of Cadeau" gift card launched last year, Sodexo introduced a new innovation in 2013 with the "Spirit of Cadeau" ***Le Cadeau commun,*** the first card for groups who want to pool their gift giving. Useable at more than 150 locations, on 40 Internet sites, the card can be purchased at commercial outlets or online at spiritofcadeau.com. With an authorized value up to 2,500 euros, the card allows givers the option of creating a message to be printed and given to the recipient along with their gift card.

Key contract wins

CHINA – AIRCRAFT MANUFACTURER COMAC REINFORCES ITS LINKS WITH SODEXO

Already a provider of On-site Services to **Commercial Aircraft Corporation of China, Ltd** (COMAC) in Shanghai, Sodexo was chosen last year to provide an assured meal benefit through Meal Pass to 3,300 employees. Sodexo's customized offer allows the commercial aircraft manufacturer's employees to utilize the benefit in either Company cafeterias or at affiliated restaurants. This year, COMAC demonstrated their trust and satisfaction with Sodexo's solution, and more than doubled the number of their employees receiving this employee benefit all over the Company.

(1) EMV (Europay, Mastercard, Visa) defines rules related to the structure of chip cards (smart cards) for security and interoperability with point of sale equipment.

INDIA – MODERNIZING THE TRADITIONAL GIFT FOR THE FESTIVAL OF LIGHTS

Danish shipping, oil and retail giant **Maersk** reinforced its relationship with Sodexo delivering Gift Passes to 8,000 of the Company's employees in India to celebrate "Diwali", the festival of lights, one of the most important celebrations of the Hindu calendar. Sodexo's solution enabled Maersk to provide the rewards to its employees at their workplace and on time for the Diwali celebrations at the Company's Mumbai headquarters and its Pune and Chennai regional offices. In addition to simplifying logistics for our client, the result was a timely benefit for employees, who welcomed the freedom to choose their own gift from some 12,000 retail outlets.

LATIN AMERICA – FEMSA RELIES ON SODEXO'S EXPERIENCE TO REINFORCE EMPLOYEE ENGAGEMENT

More than 140,000 employees of **Coca-Cola FEMSA**, the world's largest bottling company and FEMSA – Comercio, operator of OXXO, Latin America's largest convenience store, are benefiting from Sodexo's electronic **"Tienda Pass"** food card, which ensures employees and their families can buy food products. Sodexo also provides rewards to Coca-Cola FEMSA employees through the "Premium Pass" gift card, offering the recipient freedom to choose their own gift at establishments throughout the Latin American countries in which Coca-Cola FEMSA operates. Solutions that contribute to improving employee motivation, attraction and retention.

Among our clients…

BANKS – INSURANCE – CORPORATE SERVICES

Adecco: Argentina, Bulgaria, France, Germany, Mexico, Spain, Tunisia

AXA: Germany, India

Groupe BNP Paribas: Czech Republic, France, Germany, Mexico, Spain, Tunisia

Groupe HSBC: Mexico

Groupe ING: Belgium, Slovakia

KPMG: Belgium, Vietnam

Postal Savings Bank of China: China

PriceWaterHouseCoopers: Bulgaria, France, Germany, Luxembourg, Mexico, Vietnam

Société Générale: Bulgaria, Tunisia

IT – ELECTRONICS

Accenture: Slovakia

Alcatel-Lucent: India, Tunisia, Turkey, Venezuela

Cap Gemini: India

Flextronics: India, Mexico, Romania

Hewlett-Packard: Bulgaria, India, Tunisia, Turkey

L.M Ericson: Bulgaria, Tunisia, Turkey

Microsoft: Czech Republic

Nokia: Hungary, Tunisia, Vietnam

Oracle: Philippines, Tunisia, Venezuela

Samsung Electronics: Indonesia, Philippines, Spain, Tunisia, Venezuela

SAP: Bulgaria, Germany, India, Luxembourg, Spain

SERPRO (Serviço Federal de Processamento de Dados): Brazil

Sonda Procwork: Brazil

CONSUMER GOODS

Coca-Cola: Bulgaria, Luxembourg

FEMSA (Coca-Cola FEMSA): Mexico

Henkel: India

Johnson & Johnson: Philippines

La Polar: Chile, Venezuela

L'Oréal: Romania,Turkey

Nestlé: Czech Republic, Tunisia, Venezuela, Vietnam

PepsiCo: Romania

Procter & Gamble: Philippines, Tunisia

Spal Industria Brasileira de Bebidas, SA (Coca-Cola FEMSA subsidiary): Brazil

Unilever: Bulgaria, Spain, Tunisia, Venezuela

INDUSTRY – ENERGY

CHESF (Companhia Hidro-Elétrica do São Francisco): Brazil

COMAC (Commercial Aircraft Corporation of China): China

Eli Lilly: Czech Republic, Mexico, Philippines, Venezuela

General Motors: United Kingdom

GlaxoSimthKline: Indonesia, Mexico

Hindustan Aeronautics Limited (India)

Lufthansa: Germany, Tunisia

National Railways (Hungary)

Pfizer: Indonesia, Tunisia, Venezuela

Schneider Electric: France, Indonesia, Spain, Tunisia, Vietnam

Siemens: France, Germany, Romania, Tunisia, Turkey

Toyota Motors: Philippines, Spain, Turkey, Venezuela

Tunisair (Tunisia)

Volkswagen: Romania, Tunisia, Venezuela

INCENTIVES AND RECOGNITION PROGRAMS

KEY FIGURE

> 5 million beneficiaries

Source: Sodexo.

Our offer

ENHANCING ORGANIZATIONAL PERFORMANCE THROUGH QUALITY OF LIFE

Sodexo is accelerating its development of **incentive programs,** providing companies with **customized tools to unite and motivate employees** around common objectives and to **reward** their efforts. Clients can easily and efficiently manage programs to increase sales, manage a partner network or promote good safety practices in a factory.

In providing support at each step – program design, follow-up assessment, event communications, selection and delivery of rewards – based on its knowledge of beneficiary priorities.

Sodexo helps clients improve performance and achieve their goals through effective programs that motivate and reward their teams.

Focus on...

INTERNATIONAL – FOCUSING SODEXO'S GLOBAL EXPERTISE TO DELIVER WINNING SOLUTIONS

Four international centers of expertise dedicated to incentive offers were created in Belgium for Europe, in Colombia for Latin America, in India for Asia and in the U.S. for North America. Their role is to provide support to Sodexo Benefits and Rewards Services teams in the countries where the activity is present. They also provide support to multinational clients in the design, implementation and monitoring of their programs to reward the performance and loyalty of their teams.

Flexible and varied, these programs respond to diverse needs and deliver value to employees through rapid and easy-to-use Internet-based rewards platforms.

For example, Sodexo has:

- *promoted Company culture and values at one of the largest U.S.-based payroll companies through peer-to-peer and management recognition;*
- *Encouraging performance improving and cost-saving employee behaviors (safety, wellness, customer satisfaction, quality, attendance) at an IT company in India with 28,000 users.*

In response to client requests, Sodexo can renew and propose **incentive programs** at the national and international level **to encourage and reward performance.** Through their use of Internet-based platforms and customer support, our Incentive programs provide companies with more effective tools for increasing sales, managing partner networks and motivating employees through recognition.

For example, Sodexo has custom-designed programs strengthening channel partner relationships for a major European tire company planning to launch regular campaigns to increase brand penetration within their distribution channels.

Sodexo today is managing over 350 major programs around the world.

Key contract win

POLAND – GOOGLE SEARCH RESULTS: EFFECTIVELY CUSTOMIZED INCENTIVES PROGRAM!

At the end of 2012, Sodexo's Benefits and Rewards Services Polish team concluded a partnership with Google Poland. A few weeks later, in January 2013, a new incentive pilot program was born.

The client had identified a potential, untapped opportunity: to encourage advertising agency partners to promote new products and features used by Google in its AdWords online advertising system. The goal: create a tailored program to motivate Google's advertising partners.

For a target group of Google customers, Sodexo set up a **complete and customized on-line incentive solution**. The range of services included construction of the mechanism, legal counsel, web site design, an online catalog of customized awards, daily program management and support services and advising Google managers.

After six months of use, promotion of Google products and features had increased and even exceeded the client's expectations and the Sodexo-designed program had received positive reviews from account managers. The results convinced Google to expand the pilot program to additional advertising agencies in Poland and implement the program internationally, in Italy, Russia and Brazil.

Among our clients…

BANKS – INSURANCE – CORPORATE SERVICES

Adecco: Argentina, France, Mexico, Tunisia

AXA: India, Indonesia

Groupe BNP Paribas: Argentina, Bulgaria, France, Tunisia

Groupe HSBC: Argentina, Indonesia

Manpower: Tunisia

Société Générale: Tunisia

IT – ELECTRONICS

Alcatel-Lucent: India, Tunisia

Cap Gemini: India

Flextronics: India

Hewlett-Packard: India, Indonesia, Vietnam

Microsoft: Czech Republic

Nokia: Hungary

Samsung Electronic: Indonesia, Philippines, Tunisia

SAP: India, Spain

Vodafone: Romania

CONSUMER GOODS

Coca-Cola: Bulgaria, Tunisia

Johnson & Johnson: Bulgaria, Philippines, Tunisia

L'Oréal: Romania, Tunisia, Turkey

Nestlé: Czech Republic, Hungary, Indonesia, Tunisia, Venezuela

PepsiCo: Romania

Procter & Gamble: Argentina, Tunisia, Vietnam

Unilever: Philippines, Spain, Tunisia

INDUSTRY – ENERGY

AstraZeneca: Mexico, Tunisia

Eli Lilly: Mexico, Philippines, Venezuela

GlaxoSmithKline: Indonesia

Pfizer: Tunisia, Venezuela

Schneider Electric: France, Indonesia, Tunisia

Siemens: France

Toyota Motors: Indonesia, Philippines

Volkswagen: Bulgary, Romania, Tunisia

PUBLIC BENEFITS

KEY FIGURE

› 1.9 million beneficiaries

Source: Sodexo.

Our offer

IMPROVING QUALITY OF LIFE THROUGH OPTIMIZED SOCIAL WELFARE PROGRAMS

Through its Public Benefits solutions, Sodexo simplifies access to basic services, culture or residential support services for millions of people worldwide.

With an objective to be the partner of choice for local governments, Sodexo designs **simple, transparent and effective responses** to facilitate management, optimize budget resources and help clients achieve their **social policy, cultural or educational objectives.** In promoting the development of the local economy, Sodexo also contributes to the creation of enduring employment.

Examples include Culture Pass, which offers students access to sports and cultural activities, Education Pass, helping families to provide learning support for their young children and CESU Pass, offering residence-based assistance to seniors or to individuals with disabilities.

Focus on...

GERMANY – EDUCATIONAL BENEFITS CARD PUTS SODEXO AT THE HEAD OF THE CLASS

The German government sought an effective means of improving access to education for children from low-income families and facilitating their integration into social and cultural life.

The "educational package" *(Bildungspaket)* entitles 2.5 million beneficiaries to access several types of benefit programs – including class trips, lunch and tutoring programs and socio-cultural programs. The educational package's implementation is organized locally by the county or city councils and differs in all 440 communes in Germany.

To efficiently manage funds, the administration decided to provide the benefits as payment in kind through direct payment or vouchers and card systems to affiliates. Ensuring data security and records management were paramount for the clients.

In response, Sodexo developed an entirely online electronic payment program. The simple to use system offers greater security than traditional prepaid card systems. The program also allows beneficiaries to more easily find affiliates through an online search feature and the choice of a "smart card" format for payment facilitates use by child beneficiaries. Services provided by the program are specific and customized to individual needs, enabling beneficiaries to use their card for the services for which they are eligible and ensuring the target-specific allocations for the intended purposes.

Commenting on the program, German Labour and Social Affairs Minister, Dr. Ursula von der Leyen said, *"I am firmly convinced that an education benefit card will prove its value in the long term."*

As a result of its expertise in managing the custom designed vouchers and electronic cards to support social and educational programs and its excellent public benefits reputation, Sodexo Benefits and Reward Services in Germany was already able to win 15 larger clients, ensuring non-discriminatory access to education for around 120,000 potential beneficiaries.

Key contract wins

FRANCE – SUPPORTING INDEPENDENCE FOR SENIORS AND DISABLED PERSONS

The **Saône-et-Loire department** awarded Sodexo the contract to oversee and manage its CESU residential employment services pre-paid voucher program, aimed at supporting the independence of elderly and individuals with disabilities through provision of residential services. The program benefits 8,000 senior citizens and 300 disabled persons, with 1,950,000 CESU vouchers issued annually. To respond to its clients' priorities, Sodexo proposed an electronic transmission system to efficiently manage the vouchers across all issuers and communications kits and a call center to keep beneficiaries informed.

UNITED KINGDOM – CONTRACT RENEWED FOR ASYLUM SEEKERS BENEFITS PROGRAM

The UK Home Office renewed Sodexo's contract to provide cash and voucher support services for eligible asylum seekers, a program initiated in 2000. The program provides benefits to approximately 10,500 people and added two new payment cards this year for eligible service users returning to their country of origin.

VENEZUELA – SODEXO'S EXPERTISE EARNS TRUST

The newly elected Bolivarian government in the northwestern **state of Zulia** is relying on the social benefits expertise of Sodexo to optimize the delivery of food aid to 27,000 beneficiaries. Sodexo designed and implemented an effective solution to modernize the existing system, replacing voucher-based delivery with a Food Pass electronic card. In just three months, a dedicated team, supported by an information campaign, succeeded in migrating most beneficiaries and affiliates to the new system, which improves delivery efficiency, simplifies administration and lowers costs. In addition, Sodexo's country web site further eases the program's use and administration. Sodexo also is offering beneficiaries in Zulia its pioneering human resource management program, Vida Professional, which helps participants develop professionally through information and training workshops, lectures and conferences.

www.vidaprofesional.com.ve

Among our clients...

PUBLIC AUTHORITIES

Argentina: Ministry of Social Development of Chaco

Chile: JUNAEB *(Junta Nacional de Auxilio Escolar y Becas)*, Chile

Czech Republic: Public Health Insurance

France: CAP Conseil Général du Rhône, City of Marseilles, Conseil Général des Hautes Pyrénées, Pôle Emploi

Tunisia: Central Bank of Tunisia, Ministry of Education, Ministry of Finance, Ministry of Foreign Affairs

United Kingdom: Ministry of Defense, UK Border Agency

Venezuela: Government of Falcon State, Government of Yaracuy State, Government of Zulia State

1.3.2.3 OUR PERSONAL AND HOME SERVICES

Our offer

QUALITY OF LIFE FOR ALL AGES

Three types of services:

- Childcare

  Sodexo designs, builds and manages childcare centers for local authorities and companies, providing attentive care and education and helping parents balance family and work life.

- Concierge services

  Sodexo helps to increase employee loyalty toward its clients by taking on the private to-do lists of their customers and employees – from restaurant reservations and ticketing to in-home services, vacations and dry cleaning.

- Home Care

  Home Care services support seniors' independence and quality of life in offering customized services to facilitate daily life, such as mobility assistance, help with errands, preparation of balanced meals and medication reminders, personal care, and much more.

Market trends

Personal and Home Services responds to four demographic and social megatrends affecting society and companies: an aging society, shortage of skilled labor, women in the work force and work-life balance.

CHILDCARE: DEMAND EXCEEDS SUPPLY

In developed countries, parents are facing a scarcity of affordable childcare solutions, leading many governments to adopt policies promoting development of childcare facilities, and companies to seek "turnkey" solutions to help enhance employee loyalty.

A BETTER WORK-LIFE BALANCE

Facing increasingly challenging time constraints, people are juggling between work and personal life. Companies that provide support for achieving an improved work-life balance benefit from happier, more productive employees, which also translates into increased engagement and loyalty.

HOME SWEET HOME

As the population ages, the need for in-home assistance for dependent persons will continue to rise, particularly given that seniors prefer to remain in their home for as long as possible.

While government agencies promote in-home care to control public spending, the private pay segment continues to grow in response to demand from seniors prepared to invest personal resources to maintain their independence and quality of life.

Source: Sodexo.

Supporting our client: The Grand Hôpital de Charleroi in Belgium

THERE'S A CONCIERGE IN MY HOSPITAL ROOM!

In offering Sodexo's concierge services to both employees and patients, the Grand Hôpital de Charleroi (GHdC) is improving quality of life for all, while increasing its attractiveness as both an employer and a healthcare provider.

Our client's needs

In an increasingly competitive market, the Grand Hôpital de Charleroi sought a partner who could help improve employee work-life balance and patient and family quality of life.

Sodexo's response

Through its Circles subsidiary, Sodexo proposed a concierge services offer on the hospital's largest site to meet the expectations of hospital employees and patients. Easily accessed *via* the concierge desk, phone or Internet, the wide range of services include dry cleaning, alterations, shoe repair, reservations, tickets, car wash, ironing, laundry, administrative tasks, florist services, Vivabox gifts, organic fruit and vegetable baskets and pet sitting services. Sodexo also manages the hospital's reception and information desk.

Results

After one year of operations, this initial concierge services offer within Belgium's health care sector has met with a strong, positive response from users, reflected in the continuous growth of requests. The result is a planned expansion to all five of the hospital's sites, covering 4,500 employees and all patients and visitors.

"We wanted to meet two challenges: to make life easier for our nursing and medical staff working under often difficult conditions and to increase the comfort offered to our patients and their families. Sodexo has helped us to build a high-value offering that improves quality of life for all and helps us differentiate ourselves in a highly competitive market."

Michèle Pirlot
Operations Department Director
Grand Hôpital de Charleroi

Focus on...

FRANCE – IMPROVING QUALITY OF LIFE THROUGH HOME CARE FOR SENIORS

Sodexo strengthened its expertise in home care services for seniors.

Amélis's four offices and 250 employees, including 230 caregivers, recently became part of Sodexo. Amélis is specialized in providing a range of customized services to seniors and dependent persons offering both companionship and personal care. Services include light housekeeping, chores, errands, meal preparation, help in getting up and going to bed, administrative support, bathing and hygiene assistance, as well as related services such as tele-assistance through a personal emergency response system, medical equipment and home meal delivery.

This marks another step in Sodexo's development of Personal and Home Services in the senior in-home care market in France.

Highlights

FRANCE – EXPANDED CHILDCARE OFFERS

- Employees of **insurance company Matmut** can now book childcare places near their home or workplace in one of the 40 Crèche Attitude (a Sodexo subsidiary) childcare centers in the Paris region. The new partnership's "network" offer provides the company with a simple solution for helping employees balance their professional and family life.
- In January 2013, Crèche Attitude launched its new **"Solu'Crèche"** offer, an alternative childcare solution providing parents with emergency access to one of Crèche Attitude's 100 childcare centers in France when their usual caregiver is unavailable. Employees of global aerospace leader **Thales,** whose childcare centers are already managed by Crèche Attitude, were among the first to benefit from the new offer.

UNITED KINGDOM – IMPROVING QUALITY OF LIFE FOR SENIORS AND THEIR FAMILIES

- With the October 2012 launch of its subsidiary, **Comfort Keepers,** Sodexo entered the UK's home care market for seniors. Sodexo's customized professional services offer focuses on ensuring complete peace of mind for clients and their family members.
- Sodexo earned **Care Quality Commission (CQC) certification,** which ensures that medical and social care providers are meeting all national standards.

UNITED STATES

Expanded in-home care offer now includes nursing services

Comfort Keepers has introduced **Private Duty Nursing,** residence-delivered nursing services that enable clients to remain longer in their homes. The new service line extends Comfort Keepers' offer to include a much fuller range of services beyond non-medical services such as Companionship and Personal Care services already offered to seniors and dependent persons. The extended service differentiates Sodexo's offer, moving it into the medical care arena and has resulted in the addition of trained nurses to Comfort Keeper teams.

Comfort Keepers recognized with top ranking in its industry

In its review of America's top franchise opportunities, Entrepreneur Magazine ranked Comfort Keepers as **the number one franchise** within the senior care category and number 59 overall among **the top 500 franchises** in its Franchise 500© for 2013. The magazine's annual ranking reveals the impact of the newest trends and the industries poised for growth based on criteria such as financial strength and stability, growth rate and size of the system.

Comfort Keepers' performance was further recognized through receipt of **"World-Class Franchise™"** certification for the fourth year in a row from the Franchise Research Institute, a recognition based on feedback from franchisees.

Key contract wins

FRANCE

Sodexo subsidiary Circles is providing virtual concierge services for 8,000 employees working in the **buildings of SFL,** one of Paris' leading property managers. The services, provided at the company's 10 high-end office buildings include floral services, a babysitting locator and administrative tasks and are accessible *via* a customized app available on computers, touch screens and mobile devices.

UNITED STATES

Residents of the nationally recognized **Mt. San Antonio Gardens** senior living facility in Pomona, California, are benefiting from onsite concierge services provided by Sodexo subsidiary Circles, including after-hours support through a virtual concierge. The client sought to provide the 460 residents and its 250 employees with a higher level of support and an improved quality of life experience.

Among our clients…

Altran, Belgium

Amica, United States

Areva, France

Baker & McKenzie, Sweden

Bic, France

Biogaran, France

Biogen Idec, United States

BNP, France

Brown Richards, United States

Campbell's Soup, Canada

Carrefour, France

Coca-Cola, United States

Cox Communications, United States

Diageo, United States

EDF, France

Endicott College, United States

Ernst & Young, United States

European Investment Bank (EIB), Luxembourg

Goodrich, United States

Grand Hôpital de Charleroi, Belgium

Hyundai Card, United States

Institut Gustave Roussy, France

Kraft Foods, Sweden

Lincoln Motor Company (Ford), United States

L'Oréal, France

Massachusetts General Hospital, United States

Merck, France

Meridian Health, United States

Microsoft, France, United States

Millennium Pharmaceuticals, United States

NCC, Sweden

Nemours/Alfred I. duPont Hospital for Children, United States

Oracle, France

Procter & Gamble, United States

PSA, France

Saab, Sweden

Sanofi-Pasteur, France

Shell, France

Siemens, France

St. Jude Medical Inc., United States

Thales, France

TripAdvisor, United States

UMMC (University of Mississippi Medical Center), United States

Virgin Atlantic, United States

CONTENTS

2

ECONOMIC, SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

2.1 The Better Tomorrow Plan

Sodexo's commitments to corporate social responsibility have always been central to the Group's fundamentals. Today, those fundamentals are the cornerstone of Sodexo's development as a responsible company.

True to its mission, Sodexo is committed to improving the Quality of Life of its employees and all those it serves throughout the world and contributing to the economic, social and environmental development of the communities, regions and countries where it operates.

Sodexo's Corporate Responsibility roadmap, the Better Tomorrow Plan (BTP), formalizes its social and environmental commitments. It allows the Group to track the plan's implementation in the 80 countries in which Sodexo operates, and to measure the impact of its social and environmental commitments.

The Better Tomorrow Plan comprises three core pillars:

We are: the fundamentals that serve as the cornerstone of a responsible company.

We do: four priority commitments for action.

- our commitment as an employer;
- our commitment to nutrition, health and wellness;
- our commitment to local communities;
- our commitment to the environment.

We engage: dialogue and joint actions with our stakeholders.

GOVERNANCE OF THE GROUP'S COMMITMENTS AND PROGRESS WITHIN THE BETTER TOMORROW PLAN FRAMEWORK

These commitments and improvement initiatives are primarily driven by two members of the Group Executive Committee:

- Elisabeth Carpentier, Group Executive Vice President and Chief Human Resources Officer; and
- Damien Verdier, Group Executive Vice President, Group Executive Vice President and Chief Marketing Officer, Offer Marketing, Supply Chain and Sustainable Development.

In addition, Sodexo's Diversity and Inclusion strategy is managed by Rohini Anand, Senior Vice President and Group Chief Diversity Officer who reports directly to Sodexo CEO Michel Landel.

The activities and progress are monitored by the Group Executive Committee and Senior Management. To this end, Sodexo sets objectives for its managers that are linked to the achievement of its commitments and includes these elements in their annual performance review.

2.2 We Are

2.2.1 OUR MISSION, VALUES AND ETHICAL PRINCIPLES

2.2.1.1 OUR MISSION

Our mission is twofold:

- improve the Quality of Life of our employees and all those we serve;
- contribute to the economic, social and environmental development of the communities, regions and countries in which we operate.

2.2.1.2 OUR VALUES AND ETHICAL PRINCIPLES

The values shared by Sodexo's 428,000 employees are: Service Spirit, Team Spirit and Spirit of Progress. Its ethical principles are loyalty; respect for people and equal opportunity; transparency and business integrity.

Sodexo's mission, values and ethical principles provide a sense of purpose that guides the work of all.

Today, 47 years after Sodexo's creation, they are the foundation of its commitment, serving as a common bond for its teams throughout the world.

2.2.1.3 BUSINESS INTEGRITY

We can only achieve our objectives if we remain fully committed to the highest standards of business integrity:

- in 2007, Sodexo published the "Statement of Business Integrity", outlining its commitments on ethical business practices for internal and external audiences;
- in 2011, Sodexo published the "Guide to the Statement of Business Integrity" with practical guidelines on the Code of Conduct for managers;
- a Group Ethics Officer was appointed in May 2011, with responsibility for overseeing Business Integrity throughout the Group;
- in January 2013, an e-learning module on Business Integrity for the top 1,200 managers was launched; it will soon be deployed in all of the countries where the Group operates.

KEY FIGURE

In Fiscal 2013, **98%** of employees worked in countries having the Sodexo Statement of Business Integrity available in at least one official language.

2.3 We Do

We do: our four priorities with commitments to action

- our commitment as an employer;
- our commitment to nutrition, health and wellness;
- our commitment to local communities;
- our commitment to the environment.

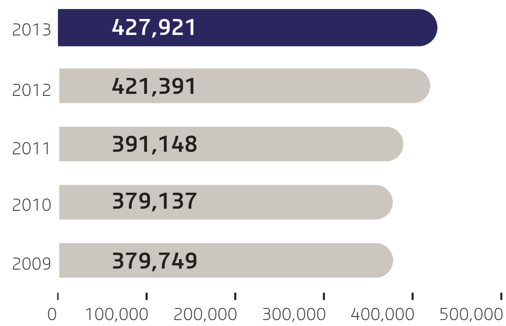
2.3.1 OUR COMMITMENTS AS AN EMPLOYER

Sodexo is a people company. With 428,000 employees, it is the 18th largest private employer in the world*. More than 95% of Sodexo's employees are in daily contact with its clients and serve 75 million consumers each day.

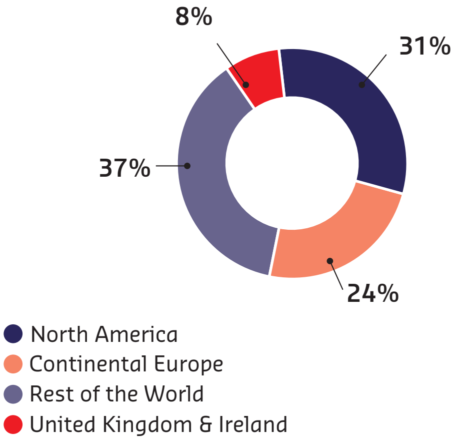
Sodexo's success is built on a unique social and economic model: its ability to contribute to consumers' Quality of Life is primarily due to the professionalism, engagement and dedication of its employees.

As an employer, Sodexo is committed to improving the Quality of Life of its people, offering solid jobs, providing employees the means to grow and develop throughout their career, fostering diversity and inclusion and ensuring a supportive work environment. Sodexo fully respects employees' fundamental rights and is committed to ensuring their safety.

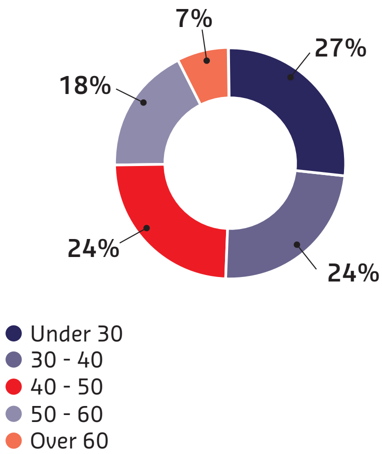
TOTAL WORKFORCE AT THE END OF FISCAL YEAR



WORKFORCE BY GEOGRAPHIC ZONE – FISCAL 2013



WORKFORCE BY AGE GROUP – FISCAL 2013



* *Source: Fortune 500 – July 22, 2013.*

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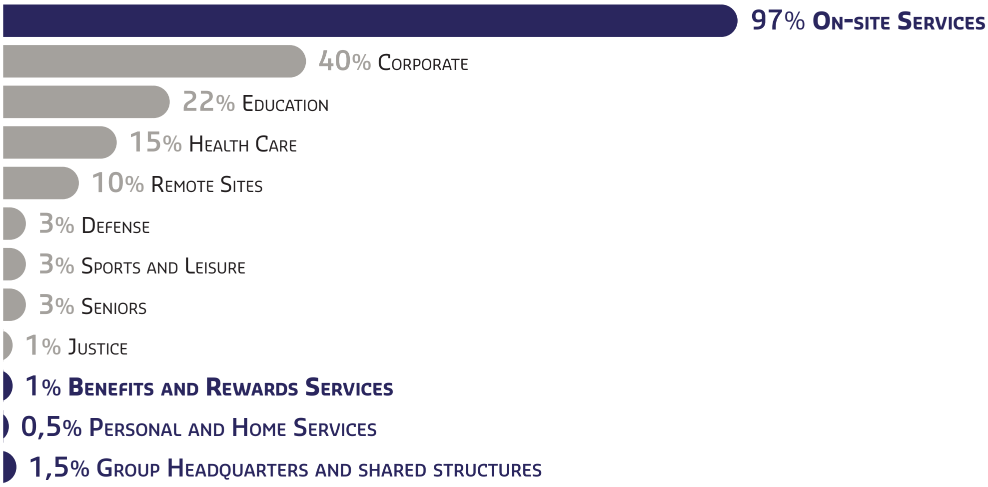
WORKFORCE BY CLIENT SEGMENT AND ACTIVITY – FISCAL 2013



KEY FIGURES

Retention rate for all employees:
68% in Fiscal 2013.
Retention rate for site management:
82% in Fiscal 2013.

EMPLOYEE ENGAGEMENT INCREASES AGAIN

In April 2012, Sodexo carried out its fourth international Employee Engagement Survey, involving 130,000 employees in 60 countries.

The employee engagement rate – a concept that expresses both satisfaction and involvement – is a key performance indicator for Sodexo, which seeks to become one of the world's most admired companies by its employees.

The survey results indicated significant progress:

- for the second time in a row, the employee engagement rate increased reaching 57% in 2012;
- the participation rate increased by 13 points, from 56% in 2010 to 69% in 2012.

In early Fiscal 2013, managers presented local survey results to their teams with the objective of building tangible action plans. To date, more than 300 initiatives have been launched. These initiatives allow the Group to improve Quality of Life for its employees and to consolidate its performance as an employer on matters such as absenteeism, health and safety and retention.

The next Global Employee Engagement Survey will be conducted in April 2014.

2.3.1.1 ACCESS TO EMPLOYMENT

Sodexo is the world's 18th largest private employer and a leader in the services industry. In many countries, more than half of the population works in the services sector (in the United States, the figure has risen to 78%)*.

Sodexo's continued focus on growth enables it to create and provide solid jobs throughout the world. Since Fiscal 2008, the Group's workforce has grown by 21%.

The jobs Sodexo provides are open to all, regardless of age, gender, nationality, culture or personal background. Through its commitment to training, development and internal promotion, Sodexo employees are able to learn a trade and advance personally and professionally.

Sodexo offers employees stability, continuity and fulfillment. These strengths are reflected in the high level of employee satisfaction – 85%** of employees prefer working for Sodexo to the competition.

AUSTRALIA – Closing the gap on Indigenous disadvantage

Sodexo was Australia's first services company to launch a Reconciliation Action Plan to increase opportunities and contribute to social and environmental sustainability for Aboriginal and Torres Strait Islander communities. Working closely with Reconciliation Australia, Sodexo seeks to ensure that the core pillars of reconciliation – relationships, respect and equal opportunities – are integrated throughout the business.

Launched in Fiscal 2011, the action plan commits Sodexo to increasing the proportion of Indigenous staff in its workforce from 4% to 10%. The plan also provides support for business development and community projects and seeks to improve access to education, sport and culture. Sodexo in Australia is now implementing its third action plan within the framework of a ten-year commitment towards closing the gap on Indigenous disadvantage.

"We congratulate Sodexo on this outstanding commitment, one that shows a truly genuine and collaborative effort to achieve great outcomes for Aboriginal and Torres Strait Islander Australians and Sodexo alike." Leah Armstrong, CEO, Reconciliation Australia.

CHILE – Helping at-risk women join Sodexo teams

On International Women's Day, Sodexo signed an agreement with ComunidadMujer, which promotes policies to allow for greater participation of women in the public and private sectors through female entrepreneurship and professional development. As part of this partnership, Sodexo helps to train and improve working conditions and employability for 20 women from the community in difficult life situations.

KEY FIGURES

Fiscal 2013 hiring for permanent positions, excluding integration of employees from other service providers and acquisitions:

Employees: 126,937

Managers: 6,924

Total: 133,861

KEY FIGURE

In Fiscal 2013, 27% of Sodexo staff were under 30 years old.

2.3.1.2 CONTINUOUS TRAINING

Training is critical to performance and growth. Sodexo invests in ensuring a team of talented professionals who understand and respond effectively to customer needs through a strong commitment to training and development.

All employees, whatever their position and function, benefit from training throughout their career.

* *Measuring Trade in Services, World Trade Organization 2010.*

** *Employee Engagement Survey 2012 based on a representative sample of 130,000 employees.*

Employees can choose from an extensive catalogue of training and development opportunities offered by the different Sodexo Academies around the world. For instance, in Fiscal 2013, Sodexo employees in the U.S. had a choice of over 400 training modules.

SOUTH AMERICA – Sales Academy training translates to results

The Benefits and Rewards Sales Academy in South America supports and enhances the activity's business development through effective and innovative training for sales teams.

The training modules developed by the Academy include coaching sessions on leadership competencies and management skills to improve sales performance.

Nearly 40,000 hours of training have been invested in the Sales Academy. Its contribution to improved sales performance is tracked through key performance indicators such as numbers of visits, leads generated and conversion rates.

GABON – Developing employees, supporting communities

A newly opened training center in Libreville allows Sodexo employees to take courses toward earning a degree accredited by Gabon's Ministry of National Education.

Center training programs combine theory and practice for both existing employees and new recruits, offering courses for managers, site managers, kitchen and housekeeping staff and maintenance workers.

The new training center is an opportunity to contribute to the social and economic development of local communities, in addition to supporting employee training and development.

KEY FIGURES

In Fiscal 2013, **351,071** employees participated in at least one training session, representing **83%** of average workforce and nearly **4.8** million hours of training.

2.3.1.3 CAREER OPPORTUNITIES

Providing opportunities for internal advancement is at the heart of Sodexo's employee value proposition and one of the key ingredients of its success.

Sodexo's constant growth, range of activities and diversity of professions multiplies the possibilities for advancement. For instance, within the On-site Services activity in France in Fiscal 2013, 1,827 employees were promoted internally.

Sodexo's commitment to providing career opportunities is a key driver of employee motivation. In the 2012 Engagement Survey, 79%* of employees say they feel they have opportunities to grow within Sodexo.

In Fiscal 2013, Sodexo continued the deployment of Ingenium, an international talent management system, which helps Sodexo's Human Resources team manage the annual performance review process, succession planning and the creation of personal development plans. Since 2010, 50% of managers worldwide benefit from this program, with an objective to reach all managers by 2015.

* *Employee Engagement Survey 2012 on a representative sample of 130,000 employees.*

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FRANCE – Employee professionalization a priority

One of Sodexo's commitments as an employer is to making the professionalization and promotion of employees a priority. This commitment has been specifically addressed in France since 2005 through its professionalization policy.

As part of the Employee Training Plan, professionalization periods were instituted to provide employees with opportunities to earn professional qualifications. The Certificate of Professional Qualification (CPQ) is recognized by the French government and enables graduates to develop their employability.

The CPQ offers varied professionalization opportunities to all employees such as becoming a site manager, a chef, a qualified foodservices employee and, since Fiscal 2013, a housekeeper.

Since 2005, 1,400 employees have obtained a certificate. In Fiscal 2013, 300 employees participated in the CPQ program.

INTERNATIONAL – Developing leaders

The Sodexo Management Institute (SMI), one of the first management training centers, accompanies Sodexo's top 1,200 managers in further developing their leadership skills. The Institute training modules combine on-the-job learning projects, face-to-face sessions and e-learning.

A new program, "Sofocus", was rolled out in Fiscal 2013. Its goal is to support the deployment of Sodexo's strategic Quality of Life positioning. As of August 2013, four sessions have been organized with a total of 350 participants.

KEY FIGURE

In Fiscal 2013, **1,848** front-line staff were promoted to site management.

2.3.1.4 SUPPORTIVE WORK ENVIRONMENT

Sodexo has unrivaled expertise in improving Quality of Life in the workplace. Naturally, Sodexo's own employees also benefit from this expertise.

Whether they work in schools, hospitals, factories, prisons or on offshore platforms, employees work better if they are provided with a supportive, stable and healthy working environment. Sodexo's long-term commitment to its employees' Quality of Life is reflected in the importance placed on the quality of the managerial relationship, the protection of employees' health and safety and the assistance provided to help them maintain an appropriate work-life balance.

UNITED STATES – Support for daily life

Sodexo's "LifeWorks" offer provides personal and professional resources to U.S. employees and their families to help them manage life's daily challenges. From dependent care to financial assistance to planning a special vacation, "LifeWorks" professional consultants are accessible by telephone 24/7 to every employee.

The "LifeWorks" website offers employees information resources, chat rooms and workshops covering a wide variety of subjects, highlighting a specific topic each month. Among the most commonly discussed topics are childcare, caring for family members who are elderly or have disabilities, financial or legal issues and health-related concerns.

Launched in 2010, this initiative has proven highly successful with 21,856 employees seeking help from "LifeWorks" in Fiscal 2013, generating 1,469 consultations of which 881 were in person.

KEY FIGURE

85%* of employees say that their physical work environment is appropriate to the type of work they perform on a daily basis.

* *Employee Engagement Survey 2012 based on a representative sample of 130,000 employees.*

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2.3.1.5 OCCUPATIONAL HEALTH AND SAFETY

Health and safety is a strategic priority for Sodexo and integral to the Group's mission to improve Quality of Life. Sodexo is committed to providing safe working conditions and safe services that do not cause injury or illness. The Group believes that integrating health and safety into everything it does is essential to minimize risk to people and property.

Recognising the critical importance of leadership for health and safety, Sodexo's Health and Safety governance is led by the Group Chief Executive Officer and monitored by the Board of Directors.

Sodexo's global health and safety management system, defined by the Group Health and Safety Director and approved by the Chief Executive Officer and the Executive Committee is based on OHSAS 18001*. It comprises three fundamental components; the Group Health and Safety Policy, the Group Health and Safety Core Processes and the Group Health and Safety Reference Standards. The management system as a whole provides the framework to deliver the Group Health and Safety Policy expectations within each business entity. The Group Reference Standards define minimum global standards for specific health and safety topics and risks associated with the services that are provided.

All employees are expected to personally demonstrate their commitment to support and improve the health and safety culture: Every meeting, for example, is expected to start with a safety moment which, at a minimum, communicates the health and safety arrangements to all of the attendees.

INTERNATIONAL – SALUS Global health and safety software platform

Learning from health and safety incidents drives continuous improvement and is a mandatory expectation defined in Sodexo's Health and Safety Policy. Given the Group's global scale and the wide range of Quality of Life services provided, the use of technology is essential for effectively sharing this information between teams.

Salus is the Group's global health and safety software platform used by employees around the world to share experiences, helping to prevent accidents and continuously improve health and safety performance. It generates KPIs that are used to track progress and to define appropriate actions.

KEY FIGURES

Fiscal 2013 employee work-related accidents: 7,305, a 4% decrease compared to Fiscal 2012.

In Fiscal 2013, 17 countries representing 78% of Group revenues held one or more OHSAS 18001 certification (occupational health and safety)*.

2.3.1.6 DIVERSITY AND INCLUSION

For Sodexo, diversity and inclusion is an economic imperative and a fundamental component of the Company's overall growth strategy. In providing services to 75 million consumers around the world, Sodexo employees must understand their backgrounds and be attentive to their needs. In order to deliver innovative and effective services that improve the Quality of Life for clients and consumers, the composition of Sodexo teams must reflect the diversity of the population they serve.

* *Occupational Health and Safety Assessment Series is an international management system standard. An ISO Project Committee is currently working on transforming OHSAS 18001 into an ISO standard, fully consistent with the ISO international management system standards (examples: ISO 9001 for Quality and ISO 14001 for environment).*

In order to make diversity and inclusion a strategic priority, Sodexo has identified five key areas of focus:

- gender: expand the representation, engagement and development of women in leadership and operational positions;
- generations: build awareness and identify new opportunities to increase generational representation and a culture of effective working relationships across generations;
- ethnic minorities: strive to ensure that Sodexo's workforce reflects the diversity of its consumers and clients;
- people with disabilities: recruit, engage, develop and provide accommodations for employees with special needs;
- respect for sexual orientation and gender identity: foster an inclusive environment in which Lesbian, Gay, Bisexual and Transgender employees can "bring their whole selves to work."

Sodexo has identified several main drivers to support its commitments: ensuring and strengthening the commitment of leaders; increasing recruitment, development, engagement and retention of top talent; fostering a culture of diversity and inclusion developed at all levels and in all functions; and making diversity and inclusion a source of competitive advantage.

KEY FIGURES

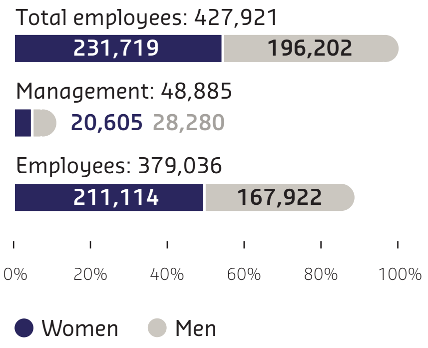
Since Fiscal 2009, representation of women in Sodexo's Senior Leaders has risen from **18% to 23%**. The goal for 2015 is 25%.

38% of women on the Board of Directors.

42% of women in all management positions.

54% of women in total workforce.

GENDER DISTRIBUTION FOR MANAGERS AND NON-MANAGERS FOR FISCAL 2013



INTERNATIONAL – Global Task Force on Diversity and Inclusion

The 50-member Diversity and Inclusion Global Task Force was launched six years ago to develop and implement global initiatives supporting Sodexo's ongoing commitment to diversity and inclusion.

Sodexo measures progress and success through a scorecard that tracks both quantitative and qualitative accountability to ensure the continued sourcing, development and retention of a diverse and highly skilled workforce.

Leadership commitment

Sodexo integrates diversity and inclusion into its programs, policies and practices at every level of the organization. Sodexo's leadership teams are committed to ensuring that diversity and inclusion is embedded in everyday business activities, from recruiting the best talent to providing consumers and clients with the most innovative services.

INTERNATIONAL – Sodexo Women's International Forum for talent

The cornerstone of Sodexo's strategy for gender balance and the advancement of women is SWIFt – the Sodexo Women's International Forum for talent. Launched four years ago by Michel Landel, Sodexo Chief Executive Officer, SWIFt brings together 28 senior women leaders representing 14 different nationalities and all areas of the organization to increase women's representation in leadership positions through tangible initiatives and actions in support of a specific target: 25% female representation among Sodexo's Senior Leaders by 2015.

The Steering Committee focuses on key themes, including internal and external communications, the raising of awareness within the organization, leadership and pipeline development, work flexibility and the development of diversity and inclusion networks.

A shared culture

Sodexo strives each day to foster a culture of diversity that respects differences, enhances ideas and encourages sharing of individual experiences in order to increase the engagement of teams and the effectiveness of the Company's strategy.

INTERNATIONAL – 2013 International Women's Day

Every year on March 8, Sodexo celebrates International Women's Day under the leadership of Sodexo Women's International Forum for talent to celebrate the achievements of women: past, present and future.

Sodexo's initiatives for 2013 include an eight-day online showcase of insights from 12 women on Quality of Life – Sodexo clients, employees and opinion leaders – from Brazil, Chile, the United States, India, France, Austria and Italy and from across different sectors, including defense, justice, education and corporations.

In addition, Sodexo has asked the OECD to provide a comprehensive and objective overview of women's perceptions of Quality of Life. This overview draws on and analyzes the Better Life Index, a unique indicator launched by the OECD in 2011.

In Fiscal 2013, close to 30 entities from North America, Central and South America, Europe and Asia brought their own perspectives and priorities to the day's celebrations.

KEY FIGURE

In Fiscal 2013, 18 networks worldwide promoted diversity and inclusion.

Innovative partnerships

Diversity and inclusion is a source of competitive advantage – and a key component of Sodexo's long-term growth strategy. It is embedded in all aspects of business, through the development of 44 innovative partnerships with clients and with national and international institutions. Examples include the International Labour Organization (ILO) Global Business and Disability Network, AFIP in France to promote the inclusion of recent graduates from ethnic minorities and Pride at Work Canada, a professional organization created to support the lesbian, gay, bisexual, and transgender (LGBT) community in Canadian workplaces.

BRAZIL – Innovative ways to support employees with disabilities

As a diversity friendly company, Sodexo is committed to supporting its 668 employees with disabilities in Brazil at every moment of their professional life.

Teams have designed key innovations to facilitate the inclusion of disabled colleagues such as the simultaneous presentation of all employee videos in sign language and the creation of a series of videos that raise awareness integrate people with disabilities into the workplace.

Policies and procedures also are being reviewed to ensure equitable treatment and support for individuals with disabilities.

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2.3.1.7 CONSTRUCTIVE LABOR RELATIONS

Since its creation, Sodexo has always maintained excellent social dialogue with its employees and their representatives in the countries where the Company operates. Such dialogue:

- corresponds to Sodexo's core values;
- contributes to the long-term economic and social development of the Company;
- supports growth and contributes to the attainment of strategic objectives.

For over 10 years, Sodexo has maintained an excellent dialogue with the International Union of Food Workers (IUF) and in December 2011 became the first international company to sign an International Framework Agreement with IUF.

In addition, Sodexo organizes annually a meeting of the European Works Council, which includes employee representatives from 22 countries, and a quarterly meeting of the Council's Executive Committee to discuss topics of common interest such as senior employees.

Sodexo is committed to respecting the right of employees to join the trade union of their choice or not as they so choose and to bargain collectively, free from any form of retaliation that might impair their ability to exercise their trade union rights as defined by the International Labour Organization (ILO).

2.3.1.8 HUMAN RIGHTS

Sodexo recognizes that companies have a responsibility to respect human rights as outlined in the United Nations Guiding Principles on Business and Human Rights. As a signatory to the United Nations Global Compact and in accordance with the OECD Guidelines for Multinational Enterprises, Sodexo is committed to respecting Human Rights in every country where it operates, as informed by the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

In 2010, Sodexo drafted the Sodexo Charter concerning Fundamental Rights at Work and implemented a global program that includes mechanisms for performing assessments and action plans to ensure consistent communication and implementation of Sodexo's commitments across the globe. The four fundamental rights at work are:

- freedom of association and the effective recognition of the right to collective bargaining;
- elimination of all forms of forced or compulsory labor;
- effective abolition of child labor;
- elimination of discrimination in respect of employment and occupation.

INTERNATIONAL – Fundamental Rights at Work e-learning module

In January 2013, a 30-minute e-learning module on Fundamental Rights at Work was launched for the top 1,200 managers worldwide. This module, which reviews the commitments outlined in the Sodexo Charter concerning Fundamental Rights at Work, includes interactive examples to challenge and inform managers on the importance of respect for global labor standards in accordance with local laws.

KEY FIGURE

In Fiscal 2013, 94% of employees worked in countries having the Human Rights policy available in at least one official language.

2.3.2 OUR COMMITMENTS TO NUTRITION, HEALTH AND WELLNESS

As a world leader in Quality of Life services, Sodexo plays a key role in the consumption habits of 75 million consumers. Sodexo's commitments to nutritional education, balanced diet, health and wellness are the cornerstone of its offer. Sodexo has identified three commitments to actively promote nutrition, health and wellness:

- "We will develop and promote health and wellness services for clients, consumers and employees in all countries where we operate by 2015";
- "We will advocate balancing meal options at all client sites by 2016";
- "We will provide and promote menu choices with a reduced intake of sugar, salt and fats at all client sites by 2015".

FOOD SAFETY

Sodexo's global Food Safety and Hygiene Policy defines a management framework for food safety consistent with ISO 22000 (food safety) that incorporates good hygiene practices and generic HACCP (Hazard Analysis and Critical Control Points) controls. Requirements of the system include health monitoring, hygiene, management of food suppliers, training, audits, food service facilities and equipment, inventory control and verification of use-by dates and temperature.

All Sodexo food service operations are required to implement the Global Food Safety & Hygiene Policy. Progress is tracked using Key Performance Indicators in the following areas; Food Supplier Authorization, Food Safety Training, Food Safety Audits and Food Safety Incident Tracking.

KEY FIGURES

In Fiscal 2013, 12 countries representing 65% of On-site Services revenues had one or more ISO 22000 certification (food safety).

2.3.2.1 HEALTH AND WELLNESS

The promotion of health and wellness improves Quality of Life by reducing chronic diseases such as diabetes, heart disease and high blood pressure (hypertension), each of which are prevalent and increasing in both developed and developing countries.

INTERNATIONAL – Wellness Program for Offshore employees

Sodexo developed Well Track, an innovative well-being solution for the Oil and Gas offshore industry. Through a comprehensive incentives-based program, offshore workers are constantly encouraged and rewarded for getting and staying in shape – at work and on leave, both physically and mentally.

Well Track, the Wellness program for offshore employees includes a three-pronged approach for Wellness:

- individually tailored fitness program;
- motivation incentives; and
- virtual concierge services.

During the pilot phase Sodexo was also able to track and measure the impact work/life initiatives had during home leave on the participants as fitness initiatives and engagement in wellness activities increased with the intervention of a coach and home-based coaching.

2.3.2.2 BALANCING MEAL OPTIONS

With more than 4,900 dietitians, Sodexo is the largest private sector employer of these professionals in the world.

Through online best practices sharing capabilities, Sodexo managers around the globe can access recipes and menus that meet the Company's nutritional criteria and respond to increasing consumer requests for healthy food choices. For example, Sodexo has recently introduced a global offer, Equi-Lunch, designed to meet the needs of consumers at work interested in increasing their vegetable-based options. The offer is adapted by chefs to meet local tastes in their country.

INTERNATIONAL – Sodexo's 10 Golden Rules

Pilot programs in several countries, including France, Norway, Gabon and Chile, have provided valuable insights that will be used to develop the company-wide roll out of Sodexo's "10 Golden Rules for Nutrition, Health and Wellness." Materials prepared by these countries, and feedback from consumers, will be shared so that countries can apply the rules in a customized manner that meets their needs, cultures and standards.

INTERNATIONAL – Dietitian virtual network

Sodexo links dietitians to regularly exchange information, experiences and best practices. The network facilitates collaboration on projects including menu development and ensuring recipes meet nutritional standards. The global group works together to create educational programming aimed at preventing diet-related chronic diseases, such as obesity or diabetes. This network has currently been deployed in 11 countries (Australia, Austria, Brazil, France, Gabon, India, Malaysia, Sweden, Thailand, United Arab Emirates and the United Kingdom) and will be progressively deployed to the rest of the Group.

KEY FIGURE

4,904 dietitians employed by Sodexo.

2.3.2.3 LESS SUGAR, SALT AND FATS

Many countries' populations have intake levels of sugar, salt and fats that are higher than both international and national recommendations.

Sodexo has taken numerous actions as part of its commitment to "provide and promote choices with reduced sugar, salt and fats at all client sites by 2015", including looking at ways to reduce salt content across the entire food chain, from suppliers to end consumers.

NORTH AMERICA – Working with suppliers

Turkey burgers, often considered and promoted as a lean alternative to beef, can be extremely high in fat and loaded with sodium. Sodexo Supply Management worked with producer Jennie-O to create a healthier and popular alternative. Sodexo has sold more than 4.8 million reduced-salt turkey burgers over the last two years, eliminating one ton of salt and 74 tons of fat from consumer diets as it continues to engage with suppliers to improve the nutritional value of its menu offers.

EUROPE – Working with suppliers

Soup is perceived as a healthy, hearty comfort food but often contains levels of sodium that approach the maximum recommended daily level. Sodexo worked with Unilever to convert all beef, chicken and vegetable soup bases to a lower sodium version.

2.3.3 OUR COMMITMENTS TO LOCAL COMMUNITIES

Since its founding, Sodexo has worked to contribute to the economic and social development of the communities, regions and countries where it operates. Sodexo is committed to making a positive impact through its activities on local people's Quality of Life.

Sodexo has three commitments to local communities:

- "We will fight hunger, malnutrition and food waste through our STOP Hunger initiative in all countries where we operate by 2020;"
- "We will promote the economic development of diverse and inclusive businesses through our Supply Chain Inclusion Program in all the countries where we operate by 2020;"
- "We will increase the purchase of products from fairly traded certified sources by 2015."

2.3.3.1 FIGHT AGAINST HUNGER AND MALNUTRITION

STOP Hunger is Sodexo's long-standing global program to combat hunger and malnutrition.

As a global company with strong local presence, Sodexo understands that these issues are complex, interrelated and that the causes – and therefore the solutions – vary by country and region. For these reasons, Sodexo seeks to make a lasting contribution by mobilizing all of its teams and expertise, working with host communities and local partners.

Sodexo's approach is based on two key elements:

- local engagement of employees through various opportunities, including financial donations, food drives and volunteering their time;
- a "solutions" oriented approach that addresses the different aspects of hunger and malnutrition by involving Sodexo's entire ecosystem, including employees, clients, suppliers, consumers, associations and social entrepreneurs.

INTERNATIONAL – Employees worldwide make Servathon 2013 a success

In April 2013, Sodexo teams in 25 countries participated in the annual Servathon campaign. Throughout the month, more than 30,000 employees volunteered over 70,000 hours and served more than 450,000 meals.

Examples of 2013 Servathon activities include:

- Sodexo employees **in Peru** developed a number of activities to promote and educate consumers about the superior nutritional characteristics and health benefits of quinoa, preparing special dishes and serving quinoa-based meals in schools;
- **in the U.S.**, several initiatives have focused on connecting with young people. More than 34,000 young volunteers have participated in activities ranging from collecting and serving food to raising funds and increasing awareness about hunger issues;
- employees at Sodexo offices in Mumbai, Pune and Bangalore and client sites **in India** sold organic mangoes to raise funds for NGOs working towards ending hunger and helping those less fortunate.

KEY FIGURE

In Fiscal 2013, **42** countries deployed the STOP Hunger initiative.

2.3.3.2 SUPPLY CHAIN INCLUSION PROGRAM

Sodexo reinforced its long-standing commitment to support local community development in 2013, launching a Supply Chain Inclusion Program and setting a commitment to achieve program goals in all countries where it operates by 2020.

The Supply Chain Inclusion Program leverages best practices from Sodexo operations around the world (including Australia, Canada, India, Peru, the UK and the U.S.) to develop strong and sustainable relationships with suppliers in one or more of the following categories:

- Small and Medium Enterprises (SME's) including social and micro-enterprises;
- suppliers from minority and other under-represented and/or protected groups;
- major Sodexo suppliers demonstrating a diverse workforce composition, actively embracing diversity and inclusion and promoting local supply chain inclusion.

2.3.3.3 FAIRLY TRADED CERTIFIED PRODUCTS

Sodexo contributes to improved Quality of Life in developing countries by giving preference in purchasing to products that meet its standards for fairly traded products. To achieve this, Sodexo works to clearly identify and label "fairly traded certified products" throughout the supply chain.

INTERNATIONAL – Fairly traded hot beverages

Sodexo's Aspretto offer of organic and fairly traded teas and coffees is now available on 866 sites in 19 countries representing 84% of Group revenues. A portion of revenues generated by these sales is donated annually to support Sodexo's STOP Hunger program. Through the efforts of the Company's Supply Chain and Marketing teams, and supported by the Aspretto offer, the share of fairly traded certified coffee has more than doubled since Fiscal 2009.

KEY FIGURE

The percentage of certified fairly traded coffee served by Sodexo (as measured in kilograms) has increased every year, reaching 24% in Fiscal 2013.

2.3.4 OUR COMMITMENTS TO THE ENVIRONMENT

Sodexo works to reduce environmental impacts at client sites, promote sustainable sourcing practices and optimize natural resource consumption.

Sodexo has identified eight commitments in four areas for protecting the environment:

Sustainable supply chain practices:

- "We will ensure compliance with our Global Sustainable Supply Chain Code of Conduct in all countries where we operate by 2015;"
- "We will source local, seasonal or sustainably grown or raised products in all countries where we operate by 2015;"
- "We will source sustainable fish and seafood in all countries where we operate by 2015;"
- "We will source and promote sustainable equipment and supplies in all countries where we operate by 2020."

Energy and emissions practices:

- "We will reduce our carbon footprint in all countries where we operate and at client sites by 2020."

Water reduction practices:

- "We will reduce our water footprint in all countries where we operate and at client sites by 2020."

Materials and waste practices:

- "We will reduce organic and non-organic waste in all countries where we operate and at client sites by 2015;"
- "We will support initiatives to recover organic and non-organic waste."

KEY FIGURES

In Fiscal 2013, 28 countries representing 50% of Group revenues of countries had one or more ISO 14001 certifications (environmental management).

2.3.4.1 SUSTAINABLE SUPPLY CHAIN

Sodexo works continually to improve its supply chain with a strong focus on its sourcing, traceability and transparency.

Supply Chain Code of Conduct

Sodexo's Supplier Code of Conduct addresses issues identified through the United Nations Guiding Principles for Business and Human Rights such as fundamental rights at work, business ethics, employee health and safety and environmental management practices.

Sodexo requires all suppliers, regardless of their size, to comply with this Code. Key suppliers are also asked to regularly update Sodexo buyers on their projects and progress on their sustainable development commitments.

INTERNATIONAL – Online Registration Tool

Sodexo is reinforcing compliance with its Global Sustainable Supply Chain Code of Conduct through the introduction of an online registration tool. This tool leverages the power of technology to monitor progress through an electronic database of signatories and accelerates compliance by enabling suppliers to sign the Code online.

A global online supplier assessment process is being introduced.

KEY FIGURE

As of Fiscal 2013, 85% of contracted suppliers have signed a supplier Code of Conduct.

Local, seasonal or sustainable products

Sodexo is working with the WWF (World Wildlife Fund) to develop a sustainable sourcing strategy for the following priority commodities: fruits and vegetables, palm oil, soy, beef and dairy.

In April 2012, the Company launched the deployment of its work on sustainable palm oil through issuance of a position paper and a range of implementation tools. Applicable in all countries where Sodexo operates, this commitment requires that all frying oil and margarine will be sourced from certified sustainable palm oil by 2015 or, where not immediately possible, offset through GreenPalm* certificates.

Development of positions and deployment plans for each of the remaining commodities is underway.

* *GreenPalm is an online certificate-trading program supporting the production of sustainable palm oil exclusively endorsed by the Roundtable on Sustainable Palm Oil (RSPO), a not-for-profit association that unites stakeholders from seven sectors of the palm oil industry to develop and implement global standards for sustainable palm oil.*

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EUROPE – Sustainable sourcing for fruit and vegetables

Sodexo's European supply chain teams have continued with their work to improve the sustainability of fruit and vegetable sourcing. Suppliers for bananas, pineapples and oranges meet three criteria:

- signature of the Group Supplier Code of Conduct;
- GlobalGAP* certification;
- guaranteed country of origin sourcing.

KEY FIGURES

As of Fiscal 2013, 15 countries representing 36% of On-site Services revenues selected products that support the development of a sustainable palm oil industry.

Sustainable fish and seafood

Sodexo's strategy for sustainable seafood seeks to protect this important resource by:

- maintaining a wide variety of sustainable species in catalogues and menus;
- protecting species identified as being at risk by removing them from the supply chain where no improvement processes are in place or by implementing control measures;
- increasing the use of Eco-standards to guarantee respect of sustainability criteria for both farm-raised and wild caught fish;
- establishing sustainable supply for aquaculture in accordance with the highest environmental and social standards;
- collaborating with the WWF and working with other NGOs for technical advice on Sodexo's sustainable seafood sourcing. WWF advises the Company on sourcing both wild caught and farm-raised fish.

INTERNATIONAL – Implementation of MSC global agreement advances

Sodexo has a worldwide agreement with the Marine Stewardship Council (MSC), an independent non-profit organization, which offers a certification program for maintaining healthy fish stocks and reducing ecosystem impacts of fisheries for wild-caught fish. MSC's Chain of Custody Certification assures Sodexo and its clients and consumers that certified seafood is not mixed with or substituted for non-certified seafood at any step of the chain.

Achievements in Fiscal 2013 include: MSC certification for four sites in Belgium, including the European Parliament and a central kitchen serving 200 schools; two central kitchens for schools in France serving 49 schools; and the launch of a pilot program on 10 Corporate sites and higher education sites in the U.S. In the Washington, D.C. metro area alone, the program reaches more than one million consumers.

Sustainable equipment and supplies

Sodexo is increasing the proportion of sustainable products and equipment it uses, including through product selection in designated priority categories such as paper disposables, cleaning products and office paper.

* *Global GAP (Good Agricultural Practice) is a not-for-profit organization that offers worldwide voluntary standards for the certification of agricultural products around the globe.*

INTERNATIONAL – Save the trees

Sodexo Benefits and Rewards Services launched a global initiative to move to electronic processes to improve efficiency and reduce the Company's ecological footprint. Involving 21 countries, the global "Save the Trees" challenge shows that big results can be achieved just by changing individual printing practices with business partners (suppliers, clients, affiliates).

By investing in and implementing new electronic solutions, such as e-contracts, web ordering, e-invoices, electronic workflows, e-pay slips and e-banking, Sodexo reached its target of reducing printed materials by 25% by September 2013.

KEY FIGURE

As of Fiscal 2013, 67% of paper disposables were certified sustainable.

2.3.4.2 ENERGY AND EMISSIONS PRACTICES

Working toward its commitment to reduce its carbon footprint in all countries and at sites where it operates by 2020, Sodexo joined with the WWF to develop a unique tool to quantify current emissions.

Sodexo is working to set a carbon reduction, including Scope 1, 2 and 3* emissions and to create meaningful actions with both clients and supplier partners.

Because an accepted methodology did not exist for its agricultural supply chain or client sites, Sodexo worked closely with WWF to create new tools to estimate and measure emissions based on recent peer reviewed lifecycle assessments. The tool has been used to evaluate the supply chain in 14 countries (Australia, Belgium, Brazil, Canada, Chile, Finland, France, Germany, Italy, Netherlands, Spain, Sweden, the UK and the U.S.) In addition to measuring emissions, the tool is also used to identify hotspots for action and set achievable targets.

* *Emissions generated directly and indirectly by an entity can be classified into "scopes," based on the source of the emissions:*

- *scope 1: direct greenhouse gas (GHG) emissions from sources that are owned or controlled by the entity;*
- *scope 2: indirect GHG emissions resulting from the generation of electricity, heating and cooling;*
- *scope 3: indirect GHG emissions from sources not owned or directly controlled by the entity but related to the entity's activities.*

Sodexo's international environmental working group is now using this tool to assess energy and emission levels in supply chain "hotspots" such as beef and dairy.

Sodexo is also working with WWF to create a similar estimation and measurement tool for client sites to identify potential energy and cost savings that could be achieved through on-site operational expertise.

2.3.4.3 WATER REDUCTION PRACTICES

One of the year's major achievements was developing an understanding and ability to measure Sodexo's water footprint (defined as the total amount of water used for the production or the consumption of goods and consumed services). In partnership with the WWF, the Company identified "hot spots" on which it needs to focus attention and define the actions to be taken.

An online training module for all site managers and Better Tomorrow Plan Champions continues to increase awareness among employees on water-related issues.

BELGIUM – Using less water for cleaning

At the Duracell plant in Aarschot, Sodexo is saving 100,000 liters of fresh water and 5,000 liters of cleaning products per year. It was determined that the same cleanliness results could be achieved for the client with less water and a lower concentration of cleaning products.

2.3.4.4 MATERIAL AND WASTE PRACTICES

More than 99% of Sodexo sites worldwide have implemented initiatives to reduce non-organic and organic waste.

In Fiscal 2013, Sodexo's global Waste Watch initiative identified the causes of and ways to reduce food waste in food preparation*. Waste Watch requires teams to collect, measure and track the amount of food wasted in pre-production (such as food that is prepared and cooked but not plated).

FRANCE – identifying programs to reduce food waste

Sodexo conducted pilot programs at 23 Corporate and 9 Education sites in France to identify the most effective ways of reducing food waste due to variations within each segment. This information will serve as the basis for developing operational standards for both client segments and broadening the deployment in the spring of 2014.

* *It is estimated that between 4-10% of the food purchased in foodservices operations ultimately becomes kitchen waste before ever reaching the consumer. (Source: LeanPath).*

2.4 We engage

The involvement of stakeholders is a key driver for optimizing the Group's corporate responsibility commitments. Employees, clients, consumers, suppliers and institutions: Sodexo maintains an ongoing dialogue with all stakeholders to unite the efforts of all.

2.4.1 EMPLOYEES

The success of the Group's efforts depends heavily on its ability to engage and sustain a dialogue with its employees, who are its best ambassadors with clients and consumers.

Sodexo continues to involve an increasing number of employees in its corporate responsibility efforts through actions that include:

- the continued deployment of the e-learning tool across the Group in 10 languages and available to all employees;
- regular webinars to assist the Better Tomorrow Champions with the deployment of the Better Tomorrow Plan commitments;
- specific webinars for the Supply Chain and Marketing teams on subjects such as the Sustainable Supply Chain commitments and the Sodexo 10 Golden Rules for Nutrition, Health and Wellness;
- an individual site report resulting from the annual site survey that can be shared by each site manager with their employees to explain Sodexo actions and recommendations on the energy, water and waste;
- initiatives such as STOP Hunger which allows Sodexo employees to put the Group's commitment to local communities into action around the world; and
- programs that encourage the employees to engage with their clients and consumers, such as WasteLESS Day.

2.4.2 CLIENTS

Sodexo supports its clients' sustainability strategies and contributes to strengthening their reputations.

The Group believes that sustainability is a potentially significant growth opportunity, because:

- sustainability initiatives are becoming increasingly important in all markets and clients are placing increased emphasis on – and committing additional resources to – sustainability;
- in each of its client segments, clients expect Sodexo to demonstrate commitment and leadership on sustainability. They look to Sodexo for visible performance improvements to help them achieve their own objectives;
- Sodexo's ability to meet these expectations is a source of competitive advantage, increasing client retention and helping to win new business;
- implementing awareness and behavior changes through tangible actions for consumers improves client engagement, reinforcing Sodexo's ability to create value.

2.4.3 CONSUMERS

Through its study of consumer trends, the Group has identified 14 trends of which four demonstrate the increased awareness of consumers of the links between services provided by Sodexo, sustainable development and health.

- Mind & Body You.

  Growing focus on body fitness, body performance, encompassing, physical, emotional and spiritual dimensions to insure a more balanced and meaningful life.
- Ethical Consciousness.

  Make a difference in a world in which ethics are increasingly relevant and actionable.
- Search for Authenticity.

  New desires to get back to basics and regain lost benefits of past times.
- Self-Preservation.

  Strategies for looking after oneself in an increasingly uncertain world.

The Group has further researched the impact of these trends on consumers on its sites through its marketing and consumer satisfaction survey tools.

Sodexo empowers consumers to improve their health and wellness by sharing educational, topical and consumer friendly information through traditional and digital outreach means. Content provided, such as through Registered Dietitians in the United States, demonstrates Sodexo's commitment to reaching beyond client sites to improve consumers' Quality of Life. Regular health and wellness information and tips throughout the year helped make the Company's "Health & Wellness" blog the most visited and popular area of Sodexo's U.S. web site. Based on this success, this initiative will be expanded to other countries.

INTERNATIONAL – WasteLESS Day

In October 2012, 1,813 client sites in 26 countries participated in Sodexo's first ever WasteLESS Day, working to engage consumers to make pledges to help reduce waste, primarily food waste. Experiences and lessons learned from this event were incorporated into planning for an expanded WasteLESS Week for October 2013 focused on supporting Sodexo's commitments to reduce both organic and non-organic waste throughout the entire year.

KEY FIGURE

95% of Sodexo's workforce interacts on a daily basis with clients and consumers.

2.4.4 SUPPLIERS

Sodexo partners with suppliers on its commitments to local communities (STOP Hunger), reducing environmental impact (sustainable seafood) and health and wellness (developing menu items that are lower in salts, sugars and fats). This collaboration throughout the value chain was cited by RobecoSAM* as one of the hallmarks of Sodexo's continued leadership for its industry.

* *RobecoSAM is an asset management company specializing in sustainable investment in collaboration with the Dow Jones Sustainability Indices. RobecoSAM's "Sustainability Yearbook" is considered the world's leading publication for corporate social responsibility.*

2.4.5 INSTITUTIONS

Sodexo regularly consults external stakeholders to advance its corporate responsibility strategy and innovations.

Stakeholder engagement is one of the core skills for minimizing negative environmental and social consequences and maximizing positive impacts from Company activities. Sodexo engages in transparent, ongoing dialogue with external stakeholders worldwide to promote healthy living.

Examples include:

- Sodexo and OECD (Organization for Economic Cooperation and Development) have signed a three-year agreement to promote the Better Life Index, the international index that deals with Quality of Life. Under this agreement, OECD and Sodexo will share their knowledge about the different factors that help improve the Quality of Life of individuals;
- Sodexo's long-standing working relationship with WWF includes a technical agreement to work together on environmental and supply chain issues of mutual interest. Efforts include sustainable seafood, agricultural commodities, water and energy use and promoting sustainable supply chain practices;
- Sodexo is an active participant in ILO (International Labour Organization) working groups;
- Sodexo is a founding partner and Board member of the GSSI (Global Sustainable Seafood Initiative), launched in February 2013. The GSSI brings together representatives from the private and public sectors, NGOs and academia to develop universal benchmarks to rate seafood certification programs. Sodexo is the only partner from its industry sector;
- Sodexo is providing expert advice to the United Nations Environmental Program (UNEP) on environmental impacts related to food issues.

2.5 Rankings and awards

2.5.1 RANKINGS

2.5.1.1 DOW JONES SUSTAINABILITY INDICES (DJSI)

- Listed in the DJSI World and DJSI Europe (formerly STOXX) indices since 2005.
- In 2013, Sodexo was named "Global Sustainability Industry Leader" for the ninth year in a row in the Dow Jones Sustainability Index (DJSI), for its industry sector.

2.5.1.2 2013 ROBECOSAM SUSTAINABILITY YEARBOOK

Sodexo's sustainability performance was recognized with three awards at the World Economic Forum 2013 in Davos: Sector Leader, Gold Class and Sector Mover.

The RobecoSAM Sustainability Yearbook is regarded as the world's most comprehensive publication on corporate social, economic and environmental practices.

Sodexo's 82% score was the highest overall score in its business sector, (compared to an average score of 47%). Sodexo was the only company in its sector to attain Gold Class status and was named a Sector Mover for achieving the largest improvement in sustainability performance compared to last year. Sodexo earned the best score in the economic and social areas and was highly ranked on environmental performance.

2.5.1.3 SODEXO IS ALSO RANKED IN THE FOLLOWING INDICES:

- ASPI Eurozone® Index (Vigeo) since 2009;
- Ethibel Sustainability Index (ESI) Global since July 2010;
- Fédéris ISR Euro Index since June 2010;
- STOXX® Global ESG Leaders Index since September 2011.

2.5.2 AWARDS

2.5.1.1 BELGIUM

Sodexo recognized for intergenerational policies

Sodexo received Europe's "Active Aging Award" in recognition of the Company's intergenerational approach to human resources that promotes the return to or continued employment of older workers.

2.5.1.2 CANADA

Employer recognitions

In 2013, Sodexo was named one of Canada's Top Employers for Young People as well as one of the country's Greenest Employers.

2.5.1.3 CHILE

Sodexo improves Quality of Life for working parents

Sodexo was ranked second among the Best Companies for Mothers and Fathers in a study organized by Fundación Chile Unido and El Mercurio newspaper. The results are based on responses of employees regarding their company's practices and benefits that enable work-life balance and contribute to employees' quality of daily life. At Sodexo Benefits and Rewards Services in Chile, the voluntary and anonymous internal survey drew a 96% participation rate.

Sodexo employee volunteerism recognized

The Teletón Foundation recognized Sodexo's for its employees' support for children sponsored by the institution and for the Company's commitment to fostering diversity and inclusion among its 20,000 employees in Chile.

2.5.1.4 INDIA

Sodexo sustainability leadership recognized

Sodexo, received the 2012 Asian Sustainability Leadership Award for "Outstanding Social Impacts." The awards are presented to individuals and organizations which demonstrate excellence in their sustainability performance and serve as role models in their awarded category.

Sodexo receives prestigious Subir Raha award

Sodexo was recognized with the Subir Raha Corporate Social Responsibility Awards for its sustainability initiatives in the areas of community development and fighting malnutrition in Chennai through its STOP Hunger program, in partnership with Eco Kitchen. The Subir Raha Centre for Corporate Governance awards companies for excellence in community development and provision of humanitarian aid and relief.

Sodexo recognized among best employers for women

Sodexo's efforts to promote equal opportunity for women were recognized with a 2012 Best Employers for Women Award and Distinction at the WILL* Forum India (the Forum for Women in Leadership). The award reflects Sodexo's practices and structured processes, including benchmarking the progress of women within the Company, organizing cross-industry mentoring programs for women executives and committing to targets for increasing the percentage of women across all levels of management.

2.5.1.5 NETHERLANDS

Sodexo wins 2012 Employers Catering Award

The National Federation of Christian Trade Unions (CNV) recognized Sodexo with the 2012 Employers Catering Award. The CNV has over 350,000 members, including 14,000 employees in the foodservices sector. The award recognizes foodservices industry employers for their proactive human resources policies and actions.

Sodexo again recognized with Fairtrade award

For the third time, Sodexo won the Fairtrade@Work 2012 campaign, which promotes the use of fair trade products. Organized by the Max Havelaar Foundation, the award focuses on a company's sustainability commitment, based on the originality of its approach, the number of Fairtrade products used and the contribution to employee awareness.

* *Women in Leadership and Learning (WiLL) was launched to promote a culture of personal and professional development for the women who contribute to Sodexo's success and the communities it serves worldwide.*

2.5.1.6 UNITED KINGDOM

Waste reduction and recycling initiatives win award

Sodexo received a Footprint Award in the "Waste Management and Reduction" category for helping Central Manchester University's NHS Foundation Trust reduce its food waste by 64.5%, by applying its food waste segregation strategy.

Sodexo's leadership again recognized

For the third consecutive year, Sodexo earned the Corporate Responsibility Index Gold Rank from Business in the Community.

Sodexo's Healthworks achieves internationally recognized accreditation

Healthworks, Sodexo's health and fitness offer, has received ISO 9001 certification. Sodexo met the internationally recognized standard through its Quality Management System (QMS) used on all Sodexo Healthworks sites, which ensures uniform application of high standards in areas such as methods, materials and equipment.

2.5.1.7 UNITED STATES

Innovative mobile recruitment application awarded

Sodexo's mobile recruitment application received two awards in recognition of its forward thinking approach to talent acquisition in an increasingly competitive labor market. The Company's pioneering adoption of innovation and technology to attract and retain diverse, top talent in an increasingly mobile, digital world won Workforce Management Magazine's 2012 Optimas Award for Vision as well as the Society for New Communications Research's 2012 SNCR Award for Mobile Media.

Sodexo ranked #1 for diversity

Sodexo was ranked number one on DiversityInc's 2013 Top 50 Companies for Diversity. Close to 900 companies from a wide range of industries participated in this year's survey including consulting, retail, manufacturing and banking.

Announcing the recognitions to U.S. employees, Senior Vice President and Global Chief Diversity Officer Rohini Anand said, *"Sustaining our ranking is a testament to the hard work, commitment and contributions of our employees. However, achieving this success only means we must raise the bar, identify new opportunities and embed diversity and inclusion deeper into our organizational culture."*

2.6 Indicators, reporting methodology and Statutory Auditors' Report

2.6.1 SUMMARY OF GROUP WORKFORCE AND ENVIRONMENTAL INDICATORS

		Fiscal 2013	Fiscal 2012
	GENERAL INFORMATION		
☑	% of Group revenues of countries having one or more ISO 9001 certification	56.8%	57.1%
	We Are		
	BUSINESS INTEGRITY		
☑☑	% of employees working in countries having the Sodexo Statement of Business Integrity available in at least one official language	97.9%	98.8%
	We Do		
	AS AN EMPLOYER		
	Workforce		
☑☑	Total Workforce	427,921	421,391
	Per category		
☑☑	Employees	379,036	371,180
☑☑	• Male employees	167,922	162,821
☑☑	• Female employees	211,114	208,359
☑☑	Managers	48,885	50,211
☑☑	• Male managers	28,280	29,684
☑☑	• Female managers	20,605	20,527
	By activity and client segment		
☑	On-site Services	97%	97%
☑	• Corporate	40%	40%
☑	• Education	22%	22%
☑	• Health Care	15%	14%
☑	• Remote Sites	10%	10%
☑	• Defense	3%	4%
☑	• Sports and Leisure	3%	3%
☑	• Seniors	3%	3%
☑	• Justice	1%	1%
☑	Benefits and Rewards Services	1%	1%
☑	Personal and Home Services	0.5%	0.5%
☑	Group headquarters and shared structures	1.5%	1.5%

☑ *All the published information was subject to verification by independent third party entities designated by Sodexo.*

☑☑ *These indicators were subjected to a higher level of assurance called "reasonable assurance" by the same third party entities. The assurance report is available in the Corporate Responsibility/Assessing our progress/Indicators section of the Sodexo Group website www.sodexo.com or by clicking here.*

		Fiscal 2013	Fiscal 2012
	Per geography		
☑☑	North America	132,611	123,698
☑☑	Continental Europe	102,236	103,558
☑☑	United Kingdom and Ireland	35,072	38,035
☑☑	Rest of the World	158,002	156,100
	Per age		
☑☑	Under 30	27.5%	
☑☑	30 - 40	24.0%	
☑☑	40 - 50	23.9%	
☑☑	50 - 60	17.7%	
☑☑	Over 60	6.9%	
	Other workforce indicators		
☑	Employee retention rate	67.8%	60.0%
☑	Site management retention rate	82.2%	
	Respect Human Rights		
☑	% of employees working in countries having the Human Rights policy available in at least one official language	94.2%	90.9%
	Employee development		
	Access to employment		
☑	New hires (excluding acquisitions and transfers)	133,861	150,943
☑	• Employees	126,937	143,359
☑	• Managers	6,924	7,584
	Internal promotion		
☑	Site managers and other non-site staff promoted to off-site management	533	488
☑	% of off site management positions filled by internal promotion	33.1%	27.1%
☑	Front-line staff promoted to site management	1,848	2,250
☑☑	% of site management positions filled by internal promotion	24.0%	26.4%
	Training		
☑	Total number of training hours	4,774,255	5,407,097
☑☑	Number of employees participating in at least one training program	351,071	327 269
☑	• Employees	294,319	279,694
☑	• Managers	56,752	47,575
☑☑	% of employees particating in at least one training program	82.6%	77.5%
	Employee engagement (survey every 2 years)		
☑☑	Group Employee Engagement Rate		57%
	Diversity and inclusion		
	Representation of women		
☑☑	% of women's representation on the Board of Directors	38%	38%
☑☑	% of women's representation among Group Senior Leaders	23%	23%
☑☑	% of women in management positions	42%	41%
☑☑	% of women's representation in total workforce	54%	54%

☑ *All the published information was subject to verification by independent third party entities designated by Sodexo.*

☑☑ *These indicators were subjected to a higher level of assurance called "reasonable assurance" by the same third party entities. The assurance report is available in the Corporate Responsibility/Assessing our progress/Indicators section of the Sodexo Group website www.sodexo.com or by clicking here.*

		Fiscal 2013	Fiscal 2012
	Occupational health and safety – certification		
☑	% of Group revenues of countries having one or more OHSAS 18001 certification	78.5%	78.2%
☑☑	Number of work related accidents	7,305	7,635
	NUTRITION, HEALTH AND WELLNESS		
	Food safety – certification		
☑☑	% of Group revenues of countries developing and promoting health and wellness solutions	93.5%	96.0%
☑	% of On-site Services revenues of countries having one or more ISO 22000 certifications	65.0%	66.4%
	Advocate balancing food options		
☑	Number of registered dietitians employed by Sodexo	4,904	4,702
	LOCAL COMMUNITIES		
	STOP Hunger		
☑☑	Number of countries having implemented the STOP Hunger initiative	42	42
	Fairly traded certified products		
☑	% in kg of certified fairly traded coffee	23.8%	18.6%
	ENVIRONMENT		
	Environment management		
☑	% of Group revenues of countries having one or more ISO 14001 certification	50.4%	52.9%
	Sustainable supplies		
	Supply chain Code of Conduct		
☑☑	% of spend with contracted suppliers having signed a supplier Code of Conduct	84.8%	87.5%
	Local seasonal or sustainably grown or raised products		
☑☑	% of On-site services revenues of countries selecting products that support the development of a sustainable palm oil industry	35.9%	35.4%
	Sustainable equipment and supplies		
☑	% of spend on certified sustainable paper disposables as a % of total paper disposables	66.8%	63.2%

☑ *All the published information was subject to verification by independent third party entities designated by Sodexo.*

☑☑ *These indicators were subjected to a higher level of assurance called "reasonable assurance" by the same third party entities. The assurance report is available in the Corporate Responsibility/Assessing our progress/Indicators section of the Sodexo Group website www.sodexo.com or by clicking here.*

2.6.2 WORKFORCE AND ENVIRONMENTAL INDICATORS REPORTING METHODOLOGY

The consolidated workforce and environmental indicators are presented in section 2.6.1.

2.6.2.1 CHOICE OF INDICATORS

Sodexo's Human Resources and Sustainable Development strategy requires that workforce and environmental performance be measured with clear indicators. These indicators take into consideration the decentralized and primarily client site-based nature of Sodexo's operations and were selected to meet the following reporting objectives:

- to comply with legal requirements such as the Grenelle II law in France;

- to address the expectations of other external stakeholders, including shareholders and rating agencies; and
- to provide reporting that is consistent with the requirements of the Global Responsibility Initiative (GRI), ISO 26000 and the United Nations Global Compact.

In addition, Sodexo's indicators:

- include measures of the tangible benefits Sodexo brings to its clients;
- enhance employees' knowledge about Sodexo, increasing awareness and engagement; and
- provide visibility on progress for Group and country management.

2.6.2.2 SCOPE OF CONSOLIDATION

Indicators generally include all entities which are fully consolidated for financial reporting purposes, with the following exceptions:

- operations started in a new country during the fiscal year are included in the reporting scope in the following fiscal year;
- acquired entities are included as from the date of acquisition.

Fiscal 2013 workforce indicators

Workforce indicators are consolidated for all Sodexo entities. Certain additional indicators provided are specific to the entities in France.

Fiscal 2013 environmental indicators

Environmental indicators are consolidated for entities representing 96% of Group revenues, compared to 94% in Fiscal 2012. This increase resulted from the inclusion of additional entities in the reporting scope.

Certain environmental indicators are applicable only to On-site Services or to Benefits and Rewards Services due to the nature of the indicator itself; for example, an indicator relating to the percentage of sustainable seafood purchased relates only to On-site Services entities which provide foodservice.

Three Sustainable Supply Chain indicators are consolidated for entities representing 91% of Group or On-site revenues.

2.6.2.3 REPORTING FRAMEWORK AND TOOLS

Sodexo's commitments to social and environmental responsibility have always been central to the Group's fundamentals. The Group reinforced its workforce and environmental reporting in 2005 with the publication of its first Corporate Responsibility Report and further developed its sustainability performance processes in 2009 when its sustainability roadmap, the Better Tomorrow Plan was launched. At the time, the Group committed to report its progress regularly and transparently.

Each year, Sodexo endeavors to improve its processes and to this end, has implemented a reporting tool with two modules for gathering and consolidating information. These tools were deployed to all Sodexo entities in Fiscal 2012.

Consistency checks are embedded within the tools and additional control testing is performed.

The consolidation of workforce data is performed by Group Human Resources and the consolidation of environmental data is performed by Group Sustainable Development.

Certain strategic workforce indicators are consolidated quarterly for a detailed follow up.

All information published in this report was verified by the Group's external auditors*.

In addition to the "limited assurance" delivered by the external auditors in relation to indicators published for the requirements of Grenelle II, Sodexo requested an independent audit to a higher level of assurance called "reasonable assurance" of the following indicators:

- employees by gender, category, age, geography;
- number of work related accidents;
- percentage of employees participating in at least one training program;

* *Statutory Auditors' Independent Third-Party Report on the Consolidated Social, Environmental and Societal Information provided in section 2.6.3.*

1 Group Presentation
2 Economic, social and environmental responsibility
3 Consolidated information
4 Information on the issuer
5 Legal Information
6 Shareholders - Financial Communication
7 Corporate Governance
8 Combined Annual Shareholders' Meeting, January 21, 2014
9 Other information

- percentage representation of women on the Board of Directors, among Group Senior Leaders, in management positions and in the total workforce;
- number of countries having implemented the STOP Hunger initiative;
- percentage of spend with contracted suppliers having signed a supplier Code of Conduct;
- percentage of site manager positions filled through internal promotions;
- number of employees participating in at least one training program;
- Group Employee Engagement Rate;
- percentage of On-site Services revenues of countries selecting products that support the development of a sustainable palm oil industry;
- percentage of employees working in countries having the Sodexo Statement of Business Integrity available in at least one official language of the country;
- percentage of Group revenues of countries developing and promoting health and wellness solutions.

2.6.2.4 LIMITATIONS

With nearly 428 000 employees, Sodexo is present in 80 countries with differing regulations and operates across more than 33,300 client sites of different sizes and types of activity.

- Certain indicators required by French law may not be relevant for some entities or may be calculated differently in accordance with local legislation. Therefore they cannot be consolidated at Group level. Certain of these workforce indicators are presented for the French entities in section 2.7 and include the following:
  - "CDD (*contrat à durée détérminée* – Limited term contract)/CDI (*contract à durée indéterminée* – Indefinite term contract)" employment contracts specific to the French labor environment;
  - working-time organization – These indicators are published for all French-based entities and the Group is working on the creation of a relevant global indicator; and
  - number of lost days for work related accidents: some local regulations include week ends and others only include working days.
- The deployment of group-wide systems allowing for the comprehensive reporting of the following indicators is in its final stages:
  - number of days lost due to sickness, frequency rate and severity rate;
  - differentiation between voluntary and non-voluntary employee turnover to report dismissals. Currently the Global Employee Retention Rate is reported.
- Certain information is extremely difficult to gather given the nature of the Group activity:
  - regarding the training indicators for the Sodexo On-site Services activity in the UK, the number of site employees trained and the related number of training hours are under-estimated as only the Health and Safety training courses are taken into account;
  - Sodexo's activities are performed on more than 33,300 client sites. In the majority of these client sites it is not possible for Sodexo to measure its own energy and water consumption. Nevertheless, within the framework of a technical agreement with the WWF, Sodexo is working to define a robust methodology to provide a reliable estimate of Sodexo's consumption which will allow for progress to be measured over time;
  - Scope 1 and Scope 2 energy consumption and related carbon emissions are measured for the Group based on a representative set of major countries and the external verification of this data will increase over time. This information is reported annually through the Carbon Disclosure Project.
- The following information is not applicable to Sodexo given the nature of its activity:
  - preventive or corrective actions with regard to discharges into the atmosphere, water and soil with a significant negative impact on the surrounding environment;
  - consideration of noise and any other activity-specific pollution;
  - amount of provisions and guarantees for environmental risks;
  - land usage.

2.6.2.5 RECONCILIATION TABLES

The reconciliation tables for Grenelle II and the GRI are included in sections 9.3.4 and 9.3.5 of this document.

2.6.3 STATUTORY AUDITORS' INDEPENDENT THIRD-PARTY REPORT ON THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, professional guidelines applicable in France.

Sodexo
225, Quai de la Bataille de Stalingrad
92130 Issy-les-Moulineaux

STATUTORY AUDITORS' INDEPENDENT THIRD-PARTY REPORT ON THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PROVIDED IN THE 2012-2013 MANAGEMENT REPORT

Financial year ended August 31, 2013

To the shareholders,

As Statutory Auditors of Sodexo, acting as independent third parties (our accreditation applications have been accepted by COFRAC – the French certification agency), we hereby present our report on the consolidated social, environmental and societal information (hereinafter referred to as "CSR Information") provided in the management report for the year ended August 31, 2013, in accordance with the requirements of Article L.225-102-1 of the French Commercial Code.

COMPANY'S RESPONSIBILITY

It is the responsibility of the Board of Directors to prepare an annual report including the CSR Information required under Article L.225-102-1 of the French Commercial Code, in accordance with the protocol used (hereinafter referred to as the "Protocol") by the Company, which is available on request from the latter.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulations, the code of ethics of the profession and by the provisions of Article L.822-11 of the French Commercial Code. In addition, we have set up a comprehensive quality control system including documented policies and procedures to ensure compliance with the code of ethics, professional standards and applicable legislation and regulations.

STATUTORY AUDITORS' RESPONSIBILITY

It is our role, based on our work:

- to attest that the required CSR Information has been disclosed in the management report, or that an explanation has been provided if any information has been omitted, in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Attestation of disclosure of CSR Information);
- to provide limited assurance that the CSR Information has been fairly presented, in all material respects, in accordance with the Protocol used (reasoned Opinion on the true and fair presentation of CSR Information).

We called on our CSR experts to assist us in our work.

We performed our work from May to October 2013.

1 Attestation of disclosure of CSR information

We performed the following work in accordance with professional standards applicable in France and the Order dated May 13, 2013 setting forth the arrangements governing independent third party engagements:

- We read the report on sustainable development providing details of the social and environmental impact of the Company's activity and its social commitments and, where appropriate, the related action and programs;
- We compared the CSR Information presented in the management report with the list provided for in Article R.225-105-1 of the French Commercial Code;
- We verified that the CSR Information covers the consolidation scope, which includes the Company and its subsidiaries within the meaning of Article L.233-1 and the controlled entities within the meaning of Article L.233-3 of the French Commercial Code, based on the limits specified in the methodological note in section 2.6.2.4 of the management report;
- In the event that consolidated CSR Information had been omitted, we verified that explanations had been provided, in accordance with the third paragraph of Article R.225-105 of the French Commercial Code.

Based on our work, we attest that the required Information has been disclosed in the management report.

2 Opinion on the true and fair presentation of CSR Information

NATURE AND SCOPE OF WORK

We conducted our engagement in accordance with the professional standards applicable in France, the Order dated May 13, 2013 setting forth the arrangements governing independent third party engagements and the International Standard on Assurance Engagements (ISAE) 3000.

We performed the following procedures to obtain limited assurance that the CSR Information does not contain any material misstatements and that it has been fairly presented, in all material respects, in accordance with the Protocol. A higher level of assurance would have required more extensive work.

We performed the following work:

- We identified those in charge of collecting information within the company and, where appropriate, those in charge of internal control and risk management procedures;
- We assessed the appropriateness of the Protocol in terms of its relevance, completeness, neutrality, understandability and reliability, taking into consideration, where appropriate, industry best practice;
- We verified that a process had been implemented for collecting, compiling, processing and verifying CSR Information, to ensure that it is complete and consistent. We reviewed the internal control and risk management procedures related to the preparation of CSR Information. We conducted interviews with those responsible for preparing CSR disclosures;
- We selected the consolidated CSR information to be tested* and determined the nature and scope of the tests, taking into consideration their importance in terms of the social and environmental impact of the Group's activity and its social commitments.

* *Total workforce by gender, category, age, geographical area, New hires excluding acquisitions and transfers, Employee retention rate, Site management retention rate, Site managers and other non-site staff promoted to non-site management, Front-line staff promoted to site management, Group employee engagement rate, Percentage of Group revenues of countries having one or more OHSAS 18001 certification, Number of work related accidents, Total number of training hours, Percentage of employees participating in at least one training program, Percentage of Women's representation rate on the Board of Director/among Group Senior Leaders/in management positions/in total workforce, Percentage of Group revenues of countries having one or more ISO 14001 certification, Percentage of spend on certified sustainable paper disposables, Percentage in kg of certified fairly traded coffee, Percentage of On-site Services revenues of countries selecting products that support the development of a sustainable palm oil industry, Percentage of Group revenues of countries developing and promoting health & wellness solutions, Number of countries having implemented the STOP Hunger initiative, Number of registered dietitians, Percentage of spend with contracted suppliers having signed a supplier code of conduct, Percentage of Group revenues of countries having one or more ISO 9001 certification, Percentage of On-site Services revenues of countries having one or more ISO 22000 certification, Percentage of employees working in countries having the Human Rights policy available in at least one official language, Percentage of employees working in countries having the Sodexo Statement of Business Integrity available in at least one official language.*

- Regarding the consolidated quantitative information that we considered the most important:
- at Group level and for the controlled entities, we implemented analytical procedures and, on a sampling basis, verified the calculations and consolidation of the information.
- at the level of the entities** selected based on their activity, their contribution to the consolidated indicators, their geographical distribution and a risk analysis, we:
  - carried out interviews in order to verify that the procedures had been correctly applied and to identify any omissions,
  - conducted tests of details on a sampling basis, which consisted of verifying the calculations and reviewing the associated evidence.

  The selected sample represents on average 52% of the workforce and between 50% and 69% of the quantitative environmental information tested.
- Regarding the consolidated qualitative consolidated information that we considered the most important, we consulted the documentary sources and held interviews to verify and assess whether the information had been presented fairly.
- For the other published consolidated information, we assessed whether it had been presented fairly and was consistent, based on our knowledge of the Group and, where appropriate, through interviews or by consulting documentary sources.
- We assessed the relevance of the reasons given for any missing required information, where appropriate.

Due to the use of sampling techniques and other limits inherent to all information and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be completely eliminated.

CONCLUSION

Based on our work, we have not identified any material misstatements that cause us to believe that the CSR Information, taken as a whole, has not been fairly presented, in all material respects, in accordance with the Protocol.

Paris La Défense and Neuilly-sur-Seine, November 13, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit *Division of KPMG S.A.*	
Sylvain Lambert	Yves Nicolas	Philippe Arnaud	Hervé Chopin
Partner	*Partner*	*Partner*	*Partner*
in charge of Sustainability Services		*in charge of Climate Change & Sustainability Services*	

** *On-Site Services France, Benefits and Rewards France, On-Site Services UK and Ireland, Benefits and Rewards UK, On-Site Services Belgium, On-Site Services Spain, On-Site Services Italy, On-Site Services USA.*

2.7 Data related to Sodexo's activities in France

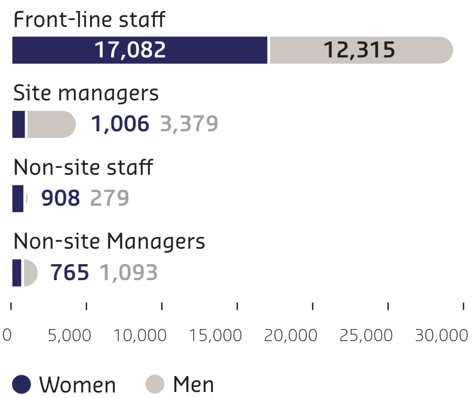
The following data comprises all employment aspects of all Sodexo operations in France, *i.e.*, On-site Services, Benefits and Rewards Services, Personal and Home Services, the parent company and the Group's management companies.

2.7.1 WORKFORCE

As of August 31, 2013, Sodexo employed a total of 36,827 people in France.

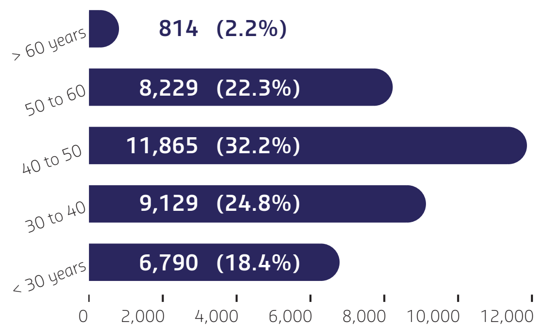
2.7.2 WORKFORCE BY GENDER

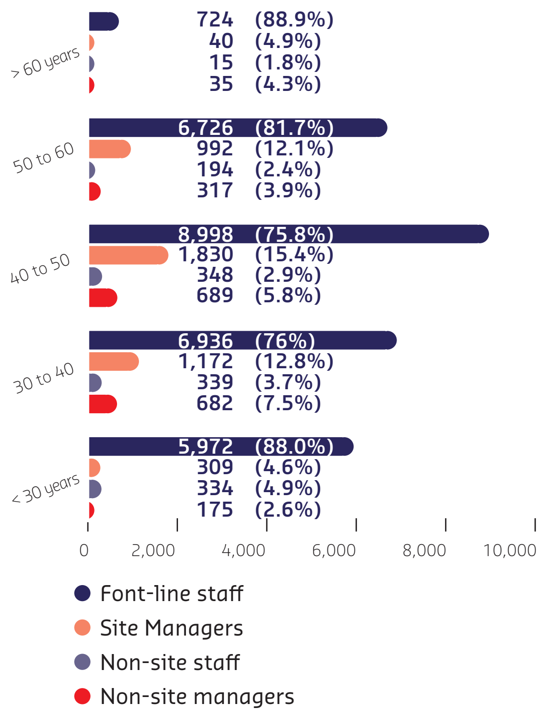
Women represent 54% of total employees, 58% of front-line staff, 23% of site managers, 76% of non-site managers and 41% of non-site managers.



2.7.3 WORKFORCE BY AGE GROUP

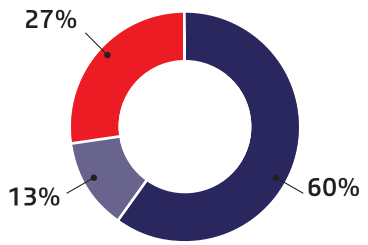
The average age is 41.7.





2.7.4 EMPLOYMENT

4,627 staff were recruited in France on a permanent contract during Fiscal 2013 (compared to 5,693 in Fiscal 2012), comprising 2,784 by direct recruitment, 584 by conversion of fixed-term contracts into permanent contracts, and 1,259 by integrating employees from other service providers.



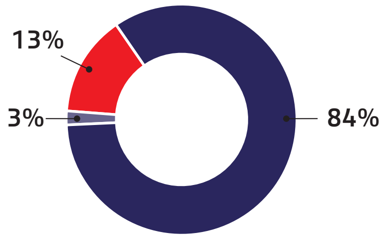
- Direct recruitments on permanent contract
- Conversion of fixed-term contract into permanent contract
- Employees integrated from other service providers

A strong focus on the recruitment of young people through apprenticeships and internships continues. More than 600 apprentices were hired during Fiscal 2013, and close to 120 higher education students completed their internships at Sodexo France, either at headquarters and regional offices, or directly on site.

As of August 31, 2013, 9% of employees were on fixed-term contracts (compared to 12% in Fiscal 2012).

During the fiscal year, employment on fixed-term contracts represented 13% of hours worked and temporary work represented 3%. These mainly concerned temporary replacements and spikes in workload.

500,126 hours of overtime were worked in Fiscal 2013, or 1% of hours worked.



- Number of hours worked on permanent contracts
- Number of hours worked on temporary contracts
- Number of hours worked on fixed-term contracts

1,552 employees had their employment contract terminated in Fiscal 2013, of which 120 were for economic reasons.

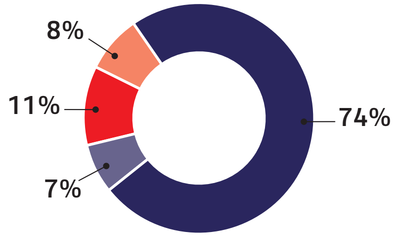
2.7.5 INTERNAL PROMOTION

In Fiscal 2013, 132 front-line staff in France were promoted to site management and ten site managers were promoted, for a total of 142 employees promoted to a supervisory position by a change of grade. These figures do not include internal promotions within the same grade.

2.7.6 ORGANIZATION OF WORKING HOURS

The working week is 35 hours (34.87 hours for most subsidiaries).

For Fiscal 2013, 74% of the workforce worked full-time. Part-time work involved 26% of the workforce.



- Full-time
- Part-time annualized ("school year")
- Part-time between 25 hours and full-time
- Part-time less than 25 hours per week

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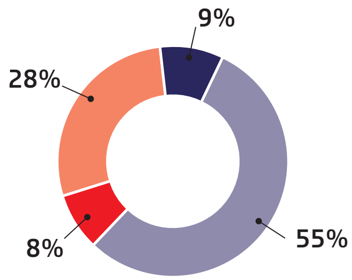
2.7.7 ABSENTEEISM

In France, the average absenteeism rate based on the number of days absent was 7% for the workforce as a whole (decreased from 8% in Fiscal 2012). The reasons were as follows:



- Work and travel-to-work related accidents
- Sickness
- Maternity
- Other (authorized paid leave, unpaid leave, etc.)

2.7.8 COMPENSATION

The average annual salary for a full-time front-line employee was 23,408 euro in France, which is 36% higher than the French legal minimum wage[1].

Pursuant to a law introduced in France on July 28, 2011 (which only pertains to the Group's activities in France) related to a profit sharing bonus, on April 3, 2013 Sodexo reached an agreement with a majority of the collective bargaining organizations represented in Sodexo's entities in France. This agreement provides for the payment of a bonus of 80 euro (net of payroll taxes) to all employees in France (irrespective of compensation level, status (fixed term or permanent), or seniority, but subject to a minimum of three months of presence during the period from September 1, 2012 to August 31, 2013).

2.7.9 STATUTORY AND VOLUNTARY EMPLOYEE PROFIT-SHARING (PART IV OF BOOK IV OF THE FRENCH LABOR CODE)

Profit-sharing agreements exist within Sodexo's French subsidiaries. The share of profits allocated to employees during Fiscal 2013 was 7,133,646 euro.

2.7.10 FRENCH PAYROLL TAXES

For Fiscal 2013, French payroll taxes represented 23% of the compensation of front-line staff. The employer's contribution was 43%.

2.7.11 SOCIAL AND CULTURAL ACTIVITIES

The contribution to the financing of social and cultural activities promoted by the various Works Councils represented 0.6% of payroll.

2.7.12 COLLECTIVE AGREEMENTS

In total, 44 collective agreements were signed in Fiscal 2013, including:

- four agreements addressing the issue of difficult working conditions;
- five agreements relating to the "inter-generational contract";
- two agreements relating on professional equality;
- two agreements relating to the employment of people with disabilities;
- two agreements of method for a plan of voluntary departure.

(1) The French gross legal minimum wage (Smic) in euro for a workweek of 37.87 hours, as of December 21, 2012.

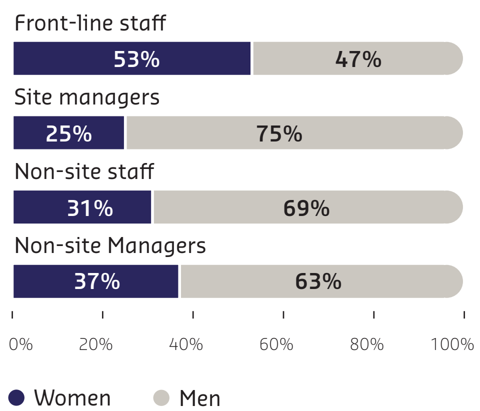
2.7.13 HEALTH AND SAFETY

In Fiscal 2013, the number of work-related accidents has decreased by 13% compared to Fiscal 2012.

Thus, the frequency rate of work-related accidents in France was 29.1 in Fiscal 2013, and the severity rate was 0.8. There were 239 meetings of Health, Safety and Working Conditions Committees during the fiscal year. In addition, a collective agreement on the issue of specific difficult working conditions was signed in Fiscal 2012. This agreement calls for the implementation of a tool (e-SIPUP – Individual summary for the prevention of work-related strain) for managing workplace Quality of Life.

2.7.14 EMPLOYEE TRAINING AND DEVELOPMENT

Expenditure on training by all Sodexo businesses in France totaled 18.7 million euro in Fiscal 2013. This figure represented 2% of the entity's total payroll and is in line with Fiscal 2012 (18.5 million euro).



The number of training hours totaled 297,548 hours during the fiscal year.

2.7.15 PROFESSIONAL EQUALITY

In Fiscal 2013, Sodexo France has continued to promote diversity and professional equality.

Sodexo continues to promote diversity through the Council for Diversity and Inclusion, created in 2011 under the leadership of the Chief Executive Officer.

Inter-generational agreements were signed during the year with an effective date of October 1, 2013.

"Uni-vers," the network formed to unite the Company's women and men, meets regularly on these issues.

3

CONSOLIDATED INFORMATION

3.1 Fiscal 2013 Activity Report

At the Board of Directors meeting held on November 12, 2013 and chaired by Pierre Bellon, Sodexo Chief Executive Officer Michel Landel presented the Group's performance for the fiscal year ended August 31, 2013.

3.1.1 FISCAL YEAR HIGHLIGHTS

Quality of Life has become widely recognized as an agent of progress for people and a performance driver for companies and organizations.

For this compelling reason, Sodexo has developed a unique service offer that improves Quality of Life. Sodexo is currently the only company in the world to offer clients On-site Services, Benefits and Rewards Services, and Personal and Home Services that contribute to their performance. To meet the challenge of improving the quality of life of its clients and consumers, Sodexo offers over 100 services not only to companies, universities, hospitals, retirement homes and other organizations, but also to private individuals with services such as home care and child care.

As part of the drive to further extend its expertise and leadership in quality of life services, in 2013 the Group signed an ambitious three-year partnership agreement with the Organisation for Economic Cooperation and Development (OECD) aimed at promoting quality of life as a factor in the development and progress of society. During Fiscal 2013, Sodexo continued to invest in executing its long-term strategy to become the world's leading provider of Quality of Life Services. These investments primarily concerned three key drivers of sustainable growth for the Group:

- human resources development, through training, opportunities for managers and teams to obtain international experience and an assertive diversity policy;
- continuous improvements in technical expertise: facilities management services now account for 27% of consolidated revenue compared to 18% in Fiscal 2005;
- expansion in high potential markets, particularly in emerging countries which currently represent 21% of the Group's On-site Services revenue (compared to just 10% in Fiscal 2005) and 8.1 billion euro in issue volume for the Benefits and Rewards Services activity (*versus* 2.1 billion euro in Fiscal 2005).

Financial performance for Fiscal 2013 was in line with the objectives set at the beginning of the year in a complex global environment:

- consolidated revenue totaled over 18 billion euro;
- organic growth was 1.1% (2.9% excluding the impact of three special events* in Fiscal 2012) and reported growth including acquisitions and currency effects was 0.9%;
- reported operating profit was 814 million euro, after including 139 million euro in exceptional costs for the program to improve operational efficiency and reduce costs. Excluding these exceptional costs, operating profit was 953 million euro, up 1.7% on Fiscal 2012 excluding the currency effect but down by a slight 0.5% at current exchange rates;

* *The Rugby World Cup, the London Olympics and a 53rd week of revenue in North America.*

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- reported Group net income was 439 million euro. Excluding exceptional items, Group net income and earnings per share increased by around 5% over the prior year;
- net cash provided by operating activities totaled more than 618 million euro, demonstrating once again Sodexo's ability to generate large amounts of cash year after year.

3.1.1.1 ONGOING DEVELOPMENT

Sodexo's development model is based primarily on organic growth, achieved by leveraging the considerable potential offered by the worldwide outsourcing market. The marketing successes and service innovations that were a key feature of Fiscal 2013 attest to the model's robustness:

- during Fiscal 2013, Sodexo maintained a solid pace of business growth, adding 1.4 billion euro to consolidated revenue:
  - in the **Corporate segment,** the integrated service offer designed to improve quality of life in the workplace won over new clients such as the Siemens Group for its 44 sites in Canada (with services such as heating and air conditioning, concierge services, security, and building management and maintenance), and the International Monetary Fund (notably with technical services to support the Fund's environmental initiatives in its two buildings in Washington, D.C.). The Group's international network also allows it to partner with a growing number of major multinational groups. For example, the contract with Unilever has been extended to include the North America region, and new partnerships have been signed with groups such as AstraZeneca,
  - in **Remote Sites,** Pacific Rubiales, one of Colombia's leading oil companies, chose Sodexo to support its ambitious development project in the Quifa oilfield, located in a remote region in the center of the country. More than 600 Sodexo employees provide a wide range of Quality of Life Services (including maintenance, foodservices, security and laundry services) for more than 6,000 people,
  - in the **Health Care and Seniors market,** Sodexo has extended its global leadership by winning several major contracts, notably in the United States, where the Group has been selected to provide foodservices to the elderly residents of 300 retirement homes operated by HCR ManorCare and foodservices and bio-cleaning services for the hospitals, medical imaging centers, psychiatric care units and other health care facilities run by HCA East Florida. Sodexo's global expertise in the health care market is a key selling point for clients in **emerging countries** who want to offer their patients a quality of care and an environment aligned with the highest international standards, as shown by the contracts won in Fiscal 2013 with Wuhan University Renmin Hospital in China, Sakra Hospital in Bangalore, India, and São Rafael de Salvador Hospital in Brazil,
  - lastly, the **Benefits and Rewards Services** activity continued to expand at a particularly strong pace in emerging countries, signing a contract for the 140,000 South American employees of FEMSA – the world's largest Coca Cola bottler – who have been issued Tienda Pass prepaid food cards and Pass Premium gift cards, and a contract to issue meal cards to Capgemini's 13,800 employees in India;
- Sodexo also continued to innovate, introducing new offers aligned with the quality of life challenges of its clients and consumers:
  - in Remote Sites, for the offshore market, Sodexo offers the Efficiency@sea program which optimizes limited living space by improving amenities and equipment. The refurbishment is performed off shore to avoid any interruption of drilling operations,
  - for a growing number of clients, managing energy use has become a priority in order to reduce costs while protecting the environment. Sodexo partners with clients in this drive through its energy efficiency services offer. For example, in the United States, Sodexo (with its Roth Bros subsidiary which joined the Group in late 2011) offers clients such as Asbury System and Simon Property Group an innovative technological solution for remote monitoring of buildings and facilities that manages and optimizes energy use while also reducing response times for repairs,
  - in the United States, Sodexo offers an expanded range of environmentally friendly products and cleaning and disinfection protocols the Health Care market. Two new technologies have been adopted: the Hydris™ cleaning system and Ecolab bio-based cleaners made from natural products that have a reduced environmental impact and allow staff to avoid having to wear protective equipment,

- for the convenience of its clients and beneficiaries, the Benefits and Rewards Services activity has launched websites that showcase all of the services offered in each country and include direct links to the on-line ordering service. The 21 websites already up and running have proved to be excellent marketing tools, generating considerable traffic (for example, the Brazilian site attracts 170,000 visitors per month). By the end of 2014, all of the countries in which the Group offers Benefits and Rewards Services will be included in this initiative.

To expand its service offer and strengthen its international presence, Sodexo made several targeted acquisitions during the fiscal year:

- in India, **MacLellan,** a technical maintenance services specialist, has consolidated the Group's expertise in the high potential On-site Services market;
- in Mexico, **Servi-Bonos,** a major local player, has enabled the Benefits and Rewards Services activity to acquire a significant position in one of the largest Latin American markets;
- lastly, the Benefits and Rewards Services activities of **Cibus** in Israel and **Rikslunchen** in Sweden have complemented the Group's overall Quality of Life Services offer in two countries where Sodexo was already present in the On-site Services segment.

3.1.1.2 CREATING A COMPETITIVE ADVANTAGE THROUGH OUR PEOPLE

Convinced that employee engagement is key to client and consumer satisfaction, and therefore a genuine competitive advantage, the Group continued to invest in training during Fiscal 2013 and implemented major initiatives in pursuit of its two overriding goals: maintain a high quality, diverse and appropriately sized workforce to meet the expectations of all clients and be among the global companies most appreciated by their employees. Throughout the world, Sodexo Academies offer employees numerous opportunities to acquire new skills and hone existing skills. In Fiscal 2013, over 4.8 million hours of training were provided.

The Sodexo Management Institute (SMI) supports Sodexo's 1,200 senior executives in developing their leadership skills. A new program, SoFocus, was created in Fiscal 2013 to support the deployment of Sodexo's strategic positioning in services to improve Quality of Life. By the end of August 2013, four SoFocus seminars had been organized, with a total of 400 participants.

Lastly, the Group is pursuing its assertive plan to integrate diversity and inclusion in its programs, procedures and practices at all levels of the organization, and to make diversity and inclusion a natural reflex in everything it does. In the space of six years, the number of women among the Group's senior executives has grown from 16% to 23%, and the Group is aiming to increase the ratio to 25% by Fiscal 2015.

3.1.1.3 AWARDS

In Fiscal 2013, Sodexo won several major awards recognizing its commitment to social, environmental and economic responsibility:

- included in the DJSI World and DJSI STOXX indexes since 2005, for the ninth year in a row Sodexo was named "Global Sustainability Industry leader" by the Dow Jones Sustainability Indices (DJSI).

  During the 2013 World Economic Forum in Davos, Sodexo was awarded the "Sector Leader," "Gold Class" and "Sector Mover" prizes by RobecoSAM, an asset management company specialized in sustainability investing. RobecoSAM's Sustainability Yearbook is considered the world's authoritative guide to the best-in-class companies in terms of corporate social responsibility;
- Sodexo was once again included in Fortune magazine's "Most Admired Companies" list, ranking first in the "Diversified Outsourcing Services" category and number one for Innovation, Social Responsibility, Financial Soundness, Long-term Investment and Global Competitiveness;
- Sodexo's commitment to diversity and gender equality and its initiatives in this area were also recognized once again, with the Group ranked number one in DiversityInc.'s 2013 list of the Top 50 North American Companies for Diversity.

  In France, Sodexo was ranked sixth among the 120 companies in the SBF index rated for the high proportion of women in senior management.

3.1.2 FISCAL 2013 PERFORMANCE

3.1.2.1 CONSOLIDATED INCOME STATEMENT

(in millions of euro)	Fiscal 2013	Fiscal 2012	Change at current exchange rates	Change at constant exchange rates
Revenues	18,397	18,236	+0.9%	+1.5%
Operating profit before exceptional items	953	958	-0.5%	+1.7%
Exceptional items[1]	(139)	26		
Operating profit	814	984	-17.3%	-15.2%
Interest income	87	65		
Financing costs	(223)	(231)		
Share of profit of companies consolidated by the equity method	17	18		
Profit for the period before tax	695	836	-16.9%	-15%
Income tax expense	(233)	(286)		
Profit for the period	462	550	-16%	-14%
Profit attributable to non-controlling interests	23	25		
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT, EXCLUDING EXCEPTIONAL ITEMS, NET OF TAX	**530**	**505**	**+5.0%**	**+7.3%**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**439**	**525**	**-16.4%**	**-14.3%**
Earnings per share *(in euro)*	2.91	3.48	-16.4%	-14.4%
Dividend per share *(in euro)*	1.62[2]	1.59	+1.9%	

(1) In Fiscal 2013, costs recorded in connection with the program to improve operational efficiency and reduce costs and in Fiscal 2012, a 26 million euro favorable accounting adjustment related to pension plan costs in the United Kingdom.
(2) Dividend subject to approval at the Annual Shareholders' Meeting on January 21, 2014.

Changes in scope of consolidation

The main recent changes in the Group's scope of consolidation related to the acquisitions made at the beginning of the fiscal year, as follows:

- Servi-Bonos (Benefits and Rewards Services – Mexico) was consolidated from November 2012. Servi-Bonos is one of Mexico's leading meal voucher and card issuers. With a portfolio of around 5,000 clients spanning the entire country, it reported issue volume of some 300 million euro in 2011;
- MacLellan (technical services) was consolidated from December 2012. India's leading facilities management services company, MacLellan has specific expertise in air conditioning, heating, maintenance and energy management services.

Currency effects

Sodexo operates in 80 countries. The percentages of total revenue and operating profit denominated in the main currencies are as follows:

	Revenues	Operating profit
Euro	28%	3%
U.S. dollar	36%	43%
UK pound sterling	8%	6%
Brazilian real	6%	20%

The difference between the percentages of revenue and operating profit denominated in euro is mainly explained by the fact that most corporate expenses are incurred by the parent company, Sodexo SA, and are denominated in euro. In addition, operating profit is affected by the large proportion of euro-denominated costs incurred for the program to improve operational efficiency and reduce costs.

The effect of changes in average currency exchange rates for the fiscal year mainly concerned the 10.4% decline in the Brazilian real against the euro. The U.S. dollar gained 0.4% and the UK pound sterling lost 0.6%.

The currency effect is determined by applying the previous year's average exchange rates to the current year figures.

		(in millions of euro)		
Impact of exchange rates	**Change vs. the euro (in %)**	**Revenues**	**Operating profit**	**Net profit**
Euro/U.S. dollar	+0.4%	28	1.5	0.6
Euro/Brazilian real	-10.4%	(136)	(19)	(8)
Euro/UK pound sterling	-0.6%	(9)	(0.3)	(0.4)

3.1.2.2 REVENUE GROWTH

Sodexo's consolidated revenues for Fiscal 2013 increased by 0.9% to 18.4 billion euro. Organic growth was 1.1%, or 2.9% excluding the impacts of the Rugby World Cup, the Olympic Games and the inclusion of a 53rd week of revenue in North America.

Excluding these three items, organic growth for the **On-site Services** activity was 2.6%, led by increased demand for integrated Quality of Life Services offers in all regions and by Sodexo's leadership in emerging countries where it continued to enjoy growth of more than 5%. These solid performances offset the decline in foodservices volumes, particularly in Europe, and slower growth in site revenues across all regions as clients sought to decrease costs in the current economic environment.

Organic growth in Benefits and Rewards Services revenues was 8.3%, roughly the same rate as in Fiscal 2012, reflecting both the sustained growth dynamic in Latin America and the continuing erosion of revenues in Hungary following the introduction of new regulations in January 2012.

3.1.2.3 GROWTH IN OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS(1)

Group operating profit was 953 million euro, an increase of 1.7% compared to Fiscal 2012 excluding the currency effect and a slight 0.5% decrease at current currency exchange rates.

Operating profit generated by the Benefits and Rewards Services activity rose by close to 13% and that of the On-site Services activity in North America was up by nearly 7%. The contribution of On-site Services in continental Europe and the Rest of the World region declined compared to Fiscal 2012 due to lower foodservices volumes, increased pricing pressure from clients seeking to cut costs and inflationary pressure in emerging markets.

Sodexo's teams responded to these challenges by mobilizing around specific actions to strengthen competitiveness and reduce operating costs, as illustrated by the year-on-year reduction in underlying administrative expenses, excluding currency effects and excluding the costs incurred for the program to improve operational efficiency and reduce costs. As a result, consolidated operating margin was unchanged from Fiscal 2012 (excluding currency effects). Including currency effects, consolidated operating margin narrowed by 0.1 percent point to 5.2%.

(1) In Fiscal 2013, exceptional costs for the program to improve operational efficiency and reduce costs and, in Fiscal 2012, favorable accounting adjustment related to pension plan costs in the United Kingdom.

3.1.2.4 EXCEPTIONAL ITEMS

Reported operating profit amounted to 814 million euro, a decline of 17.3% at current currency exchange rates and 15.2% excluding the currency effect.

This amount includes the following exceptional items:

(in millions of euro)	Fiscal 2013	Fiscal 2012	Change At current exchange rates	Change At constant exchange rates
Operating profit before exceptional items	953	958	-0.5%	+1.7%
Exceptional expenses for the program to improve operational efficiency and reduce costs	(139)			
Retirement plan accounting adjustment	-	26		
Total exceptional items	**(139)**	**26**		
REPORTED OPERATING PROFIT	**814**	**984**	**-17.3%**	**-15.2%**

At the beginning of Fiscal 2013, Group senior management launched a program to improve operational efficiency and reduce costs. The objective of the program is to reduce on-site operating costs and achieve administrative cost savings, with annual savings increasingly affecting operating profit in Fiscal 2014 and Fiscal 2015. As announced in April 2013, senior management expects the program to generate exceptional costs of 180 to 200 million euro over a period of 18 months starting in September 2012. During Fiscal 2013 costs of 139 million euro were recognized in connection with this program, as follows:

- exceptional expenses which reduced gross margin: 47 million euro related to asset impairments and the cost of terminating certain under-performing contracts or activities representing annual revenues of around 230 million euro;
- exceptional expenses recorded in overheads: 92 million euro related in particular to various cost-cutting measures and restructuring costs in many countries worldwide.

As a result of new regulations in the United Kingdom, the Group elected in October 2011 to replace the retail price index (RPI) with the consumer price index (CPI) in the calculation of future indexation adjustments to the pension obligations to certain beneficiaries of its pension plan. Consequently, a favorable accounting adjustment was recorded in Fiscal 2012 related to this change.

Information related to operating income in the remainder of this section excludes these exceptional items.

3.1.2.5 NET FINANCING COSTS

Net financing costs decreased to 136 million euro in Fiscal 2013 from 166 million euro in Fiscal 2012.

Half of the decline was due to the reduction in net debt over the fiscal year and half came from an increase in proceeds from the sale of financial investments, particularly equity interests in project companies set up in connection with Public-Private Partnership (PPP) contracts in the United Kingdom.

3.1.2.6 INCOME TAX EXPENSE

Income tax expense was 233 million euro, representing an effective tax rate of 34.3% as compared to the prior year rate of 34.9%.

The effective tax rate was lower despite the higher tax rates applicable in several countries, particularly France (where additional taxes are paid on dividend distribution and interest expense is partially not deductible). This was primarily attributable to the exclusion from the tax base of certain items of income such as gains on sales of equity interests in project companies set up in connection with Public-Private Partnership (PPP) contracts in the United

Kingdom and, to a lesser extent, to the impact of the Competitiveness and Employment Tax Credit (CICE) introduced in France. In addition, the change in the effective rate reflects favorable developments regarding tax positions taken in prior years in other countries.

3.1.2.7 GROUP NET INCOME AND EARNINGS PER SHARE

Group net income was 439 million euro compared to 525 million euro in the prior year, a decrease of 16.4% or 14.3% excluding currency effects.

Earnings per share was 2.91 euro compared to 3.48 euro for the prior year, a decrease of 16.4% or 14.4% excluding currency effects.

The change in Group net income and earnings per share masks the underlying progress and performance of Sodexo's teams, as a result of the following exceptional items:

- the 91 million euro after-tax negative impact of costs incurred in connection with the program to improve operational efficiency and reduce costs, the benefits of which will not be fully seen until two to three years from now;
- a higher prior year basis of comparison due to the favorable accounting adjustment in Fiscal 2012 related to retirement plan costs in the United Kingdom.

Excluding these two items, Fiscal 2013 Group net income and earnings per share increased by around 5%.

3.1.2.8 PROPOSED DIVIDEND

At the Annual Shareholders' Meeting to be held on January 21, 2014, the Board of Directors will recommend paying a dividend of 1.62 euro per share for Fiscal 2013, an increase of nearly 2% over the prior year. This proposal reflects the Board's great confidence in the Group's future and also takes into consideration Sodexo's solid cash-generating financial model.

For the first time this year, shares held in registered form for more than four years as of August 31, 2013 and still held when the dividend becomes payable, will qualify for a 10% dividend premium (rounded down to the nearest cent), provided that they do not represent over 0.5% of the capital per shareholder.

3.1.2.9 ANALYSIS OF CHANGES IN REVENUE AND OPERATING PROFIT BY ACTIVITY

Revenue by activity *(in millions of euro)*	Fiscal 2013	Fiscal 2012	Change at current exchange rates	Change at constant exchange rates
On-site Services				
North America	6,821	6,730	+1.4%	+1.0%
Continental Europe	5,716	5,646	+1.2%	+1.0%
Rest of the World	3,683	3,577	+3%	+6.0%
United Kingdom and Ireland	1,397	1,543	-9.4%	-8.9%
Total On-site Services	17,617	17,496	+0.7%	+1.1%
Benefits and Rewards Services	790	756	+4.5%	+9.9%
Intragroup eliminations	(10)	(16)		
TOTAL	**18,397**	**18,236**	**+0.9%**	**+1.5%**

Operating profit by activity[1] *(in millions of euro)*	Fiscal 2013	Fiscal 2012	Change at current exchange rates	Change at constant exchange rates
On-site Services				
North America	371	346	+7.2%	+6.6%
Continental Europe	196	215	-8.8%	-9.3%
Rest of the World	119	126	-5.6%	-4.8%
United Kingdom and Ireland	67	80	-16.3%	-16.3%
Total On-site Services	753	767	-1.8%	-2.1%
Benefits and Rewards Services	304	290	+4.8%	+12.8%
Corporate expenses	(94)	(83)		
Eliminations	(10)	(16)		
TOTAL	**953**	**958**	**-0.5%**	**+1.7%**

(1) Operating profit before exceptional costs associated with the program to improve operating efficiency in Fiscal 2012 and before the favorable accounting adjustment related to pension plan costs in the United Kingdom in Fiscal 2012.

On-site Services account for 96% of consolidated revenue and 71% of consolidated operating profit[1] before eliminations and corporate expenses. The Benefits and Rewards Services activity accounts for 4% of consolidated revenue and 29% of consolidated operating profit before corporate expenses.

On-site Services

REVENUES

(in millions of euro)	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
North America	6,821	6,730	+0.6%			
Continental Europe	5,716	5,646	+0.8%			
Rest of the World	3,683	3,577	+5.5%			
United Kingdom and Ireland	1,397	1,543	-9.6%			
TOTAL	**17,617**	**17,496**	**+0.8%**	**+0.3%**	**-0.4%**	**+0.7%**

On-site Services revenues totaled 17.6 billion euro, an increase of 0.7%. Organic growth was 0.8%; however, on a comparable basis of 52 weeks' activity and excluding the impact of the Fiscal 2012 sporting events, it would have been 2.6%.

Facilities management services now account for 27% of consolidated revenue. As was the case in the last two fiscal years, revenues from these services are continuing to grow faster than foodservices revenues, providing renewed confirmation of the relevance of the Group's strategic positioning.

Fiscal 2013 organic growth in revenue on the same basis of comparison was as follows by client segment:

- 4.1% in **Corporate,** led by solid business development in emerging markets and the success of integrated offers in North America and Europe;
- 0.8% in **Health Care and Seniors,** reflecting modest business development (new contract wins) in Fiscal 2012;
- 1.2% in **Education,** attributable to high client retention in North America but with only modest growth on sites in Europe.

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The On-site Services activity's key growth indicators were as follows:

- a **92.5%** client **retention rate.** This was down from Fiscal 2012, due to Sodexo's decision to terminate certain underperforming contracts and to a higher number of Remote Site projects reaching completion. Excluding these two factors, the retention rate was close to that for the prior year;
- **2.1% growth** at **existing sites,** compared to 3.4% for the prior year. The decrease reflects the following:
  - lower foodservices volumes, notably in Europe,
  - strong pricing pressure from clients seeking reductions in their own cost base, making it more difficult for Sodexo to apply inflation clauses (covering food price inflation and, in particular, wage and related payroll tax increases),
  - a slower rate of economic growth in certain emerging countries and the completion of major projects in the Remote Sites segment (particularly mining projects);
- a **7.8% business development rate** (new contract wins), up in all regions compared to the prior year thanks to the many contract wins achieved by the Group. The amount of new contracts won during the fiscal year was 1.4 billion euro in annual revenues.

OPERATING PROFIT

On-site Services operating profit, excluding exceptional expenses related to the program to improve operational efficiency and reduce costs, amounted to 753 million euro as compared to 767 million euro in Fiscal 2012.

The roughly 2% decline was due to lower foodservices volumes in Europe and high cost inflation (employee costs and food purchases) which could not be passed on to clients during the year.

ANALYSIS BY GEOGRAPHIC REGION

North America

Revenues

(in millions of euro)	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	1,647	1,537	+5.2%			
Health Care and Seniors	2,521	2,559	-1.9%			
Education	2,653	2,634	+0.2%			
TOTAL	**6,821**	**6,730**	**+0.6%**	**+0.4%**	**+0.4%**	**+1.4%**

On-site Services revenues in North America were 6.8 billion euro, with organic growth of 0.6%. The Fiscal 2012 figure included an additional week's activity compared to Fiscal 2013 as Sodexo operates on a 52/53-week calendar basis as is industry practice in North America. The impact of the 53rd week on Fiscal 2012 revenues is estimated at 120 million euro. On a comparable 52-week basis, organic revenue growth was 2.4%, as follows:

- organic growth in the **Corporate** segment was 7.2%, reflecting the success of integrated service offers for clients such as the International Monetary Fund and Nokia, as well as strong growth in site revenues in the Remote Site segment in Canada. Business development accelerated in North America, with the signature of many contracts with clients such as Boeing Company, Harley Davidson, and more recently, Walt Disney World Parks and Resorts, Florida in the United States and Siemens in Canada;
- in **Health Care and Seniors,** revenues contracted by 0.1%, due to modest business development in Fiscal 2012 and the loss of the contract with Ascension Health System. However, business development has picked up rapidly since the beginning of Fiscal 2013

and should lead to an improved rate of organic growth starting in Fiscal 2014. The numerous large and prestigious contracts won during the year included ManorCare, HCA East Florida, LA County, Ochsner, University of Arizona Medical Center, Wesley Medical Center and CHI Kentucky;

- organic growth in **Education** was 2.1%. Client retention remained high at around 98%, while growth in site revenues was more restrained due to:
  - a decline in the number of meals served in primary schools following implementation of the Healthy and Hunger-Free Kids Act which has changed schoolchildren's eating habits,
  - modest growth in the number of new university students, reflecting demographic trends.

New contracts won in Fiscal 2013 included Brandeis University, University of Michigan Dearborn, Emerson College and Bayonne School District.

External growth of 0.4% is explained by the acquisition in the U.S. of Roth Bros., a technical maintenance and energy management company.

Operating profit

On-site Services **operating profit** in North America totaled 371 million, an increase of nearly 7% over the prior year excluding currency effects. Operating margin was 0.3 points higher at 5.4%.

This solid performance reflected tight control over all operating costs and productivity gains, particularly in the Corporate segment, and resulted from the deployment of new generation operational management tools.

Continental Europe

Revenues

(in millions of euro)	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	3,407	3,346	+1.2%			
Health Care and Seniors	1,404	1,396	+0.4%			
Education	905	904	-0.1%			
TOTAL	**5,716**	**5,646**	**+0.8%**	**+0.2%**	**+0.2%**	**+1.2%**

In Continental Europe, revenues totaled 5.7 billion euro, with organic growth of 0.8%. On-site Services performance in Continental Europe remained mixed, with several countries such as France, the Netherlands, Italy and Germany seeing a marked slowdown in activity. This contrasted with a continued strong dynamic in Russia and Sweden.

In **Corporate,** organic growth was 1.2%, led by the ramp-up of major contracts with groups such as Unilever, Eli Lilly and AstraZeneca as well as Gazprom in the Remote Sites segment in Russia. These contracts more than offset the decline in foodservices volumes that resulted from both client staff cutbacks and reduced spending by consumers, which weighed on revenue growth in several countries. Highlights of the year on the business development front included renewal of the KLM contract in the Netherlands and the signature of new contracts with Air France, the Paris-Saint Germain (PSG) football stadium, Safran and Amundi in France, DNB in Norway, the Belgian Parliament and OMK Vyksa in Russia.

In **Health Care and Seniors,** organic revenue growth was 0.4%. This was partly the result of applying a more selective approach to new business in Southern Europe and it also reflected soft growth in comparable site revenues, due to clients' strict controls over spending. Business wins included Pôle Santé Sud (Le Mans) in France.

Education revenues remained flat compared to the prior year. Growth in comparable site revenues was fairly limited, particularly in Spain and Italy due to pressure on school budgets leading to a reduction in the number of services. Sodexo also pursued a selective approach to new business in this segment, particularly in Southern Europe.

During Fiscal 2013, new contracts were signed with the Toulon schools in France, Satakunta University of Applied Sciences in Finland and the Täby schools in Sweden.

Operating profit

Operating profit from On-site Services in Continental Europe was 196 million euro, representing a decline of 9.3% compared to the prior year excluding currency effects, which that was mainly due to lower foodservices volumes and also to pricing pressure from clients seeking cost reductions, which meant that Sodexo was only able to pass on part of the increase in wages, payroll taxes and food prices. In addition, Sports and Leisure activities in France, which have high fixed costs, were affected by the decline in the number of tourists and unfavorable weather conditions. Tight control of overheads throughout the region nevertheless paid off, particularly in the second half of the fiscal year.

Operating margin narrowed to 3.4%, from 3.8% in Fiscal 2012.

Rest of the World (Latin America, Middle East, Asia, Africa, Australia and Remote Sites)

Revenues

(in millions of euro)	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	3,402	3,302	+5.7%			
Health Care and Seniors	171	162	+8%			
Education	110	113	-1.9%			
TOTAL	**3,683**	**3,577**	**+5.5%**	**+0.5%**	**-3%**	**+3%**

With revenues of 3.7 billion euro, the Rest of the World region (combining Latin America, Middle East, Asia, Africa, Australia and Remote Sites) accounted for 21% of the Group's revenues in Fiscal 2013 compared to less than 10% in Fiscal 2005. Organic growth in the region was 5.5%. This was a slower rate than in recent years, due to a certain loss of economic momentum in certain emerging countries and in the mining sector.

In December 2012, Sodexo acquired MacLellan, the leading facilities management services provider in India.

Organic growth in the **Corporate** segment was 5.7%. reflecting the fast pace of business development in Fiscal 2012, particularly in Colombia and Chile, and good growth in site revenues in India. However, the slowdown in industrial activity and the halting of new mining projects started to have an impact in the latter part of the fiscal year, while the completion of several Remote Sites projects had a modest negative effect.

During the fiscal year:

- major contracts were won with Botica Farmacêutica, Electrolux and Martins in Brazil;
- in China and India, where Sodexo is the undisputed leader, the client portfolio was expanded with the addition of companies such as Sinosteel in China, and Samsung Electronics India, Honeywell Technology Solutions India, Cipla, Nestlé and Honda in India;
- in Remote Sites, companies such as Pacific Rubiales, one of Colombia's leading oil and gas companies, chose Sodexo.

Sodexo's global expertise in the **Health Care and Seniors** segment continued to pay off, notably in Latin America, China and Southeast Asia, as illustrated by the **8%** organic growth and contract wins with establishments such as Renmin Hospital Wuhan University in China, Clinica Universidad de los Andes in Chile, and São Rafael de Salvador Hospital in Brazil.

Operating profit

Operating profit in the Rest of the World region contracted slightly compared to the previous year, to 119 million euro. In many countries operating profit was up sharply but in others, such as Brazil, Sodexo was only able to partially pass on to clients the impact of inflation on operating expenses (food prices, employee costs and indirect taxes).

Operating margin was 3.2% in Fiscal 2013 compared to 3.5% the previous year.

United Kingdom and Ireland

Revenues

(in millions of euro)	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	993	1,155	-14%			
Health Care and Seniors	274	254	+7.1%			
Education	130	134	-3.6%			
TOTAL	**1,397**	**1,543**	**-9.6%**	**+0.7%**	**-0.5%**	**-9.4%**

On-site Services revenues in the United Kingdom and Ireland totaled 1.4 billion euro, down by nearly 10% compared to the previous year when Sodexo, in partnership with the Mike Burton Group, was a major service provider for the Rugby World Cup and the London Olympics. Revenues from these two events totaled 207 million euro. Excluding these revenues from the basis of comparison, underlying organic revenue growth in the United Kingdom and Ireland was 3.4%.

Acquisitions related to WS Atkins' facilities management business in the United Kingdom, acquired in December 2011.

The ramp-up of facilities management offers for large corporations helped to drive **3.4%** organic revenue growth in the **Corporate** segment (excluding the impact of the Fiscal 2012 sporting events). Contract wins included AstraZeneca, GSK, AgustaWestland and Unilever. The solid performance in facilities management services more than offset lower foodservices volumes.

In the Justice segment, Sodexo was awarded a major contract by Northumberland prison at the end of the fiscal year.

In **Health Care and Seniors,** growth accelerated to 7.1%, reflecting an excellent client retention rate and additions to the services provided to several university hospitals, including North Staffordshire University Hospital and Brighton and Sussex University Hospital.

In the **Education** segment, which accounts for less than 10% of Sodexo's revenues in the United Kingdom and Ireland, revenue contracted slightly compared to Fiscal 2012. Comparable on-site growth in university revenues was modest and the teams continued to apply a selective approach to new business in the State school sector.

Operating profit

On-site Services **operating profit** in the United Kingdom and Ireland contracted to 67 million euro compared with 80 million euro in the previous year, which included the contribution from major sporting events. As a result, operating margin narrowed to 4.8%, from 5.2% in Fiscal 2012.

Benefits and Rewards Services

Issue volume

(in millions of euro)	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Latin America	8,128	7,016	+22%			
Europe and Asia	7,908	7,730	+1.0%			
TOTAL	**16,036**	**14,746**	**+11%**	**+2.5%**	**-4.7%**	**+8.8%**

Benefits and Rewards Services issue volume (face value multiplied by the number of vouchers and cards issued) totaled 16 billion euro in Fiscal 2013. Organic issue volume growth remained in the double digits, at 11%.

In **Latin America** growth accelerated to 22%, driving up issue volume to more than 8 billion euro. This strong gain was attributable to the steady increase in the number of beneficiaries in underpenetrated markets such as Brazil, as well as to higher voucher face values and to the effects of hyperinflation in Venezuela.

In **Europe and Asia,** organic issue volume growth was driven by the increase in issue volume under the ONEM contract in Belgium and strong business development in Turkey. These advances offset the impact on growth rates in the early part of the fiscal year of the fall in activity in Hungary, where a higher tax advantage is provided to beneficiaries of service vouchers issued by Hungarian companies since January 1, 2012.

Revenues

(in millions of euro)	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Latin America	452	418	+15.6%			
Europe and Asia	338	338	-0.6%			
TOTAL	**790**	**756**	**+8.3%**	**+1.6%**	**-5.4%**	**+4.5%**

Organic Benefits and Rewards Services **revenue** growth was 8.3%, comparable to Fiscal 2012. The November 2012 acquisition of **Servi-Bonos,** a leading meal voucher and card issuer in Mexico, added 1.6% to reported revenue.

Organic growth remained strong in **Latin America,** at 15.6%. This excellent performance was all the more remarkable in that it was achieved in an environment shaped by declining interest rates and pressure on client commissions in Brazil.

New clients that chose Sodexo in Fiscal 2013 included FEMSA, in several countries in the region, Ciferal Industria de Onibus in Brazil, Instituto Nacional de Vias (INVIAS) in Colombia and Reckit Benckiser and Deacero SA in Mexico.

In **Europe and Asia,** revenue contracted by 0.6%. Excluding the impact of regulatory changes in Hungary, organic growth would have been 2.1%, reflecting strong business development in France and Turkey.

Recent contract wins included the Lyon Chamber of Commerce and Industry in France and the Diyarbakir city authorities in Turkey.

Operating profit

Benefits and Rewards Services **operating profit** totaled 304 million euro, an increase of 4.8% compared to the previous year. However, unfavorable changes in currency exchange rates against the euro, particularly for the Brazilian real, overshadowed the activity's strong underlying performance.

Excluding the currency effect, operating profit rose by 12.8%, reflecting the leverage provided by volume growth and the cost efficiencies generated by tight management of expense items; which allowed for continued investment in new technologies and marketing.

Benefits and Rewards Services operating margin was 38.5% compared to 38.4% the previous year.

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3.1.3 CONSOLIDATED FINANCIAL POSITION

3.1.3.1 CASH FLOWS

Presented below are the key components of the consolidated cash flow statement:

(in millions of euro)	Year ended August 31, 2013	August 31, 2012
Net cash provided by operating activities	618	1,018
Net cash used in investing activities	(315)	(882)
Net cash used in financing activities	(273)	(179)
Increase/(decrease) in net cash and cash equivalents	30	(43)

Net cash provided by operating activities amounted to 618 million euro, representing 400 million euro less than in Fiscal 2012. Two factors explain the decline:

- the 170 million euro reduction in operating profit, due to the exceptional items recorded in the two fiscal years (with exceptional expenses of 139 million euro in Fiscal 2013 related to the cost of implementing the program to improve operating efficiency and reduce costs, and exceptional income of 26 million euro related to a favorable accounting adjustment to pension plan costs in the United Kingdom in Fiscal 2012);
- the 156 million euro impact of investing Benefits and Rewards Services cash in financial instruments with longer maturities and higher yields, increasing this activity's financial assets in the balance sheet at August 31, 2013.

The net cash provided by operating activities was used to finance:

- net capital expenditure and client investments of 236 million euro, representing 1.3% of revenues; and
- acquisitions for a total of 98 million euro, mainly Servi-Bonos in Mexico and MacLellan in India.

Net cash used in financing activities comprises:

- dividend payments for 263 million euro, including 240 million euro paid to Sodexo SA shareholders; and
- a net 22 million euro in debt repayments.

In all, net cash provided by operating, investing and financing activities in Fiscal 2013 totaled 30 million euro.

3.1.3.2 CONSOLIDATED BALANCE SHEET

(in millions of euro)	August 31, 2013	August 31, 2012		August 31, 2013	August 31, 2012
Non-current assets	6,625	6,888	Shareholders' equity	2,953	3,034
Current assets excluding cash	3,902	3,842	Non-controlling interests	37	35
Financial assets related to the Benefits and Rewards Services activity	734	609	Non-current liabilities	2,734	3,421
Cash and cash equivalents	1,347	1,451	Current liabilities	6,884	6,300
TOTAL ASSETS	**12,608**	**12,790**	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**12,608**	**12,790**
			Net debt	478	639
			Net debt ratio	16%	21%

All items in the consolidated statement of financial position at August 31, 2013 were affected by the negative currency effect resulting mainly from declines in the U.S. dollar and Brazilian real against the euro. The change in shareholders' equity also includes profit for the year, dividend payments and the impact of share repurchases during the period.

Borrowings at August 31, 2013 amounted to 2,519 million euro, representing a decrease compared to 2,684 million euro a year earlier. The main borrowings are two euro-denominated bond issues for a total of 1,380 million euro and two U.S. private placements for a total of 1,100 million U.S. dollars. The remaining balance includes various bank loans and facilities, capital leases and derivative financial instruments.

As of August 31, 2013, the average interest rate on borrowings was 5.8%.

Cash and cash equivalents net of bank overdrafts totaled 1,307 million euro at August 31, 2013. Cash investments by the Benefits and Rewards Services activity in instruments with maturities of over three months increased to 336 million euro. Restricted cash in the Benefits and Rewards Services activity totaled 398 million euro.

As of August 31, 2013, the operating cash position (which includes Benefits and Rewards Services cash investments and restricted cash) was 2,041 million euro, including 1,729 million euro for Benefits and Rewards Services.

Net debt at August 31, 2013 was 478 million euro, representing 16% of consolidated equity compared to 21% at August 31, 2012. Gross debt repayment capacity as of the same date represented 3.4 years of operating cash flow compared to 2.8 years as of the prior year-end.

As of August 31, 2013, the Group had unused bank credit facilities of 954 million euro.

SUBSEQUENT EVENTS

There have been no material changes in the financial position or business situation of the Company and its subsidiaries since August 31, 2013.

3.1.4 OUTLOOK

At the November 12, 2013 Board of Directors meeting, Chief Executive Officer Michel Landel underlined the effectiveness of the Group's long-term strategy, based on a unique range of Quality of Life Services, an unparalleled global network in its activities, and undisputed leadership in emerging countries.

He pointed out that since 2005, Sodexo has delivered average annual revenue growth of 6.1% a year (at constant exchange rates) and average annual growth in operating profit and Group net income (excluding currency effects and exceptional items) of 8.4% and 10%, respectively. In addition, over this same eight-year period, Sodexo has achieved an average cash conversion ratio (of net income into free cash flow) of around 140%.

This consistent and robust performance, which enables the Group to finance its development, is even more significant given the steadily worsening conditions in the global economy over the same period.

Mr. Landel explained that senior management is now focusing more than ever on enhancing the Group's competitiveness and continuing to adapt the Group to its environment and clients. All of the teams are committed to pursuing two key objectives:

- **accelerate organic growth, to achieve an average annual increase in revenues of 7% over the medium term.**

  Sodexo is starting Fiscal 2014 with a number of strengths, including:

  - double-digit growth in Benefits and Rewards Services in Latin America and Asia,
  - steadily rising demand for integrated services by our clients irrespective of their size: large international groups with a presence on all continents or clients located in a single country,

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- an unrivalled international network and client segmentation that will be optimized in coming years with the implementation of global management by client segment to meet the needs of clients and consumers everywhere with the same level of precision;
- to **deploy enhanced action plans designed to further reduce overheads, thereby improving productivity** at all levels.
  - The constant pursuit of savings and cost reduction has become a major concern for all of our stakeholders worldwide.

    The costs of deploying this program to improve operational efficiency reduced Group net income by 139 million euro in Fiscal 2013 and will continue to weigh on the first half of Fiscal 2014. Nevertheless, these efforts began to deliver their initial benefits at the end of the last fiscal year and the savings related to this program should progressively materialize in the Group's operating profit during Fiscal 2014 and Fiscal 2015.

Encouraged by these factors, Sodexo has now set the following **objectives** for **Fiscal 2014**:

- **organic growth in revenue of between 2.5% and 3%;**
- **an 11% increase in operating profit (at constant exchange rates and excluding the impact of the exceptional costs related to the program to improve operational efficiency).**

  As a result, the Group is now targeting an operating margin of 5.6% for Fiscal 2014, up 0.4% compared with Fiscal 2013.

In addition, Sodexo has a **two-year target of reaching a consolidated operating margin of 6% by Fiscal 2015.**

This target reflects the following:

- significant annual savings of around 160 million euro from the program to improve operational efficiency and reduce costs;
- slower-than-expected growth in certain emerging countries and in the mining sector, which are currently experiencing a short-term slowdown. Nevertheless, the Group remains confident that these markets, where Sodexo holds leadership positions, retain strong growth potential over the medium term;
- the earnings impact of exchange rate fluctuations due to the effect of the geographic mix on margins. In Fiscal 2013 exchange rate changes have weighed on the annual increase in the consolidated margin by 0.1%.

Lastly, Michel Landel reiterated Sodexo's core strengths:

- significant market potential, estimated at over 50 times current revenues;
- a Quality of Life services positioning particularly well adapted to changing client needs;
- an unparalleled global network spanning 80 countries;
- undisputed leadership in emerging markets;
- a strong culture and engaged teams;
- an excellent financial model;
- its independence.

These strengths enable Sodexo to look to the future with confidence and to maintain its investments, particularly in the development of its people and the enhancement of its expertise.

In conclusion, Michel Landel added: *"I would like to thank our clients for their loyalty, our shareholders for their confidence and Sodexo's 428,000 employees for their efforts in Fiscal 2013 and for their daily commitment to improving the Quality of Life of our clients and consumers."*

3.2 Sodexo Consolidated Financial Statements as of August 31, 2013

3.2.1 CONSOLIDATED INCOME STATEMENT

(in millions of euro)	Notes	Fiscal 2013	Fiscal 2012
Revenues	3	18,397	18,236
Cost of sales	4.1	(15,651)	(15,379)
Gross profit		2,746	2,857
Sales department costs	4.1	(265)	(261)
General and administrative costs	4.1	(1,649)	(1,574)
Other operating income	4.1	20	15
Other operating costs	4.1	(38)	(53)
Operating profit(1)	3	814	984
Interest income	4.2	87	65
Financing costs	4.2	(223)	(231)
Share of profit of companies consolidated by the equity method	3 and 4.9	17	18
Profit for the period before tax		695	836
Income tax expense	4.3	(233)	(286)
Profit for the year		462	550
Of which:			
Non-controlling interests		23	25
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**439**	**525**
Earnings per share *(in euro)*	4.4	2.91	3.48
Diluted earnings per share *(in euro)*	4.4	2.88	3.45

(1) Including 139 million euro in costs recorded in Fiscal 2013 in connection with the program to improve operational efficiency and reduce costs (see note 2.22.4).

3.2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euro)	Notes	Fiscal 2013	Fiscal 2012
Profit for the year		**462**	**550**
Components of other comprehensive income to be reclassified subsequently to profit or loss			
Change in fair value of available for sale financial assets	4.11.3 and 4.14	1	1
Change in fair value of available for sale financial assets reclassified to profit or loss	4.11.3 and 4.14		
Change in fair value of cash flow hedges	4.16 and 4.14	0	(21)
Change in fair value of cash flow hedges reclassified to profit or loss	4.16 and 4.14	12	13
Currency translation differences		(342)	287
Tax on components of other comprehensive income to be reclassified subsequently to profit or loss	4.14	(4)	3
Share of other components of comprehensive income of companies consolidated by the equity method, net of tax	4.14	7	(9)
Components of other comprehensive income that will not be reclassified subsequently to profit or loss			
Actuarial gain (loss) on defined benefit pension plans	4.17.1 and 4.14	(11)	(98)
Tax on components of other comprehensive income that will not be reclassified subsequently to profit or loss	4.14	5	23
Total other comprehensive income (loss), after tax		**(332)**	**199**
COMPREHENSIVE INCOME		**130**	**749**
Of which:			
Equity holders of the parent		109	720
Non-controlling interests		21	29

3.2.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in millions of euro)	Notes	August 31, 2013	August 31, 2012
NON-CURRENT ASSETS			
Property, plant and equipment	4.5	540	574
Goodwill	4.6	4,803	5,031
Other intangible assets	4.7	528	563
Client investments	4.8	288	296
Companies consolidated by the equity method	4.9	78	81
Financial assets	4.11	118	133
Derivative financial instrument assets	4.16	69	26
Other non-current assets	4.12	14	15
Deferred tax assets	4.20	187	169
Total non-current assets		**6,625**	**6,888**
CURRENT ASSETS			
Financial assets	4.11	7	4
Derivative financial instrument assets	4.16	39	1
Inventories		271	296
Income tax receivable		119	96
Trade and other receivables	4.12	3,466	3,445
Restricted cash and financial assets related to the Benefits and Rewards Services activity	4.11	734	609
Cash and cash equivalents	4.13	1,347	1,451
Total current assets		**5,983**	**5,902**
TOTAL ASSETS		**12,608**	**12,790**

LIABILITIES AND SHAREHOLDERS' EQUITY

(in millions of euro)	Notes	August 31, 2013	August 31, 2012
SHAREHOLDERS' EQUITY			
Common stock		628	628
Additional paid in capital		1,109	1,109
Reserves and retained earnings		1,216	1,297
Equity attributable to equity holders of the parent		**2,953**	**3,034**
Non-controlling interests		**37**	**35**
Total shareholders' equity	**4.14**	**2,990**	**3,069**
NON-CURRENT LIABILITIES			
Borrowings	4.15	1,895	2,550
Derivative financial instrument liabilities	4.16	1	2
Employee benefits	4.17	372	381
Other liabilities	4.19	214	222
Provisions	4.18	99	105
Deferred tax liabilities	4.20	153	161
Total non-current liabilities		**2,734**	**3,421**
CURRENT LIABILITIES			
Bank overdrafts	4.13	40	15
Borrowings	4.15	712	136
Derivative financial instrument liabilities	4.16	19	23
Income tax payable		109	130
Provisions	4.18	116	41
Trade and other payables	4.19	3,347	3,422
Vouchers payable		2,541	2,533
Total current liabilities		**6,884**	**6,300**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**12,608**	**12,790**

3.2.4 CONSOLIDATED CASH FLOW STATEMENT

(in millions of euro)	Notes	Fiscal 2013	Fiscal 2012
Operating activities			
Operating profit		814	984
Elimination of non-cash and non-operating items			
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		271	353
Provisions		93	(9)
(Loss)/gain on disposal and other		(4)	16
Dividends received from companies consolidated by the equity method		16	16
Change in working capital from operating activities		(129)	56
Change in inventories		6	(7)
Change in trade and other receivables		(197)	(87)
Change in trade and other payables		67	(10)
Change in vouchers payable		151	157
Change in financial assets related to the Benefits and Rewards Services activity		(156)	3
Interest paid		(171)	(160)
Interest received		10	20
Income tax paid		(282)	(258)
Net cash provided by operating activities		**618**	**1,018**
Investing activities			
Acquisitions of property, plant and equipment and intangible assets		(241)	(308)
Disposals of property, plant and equipment and intangible assets		12	28
Change in client investments	4.8	(7)	(39)
Change in financial assets		19	20
Acquisitions of subsidiaries	4.23	(99)	(586)
Dispositions of subsidiaries		1	3
Net cash used in investing activities		**(315)**	**(882)**
Financing activities			
Dividends paid to parent company shareholders	4.14	(240)	(221)
Dividends paid to non-controlling shareholders of consolidated companies		(23)	(26)
Purchases of treasury shares	4.14	(47)	(94)
Disposition of treasury shares		71	69
Increase in capital			1
Decrease in capital			
Acquisition of non-controlling interests		(12)	(15)
Disposition of equity investments without loss of control			
Proceeds from borrowings		44	238
Repayment of borrowings		(66)	(131)
Net cash used in financing activities		**(273)**	**(179)**
CHANGE IN NET CASH AND CASH EQUIVALENTS		**30**	**(43)**
Net effect of exchange rates and other effects on cash		(159)	55
Net cash and cash equivalents, beginning of period		1,436	1,424
NET CASH AND CASH EQUIVALENTS, END OF PERIOD	**4.13**	**1,307**	**1,436**

3.2.5 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

							Total shareholders' equity		
(in millions of euro)	Shares outstanding	Share capital	Share premium	Treasury shares	Reserves and comprehensive income	Translation adjustments	Attributable to equity holders of the parent	Non-controlling interests	Total
Notes	4.14			4.14	4.14				
Shareholders' equity as of August 31, 2011	157,132,025	628	1,109	(391)	1,626	(437)	2,535	30	2,565
Profit for the year					525		525	25	550
Other comprehensive income, net of tax					(88)	283	195	4	199
Comprehensive income					437	283	720	29	749
Dividends paid					(221)		(221)	(26)	(247)
Increase in share capital								1	1
Decrease in share capital									
Treasury shares				(25)			(25)		(25)
Share-based payment (net of income tax)					24		24		24
Other					1		1	1	2
Shareholders' equity as of August 31, 2012	157,132,025	628	1,109	(416)	1,867	(154)	3,034	35	3,069
Profit for the year					439		439	23	462
Other comprehensive income (loss), net of tax					10	(340)	(330)	(2)	(332)
Comprehensive income					449	(340)	109	21	130
Dividends paid					(240)		(240)	(24)	(264)
Increase in share capital									
Decrease in share capital									
Treasury shares				24			24		24
Share-based payment (net of income tax)					20		20		20
Change in ownership interest without any change of control					(2)		(2)		(2)
Other(1)					8		8	5	13
Shareholders' equity as of August 31, 2013	**157,132,025**	**628**	**1,109**	**(392)**	**2,102**	**(494)**	**2,953**	**37**	**2,990**

(1) Including the effects of hyperinflation.

3.3 Notes to the Consolidated Financial Statements

DETAILED LIST OF NOTES

Sodexo is a *société anonyme* (a form of limited liability company) domiciled in France, with its headquarters located in Issy-les-Moulineaux.
Sodexo's consolidated financial statements for the fiscal year ended August 31, 2013 were approved by the Board of Directors on November 12, 2013 and will be submitted to the Annual Shareholder's Meeting on January 21, 2014.

1. SIGNIFICANT EVENTS

On November 2, 2012 Sodexo acquired 100% of the capital of Servi-Bonos, SA de CV for 70 million euro. Servi-Bonos is one of Mexico's leading meal and food voucher and card issuers. With a portfolio of nearly 5,000 clients across the country, it reported issue volume (the face value of vouchers and cards multiplied by the number issued) of close to 300 million euro in 2011.

The main effects on the Group's consolidated financial statements of acquisitions made during Fiscal 2013 are described in note 4.23.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1.1 Basis of preparation of financial information for Fiscal 2013

Pursuant to European Regulation 1606/2002 of July 19, 2002, the consolidated financial statements of the Sodexo Group have been prepared in accordance with international financial reporting standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union as of the period end. A comprehensive list of accounting standards adopted by the European Union is available for consultation on the European Commission website at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

Information for the comparative year presented has been prepared using the same principles.

The IFRS application dates as approved by the European Union are the same as those for the IFRS standards published by the IASB during the past three years, given the date of Sodexo's fiscal year end. Consequently, any difference between the two sets of standards arising out of delays in approval by the European Union had no impact considering the application date of the related standards or interpretations.

2.1.2 New accounting standards and interpretations required to be applied

The Group has not identified any new standards, interpretations or amendments whose application was mandatory for the Group effective for the fiscal year beginning September 1, 2012, except for the amendment to IAS 1 "Presentation of Financial Statements", which requires the separate presentation in the Statement of Comprehensive Income of components of other comprehensive income that will be reclassified subsequently to profit or loss and components that will not be reclassified. The Group early adopted this amendment in Fiscal 2012.

2.1.3 Accounting standards and interpretations issued but not yet applicable

The Group has not elected to early adopt any standards or interpretations not required to be applied in Fiscal 2013.

IAS 19 revised "Employee Benefits," which will be applicable for Fiscal 2014, requires in particular that the expected return on plan assets be measured using the discount rate applied to measure the defined benefit obligation. Application of this revised standard will have a negative impact on the interest expense recorded in the Group's income statement. If it had been applied in Fiscal 2013, the negative impact on interest expense would have been approximately 4 million euro. In addition, under the revised standard, the past service cost arising from a plan amendment will be recognized as an expense for the period when the amendment occurs. Under the revised standard, the corridor method will no longer be allowed, but this will have no impact on the Group financial statements, as actuarial gains and losses are already recognized in full in other comprehensive income.

The other new and amended standards, including IFRS 10 "Consolidated Financial Statements," IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities," and the amendments to IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures," should have only a limited impact on the Group's financial statements, in particular given that the Group has not opted for proportionate consolidation of companies over which it exercises joint control. However, the practical consequences of these new rules and the impact of their application on the Group's financial statements are being assessed.

2.2 USE OF ESTIMATES

The preparation of financial statements requires the management of Sodexo and its subsidiaries to make estimates and assumptions which affect the amounts reported for assets, liabilities and contingent liabilities as of the date of preparation of the financial statements, and for revenues and expenses for the period.

These estimates and evaluations are updated continuously based on past experience and on various other factors considered reasonable in view of current circumstances, and are the basis for the assessments of the carrying amount of assets and liabilities.

Actual results may differ substantially from these estimates if assumptions or circumstances change.

Significant items subject to such estimates and assumptions include the following:

- impairment of current and non-current assets (notes 4.10 to 4.12);
- fair value of derivative financial instruments (note 4.16);
- provisions and litigation (notes 4.18 and 4.27);
- valuation of post-employment defined benefit plan assets and liabilities (note 4.17);
- recognition of deferred tax assets (note 4.20);
- share-based payment (note 4.22);
- valuation of goodwill and intangible assets acquired as part of a business combination, as well as their estimated useful lives (note 4.23).

2.3 PRINCIPLES AND METHODS OF CONSOLIDATION

2.3.1 Intragroup transactions

Intragroup transactions and balances, and unrealized losses and gains between Group companies, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, unless they represent an impairment loss.

2.3.2 Consolidation methods

A subsidiary is an entity directly or indirectly controlled by Sodexo SA. Control exists when Sodexo has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing whether control exists, potential voting rights that are currently exercisable or convertible are considered. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained to the date on which control ceases to be exercised.

Companies in which Sodexo SA directly or indirectly exercises significant influence or joint control over financial and operating policy without exercising control are consolidated by the equity method from the date on which significant influence or joint control is obtained to the date on which it ceases.

Sodexo has a number of equity interests in project companies established in connection with Public-Private Partnership (PPP) contracts. These contracts enable governments to call upon the private sector for the design, construction, financing and management of public infrastructure (hospitals, schools, barracks, prisons), with detailed performance criteria. An analysis is performed for each of these equity interests, of which the details are provided in note 4.9, in order to determine whether the Group has significant influence or joint control. Where the analysis shows that the Group exercises significant influence or joint control, these companies are consolidated using the equity method of accounting.

Sodexo only makes equity and subordinated debt investments in such projects when it acts as a service provider to the project company.

Further information on the main entities consolidated as of August 31, 2013 is provided in note 6.

2.3.3 Foreign currency translation

The exchange rates used are derived from rates quoted on the Paris Bourse and other major international financial markets.

2.3.3.1 FOREIGN CURRENCY TRANSACTIONS

Monetary assets and liabilities denominated in foreign currencies at the period end are translated using the closing rate. The resulting translation differences are reported in financial income or expense.

Non-monetary foreign-currency assets and liabilities reported at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities reported at fair value are translated using the exchange rate at the date when the fair value was determined.

Transactions for the period are translated at the exchange rate at the transaction date.

Translation differences on monetary items that are in substance part of a net investment in a foreign operation consolidated by Sodexo are reported in other comprehensive income until the disposal or liquidation of the investment.

2.3.3.2 FINANCIAL STATEMENTS DENOMINATED IN FOREIGN CURRENCIES

Countries with stable currencies

The separate financial statements of each consolidated entity are presented on the basis of the primary economic environment (functional currency) in which the entity operates.

For consolidation purposes, all foreign-currency assets and liabilities of consolidated entities are translated into the reporting currency of the Sodexo Group (the euro) at the closing exchange rate, and all income statement items are translated at the average exchange rate for the period. The resulting translation differences are recognized in other comprehensive income under “Currency translation differences”. At the time of the transition to IFRS, the cumulative translation adjustments recognized as of September 1, 2004 were reclassified to consolidated reserves.

Statutory monetary adjustments are maintained in the financial statements of subsidiaries in countries that were previously hyperinflationary (Argentina, Chile, Colombia, Mexico and Turkey). The residual translation differences between the monetary adjustment and the use of closing exchange rates are reported in shareholders’ equity.

Countries with hyperinflationary economies

For these countries, the difference between profit or loss for the period translated at the average rate and profit or loss for the period translated at the closing rate is recognized in financial income or expense.

Subsidiaries operating in Venezuela

At the end of calendar 2009, Venezuela joined the list of countries considered hyperinflationary according to the criteria in IAS 29. Consequently, with effect from the fiscal year ended August 31, 2010, for the preparation of the consolidated financial statements the Group has applied the specific accounting requirements of this standard to the transactions of its subsidiaries operating in Venezuela that use the local currency as their functional currency.

Effective from Fiscal 2010, the Group no longer uses the official exchange rate published by the Venezuelan government, *i.e.,* 1 U.S. dollar = 6.3 bolivars for Fiscal 2013, and 1 U.S. dollar = 4.3 bolivars for Fiscal 2012. The financial statements of subsidiaries operating in Venezuela have consequently been translated at the rate obtained for the most recent transactions. These rates were 1 U.S. dollar = 10.20 bolivars, *i.e.,* 1 euro = 12.86 bolivars, for the year ended August 31, 2012, and 1 euro = 13.50 bolivars, for the year ended August 31, 2013.

The Group considers these to be the most appropriate rates, for the following reasons:

- to better reflect the economic parity between the euro and the bolivar resulting from the hyperinflationary situation in Venezuela since the end of 2009; and
- to estimate the most probable rate at which the Group considers it will be able to convert bolivars into euro in the future given the current restrictions on official market transactions made by the country's authorities.

The impact on the Group's financial statements is provided below:

	Fiscal 2013			Fiscal 2012		
(in euro million)	Amounts at the rate used by the Group €1 = 13.50 VEF	Pro forma amounts at official rate €1 = 8.34 VEF	Impact of choice on published financial statements	Amounts at the rate used by the Group €1 = 12.86 VEF	Pro forma amounts at official rate €1 = 5.42 VEF	Impact of choice on published financial statements
Revenue of Venezuelan subsidiaries	73	119	(46)	55	131	(76)
Operating income of Venezuelan subsidiaries	41	67	(26)	26	61	(35)
Net income of Venezuelan subsidiaries	9	14	(5)	8	19	(11)
Shareholders' equity of Venezuelan subsidiaries	47	77	(30)	27	64	(37)

2.4 BUSINESS COMBINATIONS AND GOODWILL

The purchase method is used to account for acquisitions of subsidiaries by the Group. Fair value of the consideration corresponds to the fair value of assets acquired, equity instruments issued by the purchaser and liabilities assumed as of the date of the acquisition. Costs directly related to the acquisition are expensed as incurred in the income statement.

On initial consolidation of a subsidiary or equity interest, the Group measures all identifiable elements acquired at fair value at the acquisition date, in the currency of the acquired entity.

Changes to the measurement of identifiable assets and liabilities resulting from specialist evaluations or additional analysis may be recognized as adjustments to goodwill if they are identified within one year of the date of acquisition and result from facts and circumstances existing at the acquisition date. Once this one year period has elapsed, the effect of any adjustments is recognized directly in the income statement (unless it is the correction of an error), including recognition of deferred tax assets which are recognized in the income statement as a tax benefit if more than one year after the acquisition date. Goodwill arising on the acquisition of associates is included in the value of the equity method investment.

2.4.1 Goodwill

2.4.1.1 ACQUISITIONS MADE SINCE SEPTEMBER 1, 2009

Any residual difference between the fair value of the consideration transferred (for example the amount paid), increased by the amount of the non-controlling interest in the acquired company (measured either at fair value or its share in the fair value of the identifiable net assets acquired) and the fair value as of the date of acquisition of the acquired assets or liabilities assumed, is recognized as goodwill in the statement of financial position.

The Group measures non-controlling interests on a case-by-case basis for each business combination either at fair value or based on their percentage interest in the fair value of identifiable net assets acquired.

2.4.1.2 ACQUISITIONS MADE BETWEEN SEPTEMBER 1, 2004 AND AUGUST 31, 2009

Any excess of the cost of an acquisition over the Group's interest in the fair value at the acquisition date of the identifiable assets, liabilities and contingent liabilities has been recognized as goodwill in the statement of financial position. Costs incurred and directly related to the acquisition were included in the acquisition cost and therefore in goodwill.

Goodwill is not amortized, but is subject to impairment tests immediately if there are indicators of impairment, and at least once per year. Impairment test procedures are described in note 2.8. Goodwill impairment losses recognized in the income statement are irreversible.

2.4.2 Negative goodwill

Negative goodwill represents the excess of the fair value of the assets, liabilities and contingent liabilities of the acquired entity at the acquisition date over the acquisition cost, increased by the amount of any non-controlling interest.

After reviewing the procedures for the identification and measurement of the different components included in the calculation of goodwill, any negative goodwill is immediately recognized in the income statement in the period of acquisition.

2.4.3 Transactions in non-controlling interests

Changes in non-controlling interests, in the absence of either assumption or loss of control, are recognized in shareholders' equity. In particular, when additional shares in an entity already controlled by the Group are acquired, the difference between the acquisition cost of the shares and the share of net assets acquired is recognized in equity attributable to equity holders of the parent. The consolidated value of the assets and liabilities of the subsidiary (including goodwill) remains unchanged.

Prior to September 1, 2009, goodwill was recognized as of the date of acquisition of non-controlling interests, representing the excess of the cost of acquisition of the shares over their carrying value as of the transaction date.

2.4.4 Adjustments and/or earn-outs

Since September 1, 2009, earn-outs related to business combinations are recognized at their fair value as of the date of acquisition even if they are considered to be not probable. After the date of acquisition, changes in estimates of the fair value of price adjustments are adjusted to goodwill only if they occur within the time period allowed (a maximum of one year as of the date of acquisition) and if they result from facts and circumstances that existed at the acquisition date. In all other cases, the change is recognized in profit and loss or in shareholders' equity in accordance with the applicable IFRS standard.

2.4.5 Step acquisitions

In a step acquisition, the fair value of the Group's previous interest in the acquired entity is measured at the date that control is obtained and is recognized in profit and loss. In determining the amount of goodwill recognized, the fair value of the consideration transferred (for example the price paid) is increased by the fair value of the interest previously held by the Group.

2.5 INTANGIBLE ASSETS

Separately acquired intangible assets are initially measured at cost. Intangible assets acquired in connection with a business combination and which can be reliably measured, are controlled by the Group and are separable or arise from a legal or contractual right, are recognized at fair value separately from goodwill. Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and impairment losses.

Intangible assets other than certain trademarks having an indefinite useful life are considered to have finite useful lives, and are amortized by the straight-line method over their expected useful lives:

Integrated management software	3-7 years
Other software	3-5 years
Patents and licenses	2-10 years
Client relationships	3-20 years
Other intangible assets	3-20 years

Acquired trademarks with a finite useful life are generally amortized over a period of less than ten years. Trademarks that the Group considers as having an indefinite useful life (notably based on criteria relating to their durability and name recognition) are not amortized.

In view of the legal characteristics of French commercial leases, lease rights are considered as having an indefinite useful life and are not amortized.

The cost of licenses and software recognized in the statement of financial position comprises the costs incurred in acquiring the software and bringing it into use, and is amortized over the estimated useful life of the asset.

Subsequent expenditures on intangible assets are capitalized only if they increase the expected future economic benefits associated with the asset to which they relate. Other expenditures are expensed as incurred.

2.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, except for land, which is measured at cost less accumulated impairment losses. Cost includes expenditures directly incurred to acquire the asset, and in some cases may also include estimated unavoidable future dismantling, removal and site remediation costs.

Subsequent expenditures are included in the carrying amount of the asset, or recognized as a separate component, if it is probable that the future economic benefits of the expenditures will flow to Sodexo and the cost can be measured reliably. All other repair and maintenance costs are recognized as expenses during the period in which they are incurred, except costs incurred to improve productivity or extend the useful life of an asset, which are capitalized.

Items of property, plant and equipment are depreciated over their expected useful lives using the component-based approach, taking account of their residual value. The straight-line method of depreciation is regarded as the method that most closely reflects the expected pattern of consumption of the future economic benefits embodied in items of property, plant and equipment.

The useful lives generally used by the Group are:

Buildings	20-30 years
General fixtures and fittings	3-10 years
Plant and machinery	3-8 years
Motor vehicles	4 years
Boats and pontoons (depending on the component)	5-15 years

The residual values and useful lives of items of property, plant and equipment are reviewed and, if necessary, adjusted at each period end.

The carrying amounts of items of property, plant and equipment are tested for impairment if there is an indication that an item has become impaired.

2.7 LEASES

Finance leases, under which substantially all the risks and rewards incidental to ownership of an asset are transferred to Sodexo, are accounted for as follows:

- at inception of the lease term, the leased asset is recognized as an asset at the lower of fair value or the present value of the minimum lease payments;
- the corresponding liability is recognized in borrowings;
- lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of the liability.

An asset held under a finance lease is depreciated over its estimated useful life, or if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, over the shorter of the lease term and its useful life.

Leases under which the lessor retains substantially all the risks and rewards incidental to ownership of the asset are treated as operating leases. Payments made under operating leases are expensed as an operating item on a straight-line basis over the term of the lease.

2.8 IMPAIRMENT OF ASSETS

2.8.1 Impairment of assets with finite useful lives

Property, plant and equipment and intangible assets with finite useful lives are tested for impairment if there is an objective indication of impairment. Impairment losses are recognized in the income statement, and may be reversed subsequently.

2.8.2 Impairment of assets with indefinite useful lives

Goodwill and other intangible assets considered to have an indefinite useful life (such as trademarks) are tested for impairment whenever there is an indication of impairment, and at least annually, in the last quarter of the fiscal year. The results of the impairment tests are then confirmed using data as of August 31.

2.8.2.1 CASH GENERATING UNITS

Assets that do not generate cash inflows that are largely independent of those from other assets, and hence cannot be tested for impairment individually, are grouped together in Cash Generating Units (CGUs).

Impairment tests are performed at the level of the CGU or group of CGUs corresponding to the lowest level at which goodwill is monitored by the Group. This level generally corresponds to one of the Group's two main operating segments, with the On-site Services activity further segmented into geographic regions. Goodwill is not tested for impairment at a higher level than the operating segment (see note 3).

The assets allocated to each CGU or group of CGUs comprise:

- goodwill, which is allocated when the CGU or group of CGUs is likely to benefit from the business combination;
- other intangible assets, property, plant and equipment, client investments and net working capital.

2.8.2.2 INDICATIONS OF IMPAIRMENT

The main indicators that a CGU may be impaired are a significant decrease in the CGU's revenues and operating profit or material changes in market trends.

2.8.2.3 METHODS USED TO DETERMINE THE RECOVERABLE AMOUNT

An impairment loss is recognized in the income statement when the carrying amount of an asset or CGU is greater than its recoverable amount.

Recoverable amount is the greater of:

- fair value less costs to sell, *i.e.* the amount obtainable from the sale of an asset (net of selling costs) in an arm's length transaction between knowledgeable, willing parties;
- value in use, which is the present value of the future cash flows expected to be derived from continuing use and ultimate disposal of the asset or CGU.

The value in use of a CGU or group of CGUs is estimated using after-tax cash flow projections generally based on two- or three-year business plans prepared by management and extrapolated to future years.

Management both at Group and subsidiary levels prepares operating profit forecasts on the basis of past performance and expected market trends. The growth rate used beyond the initial period of the business plan reflects the growth rate for the business sector and region involved.

Expected future cash flows are discounted at the average cost of capital calculated for the Group. For certain CGUs or groups of CGUs a premium is added to the average cost of capital in order to reflect the greater risk factors affecting certain countries.

The growth and discount rates used for impairment tests during the period are provided in note 4.10.

2.8.2.4 RECOGNITION OF IMPAIRMENT LOSSES

An impairment loss recognized with respect to a CGU is allocated initially to reducing the carrying amount of any goodwill allocated to that CGU, and then to reducing the carrying amount of the other assets of the CGU in proportion to the carrying amount of each asset.

2.8.3 Reversal of impairment losses

Impairment losses recognized with respect to goodwill cannot be reversed.

Impairment losses recognized with respect to any other asset may only be reversed if there is an indication that the impairment loss is lower or no longer exists. The amount reversed is based on new estimates of the recoverable amount.

The increased carrying amount of an asset resulting from the reversal of an impairment loss cannot exceed the carrying amount that would have been determined for that asset had no impairment loss been recognized.

2.9 CLIENT INVESTMENTS

Some client contracts provide for a financial contribution by Sodexo. For example, the Group may participate in financing the purchase of equipment or fixtures on the client site that are necessary to fulfill service obligations, or it may make a financial contribution that will be recovered over the life of the contract. These assets are generally amortized over a period of less than 10 years, but may be amortized over a longer period depending on the contract duration. The amortization is recognized as a reduction to revenues over the life of the contract.

In the cash flow statement, changes in the value of these investments are presented as a component of investing cash flows.

2.10 INVENTORIES

Inventories are measured at the lower of cost or net realizable value. Cost is determined by the FIFO (First In First Out) method.

2.11 TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognized at fair value, and are subsequently measured at amortized cost less impairment losses recognized in the income statement.

Impairment is recognized when there is objective evidence of the Group's inability to recover the full amount due under the initial contract terms. The impairment recognized represents the difference between the carrying amount of the asset and the discounted future cash flow, estimated using the initial effective interest rate. The resulting impairment loss is recognized in the income statement.

2.12 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized in the statement of financial position on the transaction date, which is the date when Sodexo becomes a party to the contractual provisions of the instrument.

The fair values of financial assets and derivative instruments are generally determined on the basis of quoted market prices or of valuations carried out by the depositary bank.

2.12.1 Financial assets

Financial assets are measured and recognized in three main categories:

- available-for-sale financial assets include equity investments in non-consolidated entities, marketable securities with maturities greater than three months, and restricted cash. They are measured at fair value, with changes in fair value recognized in other comprehensive income. When an available-for-sale financial asset is sold or impaired, the cumulative fair value adjustment recognized in other comprehensive income is transferred to the income statement. For securities listed on an active market, fair value is considered to equal market value. If no active market exists, fair value is generally determined based on appropriate financial criteria for the specific security. If the fair value of an available-for-sale financial asset cannot be reliably measured, it is recognized at cost;
- loans and receivables include financial and security deposits, and loans to non-consolidated equity investees. These financial assets are recognized in the statement of financial position at fair value and subsequently at amortized cost, which is equivalent to acquisition cost as no significant transaction costs are incurred in acquiring such assets. They are tested for impairment if there is an indication that they may be impaired, and an impairment loss is recognized if the carrying amount of the asset is greater than its estimated recoverable amount;
- financial assets at fair value through profit or loss include other financial assets held for trading and acquired for the purpose of resale in the near term. Subsequent changes in the fair value of these assets are recognized in financial income or expense in the income statement.

2.12.2 Derivative financial instruments

Sodexo's policy is to finance the majority of acquisition costs insofar as possible in the currency of the acquired entity, generally at fixed rates of interest.

Most of the Group's variable-rate borrowings are converted to fixed-rate using interest rate swaps. In most cases where borrowings are made in a currency other than that of the acquired entity, currency swaps are contracted.

These derivative financial instruments are initially recognized at fair value in the statement of financial position. Subsequent changes in the fair value of derivative instruments are recognized in the income statement, except in the case of instruments that qualify as cash flow hedges.

For cash flow hedges, the necessary documentation is prepared at inception and updated at each period end. Gains or losses arising on the effective portion of the hedge are recognized in other comprehensive income, and are not recognized in the income statement until the underlying asset or liability is realized. Gains or losses arising on the ineffective portion of the hedge are recognized in the income statement.

The fair value of these derivative instruments is generally determined based on valuations provided by the bank counter-parties.

2.12.3 Commitments to purchase non-controlling interests

As required by IAS 32, Sodexo recognizes commitments to purchase non-controlling interests as a liability within borrowings in the consolidated statement of financial position. In the absence of any IFRS standard or interpretation regarding the treatment of the related debit entry, Sodexo has elected to offset the amount involved against the relevant non-controlling interests in shareholders' equity until they are eliminated in full, and to treat any surplus as goodwill.

Firm commitments to purchase non-controlling interests, which were all entered into prior to September 1, 2009, are therefore accounted for as follows under IFRS:

- the liability arising from the commitment is recognized in other borrowings at the present value of the purchase commitment;
- the expected goodwill is recognized as an asset in the consolidated statement of financial position;
- the change in value arising from the unwinding of the discounting of the liability is recognized in the income statement as a financial expense.

Subsequent price adjustments are recognized as adjustments to the amount of goodwill for acquisitions made prior to September 1, 2009.

2.12.4 Bank borrowings and bond issues

All borrowings, including bank credit facilities and overdrafts, are initially recognized at the fair value of the amount received less directly attributable transaction costs.

Subsequent to initial recognition, borrowings are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of a financial liability to the net carrying amount of that liability. The calculation includes the effects of transaction costs, and of differences between the issue proceeds (net of transaction costs) and reimbursement value.

2.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise current bank account balances, cash on hand and short-term cash investments in money-market instruments which either have an initial maturity of less than three months at the moment of purchase or may be withdrawn at any time at a known cash value with no material risk of loss in value.

2.14 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying non-current asset are included in the cost of that asset. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying non-current asset are recognized as an expense using the effective interest method.

2.15 SODEXO TREASURY SHARES

Sodexo shares held by Sodexo SA itself and/or by other Group companies are shown as a reduction in consolidated shareholders' equity at their acquisition cost.

Gains and losses on acquisitions and disposals of treasury shares are recognized directly in consolidated shareholders' equity and do not affect profit or loss for the period.

2.16 PROVISIONS

A provision is recognized if the Group has a legal or constructive obligation at the period end and it is probable that settlement of the obligation will require an outflow of resources and the amount of the liability can be reliably measured.

Provisions primarily cover commercial, employee-related and tax-related risks and litigation (other than those related to income tax) arising in the course of operating activities, and are measured using assumptions that take account of the most likely outcomes.

Where the effect of the time value of money is material, the amount of the provision is determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and any risks specific to the liability.

Loss-making contracts

A provision for onerous contracts is established where the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it.

2.17 EMPLOYEE BENEFITS

2.17.1 Short-term benefits

Group employees receive short-term benefits such as vacation pay, sick pay, bonuses and other benefits (other than termination benefits), payable within 12 months of the related service period.

These benefits are reported as current liabilities.

2.17.2 Post-employment benefits

Sodexo measures and recognizes post-employment benefits as follows:

- contributions to defined-contribution plans are recognized as an expense; and
- defined benefit plans are measured using actuarial valuations.

Sodexo uses the projected unit credit method as the actuarial method for measuring its post-employment benefit obligations, on the basis of the national or company-wide collective agreements effective within each entity.

Factors used in calculating the obligation include length of service, life expectancy, salary inflation, staff turnover, and macro-economic assumptions specific to countries in which Sodexo operates (such as inflation rate, rate of return on plan assets and discount rate).

Actuarial gains and losses arising at each period end are recognized in other comprehensive income, as permitted by IAS 19. Actuarial gains and losses do not affect the income statement. At the time of the transition to IFRS, actuarial losses and gains on pensions and related benefits as of September 1, 2004 were recognized in shareholders' equity.

If benefits under an existing plan are amended or a new plan is established, past service cost relating to vested benefits is recognized in the income statement, and past service cost relating to benefits not yet vested is recognized on a straight line basis over the average residual vesting period.

The accounting treatment applied to defined benefit plans is as follows:

- the obligation, net of plan assets, is recognized as a non-current liability in the consolidated statement of financial position if the obligation exceeds the plan assets and the unrecognized past service cost;
- if the value of plan assets exceeds the obligation under the plan, the net amount is recognized as a non-current asset. Plan surpluses are recognized as assets only if they represent future economic benefits that will be available to Sodexo. Where the calculation of the net obligation results in an asset for Sodexo, the amount recognized for this asset may not exceed the total of the unrecognized past service cost plus the present value of all future refunds and reductions in future contributions under the plan;
- the expense recognized in the income statement comprises:
  - current service cost, amortization of past service cost, and the effect of any plan curtailments or settlements, all of which are recorded in operating income,

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- the effect of discounting and the expected return on plan assets, which are recorded in financial income or expense.

Sodexo contributes to multi-employer plans, primarily in Sweden and the United States. These plans are accounted for as defined-contribution plans, as the information provided by the plan administrators is insufficient for them to be accounted for as defined benefit plans.

2.17.3 Other long-term employee benefits

Other long-term employee benefits are measured in accordance with IAS 19. The expected cost of such benefits is recognized as a non-current liability over the employee's period of service. Actuarial gains and losses are recognized immediately in the income statement.

2.18 VOUCHERS PAYABLE

Vouchers payable are recognized as a current liability at fair value, which is the face value of vouchers in circulation or returned to Sodexo but not yet reimbursed to affiliates.

2.19 SHARE-BASED PAYMENT

Some Group employees receive compensation in the form of share-based payment, for which payment is made in equity instruments.

The services compensated by these plans are recognized as an expense, with the offset recognized in shareholders' equity, over the vesting period. The amount of expense recognized in each period is determined by reference to the fair value of the equity instruments granted, as of the grant date.

Each year, Sodexo reassesses the number of potentially exercisable stock options that are expected to vest as well as the number of shares that will likely be delivered to beneficiaries of free shares based on the applicable vesting conditions. The impact of any change in estimates is recognized in the income statement, with the offset recognized in shareholders' equity.

The features of the Group's share-based payment plans are set out in note 4.22.

2.20 DEFERRED TAXES

Deferred taxes are recognized on temporary differences between the carrying amount of an asset or liability and its tax base, using the tax rate that is expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantially enacted at the period end.

Deferred taxes are not recognized on the following items:

- initial recognition of goodwill;
- initial recognition of an asset in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit; and
- temporary differences on investments in subsidiaries that are not expected to reverse in the foreseeable future.

Taxes on items recognized directly in shareholders' equity or in other comprehensive income are recognized in shareholders' equity or in other comprehensive income and not in the income statement.

Residual deferred tax assets on temporary differences and tax loss carry-forwards (after offset of deferred tax liabilities) are only recognized if their recovery is considered probable.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets and liabilities and the deferred taxes relate to the same taxable entity and tax authority.

2.21 TRADE AND OTHER PAYABLES

Trade and other payables are measured at fair value on initial recognition, and subsequently at amortized cost.

2.22 INCOME STATEMENT

2.22.1 Income statement by function

Sodexo presents its income statement by function.

Operating profit comprises the following components:

- gross profit;
- sales department costs;
- general and administrative costs; and
- other operating income and expense.

Other operating income and expenses include amortization and impairment losses on client relationships and trademarks, impairment losses on goodwill, and gains and losses on disposals of property, plant and equipment, intangible assets and consolidated subsidiaries.

2.22.2 Revenues

Revenues reported by Sodexo relate to the sale of services in connection with the ordinary activities of fully consolidated companies as follows:

- On-site Services: revenues include all revenues stipulated in the contract, taking into account whether Sodexo acts as principal (the vast majority of cases) or agent;
- Benefits and Rewards Services: revenues include commissions received from clients and affiliates, financial income from the investment of cash generated by the activity, and profits from vouchers and cards not reimbursed.

Revenues are measured at the fair value of the consideration received or to be received, net of discounts and rebates as well as value added tax (VAT) and other taxes. Revenues are recognized when it is probable that future economic benefits will flow to Sodexo and these benefits can be measured reliably. No income is recognized if there is significant uncertainty about recoverability of the costs incurred or to be incurred in meeting the service obligation.

Foodservices and other On-site Services revenues are recognized when the service is rendered.

Commissions received from clients in the Benefits and Rewards Services activity are recognized when the vouchers are issued and sent to the client or the cards are credited. Commissions received from affiliates are recognized when the vouchers are reimbursed or the cards are used. Profits from unreimbursed vouchers and cards are recognized based on their expiration date and the deadline for presentation for reimbursement by the affiliate.

2.22.3 Income tax expense

In connection with the introduction of the *contribution économique territoriale* (CET – "Local Economic Contribution") under the 2010 Finance Bill in France, which applies to French subsidiaries, Sodexo has elected to recognize in income tax expense the portion of the CET related to the *cotisation sur la valeur ajoutée des entreprises* (tax on corporate value added).

Tax credits that do not affect taxable profit and are always refunded by the French government if they have not been deducted from corporate income tax (including the Competitiveness and Employment Tax Credit (CICE) introduced in France under the third amended 2012 Finance Bill) are recognized as subsidies and therefore reduce the expenses to which they relate.

2.22.4 Program to improve operational efficiency and reduce costs

The Group has launched a program to improve its operational efficiency and reduce costs in order to strengthen its competitiveness. The expenses incurred in connection with this program are presented under various operating expense captions in the income statement depending on the functions concerned. In the Group's segment information they are presented in the "Unallocated" column. They mainly relate to net contract termination costs (including impairments of assets dedicated to the contracts and any losses and provisions related to loss-making contracts) and reorganization costs.

2.23 EARNINGS PER SHARE

Earnings per share is calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding during the period, net of treasury shares.

In the calculation of diluted earnings per share, the denominator is increased by the number of potentially dilutive shares, and the numerator is adjusted for all dividends and interest recognized in the period and any other change in income or expenses that would result from conversion of the potentially dilutive shares.

Potential ordinary shares are treated as dilutive if and only if their conversion to shares would decrease earnings per share or increase loss per share.

A reconciliation between the weighted average number of ordinary shares for the period and the weighted average number of shares for the period adjusted for the effects of potentially dilutive ordinary shares is presented in note 4.4.

2.24 CASH FLOW STATEMENT

The cash flow statement analyzes changes in net cash and cash equivalents, defined as cash and cash equivalents less current bank overdrafts and credit bank balances payable on demand that form an integral component of treasury management.

3. OPERATING SEGMENTS

The Group's activities are monitored by the chief operating decision maker as follows: On-site Services and Benefits and Rewards Services. The On-site Services activity is further segmented by geographic region.

Operating segments with similar economic characteristics, including similar long-term average operating margins, are aggregated in a single operating segment.

The On-site Services – Rest of the World segment aggregates activities of three operating segments: On-site Services – Latin America, On-site Services – Africa, Middle East, Asia and Australia and On-site Services – China. These three operating segments aggregate countries and regions located in emerging economies and therefore have certain shared economic characteristics. In addition, none of these countries or regions meets the quantitative threshold for separate reporting under paragraph 13 of IFRS 8.

The Group's operating segments are as follows:

- On-site Services operating segments:
  - North America,
  - Continental Europe,
  - United Kingdom and Ireland,
  - Rest of the World;
- Benefits and Rewards Services.

No single Group client or contract accounts for more than 2% of consolidated revenues.

3.1 BY OPERATING ACTIVITY

Fiscal 2013 *(in millions of euro)*	On-site Services									
	North America	Continental Europe	United Kingdom and Ireland	Rest of the World	Total	Benefits and Rewards Services	Corporate expenses	Eliminations	Unallocated[1]	Total
Revenues (third-party)	6,821	5,716	1,397	3,683	17,617	780				18,397
Inter-segment sales (Group)						10		(10)		0
TOTAL	**6,821**	**5,716**	**1,397**	**3,683**	**17,617**	**790**		**(10)**		**18,397**
Segment operating profit	371	196	67	119	753	304	(94)	(10)	(139)	814
Share of profit of companies consolidated by the equity method	1	3	3	10	17					17
Net financing costs										(136)
Income tax expense										(233)
Non-controlling interests										23
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT										**439**
Depreciation/amortization of tangible and intangible assets	59	113	17	47	236	28			7	271
Other non-cash items	5	3	1	2	11	2	4			17

(1) Corresponding to the costs recorded in Fiscal 2013 in connection with the program to improve operational efficiency and reduce costs (see note 2.22.4).

Fiscal 2012 *(in millions of euro)*	On-site Services									
	North America	Continental Europe	United Kingdom and Ireland	Rest of the World	Total	Benefits and Rewards Services	Corporate expenses	Eliminations	Unallocated[1]	Total
Revenues (third-party)	6,730	5,646	1,543	3,577	17,496	740				18,236
Inter-segment sales (Group)						16		(16)		0
TOTAL	**6,730**	**5,646**	**1,543**	**3,577**	**17,496**	**756**		**(16)**		**18,236**
Segment operating profit	346	215	80	126	767	290	(83)	(16)	26	984
Share of profit of companies consolidated by the equity method	1	3	3	11	18					18
Net financing costs										(166)
Income tax expense										(286)
Non-controlling interests										25
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT										**525**
Depreciation/ amortization of tangible and intangible assets	62	106	83	53	304	27	22			353
Other non-cash items	6	3	1	2	12	2	5			19

(1) Corresponding to the favorable accounting adjustment related to the application of a different inflation index to calculate defined benefit plan costs in the United Kingdom.

3.2 BY SIGNIFICANT COUNTRY

The Group's operations are spread across 80 countries, including two that each represent over 10% of consolidated revenues: France (the Group's home country) and the United States. Revenues and non-current assets in these countries are as follows:

August 31, 2013 *(in millions of euro)*	**France**	**United States**	**Other**	**Total**
Revenues (third-party)	2,792	6,429	9,176	18,397
Non-current assets(1)	937	2,642	2,580	6,159

(1) Excluding financial assets, investments in companies consolidated by the equity method, and deferred tax assets.

August 31, 2012 *(in millions of euro)*	**France**	**United States**	**Other**	**Total**
Revenues (third-party)	2,775	6,366	9,095	18,236
Non-current assets(1)	924	2,785	2,755	6,464

(1) Excluding financial assets, investments in companies consolidated by the equity method, and deferred tax assets.

3.3 BY TYPE OF SERVICE

Revenues by type of service are as follows:

(in millions of euro)	**Fiscal 2013**	**Fiscal 2012**
Foodservices	12,693	12,756
Facilities management services	4,924	4,740
Total On-site Services revenues	**17,617**	**17,496**
Benefits and Rewards Services	790	756
Eliminations	(10)	(16)
TOTAL CONSOLIDATED REVENUES	**18,397**	**18,236**

4. NOTES TO THE FINANCIAL STATEMENTS AS OF AUGUST 31, 2013

4.1 OPERATING EXPENSES BY NATURE

(in millions of euro)	Fiscal 2013[1]	Fiscal 2012
Depreciation, amortization and impairment losses	(320)	(357)
Employee costs		
• Wages and salaries	(6,650)	(6,443)
• Other employee costs[2]	(2,049)	(1,905)
Purchases of consumables and change in inventory	(5,605)	(5,734)
Other operating expenses[3]	(2,959)	(2,813)
TOTAL	**(17,583)**	**(17,252)**

(1) Including 139 million euro in costs recorded in Fiscal 2013 in connection with the program to improve operational efficiency and reduce costs.
(2) Primarily payroll taxes, but also including costs associated with defined benefit plans (note 4.17), defined contribution plans (note 4.17), and stock options and free shares (note 4.22).
(3) Other operating expenses mainly include operating lease expenses (306 million euro for Fiscal 2013 and 330 million euro for Fiscal 2012), professional fees, other purchases of consumables, sub-contracting costs and travel expenses.

4.2 FINANCE INCOME AND EXPENSE

(in millions of euro)	Fiscal 2013	Fiscal 2012
Gross borrowing cost[1]	(158)	(173)
Interest income from short-term bank deposits and equivalent	6	9
Net borrowing cost	**(152)**	**(164)**
Interest income from loans and receivables at amortized cost	6	6
Other interest income	0	3
Other interest expense	(5)	(7)
Net foreign exchange (losses)/gains	(7)	(7)
Expected return on defined benefit plan assets	34	42
Interest cost on defined benefit plan obligation	(37)	(39)
Monetary adjustment for hyperinflation	(16)	(4)
Change in fair value of derivative financial instruments not qualified for hedge accounting	23	(1)
Other	18	5
Net financing costs	**(136)**	**(166)**
Interest income component	87	65
Financial expense component	(223)	(231)

(1) Gross borrowing cost represents interest expense on financial liabilities at amortized cost and interest expense on hedging instruments.

4.3 INCOME TAX EXPENSE

4.3.1 Income tax rate reconciliation

(in millions of euro)	Fiscal 2013	Fiscal 2012
Profit for the period before tax	695	836
Share of profit of companies consolidated by the equity method	(17)	(18)
Accounting profit before tax	**678**	**818**
Tax rate applicable to Sodexo SA[1]	36.10%	36.10%
Theoretical income tax expense	**(245)**	**(295)**
Effect of jurisdictional tax rate differences	39	39
Additional tax on dividends paid	(7)	
Permanently non-deductible expenses or non-taxable income	25	16
Other tax repayments/(charges), net	(19)	(24)
Tax loss carry-forwards used or recognized during the period but not recognized as a deferred tax asset in prior periods	1	3
Tax loss carry-forwards arising during the period but not recognized as a deferred tax asset	(16)	(14)
Actual income tax expense	**(222)**	**(275)**
Withholding taxes	(11)	(11)
TOTAL INCOME TAX EXPENSE	**(233)**	**(286)**

(1) The 36.10% tax rate includes the temporary surtax introduced in December 2011 for companies whose revenues (or those of the tax group of which they are a member) exceed 250 million euro, payable by Sodexo for the fiscal years ended August 31, 2012 through August 31, 2015.

4.3.2 Components of income tax expense

(in millions of euro)	Fiscal 2013	Fiscal 2012
Current income taxes	(203)	(266)
Adjustments to current income tax payable in respect of prior periods	0	2
Provision for tax exposures	(3)	(5)
Utilization of tax credits, tax losses and temporary difference carry-forwards	(37)	29
Current income taxes	**(243)**	**(240)**
Deferred taxes on temporary differences arising or reversing during the period	(10)	(53)
Deferred taxes on changes in tax rates or liability for taxes at new rates	(4)	1
Utilization of tax credits, tax losses and tax loss carry-forwards	35	17
Deferred income taxes	**21**	**(35)**
ACTUAL INCOME TAX EXPENSE	**(222)**	**(275)**

Accruals for withholding taxes on dividends receivable recognized by the Group amounted to 1 million euro in both Fiscal 2013 and Fiscal 2012.

The effective tax rate, calculated on the basis of the profit for the period before taxes and excluding the share of profit of companies consolidated by the equity method, decreased from 34.9% for Fiscal 2012 to 34.3% for Fiscal 2013.

4.4 EARNINGS PER SHARE

The number of ordinary shares outstanding used in calculating basic and diluted earnings per share is shown below:

	Fiscal 2013	Fiscal 2012
Basic weighted average number of shares	150,980,749	151,121,979
Average dilutive effect of stock option and free share plans	1,384,095	1,034,972
Diluted weighted average number of shares	152,364,844	152,156,951

The table below presents the calculation of basic and diluted earnings per share:

	Fiscal 2013	Fiscal 2012
Profit for the period attributable to equity holders of the parent	439	525
Basic weighted average number of shares	150,980,749	151,121,979
Basic earnings per share(1)	**2.91**	**3.48**
Diluted weighted average number of shares	152,364,844	152,156,951
Diluted earnings per share(1)	**2.88**	**3.45**

(1) Basic and diluted earnings per share do not reflect the effect of the dividend premium to be paid on certain registered shares meeting the criteria described in note 4.14. Based on the number of registered shares as of August 31, 2013, such shares total 3,992,369 shares.

All of the stock option plans have a dilutive impact in both Fiscal 2013 and Fiscal 2012 and all of the free share plans have a dilutive impact in Fiscal 2013.

4.5 PROPERTY, PLANT AND EQUIPMENT

4.5.1 Analysis of property, plant and equipment

The tables below include assets held under finance leases.

(in millions of euro)	Land and buildings	Plant and equipment	Construction in progress and other	Total
Carrying amount – August 31, 2011	**69**	**375**	**69**	**513**
Increases during the fiscal year	3	174	30	207
Decreases during the fiscal year	(7)	(12)	(2)	(21)
Assets classified as held for sale				
Newly consolidated companies	21	27	1	49
Newly deconsolidated companies				
Depreciation expense	(16)	(162)	(21)	(199)
Impairment losses recognized in profit or loss				
Impairment losses reversed in profit or loss	1			1
Translation adjustment	4	18	4	26
Other	21	(7)	(16)	(2)
Carrying amount – August 31, 2012	**96**	**413**	**65**	**574**
Increases during the fiscal year	4	147	51	202
Decreases during the fiscal year	(1)	(14)	(3)	(18)
Assets classified as held for sale				
Newly consolidated companies		1		1
Newly deconsolidated companies				
Depreciation expense	(12)	(163)	(16)	(191)
Impairment losses recognized in profit or loss		(8)		(8)
Impairment losses reversed in profit or loss				
Translation adjustment	(2)	(18)	(1)	(21)
Other	1	23	(23)	1
Carrying amount – August 31, 2013	**86**	**381**	**73**	**540**

(in millions of euro)	August 31, 2013	August 31, 2012
Cost	1,702	1,728
Accumulated depreciation and impairment	(1,162)	(1,154)
Carrying amount	**540**	**574**

No item of property, plant and equipment is pledged as collateral for a liability.

Depreciation and impairment losses recognized in the income statement are classified as operating items and reported under either cost of sales, general and administrative costs or sales department costs.

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4.5.2 Analysis of assets held under finance leases

Sodexo holds property, plant and equipment under a large number of finance leases on sites throughout the world. These leases relate mainly to kitchens and kitchen equipment, and office equipment; the terms are negotiated locally.

Carrying amount *(in millions of euro)*	Buildings	Plant and equipment	Construction in progress and other	Total
August 31, 2011	8	45	2	55
August 31, 2012	6	46	1	53
August 31, 2013	7	38	1	46

(in millions of euro)	August 31, 2013	August 31, 2012
Cost	112	143
Accumulated depreciation and impairment	(66)	(90)
Carrying amount	**46**	**53**

Maturities of payments under finance leases are provided in note 4.15.3.

4.6 GOODWILL

Changes in goodwill, aggregated by operating segment, were as follows in Fiscal 2013:

(in millions of euro)		August 31, 2012	Additions during the period	Disposals during the period	Translation adjustment	Other	August 31, 2013
On-site Services North America	Gross	2,326			(110)		2,216
	Impairment						
On-site Services United Kingdom and Ireland	Gross	596			(41)	2	557
	Impairment						
On-site Services Continental Europe	Gross	988	4		(7)	(3)	982
	Impairment						
On-site Services Rest of the World	Gross	564	10		(92)	3	485
	Impairment						
Benefits and Rewards Services	Gross	557	78		(72)		563
	Impairment	(2)					(2)
Holding companies	Gross	2					2
	Impairment						
TOTAL	**GROSS**	**5,033**	**92**		**(322)**	**2**	**4,805**
	IMPAIRMENT	**(2)**					**(2)**

Goodwill recognized in Fiscal 2013 on acquisitions made during the year mainly concerned Servi-Bonos SA de CV in Mexico (47 million euro).

Changes in goodwill, aggregated by operating segment, were as follows in Fiscal 2012:

(in millions of euro)		August 31, 2011	Additions during the period	Disposals during the period	Translation adjustment	Other	August 31, 2012
On-site Services North America	Gross	1,997	33		296		2,326
	Impairment						
On-site Services United Kingdom and Ireland	Gross	523	12		61		596
	Impairment						
On-site Services Continental Europe	Gross	954	21		13		988
	Impairment						
On-site Services Rest of the World	Gross	210	390		(36)		564
	Impairment						
Benefits and Rewards Services	Gross	599			(42)		557
	Impairment	(2)					(2)
Holding companies	Gross	2					2
	Impairment						
TOTAL	**GROSS**	**4,285**	**456**		**292**		**5,033**
	IMPAIRMENT	**(2)**					**(2)**

Goodwill recognized in Fiscal 2012 on acquisitions made during the year related to Puras do Brasil in Brazil (390 million euro), Lenôtre in France (15 million euro), Roth Bros in the United States (33 million euro), Atkins Facilities Management Limited (renamed Sodexo Property Solutions Limited) in the United Kingdom (12 million euro) and RI.CO.S.RL. in Italy (6 million euro).

4.7 OTHER INTANGIBLE ASSETS

The tables below show movements in other intangible assets during Fiscal 2012 and Fiscal 2013.

(in millions of euro)	Licenses and software	Client relationships, trademarks and other	Total
Carrying amount – August 31, 2011	92	400	492
Increases during the fiscal year	47	12	59
Decreases during the fiscal year	(4)		(4)
Assets classified as held for sale			
Newly consolidated companies	2	163	165
Newly deconsolidated companies			
Amortization expense	(38)	(99)	(137)
Impairment losses recognized in profit or loss		(18)	(18)
Impairment losses reversed in profit or loss			
Translation adjustment	3	3	6
Other	3	(3)	0
Carrying amount – August 31, 2012	105	458[1]	563
Increases during the fiscal year	46	8	54
Decreases during the fiscal year	(2)		(2)
Assets classified as held for sale			
Newly consolidated companies	2	26	28
Newly deconsolidated companies			
Amortization expense	(42)	(32)	(74)
Impairment losses recognized in profit or loss			
Impairment losses reversed in profit or loss		2	2
Translation adjustment	(4)	(35)	(39)
Other	4	(8)	(4)
Carrying amount – August 31, 2013	109	419[1]	528

(1) Including trademarks and lease rights with an indefinite useful life for 50 million euro at August 31, 2013 and 48 million euro at August 31, 2012.

(in millions of euro)	August 31, 2013	August 31, 2012
Cost	969	975
Accumulated amortization and impairment	(441)	(412)
Carrying amount	**528**	**563**

Amortization and impairment losses recognized in the income statement are classified as operating items and reported under either cost of sales, sales department costs or general and administrative costs, except for the amortization of client relationship and trademark intangible assets, which is recognized in "Other operating expenses".

4.8 CLIENT INVESTMENTS

(in millions of euro)	Fiscal 2013	Fiscal 2012
Carrying amount – September 1	296	222
Increases during the period	67	95
Decreases during the period	(60)	(56)
Translation adjustment	(15)	34
Other		1
Carrying amount as of August 31	**288**	**296**

4.9 COMPANIES CONSOLIDATED BY THE EQUITY METHOD

When Sodexo is legally or constructively obligated to make payments on behalf of companies consolidated by the equity method, provision is made under liabilities in the consolidated statement of financial position for its share in the negative shareholders' equity of the said companies (cf. note 4.18). Changes in the Group's share of the net assets of companies consolidated by the equity method in Fiscal 2012 and Fiscal 2013 are shown below:

(in millions of euro)	August 31, 2012							August 31, 2013	
	Positive amounts	Negative amounts	Profit for the period	Dividend paid for the period	Changes in scope of consolidation[2]	Other movements[1]	Translation adjustment	Positive amounts	Negative amounts
Groupe Crèche Attitude	15.1		2.1					17.2	
Doyon Universal Services LLC	16.6		1.8	(0.9)			(0.8)	16.7	
NANA	13.4		1.3	(0.7)		0.7	(0.7)	14.0	
Sociedad Concesionaria BAS SA	9.9		2.1				(1.4)	10.6	
SERCO Sodexo Defense Services PTY Ltd	9.4		5.2	(6.5)			(1.5)	6.6	
South Manchester Healthcare (Holdings) Ltd	2.8		0.9	(0.7)		0.3	(0.2)	3.1	
Catalyst Healthcare (Manchester) Holdings Ltd	3.1		1.2	(0.9)	(3.1)		(0.3)	0.0	
Addiewell Prison (Holdings) Ltd		(6.6)	0.5	(0.8)		2.0	0.4		(4.5)
Agecroft Prison Management Ltd		(2.7)	0.2				0.2		(2.3)
Catalyst Healthcare (Romford) Holdings Ltd		(6.9)	0.4	(0.1)	3.3	0.6	0.5		(2.2)
Peterborough Prison Mgt (Holdings) Ltd		(5.7)	0.1	(0.6)	2.3	1.6	0.4		(1.9)
Ashford Prison Services Holdings Ltd		(4.8)	0.2	(0.3)	1.9	1.2	0.3		(1.5)
HpC King's College Hospital (Holdings) Ltd		(1.8)	0.5				0.1		(1.2)
Enterprise Healthcare (Holdings) Ltd		(1.8)			1.7		0.1		0.0
Other	10.9	(2.5)		(3.0)	(1.2)	1.8	(0.1)	9.9	(4.0)
TOTAL	**81.2**	**(32.8)**	**16.5**	**(14.5)**	**4.9**	**8.2**	**(3.0)**	**78.1**	**(17.6)**

(1) Including changes in fair value of derivative financial instrument hedges (note 4.16).
(2) Relates to disposals of the Group's shareholdings in Public-Private Partnership (PPP) companies.

(in millions of euro)	August 31, 2011 Positive amounts	August 31, 2011 Negative amounts	Profit/ (loss) for the period	Dividend paid for the period	Changes in scope of consolidation[2]	Other movements[1]	Translation adjustment	August 31, 2012 Positive amounts	August 31, 2012 Negative amounts
Doyon Universal Services LLC	14.2		1.2	(0.9)			2.1	16.6	
Groupe Crèche Attitude	14.1		1.7	(0.7)				15.1	
NANA	11.1		1.4	(1.5)		0.8	1.6	13.4	
Sociedad Concesionaria BAS SA	7.8		2.7	(1.7)			1.1	9.9	
SERCO Sodexo Defense Services PTY Ltd	9.6		7.1	(8.3)			1.0	9.4	
Catalyst Healthcare (Manchester) Holdings Ltd	2.1		0.6				0.4	3.1	
South Manchester Healthcare (Holdings) Ltd	2.2		0.8	(1.0)		0.5	0.3	2.8	
Catalyst Healthcare (Romford) Holdings Ltd		(4.9)	0.3			(1.7)	(0.6)		(6.9)
Addiewell Prison (Holdings) Ltd		(3.5)	0.8	(0.7)		(2.7)	(0.5)		(6.6)
Peterborough Prison Mgt (Holdings) Ltd		(3.3)	0.4	(0.1)		(2.2)	(0.5)		(5.7)
Ashford Prison Services Holdings Ltd		(3.0)	0.2	(0.1)		(1.5)	(0.4)		(4.8)
Agecroft Prison Management Ltd		(2.5)	0.1				(0.3)		(2.7)
HpC King's College Hospital (Holdings) Ltd		(1.5)	(0.2)				(0.1)		(1.8)
Enterprise Healthcare (Holdings) Ltd		(1.2)	0.1	(0.1)		(0.4)	(0.2)		(1.8)
Other	9.3	(1.4)	0.8	(1.1)	0.7	(0.1)	0.2	10.9	(2.5)
TOTAL	**70.4**	**(21.3)**	**18.0**	**(16.2)**	**0.7**	**(7.3)**	**4.1**	**81.2**	**(32.8)**

(1) Including changes in fair value of derivative financial instrument hedges (note 4.16).
(2) Relates to the disposal of the Group's shareholding in the Public-Private Partnership (PPP) company Catalyst Romford Havering in the United Kingdom.

The table below provides key financial data for Sodexo's principal companies consolidated by the equity method *(in millions of euro, based on financial statements adjusted for the purposes of consolidation by Sodexo; amounts are for the Company as a whole, rather than Sodexo's percentage interest):*

(in millions of euro)	Country of operations	% interest as of August 31, 2013	Assets	Liabilities	Equity	Revenue	Profit/ (loss) for the period
RMPA Holdings Ltd*	UK	14%	674	680	(6)	33	(4)
Catalyst Healthcare (Manchester) Holdings Ltd*	UK	10%	582	562	20	53	5
Healthcare Support (North Staffs) Holdings Ltd*	UK	25%	493	494	(1)	4	2
Addiewell Prison (Holdings) Ltd	UK	33.33%	127	140	(13)	28	2
HpC King's College Hospital (Holdings) Ltd*	UK	25%	110	123	(13)	19	(2)
Catalyst Healthcare (Roehampton Holdings Ltd*	UK	10%	108	131	(22)	13	2
Peterborough Prison Management (Holdings) Ltd*	UK	15%	105	117	(13)	34	1
Mercia Healthcare (Holdings) Ltd*	UK	25%	104	93	11	15	2
South Manchester Healthcare (Holdings) Ltd*	UK	25%	97	84	12	30	4
Sociedad Concesionaria BAS SA*	Chile	33.33%	93	61	32	31	6
Ashford Prison Services Holdings Ltd*	UK	15%	78	88	(10)	30	1
Groupe Crèche Attitude	France	35%	63	14	49	49	6
NANA	USA	43.60%	55	22	33	159	4
Agecroft Prison Management Ltd	UK	50%	47	52	(5)	38	0
Serco Sodexo Defence Services PTY Ltd	Australia	50%	47	33	13	225	10
Enterprise Education (Holdings) Conwy Ltd*	UK	10%	45	49	(3)	3	0

* *Project companies established in connection with Public-Private Partnership (PPP) contracts (see note 2.3.2).*

4.10 IMPAIRMENT OF ASSETS

Impairments of 45 million euro and 39 million euro were recognized on tangible and intangible assets (including goodwill) as of August 31, 2013 and 2012 respectively. The net charge for the year was 6 million euro (17 million euro for Fiscal 2012).

Assets with indefinite useful lives were tested for impairment as of August 31, 2013 using the methods described in note 2.8.2.

The main assumptions used rely on the macro-economic outlook for the geographic regions in which the CGUs or groups of CGUs defined by Sodexo operate. They are as follows (any impairment loss is recognized in other operating expense):

	Fiscal 2013		Fiscal 2012	
Economic region	**Discount rate(1)**	**Long-term growth rate(2)**	**Discount rate(1)**	**Long-term growth rate(2)**
Continental Europe	8.5% to 11%	2%	8.5% to 11%	2%
North America	8.5%	2.5%	8.5%	2.5%
United Kingdom and Ireland	8.5%	2.4%	8,5%	2.5%
Latin America	11%	4%	11%	4.2%
Rest of the World (excluding Latin America)	9.5%	3.3%	9.5%	3.3%
Benefits and Rewards Services	10.5%	3.6%	11%	3.6%

(1) The discount rate defined by the Group has been increased for certain regions in order to incorporate more significant risk factors affecting certain countries.
(2) The long-term growth rate serves to extrapolate the terminal value based on data in the management plans.

Sensitivity analysis

Sodexo has analyzed the sensitivity of impairment test results to different long-term growth rates and discount rates.

The results of this sensitivity analysis indicated no probable scenario where a change in the discount rate or long-term growth rate would result in the recoverable amount of a CGU or group of CGUs becoming less than its carrying amount. In fact, the results of the impairment testing demonstrate that even an increase of 200 basis points in the discount rate or a reduction of 200 basis points in the long-term growth rate would not result in an impairment of the assets tested for any of the CGUs or groups of CGUs tested.

The Group also performed a sensitivity analysis on the operational assumptions used in order to determine whether a 5% decrease in projected net cash flows over the time period of the business plans prepared by management and in terminal value would result in the recognition of an impairment loss in the Group's consolidated financial statements at August 31, 2013. The results of this analysis indicated no risk of impairment for any of the CGUs or groups of CGUs.

4.11 FINANCIAL ASSETS

4.11.1 Non-current financial assets

(in millions of euro)	August 31, 2013	August 31, 2012
Available-for-sale financial assets		
Investments in non-consolidated companies		
Cost	36	38
Impairment	(2)	(2)
Carrying amount	34	36
Loans and receivables		
Receivables from investees		
Cost	41	55
Impairment	(2)	(1)
Carrying amount	39	54
Loans and deposits		
Cost	48	43
Impairment	(3)	
Carrying amount	45	43
TOTAL NON-CURRENT FINANCIAL ASSETS	**118**	**133**
Cost	125	136
Impairment	(7)	(3)
Carrying amount	118	133

PRINCIPAL UNCONSOLIDATED EQUITY INVESTMENTS

The Group holds an 18.50% interest in Bellon SA, the parent company of Sodexo SA, carried at a value of 32.4 million euro. This available-for-sale financial asset is an investment in a company that does not have a quoted market price on an active market, and whose value cannot be reliably measured. In addition, this investment is not a liquid instrument. Consequently, it is carried at cost. Any eventual decrease in the value of the Bellon SA shares would be recognized as an impairment.

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4.11.2 Current financial assets

(in millions of euro)	August 31, 2013	August 31, 2012
Available-for-sale financial assets		
Restricted cash and other financial assets related to the Benefits and Rewards Services activity		
Cost	734	609
Impairment		
Carrying amount	734	609
Loans and receivables		
Loans and deposits		
Cost	8	5
Impairment	(1)	(1)
Carrying amount	7	4
TOTAL CURRENT FINANCIAL ASSETS	**741**	**613**
Cost	742	614
Impairment	(1)	(1)
Carrying amount	741	613

Restricted cash of 398 million euro included in “Restricted cash and financial assets related to the Benefits and Rewards Services activity” primarily includes funds set aside to comply with regulations governing the issuance of service vouchers in France (250 million euro), India (47 million euro) and Romania (32 million euro), and contractual guarantees given to public-sector clients in Venezuela (21 million euro). The funds remain the property of Sodexo but are subject to restrictions on their use. They may not be used for any purpose other than to reimburse affiliates and must be kept separate from the Group’s unrestricted cash. Restricted cash is invested in interest-bearing instruments.

4.11.3 Changes in current and non-current financial assets

(Carrying value in millions of euro)	August 31, 2012	Increase/ (decrease) during the period	Impairment	Change in scope of consolidation	Change in fair value	Translation adjustment and other items	August 31, 2013
Available-for-sale financial assets	645	153		9	1	(40)	768
Loans and receivables	101	4	(4)			(10)	91
TOTAL	**746**	**157**	**(4)**	**9**	**1**	**(50)**	**859**

(Carrying value in millions of euro)	August 31, 2011	Increase/ (decrease) during the period	Impairment	Change in scope of consolidation	Change in fair value	Translation adjustment and other items	August 31, 2012
Available-for-sale financial assets	659	(3)	(1)		1	(11)	645
Loans and receivables	87	(9)		15		8	101
TOTAL	**746**	**(12)**	**(1)**	**15**	**1**	**(3)**	**746**

4.12 TRADE AND OTHER RECEIVABLES

(in millions of euro)	August 31, 2013			August 31, 2012		
	Gross amount	Allowance	Carrying amount	Gross amount	Allowance	Carrying amount
Other non-current assets	14	0	14	15	0	15
Advances to suppliers	5	0	5	5	0	5
Trade receivables	3,184	(108)	3,076	3,150	(102)	3,048
Other operating receivables	270	(7)	263	277	(5)	272
Prepaid expenses	115	0	115	114	0	114
Non-operating receivables	7	0	7	6	0	6
TOTAL TRADE AND OTHER RECEIVABLES	**3,581**	**(115)**	**3,466**	**3,552**	**(107)**	**3,445**

The maturities of trade receivables as of August 31, 2013 and August 31, 2012 respectively were as follows:

Breakdown of trade receivables due as of August 31:	August 31, 2013		August 31, 2012	
	Gross amount	Allowance	Gross amount	Allowance
Less than 3 months due	467	(4)	462	(6)
More than 3 months and less than 6 months due	57	(10)	60	(12)
More than 6 months and less than 12 months due	106	(20)	114	(19)
More than 12 months due	74	(58)	75	(60)
TOTAL TRADE RECEIVABLES DUE AS OF AUGUST 31	**704**	**(92)**	**711**	**(97)**
TOTAL TRADE RECEIVABLES NOT YET DUE AS OF AUGUST 31	**2,480**	**(16)**	**2,439**	**(5)**
TOTAL TRADE RECEIVABLES AS OF AUGUST 31	**3,184**	**(108)**	**3,150**	**(102)**

During the fiscal years presented, the Group was not affected by any significant change resulting from client bankruptcies. In addition, given the geographic dispersion of the Group's activities, there is no concentration of risks in individual receivables due but not written down.

4.13 CASH AND CASH EQUIVALENTS

(in millions of euro)	August 31, 2013	August 31, 2012
Marketable securities	434	537
Cash	913	914
Total cash and cash equivalents	1,347	1,451
Bank overdrafts	(40)	(15)
NET CASH AND CASH EQUIVALENTS	**1,307**	**1,436**

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Marketable securities, totaling 434 million euro as of August 31, 2013 and 537 million euro as of August 31, 2012, comprised:

(in millions of euro)	**August 31, 2013**	**August 31, 2012**
Short-term notes	277	362
Term deposits	134	108
Listed bonds	1	11
Mutual funds and other	22	56
Total marketable securities	434	537

Around 81% of the Group's cash and cash equivalents, together with the restricted cash and financial assets of the Benefits and Rewards Services activity, is held with A1 or A2-rated financial institutions.

Cash and cash equivalents at the period end were not subject to any restrictions.

4.14 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Sodexo takes a long term view in managing its capital structure, with the objective of ensuring the Group's liquidity, optimizing its financial structure and allowing shareholders to benefit from its strong cash flows.

Contributing to decisions made may be objectives for earnings per share or estimated future cash flows, or balancing various components of the consolidated statement of financial position in order to meet the net debt criteria defined by Group management and communicated to the marketplace, notably a net debt to equity ratio of less than 75%. Net financial debt is defined as the difference between financial debt and total cash, which is further defined as cash and cash equivalents plus restricted cash and financial assets of the Benefits and Rewards Services activity less bank overdrafts.

The Group holds 5,620,453 Sodexo shares (versus 6,499,322 as of August 31, 2012) with a carrying amount of 309 million euro (343 million euro as of August 31, 2012) to cover its obligations under stock option and free share plans for Group employees. These treasury shares are deducted from shareholders' equity at cost.

During the fiscal year, the Group purchased 47 million euro of Sodexo SA shares in preparation for the future exercise of stock options by employees and the delivery of free shares granted to employees. As of August 31, 2012, 94 million euro of Sodexo SA shares had been purchased.

The par value of Sodexo SA shares is 4 euro per share.

Total dividends paid out in Fiscal 2013, adjusted for treasury shares, amounted to 240 million euro, for a dividend of 1.59 euro per share.

Company bylaws confer double voting rights on shares held in registered form for more than four years.

Further, effective for Fiscal 2013, shares held in registered form for at least four years and still held in that form when the Fiscal 2013 dividend becomes payable, will be entitled to a 10% dividend premium of the dividend paid on the other shares. The number of shares eligible for this dividend premium may not exceed 0.5% of the share capital for any single shareholder.

Items recognized directly in other comprehensive income (OCI) (Group share) are shown below:

(in millions of euro)	August 31, 2013			August 31, 2012		
	(Decrease) increase during the year, pre-tax	Income tax benefit (expense)	(Decrease) increase during the year, net of tax	(Decrease) increase during the year, pre-tax	Income tax benefit (expense)	(Decrease) increase during the year, net of tax
Available-for-sale financial assets	1		1	1		1
Cash flow hedges	21	(6)[1]	15	(20)	6[1]	(14)
Actuarial adjustments and other	(11)	5	(6)	(98)	23	(75)
Translation adjustment	(340)		(340)	283		283
TOTAL OTHER COMPREHENSIVE INCOME (GROUP SHARE)	**(329)**	**(1)**	**(330)**	**166**	**29**	**195**

(1) Of which -2 million euro and 3 million euro for Fiscal 2013 and Fiscal 2012 respectively related to hedging instruments recognized in other comprehensive income for equity method companies and presented in the line item "Share of other components of comprehensive income of companies consolidated by the equity method, net of tax" in the Consolidated Statement of Comprehensive Income.

4.15 BORROWINGS

(in millions of euro)	August 31, 2013 Current	August 31, 2013 Non-current	August 31, 2012 Current	August 31, 2012 Non-current
Bond issues				
Euro	542	883	43	1,383
Bank borrowings[1]				
U.S. dollar	124	725	19	872
Brazilian real	23	0	44	0
Euro	0	252	1	237
Other currencies	3	0	1	0
	150	**977**	**65**	**1,109**
Finance lease obligations				
U.S. dollar	0	1	0	1
Euro	4	9	6	13
Other currencies	11	16	14	18
	15	**26**	**20**	**32**
Other borrowings[2]				
Euro	2	5	2	24
Other currencies	3	4	6	2
	5	**9**	**8**	**26**
TOTAL EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**712**	**1,895**	**136**	**2,550**
Net fair value of derivative financial instruments[3]	(20)	(68)	22	(24)
TOTAL INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**692**	**1,827**	**158**	**2,526**

(1) Including the proceeds of the two private bond placements with U.S. private investors (respectively 500 million U.S. dollars and 600 million U.S. dollars).
(2) Including 4 million euro as of August 31, 2013 and 20 million euro as of August 31, 2012 corresponding to liabilities recognized in connection with the commitments to repurchase the non-controlling interests in certain subsidiaries.
(3) Described in note 4.16.

For borrowings other than bond issues, amortized cost is equivalent to historical cost (nominal amount) insofar as no significant transaction costs are incurred.

4.15.1 Bond issues

(in millions of euro)	August 31, 2012	Increases	Repayments	Discounting effects and other	Translation adjustment	August 31, 2013
2007 bond issue – 500 million euro						
Principal	500					500
Debt issuance costs	(1)			1		(0)
Accrued interest	10					10
TOTAL	**509**			**1**		**510**
Effective rate	*4.55%*					*4.55%*
2009 bond issue – 880 million euro						
Principal	880					880
Debt issuance costs and issue premium	5			(2)		3
Accrued interest	32					32
TOTAL	**917**			**(2)**		**915**
Effective rate	*5.97%*					*5.97%*
TOTAL	**1,426**			**(1)**		**1,425**

	August 31, 2011	Increases	Repayments	Discounting effects and other	Translation adjustment	August 31, 2012
2007 bond issue – 500 million euro						
Principal	500					500
Debt issuance costs	(1)					(1)
Accrued interest	10					10
TOTAL	**509**					**509**
Effective rate	*4.55%*					*4.55%*
2009 bond issue – 880 million euro						
Principal	880					880
Debt issuance costs and issue premium	7			(2)		5
Accrued interest	32					32
TOTAL	**919**			**(2)**		**917**
Effective rate	*5.97%*					*5.97%*
TOTAL	**1,428**			**(2)**		**1,426**

4.15.1.1 500 MILLION EURO BOND ISSUE

On March 30, 2007, Sodexo issued bonds for 500 million euro, redeemable at par on March 30, 2014. The bonds bear interest at an annual rate of 4.50%, payable annually on March 28.

4.15.1.2 880 MILLION EURO BOND ISSUE

On January 30, 2009, Sodexo SA issued new bonds for 650 million euro, redeemable on January 30, 2015. The bonds bear interest at an annual rate of 6.25%. On June 24, 2009, additional bonds for 230 million euro were issued bringing the face value to 880 million euro. After the additional bonds, these bonds bear an average effective interest rate of 5.97%.

Neither of these two bond issues is subject to financial covenants.

4.15.2 Other borrowings from financial institutions

4.15.2.1 JULY 2011 MULTI-CURRENCY CONFIRMED CREDIT FACILITY

On July 18, 2011, Sodexo SA contracted a multicurrency credit facility for a maximum of 600 million euro plus 800 million U.S. dollars. This facility originally matured on July 18, 2016, this maturity being extendable on application by Sodexo SA and subject to lenders' consent until July 2017, and then until July 2018. In July 2013, all of the lenders agreed to extend the facility's maturity to July 18, 2018. Amounts drawn on this facility carry floating interest indexed on the LIBOR and EURIBOR rates. This credit facility is not subject to any covenants.

As of August 31, 2013, the euro tranche had been utilized in the amount of 250 million euro (compared to 235 million euro as of August 31, 2012).

4.15.2.2 LOANS FOR 500 MILLION U.S. DOLLARS AND 600 MILLION U.S. DOLLARS

On September 29, 2008, Sodexo SA borrowed 500 million U.S. dollars at a fixed rate of interest from U.S. investors.

This financing was structured in three tranches:

- 140 million U.S. dollars at a fixed rate of 5.69% and redeemable in September 2013;
- 290 million U.S. dollars at a fixed rate of 5.99% and redeemable in September 2015;
- 70 million U.S. dollars at a fixed rate of 6.43% and redeemable in September 2018.

On March 29, 2011, Sodexo SA borrowed 600 million U.S. dollars at a fixed rate of interest in a private placement with U.S. investors.

This financing is structured in three tranches:

- 250 million U.S. dollars at a fixed rate of 4.24% and redeemable in March 2018;
- 225 million U.S. dollars at a fixed rate of 4.85% and redeemable in March 2021;
- 125 million U.S. dollars at a fixed rate of 4.95% and redeemable in March 2023.

These two loans are subject to two financial covenants that are calculated by reference to the consolidated financial statements of the Group:

- net debt (excluding restricted cash) must not exceed 3.5 times EBITDA (operating profit plus amortization and depreciation) for the past 12 months;
- net assets adjusted for cumulative foreign exchange translation gains or losses since August 31, 2007 must be not less than 1.3 billion euro.

If the covenants are not met, the lenders may, with a qualified majority, require early reimbursement of these borrowings.

The Group was compliant with these covenants as of August 31, 2013, February 28, 2013, and August 31, 2012.

4.15.2.3 BORROWINGS IN BRAZILIAN REAL

In order to finance its acquisition of the VR group in Brazil in 2008, Sodexo SA contracted two fixed rate loans in Brazilian real for an amount of 318 million real, to be reimbursed over five years, with a final maturity in April 2013. Following the reimbursement of 106 million reals (39 million euro) made during the period, these loans had been fully repaid as of August 31, 2013.

4.15.2.4 INTEREST RATE

In order to comply with the Group's financing policy, substantially all borrowings are at fixed rates of interest. Where acquisition financing is arranged in a currency other than that of the acquired entity, the debt is hedged by the use of currency swaps.

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As of August 31, 2013, nearly 100% of Sodexo's borrowings were at fixed rate. The average rate of interest as of the same date was 5.8%.

As of August 31, 2012, 98% of Sodexo's borrowings were at fixed rate. The average rate of interest as of the same date was 5.9%.

The bond issues and borrowings from financial institutions described above include customary clauses for early reimbursement that, as of the close of the fiscal year, do not present any significant risk of being exercised. These early reimbursement clauses include cross-default and change-in-control clauses which apply to all of the borrowings.

4.15.3 Maturity of borrowings

August 31, 2013 Carrying amounts	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	1-5 years	More than 5 years	Total
Bond issues	0	32	510	883	0	1,425
Bank borrowings	140	6	4	659	318	1,127
Finance lease obligations	1	1	13	24	2	41
Other borrowings	0	0	5	9	0	14
TOTAL	**141**	**39**	**532**	**1,575**	**320**	**2,607**

Excluding the impact of derivative financial instruments described in note 4.16.
For borrowings expressed in a foreign currency, amounts are translated at the year-end closing rate.
Maturities include interest incurred as of the balance sheet date.
Credit facility renewal rights are taken into account in setting maturities.

August 31, 2013 Undiscounted contractual maturities, including payment of future interest not yet due	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	1-5 years	More than 5 years	Total
Bond issues		55	523	938		1,516
Bank borrowings	145	7	24	784	366	1,326
Finance lease obligations	1	1	14	26	2	44
Other borrowings	0	0	5	10	0	15
Impact of derivative financial instruments excluding those related to the PPP companies	18	1		22	1	42
TOTAL	**164**	**64**	**566**	**1,780**	**369**	**2,943**

August 31, 2012 Carrying amounts	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	1 – 5 years	More than 5 years	Total
Bond issues	0	32	11	1,383	0	1,426
Bank borrowings	35	0	30	577	532	1,174
Finance lease obligations	2	1	17	29	3	52
Other borrowings	3	0	5	26	0	34
TOTAL	**40**	**33**	**63**	**2,015**	**535**	**2,686**

Excluding the impact of derivative financial instruments described in note 4.16.
For borrowings expressed in a foreign currency, amounts are translated at the year-end closing rate.
Maturities include interest incurred as of the balance sheet date.
Credit facility renewal rights are taken into account in setting maturities.

August 31, 2012 Undiscounted contractual maturities, including payment of future interest not yet due	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	1-5 years	More than 5 years	Total
Bond issues	0	55	24	1,516	0	1,595
Bank borrowings	41	0	55	722	605	1,423
Finance lease obligations	3	2	18	33	3	59
Other borrowings	3	0	7	29	0	39
Impact of derivative financial instruments excluding those related to the PPP companies	22	1	0	42	0	65
TOTAL	**69**	**58**	**104**	**2,342**	**608**	**3,181**

4.16 DERIVATIVE FINANCIAL INSTRUMENTS

The fair values of Sodexo's derivative financial instruments are as follows:

Derivative financial instruments *(in millions of euro)*	IFRS classification	August 31, 2013	August 31, 2012
Currency instruments		(2)	(2)
Assets	*Trading*		
Liabilities	*Cash Flow Hedge*		
Liabilities	*Trading*	*(2)*	*(2)*
Interest rate instruments			
Assets	*Cash Flow Hedge*		
Liabilities	*Trading*		
Liabilities	*Cash Flow Hedge*		
Cross-currency swaps(1)		69	4
Assets	*Cash Flow Hedge*	*61*	*19*
Assets	*Trading*	*26*	*8*
Liabilities	*Cash Flow Hedge*	*(12)*	*(16)*
Liabilities	*Trading*	*(6)*	*(7)*
Other derivative financial instruments		21	
Assets	*Trading*	*21*	
Net derivative financial instruments		88	2

(1) Relates to three cross-currency euro-BRL swaps with notional value of 710 million BRL for which accrued interest of 18 million euro was recognized as a liability as of August 31, 2013 (23 million euro as of August 31, 2012).

The face values and fair values of cross-currency swaps are as follows by maturity:

	August 31, 2013				August 31, 2012			
(in millions of euro)	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Currency lender positions	85	11		96	65	6		71
UK Sterling/Euro					*4*			*4*
Brazilian Real/Euro								
Czech Crown/Euro	*71*	*8*		*79*	*48*	*6*		*54*
Other	*14*	*3*		*17*	*13*			*13*
Currency borrower positions	(134)	(195)	(22)	(351)	(100)	(281)	(1)	(382)
UK Sterling/Euro	*(44)*			*(44)*	*(42)*			*(42)*
Brazilian Real/Euro	*(88)*	*(158)*		*(246)*	*(58)*	*(275)*		*(333)*
Czech Crown/Euro								
Other	*(2)*	*(37)*	*(22)*	*(61)*		*(6)*	*(1)*	*(7)*
TOTAL	**(49)**	**(184)**	**(22)**	**(255)**	**(35)**	**(275)**	**(1)**	**(311)**
Fair value	7	61	(1)	67	(24)	26		2

The "face value" represents the nominal value of currency hedging instruments, including amounts related to forward agreements. Foreign currency amounts are translated at year-end closing rates.

Changes in fair value of cash flow hedging instruments, recognized in other comprehensive income (in millions of euro), were as follows:

Cumulative changes in fair value of financial assets on instruments designated as hedges as of August 31, 2011	(31)
Change in fair value for the period	(21)
Share in the change in fair value of derivative instruments held by companies consolidated by the equity method(1)	(12)
Fair value items recognized in financial income or expense	13
Total changes recognized in other comprehensive income	(20)
Translation adjustments and other	
Cumulative changes in fair value of financial assets on instruments designated as hedges as of August 31, 2012	(51)
Change in fair value for the period	0
Share in the change in fair value of derivative instruments held by companies consolidated by the equity method(1)	9
Fair value items recognized in financial income or expense	12
Total changes recognized in other comprehensive income	21
Translation adjustments and other	
Cumulative changes in fair value of financial assets on instruments designated as hedges as of August 31, 2013	**(30)**

(1) Certain companies consolidated by the equity method have hedged their variable rate debt. The impact of the measurement of these instruments on the Group interest in the income and shareholders' equity of these entities is reflected in the above table.

The impacts of derivative financial instruments on the financial statements are described in note 5.1.

4.17 LONG-TERM EMPLOYEE BENEFITS

(in millions of euro)	August 31, 2013	August 31, 2012
Defined benefit plan obligation	222	227
Other long-term employee benefits	150	154
Employee benefits	372	381

4.17.1 Post-employment benefits

4.17.1.1 DEFINED-CONTRIBUTION PLANS

Under a defined-contribution plan, periodic contributions are made to an external entity that is responsible for the administrative and financial management of the plan. Under such a plan, the employer is relieved of any future obligation (the external entity is responsible for paying benefits to employees as they become due and the employer is not required to make additional payments related to prior or current years if the entity does not have sufficient funds).

Contributions to defined-contribution plans recognized in operating expenses were 361 million euro for Fiscal 2013, compared to 343 million euro for Fiscal 2012.

Contributions made by the Group are expensed in the period to which they relate.

4.17.1.2 DEFINED BENEFIT PLANS

The characteristics of Sodexo's principal defined benefit plans are described below:

- in France, the obligation primarily represents lump-sum benefits payable on retirement if the employee is still with the Company at retirement age. These obligations are covered by specific provisions in the consolidated statement of financial position;
- in the United Kingdom, Sodexo's obligation relates to a complementary retirement plan funded by externally held assets, and calculated on the basis of:
  - for managers working in the private sector, a percentage of final base salary,
  - for managers working on public sector contracts, benefits comparable to those offered in the public sector,
  - this plan was closed to new employees effective July 1, 2003 and the level of contributions was increased in order to cover the shortfall in the fund.

Following the introduction of new regulations in the United Kingdom, in October 2011 the Group elected to calculate future indexation adjustments to the benefits payable by Sodexo UK to certain members of its pension plan based on the consumer price index (CPI) instead of the retail price index (RPI) applied previously. Retrospective application of the CPI to the vested rights of plan members concerned by the change led to a 26 million euro reduction in the projected benefit obligation that was recorded in operating income in Fiscal 2012.

The United Kingdom plan is regularly evaluated by the plan's actuary in compliance with UK law. A formal actuarial evaluation by the plan's actuary is required to be conducted every three years, and any shortfall identified at that time must be addressed through mutual agreement between the plan's trustees and Sodexo UK. Following a consultation process with the members of the pension plan carried out with a view to freezing benefit accruals for certain members, an agreement was signed in October 2012 between the plan's trustees and Sodexo UK whereby from November 1, 2012 the plan would remain open only to employees who transferred to Sodexo UK from the public sector, as Sodexo UK has a legal obligation to pay them certain benefits. Sodexo UK also agreed to pay annual contributions of 10 million pounds over the five years from January 1, 2013 as part of the 12-year plan to address the funding shortfall. Over the same period, it is expected that the regular contributions made by Sodexo UK will decrease given that only public sector members will be able to obtain new benefits under the terms of the agreement. Lastly, in October 2012, Sodexo SA issued a parent company guarantee to the Trustee in order to cover Sodexo UK's obligations in connection with the plan. This guarantee is for up to 100 million pounds sterling for a duration of 12 years.

In Continental Europe other than France, the main defined benefit plans are as follows:

- in the Netherlands, certain employees are entitled to complementary retirement or early retirement benefits;

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- in Italy, there is a legal obligation to pay a lump-sum retirement benefit ("TFR"). Until August 31, 2006, fully vested employee rights were valued and discounted as specified by law, and fully recognized as a liability.

At the end of December 2006, the Italian parliament approved a reform of the TFR system, implemented in 2007, which transformed this retirement benefit plan into a defined contribution plan. For the period from January 1, 2007 through June 30, 2007, staff employed as of December 31, 2006 were required to choose between various defined-contribution plans, in connection with the employee rights acquired on or after January 1, 2007. The prior obligations remain on the consolidated statement of financial position.

Sodexo also contributes to multi-employer plans, mainly in Sweden and the United States. These plans are accounted for as defined-contribution plans.

Amounts shown in the consolidated statement of financial position for defined benefit plans are detailed below:

(in millions of euro)	August 31, 2013	August 31, 2012
Present value of funded obligations	840	834
Fair value of plan assets	(753)	(732)
Present value of partially funded obligations	**87**	**102**
Present value of unfunded obligations	**139**	**129**
Unrecognized past service cost	(4)	(4)
Other unrecognized amounts		
NET DEFINED BENEFIT OBLIGATION	**222**	**227**

As described in note 2.17.2, Sodexo recognizes actuarial gains and losses arising during the period, net of deferred taxes, in the statement of comprehensive income.

Cumulative actuarial gains and losses recognized in other comprehensive income represented a net actuarial loss of 134 million euro as of August 31, 2013 and a net actuarial loss of 123 million as of August 31, 2012. Actuarial losses arising on the pension obligation were 31 million euro (of which 24 million euro related to the United Kingdom which accounts for most of the obligation), and were partially offset by 20 million euro in actuarial gains on plan assets (with actuarial gains in the United Kingdom representing 25 million euro).

Defined benefit plan assets comprise:

(in millions of euro)	August 31, 2013	August 31, 2012
Equities	136	134
Bonds	108	106
Insurance and other	461	453
Real estate	36	30
Cash	12	9
TOTAL	**753**	**732**

The amount reported in the income statement for defined benefit plans comprises:

(in millions of euro)	Fiscal 2013	Fiscal 2012
Current service cost	25	23
Interest cost	37	39
Expected return on plan assets	(34)	(42)
Curtailments and settlements	(3)	(1)
Amortization of unrecognized past service cost and other	3	(25)
NET EXPENSE/(GAIN)	**28**	**(6)**

During Fiscal 2012 amortization of unrecognized past service cost primarily included the impact in the United Kingdom of applying the Consumer Price Index (CPI) to calculate pension benefit increases instead of the Retail Price Index (RPI) used previously, for 26 million euro. This amount was reported in operating income.

The net expense of 28 million euro in Fiscal 2013 (net gain of 6 million euro in Fiscal 2012) is recorded on the following lines:

- net expense of 15 million euro in Fiscal 2013 (net gain of 1 million euro in Fiscal 2012) in cost of sales;
- net expense of 10 million euro in Fiscal 2013 (net gain of 2 million euro in Fiscal 2012) in general and administrative costs;
- the balance of 3 million euro (the effect of discounting the obligation and expected return on plan assets) in financial income or expense (see note 4.2).

Changes in the present value of the defined benefit plan obligation and fair value of the plan's assets are shown below:

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Obligation as of September 1	963	765	802	633	568
Current service cost	25	23	24	21	18
Interest cost	37	39	35	36	34
Actuarial (gains)/losses	31	118	(30)	84	55
Past service cost	3	(26)	3	0	2
Effect of curtailments and settlements	(3)	(1)	(7)	(4)	(1)
Contributions made by plan members	3	5	5	6	5
Benefits paid from plan assets	(23)	(20)	(17)	(14)	(14)
Benefits paid other than from plan assets	(9)	(8)	(9)	(11)	(10)
Changes in scope of consolidation	1	4	0	3	2
Translation adjustments	(49)	65	(40)	37	(37)
Other		(1)	(1)	10	11
OBLIGATION AS OF AUGUST 31	**979**	**963**	**765**	**802**	**633**

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Fair value of assets as of September 1	732	606	588	485	520
Expected return on assets	34	42	39	34	33
Employer's contributions	30	21	22	19	16
Actuarial (gains)/losses	20	20	6	22	(37)
Effect of curtailments and settlements	0	0	(4)	(1)	0
Contributions made by plan members	3	5	5	6	5
Benefits paid from plan assets	(23)	(20)	(17)	(14)	(14)
Changes in scope of consolidation	0	0	0	1	0
Translation adjustments	(43)	58	(33)	29	(38)
Other	0	0	0	7	
FAIR VALUE OF PLAN ASSETS AS OF AUGUST 31	**753**	**732**	**606**	**588**	**485**

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Present value of benefit obligations	979	963	765	802	633
Fair value of plan assets	753	732	606	588	485
DEFICIT (SURPLUS)	**226**	**231**	**159**	**214**	**148**
Experience adjustments to present value of benefit obligations	(5)	1	1	(13)	(18)
Experience adjustments to plan assets	20	20	6	22	(37)

The following assumptions were used for actuarial valuations for the principal countries as of August 31, 2013 and 2012:

August 31, 2013	France	Netherlands	United Kingdom	Italy
Discount rate(1)	2% - 3%	3%	4.7%	1.50% - 2%
Salary inflation rate(2)	2.5% - 3%	2%	2.4% - 3.9%	N/A
General long-term inflation rate	2%	2%	2.4% - 3.4%(3)	2%
Rate of return on plan assets(4)	2% - 3%	3%	4.7%	N/A
Net liability (in millions of euro)	62	36	21	30

(1) Discount rates in each country have been adapted to reflect the term of the plans. For the euro zone, the Group uses the iBoxx indices for AA-rated corporate bonds. For the United Kingdom, the Group uses a discount rate based on a yield curve for high quality corporate bonds drawn up by an external actuary.
(2) The salary inflation rate disclosed includes general inflation.
(3) Retail price index (RPI): 3.4%; consumer price index (CPI): 2.4%
(4) As from September 1, 2013 the expected return on plan assets will be measured based on the discount rate used to measure the underlying benefit obligation, as required under the revised version of IAS 19.

August 31, 2012	France	Netherlands	United Kingdom	Italy
Discount rate(1)	2.5% - 3.5%	3%	4.5%	1.75% - 2.25%
Salary inflation rate(2)	2.5% - 3%	2%	2.1% - 3.1%	N/A
General long-term inflation rate	2%	2%	2.1% - 3.1%(3)	2%
Rate of return on plan assets	2.5% - 3.5%	3.6%	5%	N/A
Net liability *(in millions of euro)*	55	21	42	32

(1) Discount rates in each country have been adapted to reflect the term of the plans. For the euro zone, the Group uses the iBoxx indices for AA-rated corporate bonds. For the United Kingdom, the Group uses a discount rate based on a yield curve for high quality corporate bonds drawn up by an external actuary.
(2) The salary inflation rate disclosed includes general inflation.
(3) Retail price index (RPI): 3.1%; consumer price index (CPI): 2.1%

The rates of return on plan assets were determined by reference to market expectations of returns for each asset class over the life of the related obligation. For each fund, the expected rate of return is weighted to reflect the proportion of each asset class held by the relevant fund. Effective September 1, 2013 the expected return on plan assets will be measured based on the discount rate used to measure the underlying benefit obligation as required under the revised version of IAS 19.

With respect to the assumptions provided in the above table, a reduction of 1% in the discount rate would bring the gross obligation to 1,194 million euro (compared to 979 million euro with the assumptions used as of August 31, 2013), while an increase of 0.5% in the long-term inflation rate would increase the gross obligation to 1,055 million euro. The Group has elected to recognize actuarial gains and losses directly in other comprehensive income.

The actual return on plan assets in Fiscal 2013 was 54 million euro, compared with an expected return of 34 million euro.

Based on estimates derived from reasonable assumptions, Sodexo will pay 26 million euro into defined benefit plans in Fiscal 2014.

4.17.2 Other employee benefits

Other employee benefits mainly comprise a liability related to a deferred compensation program in the United States and obligations relating to long-service awards.

AMOUNTS REPORTED IN LIABILITIES FOR OTHER LONG-TERM EMPLOYEE BENEFITS

(in millions of euro)	August 31, 2013	August 31, 2012
Other long-term employee benefits	150	154

The total expense recognized with respect to these benefits in Fiscal 2013 was 24 million euro (23 million euro in Fiscal 2012), of which 1.6 million euro (1.6 million euro in Fiscal 2012) relates to a deferred compensation program in the United States, reported in financial expense.

4.18 PROVISIONS

(in millions of euro)	August 31, 2012	Increases/ charges	Reversals with utilization	Reversals without utilization	Translation adjustment and other items	Changes in scope of consolidation	Discounting impact on long-term provisions	August 31, 2013
Tax and social security exposures	52	6	(2)	(4)	(6)			46
Employee claims and litigation	30	16	(6)	(2)	(3)			35
Contract termination and loss-making contracts	8	28	(3)	(2)				31
Reorganization costs	3	51	(1)		(1)			52
Client/supplier claims and litigation	12	3	(6)	(1)	2			25
Negative net assets of associates*	33				(15)			18
Other provisions	8	4	(2)	(1)	(1)			8
TOTAL	**146**	**123**	**(20)**	**(10)**	**(24)**			**215**

* *Investments in companies consolidated by the equity method that have negative net assets (see note 4.9).*

(in millions of euro)	August 31, 2011	Increases/ charges	Reversals with utilization	Reversals without utilization	Translation adjustment and other items	Changes in scope of consolidation	Discounting impact on long-term provisions	August 31, 2012
Tax and social security exposures	31	13	(3)	(4)		15		52
Employee claims and litigation	28	12	(11)	(4)	1	4		30
Contract termination and loss-making contracts	4	2	(3)		1	4		8
Reorganization costs	2	2	(1)					3
Client/supplier claims and litigation	14	3	(5)	(1)		1		12
Negative net assets of associates*	21				12			33
Other provisions	9	2	(2)	(2)	1			8
TOTAL	**109**	**34**	**(25)**	**(11)**	**15**	**24**	**0**	**146**

* *Investments in companies consolidated by the equity method that have negative net assets (see note 4.9).*

Provisions for exposures and litigation are determined on a case-by-case basis and rely on management's best estimate of the outflows deemed likely to satisfy legal or implicit obligations to which the Group is exposed as of the end of the year.

Current and non-current provisions are as follows:

(in millions of euro)	August 31, 2013		August 31, 2012	
	Current	Non-current	Current	Non-current
Tax and social security exposures	9	37	8	44
Employee claims and litigation	19	16	18	12
Contract termination and loss-making contracts	11	20	4	4
Reorganization costs	52		2	1
Client/supplier claims and litigation	23	2	7	5
Negative net assets of associates*	0	18	0	33
Other provisions	2	6	2	6
TOTAL	**116**	**99**	**41**	**105**

* *Investments in companies consolidated by the equity method that have negative net assets (see note 4.9).*

4.19 TRADE AND OTHER PAYABLES

(in millions of euro)	August 31, 2013	August 31, 2012
Other non-current liabilities	214	222
TOTAL OTHER NON-CURRENT LIABILITIES	**214**	**222**
Advances from clients	241	237
Trade payables	1,719	1,792
Employee-related liabilities	992	1,014
Tax liabilities	231	228
Other operating liabilities	67	72
Deferred revenues	78	59
Other non-operating liabilities	19	20
TOTAL TRADE AND OTHER CURRENT PAYABLES	**3,347**	**3,422**
TOTAL TRADE AND OTHER PAYABLES	**3,561**	**3,644**

Employee-related liabilities include mainly short-term employee benefits.

Maturities of trade and other payables	Carrying value	Undiscounted contractual value
Less than three months	2,559	2,559
More than three months and less than six months	214	214
More than six months and less than twelve months	533	533
More than one year and less than five years	210	220
More than five years	45	61
TOTAL TRADE AND OTHER PAYABLES	**3,561**	**3,587**

4.20 DEFERRED TAXES

Movements in deferred taxes were as follows in Fiscal 2013:

(in millions of euro)	August 31, 2012	Deferred tax benefit/ (expense)	Deferred tax recognized in other comprehensive income	Translation adjustments and other	August 31, 2013
• Employee-related liabilities	174	(10)	5	(9)	160
• Fair value of financial instruments	9	(1)	(4)	(1)	3
• Intangible assets	(74)	11	0	6	(57)
• Other temporary differences	(154)	(14)	0	30	(138)
• Tax loss carry-forwards	53	35	0	(22)	66
TOTAL	**8**	**21**	**1**	**4**	**34**
Of which deferred tax assets	169				187
Of which deferred tax liabilities	(161)				(153)

Deferred tax assets not recognized because their recovery is not considered probable totaled 61 million euro (48 million euro as of August 31, 2012), including 8 million euro generated by subsidiaries prior to their acquisition (6 million euro as of August 31, 2012).

Temporary differences on employee-related liabilities relate primarily to post-employment benefits.

The principal other temporary differences resulted primarily from temporary differences arising from the amortization of the tax deductible portion of goodwill in certain countries.

4.21 FINANCIAL INSTRUMENTS

The table below presents the categories of financial instruments, their carrying value and their fair value, by item in the consolidated statement of financial position.

The levels used for the classification of financial instruments are as follows:

- level 1: Instruments traded on an active market;
- level 2: Instruments measured through inputs other than quoted prices included within Level 1 and that are observable;
- level 3: Instruments whose fair value is determined using valuation techniques based on unobservable inputs.

Financial assets *(in millions of euro)*	**Category**	**Note**	**August 31, 2013** Carrying value	Fair value	**Level for instruments at fair value** Level 1	Level 2	Level 3	Total
Cash and cash equivalents	Financial assets at fair value through profit and loss	4.13	434	434	23	411		434
Restricted cash and financial assets related to the Benefits and Rewards Services activity	Available-for-sale financial assets	4.11	734	734	117	617		734
Trade and other receivables	Loans and receivables at amortized cost	4.12	3,466	3,466				
Other financial assets	Available for sale financial assets	4.11	34	N/A				
	Loans and receivables at amortized cost	4.11	91	91				
Derivative financial instruments, assets		4.16	108	108		87	21	108

Financial liabilities *(in millions of euro)*	**Category**	**Note**	**August 31, 2013** Carrying value	Fair value	**Level for instruments at fair value** Level 1	Level 2	Level 3	Total
Bond issues(1)	Financial liabilities at amortized cost	4.15	1,425	1,501				
Bank borrowings	Financial liabilities at amortized cost	4.15	1,127	1,187				
Other borrowings and financial debts	Financial liabilities at amortized cost	4.15	55	55				
Bank overdrafts	Financial liabilities at amortized cost		40	40				
Trade and other payables	Financial liabilities at amortized cost	4.19	3,347	3,347				
Vouchers payable	Financial liabilities at amortized cost		2,541	2,541				
Derivative instruments, liabilities		4.16	20	20		20		20

(1) Fair value is calculated on the basis of listed bond prices as of August 31, 2013.

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Financial assets *(in millions of euro)*	Category	Note	August 31, 2012 Carrying value	Fair value	Level for instruments at fair value Level 1	Level 2	Level 3	Total
Cash and cash equivalents	Financial assets at fair value through profit and loss	4.13	537	537	67	470		537
Restricted cash and financial assets related to the Benefits and Rewards Services activity	Available-for-sale financial assets	4.11	609	609	78	531		609
Trade and other receivables	Loans and receivables at amortized cost	4.12	3,445	3,445				
Other financial assets	Available for sale financial assets	4.11	36	N/A				
	Loans and receivables at amortized cost	4.11	101	101				
Derivative financial instruments, assets		4.16	27	27		27		27

Financial liabilities *(in millions of euro)*	Category	Note	August 31, 2012 Carrying value	Fair value	Level for instruments at fair value Level 1	Level 2	Level 3	Total
Bond issues(1)	Financial liabilities at amortized cost	4.15	1,426	1,560				
Bank borrowings	Financial liabilities at amortized cost	4.15	1,174	1,288				
Other borrowings and financial debts	Financial liabilities at amortized cost	4.15	86	86				
Bank overdrafts	Financial liabilities at amortized cost		15	15				
Trade and other payables	Financial liabilities at amortized cost	4.19	3,422	3,422				
Vouchers payable	Financial liabilities at amortized cost		2,533	2,533				
Derivative instruments, liabilities		4.16	25	25		25		25

(1) Fair value is calculated on the basis of listed bond prices as of August 31, 2012.

There was no transfer between the different levels between Fiscal 2012 and 2013.

4.22 SHARE-BASED PAYMENT

In prior years Sodexo's Board of Directors granted payment to employees in the form of Sodexo shares under a number of stock option plans. In April 2013 the Board also decided to put in place free share plans in order to grant new or existing Sodexo shares to Group employees free of consideration. Some of these share grants will be subject to performance conditions.

4.22.1 Stock option plans

PRINCIPAL FEATURES OF STOCK OPTION PLANS

Rules governing stock option plans are as follows:

- stock options are generally granted at the same time of the year and their exercise price has no discount;
- contractual life of options: 6-7 years;
- vesting of options is conditional on employment by the Group and, for plans after 2007, on attainment of average annual growth in Group net income (excluding currency effects) of at least 6% over a period of three years. However, this performance condition applies only to a portion (varying between 0 and 50%) of the stock options granted to each beneficiary, with the exception of the Chief Executive Officer, whose entire grant is conditional on performance, with the remaining options vesting in equal tranches over a period of four years.

ESTIMATION OF FAIR VALUE AT DATE OF GRANT

The fair value of options granted and settled by delivery of equity instruments is estimated at the date of grant using a binomial model, which takes into consideration the terms and conditions of grant and assumptions about exercise behavior.

The table below shows the data used in the valuation model for each plan measured under IFRS 2.

Date of grant	Exercise price	Expected volatility *(in %)*	Contractual life *(in years)*	Risk-free interest rate *(in %)*	Expected dividend yield *(in %)*	Expected life *(in years)*
January 17, 2007	47.82 euro	29.42%	7	4.18%	2.81%	5
April 24, 2007	55.36 euro	28.23%	7	4.37%	2.79%	5
September 11, 2007	47.17 euro	28.54%	6	4.04%	2.75%	5
January 7, 2008	42.27 euro	28.85%	7	4.01%	2.75%	6
January 7, 2008	42.27 euro	28.85%	6	3.95%	2.75%	5
September 9, 2008	45.56 euro	29.48%	7	4.15%	2.75%	6
September 9, 2008	45.56 euro	29.48%	6	4.11%	2.75%	5
January 19, 2009	39.40 euro	37.16%	7	3.28%	3.00%	6
January 19, 2009	39.40 euro	37.16%	6	2.90%	3.00%	5
January 11, 2010	39.88 euro	28.50%	7	2.97%	3.00%	6
January 11, 2010	39.88 euro	28.50%	6	2.45%	3.00%	5
December 13, 2010	48.37 euro	25.00%	7	3.27%	3.00%	6
December 13, 2010	48.37 euro	25.00%	6	2.63%	3.00%	5
December 13, 2011	51.40 euro	24.00%	7	3.48%	3.00%	6
December 13, 2011	51.40 euro	24.00%	6	2.85%	3.00%	5

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The expected life of the options is incorporated into the binomial model based on option holders' behavior expected over the contractual life of the options and based on historical data, and is not necessarily indicative of future exercises.

The expected volatility is based on the assumption that volatility calculated using regression analysis of daily returns over the five- or six-year period (the expected life of the options) prior to the date of grant, excluding the share price fluctuations of September 2002, is an indicator of future trends.

Effective for plans granted in 2008, the expected volatility is based on a weighted average of the historical volatility of the shares observed over periods corresponding to the expected life of the options granted and the implicit volatility expected in the marketplace.

The risk-free interest rate is the rate on Government bonds (with reference to Iboxx rates in the euro zone) for a maturity similar to the life of the options.

The assumptions with respect to the exercise behavior of grantees used in determining the fair value of the options are also based on historical data, which may not be indicative of future exercise behavior, and are as follows:

- grantees resident in France for tax purposes:
  - 50% of grantees will exercise their options once the share price exceeds the exercise price by 20%,
  - 50% of grantees will exercise their options once the share price exceeds the exercise price by 40%;
- grantees not resident in France for tax purposes:
  - 30% of grantees will exercise their options once the share price exceeds the exercise price by 20%,
  - 30% of grantees will exercise their options once the share price exceeds the exercise price by 40%,
  - 30% of grantees will exercise their options once the share price exceeds the exercise price by 70%,
  - 10% of grantees will exercise their options once the share price exceeds the exercise price by 100%.

MOVEMENTS DURING FISCAL 2013

The table below provides the quantity, weighted average exercise price (WAP) and movements of stock options during the period.

	August 31, 2013		August 31, 2012	
	Number	WAP *(in euro)*	Number	WAP *(in euro)*
Outstanding at the beginning of the period	**6,816,539**	**45.71**	**6,439,038**	**43.17**
Granted during the period			2,046,950	51.40
Forfeited during the period	(191,001)	47.12	(170,057)	46.39
Exercised during the period	(1,618,245)(1)	42.27	(1,499,392)(2)	42.48
Expired during the period				
Outstanding at the end of the period	**5,007,293**	**46.76**	**6,816,539**	**45.71**
Exercisable at the end of the period	**2,133,493**	**43.05**	**2,013,706**	**42.38**

(1) The weighted average share price at the exercise date of options exercised in the period was 65.57 euro.
(2) The weighted average share price at the exercise date of options exercised in the period was 56.81 euro.

The weighted average residual life of options outstanding as of August 31, 2013 was 3.6 years (August 31, 2012: 4.2 years).

The weighted average fair value of options granted during Fiscal 2012 was 10.43 euro per share. No stock options were granted in Fiscal 2013.

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The exercise prices and exercise period for options outstanding as of August 31, 2013 are provided in the table below:

Date of grant	Start date of exercise period	Expiration date of exercise period	Exercise price	Number of options outstanding as of August 31, 2013
January 2007	January 2008	January 2014	47.82 euro	168,097
January 2008	January 2009	January 2015	42.27 euro	93,159
January 2008	January 2009	January 2014	42.27 euro	51,710
September 2008	September 2009	September 2015	45.56 euro	
September 2008	September 2009	September 2014	45.56 euro	
January 2009	January 2010	January 2016	39.40 euro	264,137
January 2009	January 2010	January 2015	39.40 euro	173,696
January 2010	January 2011	January 2017	39.88 euro	578,278
January 2010	January 2011	January 2016	39.88 euro	438,116
December 2010	December 2011	December 2017	48.37 euro	649,450
December 2010	December 2011	December 2016	48.37 euro	776,875
December 2011	December 2012	December 2018	51.40 euro	792,300
December 2011	December 2012	December 2017	51.40 euro	1,021,475
TOTAL				**5,007,293**

4.22.2 Free share plans

PRINCIPLE FEATURES OF FREE SHARE PLANS

Rules governing free share plans are as follows:

- the shares will vest only if the beneficiary is still working for the Group on the vesting date. In addition, a performance condition applies to a certain proportion of the grant (ranging from 0 to 50% depending on the managers concerned, except for the Chief Executive Officer who receives only performance shares);
- for beneficiaries resident in France, the vesting period is two years for shares not subject to any performance condition and three years for performance shares, subject in both cases to the beneficiary still working for the Group on the vesting date. For beneficiaries resident outside France, the vesting period is four years;
- the performance condition concerns cumulative annual growth in Group net income, which must represent at least 6% over a period of three fiscal years, at constant exchange rates and excluding exceptional items;
- free shares awarded to beneficiaries resident in France for tax purposes are also subject to a two-year lock-up period as from the vesting date.

ESTIMATED FAIR VALUE AT DATE OF GRANT

The fair value of free shares is estimated at the date of grant based on the share price at that date after deductions for dividends on the shares that will not be paid to beneficiaries during the vesting period and a lock-up discount for beneficiaries resident in France for tax purposes. The lock-up discount is determined based on the cost for the employee of a two-step strategy consisting of selling the shares forward for delivery at the end of the lock-up period and purchasing the same number of shares for immediate delivery, with the purchase financed by a loan, taking into account market inputs.

The table below shows the assumptions used to measure the fair value of shares granted under free share plans.

Date of grant		Vesting period *(in years)*	Lock-up period *(in years)*	Expected dividend payout rate *(in %)*	Risk-free interest rate *(in %)*	Loan interest rate *(in %)*
April 25, 2013	France	2	2	2.5%	0.40%	6%
April 25, 2013	France	3	2	2.5%	0.40%	6%
April 25, 2013	International	4	N/A	2.5%	0.60%	6%

MOVEMENTS IN FISCAL 2013

The table below shows movements in free shares granted in Fiscal 2013:

	Fiscal 2013
Outstanding at the beginning of the period	840,755
Granted during the period	
Forfeited during the period	(2,450)
Delivered during the period	
Outstanding at the end of the period	838,305

The weighted average fair value of the free shares granted during the year was 56.14 euro.

The table below sets out the dates on which free shares granted and outstanding as of August 31, 2013 will vest:

Date of grant	End of vesting period	Number of shares outstanding as of August 31, 2013
April 2013	April 2015	162,107
April 2013	April 2016	125,968
April 2013	April 2017	550,230
TOTAL		**838,305**

4.22.3 Expense recognized during the year

The expense recognized in the Fiscal 2013 income statement for stock options and free shares was 17 million euro (19 million euro in Fiscal 2012).

4.22.4 Plans awarded following the acquisition of Sodexho Marriott Services

The Group committed to delivering 3,044,394 Sodexho Alliance shares to Sodexho, Inc. employees at an average price of 29.01 U.S. dollars per share under stock option plans assumed in connection with the June 2001 acquisition of 53% of the capital of Sodexho Marriott Services, Inc. All of these options were exercisable prior to November 2012.

These option plans are not recognized under IFRS 2 because they were granted prior to the effective date of IFRS 2 in November 2002 and because the rights under the plans vested prior to January 1, 2005.

The table below provides the quantity, weighted average exercise price (WAP) and movements of these stock options during the year.

	August 31, 2013		August 31, 2012	
	Number	WAP *(in $)*	Number	WAP *(in $)*
Outstanding at the beginning of the period	2,897	29.99	11,415	29.99
Granted during the period				
Forfeited during the period				
Exercised during the period	(2,897)[1]	29.99	(8,518)[2]	29.99
Expired during the period				
Outstanding at the end of the period	0		2,897	29.99
Exercisable at the end of the period	0		2,897	29.99

(1) The weighted average share price at the exercise date of options exercised in the period was 77.29 U.S. dollars.
(2) The weighted average share price at the exercise date of options exercised in the period was 74.80 U.S. dollars.

4.23 BUSINESS COMBINATIONS

The main acquisitions for the year are described in note 1 – Significant Events. The following table shows the values of the acquired assets and assumed liabilities at the acquisition date, based on the preliminary allocation as of August 31, 2013:

(in millions of euro)	Amounts at fair value
Intangible assets	28
Property, plant and equipment	1
Trade receivables[1]	20
Other current assets	8
Cash and cash equivalents	26
Long-term borrowings	0
Other non-current liabilities	(2)
Deferred taxes, net	(5)
Other current liabilities	(45)
Total identifiable net assets	**31**
Goodwill	92
Consideration transferred[2]	(123)
Cash acquired	26
Change in contingent consideration	(2)
IMPACT ON THE CASH FLOW STATEMENT	**(99)**

(1) Corresponding to a gross amount of 20 million euro.
(2) Price paid or payable in cash.

These companies' contribution to consolidated revenue for the period was 28 million euro and their contribution to consolidated profit was not material.

Intangible assets mainly comprise client relationships and trademarks. The amortization period for these assets has been determined to be between 3 and 15 years, depending on the estimated attrition rate for client contracts and the probable useful life of trademarks. The excess of the acquisition price over the total fair value of the identifiable net assets acquired is recognized as goodwill.

Goodwill recognized during the year primarily relates to Servi-Bonos, SA de CV in Mexico.

Goodwill mainly reflects the premium paid for the acquired company's expertise and skilled workforce as well as its future earnings stream.

The following table shows the acquisition-date fair values of assets acquired and liabilities assumed in Fiscal 2012:

(in millions of euro)	**Amounts at fair value**
Intangible assets	165
Property, plant and equipment	49
Other non-current assets	15
Trade receivables[1]	94
Other current assets	38
Cash and cash equivalents	28
Long-term borrowings	(13)
Other non-current liabilities	(41)
Deferred taxes, net	(4)
Short-term borrowings	(49)
Other current liabilities	(117)
Total identifiable net assets	**165**
Goodwill	456
Consideration transferred[2]	(621)
Cash acquired	28
Change in contingent consideration	7
IMPACT ON THE CASH FLOW STATEMENT	**(586)**

(1) Corresponding to a gross amount of 101 million euro.
(2) Price paid or payable in cash, including contingent consideration estimated at 6 million euro.

Companies acquired during Fiscal 2012 contributed 714 million euro from their date of acquisition to the end of Fiscal 2012 and their contribution to consolidated profit was not material.

Goodwill recognized during Fiscal 2012 primarily related to Puras do Brasil in Brazil, Roth Bros. in the United States, and Lenôtre in France.

4.24 COMMITMENTS AND CONTINGENCIES

4.24.1 Sureties

Commitments arising from surety arrangements (pledges, charges secured against plant and equipment, and real estate mortgages) contracted by Sodexo SA and its subsidiaries in connection with operating activities during Fiscal 2013 are immaterial.

4.24.2 Operating lease commitments

Outstanding commitments arising in respect of operating leases are as follows:

(in millions of euro)	August 31, 2013	August 31, 2012
Less than 1 year	128	132
1 to 5 years	271	258
More than 5 years	99	79
TOTAL	**498**	**469**

These commitments arise under a large number of contracts worldwide, the terms of which are negotiated locally. They relate primarily to:

- equipment on sites, office equipment and vehicles for 136 million euro, compared to 150 million euro for Fiscal 2012;
- the rent for office premises of 338 million euro, compared to 298 million euro for Fiscal 2012. The 12-year leases signed on October 19, 2006 in connection with the relocation of the corporate headquarters to Issy-les-Moulineaux in 2008 increased operating lease commitments for office premises by 35 million euro. The leases and lease renewals signed by Sodexo France and Sodexo, Inc. for their office premises represent operating lease commitments of 28 million euro and 55 million euro respectively.

4.24.3 Other commitments given

	August 31, 2013				August 31, 2012
(in millions of euro)	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Financial guarantees to third parties	9	1		10	9
Site management commitments	3	2		5	43
Performance bonds given to clients	0	43	124	167	173
Other commitments	19	3	117	139	16
TOTAL	**31**	**49**	**241**	**321**	**241**

Financial guarantees to third parties mainly comprise bank subordinated debt commitments under Public-Private Partnership (PPP) contracts (see note 2.3.2.) totaling 9 million euro.

The performance bonds given to clients relate to around twenty sub-contracting contracts where the Group considers that it may be exposed to indemnity payments if it is unable to fulfill the service obligation. These bonds are subject to regular review by the management of the business unit and a provision is recorded as soon as payment under a bond becomes probable. For all other contracts with a performance bond, Sodexo considers that it would be capable of deploying the additional resources needed to avoid paying compensation under the bond.

The Group also has performance obligations to clients, but regards these as having the essential features of a performance guarantee rather than an insurance contract designed to compensate the client in the event of non-fulfillment of the service obligation (compensation is generally due only where Sodexo is unable to provide alternative or additional resources to fulfill the obligation to the client).

In practice, given its size and geographical reach, Sodexo considers itself capable of providing the additional resources needed to avoid paying compensation to clients protected by such clauses.

At this time, no provision has been recorded in the consolidated statement of financial position with respect to these guarantees.

The "Other commitments" line mainly includes the 12-year guarantee for a maximum of 100 million pounds sterling given by Sodexo SA in October 2012 to the Trustee of the UK pension plan in order to cover Sodexo UK's obligations in connection with the plan.

The Group also has commitments to provide training hours to its employees in France, known as Individual Training Rights. In the absence of guidance from regulatory authorities on the accounting treatment for these rights, the Group has opted to present these rights as a commitment. Based on available information, the number of hours to be provided to employees of French subsidiaries is estimated to be approximately 2,700,000 hours.

4.25 RELATED PARTIES

4.25.1 Compensation, loans, post-employment benefits and other employee benefits granted to Board members, the Executive Committee, and the Chief Executive Officer of Sodexo

(in euro)	August 31, 2013	August 31, 2012
Short-term employee benefits	10,249,871	10,494,809
Post-employment benefits	549,600	499,069
Fair value of stock options and free shares at the grant date	7,176,691	5,337,934
TOTAL	**17,976,162**	**16,331,812**

These benefits include directors' fees, and all forms of compensation and benefits paid (or earned during the period for offices held) by Bellon SA, Sodexo SA and/or other Sodexo Group companies.

During Fiscal 2013, the Group did not grant any severance benefit or other long-term benefit to members of the Board of Directors, the Executive Committee or the Chief Executive Officer.

4.25.2 Principal shareholder

As of August 31, 2013, Bellon SA held 37.71% of the capital of Sodexo SA.

During Fiscal 2013, Bellon SA invoiced Sodexo SA a total of 6.2 million euro for assistance and advisory services under a contract between the two companies, unchanged from Fiscal 2012.

During the first half of Fiscal 2013, the Annual Shareholders' Meeting of Sodexo approved the payment of a dividend of 1.59 euro per share. Consequently, Bellon SA received a dividend payment of 94.2 million euro in February 2013.

4.25.3 Unconsolidated companies

Other transactions with related companies comprise loans advanced, commercial transactions, and off balance sheet commitments involving associates and non-consolidated companies.

(in millions of euro)	August 31, 2013 Gross value	August 31, 2013 Impairment	August 31, 2013 Carrying amount	August 31, 2012 Carrying amount
Loans	65	0	65	76

Off balance sheet commitments	August 31, 2013	August 31, 2012
Financial guarantees given to third parties	10	9
Performance bonds given to clients	165	171

Transactions	Fiscal 2013	Fiscal 2012
Revenues	325	310
Operating expenses	0	0
Financial income and expense, net	3	6

4.26 GROUP EMPLOYEES

The following table shows the breakdown of Group employees:

	August 31, 2013	August 31, 2012
Executives, middle management, site managers and supervisory staff	48,885	50,211
Front-line service staff and other employees	379,036	371,180
TOTAL	**427,921**	**421,391**

Group employees by activity and region were as follows:

	On-site Services							
	North America	Continental Europe	United Kingdom and Ireland	Rest of the World	Total	Benefits and Rewards Services	Holding companies	Total
August 31, 2013	132,581	100,249	34,997	155,653	423,480	3,989	452	427,921
August 31, 2012	123,673	101,503	37,956	154,171	417,303	3,638	450	421,391

4.27 LITIGATION

Sodexo is involved in litigation arising from its ordinary activities. The Group does not believe that liabilities relating to such litigation will in aggregate be material to its activities or to its consolidated financial position.

To the best of the Company's knowledge, there have been no other governmental, judicial or arbitral proceedings (including any such proceedings which are pending or threatened of which Sodexo is aware) which may have, or have had in the past 12 months, material effects on Sodexo and/or the Group's financial position or profitability.

4.28 SUBSEQUENT EVENTS

No significant events occurred after the reporting date.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

5.1 EXPOSURE TO FOREIGN EXCHANGE AND INTEREST RATE RISK

Because Sodexo has operations in 80 countries, all components of the financial statements are influenced by foreign currency translation effects, and in particular by fluctuations in the U.S. dollar. However, exchange rate fluctuations do not generate any operational risk, because each of the Group's subsidiaries invoices its revenues and incurs its expenses in the same currency.

Sodexo SA uses derivative instruments to manage the Group's exposure to interest rate and foreign exchange rate risk.

The policies approved by the Board of Directors, the Chief Executive Officer and the Chief Financial Officer are designed to prevent speculative positions. Further, under these policies:

- substantially all borrowings must be at fixed rates of interest, or converted to fixed-rate using hedging instruments;
- in the context of financing policy, foreign exchange risk on loans to subsidiaries must be hedged;
- the maturity of hedging instruments must not exceed the maturity of the borrowings they hedge.

5.1.1 Analysis of sensitivity to interest rates

(in millions of euro)	Note	August 31, 2013	August 31, 2012
Financial liabilities excluding derivative financial instruments	**4.15**	**2,607**	**2,686**
Fixed rate liabilities		2,324	2,403
Variable rate liabilities		283	283
Impact of interest rate and cross-currency swaps	**4.16**	**(67)**	**(2)**
On fixed rate liabilities		177	216
On variable rate liabilities		(244)	(218)
Financial liabilities after impact of interest rate and cross-currency swaps		**2,540**	**2,684**
Fixed rate liabilities		2,501	2,619
Variable rate liabilities		39	65

As of August 31, 2013 and 2012, a 0.5% increase or decrease in interest rates would have had no material impact on net income before tax or on shareholders' equity as substantially all liabilities at those dates were at a fixed rate of interest.

5.1.2 Analysis of sensitivity to foreign exchange rates and exchange rate exposures on principle currencies

EXPOSURE TO CURRENCY RISK

Before currency derivatives *(in millions of euro)*	August 31, 2013				August 31, 2012			
	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF
Closing rate as of August 31	*0.756*	*0.321*	*1.171*	*0.074*	*0.793*	*0.388*	*1.257*	*0.078*
Monetary assets								
Working capital items and other receivables	776	421	194	3	753	429	216	4
Deferred tax assets	57	43	10	1	67	37	16	1
Cash and cash equivalents	510	430	139	154	573	468	146	110
TOTAL MONETARY ASSETS	**1,343**	**894**	**343**	**158**	**1,393**	**934**	**378**	**115**
Monetary liabilities								
Financial liabilities	850	23	3		891	44	5	
Working capital items and other liabilities	1,226	722	335	112	1,252	753	374	90
Deferred tax liabilities	30	93			34	89	1	
TOTAL MONETARY LIABILITIES	**2,106**	**838**	**338**	**112**	**2,177**	**886**	**380**	**90**
Net position(1)	(763)	56	5	46	(784)	48	(2)	25

(1) This net position does not include currency positions on intragroup transactions.

After currency derivatives *(in millions of euro)*	August 31, 2013				August 31, 2012			
	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF
Closing rate as of August 31	*0.756*	*0.321*	*1.171*	*0.074*	*0.793*	*0.388*	*1.257*	*0.078*
Monetary assets								
Working capital items and other receivables	776	421	194	3	753	429	216	4
Deferred tax assets	57	43	10	1	67	37	16	1
Cash and cash equivalents	510	430	139	154	573	468	146	110
TOTAL MONETARY ASSETS	**1,343**	**894**	**343**	**158**	**1,393**	**934**	**378**	**115**
Monetary liabilities								
Financial liabilities	850	269	30		891	374	43	
Working capital items and other liabilities	1,226	722	335	112	1,252	753	374	90
Deferred tax liabilities	30	93			34	89	1	
TOTAL MONETARY LIABILITIES	**2,106**	**1,084**	**365**	**112**	**2,177**	**1,216**	**418**	**90**
Net position(1)	(763)	(190)	(22)	46	(784)	(282)	(40)	25

(1) This net position does not include currency positions on intragroup transactions.

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SENSITIVITY TO EXCHANGE RATES

Impact of a 10% appreciation of the exchange rate of the following currencies against the euro *(in millions of euro)*	August 31, 2013				August 31, 2012			
	Impact on revenues	Impact on operating profit	Impact on profit before tax	Impact on shareholders' equity	Impact on revenues	Impact on operating profit	Impact on profit before tax	Impact on shareholders' equity
Dollar USD	657	35	23	190	654	34	25	199
Real BRL	117	17	11	56	124	19	13	63
Sterling GBP	139	5	7	63	148	10	11	65
TOTAL	**913**	**57**	**41**	**309**	**926**	**63**	**49**	**327**

5.2 EXPOSURE TO LIQUIDITY RISK

The nature of the Group's borrowings and bond issuances as of August 31, 2013 is described in detail in note 4.15 of the consolidated financial statements.

As of August 31, 2013, 90% of the Group's consolidated borrowings was borrowed on capital markets and bank financing was less than 10% of the Group's financing needs. As of August 31, 2012 more than 85% of the Group's consolidated borrowings was borrowed on capital markets and bank financing was less than 15% of the Group's financing needs. The reimbursement maturity dates of the main borrowings range between 2014 and 2024. The Group has a confirmed multi-currency line of credit for 600 million euro plus 800 million U.S. dollars which expires in July 2018. This line of credit had been utilized in the amount of 250 million euro as of August 31, 2013 (235 million euro as of August 31, 2012).

5.3 EXPOSURE TO COUNTERPARTY RISK

Exposure to counterparty risk is limited to the carrying value of financial assets.

Group policy is to manage and spread counterparty risk. For derivative financial instruments, each transaction with a bank is required to be based on a master contract modeled on the standard contract issued by the French Bankers' Association (AFB) or the International Swaps and Derivatives Association (ISDA).

Counterparty risk relating to customer accounts receivable is immaterial. Due to the Group's geographic and segment spread, there is no concentration of risk on past due individual receivables for which no provision has been recorded. Moreover, the Group has not observed any significant change in impacts relating to customer default during the year.

The main counterparty risk is bank-related. The Group has limited its exposure to counterparty risk by diversifying its investments and limiting the concentration of risk held by each of its counterparties. Transactions are conducted with highly creditworthy counterparties taking into consideration country risk. The Group has instituted a regular reporting of the risk spread between counterparties and of their quality.

To reduce this risk further, in Fiscal 2011 the Group implemented an international cash pooling mechanism between its main subsidiaries, reducing the amount of liquidity held by third parties by concentrating it in the Group's financial holding companies.

The maximum counterparty is approximately 14% (10% as of August 31, 2012) of the Group's operating cash (including restricted cash and financial assets of the Benefits and Rewards Services activity) with a banking group whose rating is A1.

6. SCOPE OF CONSOLIDATION

The main companies consolidated as of August 31, 2013 and presented in the table below together represent more than 90% of consolidated revenues. The various other entities represent individually less than 0.5% of each of revenues, operating profit and the Group share of net income and of shareholders' equity.

The main acquisitions for the year are presented in note 1 – Significant Events.

The first column shows the percentage interest held by the Group, and the second column the percentage of voting rights held by the Group. Percentage interests and percentages of voting rights are only shown if less than 97%.

Companies newly consolidated during the year are indicated by the letter "N".

Companies newly deconsolidated during the year are indicated by the letter "S".

Associates (companies accounted for by the equity method) are indicated by the letters "EM". All other companies are fully consolidated.

	% interest	% voting rights	Principal activity	Country
France				
Sodexo Entreprises (consolidated)			On-site	France
Sodexo Santé Médico Social			On-site	France
Société Française de Restauration et Services (consolidated)			On-site	France
SEGSMHI			On-site	France
Sodexo Justice Services			On-site	France
Sogeres (consolidated)			On-site	France
Lenôtre SA (consolidated)			On-site	France
L'Affiche			On-site	France
Bateaux Parisiens (consolidated)			On-site	France
Score			On-site	France
Score Groupe			On-site	France
Sodexo Solutions de Motivation France SA			Benefits and Rewards	France
One SAS			Holding	France
Sodexo Pass International SAS			Holding	France
Sodexo Solutions de Services sur Sites			On-site	France
One SCA			Holding	France
Groupe Crèche Attitude (consolidated)	35%	35%	On-site	France
Sodexo EN France			Holding	France
Sodexo Amecaa SAS			Holding	France
Sofinsod SAS			Holding	France
Etin SAS			Holding	France
Sodexo Europe			Holding	France
Sodexo GC			Holding	France
SoTech Services			Holding	France

		% interest	% voting rights	Principal activity	Country
Americas					
	Sodexo do Brasil Comercial Ltda (consolidated including Puras)			On-site	Brazil
	Sodexo Pass do Brasil Serviços e Commercio SA			Benefits and Rewards	Brazil
	Sodexo Pass do Brasil Serviços de Inovação Ltda			Benefits and Rewards	Brazil
	Sodexo Canada Ltd (consolidated)			On-site	Canada
EM	Sociedad Concesionaria Bas SA	33%	33%	On-site	Chile
	Sodexo Chile (consolidated)			On-site	Chile
	Sodexo Inversiones SA			On-site	Chile
	Sodexho Pass Chile SA			Benefits and Rewards	Chile
	Sodexo Colombia SA	65%	65%	On-site	Colombia
	Sodexo, Inc. (consolidated)			On-site	United States
	Roth Bros., Inc. (consolidated)			On-site	United States
	Sodexo Holdings Inc.			Holding	United States
	Sodexo Remote Sites (USA) Inc.			Holding	United States
	Sodexo Remote Sites Partnership			On-site	United States
EM	Doyon Universal Services LLC (consolidated)	50%	50%	On-site	United States
	CK Franchising Inc.			On-site	United States
	Circle Company Associates, Inc.			On-site	United States
	Sodexo Rose Holding Company, Inc.			Holding	United States
	Sodexo Motivation Solutions Mexico, SA de CV (consolidated including Servi-Bonos, SA de CV)			Benefits and Rewards	Mexico
	Sodexo Peru SAC			On-site	Peru
	Sodexho Pass Venezuela SA	64%	64%	Benefits and Rewards	Venezuela
Europe					
	Sodexo Services GmbH (consolidated)			On-site	Germany
	Sodexo Scs GmbH (consolidated)			On-site	Germany
	Gastro-Kanne Gastronomie – Betriebs – Gmbh			On-site	Germany
	Sodexo Beteiligungs BV & Co. KG			On-site	Germany
	Zehnacker GmbH (consolidated)			On-site	Germany
	Zehnacker Catering GmbH			On-site	Germany
	GA-tec Gebäude- und Anlagentechnik Gmbh			On-site	Germany
	Sodexo Germany BV			On-site	Germany
	Sodexo GmbH			On-site	Germany
	Sodexo Service Solutions Austria			On-site	Austria
	Sodexo Belgium SA (consolidated)			On-site	Belgium

		% interest	% voting rights	Principal activity	Country
Europe					
	Imagor Services & Cie SNC			Benefits and Rewards	Belgium
	Sodexo Pass Belgium SA (consolidated)			Benefits and Rewards	Belgium
	Compagnie Financière Aurore International			Holding	Belgium
	Sodexo (Cyprus) Ltd			On-site	Cyprus
	Sodexo España SA (consolidated)			On-site	Spain
	Sodexo Soluciones de Motivación Espana SAU			Benefits and Rewards	Spain
	Sodexo Oy			On-site	Finland
	Sodexo Magyarorszag KFT			On-site	Hungary
	Sodexo Ireland Ltd			On-site	Ireland
	Sodexo Italia (consolidated)			On-site	Italy
	Sodexo Luxembourg SA (consolidated)			On-site	Luxembourg
	Sodexo Remote Sites Norway AS			On-site	Norway
	Sodexo AS			On-site	Norway
	Sodexo Nederland BV (consolidated)			On-site	Netherlands
	Sodexo Altys BV			On-site	Netherlands
	Sodexo Pass Ceska Republika AS			Benefits and Rewards	Czech Republic
	Sodexo Pass Romania SRL			Benefits and Rewards	Romania
	Sodexo Property Solutions Ltd			On-site	United Kingdom
EM	Agecroft Prison Management Ltd	50%	50%	On-site	United Kingdom
EM	HpC King's College Hospital (Holdings) Ltd	25%	25%	On-site	United Kingdom
EM	Catalyst Healthcare (Romford) Holdings Ltd	10%	10%	On-site	United Kingdom
EM	Peterborough Prison Management Ltd	15%	15%	On-site	United Kingdom
EM	Ashford Prison Services Ltd	15%	15%	On-site	United Kingdom
EM	Catalyst Healthcare (Manchester) Holdings Ltd	10%	10%	On-site	United Kingdom
EM	Mercia Healthcare (Holdings) Ltd	25%	25%	On-site	United Kingdom
EM	South Manchester Healthcare (Holdings) Ltd	25%	25%	On-site	United Kingdom
EM	RMPA Holdings Ltd	14%	14%	On-site	United Kingdom
EM	Enterprise Education Holdings Conwy Ltd	10%	10%	On-site	United Kingdom
EM	Addiewell Prison (Holdings) Ltd	33%	33%	On-site	United Kingdom
EM	Healthcare support (North Staffs) Holding Ltd	25%	25%	On-site	United Kingdom
EM	Integrated Pathology Partnerships Ltd	49%	49%	On-site	United Kingdom
	Sodexo Services Group Ltd			Holding	United Kingdom
	Sodexo Ltd			On-site	United Kingdom

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		% interest	% voting rights	Principal activity	Country
	Sodexo Prestige Ltd (consolidated)			On-site	United Kingdom
	Sodexo Remote Sites Scotland Ltd			On-site	United Kingdom
	Kalyx Ltd			On-site	United Kingdom
	Tillery Valley Foods Ltd			On-site	United Kingdom
	Sodexo Defence Services Ltd			On-site	United Kingdom
	Sodexo Investment Services Ltd			On-site	United Kingdom
	Sodexo Holdings Ltd			Holding	United Kingdom
	Sodexo Education Services Ltd			On-site	United Kingdom
	Sodexo Management Services Ltd			On-site	United Kingdom
	Sodexo Healthcare Services Ltd			On-site	United Kingdom
	Rugby Travel & Hospitality Ltd	60%	60%	On-site	United Kingdom
	Sodexo Euroasia			On-site	Russia
	Sodexo Facilities Services AB			On-site	Sweden
	Sodexo Scandinavian Holding AB			On-site	Sweden
	Sodexo AB			On-site	Sweden
N	Sodexo Pass Holding Sweden AB			Benefits and Rewards	Sweden
N	Sodexo Pass Sweden AB			Benefits and Rewards	Sweden
	Sodexo (Suisse) SA			On-site	Switzerland
	Sodexo Entegre Hizmet Yonetimi AS			On-site	Turkey
	Sodexo Avantaj Ve Odullendirme Hizmetleri A.S.			Benefits and Rewards	Turkey
Asia, Pacific, Middle East					
	National Company for Management and Services Ltd	50%	50%	On-site	Saudi Arabia
	Sodexo Australia Pty Ltd (consolidated)			On-site	Australia
EM	Serco Sodexo Defence Services PTY Ltd	50%	50%	On-site	Australia
	Sodexo Remote Sites Australia Pty Ltd			On-site	Australia
	Sodexo Shanghaï Management Services			On-site	China
	Kelvin Catering Services (Emirates) LLC	49%	49%	On-site	United Arab Emirates
	Sodexo International FZE			On-site	United Arab Emirates
	Sodexo SVC India Private Ltd			Benefits and Rewards	India
	Tariq Al Ghanim Company Ltd	50%	50%	On-site	Kuwait
	Teyseer Services Company	49%	49%	On-site	Qatar

3.4 Statutory Auditors' Report on the consolidated financial statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

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

SODEXO
255, Quai de la bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9

For the year ended August 31, 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended August 31, 2013, on:

- the audit of the accompanying consolidated financial statements of Sodexo S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 August 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*), we bring to your attention the following matters:

- the Company has tested goodwill and intangible assets with an indefinite useful life for impairment, and has assessed whether assets with a finite useful life presented an indication of impairment, in accordance with the methods set out in notes 2.8 and 4.10 to the consolidated financial statements.

  We have reviewed the methods used for the aforementioned test, as well as the methodology applied to assess value in use based on the present value of future cash flows, after tax. We have also reviewed the related documentation which was prepared, the consistency of the data which was used and in particular the assumptions used in the preparation of the business plans;
- the provisions for pension and other post-employment benefits as described in notes 2.17 and 4.17 to the consolidated financial statements have chiefly been assessed by independent actuaries. We have reviewed the data and assumptions used by these actuaries as well as their conclusions, and have verified that note 4.17 provides appropriate information.

The aforementioned items are based on estimates and underlying assumptions which are uncertain by nature. As stated in note 2.2 to the consolidated financial statements, actual results may differ materially from such estimates in different conditions.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

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

Neuilly-sur-Seine and Paris La Défense, November 13, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit
	Department of KPMG S.A.
Yves Nicolas	Hervé Chopin
Partner	*Partner*

3.5 Supplemental information

3.5.1 FINANCIAL RATIOS

		Fiscal 2013 Excluding exceptional items (4)	Fiscal 2013 Reported data	Fiscal 2012 Excluding exceptional items (5)	Fiscal 2012 Reported data
Gearing ratio	Borrowings(1) - operating cash(2) / Shareholders' equity and non-controlling interests	**16.0%**	16.0%	**20.8%**	20.8%
Debt coverage (in years)	Borrowings(1) / Cash from operations(3)	**3.1 years**	3.4 years	**2.9 years**	2.8 years
Financial independence	Non-current borrowings / Shareholders' equity and non-controlling interests	**63.4%**	63.4%	**83.1%**	83.1%
Return on equity	Profit attributable to equity holders of the parent / Equity attributable to equity holders of the parent (before profit for the period)	**21.1%**	17.5%	**20.1%**	20.9%
Net debt ratio	Borrowings(1) – operating cash(2) / Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)	**0.4**	0.4	**0.5**	0.5
Return on capital employed (ROCE)	Operating income after tax / Total of tangible and intangible assets + goodwill + client investments + working capital, as of the end of the year	**17.8%**	15.2%	**16.6%**	17.1%
Interest cover	Operating profit / Net interest expense	**6.3**	5.4	**5.8**	6.0

(1) Borrowings = non-current borrowings + current borrowings excluding overdrafts – derivative financial instruments recognized as assets.
(2) Cash and financial assets related to the Benefits and Rewards Services activity – bank overdrafts
(3) Net cash provided by operating activities – changes in working capital.
(4) Fiscal 2013 financial ratios have been recomputed to exclude the effect of exceptional costs relating to the operational efficiency improvement and cost reduction program.
(5) Fiscal 2012 financial ratios have been recomputed to exclude the favorable accounting adjustment relating to pension plans in the United Kingdom.

3.5.2 TWO-YEAR FINANCIAL SUMMARY

	Fiscal 2013	Fiscal 2012
Total shareholders' equity	**2,990**	**3,069**
Equity attributable to equity holders of the parent	2,953	3,034
Equity attributable to non-controlling interests	37	35
Borrowings(1)		
Non-current borrowings	1,827	2,526
Current borrowings	692	158
Cash and equivalent, net of bank overdrafts	**1,307**	**1,436**
Restricted cash and financial assets (Benefits and Rewards Services)	**734**	**609**
Net borrowings(2)	**(478)**	**(639)**
Revenue	**18,397**	**18,236**
Operating profit	814	984
Profit for the period	462	550
Profit attributable to non-controlling interests	23	25
Profit attributable to equity holders of the parent	**439**	**525**
Average number of shares outstanding	**150,980,749**	**151,121,979**
Earnings per share (in euro)	2.91	3.48
Dividend per share *(in euro)*	1.59	1.46
Share price at August 31 *(in euro)*	66.77	62.87
Highest share price in the fiscal year (in euro)	74.91	64.85
Lowest share price in the fiscal year (in euro)	58.50	48.13

(1) Including financial instruments, excluding bank overdrafts.
(2) Cash and cash equivalents + restricted cash and financial assets of the Benefits and Rewards Services activity – borrowings.

3.5.3 EXCHANGE RATES

ISO CODE	Countries	Currency	Closing exchange rate at August 31, 2013 1 euro =	Average exchange rate Fiscal 2013 1 euro =
CFA	Africa	CFA (thousands)	0.655957	0.655957
DZD	Algeria	Dinar (thousands)	0.107474	0.103182
ARS	Argentina	Peso	7.509900	6.594401
AUD	Australia	Dollar	1.482000	1.302051
BRL	Brazil	Real	3.112200	2.717777
BGN	Bulgaria	Lev	1.955800	1.955800
CAD	Canada	Dollar	1.393600	1.324199
CLP	Chile	Peso (thousands)	0.684750	0.630206
CNY	China	Yuan	8.097900	8.111117
COP	Colombia	Peso (thousands)	2.573410	2.400488

ISO CODE	Countries	Currency	Closing exchange rate at August 31, 2013	Average exchange rate Fiscal 2013
			1 euro =	1 euro =
CRC	Costa Rica	Colon (thousands)	0.666910	0.652944
CZK	Czech Republic	Crown (thousands)	0.025735	0.025514
DKK	Denmark	Crown	7.459400	7.457437
GNF	Guinea	Guinea Franc (thousands)	9.108750	9.040940
HKD	Hong Kong	Dollar	10.262700	10.141545
HUF	Hungary	Forint (thousands)	0.300780	0.292969
INR	India	Rupee (thousands)	0.087847	0.072675
IDR	Indonesia	Rupiah (thousands)	14.918520	12.799206
ILS	Israel	Shekel	4.771200	4.867620
JPY	Japan	Yen (thousands)	0.130010	0.117425
KZT	Kazakhstan	Tenge (thousands)	0.203620	0.197268
KRW	Korea	Won (thousands)	1.468900	1.443941
KWD	Kuwait	Dinar	0.379200	0.369971
LBP	Lebanon	Pound (thousands)	2.015530	1.971919
MGA	Madagascar	Ariary (thousands)	2.891630	2.888792
MYR	Malaysia	Ringgit	4.355400	4.057376
MAD	Morocco	Dirham	11.149500	11.124372
MXN	Mexico	Peso	17.615800	16.759611
NZD	New Zealand	Dollar	1.704100	1.597510
NOK	Norway	Crown	8.090500	7.542146
OMR	Oman	Rial	0.513700	0.503021
PEN	Peru	Sol	3.755800	3.448404
PHP	Philippines	Peso	58.996000	54.487525
PLN	Poland	Zloty	4.263300	4.179708
QAR	Qatar	Rial	4.863400	4.762054
RON	Romania	Leu	4.432000	4.434595
RUB	Russia	Ruble (thousands)	0.044005	0.041053
SAR	Saudi Arabia	Rial	4.975100	4.897477
SGD	Singapore	Dollar	1.686700	1.623000
ZAR	South Africa	Rand	13.667000	11.903579
SEK	Sweden	Crown	8.750300	8.572059
CHF	Switzerland	Swiss Franc	1.231000	1.220754
TZS	Tanzania	Shilling (thousands)	2.153760	2.066449
THB	Thailand	Baht	42.557000	39.780985
TND	Tunisia	Dinar	2.174400	2.076253
TRY	Turkey	New Lira	2.686800	2.393145
AED	United Arab Emirates	Dirham	4.871900	4.795926
GBP	United Kingdom	Pound	0.853950	0.836735
USD	United States	Dollar	1.323500	1.307531
UYU	Uruguay	Peso	29.518500	26.080821
VEF	Venezuela	Bolivar (thousands)	0.013500	0.013500
VND	Vietnam	Vietnamese dong	27,906.360000	27,232.504123

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3.5.4 INVESTMENT POLICY

(in millions of euro)	Fiscal 2013	Fiscal 2012
Acquisitions of property, plant equipment and intangible assets, plus client investments	251	277
Acquisitions of equity interests	98	583

Investments in progress as of August 31, 2013

- post-balance sheet acquisitions of equity interests: as of the date of this document, Sodexo has completed no significant acquisition of equity interests since the closing date;
- other firm commitments of acquisition of equity interests: as of the date of this document, Sodexo does not have any significant firm commitment to acquire an equity interest.

Because of the nature of the Group's activities, investments represent less than 2% of revenues and mainly relate to investments on the Group's 33,300 sites, which are used to support operating activities and are financed by operating cash. None of these investments is individually significant.

Financial investments made in Fiscal 2013 as well as acquisition commitments identified as of that date are described in note 4.23 in the notes to the consolidated financial statements.

A detailed description of changes in investments is provided in notes 3.1, 4.5.1 and 4.5.2 in the notes to the consolidated financial statements.

Post-balance sheet acquisitions of equity interests are described in note 4.28 of the Notes to the Financial Consolidated Financial Statements.

3.5.5 RISK FACTORS

3.5.5.1 RISKS RELATED TO THE GROUP'S ACTIVITIES

Commercial Risks related to On-site Services

On-site Services contracts fall into two main categories: profit and loss and fee-based. The two categories are differentiated by the level of commercial risk assumed by the service provider.

In a profit and loss contract, the service provider is paid for the service provided and bears the risks related to the costs of providing the service. Profit and loss contracts usually include periodic indexation clauses which allow for price increases (such as labor or food costs) to be passed on to clients, taking into account changes in economic conditions. The absence of such contractual clauses could have significant effect on the profitability of the related contract.

In a fee-based contract, the client bears all of the costs incurred in providing the service, either directly or by reimbursing the service provider, and regardless of the patronage on site. The service provider is paid a fixed or variable management fee. Sodexo's purchasing expertise ensures a stable supply of quality products at competitive prices pursuant to agreements negotiated with suppliers. In certain specific cases, Sodexo is required to remit to clients negotiated amounts received from suppliers.

In practice, Sodexo's contracts often combine features of both of these contract types.

Client retention risk

Sodexo's business depends on retaining and renewing contracts with existing clients, and bidding successfully for new contracts. This generally depends on various factors including the quality, cost and suitability of its services, and its ability to deliver competitive services that are differentiated from those of the competitors. In fiscal 2013, the client retention rate for On-site Services was 92.5%.

Moreover, growth in the Benefits and Rewards Services business depends on Sodexo's ability to expand geographically and develop new services, and on a trusted brand and established affiliate networks.

Competition risk

At the international level, Sodexo has relatively few competitors.

However, in every country where it operates, Sodexo faces significant competition from international, national, and sometimes local operators. In addition, some existing or potential clients may opt to self-operate their on-site services rather than outsource them.

The international, national and sometimes local operators competing against Sodexo in On-site Services may be companies offering a single type of service (such as foodservices, cleaning or technical maintenance) or a range of services. They may come from the foodservices sector or other facilities management sectors or offer other specialized technical services or even be companies specializing in property management services which sub-contract the services to various third parties.

In the 34 countries where Sodexo offers Benefits and Rewards Services, it may be faced with competition from a single global competitor or from several regional or local companies.

Dependency risk

Although business depends on Sodexo's ability to renew existing contracts and win new ones on favorable economic terms, no single client represents more than 2% of total Group revenues.

In addition, no industrial supplier represents more than 3% of the total volume of the Group's purchases. However, the Group's ability to organize its supply systems, including purchasing and logistics, significantly affects its performance.

Sodexo's activities are not dependent on any patent or licensed brand name of which Sodexo is not the legal owner.

Food, services and workplace safety risk

Every day, Sodexo serves a vast number of meals worldwide, and it is committed to the safety of the food and services provided.

In addition, workplace accidents arise, as much in foodservices as in facilities management services and in client businesses.

In order to protect against shortcomings in this area, Sodexo has implemented control procedures designed to ensure strict compliance with applicable regulations, sector standards and client requirements. Global food and workplace safety policies are rolled out in all countries in which the Group operates and include appropriate training requirements for all employees.

However, if there were to be a significant incident at one or more of the Group's sites, there could be impacts on its activities, its profits and its reputation.

Risks related to food cost inflation and access to food commodities

Sodexo could be exposed to fluctuations in food prices and difficulties in the supply of certain products. The price of food and its availability in the marketplace may vary in different regions of the world.

Sodexo's contracts include certain clauses allowing for increases in prices or menu changes, but given the delays in implementing such measures, a temporary reduction in margins cannot be ruled out. Although most contracts include a minimum annual increase in the pricing of products and services provided by the Group, Sodexo could be affected during inflationary periods if the contracted increase rate is lower than the actual inflation rate.

Risks related to the facilities management business

Although facilities management services have long been a part of the business, Sodexo's strategy is to accelerate the development of these services, resulting in a larger contribution to revenue. These services require skilled personnel, particularly in the areas of building maintenance, electrical engineering, plumbing, heating systems and air conditioning. Consequently, the Group faces certain operational risks and has a need for qualified human resources. The Group's capacity to grow in this highly specialized environment depends on its knowledge of these markets and its ability to find, attract, recruit and train suitable employees.

Risks related to acquisitions

Sodexo has acquired and may in the future acquire businesses. These acquisitions will enhance earnings only if Sodexo can successfully integrate the acquired businesses into its management organization, purchasing operations, distribution network and information systems. The Group's ability to integrate acquired businesses may be adversely affected by factors that include failure to retain management and sales personnel, the size of the acquired business and the allocation of limited management resources among various integration efforts. In addition, the benefits of synergies expected at the time of selecting acquisition candidates may fall short of those originally anticipated. Difficulties in integrating acquired businesses, as well as liabilities or adverse operating issues relating to acquired businesses, could have a material adverse effect on our business, operating results and financial condition.

As explained in note 4.10 of the notes to the consolidated financial statements, the Group performs annual impairment tests on assets, including intangible assets and goodwill recognized on business combinations. If the carrying amount of these assets were to be less than their recoverable amount, an impairment loss would be recognized with an adverse effect on the Group's operating results and financial condition.

3.5.5.2 HUMAN RESOURCES MANAGEMENT RISKS

Service quality is largely dependent on the ability to attract, develop, motivate and retain the best talent, and to provide a sufficient level of training in order to raise standards continuously. For this reason, Sodexo has developed training policies at every level of the organization, with a particular focus on prevention and safety.

The diversity of backgrounds, cultures and skills among its people represents both a challenge and a major opportunity. Sodexo is committed to capitalizing on this diversity to gain a competitive edge and become a genuine worldwide player, so that its people – at every level – reflect the diversity of the Group's clients and consumers

Sodexo senior management is currently working on transforming the organizational structure of the On-Site services activity. This reorganization is intended to permit improved alignment with the needs of our clients and consumers, to accelerate growth and to enhance efficiency. The design and subsequent progressive implementation of such a reorganization will require an important investment of management time and attention. Any significant diversion of management resources could be disruptive and impact the Group's ongoing business and operating results. Accordingly, Sodexo's Group Executive Committee and Board of Directors have put in place governance to closely monitor and mitigate this risk.

As far as it is aware Sodexo is not exposed to any specific labor-related risk other than those arising in the ordinary course of business for a worldwide group of its size.

3.5.5.3 ENVIRONMENTAL RISKS

Sodexo is aware of the potential environmental impact of its activities, even though it operates on its clients' sites. Rather than underestimate its importance, the Group makes every effort to manage and limit environmental risk.

The environmental impact of its activities arises mainly from:

- consumption of water and energy in foodservices facilities, food preparation and cleaning;
- production of waste from food preparation and cleaning (packaging, organic matter, waste fats and oils, and waste water from cleaning);
- climate change leading to exceptional weather incidents having an impact on the cost of commodities.

As part of its role as a corporate citizen, Sodexo launched The Better Tomorrow Plan in 2009. This continuous improvement plan identifies 18 commitments pertaining of which eight focus on the environment..

3.5.5.4 RISKS ASSOCIATED WITH NEW TECHNOLOGIES

The Group is increasingly dependent on information technology infrastructure and applications in its activities. The main risks are related to the availability of information technology services, to data integrity and to data privacy. Any failure in infrastructure, application or data communication or breakdown in security, as well as any loss in data, whether accidental or intentional, as well as the use of data by third parties, could inhibit the Group's ability to serve its clients, delay decision-making, and in general have a negative effect on the Group's activities.

3.5.5.5 REGULATORY RISK

The nature of Sodexo's business and its worldwide presence mean that it is subject to a wide variety of laws and regulations including labor law, antitrust law, corporate law, and health, safety and environmental law.

Sodexo has the legal structures in place at the appropriate levels to ensure compliance with these laws and regulations.

Certain services in the Benefits and Rewards Services activity benefit from favorable tax treatment in certain countries. These tax incentives may be adjusted to varying degrees by the governments concerned. A change in the related laws or regulations could have a direct impact on Sodexo's business, either by creating opportunities or by posing a threat to existing services. As such, if tax incentives were to be reduced or abolished, this could lead to a significant reduction in issue volume for some of the services concerned. However, Sodexo offers more than 250 different services in 34 countries and therefore considers that this risk is largely dispersed.

3.5.5.6 LIQUIDITY, INTEREST RATE, FOREIGN EXCHANGE AND COUNTER-PARTY RISK

Sodexo has access to a wide variety of bank funding sources in addition to raising funds directly from investors on the commercial paper and bond markets. Because it has operations in 80 countries, all components of the financial statements are inevitably influenced by foreign currency translation effects, and in particular by fluctuations in the U.S. dollar, the British pound Sterling, the Swedish crown, the Brazilian real, and the Venezuelan Bolivar Fuerte. However, exchange rate fluctuations do not generate operational risk, because each subsidiary bills its revenues and incurs its expenses in the same currency.

Sodexo uses derivative instruments to manage its exposure to interest rate and foreign exchange risk.

Additional information about these risks is provided in notes 5.1, 5.2 and 5.3 to the consolidated financial statements.

3.5.5.7 ECONOMIC DOWNTURN RISK

Adverse economic conditions could affect the Group's operations and earnings. The weight of national debt and continued unemployment could lead to significant pressures on economic activity both in the public and private sectors, leading to a decline in demand for the services Sodexo offers its clients – in particular in the Corporate segment – and thus have a negative impact on operations.

Nonetheless, Sodexo's clients are predominantly (around two-thirds of annual revenues) in less cyclical sectors such as Education, Healthcare, Justice and Defense.

The Remote sites activity is dependent on the petroleum and mining industries. Lastly, unfavorable economic conditions could result in a lengthening of payment times or impair the solvency of Sodexo's clients. Conversely, the economic situation could lead clients to increase outsourcing in order to achieve cost savings.

3.5.5.8 LITIGATION RISK

Refer to note 4.27 of the notes to the consolidated financial statements for information on these risks.

3.5.6 RISK COVERAGE

3.5.6.1 INSURANCE COVER

Sodexo's general policy is to transfer non-retained risks, especially intensity risks[1], to the insurance market. Insurance programs are contracted with reputable insurers.

The main insurance programs concern:

- liability insurance, which covers against personal injury, property damage or consequential loss caused to third parties. This category notably includes operational, product, after-delivery and professional liability insurance. The amounts insured depend on the nature of Sodexo's activities, the country where it operates, and the extent of cover available in the insurance market;
- property insurance, which mainly covers the risk of fire and explosion, water damage, natural disasters, and (in some countries) acts of terrorism. As a general rule, the sum insured is equal to the value of the insured property; however, some insurance contracts cap the amount paid out under the policy;
- workers' compensation. In countries with no government-provided coverage (primarily the United States, Canada and Australia), Sodexo has contracted workers' compensation programs.

The cover provided under these programs complies with the relevant legal requirements in each country.

3.5.6.2 DEDUCTIBLES

Retained or self-insured risks correspond to the deductibles specified in the insurance programs contracted by Sodexo. They consist for the most part of frequency risks (i.e. risks that recur regularly) but from time to time may also include intensity risks (i.e. risks representing substantial amounts). In some countries, these retained risks correspond to deductibles under employer's liability, workers compensation, third-party automobile and property insurance.

In North America, deductibles range from 5,000 U.S. dollars to 5,000,000 U.S. dollars per occurrence and some of the corresponding self-insured risks have been managed by a captive insurance company since June 1, 2006. Outside North America, deductibles generally range from 7,500 euro to 2,000,000 euro per occurrence.

3.5.6.3 PLACING OF RISK AND TOTAL COST

On the occasion of its most recent policy renewals, Sodexo maintained the scope and level of its coverage, as regards in particular, genered liability insurance and professional liability insurance, especially for risks associated with facilities management activities.

The total cost of the main insurance programs and self-insured risks (excluding workers' compensation) of fully-consolidated Group companies is approximately 45 million euro, representing less than 0.25% of consolidated revenue.

(1) See glossary for definition

1 Group Presentation
2 Economic, social and environmental responsibility
3 Consolidated information
4 Information on the issuer
5 Legal Information
6 Shareholders - Financial Communication
7 Corporate Governance
8 Combined Annual Shareholders' Meeting, January 21, 2014
9 Other information

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NOME DO FUNCIONÁRIO

4

INFORMATION ON THE ISSUER

4.1 Sodexo SA Individual Company Financial Statements

4.1.1 INCOME STATEMENT

(in thousands of euro)	Note	Fiscal 2013	Fiscal 2012
Revenues	3	77,175	63,337
Other income		234,967	230,602
Purchases		(689)	(719)
Employee costs		(45,318)	(28,794)
Other external charges		(118,382)	(102,390)
Taxes other than income taxes		(13,225)	(9,438)
Depreciation, amortization and increase in provisions		(2,099)	(2,531)
Operating profit		132,429	150,067
Financial income/(expense), net	4	230,726	200,094
Exceptional income/(expense), net	5	(23,578)	(31,895)
Employee profit sharing		(6)	(131)
Income taxes	6	2,071	22,364
Net income		341,642	340,499

4.1.2 BALANCE SHEET

ASSETS

(in thousands of euro)	Note	August 31, 2013	August 31, 2012
FIXED AND INTANGIBLE ASSETS, NET			
Intangible assets	7	14,106	12,208
Property, plant and equipment	7	2,557	3,527
Financial investments	7	5,759,958	5,870,221
Total fixed and intangible assets	**7**	**5,776,621**	**5,885,956**
CURRENT AND OTHER ASSETS			
Accounts receivable	9	65,252	66,309
Prepaid expenses, other receivables and other assets	9	260,895	258,669
Marketable securities	11	309,138	342,599
Cash		106,497	48,133
Total current and other assets		**741,782**	**715,710**
TOTAL ASSETS		**6,518,403**	**6,601,666**

LIABILITIES AND EQUITY

(in thousands of euro)	Note	August 31, 2013	August 31, 2012
SHAREHOLDERS' EQUITY			
Common stock		628,528	628,528
Additional paid in capital		1,108,954	1,108,954
Reserves and retained earnings		1,357,144	1,255,569
Restricted provisions		15,550	12,931
Total shareholders' equity	**13**	**3,110,176**	**3,005,982**
Provisions for contingencies and losses	10	152,621	117,928
LIABILITIES			
Borrowings	14	2,760,909	2,580,826
Accounts payable		20,895	20,677
Other liabilities		473,802	876,253
Total liabilities and provisions		**3,408,227**	**3,595,684**
TOTAL LIABILITIES AND EQUITY		**6,518,403**	**6,601,666**

4.2 Notes to the Individual Company Financial Statements

DETAILED LIST OF NOTES

DETAILED LIST OF NOTES

1. SIGNIFICANT EVENTS

1.1 CAPITAL TRANSACTIONS

During Fiscal 2013, Sodexo SA repurchased 742,273 treasury shares for 46.9 million euro, to be used primarily for stock options granted in prior fiscal years as well as to free shares granted in April 2013.

1.2 ACQUISITION OF SUBSIDIARIES AND EQUITY INVESTMENTS

On November 29, 2012, Sodexo SA acquired an additional interest in Sodexo BV & Co KG thus increasing its shareholding to 100%.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The individual company financial statements have been prepared in accordance with the *plan comptable général* of 1999 and regulation no. 99-03 issued by the *Comité de la Réglementation Comptable* (CRC).

The accounting policies applied in preparing the individual company financial statements in Fiscal 2013 are the same as those applied in Fiscal 2012. The financial statements have been prepared using the historical cost convention.

Amounts in tables are in thousands of euro.

Exceptional items comprise items that do not relate to ordinary activities, and certain items that do relate to ordinary activities but are of an exceptional nature.

The balance sheet and income statement of Sodexo SA include amounts for branches in France and in French overseas departments and regions.

2.1 FIXED ASSETS

Fixed assets are valued at acquisition cost or historical cost. Acquisition cost comprises the amount paid plus all incidental costs directly related to the acquisition or to the installation of the asset, and incurred to enable the asset to function as intended.

Depreciation is calculated over the useful life of the asset using the straight-line method, which is considered to best reflect the underlying economic reality.

2.1.1 Intangible assets

Software is amortized over four to five years, depending on its useful life.

The difference between the accounting and tax amortization of intangible assets is recognized as exceptional amortization.

2.1.2 Property, plant and equipment

The principal straight-line depreciation rates used are:

Buildings	5%
General fixtures and fittings	10%-20%
Plant and machinery	10%-25%
Vehicles	25%
Office and computer equipment	20%-25%
Other property, plant and equipment	10%

2.1.3 Financial investments

Shares in companies and other financial investments are carried at cost. At each balance sheet date, a provision for impairment is recorded if the value in use is less than the carrying amount.

The value in use of investments is determined on the basis of net asset value, profitability and the future prospects of the investee.

When the carrying amount of an investment is higher than the net book value of the share of net assets of the subsidiary, the valuation is also supported by comparing the carrying amount of the investment to its value in use based on discounted future cash flows, using the following parameters:

- after-tax cash flows derived from business plans prepared generally for a two- or three-year period and then extrapolated using a growth rate specific to the business activity and geographic region;
- the cash flows are discounted using a rate based on the average cost of capital.

Based on the estimated value in use, an investment may be maintained at a carrying amount in excess of the share of book net assets held.

Costs incurred to acquire shares in companies recognized at cost are recognized for tax purposes as exceptional amortization over a five-year period.

Long-term receivables are carried at face value. A provision for impairment is recorded where the recoverable amount is less than the carrying amount.

2.2 ACCOUNTS RECEIVABLE

Accounts receivable are carried at face value. An allowance for doubtful accounts is recorded where the recoverable amount is less than the carrying amount.

2.3 MARKETABLE SECURITIES (EXCLUDING TREASURY SHARES)

Marketable securities are carried at acquisition cost, with any unrealized losses covered by a provision for impairment.

2.4 TREASURY SHARES – FREE SHARE AND STOCK OPTION PLANS

A provision is recorded when it is probable that stock option or free share plans will give rise to an outflow of resources. The amount of the provision is based on the cost of the treasury shares acquired (or to be acquired) for allocation to each plan. For stock option plans, the provision is net of the option exercise price.

Depending on the plan terms, the provision is recognized over the period in which the services are rendered by the beneficiaries, as applicable.

When treasury shares are neither allocated to a plan nor held for the purpose of being cancelled, they are valued at the lower of the average purchase price and the average market price for the preceding month.

Treasury shares acquired for cancellation purposes are recognized in other financial assets and are not depreciated.

2.5 FOREIGN CURRENCY TRANSACTIONS

Foreign-currency revenues and expenses are translated using the exchange rate as of the transaction date. Foreign-currency liabilities, receivables and cash are translated in the balance sheet at the rate prevailing as of the balance sheet date, unless they are hedged. Any difference arising from the retranslation of foreign-currency liabilities and receivables at the closing exchange rate is recorded in the balance sheet. Unrealized foreign exchange losses are recognized to the extent the underlying balance is not hedged.

2.6 DEBT ISSUANCE COSTS

Debt issuance costs are recognized as a deferred charge asset in the balance sheet and amortized straight line over the term of the debt.

2.7 RETIREMENT BENEFITS

Retirement benefit obligations due to active employees by law or under collective agreements are included in off balance sheet commitments. Commitments under complementary retirement plans are estimated using the projected unit credit method based on final salary and are also included in off balance sheet commitments, net of any plan assets.

2.8 FRENCH TAX CONSOLIDATION

Sodexo SA is the lead company in the French tax consolidation, and has sole liability for income taxes for the whole of this tax group. Each company included in the group tax election recognizes the income tax for which it would have been liable had there been no group tax election. Any income tax gains or losses arising from the group tax election are recognized in the Sodexo SA financial statements.

In connection with position statement no. 2005-G issued on October 12, 2005 by the Urgent Issues Committee of the *Conseil National de la Comptabilité* on the conditions under which a provision may be recognized by a parent company covered by a group tax election, Sodexo SA has elected the following accounting treatment: a provision for taxes is recognized in the financial statements of Sodexo SA to cover tax losses of subsidiaries which are used to offset income in the group tax election and which will probably be reclaimed by the subsidiary. All tax losses incurred by operating subsidiaries are regarded as probable of being reclaimed by the subsidiary, given that the subsidiary will be able to offset such losses against income once it returns to profitability.

3. ANALYSIS OF NET REVENUES

(in thousands of euro)	Fiscal 2013	Fiscal 2012
Revenues by business activity		
On-site Services	3,703	5,972
Holding company services	73,472	57,365
TOTAL	**77,175**	**63,337**
Revenues by geographic region		
France	73,343	57,170
French overseas departments and territories	3,832	6,167
TOTAL	**77,175**	**63,337**

4. FINANCIAL INCOME AND EXPENSE, NET

(in thousands of euro)	Fiscal 2013	Fiscal 2012
Dividends received from subsidiaries and equity investments	372,031	341,378
Interest income	31,588	41,279
Interest expense	(152,010)	(164,737)
Group debt waivers		(4,357)
Net foreign exchange gain/(loss)	1,742	16,493
Net change in provisions for financial items	(22,625)	(29,962)
TOTAL	**230,726**	**200,094**

5. EXCEPTIONAL ITEMS, NET

(in thousands of euro)	Fiscal 2013	Fiscal 2012
Net change in provision for negative net assets of subsidiaries and equity investments	(885)	(949)
Net expense on treasury shares and commitments under stock option plans	(9,052)	(13,892)
Net change in restricted provisions	(2,619)	(2,897)
Net change in provisions for tax losses reclaimable by subsidiaries included in group tax election	(9,231)	(9,340)
Debt forgiveness/subsidies given	(593)	(5,458)
Net (profit)/loss on asset disposals	(1,910)	308
Other increases and releases in provisions, and impairment losses	(3)	30
Other items	715	303
TOTAL	**(23,578)**	**(31,895)**

The net loss of 9 million euro on treasury shares and purchase commitments for stock option plans comprises:

- a net increase of 2 million in the provision for free share grants;
- a loss on the sale of treasury shares in connection with the exercise of stock options for 12 million euro;
- a release of 5 million euro of the provision on the stock option plans.

6. ANALYSIS OF INCOME TAX EXPENSE

(in thousands of euro)	Pre-tax income	Income taxes	After-tax income
Operating income	132,429	(45,453)	86,976
Financial income and expense, net	230,726	26,886	257,612
Exceptional items, net	(23,578)	20,638[1]	(2,940)
Employee profit-sharing	(6)		(6)
TOTAL	**339,571**	**2,071**	**341,642**

(1) This amount includes the 8,885 thousand euro tax gain arising from the French group tax election.

7. FIXED AND INTANGIBLE ASSETS

(in thousands of euro)	Gross value at August 31, 2012	Additions in the period	Decreases in the period	Gross value at August 31, 2013	Net value at August 31, 2013
Intangible assets	16,320	2,646	1	18,965	14,106
Property, plant and equipment	9,609	57	3	9,663	2,557
Financial investments					
• Equity investments	5,499,465	29,604	14,391	5,514,678	5,347,646
• Receivables related to equity investments	507,207	1,400	102,830	405,777	404,312
• Other financial assets	8,390	26	412	8,004	8,001
Total financial investments	**6,015,062**	**31,030**	**117,633**	**5,928,459**	**5,759,958**
TOTAL	**6,040,991**	**33,733**	**117,637**	**5,957,087**	**5,776,621**

During Fiscal 2013, the Company transferred all of the assets and liabilities of the company Gardner Merchant Groupe to Sodexo SA, resulting in the recognition of a 2.3 million euro loss that was allocated in full to equity investments.

EQUITY INVESTMENTS

Companies created and acquired

Sodexo SA created and acquired a number of new foreign subsidiaries in connection with the Group's international expansion during the fiscal year.

8. DEPRECIATION AND AMORTIZATION

(in thousands of euro)	Accumulated depreciation and amortization August 31, 2012	Increases during the period	Decreases during the period	Accumulated depreciation and amortization August 31, 2013
Intangible assets	4,112	747		4,859
Property, plant and equipment	6,082	1,026	2	7,106
TOTAL	**10,194**	**1,773**	**2**	**11,965**

9. AMOUNTS AND MATURITIES OF RECEIVABLES AND OTHER ASSETS

(in thousands of euro)	Gross value	Less than 1 year	More than 1 year	Amortization and impairment	Carrying amount
Equity investments	5,514,678		5,514,678	(167,032)	5,347,646
Receivables related to equity investments	405,777	251,706	154,071	(1,466)	404,311
Other financial investments	8,004	2,837	5,167	(3)	8,001
Total financial investments	**5,928,459**	**254,543**	**5,673,916**	**(168,501)**	**5,759,958**
Accounts receivable	65,423	65,423		(171)	65,252
Prepaid expenses, other receivables and other assets	261,906	237,233	24,673	(1,011)	260,895
Total accounts and other receivables	**327,329**	**302,656**	**24,673**	**(1,182)**	**326,147**
TOTAL	**6,255,788**	**557,199**	**5,698,589**	**(169,683)**	**6,086,105**

There is no commercial paper included in trade receivables.

10. PROVISIONS AND IMPAIRMENT

(in thousands of euro)	August 31, 2012	Increases and charges in the period	Decreases, releases and reclassifications in the period	August 31, 2013
Provisions for contingencies and losses	117,928	62,064	27,371	152,621
Impairment				
• financial investments	144,841	25,745	2,085	168,501
• current assets	1,876	12	706	1,182
Total impairment	**146,717**	**25,757**	**2,791**	**169,683**
TOTAL	**264,645**	**87,821**	**30,162**	**322,304**
Increases and decreases:				
• operating items		1,994	847	
• financial items		46,127	21,328	
• exceptional items		39,700	7,986	

As of August 31, 2013, the main provisions for contingencies and losses were for the following:

- losses reclaimable by subsidiaries included in the group tax election for 61 million euro;
- stock option and free share grants for 59 million euro;
- foreign exchange losses for 20 million euro;
- subsidiaries with net liabilities for 11 million euro.

11. MARKETABLE SECURITIES

(in thousands of euro)	Gross value August 31, 2013	Net value August 31, 2013	Net value August 31, 2012
Treasury shares	309,138	309,138	342,599
TOTAL	**309,138**	**309,138**	**342,599**

12. TREASURY SHARES

MOVEMENTS IN TREASURY SHARES DURING THE FISCAL YEAR

(in thousands of euro)	Marketable securities	Other financial assets
Number of shares held		
September 1, 2012	6,496,425	
Acquisitions	742,273	
Disposals	1,618,245 [1]	
August 31, 2013	5,620,453	
Gross value of shares held		
September 1, 2012	342,599	
Acquisitions	46,857	
Disposals	80,318 [1]	
August 31, 2013	309,138	

(1) Disposals of marketable securities resulted from the exercise of stock options granted to employees in prior years.

13. SHAREHOLDERS' EQUITY

13.1 ISSUED CAPITAL

As of August 31, 2013, common stock totaled 628,528,100 euro and comprised 157,132,025 shares, including 57,086,716 with double voting rights.

Effective for Fiscal 2013 held in registered form for more than four years and still held when the dividend becomes payable, will qualify for a 10% dividend premium, provided that they do not represent over 0.5% of the capital per shareholder.

13.2 CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of euro)	
Shareholders' equity at end of previous fiscal year	3,005,982
Dividends approved by Annual Shareholders' Meeting and paid	(249,840)
Dividends on treasury shares	9,773
Net income for the fiscal year	341,642
Restricted provisions	2,619
SHAREHOLDERS' EQUITY AT END OF FISCAL YEAR	**3,110,176**

Sodexo is in compliance with article L.225-210 of the French Commercial Code because in addition to the legal reserve, it has other reserves at least equal to the value of treasury shares held.

14. AMOUNT AND MATURITY OF LIABILITIES

Other liabilities *(in thousands of euro)*	Gross amount	Less than one year	One to five years	More than five years
Bond issues	1,421,801	541,801	880,000	
Bank overdrafts				
Borrowings from related companies	304,283	304,283		
Other borrowings	1,034,825	366,395	351,091	317,339
Sub-total: borrowings	**2,760,909**	**1,212,479**	**1,231,091**	**317,339**
Accounts payable(1)	20,895	20,895		
Other liabilities	473,802	467,578	6,224	
TOTAL	**3,255,606**	**1,700,951**	**1,237,315**	**317,339**

(1) Only accounts payable and accrued expenses are included in this line.

There is no commercial paper included in payables.

Accounts payable by amount and due date *(in thousands of euro)*	Total	< 30 days	31-44 days	45-75 days	76-90 days	> 90 days
Non-Group accounts payable(2)	9,393	1,436	3	10		7,944
Group accounts payable	8,064	8,064				
TOTAL	**17,457**	**9,500**	**3**	**10**		**7,944**

(2) Amounts in this line item represent non-Group accounts payable including those related to fixed and intangible assets.

15. BOND ISSUES AND OTHER BORROWINGS

15.1 BOND ISSUES

15.1.1 Bond issue for 500 million euro

On March 30, 2007, Sodexo SA issued bonds for 500 million euro redeemable at par on March 28, 2014 and carrying annual interest of 4.50%. Interest is payable annually on March 28.

15.1.2 Bond issue for 880 million euro

On January 30, 2009, Sodexo SA issued bonds for 650 million euro maturing on January 30, 2015 and carrying annual interest of 6.25%. On June 24, 2009, additional bonds for 230 million euro were issued bringing the face value to 880 million euro. Including the additional bonds, the average effective interest rate is 5.97%.

Neither of these two bond issues is subject to financial covenants.

15.2 OTHER BORROWINGS

15.2.1 Multicurrency confirmed facility, July 2011

On July 18, 2011, Sodexo SA contracted a multicurrency credit facility for a maximum of 600 million euro plus 800 million U.S. dollars. This facility originally matured on July 18, 2016, but was extendable to July 2017 and July 2018 at Sodexo SA's discretion subject to lenders' consent. In July 2013, all of the lenders agreed to extend the maturity to July 18, 2018. Amounts drawn on this facility carry floating interest indexed to the LIBOR and EURIBOR rates. This credit facility is not subject to financial covenants.

As of August 31, 2013, the amount of 250 million euro was used on the euro tranche (235 million euro as of August 31, 2012).

15.2.2 500 and 600 million U.S. dollar bond issues

On September 29, 2008 Sodexo SA issued 500 million U.S. dollars in fixed interest bonds with U.S. investors, in three tranches:

- 140 million U.S. dollars – fixed interest at 5.69% and repayable in September 2013;
- 290 million U.S. dollars – fixed interest at 5.99% and repayable in September 2015;
- 70 million U.S. dollars – fixed interest at 6.43% and repayable in September 2018.

On March 29, 2011, Sodexo SA issued fixed interest bonds for 600 million U.S. dollars in a private placement with U.S. investors.

This new borrowing is structured in three tranches:

- 250 million U.S. dollars – fixed interest at 4.24% and repayable in March 2018;
- 225 million U.S. dollars – fixed interest at 4.85% and repayable in March 2021;
- 125 million U.S. dollars – fixed interest at 4.95% and repayable in March 2023.

These two bond issues carry two financial covenants calculated with reference to the Group's consolidated financial statements:

- net debt (excluding restricted cash) no higher than 3.5 times EBITDA (operating profit plus amortization and depreciation) for the past 12 months;
- net assets adjusted for cumulative currency translation effects since August 31, 2007 not lower than 1.3 billion euro.

The Group was in compliance with these covenants as of August 31, 2013 and 2012.

15.2.3 Borrowings contracted in Brazilian real

In order to finance the acquisition of the VR group in Brazil in 2008, Sodexo SA had contracted two fixed interest loans in Brazilian real (BRL) for a total of 318 million BRL repayable over five years, with the final installment due in April 2013. After the repayment during the period of 106 million BRL (39 million euro), the loan was fully repaid as of August 31, 2013.

The bond issues and borrowings from financial institutions described above include customary clauses for early reimbursement that, as of the close of the fiscal year, do not present any significant risk of being exercised. They include cross-default and change in control clauses which apply to all borrowings.

16. ACCRUED EXPENSES

(in thousands of euro)	
Borrowings	80,793
Accounts payable	10,945
Tax and employee-related liabilities	17,740
TOTAL	**109,478**

17. FINANCE LEASES

All finance leases had expired as of August 31, 2011.

18. RELATED PARTY INFORMATION

(in thousands of euro)	Related parties	Associated companies	Other	Total
Assets – Gross values				
Equity investments	5,513,461	1,217		5,514,678
Receivables related to equity investments	405,778			405,778
Other investment securities			3	3
Advances to suppliers				
Accounts receivable	61,350			61,350
Other operating receivables	17			17
Due from related companies	15,076			15,076
Non-operating receivables				
TOTAL	**5,995,682**	**1,217**	**3**	**5,996,902**
Liabilities				
Advances from clients				
Accounts payable	10,253			10,253
Other operating liabilities				
Due to related companies	284,616			284,616
TOTAL	**294,869**			**294,869**
Income statement				
Financial income	405,451	114		405,565
Financial expenses	32,920			32,920

Related parties: fully consolidated companies.

Associated companies: companies accounted for under the equity method, and non-consolidated companies with an equity interest of more than 10%.

There has been no related party transaction that is both material and falls outside the framework of normal business dealings.

19. FINANCIAL COMMITMENTS

19.1 COMMITMENTS MADE BY SODEXO SA

(in thousands of euro)	August 31, 2013	August 31, 2012
Performance bonds given to Sodexo Group clients	896,377	792,768
Financial guarantees to third parties	622,788	611,451
Retirement benefit commitments	4,505	4,198
Other commitments	154,472	42,691
TOTAL	**1,678,172**	**1,451,108**

Virtually all financial guarantees to third parties relate to loans to Sodexo SA subsidiaries.

New 12-year leases signed on October 19, 2006 in connection with the move to the Group's new headquarters in Issy-les-Moulineaux in 2008 increased commitments for office leases by 34.5 million euro.

Other commitments notably include the guarantee issued by Sodexo SA in October 2012 to cover Sodexo UK's retirement plan obligation in the United Kingdom. This guarantee was issued to the plan trustee for a maximum 100 million pounds sterling with a 12-year term.

19.2 COMMITMENTS RECEIVED BY SODEXO SA

(in thousands of euro)	August 31, 2013	August 31, 2012
Commitments received	2,411,462	3,686,954

19.3 FINANCIAL INSTRUMENT COMMITMENTS

Sodexo SA did not enter into any new financial instrument commitments during the fiscal year. The only ongoing commitments as of the end of the year were as follows:

Description	Inception date	Expiration date	Nominal amount	Market value of swaps August 31, 2013
3 Swaps hedging the currency and interest rate risk on loans to Sodexo do Brasil	September 2011	February 2014, 2015 and 2016	710 million BRL	69 million EUR
Forward currency purchase	April 2011	April 2021	703 million USD	10 million EUR
Forward currency purchase	March 2012	April 2021	100 million USD	(5) million EUR

Sodexo may use derivative financial instruments in order to cover its exposure to volatility in interest and currency exchange rates.

20. PRINCIPAL FUTURE ADJUSTMENTS TO THE TAX BASIS

Increases *(in thousands of euro)*	
Exceptional amortization	15,550

Decreases *(in thousands of euro)*	
Employee profit-sharing	210
Other non-deductible provisions, including provisions for French social solidarity contribution tax "Organic"	129

The future tax liability related to this unrealized tax difference was 5 million euro, calculated at a rate of 36.10%.

21. RETIREMENT BENEFIT COMMITMENTS

21.1 RETIREMENT BENEFITS PAYABLE BY LAW OR UNDER COLLECTIVE AGREEMENTS

Sodexo SA is required to pay benefits to retiring employees on the terms stipulated in a company-wide collective agreement. The amount of the commitment has been calculated on the basis of rights vested at the balance sheet date, taking into account assumptions about final salary, discount rates and employee turnover.

This commitment, which is not recognized as a liability in the balance sheet, is estimated at 0.6 million euro.

21.2 COMMITMENTS RELATED TO THE COMPLEMENTARY RETIREMENT PLAN

Commitments related to the complementary retirement plan of 3.9 million euro were estimated using the projected unit credit method based on final salary and net of funding for the plan are not recognized in the financial statements.

22. INDIVIDUAL TRAINING RIGHTS

Sodexo SA is required to provide a certain number of training hours to its employees in France *(droit individuel à la formation).*

As of August 31, 2013 the number of hours available was approximately 15,819.

23. DIRECTORS' FEES

Directors' fees paid to Board members during the fiscal year totaled 1 million euro.

24. GROUP TAX ELECTION

24.1 GAIN ARISING FROM GROUP TAX ELECTION

Sodexo recognized a gain of 9 million euro from the group tax election for Fiscal 2013. This gain represents the difference between the income tax liability of Sodexo SA as lead company in the tax group and the aggregate of the income tax charges recognized by the French subsidiaries included in the group tax election.

24.2 TAX LOSSES RECLAIMABLE AS OF AUGUST 31, 2013

The amount of potentially reclaimable tax losses as of August 31, 2013 was 177 million euro, resulting in a provision of 61 million euro (using a rate of 34.43%).

25. AVERAGE NUMBER OF EMPLOYEES

	Fiscal 2013	Fiscal 2012
Managers	217	205
Supervisors	25	29
Other	40	41
Apprentices	3	4
TOTAL	**285**	**279**

The average number of employees is an average of the number of employees who were present at the end of each quarter, and includes employees working at Sodexo SA branches in France and the French overseas departments and regions.

26. CONSOLIDATION

Sodexo SA is consolidated in the financial statements of Bellon SA, which has its registered office at 2, place d'Arvieux, Marseilles, France.

27. POST-BALANCE SHEET EVENTS

There have been no material post-balance sheet events.

28. LIST OF SUBSIDIARIES AND OTHER EQUITY INVESTMENTS

(in thousands of euro)	Capital	Other shareholders' equity	Percentage interest in capital	Book value of investment gross	Book value of investment net	Loans and advances granted, net	Guarantees given	Revenues for most recent fiscal year	Income for most recent fiscal year	Dividends received during the fiscal year
Detailed information										
French subsidiaries										
Score Groupe	10,069	68,760	100.00%	148,455	148,455				322	
Sodexo Pass International	157,780	300,122	93.46%	147,458	147,458				117,796	51,426
Holding Sogeres	6,098	35,967	100.00%	104,702	104,702				2,880	
Sofinsod	14,164	68,961	100.00%	72,460	72,460				18,738	20,086
Sodexo GC	3,552	(5,867)	100.00%	58,218	22,688				(5,972)	
Lenôtre	2,606	(7,479)	99.98%	42,796	42,796			99,009	(6,326)	
Sodexo Amecaa	31,712	23,908	100.00%	31,400	31,400		3,778		197	
Sodexo Entreprises	17,030	16,924	97.41%	21,107	21,107			570,963	9,384	3,370
SoTech Services	2,025	(563)	100.00%	12,500	12,500				(892)	
SFRS	1,899	(5,060)	90.92%	9,799	9,799		2,140	241,382	473	
Sodexo Afrique	80	(1,253)	99.80%	8,750			16	71	155	
Ouest Catering	516	(177)	100.00%	7,900	7,900				(305)	3,757
ONE SAS	7,225	(18,770)	100.00%	7,225	7,225				(5,731)	
French equity investments										
Sogeres	1,987	10,471	37.04%	72,567	72,567			474,743	8,099	1,698
Foreign subsidiaries										
Sodexo, Inc.	3	1,425,587	100.00%	2,989,020	2,989,020		169,281	6,170,552	158,115	185,528
Sodexo Holdings Ltd	366,298	281,723	100.00%	751,028	751,028		2,928		63,883	52,552
Sodexo BV & Co. KG	192,722	16,937	100.00%	195,456	195,456			41	(3,839)	
Sodexo do Brasil Comercial Ltda	62,703	36,328	99.94%	159,393	159,393	228,138	13,358	781,368	(31,198)	
Sodexo Food Solutions India Private Limited	2,277	73,581	98.00%	97,678	97,678		2,277	88,808	(97)	
Sodexo Scandinavian Holding AB	60,569	14,259	100.00%	86,089	86,089		49,713		1,483	
Sodexo Rose Holding Company Inc.	35,965	600	100.00%	80,753	47,877				448	
Compagnie Financière Aurore International	58,010	182,374	100.00%	68,918	68,918				8,030	
Sodexo Awards	13	4,568	100.00%	45,684	4,434					
Sodexo Australia	32,230	(16,478)	100.00%	36,378	36,378		8,367	66,947	1,796	
Sodexo Belgium	4,300	8,950	73.74%	26,887	26,887		2,861	293,345	6,008	4,590
Sodexo España	3,467	14,213	98.86%	26,805	26,805			189,937	34,374	3,314
Sodexo Venues Australia	20,720	(14,908)	100.00%	21,729	5,812					
Sodexo Chile	13,445	22,043	99.61%	10,911	10,911			418,721	1,663	
Kalyx Ltd	18	75,257	100.00%	9,430	9,430			121,051	19,121	
Sodexo Mexico	8,675	(7,163)	100.00%	8,673	8,673			31,114	(2,109)	

(in thousands of euro)	Capital	Other shareholders' equity	Percentage interest in capital	Book value of investment gross	Book value of investment net	Loans and advances granted, net	Guarantees given	Revenues for most recent fiscal year	Income for most recent fiscal year	Dividends received during the fiscal year
Sodexo Entegre Hizmet Yonetimi AS	5,380	(6,561)	100.00%	8,503			4,945	43,705	(3,868)	
Sodexo Facilities Management Services India Private Ltd	5,755	(3,137)	97.80%	7,345	7,345		2,277	50,337	1,052	
Sodexo OY	5,046	(2,483)	95.72%	7,054	7,054			139,089	(1,517)	
Sodexo Italia	1,898	48,647	100.00%	7,029	7,029			409,782	21,783	12,565
Sodexo Argentina	1,274	2,157	99.39%	6,832	6,832		3,229	94,112	2,157	
Foreign equity investments										
Sodexo Gmbh	308	307,908	37.37%	38,702	38,702				1,588	
Aggregate information										
Other French subsidiaries				20,228	16,385		82,498			13,374
Other foreign subsidiaries				44,044	25,531	3,691	42,599			18,410
Other French equity investments				475	9					50
Other foreign equity investments				14,299	12,915		4,658			1,900
TOTAL				**5,514,680**	**5,347,648**	**231,829**	**394,925**			**372,620**

4.3 Supplemental Information on the Individual Company Financial Statements

4.3.1 FIVE-YEAR FINANCIAL SUMMARY

(in euro)	Fiscal 2013(1)	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Capital at end of period					
Issued capital	628,528,100	628,528,100	628,528,100	628,528,100	628,528,100
Number of ordinary shares outstanding	157,132,025	157,132,025	157,132,025	157,132,025	157,132,025
Number of non-voting preferred shares outstanding					
Maximum number of potential new shares issuable					
By conversion of bonds					
By exercise of warrants and options					
Warrants					
Stock options					
Income statement data					
Revenues excluding taxes	77,175,406	63,336,905	80,469,639	70,914,651	72,056,382
Earnings before income tax, employee profit-sharing, depreciation, amortization and provisions	397,787,059	370,162,664	295,399,759	280,334,403	314,763,639
Income tax	2,071,317	22,363,609	15,061,259	22,267,894	17,981,642
Employee profit-sharing	6,400	131,452	62,480	167,200	
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	341,642,070	340,498,609	301,668,265	261,581,611	348,878,824
Dividend payout	255,192,660	249,839,920	229,412,757	212,128,234	199,557,672
Per share data					
Earnings after income tax and employee profit-sharing but before depreciation, amortization and provisions	2.54	2.50	1.98	1.93	2.11
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	2.17	2.17	1.92	1.66	2.22
Net dividend per share(2)	1.62	1.59	1.46	1.35	1.27
Dividend premium per eligible share(2)	0.16				

(1) Subject to approval by the Annual Shareholders' Meeting to be held on January 21, 2014.
(2) The Board of Directors proposes that the Shareholders' Meeting on January 21, 2014 approve the distribution of a cash dividend of 1.62 euro per share. In addition, and for the first time since the dividend premium system was adopted by the Shareholders' Meeting held on January 24, 2011, shares held in registered form since at least August 31, 2009 and still held when the Fiscal 2013 dividend becomes payable, will automatically be entitled, without any additional formality, to a 10% dividend premium, representing an additional 0.16 euro per share.

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(in euro)	Fiscal 2013(1)	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Employee data					
Average number of employees during the fiscal year	285	279	268	252	248
Salary expense for the fiscal year	28,898,315	16,202,743	31,831,493	24,153,262	21,039,372
Social security and other employee benefits paid during the fiscal year	16,419,324	12,591,005	10,423,028	10,166,115	9,319,716

(1) Subject to approval by the Annual Shareholders' Meeting to be held on January 21, 2014.

4.3.2 APPROPRIATION OF EARNINGS

(in thousands of euro)	Fiscal 2013(1)	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Net income	341,642	340,499	301,668	261,582	348,879
Retained earnings	882,416	790,921	716,014	664,468	512,156
Retained earnings(2)	8,937	9,773	4,104	2,092	2,991
Transfer to legal reserve					
Transfer to long-term capital gains reserve					
Transfer from long-term capital gains reserve					
Distributable earnings	**1,232,995**	**1,141,193**	**1,021,786**	**928,142**	**864,026**
Net dividend	254,554	249,840	229,413	212,128	199,558
Dividend premium(3)	639				
Reserves					
Retained earnings	977,802	891,353	792,373	716,014	664,468
Number of shares outstanding	**157,132,025**	**157,132,025**	**157,132,025**	**157,132,025**	**157,132,025**
Number of shares entitled to a dividend	**157,132,025**	**157,132,025**	**157,132,025**	**157,132,025**	**157,132,025**
Earnings per share *(in euro)*	**2.17**	**2.17**	**1.92**	**1.66**	**2.22**

(1) Subject to approval by the Annual Shareholders' Meeting to be held on January 21, 2014.
(2) Corresponding to dividends not distributed on treasury shares.
(3) The Board of Directors proposes that the Shareholders' Meeting on January 21, 2014 approve the distribution of a cash dividend of 1.62 euro per share. In addition, and for the first time since the dividend premium system was adopted by the Shareholders' Meeting held on January 24, 2011, shares held in registered form since at least August 31, 2009 and still held when the Fiscal 2013 dividend becomes payable, will automatically be entitled, without any additional formality, to a 10% dividend premium, representing an additional 0.16 euro per share.

4.4 Statutory Auditors' Reports

4.4.1 STATUTORY AUDITORS' REPORT ON THE STATUTORY FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report issued in French language and is provided solely for the convenience of English speaking readers. The Statutory auditors' report includes information specifically required by French law in such reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

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

For the year ended August 31, 2013

SODEXO
255 Quai de la bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9

To the shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended August 31, 2013, on:

- the audit of the accompanying financial statements of SODEXO S.A.;
- the justification of our assessments;
- the specific verifications required by the law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at August 31, 2013, and of the results of its operations for the year then ended in accordance with French accounting principles.

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II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

- Your Company has valued financial investments held in accordance with the accounting principles set out in note 2.1.3 of the summary of significant accounting policies in the notes to the financial statements. We performed procedures, on a test basis, in order to review the data and assumptions on which the valuations were based and the calculations made by your Company.

The assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III - SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Report of the Board of Directors, and in the documents addressed to the Shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the acquisition of investments and controlling interests and the identity of shareholders and holders of the voting rights has been properly disclosed in the Management Report.

Neuilly-sur-Seine and Paris La Défense, November 13, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit
	Department of KPMG SA
Yves Nicolas	Hervé Chopin

4.4.2 STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and the relevant professional auditing standards applicable in France.

SODEXO
255 Quai de la bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9

For the year ended August 31, 2013

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby present our report on the regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us or those that we could have found in the course of our engagement. We are not required to comment as to whether they are beneficial or appropriate neither to ascertain whether any other agreements and commitments exist. It is your responsibility, in accordance with article R.225-31 of the French Commercial Law (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, if applicable, in accordance with article R.225-31 of the French Commercial Law, to inform you of the agreements and commitments, which were approved during previous years and which were applicable during the period.

We performed the procedures we considered necessary in accordance with French professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Statutory Auditors), relating to this engagement. Our work consisted in verifying that the information provided to us is in agreement with the underlying documentation from which it was extracted.

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AGREEMENTS AND COMMITMENTS TO BE APPROVED BY THE SHAREHOLDERS' MEETING

In accordance with article L.225-40 of the French Commercial Code Law (*Code de commerce*) we have been advised of agreements and commitments which have been previously authorized by your Board of Directors.

1 Service agreement between BELLON S.A. and SODEXO S.A.

- Directors affected by the agreement:

Mr Pierre Bellon, Mr Bernard Bellon, Mr François-Xavier Bellon and Mrs Sophie Bellon, Mrs Nathalie Szabo and Mrs Astrid Bellon, members of the Board of Directors of SODEXO S.A. and members of the Management Board or of the Supervisory Board of BELLON S.A.; Mr Michel Landel, Chief Executive Officer of SODEXO S.A. and employee of BELLON S.A.

- Purpose:

A services agreement has been in place between SODEXO S.A. and BELLON S.A. since 1991, under which BELLON S.A. provides assistance and advisory services to SODEXO S.A. and other Group companies – both directly and through qualified specialists – in a number of different areas, including strategy, finance, accounting, human resources and investment policies. Under the agreement, BELLON S.A. also provides SODEXO S.A. with assistance and advisory services on developing the Group's general policies in these areas and on implementing these policies in a coordinated way throughout the Group's various activities in order to ensure that its business is conducted in the best possible conditions.

As per the service agreement, invoices from BELLON S.A. to SODEXO S.A. are based on the expenses incurred by BELLON S.A., plus a margin of 5%.

During the fiscal year, SODEXO S.A. decided to change the terms and conditions of this service agreement and its duration which is now set for 5 years with an automatic renewal. The new contract, signed on April 16, 2013 with a retroactive application from April 1, 2013, was authorized in advance by the Board of Directors at its meeting on April 16, 2013 (with Michel Landel and the directors who are members of the Bellon family did not take part in the vote).

- Terms and conditions:

For the year ended August 31, 2013, BELLON S.A. invoiced SODEXO S.A. under this agreement (from April 1, 2013 to August 31, 2013) a total of 2,556,250 euros excluding VAT, corresponding to the following services:

- Salaries of Michel Landel (Chief Executive Officer), Elisabeth Carpentier (Group Chief Human Resources Officer), and Mrs Siân Herbert-Jones (Group Executive Vice President and Chief Financial Officer), employed and paid directly by BELLON S.A., as well as payroll taxes relating thereto;
- Studies and analysis of strategic evolutions and principles of development of Sodexo Group, including in particular costs of external consultants relating thereto;
- Administrative expenses.

The annual fees payable to BELLON S.A. under this agreement is approved annually by the Board of Directors of SODEXO S.A. (with Michel Landel and the directors who are members of the Bellon family not taking part in the vote).

In addition, the Board of Directors of SODEXO S.A. decided on April 16, 2013 that in the future, the Audit Committee will perform an annual review of the fees payable under the agreement and of any changes to them.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Continuing agreements and commitments entered into in prior years

In accordance with Article R.225-30 of the French Commercial Law (*Code de Commerce*), we have been informed of the following agreements and commitments, which were already approved by the Shareholders' meetings in previous years, and which were applicable during the year.

2 Service agreement between BELLON S.A. and SODEXO S.A.

- Purpose:

BELLON S.A. provides services to SODEXO S.A. under an assistance and advisory services agreement. This agreement has been replaced by the one detailed above signed on April 16, 2013 (with a retroactive application from April 1, 2013). The scope of services and the terms of the fees payable have not been modified in the new agreement.

- Terms and conditions:

For the year ended August 31, 2013, BELLON S.A. invoiced SODEXO S.A. (for the period from September 1, 2012 to March 31, 2013) 3,675,000 euros excluding VAT.

3 Transactions with Mr. Michel Landel, Chief Executive Officer

- Purpose:

The Board of Directors of SODEXO S.A. decided on November 6, 2008, decision approved by the Combined Annual Shareholders' Meeting on January 19, 2009, that in the event of the termination of his employment as Chief Executive Officer (unless for reasons of resignation or retirement, and barring his removal from office for serious misconduct or gross negligence), SODEXO S.A. will pay Mr. Michel Landel an indemnity equal to two times the gross annual compensation (fixed and variable) he received in the 12 months preceding such termination. The payment of this indemnity is subject to the Sodexo Group achieving a minimum 5% year-on-year increase in consolidated operating income, at constant consolidation scope and exchange rates, in each of the three financial years preceding the termination of his appointment.

In addition, BELLON S.A. has granted Mr. Michel Landel entitlements to the Sodexo Group executive retirement benefit plan. This supplemental retirement plan provides, with a five year presence in the plan condition, for payment of a pension amounting to 14% of his average fixed annual salary paid to him during the three years preceding his retirement, to which are added the pensions due to him under compulsory retirement plans, provided that he is employed by the Company at the time of his retirement.

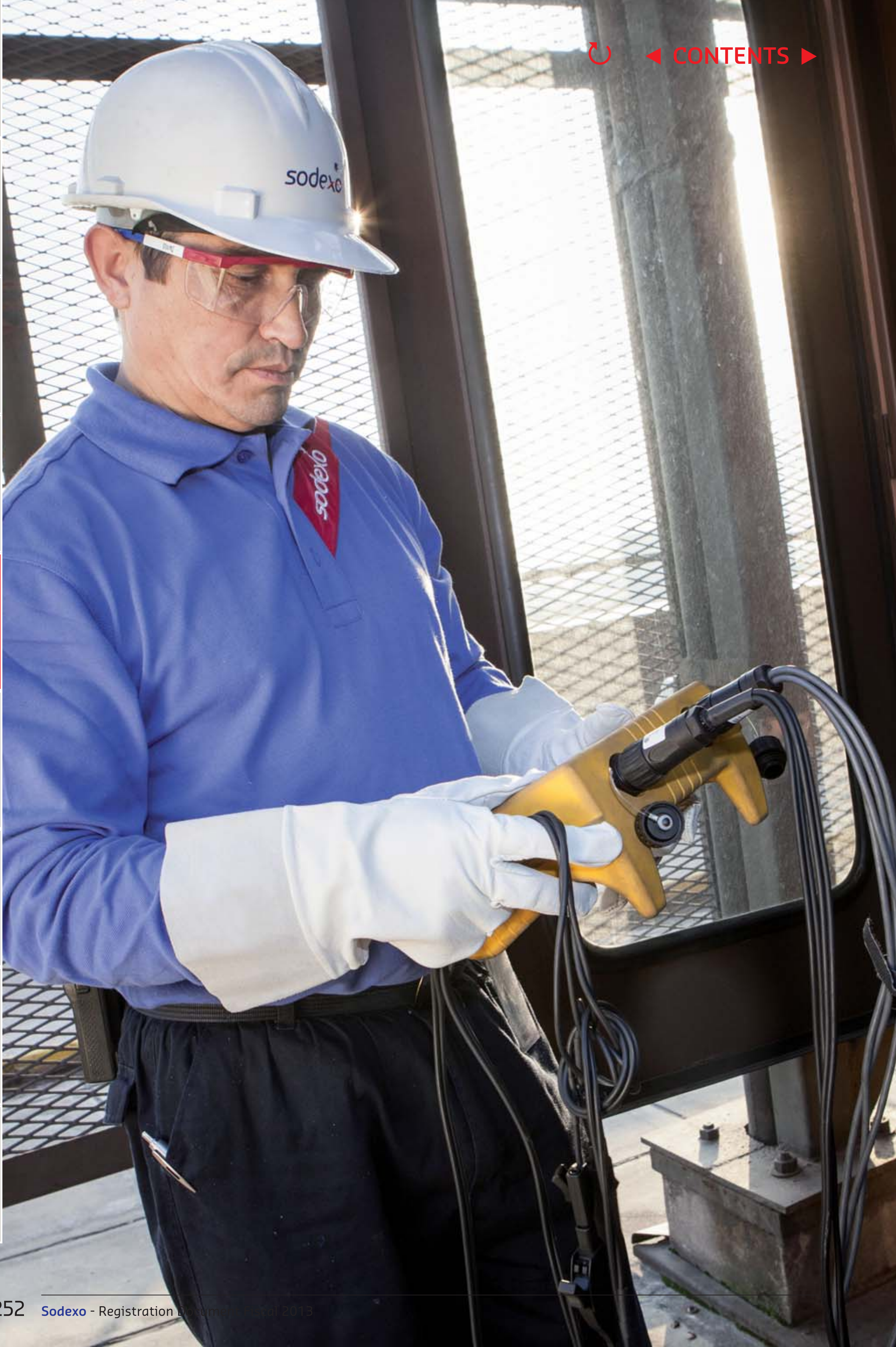
- Terms and conditions:

The total commitment corresponding to Mr. Michel Landel supplemental retirement plan as of August 31, 2013 was 2,407,816 euros.

Neuilly-sur-Seine and Paris La Défense, November 13, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit
	Department of KPMG S.A.
Yves Nicolas	Hervé Chopin
Partner	*Partner*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5

LEGAL INFORMATION

5. 1 General information about Sodexo and its Issued Capital

5.1.1 GENERAL INFORMATION ABOUT SODEXO

5.1.1.1 LEGAL NAME AND REGISTERED OFFICE

Legal name: Sodexo.

Registered office: 255, quai de la Bataille-de-Stalingrad, 92130 Issy-les-Moulineaux (Hauts-de-Seine), France.

Telephone: +33 (0)1 30 85 75 00.

5.1.1.2 LEGAL FORM

Sodexo is a *société anonyme* (joint stock corporation), subject to all of the laws and regulations governing commercial corporations in France, and in particular to the provisions of the French Commercial Code.

5.1.1.3 NATIONALITY

French.

5.1.1.4 DATE OF INCORPORATION AND EXPIRATION (ARTICLE 5 OF THE BYLAWS)

"The Company has a life of 99 years from December 31, 1974, save earlier termination or winding up."

The date of expiration of the Company is December 30, 2073.

5.1.1.5 CORPORATE PURPOSE (ARTICLE 2 OF THE BYLAWS)

"The objectives of the Company shall be, in France, the French overseas departments and territories or abroad, directly or indirectly, on behalf of third parties or on its own account or in association with third parties, as follows:

- *the development and provision of all services related to the organization of foodservices and other essential services for corporations and public bodies;*
- *the operation of all restaurants, bars, hotels and more generally all establishments connected with foodservices, the hotel industry, tourism, leisure and other services, and the ownership and financing thereof;*
- *the provision of some or all of the services required for the operation, maintenance and management of establishments or buildings used for office, commercial, industrial, leisure, healthcare or educational purposes, and for the operation and maintenance of some or all of the equipment installed therein;*
- *the execution of all installation, repair, refurbishment and replacement works on installed equipment;*
- *the provision of advice and of economic, financial and technical surveys relating to all projects and to all services associated with the development, organization and operation of the establishments defined above, and in particular all acts in furtherance of the construction of such establishments and all related consultations and assistance;*
- *the formation of all new companies and the acquisition by whatever means of equity interests in all companies irrespective of their corporate purposes;*
- *and more generally all civil, commercial, industrial and financial transactions, and transactions involving movable property or real estate, that are directly or indirectly associated with the aforementioned purposes or with all similar or related purposes."*

5.1.1.6 REGISTRATION

Sodexo is registered in the Nanterre Register of Commerce and Companies as no. 301 940 219.

5.1.1.7 BUSINESS IDENTIFIER CODE (APE CODE)

5629B.

5.1.1.8 CONSULTATION OF LEGAL DOCUMENTS

Documents relating to the Company which are required to be made available to the public (bylaws, reports and other documents, historical individual company and consolidated financial information for at least each of the two fiscal years preceding the date of this Registration Document) are available on our website www.sodexo.com and may also be consulted at our registered offices at 255, quai de la Bataille-de-Stalingrad – 92130 Issy-les-Moulineaux, France, preferably by appointment.

5.1.1.9 MATERIAL CONTRACTS

During the last two years, the Company has not entered into any material contracts, other than those signed in the ordinary course of business, creating a material obligation or commitment for the entire Group.

5.1.1.10 FISCAL YEAR (ARTICLE 17 OF THE BYLAWS)

"The fiscal year commences on September 1 of each year and ends on August 31 of the following year."

5.1.1.11 APPROPRIATION OF EARNINGS (EXCERPT FROM ARTICLE 18 OF THE BYLAWS)

"(...) 2. The first appropriation of net income, net of any accumulated losses from prior periods, must be an amount of at least 5% of net income to establish the reserve fund required by law. This appropriation ceases to be obligatory once this reserve fund is equal to one-tenth of the issued capital, but must be resumed if for any reason the reserve falls below one-tenth of the issued capital.

3. Distributable earnings comprise net income for the fiscal year, minus any accumulated losses brought forward and any transfer to the legal reserve, plus any retained earnings brought forward.

Distributable earnings are appropriated in the following order:

a) any sum that the Ordinary Shareholders' Meeting, on the proposal of the Board of Directors, decides to carry forward as retained earnings or to appropriate to the creation of an extraordinary reserve fund, contingency fund or other fund, whether or not created for a specific purpose;

b) the surplus is distributed among all of the shareholders, each share entitling its holder to an equal share of the profit. However, shareholders able to show that they have been a registered shareholder for at least four years as of the balance sheet date, and who remain registered at the dividend date related to the said fiscal year, are entitled to a dividend premium on the shares so registered, equal to 10% of the dividend paid on the other shares, the resulting dividend premium being round down to the nearest euro cent where appropriate.

Similarly, shareholders able to show that they have been a registered shareholder for at least four years as of the balance sheet date, and who remain registered at the date of a capital increase by capitalization of reserves, income or share premiums, by distribution of bonus shares, are entitled to supplementary bonus shares equal to 10% of those to be distributed. In the case of odd lots, the number of supplementary shares will be rounded down to the nearest unit. The resulting new shares will qualify for the same treatment as the old shares from which they are derived for the purposes of calculating rights to the dividend premium and to receive supplementary bonus shares.

The number of shares upon which a single shareholder shall be eligible for these dividend premiums or supplementary bonus shares may not exceed 0.5% of the share capital.

The foregoing terms and conditions will apply for the first time to payment of the dividend payable for the fiscal year ended August 31, 2013 (to be set by the Ordinary Shareholders' Meeting expected to be called in January 2014)."

5.1.1.12 SHAREHOLDERS' MEETINGS (EXCERPT FROM ARTICLE 16 OF THE BYLAWS)

"1. General Shareholders' Meetings are called and deliberate on the terms stipulated by the law. They are held at the registered office or at any other place specified in the notice of the meeting.

For the purposes of calculating quorum and majority at Shareholders' Meetings, shareholders taking part in said meetings via video-conferencing or electronic links allowing them to be identified in accordance with the definitions and conditions relating to such links as stipulated in the relevant laws or regulations are deemed to have attended the meeting.

2. The General Shareholders' Meetings comprise all shareholders whose shares have been paid for in full and for which proof is given of entitlement to attend General Shareholders' Meetings by registration of the shares in the share registry in the name of either the shareholder or, for shareholders not domiciled in French territory, of the *registered intermediary for said shareholder's account, by midnight (Paris time) on the third business day preceding the meeting at the latest.*

Shares shall be registered within the above-stipulated deadline either in share accounts in the shareholder's name held by the Company or via the approved intermediary, or in bearer share accounts held by the approved intermediary.

Members are entitled to attend General Shareholders' Meetings upon simple proof of identity and entitlement. The Board of Directors may, at its discretion, issue personal admission cards to shareholders in their names and demand presentation thereof.

All shareholders may vote remotely as provided by law and the regulations.

Equally, all shareholders may take part in discussions when meetings are in session and vote via electronic data.

3. Meetings are chaired by the Chairman of the Board of Directors, or in his absence by the Vice Chairman if one has been appointed, or failing that by the longest-serving director present.

If there is no director present, the meeting elects its own Chairman."

5.1.1.13 DOUBLE VOTING RIGHTS (EXCERPT FROM ARTICLE 16 OF THE BYLAWS)

"Double voting rights, having regard to the percentage of issued capital that they represent, are conferred on:

- *all fully paid shares registered in the name of the same shareholder for at least four years;*
- *registered shares allotted free of charge to a shareholder in the event of an increase in the share capital by conversion of earnings, reserves or additional paid in capital in proportion to existing shares held by that shareholder that enjoy double voting rights."*

5.1.1.14 SHARE OWNERSHIP DECLARATION THRESHOLDS (EXCERPT FROM ARTICLE 9 OF THE BYLAWS)

"Any shareholder whose direct or indirect shareholding reaches 2.50% of the Company's issued capital or any multiple thereof is required to inform the Company by registered letter with acknowledgment of receipt within fifteen days. Failure to make such declaration may result in the shares exceeding the threshold being stripped of voting rights on the terms stipulated by law. This declaration requirement applies equally when a shareholding passes below any of the declaration thresholds."

5.1.1.15 KNOWN SHAREHOLDERS (EXCERPT FROM ARTICLE 9 OF THE BYLAWS)

"The Company can make use of the legal framework available for identifying the holders of shares which have, either immediately or in the future, voting rights at Annual Shareholders' Meetings."

5.1.1.16 MODIFICATION OF SHAREHOLDERS' RIGHTS

All modifications to share capital or voting rights attached to the shares therein are subject to legal requirements, as the by-laws do not contain specific provisions.

5.1.2 GENERAL INFORMATION ABOUT THE ISSUED CAPITAL

5.1.2.1 FIVE-YEAR SUMMARY OF CHANGES IN ISSUED CAPITAL

Sodexo's issued capital has not undergone any change since September 18, 2008.

5.1.2.2 SECURITIES GIVING ACCESS TO CAPITAL

As of the date of this Registration Document, there are no securities outstanding, other than existing equity securities and rights to receive free shares and performance shares to be issued*, which would give immediate or future access to the capital of Sodexo.

5.1.2.3 CAPITAL AUTHORIZED BUT NOT ISSUED

The Extraordinary Shareholders' Meetings of January 23, 2012 and January 21, 2013 authorized the Board of Directors to increase the Company's share capital on one or more occasions by issuance of ordinary shares, and/or all other securities giving immediate or future access to Sodexo shares, or by the capitalization of earnings, reserves or additional paid-in capital, subject to the following limits:

Currently valid delegations of authority relating to capital increase	Maximum aggregate par value	Date of authorization	Date of expiry
Authorizations with pre-emptive rights			
• Issuance of shares and/or all other securities giving access to Sodexo shares	€100 million	January 23, 2012	March 23, 2014(2)
• Issuance of debt securities giving access to Sodexo shares	€1 billion	January 23, 2012	March 23, 2014(2)
Authorizations to issue shares to employees and managers			
• Issuance of ordinary shares and/or all other securities reserved for members of Employee Savings Plans	1.5% of the share capital (approximately €9.4 million)	January 21, 2013	March 21, 2015(2)
• Grant of free shares and performance shares(1)	2.5% of the share capital (approximately €15.7 million)	January 21, 2013	March 21, 2016
• Issuance of additional share subscription warrants	0.5% of the share capital (approximately €3 million)	January 21, 2013	July 21, 2014
Issuance of shares by capitalization of earnings, reserves or additional paid-in capital	€200 million	January 23, 2012	March 23, 2014(2)

(1) The use of this delegation by the Board of Directors in Fiscal 2013 is explained in section 7.3.4.2 of this document. The other delegations have not been used.
(2) The Board of Directors will propose at the Shareholders Meeting to be held on January 21, 2014 that these authorizations be renewed.

* *Resulting from the use, on April 25, 2013, by the Board of Directors, of the authorization granted by the Combined Shareholders Meeting dated January 21, 2012 to grant to employees and corporate officers of the Group rights to receive free shares and/or performance shares.*

5.1.2.4 SHARE OWNERSHIP OF SODEXO

In compliance with article L.233-8 II of the French Commercial Code and article 223-16 of the General Regulation of the *Autorité des marchés financiers* (AMF), each month Sodexo communicates to the AMF and publishes – notably on its website www.sodexo.com – the total number of voting rights and the number of shares comprising the issued capital of Sodexo, if these have changed relative to the previously published information.

Issued capital as of August 31, 2013

Sodexo had issued capital of 628,528,100 euro divided into 157,132,025 shares with a par value of 4 euro each, all fully paid and of the same class. Of these 157,132,025 shares, 57,086,716 carried double voting rights.

Holders of fully-paid Sodexo shares may elect to hold them either as registered shares or as bearer shares identifiable under the relevant laws and regulations, in particular article L.228-2 of the French Commercial Code.

Share ownership as of August 31, 2013

	Number of shares	% of share capital	Number of voting rights(1)	% of voting rights(1)
Bellon SA	59,252,063	37.71	109,053,442	50.91
First Eagle Investment Management(2)	5,818,003	3.70	10,696,422	4.99
Employees	1,560,461	0.99	2,482,033	1.16
Treasury shares	5,620,453	3.58	5,620,453	2.62
Public	84,881,045	54.02	86,366,391	40.32
TOTAL	**157,132,025**	**100.00**	**214,218,741**	**100.00**

(1) The Company bylaws confer double voting rights on shares that have been registered for more than four years. In addition, in compliance with article 223-11 of the General Regulation of the Autorité des marchés financiers (AMF), the number of voting rights is calculated on the basis of the total number of shares carrying voting rights, including those not entitled to vote such as shares held by the Company and treasury shares.
(2) Acting on behalf of its managed funds (including First Eagle Funds, Inc.).

The members of the Board of Directors, including the Chief Executive Officer, together held directly less than 0.50% of the Company's share capital.

During Fiscal 2013:

- on June 12, 2013, Bellon SA notified the Company that it had crossed above the legal threshold of 50% of the Company's voting rights on June 11, 2013 following the grant of double voting rights, thus holding 37.71% of the capital representing 50.91% of the voting rights;
- on July 9, 2013, First Eagle Investment Management LLC, acting on behalf of the funds it manages, notified the Company that it had crossed below the legal threshold of 5% of the Company's voting rights. As of July 3, 2013 it held 3.65% of the capital representing 4.96% of the voting rights – this threshold crossing resulted from the increase in the total number of Sodexo voting rights.

The Company is not aware of any other shareholder having increased or decreased its shareholding above any legal or statutory ownership level during Fiscal 2013.

As of the date of this document, Sodexo is not aware of:

- any other shareholder holding 2.50% or more of the capital or voting rights of Sodexo directly or indirectly, individually, or in concert;
- any shareholders' agreement or other agreement which, if implemented, could result in a change of control of Sodexo.

Changes in share ownership during the last three fiscal years

Shareholder	August 31, 2013		August 31, 2012		August 31, 2011	
	% of capital	% of voting rights	% of capital	% of voting rights	% of capital	% of voting rights
Bellon SA	37.71	50.91	37.71	49.61	37.71	47.61
First Eagle Investment Management[1]	3.70	4.99	3.57	5.02	3.97	5.85
International Value Advisers, LLC	N/A[2]	N/A[2]	N/A[2]	N/A[2]	3.21	2.48
Employees	0.99	1.16	1.07	1.22	1.07	1.25
Treasury shares	3.58	2.62	4.14	3.11	4.07	3.15
Public	54.02	40.32	53.51	41.04	49.97	39.66

(1) Acting on behalf of its managed funds (including First Eagle Funds, Inc.).
(2) N/A: Not applicable because the percentage shareholding and/or voting rights is less than 2.50% for the period under consideration.

Repurchases and disposals of Sodexo shares

During Fiscal 2013:

- at its meeting on January 21, 2013, the Board of Directors decided to implement the Company's share repurchase program as authorized by the Combined Annual Meeting held on the same date;
- in Fiscal 2013, Sodexo repurchased 742,273 shares (representing 0.47%of the share capital) at an average price of 63.13 euro per share plus trading fees of 18,434 euro excluding VAT. Sodexo also transferred 1,621,142 shares upon exercise of stock options, and directly held 5,620,453 treasury shares (representing 3.58% of the share capital) as of August 31, 2013 intended to cover the various stock option and free and performance share grant plans benefiting Group managers;
- in connection with the rollover of the plans granted by Sodexho Marriott Services and assumed by Sodexo in 2001 *(SMS Plans),* Sodexho Awards (a wholly-owned subsidiary of Sodexo) transferred 2,897 shares upon the exercise of stock options by Group employees in the United States. It held no Sodexo shares as of August 31, 2013 because all of the SMS plans have expired;
- the total carrying value of the treasury shares portfolio was 309 million euro as of August 31, 2013.

Since August 31, 2013 Sodexo has not purchased any Sodexo shares.

Description of the new share repurchase plan (pursuant to article 241-2 of the General Regulation of the AMF) subject to authorization by the Shareholders' Meeting of January 21, 2014

- In its eleventh resolution, the Board of Directors will propose to the Shareholders' Meeting to be held on January 21, 2014 that it renew the authorization given to the Board to repurchase Sodexo's shares pursuant to articles L.225-209 *et seq.* of the French Commercial Code. This authorization would be valid for a period of 18 months, replacing the authorization of the same nature given by the Shareholders' Meeting of January 21, 2013.
- The treasury shares held as of August 31, 2013 in connection with the share repurchase program are intended to cover the various stock option and free and performance share grant programs benefiting Group managers (for further details concerning stock options, free shares and performance shares, please refer to section 7.3.4 of this document).
- The purposes of the repurchase program, as well as the maximum percentage of the share capital, the maximum number and characteristics of the shares that the Company intends to purchase, together with the maximum purchase price, are provided in the resolution submitted for approval by the January 21, 2014 Shareholders' Meeting in section 8.2 of this document.

5.1.2.5 EMPLOYEE SHARE OWNERSHIP

As of August 31, 2013, employees held 0.99% of the Company's share capital (approximately 81% of which was held in a holding entity for Company employee share purchase plans (FCPE).

As of August 31, 2013, an estimated 35,215 employees held Sodexo shares.

Company employee savings plans

The various profit-sharing agreements in force allow employees of the Group's French subsidiaries to pay the amounts they receive in respect of these profit-sharing agreements into an employees' mutual fund invested in Sodexo shares, or into a restricted savings account. To qualify for favorable tax and social charges treatment, amounts due to employees are subject to a five-year lock-up period. However, as agreed with collective bargaining representatives, the employees were exceptionally allowed to request that the amounts be released early as permitted by a law that became effective on June 28, 2013.

International employee share purchase plan

On a regular basis, the Group arranges international employee share purchase plans. The most recent of these, "Sodexo with me", was introduced in 2008 and allowed employees of French and foreign subsidiaries of the Group in more than 20 countries to subscribe to a special share capital issuance at a favorable share price. In connection with this plan, eligible employees were offered a choice of two formulas:

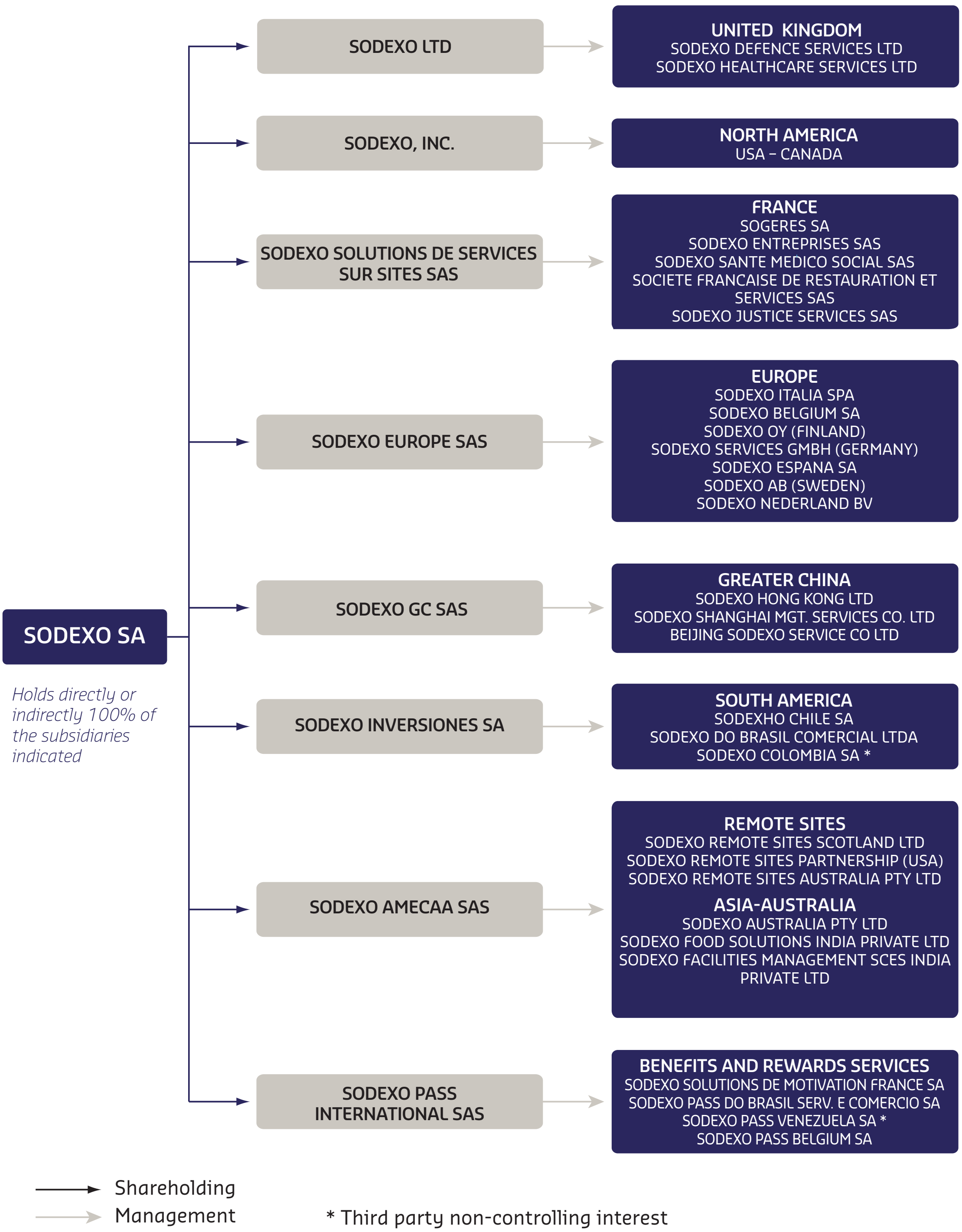
- the "Plus" plan allowed employees to invest up to 2.5% of their annual gross compensation and to benefit from a multiplier effect on the increase in the share price, or a guaranteed return in the absence of an increase in the share price;
- the "Classic" plan allowed employees to invest up to 25% of their annual gross compensation and to receive all of any increase in Sodexo's share price, while assuming the risk of any fall in the share price.

Regardless of whether the employee has chosen the "Plus" plan or the "Classic" plan, his or her investment was subject to a five year lock-up, unless conditions permitted by the law or the plan rules have been met.

In September 2013, the amounts due to employees became available. In early July 2013, a communications campaign targeted the employees who had subscribed to the plan, in particular to inform them of the availability of their assets as of September 18, 2013.

In addition, since 2006, employees of the Group's North American subsidiaries have been able to invest between 1% and 8% of their annual gross compensation in the Company's shares through an Employee Share Purchase Plan. Participating employees qualified for a 10% discount on the share price. In light of the participation rate and administrative fees, this plan was suspended as of September 1, 2012. Investments made prior to such suspension date will continue to benefit from the same advantages as before; however, new payments cannot be made to the plan. If participating employees sell their shares within a period of two years, they are required to repay the amount of the discount they received. The related employees did not participate in the 2008 International Employee Share Purchase Plan.

5.2 Condensed Group Organization Chart



* Third party non-controlling interest

Note: The main operating subsidiaries are indicated for each geographic area or activity as of August 31, 2013.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6

SHAREHOLDERS – FINANCIAL COMMUNICATION

6.1 Financial Communication

6.1.1 LISTENING TO OUR SHAREHOLDERS AND THE FINANCIAL COMMUNITY

To respond more effectively to the expectations of individual and institutional shareholders, Sodexo is continuously improving its investor relations programs by developing new information channels and organizing regular meetings with shareholders.

The Group's investor relations policy is based on four core principles:

- **equal treatment:** all financial press releases are issued simultaneously in real time to all our stakeholders, in both French and English;
- **regular reporting:** the financial community is notified of the financial information timetable a year in advance, and updates are always available on the website at www.sodexo.com;
- **accessibility:** live webcasts of the General Shareholders' Meeting and annual earnings presentations are broadcast *via* live webcast and maintained on the website. Releases of interim earnings and quarterly revenue figures (first and third quarter) are accompanied by conference calls to give the financial community rapid access to the information and an opportunity to question senior management about performance. These conference calls are simultaneously broadcast over the internet as an "audio webcast" and are maintained on Sodexo's website;
- **transparency:** all information pertaining to the Group, including the bylaws, Registration Document, Annual Report, press releases and share price trends, is available on the website, www.sodexo.com.

Sodexo also offers the financial community a comprehensive package of dedicated, interactive communication channels. Financial press releases are issued *via* print media and email in France and around the world.

6.1.2 INVESTOR RELATIONS POLICY

In order to meet the Group's own transparency goals and to comply with all applicable regulations in connection with its listing on the NYSE-Euronext Paris, Sodexo and all those involved in preparing financial communications have committed to a set of principles designed to ensure equal treatment of all shareholders.

6.1.2.1 GROUP SPOKESPERSON

Only the Chairman, the Chief Executive Officer and members of the Executive Committee are authorized to provide financial communications. The Chief Executive Officer has appointed the Director of Financial Communication to act as spokesperson for the Group, within specific delegated powers.

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6.1.2.2 PREPARATION OF FINANCIAL COMMUNICATIONS

All financial communications are reviewed prior to publication by a Group Disclosure Committee comprising representatives from the Group Finance, Communications and Human Resources Departments.

6.1.2.3 PUBLICATION OF FINANCIAL INFORMATION

Barring exceptional circumstances, all information with the potential to influence the share price is published before the NYSE-Euronext stock exchange opens for trading.

After approval of this information by the Chief Executive Officer, the Chief Financial Officer or the Board of Directors (depending on its nature), it is communicated to the markets *via* a press release, issued simultaneously to the entire financial community and to the stock market authorities.

Sodexo does not communicate financial information during the following periods:

- **thirty calendar days** before the release of its **consolidated annual and interim results;**
- **fifteen calendar days** before the release of its **first and third quarters'** consolidated revenue figures.

6.1.2.4 CODE OF CONDUCT FOR SENIOR MANAGERS

To underscore Sodexo's commitment to transparency and regulatory compliance, the Board of Directors adopted a Code of Conduct for Senior Managers in 2003. The Executive Committee members and key finance executives of Sodexo have formally agreed to this Code and to abide by its principles.

This Code of Conduct sets out a core set of behaviors:

- avoiding actual or apparent conflicts of interest;
- complying with all laws, rules and regulations;
- protecting the Group's confidential proprietary information;
- conducting all business fairly;
- holding managers accountable for their behavior, and creating an environment where concerns can be reported without fear of retaliation or retribution.

The Group's ethical principle of transparency means effective communication with the Group's shareholders, so that they are provided with full and accurate information about the Group's financial condition and profits. The Group is committed to timely communication and to complete, accurate, reliable and understandable reporting.

6.1.3 HOW TO OBTAIN INFORMATION

On the Sodexo website
www.sodexo.com ("Finance" section, "Presentations and publications" subsection)

By phone or fax
Investor Relations
Tel. and Fax: +33 (0) 1 57 75 80 54

By e-mail
financial.communication.group@sodexo.com

By mail
Sodexo, Investor Relations
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9
France

6.1.4 REGISTRATION DOCUMENT

This document is an English-language version of the *Document de référence* filed with the *Autorité des marchés financiers* (AMF) in accordance with its General Regulation. The French-language *Document de référence* can be consulted on the AMF website (www.amf-france.org). It is also available, along with the English language Registration Document, at www.sodexo.com.

6.1.5 ANNUAL SHAREHOLDERS' MEETING

The Annual Shareholders' Meeting is announced in official notices published in the press, in the BALO *(Bulletin des annonces légales obligatoires)* in France and on the Group's website, at www.sodexo.com.

The agenda for the meeting is available in French and English at least 15 days before the meeting. It is sent to all registered shareholders, and to other shareholders upon request and is also available at www.sodexo.com.

A live webcast of the Sodexo Annual Shareholders' Meeting is broadcast on our website, enabling shareholders who cannot attend in person to ask questions and to observe the voting on resolutions.

6.1.6 REGULAR MEETINGS AND ONGOING DIALOGUE

Sodexo is committed to genuine dialogue with its shareholders and with the broader financial community.

The two major scheduled events mark the publication of the full-year results and the Annual Shareholders' Meeting. The Group's Chief Executive Officer and Chief Financial Officer moderate quarterly conference calls for securities analysts in connection with half-year earnings and quarterly revenue publications.

In addition, the Group's Chief Executive Officer and the Chief Financial Officer regularly meet investors in private or in group sessions in Europe (in particular, in Paris and London) and in the United States. These meetings provide a setting for more informal dialogue.

"Investor Days" or themed briefings are held periodically to give analysts insight into front-line operations.

Sodexo also regularly participates in industry presentations and conferences organized by brokerage firms in France and abroad, such as the European CEO Seminar held by Exane-BNP Paribas in June 2013.

6.1.7 BENEFITS OF BEING A REGISTERED SHAREHOLDER

Registered Sodexo shareholders enjoy the following benefits:

- reduced administration costs (for pure registered shares only);
- personalized information on all financial transactions (capital increases, bond issues, etc.);
- automatic invitation to Shareholders' Meetings;
- double voting rights; and
- effective for 2014, a dividend premium of 10%[(1)] for registered shares held for more than four years and limited to 0.5% of issued capital per shareholder. Indeed, the January 24, 2011 Shareholders' Meeting had adopted the proposal of the Board of Directors to introduce a dividend premium in order to reward shareholders who have held their Sodexo shares continuously and for an extended period, for their confidence and loyalty.

(1) Sodexo's fiscal year starts on September 1 of each year. The first dividend premium payment will be made in 2014 for the fiscal year ended August 31, 2013 for shareholders holding registered shares (pure or administrated) since August 31, 2009 and up until the payment of the dividend.

Until August 31, 2011, Sodexo's shares were registered under a single reference code: FR0000121220 – Actions Sodexo.

Since September 1, 2011, different share price codes have been used to reflect the period in which the shares were acquired and to determine eligibility for the dividend premium. The use of different share registration codes will not alter the negotiability of the shares. Shares that were held for sale will remain as such (shares that were blocked or pledged will also remain as they are).

Reference date for registration of shares to qualify for the dividend premium	Right to dividend premium on dividend for the fiscal year ended:	Dividend premium of 10% earned if the shares are registered continuously since at least the reference date up until the dividend payment date*:	ISIN codes for managing registered shares
August 31, 2009	August 31, 2013	February 2014	FR0011532431 (1)
August 31, 2010	August 31, 2014	February 2015	FR0011071885
August 31, 2011	August 31, 2015	February 2016	FR0011071893
August 31, 2012	August 31, 2016	February 2017	FR0011285121
August 31, 2013	August 31, 2017	February 2018	FR0011532415

* *Dates provided for indicative purposes only and are subject to the decision to pay a dividend as adopted by the Annual Shareholders' Meeting.*

(1) *On September 2, 2013 Euroclear proceeded to merge shares held under the code SODEXO ACTIONS PRIME DE FIDELITE 2014 – FR0011071869 into the code FR0011532431 (which will benefit from the 10% dividend premium for the February 2014 payment of dividend).*

CONTACTS

Registered shareholders' accounts are managed by Société Générale, which also acts as transfer agent for all Sodexo shares.

For further information call:

Société Générale Nantes (France): +33 2 51 85 67 89

or visit the Société Générale website: www.nominet.socgen.com

6.2 Financial communications calendar

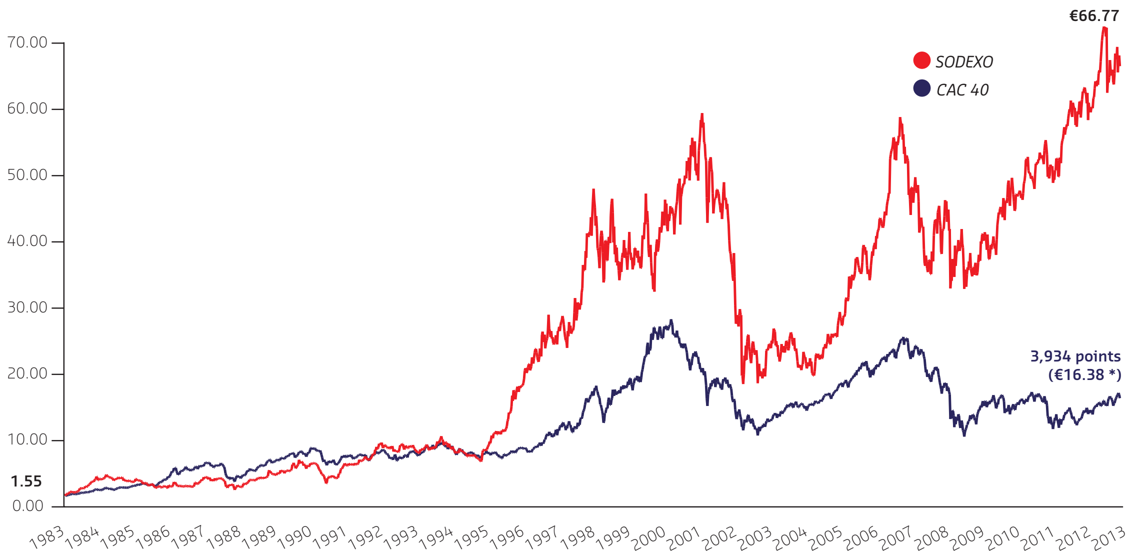
First Quarter revenues, Fiscal 2014	January 8, 2014
Annual Shareholders' Meeting 2014	January 21, 2014
Ex-date	January 30, 2014
Record date	February 3, 2014
Payment of dividend	February 4, 2014
Half-year interim results, Fiscal 2014	April 17, 2014
Nine month revenues, Fiscal 2014	July 9, 2014
Annual results, Fiscal 2014	November 12, 2014
Annual Shareholders' Meeting 2015	January 20, 2015

These dates are purely indicative, and are subject to change without notice. Regular updates are available in the calendar on our website www.sodexo.com.

6.3 Sodexo Share Performance

Sodexo shares are listed on NYSE Euronext Paris (Euroclear code: FR 0000121220) and are included in the Next 20 index. Since Sodexo's voluntary delisting from the New York Stock Exchange in 2007, Sodexo American Depositary Receipts (ADRs) are traded on the over the counter (OTC) market, ticker SDXAY, each ADR representing one Sodexo share.
As of August 31, 2013, Sodexo had a Standard & Poor's rating of BBB+ long-term and A-2 short-term.

ADJUSTED SODEXO SHARE PRICE TRENDS FROM INITIAL LISTING THROUGH AUGUST 31, 2013 *(IN EURO)*



** Sodexo share price trend assuming it had tracked the CAC 40 index(1) (the main stock market index of Paris).*

Source: Sodexo.

The initial listing was on March 2, 1983 at an adjusted price of 1.55 euro. As of August 30, 2013 (last trading day of Fiscal 2013), the closing share price was 66.77 euro.

Since its first listing, the value of Sodexo share has been multiplied by 43.1, whereas the CAC 40 index has been multiplied by only 10.6, which means Sodexo's shares have outperformed the CAC 40 by a wide margin.

Since listing on the stock exchange Sodexo's shares have registered an average annual appreciation of 13.1%, excluding dividends.

(1) CAC 40 index reconstituted from 1983 to 1987.

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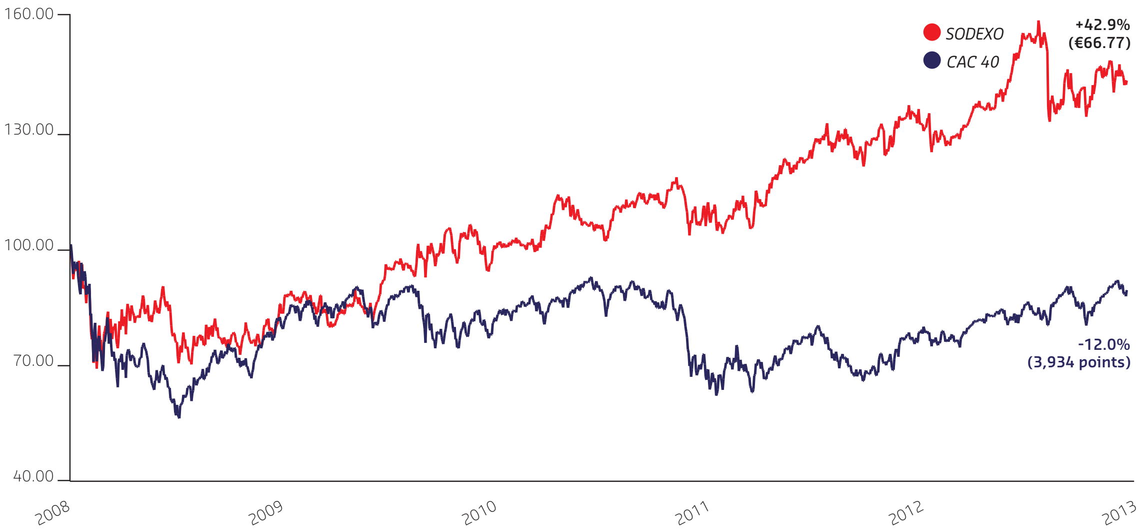
ADJUSTED SODEXO SHARE PRICE TRENDS OVER THE LAST 5 FISCAL YEARS *(IN EURO)*



Source: Sodexo.

Over the last 5 fiscal years, Sodexo's share price increased by nearly 43%, whereas the CAC 40 index recorded a 12% decline.

ADJUSTED SODEXO SHARE PRICE TRENDS FROM SEPTEMBER 1, 2012 THROUGH AUGUST 31, 2013 *(IN EURO)*

Source: Sodexo.

During the last fiscal year, Sodexo's share price increased by 5.8% compared with a 13.9% increase for the CAC 40 index.

As of August 31, 2013 the market capitalization of Sodexo was 10.5 billion euro.

SODEXO SHARE PRICE FROM SEPTEMBER 1, 2012 THROUGH AUGUST 31, 2013 *(IN EURO)*

Closing price at September 3, 2012		63.12
12-month	low (October 1, 2012)	58.50
12-month	high (April 2, 2013)	74.91
Closing price at August 30, 2013		66.77

AVERAGE DAILY TRADING VOLUME OF SODEXO SHARE ON NYSE-EURONEXT PARIS

Volume	233,258
Value *(in thousands of euro)*	15,207

Source NYSE-Euronext Paris (from September 1, 2012 through August 31, 2013).

TRADING VOLUMES AND SHARE PRICE TRENDS

	Share price *(in euro)*			Average daily trading volume *(in thousands of euro)*
Date	high	low	average*	
2012				
January	58.22	54.92	56.57	17,207
February	58.24	55.29	57.32	17,999
March	61.67	57.44	59.74	13,316
April	62.35	58.20	60.12	17,895
May	61.97	57.52	59.37	16,359
June	61.42	56.61	59.56	23,379
July	62.56	57.05	60.33	17,545
August	64.85	61.39	62.89	8,912
September	63.80	58.59	61.87	20,078
October	61.40	58.50	60.22	16,332
November	62.63	59.25	60.99	15,793
December	64.99	62.09	63.76	10,339
2013				
January	66.40	63.27	64.75	14,450
February	71.00	65.37	68.47	13,972
March	73.54	70.22	72.37	13,880
April	74.91	62.00	68.82	21,781
May	68.90	62.78	65.76	17,395
June	67.25	62.66	65.02	15,604
July	69.57	64.11	67.60	10,898
August	70.16	65.67	68.07	11,954
September	70.00	66.69	68.25	13,867
October	74.42	67.10	70.45	11,188

* *Monthly average of closing prices.*

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DIVIDEND AND SHARE PERFORMANCE

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Total payout	€255,192,660[1]	€240,067,214	€221,091,767	€208,024,389
Dividend per share	**€1.62[1]**	**€1.59**	**€1.46**	**€1.35**
10% dividend premium	€0.16			
Earnings per share[2]	€2.91	€3.48	€2.95	€2.64
Payout ratio[3]	55.7%	45.6%	49.5%	51.1%

(1) Subject to approval at the Annual Shareholders' Meeting on January 21, 2014.
(2) Based on an average number of shares (quarterly average).
(3) Dividend per shares as a percentage of earnings per share, excluding the impact of the dividend premium.

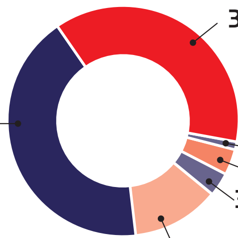
The Board of Directors proposes that the shareholders approve the payment of a dividend of 1.62 euro per share at the Annual Shareholders' Meeting on January 21, 2014, an increase of nearly 2% over the prior year. In addition, and for the first time since the procedure was approved by the January 24, 2011 Shareholders' Meeting, shares held in registered form since at least August 31, 2009 and which are still held in such form when the dividend becomes payable, will automatically be granted, without any further formality, a 10% dividend premium (rounded down to the nearest cent) of an additional 0.16 euro per share. The dividend, along with the dividend premium for shares which are entitled to it, will be paid as of February 4, 2014, with an ex-dividend date on NYSE – Euronext Paris of January 30, 2014. The date to determine the shares that shall be entitled to dividends shall be the close of business on February 3, 2014 (the record date).

Dividends not claimed within five years of the date on which they were payable to shareholders are forfeited.

6.4 Capital

6.4.1 SODEXO: AN INDEPENDENT GROUP

Sodexo remains an independent group. As of August 31, 2013, its share capital was held as follows:



* *Treasury shares: as of August 31, 2013, Sodexo directly held 5,620,453 treasury shares (representing 3.58% of the share capital) and intended to cover the various stock option and free share plans benefiting Group managers.*

** *According to the most recent report identifying shareholders: source Euroclear for bearer shareholders and source Société Générale for registered shareholders.*

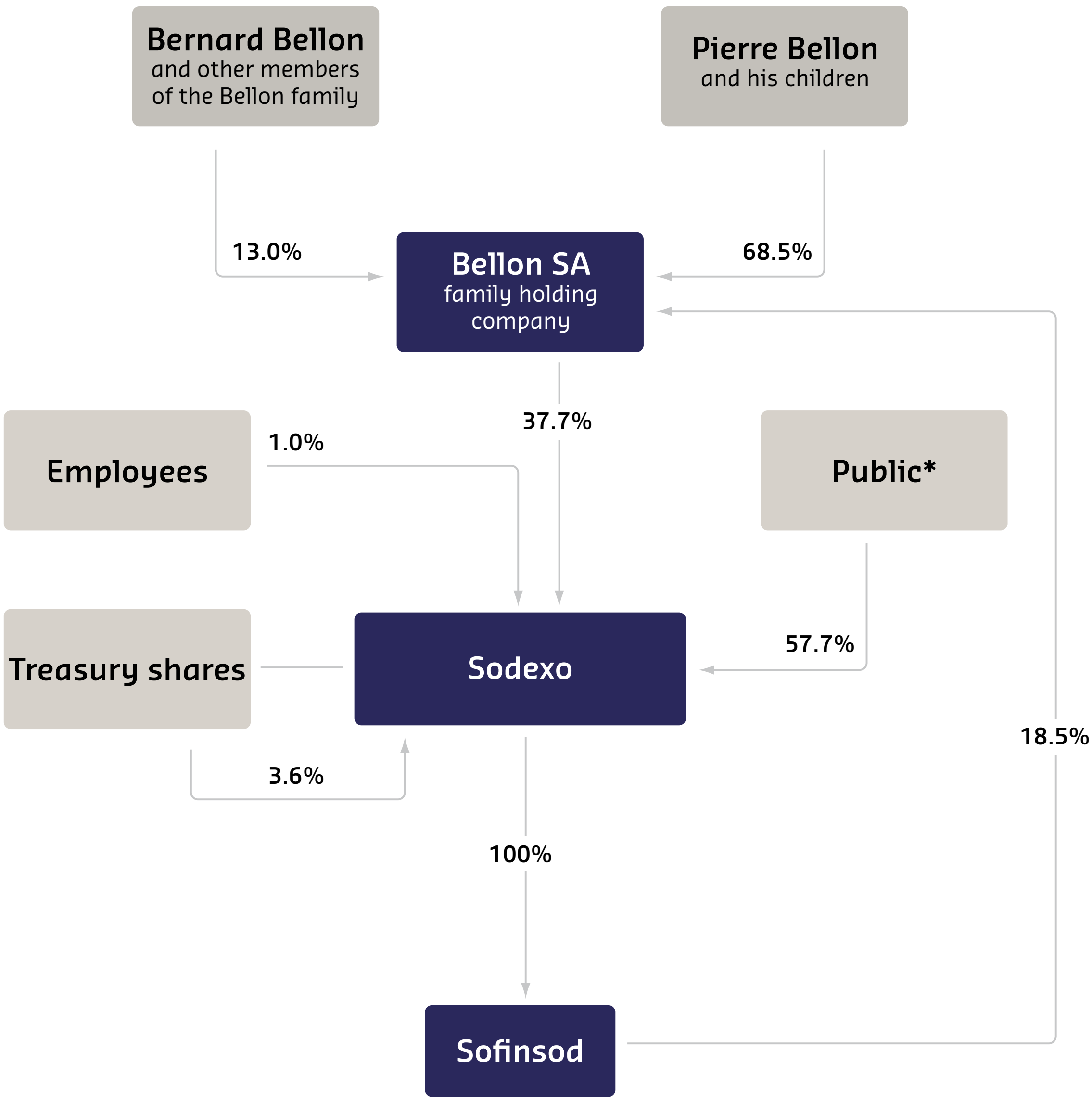
SHAREHOLDERS IDENTIFIED AS OF AUGUST 31, 2013

	Number of shares	% of issued capital	Number of voting rights(1)	% of voting rights(1)
Bellon SA	59,252,063	37.71	109,053,442	50.91
First Eagle Investment Management(2)	5,818,003	3.70	10,696,422	4.99
Employees	1,560,461	0.99	2,482,033	1.16
Treasury shares	5,620,453	3.58	5,620,453	2.62
Public	84,881,045	54.02	86,366,391	40.32
TOTAL	**157,132,025**	**100.00**	**214,218,741**	**100.00**

(1) The Company's bylaws confer double voting rights on registered shares held by the same shareholder for at least four years. Further, pursuant to article 223-11 of the General Regulation of the Autorité des marchés financiers (AMF), the number of voting rights is calculated on the basis of all shares with voting rights, including shares for which the voting rights have been suspended temporarily, such as treasury shares.

(2) Acting on behalf of funds managed by it (including First Eagle Funds, Inc.).

6.4.2 SHAREHOLDERS AS OF AUGUST 31, 2013 (PERCENTAGE OF CAPITAL)



* *Including First Eagle Investment Management, which holds 3.7%.*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7

CORPORATE GOVERNANCE

7.1 Chairman's Report on the Operating Procedures of the Board of Directors and on Internal Control and Risk Management Procedures

In accordance with article L.225-37 of the Commercial Code, the Chairman of the Board of Directors is required to report on the composition, preparation and organization of the work of the Board of Directors and on internal control and risk management procedures put in place by the Group. This report has been prepared by the Chairman of the Board of Directors after consultation with the Chief Executive Officer, the members of the Executive Committee and the Group's various support functions. It was reviewed by the Audit Committee and approved by the Board of Directors at the November 12, 2013 meeting. This report will be presented to the shareholders at the next Shareholders' Meeting on January 21, 2014.

7.1.1 OPERATING PROCEDURES OF THE BOARD OF DIRECTORS

The rules and operating procedures of the Board of Directors are defined by the law, the Company's by-laws and the internal rules of the Board. In addition, specialized Committees have been established in accordance with these rules.

The sections of the Company's by-laws concerning directors are compliant with legal requirements. They include specific provisions concerning the maximum term of office (three years) and the age limit (85 for the Chairman and the Chief Executive Officer). Further, the internal rules of the Board of Directors require each director to own at least 400 Sodexo shares.

7.1.1.1 COMPOSITION AS OF AUGUST 31, 2013

		First Elected	Term Expires
Pierre Bellon	Chairman of the Board of Directors of Sodexo	Nov. 14, 1974	2016
Robert Baconnier[(1)]	Vice Chairman of the Board of Directors of Sodexo	Feb. 8, 2005	2016
Patricia Bellinger[(1)]	Executive Director, Executive Education, Harvard Business School	Feb. 8, 2005	2014[(2)]
Astrid Bellon	Member of the Management Board, Bellon SA	Jul. 26, 1989	2016
Bernard Bellon	Member of the Supervisory Board, Bellon SA	Feb. 26, 1975	2015
François-Xavier Bellon	Chief Executive Officer, Bright Yellow Group Plc	Jul. 26, 1989	2016
Sophie Bellon	Chairman of the Management Board, Bellon SA	Jul. 26, 1989	2015
Françoise Brougher[(1)]	Business Lead, Square	Jan. 23, 2012	2015
Paul Jeanbart[(1)]	Chief Executive Officer, Rolaco	Feb. 13, 1996	2014[(2)]
Michel Landel	Chief Executive Officer, Sodexo	Jan. 19, 2009	2014[(2)]
Alain Marcheteau[(1)]	Company Director	Jan. 25, 2010	2014[(3)]
Nathalie Szabo	Member of the Management Board, Bellon SA	Jul. 26, 1989	2015
Peter Thompson[(1)]	Company Director	Feb. 8, 2005	2014[(2)]

(1) Independent director as defined by the AFEP-MEDEF Code of Corporate Governance of listed corporations, except for the recommendation that a director should not serve on the Board for more than 12 years (in the case of Paul Jeanbart).
(2) The Board of Directors will propose the renewal of these mandates at the Shareholders' Meeting of January 21, 2014.
(3) Alain Marcheteau has informed the Board of Directors of his decision not to stand for re-election at the next Shareholders' Meeting.

7.1.1.2 INFORMATION ABOUT THE DIRECTORS AS OF AUGUST 31, 2013

PIERRE BELLON

Born January 24, 1930.
Married, 4 children.
Nationality: French.
Graduate of the *École des hautes études commerciales* (HEC).

Business address:
Sodexo
255, quai de la Bataille de Stalingrad
92130 Issy-les-Moulineaux (France)

Background

Pierre Bellon joined Société d'Exploitations Hôtelières, Aériennes, Maritimes et Terrestres in 1958 as Assistant Manager. He later served as Managing Director and then Chairman and Chief Executive Officer.

In 1966, he founded Sodexho SA. He served as Chairman and Chief Executive Officer until August 31, 2005, when Michel Landel was named Chief Executive Officer following the Board decision to separate the roles of Chairman and Chief Executive Officer.

Pierre Bellon remained as Chairman of the Board of Directors, a position he still holds at Sodexo SA (new name since January 2008).

Since 1988, he has served as Chairman and Chief Executive Officer of Bellon SA, the family holding company that controls Sodexo, and has been Chairman of the Supervisory Board since February 2002.

Since 1976, he has been a member of the Executive Council of CNPF, the French employers' federation, now known as MEDEF.

Pierre Bellon has also served as:

- Vice President of CNPF (subsequently MEDEF), 1980-2005;
- National President of the French National Center for Young Business Leaders (formerly the Center for Young Employers), 1968-1970;
- President of the French National Federation of Hotel and Restaurant Chains, 1972-1975;
- Member of the French Economic and Social Council, 1969-1979.

Number of Sodexo shares held: 12,900.

Other positions and corporate offices held

- Chairman of the Supervisory Board: Bellon SA;
- Member of the Supervisory Board: Sobelnat SCA;
- Member of the Board of Directors: Association progrès du management (APM), created by Pierre Bellon in 1987, and Association nationale des sociétés par actions (ANSA);
- Chairman and Founder: Association Pierre Bellon.

Past corporate offices

- Member of the Board of Directors: Kering (formerly PPR), CMA-CGM and Air Liquide*.

* *Listed company.*

ROBERT BACONNIER

Born April 15, 1940.
Married, 3 children.
Nationality: French.
Degree in Literature, Graduate of the *Institut d'études politiques de Paris* and of the *École nationale d'administration* (1965-1967).

Address:
11, avenue Théophile Gautier
75016 Paris (France)

Background

Robert Baconnier began his career in 1967 as a civil servant at the French Ministry of Economy and Finance, and was assigned to the Internal Revenue Service *(Direction Générale des Impôts)*. From 1977 to 1979 he was Technical Advisor to the office of the Minister of Economy and Finance, then Deputy Director in the office of the Minister for the Budget. From 1979 to 1983 he was Deputy Director in charge of the International Division of the Tax Legislation Department. In 1983, he was appointed head of the Litigation Department of the French Internal Revenue Service. In 1986 he became head of the French Internal Revenue Service. From 1990 to 1991 he was Paymaster General at the French Treasury.

In 1991, he joined the law firm Bureau Francis Lefebvre, where he served as Chairman of the Management Board until 2004.

He then held office as Chairman and Chief Executive Officer of Association nationale des sociétés par actions (ANSA) until January 2012, when he was named Honorary Chairman. Since 2010, he has been Vice Chairman of the Board of Directors of Sodexo.

Number of Sodexo shares held: 410.

Other positions and corporate offices held

- **Non-voting Board member and member of the Audit Committee:** Siparex Associés.

Other corporate offices held within the past five years but no longer held

- **Chairman and Chief Executive Officer:** Association Nationale des Sociétés par Actions (ANSA);
- **Board member:** Lafarge Ciments*;
- **Supervisory Board member:** ELS (Éditions Lefebvre Sarrut);
- **Other corporate office:** Member of the *Conseil des Prélèvements Obligatoires* (the French Tax and Social Charges Board).

PATRICIA BELLINGER

Born March 24, 1961.
Married, 2 children.
Nationality: dual American and British.
BA in Literature, Harvard University.

Business address:
Sodexo
255, quai de la Bataille de Stalingrad
92130 Issy-les-Moulineaux (France)

Background

Patricia Bellinger began her career in Madrid, Spain in 1986 by founding a casting agency, and she continued to work in media and communications in Spain until 1995. In 1995, she returned to the USA and joined Bristol Myers Squibb (BMS), the pharmaceutical company, where she was successively Associate Director for Communications and Associate Director for Public Affairs. In 1998 she became the Corporate Director of Culture and Human Resources Diversity. In 2000, she joined British Petroleum in London as Vice President for Diversity and Inclusion; she was Group Vice President and director of the BP Leadership Academy until 2007. In March 2011, she was appointed Executive Director of Executive Education, Harvard Business School. In August 2013, she was also appointed Executive Director at Harvard Kennedy School's Center for Public Leadership (CPL) as well as an adjunct lecturer at the School.

Number of Sodexo shares held: 400.

Other positions and corporate offices held

- **Member of the Board of Trustees:** Facing History and Ourselves; Pattern Energy Inc.; U Aspire;
- **Other:** Member of the Advisory Board of Program in Education, Afterschool and Resiliency (PEAR); McLean Hospital (Harvard Medical School); Member of the Business Advisory Board of Sodexo, Inc. until June 2013[1].

Other corporate offices held within the past five years but no longer held

- **Chairman of the Board of Directors:** Nordic Windpower, Ltd. (UK);
- **Member of the Board of Directors:** YMCA of Greater Boston (USA).

* *Listed company.*

(1) *The Board of Directors determined that Patricia Bellinger's role on the Business Advisory Board of Sodexo, Inc. (a U.S. subsidiary of Sodexo), for which she received compensation of USD 50,000 in Fiscal 2013, did not affect her status as an independent director, as this role and the related compensation were not considered to be material in light of Sodexo, Inc.'s global operations and her primary professional activities.*

ASTRID BELLON

Born April 16, 1969.
Graduate of ESLSCA.
Nationality: French.
Master of Arts in Cinema Studies, New York.

Business address:
Bellon SA
255, quai de la Bataille de Stalingrad
92130 Issy-les-Moulineaux (France)

Background

Astrid Bellon is a member of the Management Board of Bellon SA.

Number of Sodexo shares held: 36,723.

Other positions and corporate offices held

- **Chairman:** Sofrane SAS;
- **Member of the Management Board:** Bellon SA;
- **Managing Partner:** Sobelnat SCA (Permanent Representative of Sofrane SAS);
- **Founding member:** Association Pierre Bellon.

Other corporate offices held within the past five years but no longer held

None.

BERNARD BELLON

Born August 11, 1935.
Married, 5 children.
Nationality: French.
Degree in French Literature from IAE Aix-Marseille.

Business address:
14, rue Saint Jean
1260 Nyon (Switzerland)

Background

Bernard Bellon was director of Compagnie Hôtelière du Midi (part of the Compagnie de Navigation Mixte Group) from 1962 to 1970 and then held various managerial positions in banking at CIC-Banque de l'Union Européenne Group from 1970 to 1988. He founded Finadvance SA, a venture capital company of which he was Chairman from its creation in 1988 until 2013.

Number of Sodexo shares held: 319,782.

Other positions and corporate offices held

- **Member of the Supervisory Board:** Bellon SA;
- **Founding member:** Association Pierre Bellon.

Other corporate offices held within the past five years but no longer held

- **Chairman of the Board of Directors:** Finadvance SA;
- **Board member:** Copelia.

FRANÇOIS-XAVIER BELLON

Born September 10, 1965.
Married, 4 children.
Nationality: French.
Graduate of the European Business School.

Business address:
Bright Yellow Group Plc
2 East Throp House, 1 Paddock Road
Reading RG4 5BY (United Kingdom)

Background

François-Xavier Bellon is the CEO of Bright Yellow Group, a company he acquired in August 2007. This company based in the United Kingdom specializes in providing in-home services to dependent persons.

Previously, François-Xavier Bellon was Sales and Marketing Director of the Global Temporary Work Division of the Adecco Group, where he spent more than seven years. He was based in London for his last posting, but was previously Regional Vice President for Catalonia, based in Barcelona, and Head of the Orsay-les-Ulis Agency, near Paris.

Francois-Xavier Bellon also spent ten years with Sodexo, where he was Chief Executive of Sodexo UK prior to resigning in May 2004. After joining Sodexo France Hôtellerie et Santé in 1995, he was successively Head of Sector and Head of Development, based in Paris, and then Chief Executive Officer of the Mexican subsidiary for five years.

Number of Sodexo shares held: 36,383.

Other positions and corporate offices held

- **Chief Executive Officer**: PB Holding SAS; Bright Yellow Group Plc;
- **Board member**: Footprint Ltd; LifeCarers Ltd; Bright Yellow Group Plc;
- **Member of the Management Board**: Bellon SA;
- **Advisor**: French Foreign Trade Commission; U1st Sports SA; Dr Clic Sociedad Limitada.

Other corporate offices held within the past five years but no longer held

None.

SOPHIE BELLON

Born August 19, 1961.
4 children.
Nationality: French.
Graduate of the *École des hautes études commerciales du Nord* (EDHEC).

Business address:
Sodexo
255, quai de la Bataille de Stalingrad
92130 Issy-les-Moulineaux (France)

Background

Sophie Bellon began her career in 1985 with Crédit Lyonnais in the United States as a mergers and acquisitions advisor for the bank's French clientele in New York. She joined Sodexo in 1994 as a senior analyst in the Group Finance Department. In 2001, she was appointed Project Manager – Strategic Financial Planning within the Group Strategic Planning Department, to develop and implement key performance indicators for the Group. In September 2005, she was named Group Vice President of Client Retention and was responsible for the worldwide deployment of the initiative on client retention.

In September 2008 she was appointed Chief Executive Officer of Corporate Services for Sodexo France. In that capacity, she also took over responsibility for facilities management activities in France in September 2010.

Since January 2013, she has been in charge of Group research, development and innovation processes as a member of the senior management team.

Number of Sodexo shares held: 7,964.

Other positions and corporate offices held

- **Chairman**: PB Holding SA;
- **Chairman of the Management Board**: Bellon SA;
- **Founding member**: Association Pierre Bellon;
- Member of senior management in charge of Group research, development and innovation processes.

Other corporate offices held within the past five years but no longer held

- **Chief Executive Officer**: Sodexo Facilities Management SAS**;
- **Chief Executive Officer**: Sodexo Entreprises SAS**;
- **Chairman of the Board of Directors**: Altys Multiservices SA**;
- **Legal Manager**: Baumira; SORESCOM SARL**;
- **Member of the Management Board**: Société Française de Restauration et Services SAS**; Société Française de Propreté SAS**; Sodexo Santé Médico-Social**.

** *Sodexo Group company.*

FRANÇOISE BROUGHER

Born September 2, 1965.
Married, 3 children.
Nationality: dual French and American.
Graduate of ICAM-Lille *(Institut catholique d'arts et métiers)* (France) and Harvard University (United States).

Business address:
Square
901 Mission Street, Suite 210
San Francisco, CA 94103 USA

Background

Françoise Brougher began her career in 1989 in a production unit of L'Oréal in Japan. After receiving her MBA in 1994, she joined the strategy consulting firm Booz Allen & Hamilton, dividing her time between Europe and the United States. In 1998 she joined the San Francisco-based Ocean Gem Pearl Corporation, an importer of black Tahitian pearls, as Chief Executive Officer. From 2000 to 2005, she was Vice President of Strategy at California-based Charles Schwab & Co. In March 2005, she joined Google, where she managed the Business Operations Group for four years, becoming Vice President, Global SMB Sales & Operations in 2009. In April 2013, she joined San Francisco-based Square as Business Lead.

Number of Sodexo shares held: 400.

Other positions and corporate offices held

- Business Lead, Square.

Other corporate offices held within the past five years but no longer held

None.

PAUL JEANBART

Born August 23, 1939.
Married, 3 children.
Nationality: dual Canadian and Swiss.
Civil engineer.

Business address:
Immeuble Président Mouawad
Rue Pierre Hélou, Hazmié, Beirut (Lebanon)

Background

Co-founder, partner and Chief Executive Officer of the Rolaco Group since 1967.

Number of Sodexo shares held: 400.

Other positions and corporate offices held

- Chairman: Oryx Finance Limited;
- Chairman of the Board of Directors: Hôtels Intercontinental Genève SA*; Luxury Brand Development SA, parent company of Orfèvrerie Christofle;
- Board member: Semiramis Hotel Co.; Rolaco Holding SA, Luxemburg (Executive Director) and subsidiaries/affiliates of the Rolaco Group.

Other corporate offices held within the past five years but no longer held

- Member of the Supervisory Board: Club Méditerranée SA*.

* *Listed company.*

MICHEL LANDEL

Born November 7, 1951.
Married, 3 children.
Nationality: French.
Graduate of the European Business School.

Business address:
Sodexo
255, quai de la Bataille de Stalingrad
92130 Issy-les-Moulineaux (France)

Background

Michel Landel began his career in 1977 with Chase Manhattan Bank, then in 1980 became manager of a building materials plant belonging to the Poliet Group.

He was recruited in 1984 as Head of Operations for East and North Africa, and was promoted in 1986 to Vice President for Remote Site Management in Africa. In 1989 he took over the management of activities in North America, where he notably worked on the 1998 merger with Marriott Management Services and creation of Sodexho Marriott Services. In 1999, he became Chief Executive Officer of Sodexho Marriott Services, now Sodexo, Inc.

Michel Landel was named Vice Chairman of the Executive Committee of Sodexo in February 2000.

From June 2003 through August 2005, Michel Landel served as Group Co-President and Co-Chief Operating Officer in charge of North America, the United Kingdom and Ireland, together with Remote Site Management.

He has been Chief Executive Officer of Sodexo since September 1, 2005.

Number of Sodexo shares held: 81,897.

Other positions and corporate offices held

- **Chief Executive Officer**: Sodexo**;
- **Board member**: Sodexo, Inc.**; Catalyst in the United States;
- **Member of the Supervisory Board**: One SCA**;
- **Member of the Management Board**: Sodexo Pass International SAS**; One SAS**;
- **Chairman**: STOP Hunger Association; Executive For Excellence Association.

Other corporate offices held within the past five years but no longer held

None.

* *Listed company.*
** *Sodexo Group company.*

ALAIN MARCHETEAU

Born September 5, 1944.
Married, 4 children.
Nationality: French.
Graduate of the *Institut d'études politiques de Paris,* Holder of a Masters' degree in Law and graduate of the *École nationale d'administration.*

Business address:
34, rue Pérignon
75015 Paris (France)

Background

Alain Marcheteau was a civil servant at the French Ministry of Transport from 1971 to 1975 and then at the Ministry of Finance (Treasury section) from 1975 to 1981. He successively became Treasurer, Chief Financial Officer, and Chief Operating Officer (Finance and Subsidiaries) of Air France from 1981 to 1991. He then was Chief Financial Officer of Compagnie de Suez from 1991 to 1996, Chief Executive Officer of ISM (Real Estate Leasing), a subsidiary of Crédisuez, from 1996 to 1998, and then Chief Operating Officer and Project Director with the Management Board of Suez-Lyonnaise des Eaux from 1998 to 1999. He joined the Snecma Group in 1999 as Chief Operating Officer for Economic and Financial Affairs and then, in connection with the creation of Safran in 2004, became the General Secretary and member of the Executive Committee of Safran until July 1, 2009.

Number of Sodexo shares held: 500.

Other positions and corporate offices held

- **Chairman and Chief Executive Officer**: AM-Consult;
- **Director**: CieDaher (member of the Audit and Strategy Committees); Messier-Bugatti (Safran Group); Morpho Identification BV (Safran Group); Morpho Sécurité (Safran Group); Aircelle (Safran Group);

Other corporate offices held within the past five years but no longer held

- **Chairman and Chief Executive Officer**: Valin Participations (Safran Group); Établissements Vallaroche (Safran Group); Vallaroche Conseil (Safran Group);
- **Directorships**: Labinal (Safran Group); Sagem Communication (Safran Group); Snecma (Safran Group); Ingenico* (Board member and member of the Audit and Ethics Committees); Sagem Télécommunications (Safran Group); Snecma Services (Safran Group); Soreval (Safran Group).

NATHALIE SZABO

Born January 26, 1964.
3 children.
Nationality: French.
Graduate of the European Business School.

Business address:
Sodexo Prestige Sports and Leisure
19, rue de Sèvres
92100 Boulogne (France)

Background

Nathalie Szabo began her career in the foodservices industry in 1987. From 1989, she was an account manager for Scott Traiteur, and then Sales Manager of Le Pavillon Royal.

She joined Sodexo in March 1996 as Sales Director for Sodexo Prestige in France, becoming a Regional Manager in 1999. In September 2003 she was appointed Managing Director of Sodexo Prestige, and Managing Director of *L'Affiche* in January 2006. She was named Chairman of the Management Board of the Lido in 2009. She became Chief Executive Officer of Sodexo Prestige Sports and Leisure in France on September 1, 2010 and Chairman of the Management Board of Lenôtre in 2012.

Number of Sodexo shares held: 1,147.

Other positions and corporate offices held

- Chairman: Yachts de Paris SAS**; Compagnie d'Armateur Fluvial et Maritime SAS**; Société d'Exploitation des Vedettes Paris Tour Eiffel (SEVPTE) SAS**; SAS Lenôtre Côte d'Azur**;
- Chairman of the Board of Directors: L'Affiche SA**; Millenia SA**; Gedex**;
- Chairman of the Management Board: Société du Lido (SEGSHMI)**; Lenôtre SA**;
- Board member: Altima SA**;
- Member of the Management Board: Bellon SA;
- Chairman and member of the Executive Board: Excel SAS**;
- Chief Executive Officer: Sodexo Prestige Sports and Leisure in France.

Other corporate offices held within the past five years but no longer held

- Managing Director: Millenia SA**; L'Affiche SA**;
- Chairman of the Board of Directors: Holding Bungener et Compagnie SAS**;
- Chairman of the Supervisory Board: Lenôtre SA**;
- Member of the Board of Directors: Holding Bungener et Compagnie SAS**;
- Member of the Supervisory Board: Société du Lido (SEGSHMI)**;
- Legal Manager: Courcelles Miromesnil SARL**; LBCV Sarl**.

** *Sodexo Group company.*

1 Group Presentation
2 Economic, social and environmental responsibility
3 Consolidated information
4 Information on the issuer
5 Legal Information
6 Shareholders – Financial Communication
7 Corporate Governance
8 Combined Annual Shareholders' Meeting, January 21, 2014
9 Other information

PETER THOMPSON

Born September 15, 1946.
Married, 3 children.
Nationality: American.
BA Modern Languages, Oxford University; MBA, Columbia University.

Business address:
Thompson Holdings LLC
251 Island Creek Drive
Vero Beach, FL 32963 (United States)

Background

Peter Thompson began his career in marketing in 1970. In 1974, he became a Product Manager at General Foods Corp. He joined Grand Met Plc in 1984, where he held management positions (Green Giant, Häagen-Dazs, Pillsbury, etc.). In 1992 he became Chairman and CEO of GrandMet Foods Europe, based in Paris. In 1994 he joined the PepsiCo Group where he successively held the following positions: President of Walkers Crisps in the UK; CEO Europe, Middle East, Africa for Frito-Lay International; and finally CEO of Pepsi-Cola International (1996-2004).

Currently, he is a private investor and Chairman of the Board of the Vero Beach Museum of Art.

Number of Sodexo shares held: 400.

Other positions and corporate offices held

- Chairman of the Board: Vero Beach Museum of Art.

Other corporate offices held within the past five years but no longer held

Board member: Syngenta* AG (member of the Audit Committee).

* *Listed company.*

7.1.1.3 PRINCIPLES GOVERNING THE COMPOSITION OF THE BOARD OF DIRECTORS

As of August 31, 2013, the Board of Directors had thirteen members, of which five (more than 38% of all Board members) are women, evidence that women are well represented on the Board. Nine Board members are French nationals, three are American, and one is Canadian. Directors are chosen for their ability to act in the interests of all shareholders and for their expertise, experience and understanding of the strategic challenges in markets where Sodexo operates.

The composition of the Board is intended to reflect the geographic mix of the business (insofar as possible), to provide a range of technical skills, and to include individuals with in-depth knowledge of Sodexo's activities.

The independence criteria applied by the Board of Directors are the same as those listed in the AFEP-MEDEF Code, except for the recommendation that a director should not serve on the Board for more than 12 years (see below – AFEP-MEDEF Code of Corporate Governance for listed companies).

During Fiscal 2013, six Board members were deemed independent directors as defined above (see paragraph 7.1.1.1).

Directors hold office for a term of three years and may be re-elected. Exceptionally, the Ordinary Shareholders' Meeting may, on the recommendation of the Board of Directors, appoint or re-elect one or several directors for a period of one or two years, to enable the re-election of directors to be staggered. To comply with French law, the number of directors over the age of 70 is limited to a third of all directors.

A vote will be submitted to the Shareholders' Meeting on January 21, 2014 to amend the Company's bylaws to allow an employee representative to join the Board of Directors in 2014, in compliance with the French law of June 14, 2013 concerning job security.

7.1.1.4 PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

Sodexo is governed by a Board of Directors chaired by Mr. Pierre Bellon.

Role of the Chairman of the Board of Directors

The Chairman of the Board of Directors represents the Board and organizes and directs its work, on which he reports to the shareholders at the Annual Meeting. He also represents the Board in matters concerning third parties such as employee representatives, the external auditors and shareholders. The Chairman oversees the functioning of all of the Company's Corporate Governance structures and, in particular, ensures that the Board members are able to fulfill their mission. The Board of Directors may appoint a Vice Chairman to chair Board meetings in the Chairman's absence.

Operating procedures of the Board of Directors

In addition to the Company's bylaws, the Board of Directors is governed by the Board's Internal Rules, which set forth the Board's mission, the required number of Board members, the Directors' Charter, the minimum number of Board meetings and the rules for allocating directors' fees. The Internal Rules also set the criteria for assessing the performance of the Board, organize the delegation of powers to the Chief Executive Officer, and define the policy for issuing guarantees. The principal elements of the Board's Internal Rules are described in section 7.1.1.4.

Mission of the Board of Directors

The Board of Directors defines Sodexo's strategy, long-term objectives and overall policies.

It regularly supervises the management of the business and in particular progress made on metrics it has identified.

It appoints corporate officers to manage Group policies.

It ensures the existence and effectiveness of internal control procedures, and oversees the quality of information provided to shareholders and to the financial markets in the financial statements and in connection with major financial transactions.

As required by law, the Board of Directors approves the financial statements for publication, proposes dividends, and makes decisions on significant investments and financial policy.

At least three days ahead of Board meetings, each Board member is given briefing documents so that he or she can review and/or investigate the issues to be discussed.

The Group's senior executives make regular presentations to the Board, in particular at the beginning of September, when the budget, the three-year plans and the 10-year financing plan are discussed:

- the Chief Executive Officer and the other operations executives in each area of responsibility discuss the potential for growth, competitive positions, the ambition, the strategy for achieving it and the principal elements of their action plans;
- Group executives in each functional area (Human Resources, Finance, Brand and Communication, Marketing and Strategic Planning) present their recommendations regarding strategy and policy developments, progress achieved and to be achieved, and action plans for implementation in the Group.

The Board of Directors performs periodic in-depth reviews of the financial statements at meetings attended as necessary by members of the Group's operational and functional management teams as well as by the external auditors.

The Board of Directors is also kept regularly informed of questions, comments or critiques from shareholders, whether at meetings with shareholders or by mail, e-mail or telephone.

The Directors' Charter

The main elements of the Director's Charter are described below.

Each director must personally own at least 400 Sodexo shares.

Except in cases of *force majeure,* all directors of Sodexo must attend Shareholders' Meetings.

Directors are required to disclose to the Board all actual or potential conflicts of interest and must abstain from voting on those matters.

Any director of Sodexo who obtains unpublished information during the course of his or her duties is bound by a duty of confidentiality.

Directors are also prohibited from trading in Sodexo securities as follows:

- during the period commencing thirty calendar days before the Board meeting that approves the interim and annual consolidated financial statements for publication and up to and including the date of publication of those interim and annual financial statements;
- during the period commencing fifteen calendar days prior to the date of publication of the consolidated financial information for the first and third quarters up to and including the date of their publication.

Transactions by directors in the Company's shares must be disclosed to the public. Consequently, directors are required to inform the Group Legal Department of all transactions in Sodexo shares.

Board Committees

To support its decision-making process, the Board has created four Committees, each with its own Charter approved by the Board of Directors. Broadly, their role is to examine specific issues ahead of Board meetings, and to submit opinions, proposals and recommendations to the Board.

AUDIT COMMITTEE

Composition as of August 31, 2013:

- Robert Baconnier – the Committee Chairman – in his capacity as a "financial expert";
- Alain Marcheteau ;
- Sophie Bellon.

All Audit Committee members have recognized expertise in finance and accounting, as confirmed by their professional background (see section 7.1.1.2 of this report).

Alain Marcheteau has informed the Board of Directors of his decision not to stand for re-election at the next Shareholders' Meeting. Consequently, the composition of the Audit Committee will be reassessed later.

Pierre Bellon is invited to attend Audit Committee meetings depending on the matters discussed, but is not a member.

The Audit Committee is responsible for ensuring that the Group's accounting policies are appropriate and consistently applied. It periodically reviews Senior Management reports on risk exposure and prevention, and ensures that effective internal controls are applied.

The Committee assesses proposals from external auditor firms and submits candidate firms for approval by the Annual Shareholders' Meeting.

It also performs an annual review of the fees paid to the external auditors of Sodexo and its subsidiaries, and assesses auditor independence. In addition, it reviews the annual payment due under the service contract signed between Sodexo and Bellon SA (detailed in section 7.2), as well as any changes in its amount from one year to the next.

To perform its role, the Audit Committee is assisted by the Chief Executive Officer, the Group Chief Financial Officer, the Group Internal Audit Director and the external auditors. It may also make inquiries of any Group employee and seek advice from outside experts.

During Fiscal 2013, Michel Landel (Chief Executive Officer of Sodexo), Siân Herbert-Jones (Group Chief Financial Officer) and Laurent Arnaudo (Group Internal Audit Director) were regularly invited to attend Audit Committee meetings to discuss their activities and answer questions.

The Audit Committee met four times during the fiscal year, with a 100% attendance rate.

Issues addressed by the Committee included:

- review of the main risks and the risk management process;
- progress report on the evaluation of internal control;
- approval of the Internal Audit Plan for Fiscal 2013;
- reports issued by the Internal Audit Department, and progress reports on the implementation of its recommendations;
- supervision of the independence, terms of engagement and fees of the auditors of Sodexo and its subsidiaries in connection with the audit of the consolidated financial statements for Fiscal 2013. The Audit Committee also approved in advance all other engagements performed by the Group's external auditors and by member firms of their networks;
- review of the compensation to be paid under the service contract signed between Sodexo and Bellon SA in respect of Fiscal 2014.

The Audit Committee also reviewed the annual consolidated financial statements for Fiscal 2012, and the interim consolidated financial statements for the first half of Fiscal 2013. In addition to four formal meetings, the Chairman of the Audit Committee also had periodic meetings during the fiscal year with the Group Chief Executive Officer, the Group Internal Audit Director, the Group Chief Financial Officer and the external auditors.

NOMINATING COMMITTEE

Composition at August 31, 2013:

- Patricia Bellinger, the Committee Chairman;
- Nathalie Szabo;
- Peter Thompson;
- Pierre Bellon.

Although the AFEP-MEDEF Code recommends that the Committee should include a majority of independent directors, this composition is considered justified by Bellon SA's controlling shareholding in Sodexo (Bellon SA is the holding company held by Pierre Bellon, the founder of the Sodexo Group, and his family).

This Committee:

- examines proposals made by the Chairman of the Board and advises the Board on the appointment of directors. The Committee reviews nominees prior to their election as directors, and where it sees fit assesses the situation of directors in relation to the criteria concerning the composition of the Board specified in the relevant legislation and in the Board's Internal Rules. For compliance reasons, the Committee also provides the Board of Directors from time to time with a list of directors qualifying as independent;
- provides an opinion to the Board on the nomination of the Chief Executive Officer and as appropriate one or more Chief Operating Officers.

It also:

- examines proposals made by the Chief Executive Officer on succession plans for members of the Executive Committee and other key executives, and advises the Board on these proposals; and
- ensures that the Chief Executive Officer is able to propose potential replacements to the Board at any time if a position suddenly becomes vacant, while maintaining confidentiality.

The Nominating Committee met three times in Fiscal 2013, notably to review Group Executive Committee succession plans and organizational changes.

The average attendance rate at these meetings was 83%.

COMPENSATION COMMITTEE

Composition at August 31, 2013:

- Patricia Bellinger, the Committee Chairman;
- Pierre Bellon;
- Bernard Bellon.

Although the AFEP-MEDEF Code recommends that the Committee should include a majority of independent directors, this composition is considered justified by Bellon SA's controlling shareholding in Sodexo (Bellon SA is the holding company held by Pierre Bellon, the founder of the Sodexo Group, and his family.) The AFEP-MEDEF Code also recommends that this Committee not include any Corporate Officers who are also Sodexo executives; to this extent, it should be noted that Pierre Bellon does not hold any operational position in the Group.

This Committee makes proposals relating to compensation packages for corporate officers, executive compensation policy, performance-based incentives, and in particular, stock option plan policies and free and performance shares (including the related performance conditions), as well as employee stock ownership plans. The principles and rules applied by the Board of Directors in determining the compensation and benefits of any nature provided to the executive officers are described in section 7.3 of this document.

The Compensation Committee met three times during the fiscal year and the attendance rate was 100%.

The Compensation Committee made recommendations to the Board on issues such as free share grants and the related performance conditions, a review of executive incentive programs, and compensation packages for the Chairman and the Chief Executive Officer. Accordingly the Committee proposed to the Board that 840,755 free shares should be granted to 1,123 people in April 2013 (with some of the shares subject to performance conditions), and expressed its opinion on individual grants and the performance conditions proposed by the Chief Executive Officer.

PUBLIC-PRIVATE PARTNERSHIP (PPP) AND PRIVATE FINANCE INITIATIVE (PFI) PROJECTS COMMITTEE

The Board of Directors has also set up a working group to conduct in-depth studies of commitments the Group may need to make within the framework of Public-Private Partnership and Private Finance Initiative contracts; these include any commitments to acquire interests in a special purpose entity formed for a particular project and subcontracting contracts with a minimum duration of five years. Recommendations made by this working group are used by the Board in deciding whether to authorize the investments and issue any related guarantees.

The working group is chaired by Siân Herbert-Jones, Group Chief Financial Officer, and consists of five directors (Sophie Bellon, Robert Baconnier, Alain Marcheteau, Michel Landel and Pierre Bellon) and members of his staff, together with the operational managers who propose and will manage these projects. During the year, this working group met twice to review the Group's commitments in connection with three PPP projects in Europe.

The Board of Directors discussed the future creation of a Sodexo Strategic Committee at its September 2013 meeting. The Committee's role, operating practices and composition will be defined at a later date.

Board meetings during the year

BOARD MEETINGS

The Board of Directors met eight times during Fiscal 2013, fulfilling the minimum requirement of four meetings per year as stated in the Internal Rules. The Board of Directors decided that its annual September meeting would include a review not only of the annual budget but also of the largest entities' strategic plans. Plans not reviewed during the September meeting will be examined at subsequent Board meetings held during the fiscal year.

The average attendance rate at Board meetings during Fiscal 2013 was 90.4%.

Date	Main items on the agenda	Attendance rate
September 11, 2012	Presentation by the Chief Executive Officer and Group senior management of the three-year plan covering the period 2012-2015. Approval of the Fiscal 2013 budget, the three-year plan and the 10-year financing plan. Policy for equal opportunities and equal pay.	100%
November 6, 2012	Approval of the Fiscal 2012 financial statements for publication. Finalization of the Board Report. Review of the annual earnings press release. Convening and preparation of the Combined Shareholders' Meeting. Presentation of the Personal and Home Services activity.	92%
January 21, 2013	Business update for opening months of Fiscal 2013.	77%
January 21, 2013	Appointment of Chairman and Vice Chairman of the Board of Directors.	77%
March 5, 2013	Presentation of the On-site Services activity in France and the UK. Business update for the first five months of Fiscal 2013.	85%
April 16, 2013	Approval of the interim consolidated financial statements for the first half of Fiscal 2013 for publication. Approval of the Interim Report for the first half of Fiscal 2013. Review of the first-half results press release. Approval of the amendment to the service agreement signed between Bellon SA and Sodexo and of the related fees. Presentation of some thoughts on the Group's organizational structure for the medium term.	92%
April 25, 2013	Adoption of a plan to grant free shares.	100%
June 11, 2013	Presentation of the Remote Sites activity in South East Asia and Australia. Presentation of the On-site Services activity in India.	100%

ASSESSMENT OF BOARD OPERATING PROCEDURES

During Fiscal 2011, an assessment of the Board's operating procedures was performed by an external consultant in February and March 2011, through individual interviews of each of the individual Board members.

The Board's operating procedures were generally considered satisfactory, the number of directors was deemed adequate and the work of the Audit Committee was judged to be excellent. Directors expressed their confidence in the work of the Nominating Committee and the Compensation Committee. It was suggested that the Board reinforce its international dimension and progressively renew its membership to bring in new expertise and better reflect the generations. In this regard, the election to the Board of Françoise Brougher at the 2012 Annual Shareholders' Meeting has expanded the range of expertise on the Board.

The new directors considered that they had been well received, but some felt that the induction process could be improved further. The necessary improvements naturally depend on the needs expressed by each new director. For example, after stating that she would like to better understand the Group's businesses, Françoise Brougher was invited to visit sites in several business segments in France and the United States. She considered that she was warmly welcomed during these visits.

All directors considered that the Board makes satisfactory use of their respective competencies.

Discussions at Board meetings were considered to be frank and open, with directors able to debate issues freely. However, some directors drew attention to the predominance of financial issues and would appreciate the occasional opportunity to discuss strategic topics related to market trends at greater length.

The directors unanimously expressed their confidence in the Chairman of the Board, the Chief Executive Officer and the management team. They expressed the wish for more systematic subsequent debriefing on the actual impacts of significant projects previously approved by the Board, such as acquisitions and investments.

In addition, the directors would also like to see more discussion of the organization and succession plans for Group senior managers, together with a detailed annual presentation of the human resources policy (including evaluation procedures, succession plans, and oversight of high-potential executives). In addition, some directors would appreciate being able to meet more frequently with the management team and high-potential executives.

To further improve its procedures, the Board now conducts a systematic assessment of all meetings at which strategic issues are discussed. A questionnaire on strategic plans helps directors to participate more effectively in the strategic planning process and to improve the form and substance of management presentations to the Board. Eight assessments were performed during the fiscal year.

At the Board meeting on November 12, 2013, the Chairman informed the directors that an assessment of Board operating procedures would be conducted by an external consultant in the next three months. The findings of this assessment should be presented at a Board meeting in Fiscal 2014.

Role of the Chief Executive Officer and the Executive Committee

On September 1, 2005, the roles of the Chairman of the Board of Directors and the Chief Executive Officer were separated and Michel Landel became the Chief Executive Officer of Sodexo, succeeding Pierre Bellon.

The Chief Executive Officer has the authority to manage the operations and functions of the Group. Limits are placed on the powers of the Chief Executive Officer. These limits are set by the Board of Directors, based on the recommendations of the Chairman of the Board. The Chief Executive Officer must obtain the prior consent of the Board to pledge corporate assets as collateral (for amounts exceeding 25 million euro for a duration of less than 5 years, for an amount exceeding 15 million euro per unit for a duration of between 5 and 10 years, and for all guarantees covering a longer period), or to bind the Company beyond specific limits as regards the acquisition of shareholdings exceeding 25 million euro per transaction, disposals of shareholdings exceeding 20 million euro per transaction, or additional medium and long-term borrowings exceeding 50 million euro (the Chief Executive Officer must also obtain the prior consent of the Board for decisions relating to the start-up of new activities). These limits are not enforceable against third parties, as the Chief Executive Officer has the broadest powers to bind the Company in its dealings with third parties.

In his role as Chief Executive Officer, Michel Landel is supported by an Executive Committee.

The Executive Committee had seven members as of September 1, 2013 (including Michel Landel).

The Executive Committee meets once a month, and is the linchpin of the management structure. It is responsible not only for discussing and developing strategies to be recommended to the Board of Directors, but also for monitoring implementation of these strategies once the Board has approved them. The Executive Committee tracks implementation of action plans, monitors business unit performance, and assesses the potential benefits of growth opportunities and the risks inherent in its business operations.

Additionally, the Group Chief Executive Officer is supported by a **Group Investment Committee** whose members comprise the Chief Executive Officer, the Group Chief Financial Officer and one or more than one of the Chief Operating Officers concerned, in order to consider, and approve:

- significant new contracts (corresponding to all new contracts with estimated annual revenues of higher than an amount between 25 and 45 million euro depending on the business unit);
- all plans to acquire shareholdings or any other plan to invest in property, plant and equipment or intangible assets exceeding an amount in the range of between 2 and 6 million euro, depending on the business unit, as well as cumulative over-runs of any investment budget approved at the beginning of the fiscal year; and
- disposals of shareholdings exceeding 1 million euro.

This Committee formally met ten times during Fiscal 2013 and its members also reviewed a number of time-sensitive items.

As of September 1, 2013, members of the Group Executive Committee were as follows:

- **Michel Landel,** Chief Executive Officer, member of the Board of Directors of Sodexo and Chairman of the Executive Committee;
- **Elisabeth Carpentier,** Group Executive Vice President and Chief Human Resources Officer;
- **George Chavel,** Chief Executive Officer, North America, On-site Services;
- **Pierre Henry,** Chief Executive Officer, Europe, On-site Services, President Benefits and Rewards Services and President Personal and Home Services;
- **Siân Herbert-Jones,** Group Executive Vice President and Chief Financial Officer;
- **Nicolas Japy,** Chief Executive Officer, Remote Sites, Chief Executive Officer Asia/Australia, in charge of Defense, On-site Services;
- **Damien Verdier,** Group Executive Vice President, responsible for Client Retention, Consumer Satisfaction, Offer Marketing, Supply Chain and Sustainable Development.

The Executive Committee is supported by an International Committee comprising approximately 60 operational and staff managers representing three segments and businesses of the Group. The International Committee assists the Executive Committee in identifying market trends and growth opportunities, both in general and for each customer segment. It translates strategic decisions into action plans and mobilizes the teams necessary for their execution. Each member is also expected to share information and best practices, and to foster acceptance of the Group's values.

Compliance with the AFEP-MEDEF Code of Corporate Governance for listed companies

Currently, the term "independent director" has no definition in French law. However, the AFEP-MEDEF Code of Corporate Governance for listed companies specifies that *"a Board member is independent if he or she has no relationship of any kind whatsoever with the Company, its group, or the management of either that is such as to compromise his or her judgment".*

Based on this definition, the Board of Directors considers that all Sodexo directors are independent insofar as considering them not to be independent would be tantamount to questioning their loyalty and integrity.

This is because the Board of Directors is a collegiate body that collectively represents all shareholders. Each Board member has a duty to act in the interest of Sodexo and all shareholders.

However, to comply with the criteria of director independence stated in the AFEP-MEDEF Code mentioned above, the Nominating Committee periodically provides the Board of Directors with a list of directors considered independent under those criteria (see section 7.1.1.1).

1 Group Presentation
2 Economic, social and environmental responsibility
3 Consolidated information
4 Information on the issuer
5 Legal Information
6 Shareholders - Financial Communication
7 Corporate Governance
8 Combined Annual Shareholders' Meeting, January 21, 2014
9 Other information

Sodexo refers to the AFEP-MEDEF Code of Corporate Governance for listed companies, except for the following recommendations:

AFEP-MEDEF Recommendations	Sodexo practice/Explanations
Independence criteria for Board members (section 8.4 of the Code) – Among the criteria to be evaluated in considering whether a Board member is independent is not having been a Board member for more than 12 years.	The Board of Directors decided not to apply the independence criteria limiting Board members' mandates to twelve years (with respect to Paul Jeanbart). In accordance with the advice of the Nominating Committee, the Board of Directors considers that such seniority is a positive factor for his knowledge of the Group, its history and its activities, and also that the ability to make independent decisions is the main criterion for a Board member to be independent.
Composition of the Nominating Committee (section 15.1 of the Code) – This Committee should have a majority of independent Board members.	The Nominating Committee has two members qualified as independent, Patricia Bellinger (who chairs this Committee) and Peter Thompson. Nathalie Szabo and Pierre Bellon are also on this Committee. This composition is justified by the presence of the controlling shareholder, Bellon SA (holding company held by Pierre Bellon, the founder of Sodexo, and members of his family), which held 37.71% of Sodexo's shares and 50.91% of the voting rights at August 31, 2013. For controlled companies, the AFEP-MEDEF Code states that the Board of Directors could include a smaller proportion of independent directors than for non-controlled companies (at least a third rather than half).
Composition of the Compensation Committee (section 16.1 of the Code) – This Committee should not include any corporate officer and should have a majority of independent Board members.	The Compensation Committee includes one independent member, Patricia Bellinger (who chairs this Committee), as well as Bernard Bellon and Pierre Bellon. It should be noted that Pierre Bellon does not have any executive responsibilities in the Group. This composition is justified by the presence of the controlling shareholder, Bellon SA (holding company held by Pierre Bellon, the founder of Sodexo, and members of his family), which held 37.71% of Sodexo's shares and 50.91% of the voting rights at August 31, 2013. For controlled companies, the AFEP-MEDEF Code states that the Board of Directors could include a smaller proportion of independent directors than for non-controlled companies (at least a third rather than half).
Termination of employment contract in case of appointment as a corporate officer (section 19 of the Code) – When an executive becomes a corporate officer of the Company, he or she should terminate his or her employment contract with the Company or related company.	At the recommendation of the Compensation Committee, the Board of Directors decided to retain Michel Landel's employment contract entered into with Bellon SA. His election to the Board is considered to be a prolonging of the employment role he has had since joining the Group in 1984. The Compensation Committee considered it would be inequitable to call into question Michel Landel's retirement plan. Michel Landel was 61 years old as of August 31, 2013. This situation is regularly reviewed by the Compensation Committee and the Board of Directors.
Performance shares[(1)] (section 23.2.4 of the Code) – The Code recommends that corporate officers be required to purchase a defined quantity of shares when the performance shares become available.	The Chief Executive Officer is already subject to presence and performance conditions; in addition he is required to hold in registered form a defined number of these shares for the duration of his mandate when exercising stock options and acquiring performance shares. Consequently, the Board of Directors did not wish to add an additional requirement for the Chief Executive Officer to acquire additional shares on the market when the performance shares become available.

Attendance of shareholders at the Shareholders' Meeting

Specific procedures pertaining to the participation of shareholders at the Shareholders' Meeting are indicated in article 16 of Sodexo's bylaws (included in section 5.1.1.12 of this document).

Information that could have a material impact in the event of a public tender offer

The share ownership and voting rights in the Company, provided in the chapter on Legal Information, section 5.1.2.4 of this document, are considered to be the decisive factors among those referred to in article L.225-100-3 of the French Commercial Code.

(1) See glossary for definition.

7.1.2 RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY

Sodexo faces a number of internal and external risks and uncertainties in the conduct of its business and in the implementation of its strategy. To confront these risks and uncertainties, it has established an organization and policies intended to identify, evaluate, prevent and manage these risks in order to limit any adverse impacts.

Internal control procedures are established by the Company and implemented under its responsibility, which is intended to ensure:

- compliance with laws and regulations;
- the application of Group policies;
- the effectiveness of the Company's internal processes, notably those concerning the safeguarding of its assets;
- the reliability of financial information.

Internal control procedures play a major role in the conduct of the Group's business, by contributing to the prevention and management of risks.

7.1.2.1 STRATEGY, LONG-TERM OBJECTIVES AND OVERALL POLICIES OF THE GROUP

The Group's strategy, long-term objectives and overall policies, as defined at the outset by Pierre Bellon and subsequently adjusted over the years by the Board of Directors, the Chief Executive Officer and the Executive Committee, are presented at the start of each Annual Shareholders' Meeting. They are described in section 1.1 of this Registration Document.

The Group's internal control procedures rely on these principles and on the related policies.

7.1.2.2 OVERALL POLICIES OF THE GROUP

Group policies support the strategic objectives mentioned in section 7.1.3.1 of this report and cover such areas as strategic planning, human resources development, finance, supply chain, customer focus, offer marketing, food safety and hygiene policy, sustainable development, internal audit and delegations of authority. They encompass five main themes: goals, policies, procedures, improvement metrics, and research and innovation.

In light of the Group's changing environment and its expanding portfolio of services and solutions, these policies are regularly updated and approved by the Board of Directors.

Strategic planning process

During Fiscal 2013, the Board of Directors and senior management continued to work on improving the strategic planning process and promoting buy-in at all levels of the organization.

In the Chairman's message, presented at the beginning of the Registration Document, seven fundamental principles are described, demonstrating how Sodexo was able to starting from nothing in 1966 and then become a major international group with 428,000 employees, in 80 different countries, and the world leader in Quality of Life services. In a profoundly changing world, Sodexo has defined five priorities to enable it to continue to grow in the future.

Periodically, and particularly during the September Board meeting, the Group Chief Executive Officer, the Group Executive Vice Presidents in charge of the corporate functions and the Chief Executive Officers of the main entities present their three year plans, which are then discussed by the Board. For the last three years, Board members have given their opinion on the plans using a questionnaire prepared by the Strategic Planning team. The Chairman and the Secretary of the Board prepare a blind summary of the questionnaire results that is distributed to all directors. The head of each entity receives the directors' assessment of the entity's plan. Through this process, directors and senior executives all contribute to evolving the strategy and policies of the Group.

Once adopted, the consolidated plan and associated action plans are used to prepare a 10-year consolidated financing plan, a three-year consolidated plan and a consolidated budget that are submitted to the Board of Directors for approval.

Human resources development policy

The Group's two overriding human resources priorities are:

- to meet staffing requirements in terms of numbers, quality and competencies;
- to rank among the world's employers most appreciated by its employees.

The main human resources policies are focused on: the profile of Sodexo managers, Group organizational rules, succession planning for senior managers (including a review of senior management of the main business units, outside recruitment and internal promotion, administration of individual senior managers' careers), first impressions reports, international mobility, senior managers' further training, engagement surveys, senior managers' compensation, and innovation and research in the area of human resources administration. Finally, annual tracking of improvement metrics by the Executive Committee and Board of Directors should serve to validate action plans aimed at advancing these policies, including engagement surveys, employee retention, internal promotion, and the representation of women in senior management.

Financial policies

The Group's financial objectives are twofold, namely:

To preserve the Group's financial independence, based on three simple principles:

- choosing low capital intensive activities, with average investment (excluding acquisitions) representing around 2% of revenue;
- continuously maintaining sufficient liquidity to fund growth, reimburse medium-term debt, and pay dividends to shareholders;
- preserving a strong balance sheet and sound financial ratios in order to guarantee the Group's financial independence.

Enhancing the attractiveness of Sodexo's stock to loyal, long-term shareholders.

This implies:

- combining profitable growth with efficient, competitive management;
- reliable accounting processes;
- clear reporting incorporating the performance measurement tools chosen by the Group: growth, client retention, consumer satisfaction, developing human resources including employee engagement rates, reducing employee turnover, internal promotion rates, executive training and career planning, procurement productivity, efficient management of overhead costs, continuously improving sustainable development performance, improving operating and net profitability, and increasing cash provided by operating activities;
- a control environment permitting good identification and management of risks, and compliance with regulations and the law.

Financial policies thus establish rules applicable to areas such as investment approvals, working capital management, cash management, financial borrowings, and the distribution of subsidiaries' profits.

These policies also set forth principles for maintaining accounting records, and stress the importance of the information provided by reporting entities, including financial projections. Each manager is accountable to ensure that such information is accurate, and that financial reporting and publication deadlines are met. He/she must also make sure that his/her teams are fully aware of these imperatives and that controls are in place to ensure that these objectives are met.

Group financial policies require all decisions involving external financing to be made by the Group Chief Financial Officer, Chief Executive Officer or the Board of Directors, depending on the amount and type of the transaction.

In particular:

- substantially all borrowings must be at fixed rates of interest, or converted to fixed-rate using hedging instruments;
- currency risks on borrowings and foreign-currency loans to subsidiaries must be hedged.

The Group Finance Department prepares a 10-year financing plan for the Group each year.

Group financial policies are designed to prevent any speculative positions being taken and to avoid risk in connection with financing, cash management activities, and the choice of financial counterparties.

Procurement policy

The objectives of the Group's supply chain function are spelled out in its Procurement Policy. The performance of Sodexo's purchasing teams in the main countries where Sodexo does business is measured through the "5 Star" program, which is used to improve our bargaining power with our suppliers. Products purchased are required to satisfy a number of predefined quality criteria in terms of food safety and traceability, and listed suppliers are audited regularly. Suppliers are required to sign a "Code of Conduct," and Purchasing function employees are trained to comply with the Group's "Integrity Principles".

Sustainable development policy

Since its creation in 1966, Sodexo's vocation has been to "improve the Quality of Life". In 2003, the Group formalized a sustainable development strategy and policy. In 2009, the Better Tomorrow Plan for continuous improvement was developed. The sustainable development strategy includes the following priorities:

- improve **nutrition for the health and wellness of consumers:** Sodexo is committed to food safety and the promotion of a balanced diet for its consumers. Sodexo plays a critical role in the fight against obesity and malnutrition and provides solutions that make health and wellness a priority. Sodexo employs 4,700 dieticians worldwide;
- support **social, economic, and environmental development in local communities:** participation in the development of local communities by hiring local staff as a priority, supporting the development of small businesses in the services performed by Sodexo and increasing procurement of fairly traded products;
- **protect the environment** (reduce energy and water consumption and reduce food waste): purchase products from sustainable sources, reduce water consumption, reduce energy use and CO_2 emissions, battle against waste and reduce waste materials.

Information systems policies

The **Information Systems** Department has defined policies seeking to accelerate synergies, reduce the costs of the technical infrastructure and improve compatibility between the Group's information systems. The Information Systems and Technologies Governance Committee approves significant investments, monitors the progress of projects, and performs cost/benefit analyses of security standards and disaster recovery plans.

7.1.2.3 DELEGATIONS OF AUTHORITY

Principles and policies in this area are supplemented by job descriptions, annual targets and, for senior executives, clearly defined delegations, which are reviewed annually and formally communicated to each executive by his or her superior.

The Chief Executive Officer delegates certain powers to the members of the Group Executive Committee, who themselves delegate to members of their executive teams.

Delegations of authority cover development, human resources, supply chain, investments and finance.

Delegations of authority are generally implemented *via* "accountability contracts" in the form of the three-year plan and annual budget, and must comply with the Group's general policies.

7.1.2.4 IMPROVEMENT METRICS

All progress can be measured. Accordingly, Sodexo has developed improvement metrics allowing for progress to be measured in five main areas: Development, Management, Supply Chain, Human Resources and Sustainable Development.

The Group Finance Department coordinates the process and monitors operational improvement metrics for activities and subsidiaries using a Group scorecard.

Making progress in these areas is critical for future growth in revenues and operating profit as well as operating cash flow.

The improvement metrics are presented each year to the Board of Directors and the Group Executive Committee in order to track progress in the areas concerned.

Development metrics:

- total growth potential for the Group, separated into potential by activity, by country and by client segment;
- client retention rate;

- client and consumer satisfaction rates;
- comparable unit growth;
- new business development rates, etc.

Management metrics:

- contract profitability;
- profitability of the different client segments;
- gross operating margin and on-site costs;
- operating expenses (including Sales Department costs and general and administrative costs) by subsidiary, by client segment and by function.

Purchasing metrics:

- percentage of purchases made from referenced suppliers;
- reduction in the number of referenced products, reduction in the number of deliveries on a site, etc.

Human Resources metrics, including:

- employee engagement rate: the Group has targeted a level comparable to that of firms ranked as the best employers worldwide. The level of employee engagement increased from 55% in 2010 to 57% in 2012, as determined by the most recent survey conducted in April 2012 of 130,000 employees in 60 countries. Sodexo's employee engagement rate has increased by 9 percentage points compared to the 2008 survey and 2 percentage points compared to that conducted in 2010. Sodexo's medium-term objective is to reach an employee engagement rate of 65%, which is Aon Hewitt's threshold for best employer status. In addition, 85% of employees consider Sodexo a better employer than its competitors;
- employee retention for all personnel and for site managers. This rate was 67.8% overall in Fiscal 2013 and 82.2% for site managers;
- internal promotion, which is measured by the number of employees promoted to site manager, to a middle management or a senior management position; 2,381 staff members were promoted to a managerial position passing from one category to the next in Fiscal 2013;
- representation of women in senior management, with a target for women in senior management positions of 25% by 2015, versus 18% in 2009. This proportion reached 23% in Fiscal 2013.

Sustainable development metrics, including:

- percentage of certified fairly traded coffee;
- percentage of suppliers having signed a supplier code of conduct;
- percentage of Group revenues in countries having at least one OHSAS 18001 certification;
- number of dietitians employed by Sodexo.

In accordance with the April 24, 2012 decree on implementing the provisions of the January 12, 2010 "Grenelle II" act, Sodexo selected an independent firm to audit a representative selection of social, environmental and societal data demonstrating the progress made through the deployment of the Better Tomorrow Plan. The conclusions of this audit are presented in section 2.6.3 of this document.

7.1.2.5 DESCRIPTION OF THE INTEGRATED RISK MANAGEMENT AND INTERNAL CONTROL PROCESS

Sodexo has put in place a procedure for the systematic identification of major risks, designed to ensure that risks are evaluated and managed at the appropriate level within the organization. Measures to manage risks are implemented either at the local or the Group level, depending on their nature.

Internal control procedures are rooted in the Group's values and policies, as defined by the Board of Directors, and its policies are implemented in each entity in consideration of local conditions.

The risk identification process is carried out in parallel at the central level for the Group, and locally

- The Group Executive Committee regularly updates its Group risk matrix and submits it to the Audit Committee and the Board of Directors.
- The Chief Executive Officers of the main Group subsidiaries identify the ten to fifteen main risks and rank them by order of importance, describe the controls in place in order to manage them, and evaluate their effectiveness.
- These local evaluations are aggregated at Group level and presented annually to the Audit Committee.

The Group is putting in place internal control procedures to manage newly identified risks.

The main risk factors to which the Group is exposed are described in section 3.5.5 of this Registration Document.

The internal control procedures are part of an ongoing process of identifying, evaluating and managing the Group's risk exposures. This initiative covers the five components of the 1992 COSO (Committee of Sponsoring Organizations) framework (see glossary): control environment (integrity, ethics, competencies, etc.), evaluation of risks (identification, analysis and management of risks), control activities (methods and procedures), information and communication (collection and sharing of information), and monitoring (follow-up and eventual updating of processes). Strongly endorsed by the Chief Executive Officer and Group Chief Financial Officer, the initiative was approved by the Board of Directors and the Audit Committee, and also has the backing of the Group's Executive Committee.

The French "Financial Security Act" *(Loi sur la sécurité financière)* and the Sarbanes-Oxley Act in the United States have allowed Sodexo to make considerable progress in the area of internal control. Sodexo decided to seek a listing in the United States primarily in order to facilitate the participation of U.S. employees in employee share ownership plans. However, the increasingly international nature of the financial markets has removed the need for this U.S. listing. In addition, the high cost of this listing and low trading volumes justified Sodexo's voluntary delisting of its shares from the New York Stock Exchange and related deregistration from U.S. stock market regulations in 2007. However, Sodexo is committed to maintaining its investment in internal controls in a context of continuous improvement.

The risk management and internal control approach applied within the Group consists of:

- the identification and assessment of risks;
- the description of the control environment, both at Group and subsidiary levels;
- documentation and self-assessment of these control points both in subsidiaries and at Group level; and
- independent testing of the effectiveness of these control points, by independent persons.

A very large number of Group subsidiaries representing more than 95% of Sodexo's revenues prepare a detailed report (Company Level Control Report) on their control environment, described in accordance with the five COSO components, and including an evaluation of the subsidiary's principal risks, a description of risk management measures, and an assessment of their effectiveness.

The most significant Group subsidiaries together representing more than 90% of Group revenues, go beyond this initial phase, and evaluate the effectiveness of their controls. Some of these controls are also subject to effectiveness tests performed by independent persons (generally by Group internal auditors).

Sodexo has developed a risks and control framework. In this framework, Group activities have been segmented into eleven significant processes: Revenues and Receivables, Purchases and Payables, Human Resources, Treasury, Inventories, Property, Plant and Equipment and Intangible Assets, Legal and Regulatory, Information Systems and Technologies, Finance, Benefits and Rewards Services Operations, and Health and Safety. For each of these processes, the framework includes several control proposals for each of the major risks. Each subsidiary is then responsible for implementing and evaluating the effectiveness of those controls that it considers best able to reduce its risks, in coordination with its business unit and the Group.

An executive summary of the status of internal controls and the progress achieved is submitted to the Audit Committee at the end of the fiscal year. A total of 1,476 controls in 14 main areas were independently tested in different subsidiaries. Two-thirds of these controls were considered satisfactory and confirmed actual progress; action plans were established for the other third.

At the end of Fiscal 2013, Sodexo enhanced its internal control framework notably in the areas of contract management and tested certain controls created in Fiscal 2012 on data privacy and subcontractor management.

Description of internal controls relating to the preparation of accounting and financial disclosure

The **Group Finance Department** is responsible for ensuring the reliability of financial and accounting information.

The production and analysis of financial information is conducted through a collection of procedures put in place at both operational sites and in the Group and subsidiaries' Finance Departments.

The subsidiaries' Finance Departments produce monthly a cumulative income statement since the beginning of the fiscal year, a balance sheet, and a statement of cash flows. They also produce quarterly projections for the full year.

At the end of the first half, the external auditors conduct a limited review of the interim financial statements for the most significant subsidiaries.

At the end of the fiscal year, the Chief Executives and Chief Financial Officers of the business units certify the reliability of their financial statements, prepared in accordance with the IFRS standards adopted by the European Union. The external auditors of the main subsidiaries express a view on these financial statements in connection with the mission referred to them by the Group auditors. The Group Finance Department ensures that the accounting treatments applied by all subsidiaries are compliant with Group rules. Financial statements are consolidated on a monthly basis by the Group Finance Department.

At the end of the first half and at the fiscal year-end, the Group Finance Department identifies the events that may have led to one or several assets being impaired, notably goodwill and intangible assets (in accordance with IFRS). Where appropriate, the carrying amount of the asset concerned is written down in the financial statements.

The Group continues to reinforce its finance teams in its subsidiaries as well as in the Group Finance Department. This reinforcement includes the strengthening of resources with technical expertise in the area of financial reporting. The ability to meet reporting deadlines, and the quality and reliability of financial information, are factors in assessing the performance of managers, especially that of the Chief Executive Officers and Chief Financial Officers of the Group's subsidiaries.

Monthly operational and financial reporting (comprising improvement metrics for client retention, sales development and revenue growth on existing comparable sites) is discussed within each business unit by its Chief Operating Officer and Executive Committee and is then presented to the Group Executive Committee, and then to the Chairman of the Board of Directors. In addition, Quarterly Reviews with each of the Group's business units give the Group's Chief Executive Officer and Chief Financial Officer insight into performance trends for the business unit or subsidiary based on the financial reporting and operational information.

Procedures are in place to identify off-balance sheet commitments. This term covers all rights and obligations that may have an immediate or future impact on Sodexo's financial position but are not recognized (or are only partially recognized) in the balance sheet or income statement. These include items such as assets pledged as security; guarantees relating to operating contracts (for example bid bonds or performance bonds), to borrowings, or to claims and litigation; lease obligations not recognized in the balance sheet; and commitments under call or put options, etc.

Procedures for identifying these commitments include:

- periodic reviews of the minutes of the Annual Shareholders' Meeting and meetings of the Board of Directors of the subsidiary for follow up on contractual commitments, litigation and authorizations for and disposals of assets;
- reviews with risk management executives and insurance company agents and brokers with whom the subsidiary has contracted insurance to cover risks related to its conditional obligations;
- reviews with banks and financial institutions of sureties and guarantees;
- reviews with internal and external legal counsel of litigation and legal procedures, as well as the measurement of any related contingent liabilities;
- examination of transactions with related parties concerning guaranties and other commitments made or received.

The Group Legal Department (which is part of the Group Finance Department) and legal teams at local levels are required to work pro-actively with the operational teams, and oversee compliance with legal requirements. They also ensure that contractual negotiations are handled in a balanced manner, and that risks pertain solely to contractual obligations for services and are limited in value and duration.

The Group Insurance Department works closely with the relevant executives in the subsidiaries to:

- put in place insurance coverage to protect the interests of the Group;
- identify and evaluate the key risk exposures faced by Sodexo, with particular attention to the emergence of new risk factors associated with changes in our activities, especially in facilities management;

- reduce contractual risk, in particular by means of limitation of liability clauses or hold-harmless agreements; and
- achieve the appropriate balance between risk retention (self-insurance) and the insurance market in covering the potential financial consequences of Sodexo's risk exposure.

Lastly, using the financial information reported and consolidated, the Chief Executive Officer, assisted by the Group Finance Department, prepares the Group's financial communication. The Chief Executive Officer also relies on the operating data required to prepare the Registration Document. Press releases announcing the interim and annual results are submitted to the Board of Directors for approval.

To enable the Chief Executive Officer to provide reliable information on the Group's financial situation, a Disclosure Committee comprising representatives from Group corporate functions reviews all financial information prior to publication. Members include the managers responsible for Consolidation, Financial Planning and Analysis, Accounting, Financial Communications, Legal, Human Resources, Sustainable Development and Communications.

7.1.2.6 GROUP INTERNAL AUDIT DEPARTMENT

The Senior Vice President and director of Internal Audit Reports directly to the Chairman of the Board, thus ensuring Group Internal Audit's independence within the organization. The Internal Audit Director and the Chairman of the Board meet on a monthly basis. The Internal Audit Director works closely with the Chairman of the Audit Committee, holding informal meetings (approximately four times per year).

The Internal Audit Department performs internal audits of Group entities based on an Internal Audit Plan. A review of potential risks, conducted by the Chairman of the Board of Directors, the Group Chief Executive Officer, the Group Chief Financial Officer and the Internal Audit Director (with input from the external auditors and the Executive Committee), is used to prepare an annual list of organizational structures, subsidiaries, and issues eligible for internal audit. The Audit Committee reviews and approves this annual audit plan.

The responsibilities of the Internal Audit Department include:

- ensuring that delegations of authority and procedures have been established and communicated to the appropriate levels of management, and checking that they are properly implemented; and
- helping to assess subsidiaries' internal controls, issuing action plans designed to remedy identified control weaknesses, and monitoring implementation of these action plans.

The Internal Audit Department may also conduct special assignments at the request of the Chairman of the Board, the Audit Committee, the Chief Executive Officer or the Executive Committee.

Most (92%) of the Group Internal Audit Plan approved by the Audit Committee at the start of Fiscal 2013 was completed during the year. The Group Internal Audit Department, with an average of 25 staff, conducted 107 audits in 33 countries. In addition to this central team, some 40 operational controllers report to the finance directors who report to the regional general management with about half of them based in the United States, and reporting functionally to the Group Internal Audit Department. This allows the Group Internal Audit Department to co-ordinate their work and provide technical assistance.

The Internal Audit Department regularly tracks implementation of post-audit action plans by Group companies. An overall progress report is updated regularly and submitted on a semi-annual basis to the Chief Executive Officer, the Group Chief Financial Officer, the Chairman of the Board and the Audit Committee. Further progress was achieved in following up recommendations in Fiscal 2013. All audits are followed up on the ground within a maximum of 12 months.

More than 82% of recommendations made in years prior to Fiscal 2012 were implemented by the subsidiaries' management. For Fiscal 2013, 34% of the 1,644 recommendations made by the Group Internal Audit Department, have already been implemented and 66% are addressed in an action plan. The Audit Committee does not accept any refusal by a subsidiary to implement an internal audit recommendation. In Fiscal 2013, the Internal Audit Department carried out a survey of a sample of units. The vast majority of them considered as satisfactory the quality of audits and the time taken to issue audit reports.

The Group Internal Audit Department also conducts an independent evaluation of internal control, providing an objective and independent evaluation of the controls documented and performed by management.

Finally, the Internal Audit Department assesses the external auditors' independence and reviews the annual budgets for external auditors' fees (for both statutory audit work and other engagements) prior to their approval by the Audit Committee.

Risk management and the reinforcement of internal control are a permanent strategic priority for the Group.

However, internal controls cannot provide an absolute guarantee that all risks have been eliminated. Sodexo nevertheless endeavors to ensure that the most effective internal control procedures feasible are in place in each of its subsidiaries.

In the preparation of this report, and in compliance with the recommendation issued by the French securities regulator, the *Autorité des marchés financiers* (AMF), in July 2010, Sodexo has notably relied on the "Reference Framework" produced by the French Market Advisory Group and published by the AMF.

Pierre Bellon
Chairman of the Board of Directors

7.1.3 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE *(CODE DE COMMERCE)*, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF SODEXO S.A.

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

SODEXO
255, Quai de la bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9

For the year ended August 31, 2013

To the shareholders,

In our capacity as Statutory Auditors of Sodexo S.A., and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code for the year ended August 31, 2013.

It is the Chairman›s responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-37 of the French Commercial Code particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L.225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L.225-37 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris La Défense, November 13, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit
	Department of KPMG S.A.
Yves Nicolas	Hervé Chopin
Partner	*Partner*

7.2 Other information concerning the Corporate Officers and Senior Management of the Company

Family relationships within the Board of Directors are as follows:

- Astrid Bellon, Sophie Bellon, Nathalie Szabo and François-Xavier Bellon (directors) are the children of Pierre Bellon, Chairman of the Board of Directors;
- Bernard Bellon (director) is the brother of Pierre Bellon.

There are no other family relationships between members of the Board of Directors and members of the Executive Committee of Sodexo.

No loans or guarantees have been made or given to either members of the Board of Directors or Senior Management by Sodexo or by any Group company.

No assets necessary for the Group's operations are owned by either members of the Board of Directors or Senior Management or by their families.

There are no potential conflicts of interest between the duties to Sodexo of members of the Board of Directors or Senior Management and their private interests. In particular:

- Pierre Bellon and his four children control 68.5% of Bellon SA (with agreements preventing them from selling their shares to third parties), which in turn holds 37.71% of the share capital of Sodexo and 50.91% of the voting rights; Pierre Bellon and his children created a 50-year *Société en Participation* (joint venture) in 2008 to prevent direct descendants of Pierre Bellon from freely disposing of their Bellon SA shares;
- Bernard Bellon, with other members of his family, holds 13% of the shares of Bellon SA.

As far as the Company is aware, no member of the Board of Directors or of the senior management has during the past five years been:

- convicted of fraud;
- associated with a bankruptcy, receivership or liquidation;
- officially incriminated and/or subject to any official public sanction issued by a statutory or regulatory authority;
- prohibited by a court to act as a Board member, a Supervisory Board member, or a member of senior management of an issuer, or to participate in the management or business affairs of an issuer.

To the best of the Company's knowledge, no transactions in Company shares were carried out in Fiscal 2013 by management and persons concerned by article L.621-18-2 of the French Monetary and Financial Code (article 223-26 of the AMF's General Rules).

CONTROLLING SHAREHOLDER MEASURES

Sodexo has put in place a series of measures in order to ensure that the control over the Company is not exercised in an abusive manner. Examples of these measures include:

(a) the presence of six independent directors among the thirteen members of the Board of Directors as of August 31, 2013;

(b) the existence of three Board Committees that include independent directors among their members;

(c) the separation of the roles of Chairman of the Board and Chief Executive Officer. Effective September 1, 2005, Michel Landel – neither a member of Pierre Bellon's family, nor a corporate officer of Bellon SA – succeeded Pierre Bellon as Chief Executive Officer of Sodexo. Pierre Bellon remained as Chairman of the Board;

(d) the disclosures within this document of the relationship between Sodexo and Bellon SA:

- these include the ownership interest of Bellon SA in Sodexo (changes in which are disclosed in section 5.1.2.4 of this document),
- further, since 1991 a service agreement between Bellon SA and Sodexo has been in operation (this agreement is described below in the paragraph concerning regulated related-party agreements). The fees payable under this agreement and changes in these fees are reviewed annually by the Audit Committee.

REGULATED RELATED-PARTY AGREEMENTS

- The Special Report of the Auditors on regulated related-party agreements signed in Fiscal 2013 and those approved by the Shareholders' Meeting in prior years and applicable during Fiscal 2013, is presented in section 4.4.2 of this document.
- Since 1991, a service agreement between Sodexo and Bellon SA, Sodexo's holding company, has been in operation whereby Bellon SA provides assistance and advice in areas including strategy, finance, accounting, human resources, and investment strategy, either directly or *via* qualified experts. Sodexo also receives under this agreement advice and assistance in defining general strategies in these different areas, and in their coordinated implementation across all Group businesses, in order to ensure they are developed in the best possible conditions.

  Under the terms of the contract, Bellon SA invoices Sodexo on a cost-plus basis with a 5-percent mark-up for the following services:

  - the salaries and related payroll taxes for Michel Landel (Chief Executive Officer), Elisabeth Carpentier (Chief Human Resources Officer), Siân Herbert-Jones (Chief Financial Officer), who are employed and paid directly by Bellon SA,
  - studies and analyses of the Sodexo Group's strategic developments and their guiding principles, including the cost of related external consultancy services,
  - administrative expenses.

  The fees to be paid under this agreement, and changes compared with the prior year, were reviewed by the Audit Committee in its April 15, 2013 meeting.

  The annual fee paid to Bellon SA under this agreement is approved each year by the Board of Directors of Sodexo (without directors who are members of the Bellon family or Michel Landel taking part in the vote).

  The fees billed by Bellon SA under this agreement amounted to 6.2 million euro excluding taxes for Fiscal 2013, unchanged from Fiscal 2012. Of this amount, 5.7 million euro was for compensation (including payroll taxes), 0.2 million euro for external consultancy fees, and 0.3 million euro for the 5% mark-up.

  This agreement is referred to in the Auditors' Special Report each year.
- The Company is not aware of any service contract (other than employment contracts) between a Corporate Officer and the Company or one of its subsidiaries granting benefits over the term of such contract.

7.3 Compensation

The disclosures within this document comply with the recommendations contained in the AFEP-MEDEF Code of Corporate Governance for listed companies as revised in June 2013, and the recommendations of the *Autorité des marchés financiers* (AMF – Financial Markets Authority) on Corporate Governance and corporate officers' compensation at listed companies.

7.3.1 COMPENSATION OF THE CORPORATE OFFICERS

7.3.1.1 COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Pierre Bellon only receives director's fees for his mandate as Chairman of the Board of Directors of Sodexo SA. However, Sodexo provides the Chairman of the Board of Directors the use of a car, an office and administrative assistance. In addition, Pierre Bellon will not receive any payment upon expiration of his corporate appointment. No free shares or stock options have been granted to him.

COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Pierre Bellon **Chairman of the Board of Directors** *(in euro)*	Fiscal 2013		Fiscal 2012	
	Gross amounts due (before tax)	Gross amounts paid (before tax)	Gross amounts due (before tax)	Gross amounts paid (before tax)
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Director's fees paid by Sodexo SA in his capacity as Chairman of the Board of Directors	53,740	53,740	52,680	52,680
Fringe benefits	-	-	-	-
For information, amounts paid by Bellon SA in his capacity as Chairman of the Supervisory Board:				
• Fixed compensation	70,000	70,000	70,000	70,000
• Director's fees	200,000	200,000	200,000	200,000
TOTAL	**323,740**	**323,740**	**322,680**	**322,680**

SUMMARY OF COMMITMENTS TO THE CHAIRMAN OF THE BOARD OF DIRECTORS AS OF AUGUST 31, 2013

	Employment contract		Supplemental retirement plan		Actual or potential liability for compensation or benefits resulting from termination or change of position		Compensation in connection with a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pierre Bellon Chairman of the Board of Directors First elected: Nov. 14, 1974 Current term expiration: 2016 Annual Shareholders' Meeting		X		X		X		X

7.3.1.2 CHIEF EXECUTIVE OFFICER'S COMPENSATION

Michel Landel's compensation package comprises:

- a fixed salary;
- an annual performance bonus of up to 100% of his fixed salary conditional upon fulfillment of all of the targets set, and up to 150% of his fixed salary if quantitative targets are exceeded. This bonus is based on a specific set of criteria and objectives whose selection and weighting are proposed each year by the Compensation Committee and approved by the Board of Directors. 80% of the bonus depends on quantitative targets based on the Group's financial performance in the course of the fiscal year elapsed, with all such payments being subject to the achievement of a minimum performance level. These quantitative targets include organic revenue growth (for 15% of the total performance-based bonus), and growth in operating profit (30%), Group net income (15%) and free cash flow (20%). The level required for each is specifically set at the beginning of the fiscal year, but is not made public for reasons of confidentiality. The remaining 20% depends on personal qualitative objectives set at the start of the fiscal year and related to the implementation of the strategy of the Group, the details of which are not made public for reasons of confidentiality. The bonus is calculated and paid after the close of the fiscal year to which it applies and the related board approval of the financial statements;
- a travel allowance, the amount of which varies depending on the countries visited and the length of stay;
- a long-term incentive plan consisting of stock options and performance shares. In this regard, Michel Landel has not used and has agreed not to use, as long as he remains in office, hedging instruments on any stock options (or on shares arising from the exercise of options) or on performance shares granted to him during the term of his mandate. Michel Landel was granted 37,000 performance shares on April 25, 2013. The shares will vest only if cumulative annual growth in Group net income is at least 6% between Fiscal 2012 and Fiscal 2015 at constant currency exchange rates and excluding exceptional items. In addition, under article L.225-197-1 of the French Commercial Code, Michel Landel is required to hold in registered form a number of these shares equal in value to 30% of his base salary at the date of delivery of the said shares for the duration of his mandate.

The amounts paid in Fiscal 2013 for the above components, including measurement of the value of the performance shares granted, are provided in detail in the tables below.

In the event of incapacity, disability or death, the benefits paid to Michel Landel will be based on his total monetary compensation.

In addition, Michel Landel is a beneficiary of the defined benefit pension plan established for the most senior executives employed by a French company of the Group (as decribed below).

Michel Landel's compensation (excluding stock options and performance shares, granted by the Board of Directors of Sodexo) is determined under his employment contract with Bellon SA[1].

SUMMARY OF COMPENSATION GRANTED TO THE CHIEF EXECUTIVE OFFICER

Michel Landel Chief Executive Officer *(in euro)*	Fiscal 2013		Fiscal 2012	
	Gross amounts due (before tax)	Gross amounts paid (before tax)	Gross amounts due (before tax)	Gross amounts paid (before tax)
Fixed compensation	933,400	933,400	933,400	933,400
Variable compensation	1,027,295[1]	648,798[2]	491,937[3]	1,358,149[4]
Exceptional compensation	-	-	-	-
Director's fees[5]	-	-	-	-
Fringe benefits[6]	2,400	2,400	2,386	2,386
TOTAL	**1,963,095**	**1,584,598**	**1,427,723**	**2,293,935**

(1) This amount corresponds to (i) Michel Landel's performance bonus for Fiscal 2013 (to be paid in Fiscal 2014), corresponding to 87.6% of his Fiscal 2013 salary (as the performance targets were not met in full), and (ii) travel allowances paid during Fiscal 2013.
(2) This amount corresponds to (i) Michel Landel's performance bonus for Fiscal 2012 paid in Fiscal 2013, corresponding to 47% of his Fiscal 2012 salary (as the performance targets were not met in full), and (ii) travel allowances paid during Fiscal 2013.
(3) This amount corresponds to (i) Michel Landel's performance bonus for Fiscal 2012 paid in Fiscal 2013, corresponding to 47% of his Fiscal 2012 salary (as the performance targets were not met in full), and (ii) travel allowances paid during Fiscal 2012.
(4) This amount corresponds to (i) Michel Landel's performance bonus for Fiscal 2011 paid in Fiscal 2012, corresponding to 144% of his Fiscal 2011 salary (as the quantitative performance targets were exceeded), and (ii) travel allowances paid during Fiscal 2012.
(5) Michel Landel is not paid a director's fee for his directorship of Sodexo SA.
(6) Michel Landel has the use of a company car.

(1) The services agreement between Bellon SA and Sodexo is subject to the procedure applicable to regulated related party agreements and is described in detail in sections 7.2 and 4.4.2 of this Registration Document.

PERFORMANCE SHARES GRANTED TO THE CHIEF EXECUTIVE OFFICER IN FISCAL 2013

	Date of plan	Number of shares granted in the fiscal year	Value of shares(1) *(in euro)*	Vesting date	End of lock-up period	Performance condition
Michel Landel Chief Executive Officer	April 25, 2013	37,000(2)	1,967,660	April 25, 2016	April 25, 2018	YES(3)

(1) Performance shares are measured at fair value at the grant date, taking into account the terms and conditions of grant (see note 4.22 to the consolidated financial statements). An accounting charge for the share grants is recognized over a period of three years.
(2) Representing 0.02% of share capital and 4.40% of all free shares granted during the fiscal year by the Board of Directors (within the limits defined in the 12th resolution of the Shareholders' Meeting of January 21, 2013).
(3) The shares will vest only if cumulative annual growth in Group net income is at least 6% between Fiscal 2012 and Fiscal 2015 at constant currency exchange rates and excluding exceptional items.

The Chief Executive Officer did not receive or exercise any stock options in Fiscal 2013.

SUMMARY OF COMPENSATION AND PERFORMANCE SHARES GRANTED TO THE CHIEF EXECUTIVE OFFICER IN FISCAL 2013

Michel Landel Chief Executive Officer *(in euro)*	Fiscal 2013	Fiscal 2012
Compensation due (gross, before tax)	1,963,095	1,427,723
Value of options	N/A	1,496,515
Value of performance shares	1,967,660	N/A
TOTAL	**3,930,755**	**2,924,238**

SUMMARY OF COMMITMENTS MADE TO THE CHIEF EXECUTIVE OFFICER AS OF AUGUST 31, 2013

	Employment contract		Supplemental retirement plan		Actual or potential liability for compensation or benefits resulting from termination or change of position		Compensation in connection with a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Michel Landel Chief Executive Officer Date appointed: January 9, 2005 No fixed term	X		X		X			X

Employment contract

Based on the recommendation of the Compensation Committee, the Board of Directors has decided to maintain Michel Landel's employment contract with Bellon SA. This situation is reviewed on a regular basis by the Compensation Committee and the Board of Directors. His mandate is considered to be a continuation of the salaried activities he has carried out since entering the Group in 1984. The Compensation Committee considered it would be inequitable to call into question his retirement plan. Michel Landel was aged 61 at August 31, 2013. There is no contractual indemnity if the employment contract were to be terminated.

Supplemental retirement plan

Michel Landel's supplemental retirement plan provides for payment of a pension amounting to 14% of his average fixed salary paid to him during the three years preceding his retirement, provided that he has participated in the plan for at least five years. This is in addition to the pensions due him under compulsory retirement plans, provided that he is employed by the Company at the time of his retirement. The cumulative liability for Michel Landel as of August 31, 2013 was 2,407,816 euro, and the charge recognized during the year was 201,696 euro.

Compensation in the event of termination of appointment

As decided by the Board of Directors on November 6, 2008 and approved by the Combined General Shareholders' Meeting of January 19, 2009, Michel Landel is entitled to compensation in the event of termination of his appointment as Chief Executive Officer (excluding voluntary termination or retirement and unless revoked for cause), for which a payment will be made to him in an amount equal to twice the gross annual compensation (fixed and variable) received during the 12 months preceding the termination. The payment of the indemnity in the case of termination of the Chief Executive Officer appointment will only be made if, at constant consolidation scope and currency exchange rates, the annual increase in the Sodexo Group's consolidated operating profit is equal to or higher than 5% for each of the three fiscal years ended prior to the termination of the appointment.

7.3.2 COMPENSATION OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors are the members of the Board of Directors of Sodexo, excluding the Chairman of the Board and the Chief Executive Officer.

7.3.2.1 DIRECTORS' FEES PAID TO NON-EXECUTIVE DIRECTORS

The total annual amount of directors' fees available for payment to the directors of Sodexo was set at 580,000 euro by the Combined Shareholders' Meeting of January 23, 2012. The total amount of directors' fees actually paid to all directors (directors, executive and non-executive corporate officers) for Fiscal 2013 was 561,840 euro, as compared to 526,120 euro for Fiscal 2012.

Directors' fees were calculated and paid in accordance with the Board's Internal Rules, based on the following criteria established for Fiscal 2013:

- 20,000 euro fixed fee to each director;
- 2,000 euro per attendance at Board meetings;
- 6,275 euro fixed fee to each member of a Board Committee (this amount is doubled for the Chairman of the Audit Committee);
- 865 euro per attendance at Committee meetings;
- directors traveling from the United States receive a travel allowance of 1,000 euro per Board meeting attended;
- a lump sum of 35,000 euro has been granted to Patricia Bellinger for specific work performed in connection with her chairmanship of the Compensation Committee and the Nominating Committee.

Directors' fees paid to non-executive corporate officers in office as of August 31, 2013 for Fiscal 2012 and Fiscal 2013 were as follows:

Members of the Board of Directors (other than the Chairman of the Board of Directors and the Chief Executive Officer)	Fiscal 2013 *(in euro)*	Fiscal 2012 *(in euro)*
Robert Baconnier	52,010	51,830
Patricia Bellinger	94,740	90,720
Astrid Bellon	34,000	29,400
Bernard Bellon[(1)]	44,870	44,980
François-Xavier Bellon	36,000	35,280
Françoise Brougher	39,000	21,640
Sophie Bellon	45,735	44,830
Paul Jeanbart	36,000	31,360
Alain Marcheteau	45,735	45,680
Nathalie Szabo	44,870	43,130
Peter Thompson	37,140	35,590

(1) This total includes 2,000 euro in directors' fees paid by Bellon SA in Fiscal 2012 and Fiscal 2013 for his appointment as member of the Supervisory Board of Bellon SA.

7.3.2.2 COMPENSATION PAID TO NON-EXECUTIVE DIRECTORS

No stock options or free shares have been granted to Non-Executive Directors, and they are not eligible for any supplemental retirement plan or compensation or benefits potentially resulting from the assumption, termination or change of duties.

	Fiscal 2013 *(in euro)*			Fiscal 2012 *(in euro)*		
	Total annual compensation			Total annual compensation		
	Fixed	Variable	Fringe benefits	Fixed	Variable[(1)]	Fringe benefits
Astrid Bellon[(2)]	105,768	-	-	97,296	-	-
François-Xavier Bellon[(2)]	105,768	-	-	97,296	-	-
Sophie Bellon[(3)]	304,240	-	2,665	294,304	33,672	2,940
Nathalie Szabo[(4)]	285,772	-	4,178	272,711	-	4,015
Patricia Bellinger[(5)]	38,240	-		39,650	-	-

(1) Variable compensation is conditioned upon meeting quantitative and qualitative targets.
(2) Compensation paid for membership on the Management Board of Bellon SA.
(3) Compensation paid for her position as Chair of the Management Board of Bellon SA (164,304 euro for Fiscal 2012 and 174,240 euro for Fiscal 2013), for her position as Chief Executive Officer of Sodexo France Corporate (163,672 euro for Fiscal 2012 and 60,000 euro for Fiscal 2013 on a pro rated basis), and for her position as Group Special Advisor Research and Development Innovation (70,000 euro for Fiscal 2013 on a pro rated basis). Sophie Bellon has the use of a company car.
(4) Compensation paid for her membership of the Management Board of Bellon SA (147,300 euro for Fiscal 2012 and 155,772 euro for Fiscal 2013) and for her position as Chief Executive Officer of Sodexo Prestige (125,411 euro for Fiscal 2012 and 130,000 euro for Fiscal 2013). Nathalie Szabo has the use of a company car.
(5) Compensation paid for her membership of the Business Advisory Board of Sodexo, Inc. in the United States (USD 50,000 converted at the average currency exchange rate for the fiscal year).

7.3.3 EXECUTIVE COMMITTEE COMPENSATION

The compensation of members of the Executive Committee comprises a fixed salary and an annual performance-based bonus, plus, where applicable, a medium-term incentive bonus, intended to compensate the achievement of ambitious earnings objectives over a period of three consecutive fiscal years. Members of the Executive Committee also have a long-term incentive plan consisting of stock options and free shares, half of which are performance shares (for more information on this, see section 7.3.4.).

Depending on the manager, the annual performance-based bonus represents between 50 and 100% of the fixed salary, conditional upon fulfillment of targets, and may be increased to 150% if quantitative targets are exceeded. For operational managers, 90% of this bonus depends on fulfillment of financial performance targets in the fiscal year elapsed, either by the Group or by the operating entity under the executive's management. The remaining 10% depends on individual qualitative targets. For managers in staff functions, 70% of the bonus depends on fulfillment of financial performance targets by the Group in the fiscal year elapsed; 30% depends on individual qualitative targets.

The bonus is calculated and paid following the close of the fiscal year to which it applies and after completion of the audit of the financial statements.

In addition to this monetary compensation, Executive Committee members receive fringe benefits (primarily, a car), and retirement plan contributions for members under employment contract with one of the Group's foreign companies.

Total compensation paid by the Group to members of the Executive Committee in their position as of August 31, 2013 (including the Chief Executive Officer, details of whose compensation are provided in section 7.3.1.2 of this document), amounted to 8,569,400 euro. This amount comprises a fixed portion of 4,237,787 euro, a variable portion of 4,310,722 euro (comprising the Fiscal 2012 performance-based bonus, the Fiscal 2012 medium-term incentive plan, and travel allowances which vary depending on the countries visited and the length of stay), and 20,890 euro of contributions to the above-mentioned retirement plans.

7.3.4 CHANGES IN THE LONG TERM INCENTIVE PLAN FOR MANAGERS

The Group's incentive compensation policy for managers has two objectives:

- linking the financial interests of managers to those of the shareholders;
- attracting and retaining the entrepreneurs needed to expand and strengthen its market leadership.

Until Fiscal 2012, as part of this policy stock options were granted at regular intervals in accordance with resolutions adopted at Annual Shareholders' Meetings. The plans met the following requirements:

- options were generally granted at the same time of the year and their exercise price was not discounted;
- option lives were six to seven years;
- vesting of options is subject to conditions regarding the beneficiary's presence in the Sodexo Group and, for plans subsequent to 2007, to the achievement of an annual increase in Group net income of at least 6% over three years at constant currency exchange rates. However, this latter condition applies only to a certain portion of the stock options granted to each beneficiary (between 0 and 50%, except for the Chief Executive Officer, whose grant is wholly subject to the performance condition), the remainder of the options vesting in equal increments over 4 years. It should be noted that the performance condition included in the stock option plan documents for the December 13, 2010 plan was attained as of the close of Fiscal 2013, because, in compliance with the related grant

documents and as recommended by the Compensation Committee, the Board of Directors decided to exclude exceptional items from the calculation of Group net income for Fiscal 2013.

The twelfth resolution adopted by the Annual Shareholders' Meeting on January 21, 2013 authorized the Board of Directors to grant free shares from existing shares and/or shares to be issued by the Company for the benefit of all or certain employees and/or corporate officers. At the same time, the Annual Shareholders' Meeting decided that the authorization for the Board of Directors to grant free shares would cancel, for its remaining duration, the existing authorization to grant stock options. As a result, at the Board meeting on April 25, 2013, the Board of Directors granted free shares instead of the stock options previously used to strengthen the commitment of managers to supporting the Group's growth and to increase employee share ownership.

Shares granted under this new long-term incentive program will vest only if the beneficiary is still working for the Group on the vesting date. In addition, a performance condition applies to a certain proportion of the grant (ranging from 0 to 50% depending on the managers concerned, except for the Chief Executive Officer who receives only performance shares). The performance condition concerns cumulative annual growth in Group net income, which must represent at least 6% over a period of three fiscal years, at constant exchange rates and excluding exceptional items.

The vesting period differs between the Plan reserved for employees in France and the International Plan. For the Plan reserved for employees in France, the vesting period is two years for shares not subject to any performance condition and three years for performance shares, subject in both cases to the beneficiary still working for the Group on the vesting date. In addition, the vested shares are subject to a two-year lock-up as from the vesting date. For the International Plan, the vesting period is four years and the vested shares are not subject to any lock-up period. Consequently, the shares granted by the Board of Directors on April 25, 2013 will be free of all restrictions, provided that the beneficiary is still working for the Group and that the performance conditions, if any, have been met (i) from April 2017 for shares granted under the Plan reserved for employees in France that are not subject to performance conditions ("2+2 Plan"), (ii) from April 2018 for shares granted under the Plan reserved for employees in France that are subject to performance conditions ("3+2 Plan"), and (iii) from April 2017 for shares in the International Plan ("4+0 Plan").

7.3.4.1 STOCK PURCHASE OPTIONS GRANTED TO MANAGERS

The number of unexercised stock options issued by the Company to managers in the Group in connection with various plans still in effect as of August 31, 2013 was 5,007,293 (around 3.19% of the capital at that date) for a total amount of 234,165,799 euro. The number of options exercisable as of August 31, 2013 was 2,133,493 options, each entitling the holder to one Sodexo share if exercised.

Date of Shareholders' Meeting	Date of Board meeting granting stock option plan(1)	Total number of options granted(2)	Total number of options granted to Corporate Officers (Michel Landel)	Start date of vesting period
January 31, 2006	January 16, 2007 (A1)	502,600	90,000*	January 16, 2008
January 31, 2006	January 16, 2007 (A2)	337,600		January 16, 2008
January 31, 2006	January 16, 2007 (B)	500,000		January 16, 2008
January 31, 2006	January 16, 2007 (C)	4,500		January 16, 2008
January 31, 2006	April 24, 2007 (A1)	20,000		April 24, 2008
January 31, 2006	April 24, 2007 (A2)	1,600		April 24, 2008
January 31, 2006	September 11, 2007 (B)	40,000		September 11, 2008
January 31, 2006	January 7, 2008 (A1)	619,300	100,000*	50% of the options: January 7, 2009 50% of the options: July 1, 2011(4)
January 31, 2006	January 7, 2008 (A2)	451,700		50% of the options: January 7, 2009 50% of the options: January 7, 2011(4)
January 31, 2006	January 7, 2008 (B)	555,200		50% of the options: January 7, 2009 50% of the options: January 7, 2011(4)
January 31, 2006	September 9, 2008 (A1)	30,000		50% of the options: September 9, 2009 50% of the options: September 9, 2011(4)
January 31, 2006	September 9, 2008 (A2)	15,000		50% of the options: September 9, 2009 50% of the options: September 9, 2011(4)
January 31, 2006	January 19, 2009 (A1)	631,575	100,000*	50% of the options: January 19, 2010 50% of the options: January 19, 2012(4)

(1) Beneficiaries of plans:
- *(A) Plan reserved for non-U.S. employees.*
- *(A1) Plan reserved for employees resident in France.*
- *(A2) Plan reserved for employees non-resident in France.*
- *(A3) Plan reserved for corporate officers.*
- *(B) Plan reserved for employees resident in North America.*
- *(C) Plan reserved for U.S. employees non-resident in the U.S.*

(2) Total number of options granted by the Board of Directors at grant date.
(3) Exercise price adjusted after capital transactions carried out since grant date.
(4) Subject to achieving an annual increase in Group net income of at least 6% over three years at constant currency exchange rates.
(5) Total number of options cancelled as a result of departure of beneficiaries, and for plans granted in 2008 due to non-fulfillment of performance conditions, as specified in the rules governing the plans.
** Under article L.225-185 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) granted stock options, is required to hold a number of shares received upon exercise of the stock options related to these plans, equivalent in value to 30% of his base salary as of the date of exercise of these options for the duration of his mandate.*

Expiration date	Exercise price[3] *(in euro)*	Terms of exercise	Cumulative number of shares purchased as of Aug. 31, 2013	Cumulative number of options cancelled[5]	Options out-standing as of Aug. 31, 2013
January 15, 2014	47.82	25% at each anniversary date	284,945	49,566	168,097
January 15, 2013	47.82	25% at each anniversary date	270,516	64,878	0
January 15, 2013	47.82	25% at each anniversary date	451,266	48,142	0
January 15, 2013	47.82	25% at each anniversary date	0	4,504	0
April 23, 2014	55.36	25% at each anniversary date	20,014	0	0
April 23, 2013	55.36	25% at each anniversary date	1,602	0	0
September 10, 2013	47.17	25% at each anniversary date	40,028	0	0
January 6, 2015	42.27	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	179,433	347,214	93,159
January 6, 2014	42.27	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	159,335	267,713	25,056
January 6, 2014	42.27	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	232,583	296,347	26,654
September 8, 2015	45.56	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	15,000	15,000	0
September 8, 2014	45.56	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	7,500	7,500	0
January 18, 2016	39.40	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	317,237	50,201	264,137

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Date of Shareholders' Meeting	Date of Board meeting granting stock option plan(1)	Total number of options granted(2)	Total number of options granted to Corporate Officers (Michel Landel)	Start date of vesting period
January 31, 2006	January 19, 2009 (A2)	447,225		50% of the options: January 19, 2010 50% of the options: January 19, 2012(4)
January 31, 2006	January 19, 2009 (B)	545,100		50% of the options: January 19, 2010 50% of the options: January 19, 2012(4)
January 19, 2009	January 11, 2010 (A1)	553,450		50% of the options: January 11, 2011 50% of the options: January 11, 2013(4)
January 19, 2009	January 11, 2010 (A2)	482,250		50% of the options January 11, 2011 50% of the options: January 11, 2013(4)
January 19, 2009	January 11, 2010 (A3)	100,000	100,000*	100% of the options: January 11, 2013(4)
January 19, 2009	January 11, 2010 (B)	564,000		50% of the options: January 11, 2011 50% of the options: January 11, 2013(4)
January 19, 2009	December 13, 2010 (A1a)	63,650		December 13, 2011
January 19, 2009	December 13, 2010 (A1b)	282,650		70% of the options December 13, 2011 30% of the options: December 13, 2013(4)
January 19, 2009	December 13, 2010 (A1c)	219,000		50% of the options December 13, 2011 50% of the options: December 13, 2013(4)
January 19, 2009	December 13, 2010 (A2a)	50,850		December 13, 2011
January 19, 2009	December 13, 2010 (A2b)	388,850		70% of the options December 13, 2011 30% of the options: December 13, 2013(4)

(1) Beneficiaries of plans:
(A) Plan reserved for non-U.S. employees.
(A1) Plan reserved for employees resident in France.
(A2) Plan reserved for employees non-resident in France.
(A3) Plan reserved for corporate officers.
(B) Plan reserved for employees resident in North America.
(C) Plan reserved for U.S. employees non-resident in the U.S.
(2) Total number of options granted by the Board of Directors at grant date.
(3) Exercise price adjusted after capital transactions carried out since grant date.
(4) Subject to achieving an annual increase in Group net income of at least 6% over three years at constant currency exchange rates.
(5) Total number of options cancelled as a result of departure of beneficiaries, and for plans granted in 2008 due to non-fulfillment of performance conditions, as specified in the rules governing the plans.
** Under article L.225-185 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) granted stock options, is required to hold a number of shares received upon exercise of the stock options related to these plans, equivalent in value to 30% of his base salary as of the date of exercise of these options for the duration of his mandate.*

Expiration date	Exercise price[3] *(in euro)*	Terms of exercise	Cumulative number of shares purchased as of Aug. 31, 2013	Cumulative number of options cancelled[5]	Options out-standing as of Aug. 31, 2013
January 18, 2015	39.40	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	301,066	73,455	72,704
January 18, 2015	39.40	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	420,828	23,280	100,992
January 10, 2017	39.88	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	26,697	48,475	478,278
January 10, 2016	39.88	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	225,001	54,745	202,504
January 10, 2017	39.88	100% at the 3rd anniversary date[4]	0	0	100,000
January 10, 2016	39.88	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	304,462	23,926	235,612
December 12, 2017	48.37	25% at each anniversary date	825	7,125	55,700
December 12, 2017	48.37	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	1,750	26,150	254,750
December 12, 2017	48.37	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	0	0	219,000
December 12, 2016	48.37	25% at each anniversary date	11,362	6,025	33,463
December 12, 2016	48.37	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	69,743	51,642	267,465

Date of Shareholders' Meeting	Date of Board meeting granting stock option plan(1)	Total number of options granted(2)	Total number of options granted to Corporate Officers (Michel Landel)	Start date of vesting period
January 19, 2009	December 13, 2010 (A2c)	53,000		50% of the options December 13, 2011 50% of the options: December 13, 2013(4)
January 19, 2009	December 13, 2010 (A3)	120,000	120,000*	100% of the options: December 13, 2013(4)
January 19, 2009	December 13, 2010 (Ba)	50,000		December 13, 2011
January 19, 2009	December 13, 2010 (Bb)	453,700		70% of the options December 13, 2011 30% of the options: December 13, 2013(4)
January 19, 2009	December 13, 2010 (Bc)	53,000		50% of the options December 13, 2011 50% of the options: December 13, 2013(4)
January 19, 2009	December 13, 2011 (A1a)	57,150		December 13, 2012
January 19, 2009	December 13, 2011 (A1b)	358,500		70% of the options December 13, 2012 30% of the options: December 13, 2014(4)
January 19, 2009	December 13, 2011 (A1c)	330,000		50% of the options December 13, 2012 50% of the options: December 13, 2014(4)
January 19, 2009	December 13, 2011 (A2a)	74,500		December 13, 2012
January 19, 2009	December 13, 2011 (A2b)	430,300		70% of the options December 13, 2012 30% of the options: December 13, 2014(4)
January 19, 2009	December 13, 2011 (A2c)	65,000		50% of the options December 13, 2012 50% of the options: December 13, 2014(4)
January 19, 2009	December 13, 2011 (A3)	135,000	135,000*	100% of the options: December 13, 2014(4)

(1) Beneficiaries of plans:
(A) Plan reserved for non-U.S. employees.
(A1) Plan reserved for employees resident in France.
(A2) Plan reserved for employees non-resident in France.
(A3) Plan reserved for corporate officers.
(B) Plan reserved for employees resident in North America.
(C) Plan reserved for U.S. employees non-resident in the U.S.
(2) Total number of options granted by the Board of Directors at grant date.
(3) Exercise price adjusted after capital transactions carried out since grant date.
(4) Subject to achieving an annual increase in Group net income of at least 6% over three years at constant currency exchange rates.
(5) Total number of options cancelled as a result of departure of beneficiaries, and for plans granted in 2008 due to non-fulfillment of performance conditions, as specified in the rules governing the plans.
** Under article L.225-185 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) granted stock options, is required to hold a number of shares received upon exercise of the stock options related to these plans, equivalent in value to 30% of his base salary as of the date of exercise of these options for the duration of his mandate.*

Expiration date	Exercise price[3] *(in euro)*	Terms of exercise	Cumulative number of shares purchased as of Aug. 31, 2013	Cumulative number of options cancelled[5]	Options out-standing as of Aug. 31, 2013
December 12, 2016	48.37	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	0	0	53,000
December 12, 2017	48.37	100% at the 3rd anniversary date[4]	0	0	120,000
December 12, 2016	48.37	25% at each anniversary date	12,433	4,500	33,067
December 12, 2016	48.37	17.5% at each anniversary date 50% at the 3rd anniversary date[4]	85,289	18,281	350,130
December 12, 2016	48.37	12.5% at each anniversary date 30% at the 3rd anniversary date[4]	13,250	0	39,750
December 12, 2018	51.40	25% at each anniversary date	400	2,700	54,050
December 12, 2018	51.40	17.5% at each anniversary date 50% at the 3rd anniversary date[4]	1,312	33,938	323,250
December 12, 2017	51.40	12.5% at each anniversary date 30% at the 3rd anniversary date[4]	0	50,000	280,000
December 12, 2017	51.40	25% at each anniversary date	4,752	6,225	63,523
December 12, 2017	51.40	17.5% at each anniversary date 50% at the 3rd anniversary date[4]	34,125	27,721	368,454
December 12, 2017	51.40	12.5% at each anniversary date 30% at the 3rd anniversary date[4]	0	0	65,000
December 12, 2018	51.40	100% at the 3rd anniversary date[4]	0	0	135,000

Date of Shareholders' Meeting	Date of Board meeting granting stock option plan(1)	Total number of options granted(2)	Total number of options granted to Corporate Officers (Michel Landel)	Start date of vesting period
January 19, 2009	December 13, 2011 (Ba)	58,000		December 13, 2012
January 19, 2009	December 13, 2011 (Bb)	483,500		70% of the options December 13, 2012 30% of the options: December 13, 2014(4)
January 19, 2009	December 13, 2011 (Bc)	55,000		50% of the options December 13, 2012 50% of the options: December 13, 2014(4)

(1) Beneficiaries of plans:
(A) Plan reserved for non-U.S. employees.
(A1) Plan reserved for employees resident in France.
(A2) Plan reserved for employees non-resident in France.
(A3) Plan reserved for corporate officers.
(B) Plan reserved for employees resident in North America.
(C) Plan reserved for U.S. employees non-resident in the U.S.
(2) Total number of options granted by the Board of Directors at grant date.
(3) Exercise price adjusted after capital transactions carried out since grant date.
(4) Subject to achieving an annual increase in Group net income of at least 6% over three years at constant currency exchange rates.
(5) Total number of options cancelled as a result of departure of beneficiaries, and for plans granted in 2008 due to non-fulfillment of performance conditions, as specified in the rules governing the plans.
** Under article L.225-185 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) granted stock options, is required to hold a number of shares received upon exercise of the stock options related to these plans, equivalent in value to 30% of his base salary as of the date of exercise of these options for the duration of his mandate.*

The stock option plans created by Sodexho Marriott Services for its employees in North America between 1997 and 2001 and assumed by the Company in 2001 through its wholly-owned subsidiary Sodexo Awards (see note 4.23.4 to the consolidated financial statements), expired on November 6, 2012.

Stock options grant date	Total number of options granted	Start of vesting period	Expiration date
November 6, 1997	112,648	November 6, 1998	November 6, 2012

(1) Exercise price adjusted for capital transactions carried out since grant date.
(2) Total number of options canceled as a result of departure of beneficiaries, as specified in rules governing the plans.

Expiration date	Exercise price[3] *(in euro)*	Terms of exercise	Cumulative number of shares purchased as of Aug. 31, 2013	Cumulative number of options cancelled[5]	Options out-standing as of Aug. 31, 2013
December 12, 2017	51.40	25% at each anniversary date	6,500	4,750	46,750
December 12, 2017	51.40	17.5% at each anniversary date 50% at the 3rd anniversary date[4]	40,493	13,384	429,623
December 12, 2017	51.40	12.5% at each anniversary date 30% at the 3rd anniversary date[4]	6,875	0	48,125

Exercise price[1] *(in USD)*	Exercise terms	Number of options exercised as of Aug. 31, 2013	Cumulative number of options canceled[2]	Options outstanding as of Aug. 31, 2013
29.9890	25% at each anniversary date	101,899	12,791	0

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Stock purchase options granted to or exercised by members of the Group Executive Committee during Fiscal 2013

Options granted to or exercised by members of the Group Executive Committee under plans still in effect in Fiscal 2013 are detailed below:

Name	Date of Board meeting granting stock option plan	Number of options granted[(1)]	Exercise price *(in euro)*	Expiration date	Options exercised as of Aug. 31, 2012	Options exercised during the fiscal year	Options unexercised as of Aug. 31, 2013
Elisabeth Carpentier	January 16, 2007 (A1)	45,000	47.82	January 15, 2014		45,032	0
	January 7, 2008 (A1)	45,000	42.27	January 6, 2015		22,516	0[(2)]
	January 19, 2009 (A1)	41,000	39.40	January 18, 2016			41,000
	January 11, 2010 (A1)	45,000	39.88	January 10, 2017		18,500	26,500
	December 13, 2010 (A1c)	42,000	48.37	December 12, 2017			42,000
	December 13, 2011 (A1c)	50,000	51.40	December 12, 2018			50,000
George Chavel	January 16, 2007 (B)	16,000	47.82	January 15, 2013	16,012	0	0
	September 11, 2007 (B)	20,000	47.17	September 10, 2013	20,014	0	0
	January 7, 2008 (B)	50,000	42.27	January 6, 2014	25,018	0	0[(2)]
	January 19, 2009 (B)	46,000	39.40	January 18, 2015	40,250	5,750	0
	January 11, 2010 (B)	55,000	39.88	January 10, 2016	13,750	34,375	6,875
	December 13, 2010 (Bc)	53,000	48.37	December 12, 2016	6,625	6,625	39,750
	December 13, 2011 (Bc)	55,000	51.40	December 12, 2017		6,875	48,125
Pierre Henry	January 16, 2007 (A2)	50,000	47.82	January 15, 2013	50,035	0	0
	January 7, 2008 (A2)	50,000	42.27	January 6, 2014	25,018	0	0[(2)]
	January 19, 2009 (A2)	50,000	39.40	January 18, 2015		50,000	0
	January 11, 2010 (A2)	55,000	39.88	January 10, 2016			55,000
	December 13, 2010 (A2c)	53,000	48.37	December 12, 2016			53,000
	December 13, 2011 (A2c)	65,000	51.40	December 12, 2017			65,000
Siân Herbert-Jones	January 16, 2007 (A1)	50,000	47.82	January 15, 2014			50,035
	January 7, 2008 (A1)	50,000	42.27	January 6, 2015			25,018[(2)]
	January 19, 2009 (A1)	46,000	39.40	January 18, 2016			46,000
	January 11, 2010 (A1)	50,000	39.88	January 10, 2017			50,000
	December 13, 2010 (A1c)	47,000	48.37	December 12, 2017			47,000
	December 13, 2011 (A1c)	55,000	51.40	December 12, 2018			55,000

(1) Total number of options granted by the Board of Directors at grant date.
(2) As stipulated in the regulations governing the January 7, 2008 plan, 50% of the options granted were cancelled due to non-fulfillment of the performance condition.

Name	Date of Board meeting granting stock option plan	Number of options granted[(1)]	Exercise price *(in euro)*	Expiration date	Options exercised as of Aug. 31, 2012	Options exercised during the fiscal year	Options unexercised as of Aug. 31, 2013
Nicolas Japy	January 16, 2007 (A1)	40,000	47.82	January 15, 2014	40,028	0	0
	January 7, 2008 (A1)	40,000	42.27	January 6, 2015	20,014	0	0[(2)]
	January 19, 2009 (A1)	36,000	39.40	January 18, 2016		36,000	0
	January 11, 2010 (A1)	45,000	39.88	January 10, 2017			45,000
	December 13, 2010 (A1c)	48,000	48.37	December 12, 2017			48,000
	December 13, 2011 (A1c)	50,000	51.40	December 12, 2018			50,000
Michel Landel	January 16, 2007 (A1)*	90,000	47.82	January 15, 2014			90,063
	January 7, 2008 (A1)*	100,000	42.27	January 6, 2015			50,035[(2)]
	January 19, 2009 (A1)*	100,000	39.40	January 18, 2016			100,000
	January 11, 2010 (A3)*	100,000	39.88	January 10, 2017			100,000
	December 13, 2010 (A3)*	120,000	48.37	December 12, 2017			120,000
	December 13, 2011 (A3)*	135,000	51.40	December 12, 2018			135,000
Aurélien Sonet	January 16, 2007 (A1)	2,502	47.82	January 15, 2014	2,502	0	0
	January 7, 2008 (A1)	2,502	42.27	January 6, 2015			1,251[(2)]
	January 19, 2009 (A1)	1,600	39.40	January 18, 2016			1,600
	January 11, 2010 (A1)	3,000	39.88	January 10, 2017			3,000
	December 13, 2010 (A1b)	15,000	48.37	December 12, 2017			15,000
	December 13, 2011 (A1b)	35,000	51.40	December 12, 2018			35,000
Damien Verdier	January 16, 2007 (A1)	35,000	47.82	January 15, 2014	35,025	0	0
	January 7, 2008 (A1)	40,000	42.27	January 6, 2015		20,014	0[(2)]
	January 19, 2009 (A1)	35,000	39.40	January 18, 2016		35,000	0
	January 11, 2010 (A1)	45,000	39.88	January 10, 2017			45,000
	December 13, 2010 (A1c)	42,000	48.37	December 12, 2017			42,000
	December 13, 2011 (A1c)	50,000	51.40	December 12, 2018			50,000

(1) Total number of options granted by the Board of Directors at grant date.
(2) As stipulated in the regulations governing the January 7, 2008 plan, 50% of the options granted were cancelled due to non-fulfillment of the performance condition.
* *Under article L.225-185 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) granted stock options, is required to hold a number of shares received upon exercise of the stock options related to these plans, equivalent in value to 30% of his base salary as of the date of exercise of these options for the duration of his mandate.*

Stock options granted to and exercised by the ten Group employees receiving or exercising the largest number of options (other than corporate officers) during Fiscal 2013

	Total number	Weighted average price *(in euro)*
Options granted during the fiscal year to the ten Group employees receiving the largest number of options	0	-
Options exercised during the fiscal year by the ten Group employees exercising the largest number of options(1)	270,761	41.00

(1) Including 34,576 options granted January 1, 2007, 40,810 options granted on January 7, 2008, 142,500 options granted on January 19, 2009 and 52,875 options granted on January 10, 2010.

7.3.4.2 FREE SHARES GRANTED TO MANAGERS

A total of 840,755 free shares had been granted to managers as of August 31, 2013 (representing approximately 0.53% of the capital and a dilutive impact of no more than 0.53% based on the share capital at that date). The cost of these free shares was 47,199,986 euro based on fair value at the grant date, taking into account the related terms and conditions. This first allocation concerned 1,123 beneficiaries.

Date of Shareholders' Meeting	Date of Board meeting(1)	Total number of shares granted	Total number of shares granted to Corporate Officers (Michel Landel)	Vesting date(2)	End of lock-up period	Number of vested shares at October 31, 2013	Cumulative number of free shares cancelled(4)	Free share outstanding as of October 31, 2013
January 21, 2013	April 25, 2013 (France)	288,975	37,000	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018	0	900	288,075
January 21, 2013	April 25, 2013 (International)	551,780		April 25, 2017	April 25, 2017	0	1,550	550,230

(1) Plan beneficiaries:
France: Plan reserved for employees resident in France.
International: Plan reserved for employees not resident in France and for U.S. citizens.
(2) The vesting date of shares varies for the Plan reserved for employees in France, depending on whether or not they are subject to performance conditions.
(3) Shares not subject to performance conditions for employees in France are subject to a two-year lock-up after the vesting date.
(4) Total number of free shares cancelled due to the beneficiaries leaving the Group.

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Free shares granted to members of the Group Executive Committee as of August 31, 2013

Free shares granted to members of the Executive Committee under the plan approved by the Board of Directors on April 25, 2013 are listed below:

Name	Number of shares granted(1)	Vesting date(2)	End of lock-up period(3)
Elisabeth Carpentier	13,000	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
George Chavel	14,250	April 25, 2017	April 25, 2017
Pierre Henry	17,000	April 25, 2017	April 25, 2017
Siân Herbert-Jones	14,250	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
Nicolas Japy	13,000	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
Michel Landel	37,000*	April 25, 2016	April 25, 2018
Aurélien Sonet	10,000	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
Damien Verdier	13,000	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018

(1) 50% of shares granted to each beneficiary are performance shares, except for Michel Landel, Chief Executive Director, who only receives performance shares. Refer to section 7.3.4 for more information regarding performance conditions, vesting dates, and lock-up periods for the Plan reserved for employees in France and the International Plan.
(2) The vesting date of shares varies for the Plan reserved for employees in France, depending on whether or not they are subject to performance conditions.
(3) Shares not subject to performance conditions for employees in France are subject to a two-year lock-up after the vesting date.
** In accordance with article L.225-197-1 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) to be granted performance shares, is required to hold in registered form a number of these shares equivalent in value to 30% of his base salary as of the date of delivery of the shares for the duration of his mandate.*

Free shares granted during Fiscal 2013 to the ten Group employees (other than corporate officers) receiving the largest number of shares

	Total number	Value of shares *(in euro)***
Free shares granted during Fiscal 2013 to the ten Group employees receiving the largest number of shares	126,500	6,971,181

*** Based on estimated fair value at the grant date, taking into account performance terms and conditions (see note 4.22 to the consolidated financial statements).*

7.4 Audit fees

(in millions of euro excluding VAT)	PricewaterhouseCoopers				KPMG			
	Amount		%		Amount		%	
	Fiscal 2013	Fiscal 2012	Fiscal 2013	Fiscal 2012	Fiscal 2013	Fiscal 2012	Fiscal 2013	Fiscal 2012
• **Audit**								
Audit of individual company financial statements and consolidated financial statements								
Issuer	0.7	0.6	10%	10%	0.6	0.6	14%	14%
Consolidated subsidiaries	4.9	4.8	75%	74%	3.5	3.5	80%	80%
Total audit	5.6	5.4	85%	84%	4.1	4.1	94%	94%
• Audit-related services directly related to the external auditors engagement								
Issuer	0.1	0.4	2%	6%	0.1	0.1	2%	2%
Consolidated subsidiaries	0.8	0.5	12%	8%	0.1	0.1	2%	2%
Total audit-related services	0.9	0.9	14%	14%	0.2	0.2	4%	4%
SUB-TOTAL – AUDIT	**6.5**	**6.3**	**99%**	**98%**	**4.3**	**4.3**	**98%**	**98%**
• **Other services to consolidated subsidiaries**								
Legal and tax	0.1	0.1	1%	2%	0.1	0.1	2%	2%
Other								
SUB-TOTAL – OTHER SERVICES	**0.1**	**0.1**	**1%**	**2%**	**0.1**	**0.1**	**2%**	**2%**
TOTAL FEES	**6.6**	**6.4**	**100%**	**100%**	**4.4**	**4.4**	**100%**	**100%**

In order to ensure that the Group receives a consistent and high-quality service, and to centralize relations with the external auditors at Senior Management and Audit Committee level, the Audit Committee has prepared a plan whereby one or the other of the international firms retained as external auditors by Sodexo (PricewaterhouseCoopers and KPMG, both members of the Regional Company of External Auditors of Versailles) is appointed to act as auditor to nearly all Group subsidiaries representing 95% of financial statement audit fees. 57% of these fees are paid to PricewaterhouseCoopers and 38% to KPMG.

Audit fees paid by Group subsidiaries to firms other than PricewaterhouseCoopers and KPMG (and member firms of their international networks) amounted to 0.5 million euro for Fiscal 2013.

The 0.2 million euro increase in fees paid to PricewaterhouseCoopers is primarily due to an increase in consolidation scope in the U.S. and to acquisition projects.

All services performed by the external auditors during Fiscal 2013 were approved in advance by the Audit Committee.

The Audit Committee has established and implemented a policy to approve all audit engagements and fees and to pre-approve other services provided by the external auditors.

8

COMBINED ANNUAL SHAREHOLDERS' MEETING, JANUARY 21, 2014

8.1 Board Report
Presentation of Resolutions submitted to the Combined Annual Shareholders' Meeting, January 21, 2014

8.1.1 ORDINARY BUSINESS

ADOPTION OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS (1ST RESOLUTION)

The Board of Directors is requesting the Shareholders' Meeting to adopt the individual company financial statements of Sodexo for Fiscal 2013 presenting net income of 342 million euro and the consolidated financial statements of the Group presenting profit attributable to equity holders of the parent of 439 million euro.

APPROPRIATION OF NET INCOME FOR THE FISCAL YEAR AND DIVIDEND (2ND RESOLUTION)

This resolution relates to appropriation of net income for Fiscal 2013 and the distribution of a dividend. The Board of Directors is requesting the Shareholders' Meeting's approval of its proposal to distribute a cash dividend of 1.62 euro per share, an increase of nearly 2% over the prior year.

In addition, and for the first time since the dividend premium system was adopted by the Shareholders' Meeting held on January 24, 2011, shares held in registered form since at least August 31, 2009 and still held when the Fiscal 2013 dividend becomes payable, will automatically be entitled, without any additional formality, to a 10% dividend premium (rounded down to the nearest cent), representing an additional 0.16 euro per share. The number of shares eligible for this dividend premium may not exceed 0.5% of the share capital for any single shareholder (corresponding to a maximum of 785,660 shares per shareholder based on the Company's capital as of August 31, 2013).

The dividend and dividend premium (for eligible shares) will become payable on February 4, 2014, with a NYSE Euronext Paris ex-dividend date of January 30, 2014. The record date – *i.e.* the date before which an investor must own the shares in order to receive the dividend – will be February 3, 2014.

ADOPTION OF THE REGULATED RELATED-PARTY AGREEMENT CONCERNING SERVICES PROVIDED BY BELLON SA TO SODEXO SA (3RD RESOLUTION)

In the third resolution the Board is requesting shareholders to ratify a services agreement entered into between Sodexo SA and Bellon SA, which falls within the scope of application of articles L.225-38 *et seq.* of the French Commercial Code. The signature of the agreement was authorized in advance by the Board of Directors at its meeting on April 16, 2013 (with Michel Landel and the directors who are members of the Bellon family did not take part in the vote). The amounts invoiced in connection with this agreement are set out in the Statutory Auditors' Special Report on Regulated Agreements and Commitments in section 4.4.2 of this Registration Document.

A services agreement has been in place between Sodexo SA and Bellon SA since 1991, under which Bellon SA provides assistance and advisory services to Sodexo and other Group companies – both directly and through qualified specialists – in a number of different areas, including strategy, finance, accounting, human resources and investment policies. Under the agreement, Bellon SA also provides Sodexo with assistance and advisory services on developing the Group's general policies in these areas and on implementing these policies in a coordinated way throughout the Group's various activities in order to ensure that its business is conducted in the best possible conditions.

As part of its measures to improve its Corporate Governance and enhance shareholder information, Sodexo decided to redefine the terms and conditions of this service agreement which, as mentioned above, has been in force within the Group for over 20 years. In particular, the term of the agreement has been changed in order to submit it to shareholders for approval on a regular basis, *i.e.*, every five years.

In addition, and again in order to reinforce the Company's Corporate Governance, on April 16, 2013 the Board of Directors decided that in the future, Sodexo's Audit Committee will perform an annual review of the fees payable under the agreement and of any changes to them.

For Fiscal 2013, Bellon SA invoiced 6.2 million euro excluding VAT to Sodexo under the agreement, unchanged from Fiscal 2012. This amount represents (i) 5.7 million euro in compensation (including payroll taxes) paid to Michel Landel (Chief Executive Officer), Elisabeth Carpentier (Group Executive Vice President and Chief Human Resources Officer) and Siân Herbert-Jones (Group Executive Vice President and Chief Financial Officer), who are employed and paid directly by Bellon SA, (ii) 0.2 million euro in fees paid to external consultants, and (iii) 0.3 million euro corresponding to a 5% mark-up.

Shareholders are being invited to vote only on new regulated related party agreements entered into during Fiscal 2013. The agreements and commitments already approved at Shareholders' Meetings in previous years are not being re-submitted for approval.

RE-ELECTION OF DIRECTORS (4TH TO 7TH RESOLUTIONS)

The directorships of Michel Landel, Paul Jeanbart, Peter Thompson and Patricia Bellinger expire at the close of the Annual Shareholders' Meeting on January 21, 2014.

The Board of Directors is proposing that the shareholders re-elect Michel Landel, Paul Jeanbart and Patricia Bellinger to the Board for a period of three years ending at the close of the Annual Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2016 and Peter Thompson for a one-year period ending at the close of the Annual Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2014 (in order to stagger the re-election of directors in accordance with article 11-1 of the Company's bylaws).

Biographical information on these directors is provided in section 7.1.1.2 of this Registration Document.

Alain Marcheteau – who has been a member of Sodexo's Board of Directors since January 25, 2010 and whose term of office expires at the close of the Annual Shareholders' Meeting on January 21, 2014 – has stated that he will not be seeking re-election. Pierre Bellon thanks him both personally and on behalf of the Board of Directors and all of the Company's shareholders for the valuable experience he has brought to the Group during his time on the Board.

DIRECTORS' FEES (8TH RESOLUTION)

The preparation for and participation in Board and committee meetings requires an increasing amount of time and personal commitment from board members. Accordingly, in order to be able to hold more board committee meetings and, as appropriate, increase the number of committee members, the Board requests that shareholders approve an increase in the maximum aggregate amount of directors' fees. These fees will be allocated to each individual director in strict compliance with the Board's Internal Rules.

Consequently, the Shareholders' Meeting is requested to set at 630,000 euro the maximum total amount of directors' fees payable for the current fiscal year and each subsequent fiscal year. This new amount will remain in effect until such time as the Shareholders' Meeting makes a new decision.

For information, since Fiscal 2012 the maximum aggregate amount of directors' fees was set at 580,000 euro per fiscal year.

OPINION ON THE ELEMENTS OF COMPENSATION AND BENEFITS DUE OR AWARDED FOR FISCAL 2013 TO EACH CORPORATE OFFICER (9TH AND 10TH RESOLUTIONS)

Pursuant to the recommendations in the AFEP-MEDEF Code of Corporate Governance for listed companies, as revised in June 2013 (section 24.3) – to which the Company refers for Corporate Governance matters in application of article L.225-37 of the French Commercial Code – shareholders are invited in the ninth and tenth resolutions to give their opinion on the compensation and benefits due or awarded for Fiscal 2013 to each corporate officer, namely Pierre Bellon, Chairman of the Board of Directors, and Michel Landel, Chief Executive Officer. Further information on these corporate officers' compensation and benefits is provided in section 7.3.1 of this Registration Document.

Compensation and benefits due or awarded for Fiscal 2013 to Pierre Bellon, Chairman of the Board of Directors

Type of compensation or benefits	Amount	Comments
Director's fees	€53,740	The amount paid to each director is calculated in accordance with the Board of Directors' Internal Rules and the criteria set out in section 7.3.2.1 of this Registration Document.

In his capacity as Chairman of the Company's Board of Directors, Pierre Bellon does not receive any of the following types of compensation or benefits: fixed salary, annual bonus, multi-year bonus, exceptional bonus, stock options, performance shares, signing-on bonus, compensation for loss of office, supplemental retirement benefits or any other type of benefit.

Compensation and benefits due or awarded for Fiscal 2013 to Michel Landel, Chief Executive Officer

Type of compensation or benefits	Amount	Comments
Fixed salary	€933,400	Pre-tax gross amount due for the fiscal year.
Annual bonus	€1,027,295	This amount corresponds to (i) Michel Landel's performance bonus for Fiscal 2013 (to be paid in Fiscal 2014), corresponding to 87.6% of his Fiscal 2013 fixed salary (as the performance targets were not met in full), and (ii) travel allowances paid during Fiscal 2013, which vary depending on the countries visited and the length of stay. Twenty percent of the performance bonus depends on the achievement of personal targets concerning the implementation of the Group's strategy and the remaining 80% on the achievement of quantitative targets based on the Group's financial performance during Fiscal 2013. These quantitative targets relate to organic revenue growth (accounting for 15% of the total performance bonus) and increase in operating income (accounting for 30%), Group net income (15%) and free cash flow (20%).
Stock options and performance shares	37,000 performance shares valued at €1,967,660 based on the method used for the preparation of the consolidated financial statements	On April 25, 2013 the Board of Directors used the authorization granted in the 12th resolution of the January 21, 2013 Annual Shareholders' Meeting to grant Michel Landel 37,000 performance shares (representing 4.40% of the total number of free shares and performance shares allocated by the Board during the fiscal year). These shares will vest only if cumulative annual growth in Group net income corresponds to at least 6% for the period between Fiscal 2012 and Fiscal 2015, at constant exchange rates and excluding exceptional items. No stock options were granted to Michel Landel during Fiscal 2013.
Signing on bonus and compensation for loss of office	No amounts due or paid	As decided by the Board of Directors on November 6, 2008 and ratified by the Annual Shareholders' Meeting of January 19, 2009 (5th resolution) and in compliance with the procedure governing related party agreements, Michel Landel is entitled to compensation in the event of termination of his appointment as Chief Executive Officer (excluding voluntary termination or retirement and unless revoked for cause), for which a payment will be made to him in an amount equal to twice the gross annual compensation (fixed and variable) received during the 12 months preceding the termination. This indemnity will only be paid if, at constant consolidation scope and currency exchange rates, the annual increase in Sodexo's consolidated operating income is equal to or higher than 5% for each of the three fiscal years ended prior to the termination of the appointment.
Supplemental retirement plan	No amounts due or paid	Michel Landel's supplemental retirement plan provides for payment of a pension amounting to 14% of his average fixed annual salary paid to him during the three years preceding his retirement, to which are added the pensions due to him under compulsory retirement plans, provided that he is employed by the Company at the time of his retirement. The cumulative liability under the plan as of August 31, 2013 was 2,407,816 euro and the charge recognized for Fiscal 2013 was 201,696 euro.
Other benefits	€2,400	Michel Landel has the use of a company car.

Michel Landel does not receive any of the following types of compensation or benefits: multi-year bonus, exceptional bonus, or director's fees in his capacity as a member of the Company's Board of Directors.

SHARE REPURCHASES (11TH RESOLUTION)

The Board of Directors is requesting the Shareholders' Meeting to renew the authorization to purchase treasury shares under articles L.225-209 *et seq.* of the French Commercial Code.

This authorization would be valid for a period of eighteen months and would replace the previous authorization granted by the Shareholders' Meeting on January 21, 2013.

It would allow for the implementation of a share repurchase program capped at 10% of the Company's issued capital as of the date of the Shareholders' Meeting, with the following characteristics:

- maximum purchase price per share: 90 euro;
- total maximum amount: 950 million euro;
- the program can be implemented at any time except when a public tender offer is underway, subject to the limits stipulated in the relevant laws and regulations, and can be carried out by any means.

The objectives of the share repurchase program are provided in the resolutions submitted to the Shareholders' Meeting and notably include the granting or selling of shares to employees or Corporate Officers in connection with any stock option plans, free share grants, employee share purchase plans, cancelling the shares by reducing the issued capital, market-making in Sodexo shares in connection with a liquidity contract, transferring shares in connection with acquisition transactions or in connection with the exercise of rights on shares issued by the Company. The shares purchased pursuant to this delegation of powers may be allocated by the Board of Directors to program objectives other than the ones initially followed, in accordance with applicable laws and regulations.

As of August 31, 2013, the percentage of treasury shares held by the Company was 3.58% (refer to section 5.1.2.4 of this Registration Document for additional information on the use of the share repurchase program during Fiscal 2013).

8.1.2 EXTRAORDINARY BUSINESS

CAPITAL REDUCTION BY CANCELLATION OF TREASURY SHARES (12TH RESOLUTION)

The Board of Directors is proposing that the Annual Shareholders' Meeting renew the authorization to reduce the share capital through the cancellation of some or all of the shares purchased under the Company's share repurchase program, up to a maximum (per 24-month period) of 10% of the total number of shares of the Company's capital as of the date of the Annual Shareholders' Meeting.

This authorization would be valid for a period of 26 months and would replace the authorization given for the same purpose by the Shareholders' Meeting of January 23, 2012.

No shares were canceled by the Board of Directors during Fiscal 2013.

INCREASE IN ISSUED CAPITAL WITH MAINTENANCE OF PREFERENTIAL SUBSCRIPTION RIGHTS AND THROUGH CAPITALIZATION OF PREMIUMS, RESERVES OR PROFITS (13TH AND 14TH RESOLUTIONS)

The Board of Directors is proposing that the Annual Shareholders' Meeting renew the delegations of powers given to it to act in the best interests of the Company, to decide when appropriate and on the most appropriate terms and conditions (in light of opportunities arising on the financial markets) to increase the permanent capital of the Company.

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The authorization given under the 13th resolution will enable the Board of Directors to decide to increase the issued capital on one or more occasions, maintaining shareholders' preferential subscription rights, via the issuance of ordinary shares (therefore excluding preferential shares) and/or any other securities giving access, immediately and/or at a later date, to the ordinary shares of the Company, within the following limits:

- the maximum nominal amount of the capital increases that may be carried out may not exceed 100 million euro (representing approximately 16% of the capital) to which will be added, as appropriate, the additional amount representing shares to be issued in order to safeguard the rights of holders of securities giving access to the capital, as required by law;
- the total nominal amount of debt securities that may be issued may not exceed 1 billion euro.

The authorization given under the 14th resolution will allow the Board of Directors to proceed with capital increases by capitalization, on one or more occasions, of all or part of the premiums, reserves or profits permitted to be capitalized under law and the bylaws, by means of allocation of new bonus shares for no consideration or by increasing the par value of existing shares, or both; the maximum nominal amount of capital increases that may be carried out in this manner may not exceed 200 million euro.

These delegations of power would be valid for a period of 26 months and would replace the previous delegations given by the Annual Shareholders' Meeting of January 23, 2012.

CAPITAL INCREASE RESERVED FOR MEMBERS OF EMPLOYEE SHARE PURCHASE PLANS (15TH RESOLUTION)

Under French law, any Shareholders' Meeting that is asked to decide on or authorize an increase in issued capital by cash offer (as in the case for the 13th resolution) is also required to approve a resolution to carry out a capital increase reserved for employees who are members of an employee share purchase plan (French Commercial Code, article L.225-129-6 para. 1).

The Board of Directors therefore proposes that the Shareholders' Meeting renew the delegation of powers to increase the issued capital through the issuance of ordinary shares or other securities for the benefit of the members of an employee share purchase plan with waiver of preemption rights.

The maximum total number of new shares potentially issuable pursuant to this delegation would not exceed 1.5% of the issued capital as of the date of the decision made by the Board of Directors (this ceiling will be deducted from the global ceiling of a maximum total nominal amount of 100 million euro set forth in the thirteen resolution) ; the price at which grantees may purchase the shares would be set by the Board of Directors and could not be more than 20% less than the average price for the twenty trading sessions preceding the date of the decision setting the opening date of the plan. The Board could reduce or eliminate the discount, at its discretion, notably in order to comply with local legal, accounting and tax regimes and labor laws.

This delegation would be valid for a period of 26 months and would replace the previous delegation given by the Shareholders' Meeting of January 21, 2013.

As of August 31, 2013, shares held by employees represented 0.99% of the Company's capital.

AMENDMENT OF ARTICLE 11 OF THE BYLAWS IN ORDER TO INTRODUCE A FOURTH PARAGRAPH (ARTICLE 11.4) RELATING TO THE APPOINTMENT OF ONE OR MORE DIRECTORS REPRESENTING EMPLOYEES (16TH RESOLUTION)

In accordance with the French Act of June 14, 2013 relating to employment protection, the Board of Directors is asking the shareholders to amend article 11 of the Company's bylaws in order to provide for the conditions of appointment to the Board of one or more directors representing employees.

The new text would state that when the law requires the appointment of one director representing employees, the appointment would be made by the trade union that obtained the most votes in the first round of the most recent election of trade union representative. As provided for in the relevant legislation, the Company's Works Council was consulted on this method of appointing a director to represent employees and issued a favorable opinion thereon on September 12, 2013. If the appointment of two directors representing employees were to be required by law, the second director would be appointed by the European Works Council in accordance with the applicable legislation.

Provided the shareholders renew the terms of office of the directors put forward for re-election, at the close of the January 21, 2014 Annual Shareholders' Meeting, the Board of Directors will have 12 members. Consequently, one director representing employees will need to be appointed within six months of this Shareholders' Meeting.

8.1.3 ORDINARY BUSINESS

POWERS TO PERFORM FORMALITIES (17TH RESOLUTION)

This standard resolution concerns the conferring of powers to perform all formalities and filings relating to the resolutions approved by the Shareholders' Meeting.

8.1.4 USE BY THE BOARD OF AUTHORIZATIONS TO INCREASE THE SHARE CAPITAL

Information on the use by the Board during Fiscal 2013 of the financial authorizations given to it by the Annual Shareholders' Meeting is provided in section 5.1.2.3 of this Registration Document.

8.2 Resolutions submitted to the Combined Annual Shareholders' Meeting of January 21, 2014

8.2.1 ORDINARY BUSINESS

FIRST RESOLUTION

(Adoption of the annual consolidated financial statements, Fiscal 2013)

The Shareholders' Meeting, having heard the report of the Board of Directors and the related Chairman's Report attached thereto, and the Statutory Auditors' Reports on the individual company financial statements, the consolidated financial statements and the Chairman's Report, adopts the individual company financial statements for the year ended August 31, 2013 as presented, presenting net income of 342 million euro, and the consolidated financial statements for the year ended August 31, 2013, presenting profit attributable to equity holders of the parent of 439 million euro.

The Shareholders' Meeting also approves the transactions reflected in these financial statements and/or described in these reports.

SECOND RESOLUTION

(Allocation of earnings – Declaration of dividend)

In accordance with the proposal made by the Board of Directors, the Shareholders' Meeting resolves:

to allocate net income for Fiscal 2013 of	341,642,070 euro
plus retained earnings as of the close of Fiscal 2013 of	891,353,160 euro
Making a total available for distribution of	**1,232,995,230 euro**
In the following manner:	
• dividend *(on the basis of 157,132,025 shares comprising the share capital as of August 31, 2013)*	254,553,881 euro
• a 10% dividend premium *(on the basis of 3,992,369 shares held in registered form as of August 31, 2013 that are eligible for the dividend premium after application of the limitation of 0.5% of capital per shareholder)*	638,779 euro
• retained earnings	977,802,570 euro
TOTAL	**1,232,995,230 euro**

Accordingly, the Shareholders' Meeting resolves that a dividend of 1.62 euro will be paid on each share having a right to receive a dividend.

In accordance with the Company's bylaws, shares held in registered form since at least August 31, 2009 and which are still held in such form when the dividend for Fiscal 2013 becomes payable, will automatically be entitled to a 10% dividend premium (rounded down to the nearest cent), representing an additional 0.16 euro per share. The number of shares eligible for this dividend premium may not represent over 0.5% of the share capital for any single shareholder (corresponding to a maximum of 785,660 shares per shareholder based on the Company's capital as of August 31, 2013).

The dividend and dividend premium (for eligible shares) will become payable on February 4, 2014, with an NYSE Euronext Paris ex-dividend date of January 30, 2014. The record date will be February 3, 2014.

In the event that the Company holds some of its own shares as of the payment date, the dividend due on these shares will not be paid and will be transferred to retained earnings. Similarly, if any of the 3,992,369 shares held in registered form that are eligible for the dividend premium as of August 31, 2013 cease to be recorded in registered form between September 1, 2013 and the date on which the dividend becomes payable, the amount of the dividend premium due on such shares will not be paid and instead will be transferred to retained earnings.

Pursuant to article 243 *bis* of the French General Tax Code, the full amount of the proposed dividend (including the dividend premium) qualifies for the allowance available to individuals domiciled in France for tax purposes, as provided for in article 158-3 2º of the French General Tax Code.

The Shareholders' Meeting notes the Board of Directors' summary of dividends paid by the Company in respect of the last three fiscal years, as follows:

	Fiscal 2012 (paid in 2013)	Fiscal 2011 (paid in 2012)	Fiscal 2010 (paid in 2011)
Dividend per share*	€1.59	€1.46	€1.35
Total payout	€240,067,214	€221,091,767	€208,024,389

* *Dividend fully eligible for the 40% allowance applicable to individuals domiciled for tax purposes in France, as provided for in article 158-3 2º of the French General Tax Code.*

THIRD RESOLUTION

(Approval of the regulated related party agreement concerning services provided by Bellon SA to Sodexo SA in areas including strategy, finance, accounting, human resources and the Group's investment policies)

Having heard the Statutory Auditors' Special Report on agreements and commitments governed by articles L.225-38 *et seq.* of the French Commercial Code, the Shareholders' Meeting, and voting upon this report, approves the agreement entered into between Sodexo SA and Bellon SA during the fiscal year ended August 31, 2013, as presented in the report.

FOURTH RESOLUTION

(Renewal of the directorship of Michel Landel)

The Shareholders' Meeting, having heard the report of the Board of Directors and noting that the directorship of Michel Landel expires this day, resolves to renew his directorship for a period of three years ending at the close of the Ordinary Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2016.

FIFTH RESOLUTION

(Renewal of the directorship of Paul Jeanbart)

The Shareholders' Meeting, having heard the report of the Board of Directors and noting that the directorship of Paul Jeanbart expires this day, resolves to renew his directorship for a period of three years ending at the close of the Ordinary Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2016.

SIXTH RESOLUTION

(Renewal of the directorship of Patricia Bellinger)

The Shareholders' Meeting, having heard the report of the Board of Directors and noting that the directorship of Patricia Bellinger expires this day, resolves to renew her directorship for a period of three years ending at the close of the Ordinary Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2016.

SEVENTH RESOLUTION

(Renewal of the directorship of Peter Thompson)

The Shareholders' Meeting, having heard the report of the Board of Directors and noting that the directorship of Peter Thompson expires this day, resolves to renew his directorship for a period of one year ending at the close of the Ordinary Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2014.

EIGHTH RESOLUTION

(Directors' fees)

The Shareholders' Meeting sets at 630,000 euro the total amount of directors' fees to be paid for Fiscal 2013, with this amount remaining in effect until such time as the Shareholder's Meeting makes a new decision.

The Shareholders' Meeting resolves that the Board of Directors shall determine the allocation and date of payment of directors' fees at its discretion.

NINTH RESOLUTION

(Opinion on the elements of compensation and benefits of Pierre Bellon, Chairman of the Board of Directors)

The Shareholders' Meeting, having heard the report of the Board of Directors, votes favorably on the compensation and benefits due or awarded to Pierre Bellon, Chairman of the Board of Directors, for the fiscal year ended August 31, 2013, as described in section 7.3.1.1 of the Fiscal 2013 Registration Document and also included in the Board Report.

TENTH RESOLUTION

(Opinion on the elements of compensation and benefits of Michel Landel, Chief Executive Officer)

The Shareholders' Meeting, having heard the report of the Board of Directors, votes favorably on the compensation and benefits due or awarded to Michel Landel, Chief Executive Officer, for the fiscal year ended August 31, 2013, as described in section 7.3.1.2 of the Fiscal 2013 Registration Document and also included in the Board Report.

ELEVENTH RESOLUTION

(Authorization to the Board of Directors for the Company to purchase treasury shares)

The Shareholders' Meeting, having heard the report of the Board of Directors, authorizes the Board of Directors and any duly authorized representative of the Board, to arrange for the Company to acquire treasury shares in accordance with articles L.225-209 *et seq.* of the French Commercial Code, for the following purposes:

- to grant free shares in the Company in accordance with articles L.225-197-1 *et seq*. of the French Commercial Code, notably to (i) employees of the Company or of companies or groupings affiliated to it, under the conditions provided for in article L.225-197-2 of said Code, and/or (ii) corporate officers of the Company or of companies or groupings affiliated to it, under the conditions provided for in article L.225-197-1-II of said Code, and/or (iii) any other beneficiary authorized by law to receive such share grants; or
- to implement a stock option plan enabling beneficiaries to acquire – for consideration and by all authorized means – shares of the Company in accordance with articles L.225-177 *et seq.* of the French Commercial Code, with the beneficiaries notably including (i) employees and/or corporate officers of the Company or of companies or groupings affiliated to it, under the conditions provided for in article L.225-180 of said Code, and/or (ii) any other beneficiary authorized by law to receive such stock options; or
- to allocate or sell shares to employees in connection with an employee share purchase plan under the conditions provided for by law including articles L.3332-1 *et seq*. of the French Labor Code; or
- to transfer shares upon exercise of rights attached to securities issued by the Company or, as authorized by law, by entities affiliated with it, which give access to Company shares through reimbursement, conversion, exchange, presentation of a warrant or any other method; or
- to cancel the shares by reducing the issued capital, subject to the adoption of the twelfth Extraordinary Resolution of this Shareholders' Meeting, or pursuant to any future resolution to the same effect that may be adopted during the period in which this resolution remains valid; or

- to carry out market-making in the shares of Sodexo under a liquidity contract with an investment services provider, prepared in accordance with the Code of Conduct recognized by the *Autorité des marchés financiers;* or
- to transfer shares as a means of payment or exchange in connection with mergers and acquisitions; or
- generally, to fulfill the obligations related to stock option plans or other share grants to employees or corporate officers of the Company or an affiliated company.

These transactions may be effected by any method on the stock market or over-the-counter, including by block purchase or disposal.

These transactions may take place at any time, outside of periods of public tender offers, subject to the limits imposed by laws and regulations in force at the time.

The Shareholders' Meeting resolves that the maximum number of shares acquired under the present resolution may not exceed 10% of the Company's issued capital as of the date of the present Shareholders' Meeting (*i.e.,* a maximum of 15,713,202 shares), it being stipulated that for the purposes of the present authorization, the number of treasury shares must be taken into account such that the Company does not at any time have more treasury shares than the legally permitted maximum of 10% of shares.

The Shareholders' Meeting resolves that the maximum purchase price may not exceed 90 euro per share, subject to any adjustments required in the event of transactions involving the Company's capital.

The Shareholders' Meeting resolves that the total amount spent on such purchases may not exceed 950 million euro.

The Shareholders' Meeting acknowledges that this authorization is granted for a period of eighteen (18) months as from the date of this Meeting and voids from this day the unused portion of the authorization to the same effect granted in the eleventh resolution of the Combined Shareholders' Meeting of January 21, 2013.

Full powers are given to the Board of Directors and any duly authorized representative of the Board to decide on and act on the present authorization, clarify its terms if necessary and determine its specific details, including to place stock market orders, and enter into agreements, in particular for the keeping of share purchase and sale registers, to allocate or reallocate purchased shares to the desired objectives in accordance with applicable laws or regulations, to establish the procedures necessary to safeguard, should the need arise, the rights of holders of securities or options, in accordance with applicable laws, regulations or contracts, and to make filings and carry out other formalities, and generally do all that is necessary.

8.2.2 EXTRAORDINARY RESOLUTIONS

TWELFTH RESOLUTION

(Authorization to reduce issued capital through cancellation of treasury shares)

The Shareholders' Meeting, having heard the report of the Board of Directors and the Statutory Auditors' Special Report authorizes the Board of Directors, pursuant to article L.225-209 of the French Commercial Code, to cancel, on one or more occasions and within the limit of 10% of the total number of shares in the issued capital as of this Shareholders' Meeting (*i.e.,* a maximum of 15,713,202 shares), by period of twenty-four (24) months, some or all of the shares purchased by the Company under the share repurchase program authorized by the shareholders, and to reduce issued capital accordingly.

The Shareholders' Meeting fully authorizes the Board of Directors and any duly authorized representative of the Board to perform such transactions relating to the cancellation and reduction of capital as may be required pursuant to this authorization, and in particular to apply the difference between the value at purchase of the canceled shares and their par value to available premiums and reserves, including the legal reserve, up to the equivalent of 10% of the canceled capital, to amend the bylaws accordingly, to make filings and carry out other formalities, and generally do all that is necessary.

The Shareholders' Meeting acknowledges that this authorization is granted for a period of twenty-six (26) months from the date of this Shareholders' Meeting and voids from this day any unused portion of the authorization to the same effect granted in the tenth resolution of the Combined Shareholders' Meeting of January 23, 2012.

THIRTEENTH RESOLUTION

(Delegation of powers to the Board of Directors to increase issued capital through the issuance – with preferential subscription rights for shareholders – ordinary shares and/or other securities giving access to capital)

The Shareholders' Meeting, having heard the report of the Board of Directors and the Statutory Auditors' Special Report, as prescribed by the French Commercial Code, and in particular its articles L.225-129 to L.225-129-6 and L.228-91 to L.228-93, and after having noted that the issued capital is fully paid:

1. delegates to the Board of Directors, and any duly authorized representative, the power to increase the capital on one or more occasions with preferential rights maintained, via the issuance, in France or elsewhere, in euro or in any other currency or basket of currencies, ordinary shares (therefore excluding "preference" or "preferred" shares) and/or any other securities giving access in any form, immediately and/or at some later date, to the ordinary shares of the Company;
2. sets the duration of the validity of this delegation of powers at twenty-six (26) months;
3. decides that if the Board of Directors utilizes this delegation:
   - the maximum total nominal amount of capital increases that may be carried out pursuant to (i) this delegation, (ii) the fifteenth resolution of this Shareholders' Meeting (provided said resolution is adopted), and (iii) the twelfth and thirteenth resolutions adopted at the Combined Shareholders' Meeting of January 21, 2013, is 100 million euro, to which will be added, as appropriate, the additional amount representing shares to be issued in order to safeguard the rights of holders of securities giving access to the capital, as required by law,
   - the total nominal amount of debt securities that may be issued may not exceed 1 billion euro or equivalent of this amount as of this day in any other currency or basket of currencies,
   - shareholders shall have irreducible rights to the issue or issues in proportion to the shares held by them at the time, the Board of Directors having the power to institute a reducible right to purchase, as prescribed in article L.225-133 of the French Commercial Code,
   - if irreducible, and, where applicable, reducible purchases do not absorb the entire issue, the Board of Directors may at its discretion offer all or part of the shares and/or securities not purchased for sale to the public,
   - the decision to issue securities giving access to the capital shall entail explicit waiver by shareholders, in favor of holders of the securities issued, of their preferential rights to the capital securities to which the securities issued will entitle them;

4. acknowledges that this delegation of powers implies that the Board of Directors or its duly authorized representative will have full powers, as prescribed by law, to implement this resolution and in particular, at its sole discretion, to set the terms of issue, the nature and characteristics of securities giving access to the capital, procedures for the allocation of the capital securities to which these securities entitle the holder, and the dates at which allocation rights may be exercised, to charge costs incurred in the capital increase to premiums pertaining thereto and transfer from this amount the necessary sums to the legal reserve, make all adjustments to the capital of the Company and establish any other procedures necessary in order to safeguard, should the need arise, the rights of holders of securities giving access to the capital (including through cash adjustments), note the completion of capital increases and amend the bylaws accordingly, perform the necessary formalities, enter into all agreements, notably in order to complete the planned issues, and generally do all that is necessary;
5. acknowledges that this delegation of powers voids from this day the unused portion of the delegation to the same effect granted in the eleventh resolution of the Combined Shareholders' Meeting of January 23, 2012;
6. acknowledges that if the Board of Directors uses the powers given to it herein, the Board of Directors will report on this utilization to the next Ordinary Shareholders' Meeting, as prescribed by the applicable law and regulations.

FOURTEENTH RESOLUTION

(Delegation of powers to the Board of Directors to increase the issued capital by capitalization of premiums, reserves or profits)

The Shareholders' Meeting, deciding in accordance with the requisite quorum and majority voting conditions for Ordinary Meetings, having reviewed the report of the Board of Directors, and pursuant to articles L.225-129 to L.225-129-2 and L.225-130 of the French Commercial Code:

1. delegates to the Board of Directors, and any duly authorized representative, the power to decide to increase the issued capital on one or more occasions, in proportions and at times to be decided at its discretion, by capitalization of all or part of the premiums, reserves or net income whose capitalization is permitted under law and the bylaws, in the form of the allocation of new bonus shares or by increasing the par value of existing shares, or by a combination of the two procedures;
2. sets the term of this delegation of powers at twenty-six (26) months from the date of this meeting;
3. decides that if the Board of Directors uses the powers delegated herein, the maximum nominal amount of capital increases carried out under this delegation of power is set at 200 million euro, it being stipulated that this ceiling may be increased, if necessary, by the additional number of shares of the Company required in order to safeguard the rights of holders of securities giving access to the capital, as prescribed by law;
4. acknowledges that this delegation of powers implies that the Board of Directors or its duly authorized representative will have full powers, as prescribed by law, to implement this resolution and in particular to:
   - determine the amount and nature of the amounts to be capitalized; set the number of new shares to be issued and/or the amount by which the par value of existing shares is to be increased; set the date, retroactively if necessary, as of which the new shares will carry rights and the increase in the par value of existing shares will take effect,
   - in the case of the issuance of new shares, decide that (i) rights attaching to odd-lots will not be tradable, and that the corresponding shares will be sold, and that the proceeds of the sale will be allocated to holders of said rights as prescribed by law and regulations, and (ii) the shares to be allocated pursuant to this delegation on the basis of old shares carrying double voting rights and/or the right to a dividend premium shall be eligible for this right as of the time of their issue,
   - make all adjustments required in the event of transactions on the capital of the Company and set the procedures necessary in order to safeguard, should the need arise, the rights of holders of securities giving access to the capital,

- acknowledge the completion of each capital increase and amend the bylaws accordingly,
- generally enter into all agreements, take all measures and perform all filings pertaining to the issue, listing and administration of securities issued under the powers conferred herein, and to the exercise of the rights attached thereto;

5. acknowledges that this delegation of powers voids from this day the delegation to the same effect granted in the twelfth resolution of the Combined Shareholders' Meeting of January 23, 2012.

FIFTEENTH RESOLUTION

(Delegation of powers to the Board of Directors to increase the issued capital via the issuance of ordinary shares and/or securities giving access to the capital reserved for members of Employee Share Purchase plans, with waiver of preferential rights in favor of the latter)

The Shareholders' Meeting, having heard the report of the Board of Directors and the Statutory Auditors' Special Report, as prescribed in articles L.225-129 *et seq.* and L.225-138-1 of the French Commercial Code, and in articles L.3332-18 to L.3332-24 of the French Labor Code:

1. delegates to the Board of Directors and duly authorized representatives its power to increase the issued capital of the Company, on one or more occasions, via the issuance of ordinary shares and/or securities giving access to the capital, reserved for members of one or more Employee Share Purchase plans (or any other plan to which articles L.3331-1 *et seq.* of the French Labor Code or any similar law or regulations would allow for an increase in capital with equivalent conditions to be reserved) established by the Group comprising the Company and the French or foreign companies included in the Company's consolidated or combined financial statements, as prescribed by article L.3344-1 of the French Labor Code;

2. sets at twenty-six (26) months from the date of this meeting the validity of this delegation of powers and decides that it voids from this day the delegation to the same effect granted in the fourteenth resolution of the Shareholders' Meeting of January 21, 2013;

3. decides that the total number of new shares potentially issuable pursuant to this delegation may not represent more than 1.5% of the share capital as of the date of the decision made by the Board of Directors. This ceiling will be deducted from the global ceiling of a maximum total nominal amount of 100 million euro set in the thirteenth resolution (provided said resolution is adopted by this meeting) or, if applicable, the maximum total nominal amount set in any future resolution adopted during the period of validity of this resolution;

4. decides that the issue price of the new shares or securities giving access to the capital that may be issued pursuant to this delegation will be determined as prescribed in article L.3332-18 *et seq.* of the French Labor Code and will be equal to at least 80% of the average opening price of the Company's shares on NYSE Euronext Paris for the twenty trading days preceding the day on which the decision is made setting the opening date for subscription by the members of an Employee Share Purchase plan. The Board of Directors may, at its discretion, reduce or cancel the aforementioned discount, within the limits prescribed by law and the regulations, in order to allow, *inter alia,* for compliance with local legal, accounting and tax regimes and labor laws;

5. authorizes the Board of Directors to allocate to the aforementioned grantees, in addition to the shares or securities giving access to the capital to be purchased for cash, bonus shares or securities giving access to the capital, to be issued or already issued, substituting in full or in part for the discount and/or employer's contribution, it being stipulated that the benefit resulting from this grant may not exceed the legal or regulatory limits applicable under articles L.3332-10 *et seq.* of the French Labor Code;

6. decides to waive, in favor of the aforementioned grantees, the preferential rights of shareholders to the shares or securities giving access to the capital whose issuance is referred to in the delegation described herein, and to the shares to which the said securities will entitle their holders;

7. decides that the Board of Directors or its duly appointed representatives will have full powers to implement this resolution, and in particular to establish, in accordance with legal requirements, the list of companies in which the above mentioned beneficiaries will be able to subscribe to such issued shares or securities giving access to capital and to benefit from, as the case may be, free shares, to set the terms and conditions of the transactions, and to determine the dates and procedures for the issues to be carried out under this delegation, to determine the opening and closing dates for subscriptions, the dividend-rights dates, procedures for the payment of shares, to grant extensions to the period for payment of shares, to apply to list the shares thus created on stock exchanges of its choice, to note the completion of the capital increases for the value of the shares effectively purchased, to perform, directly or by its appointed agents, all transactions and filings pertaining to the capital increases, including subsequent amendments to the bylaws, at its sole discretion and, if it deems fit, to charge costs incurred in the capital increases to the premiums arising from these increases, and to transfer from this amount the requisite sums to increase the legal reserve to one-tenth of the new capital resulting from these capital increases;

8. acknowledges that if the Board of Directors uses the powers given to it herein, it will report on this utilization to the next Ordinary Shareholders' Meeting, as prescribed by law and the regulations.

SIXTEENTH RESOLUTION

(Amendment of article 11 of the bylaws to introduce a new article 11-4 relating to the appointment of one or more directors representing employees)

Having heard the report of the Board of Directors and the favorable opinion of the Company's Works Council issued on September 12, 2013, the Shareholders' Meeting resolves to introduce a fourth paragraph to article 11 of the Company's bylaws (article 11-4), in order to provide for the conditions of appointment of one or more directors representing employees to the Board of Directors, in accordance with the French Act of June 14, 2013 relating to employment protection.

Consequently, article 11-4 shall read as follows:

Article 11.4 (directors representing employees)

"In addition to the directors whose number and terms and conditions for appointment are set out in articles L.225-17 and L.225-18 of the French Commercial Code, the Company's Board of Directors shall include directors representing employees, as provided for by law. The terms and conditions for the appointment of such directors shall be governed by both the applicable law and these bylaws.

The Board shall include two directors representing employees when the number of directors referred to in articles L.225-17 and L.225-18 of the French Commercial Code is over twelve, and one director representing employees when said number is less than or equal to twelve.

When the law requires the appointment of one director representing employees, the appointment shall be made by the trade union that obtained the most votes in the first round of the most recent elections of union representatives (as referred to in articles L.2122-1 and L.2122-4 of the French Labor Code) held within the Company and its direct and indirect subsidiaries whose registered offices are located in France.

When the law requires the appointment of two directors representing employees, the first director shall be appointed as described above and the second shall be appointed by the European Works Council.

If, during a particular fiscal year, the number of directors as referred to in articles L.225-17 and L.225-18 of the French Commercial Code increases to more than twelve, the Chairman of the Board of Directors shall ask the European Works Council, within a reasonable timeframe, to appoint a second director to represent employees, who shall take up his or her position on the Board at the first Board meeting held subsequent to his or her appointment.

If, during a particular fiscal year, the number of directors as referred to in articles L.225-17 and L.225-18 of the French Commercial Code decreases to twelve or less, the director representing employees appointed by the European Works Council shall remain in office until his or her term expires but shall not be re-appointed if said number remains less than or equal to twelve as at the renewal date.

Directors representing employees shall be appointed for three-year terms. Each new director representing employees shall take up his or her seat on the Board on the expiration of the term of office of outgoing directors representing employees and their duties shall end at the close of the Annual Shareholders' Meeting held in the year their term of office expires to adopt the financial statements for the previous fiscal year. As an exception to this general rule, the Company's first directors representing employees shall take up their seats on the Board at the first Board meeting held subsequent to their appointment.

A director representing employees shall automatically cease to be a Board member if their employment contract is terminated or their term of office is terminated in accordance with article L.225-32 of the French Commercial Code, or in the event of a case of incompatibility as provided for in article L.225-30 of the French Commercial Code.

Subject to the law and the provisions of this article 11-4 of the bylaws, directors representing employees shall have the same status, powers and responsibilities as the Company's other directors.

The provisions of article 11-2 of these bylaws requiring directors to own a minimum number of the Company's shares for the duration of their term of office shall not apply to directors representing employees.

If the seat on the Board of a Drector representing employees falls vacant as a result of death, resignation, termination of their employment contract or term of office, or for any other reason, the vacant seat shall be filled in accordance with the provisions of article L.225-34 of the French Commercial Code. Meetings held by the Board of Directors until the director or directors concerned is or are replaced shall be deemed to be validly constituted.

The provisions of this article 11-4 of the bylaws shall cease to apply if, at the end of a particular fiscal year, the Company no longer meets the criteria triggering the legal requirement to appoint a director representing employees. In such a case, the terms of office of any directors representing employees appointed in accordance with this article shall terminate on their scheduled expiration dates."

8.2.3 ORDINARY BUSINESS

SEVENTEENTH RESOLUTION

(Powers)

The Shareholders' Meeting confers full powers on the bearer of a copy or extract of the minutes of the present Shareholders' Meeting to carry out all necessary formalities.

8.3 Statutory Auditors' Reports

8.3.1 STATUTORY AUDITORS' SPECIAL REPORT ON A SHARE CAPITAL REDUCTION

(ORDINARY AND EXTRAORDINARY MEETING OF SHAREHOLDERS HELD ON JANUARY 21, 2014 – 12TH RESOLUTION)

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders

SODEXO
255 Quai de la bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9

Dear Sirs,

In our capacity as statutory auditors of Sodexo S.A. and in accordance with article L.225-209 of the French Commercial Code (*Code de Commerce*) in the event of a share capital reduction through the cancellation of purchased shares, we hereby submit our report containing our assessment of the reasons for, and the terms and conditions of the proposed share capital reduction.

Your Board of Directors requests that you grant it full authority, with the possibility of a further delegation, for a period of 26 months, starting from the date of this shareholders' meeting, to cancel, in one or several transactions, the shares of stock purchased, within the limit of 10% of the capital of its Company in any given 24-month period, within the context of the authorization granted to your Company to purchase its own shares pursuant to the aforementioned article.

We have performed the procedures deemed necessary to comply with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) in relation to this engagement. These procedures consisted in assessing whether the reasons for, and the terms and conditions of the proposed share capital reduction are legitimate and lawful.

We have no matters to report on the reasons for, and on the terms and conditions of the aforementioned proposed share capital reduction.

Neuilly-sur-Seine and Paris La Défense, November 13, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit
	Department of KPMG S.A.
Yves Nicolas	Hervé Chopin
Partner	*Associé*

1 Group Presentation
2 Economic, social and environmental responsibility
3 Consolidated information
4 Information on the issuer
5 Legal Information
6 Shareholders - Financial Communication
7 Corporate Governance
8 Combined Annual Shareholders' Meeting, January 21, 2014
9 Other information

8.3.2 STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF SHARES AND/OR OTHER SECURITIES AND THE PRESERVATION OF EXISTING SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS

(ORDINARY AND EXTRAORDINARY MEETING OF SHAREHOLDERS HELD ON JANUARY 21, 2014 – 13TH RESOLUTION)

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders

SODEXO
255 Quai de la bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9

Dear Sirs,

In our capacity as statutory auditors of Sodexo S.A. and pursuant to the provisions of the French Commercial Code (*Code de commerce*) and notably article L.228-92, we hereby report to you on the proposed delegation to the Board of Directors of the authority to decide one or several issuances of ordinary shares and/or other securities, which should be submitted to you for approval. The aggregate nominal amount of the share capital increases that may be carried out, either immediately or in the future, may not exceed €100 million. The aggregate nominal amount of debt securities that may be issued may not exceed €1 billion.

Your Board of Directors proposes, on the basis of its report, that it be empowered, with the possibility to delegate, for a period of 26 months, to decide the issuance. If need be, the Board of Directors is responsible for setting the final terms and conditions of this transaction.

The Board of Directors is responsible for preparing a report in accordance with articles R.225-113 and the following related articles of the French Commercial Code. Our role is to provide a conclusion on the true and fair nature of financial information taken from the financial statements and on certain other information concerning the transactions presented in the report.

We have performed the procedures deemed necessary to comply with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) in relation to this engagement. These procedures consisted in verifying the content of the Board of Directors' report relating to the transactions and the terms and conditions for determining the issuance price of the shares and securities.

We bring to your attention that the Board of Directors' report does not provide the terms and conditions for determining the prices of shares and securities to be issued as required in the regulatory texts.

In addition, as the final terms and conditions of the issuance have not yet been set, we do not express a conclusion on the final terms and conditions of the issuance.

In accordance with article R.225-116 of the French Commercial Code, we will issue an additional report if and when the Board of Directors uses these delegations of authority to issue ordinary shares and/or securities convertible into the Company's share capital, and/or to other debt securities.

Neuilly-sur-Seine and Paris La Défense, November 13, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit
	Department of KPMG S.A.
Yves Nicolas	Hervé Chopin
Partner	*Partner*

8.3.3 STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF ORDINARY SHARES AND/OR OTHER SECURITIES CONVERTIBLE INTO THE COMPANY'S SHARE CAPITAL FOR PARTICIPANTS TO THE EMPLOYEE SAVINGS PLAN OF THE COMPANY

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF JANUARY 21, 2014 - 15TH RESOLUTION)

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders

SODEXO
255 Quai de la bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9

Dear Sirs,

In our capacity as statutory auditors of Sodexo S.A. and pursuant to the provisions of articles L.228-92 and L.225-135 and the following related articles of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation to the Board of Directors of the authority to decide an increase of contributed capital in one or several transactions through issuance of ordinary shares and/or securities convertible into the Company's shares without preserving the existing shareholders' preferential subscription rights, for participants of one or several employee savings plan of the Group consisting of the Company and subsidiaries in France and abroad, included in the consolidation scope or the combined financial statements of Sodexo in accordance with article L.3344-1 of the French Labor Code (*Code du travail*) for a total number of new shares representing a maximum of 1.5% of the share capital as of the date of the decision made by the Board of Directors, which should be submitted to you for your approval.

This proposed capital increase is submitted to you for approval pursuant to article L.225-129-6 of the French Commercial Code and articles L.3332-18 and the following related articles of the French Labour Code (*Code du travail*).

Your Board of Directors proposes on the basis of its report, that it be empowered, with the possibility of a further delegation, for a period of 26 months, to decide an increase of capital and to cancel your preferential subscription right for the shares and securities to be issued. If need be, the Board of Directors is responsible for setting the final terms and conditions of this transaction.

The Board of Directors is responsible for preparing a report in accordance with articles R.225-113 and the following related articles of the French Commercial Code. Our role is to provide a conclusion on the true and fair nature of financial information taken from the financial statements, on the proposed cancellation of preferential subscription rights, and on certain other information relating to the transaction presented in the report.

We have performed the procedures deemed necessary to comply with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) in relation to this engagement. These procedures consisted in verifying the content of the Board of Directors report in respect of this operation and the terms and conditions for determining the issuance price of the shares and/or securities.

Subject to a subsequent examination of the conditions for the increase in capital which will be decided, we have nothing to report on the methods used for determining the share price provided in the Board of Directors' Report.

As the final terms and conditions of the issuance have not yet been set, we do not express a conclusion on the terms and conditions under which the capital increase would be performed. As a result, we do not express a conclusion on the cancellation of preferential subscription rights proposed by the Board of Directors.

In accordance with article R.225-116 of the French Commercial Code, we will issue an additional report if and when the Board of Directors proceeds with the capital increase.

Neuilly-sur-Seine and Paris La Défense, November 13, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit
	Department of KPMG S.A.
Yves Nicolas	Hervé Chopin
Partner	*Partner*


sodexo

9

OTHER INFORMATION

9.1 Glossary

ADR *(AMERICAN DEPOSITARY RECEIPTS)*

An ADR is a registered certificate issued by a U.S. bank to represent ownership of a share or bond issued by a publicly-traded non-U.S. company. ADRs are quoted in U.S. dollars, but the underlying shares or bonds are denominated in their original currency and are held in deposit by a bank, known as the custodian, in the country of issue. ADRs enable a non-U.S. company, subject to certain conditions, to be quoted in the United States. One Sodexo share is represented by one Sodexo ADR. Dividends and voting rights belong to the ADR holder.

BEARER SHARES

Shares held in a share account maintained by the shareholder's bank or broker. Sodexo is not informed of the shareholder's identity. The share purchase and administration of the shares are handled by the shareholder's bank or broker.

BENEFITS AND REWARDS SERVICES (PREVIOUSLY, MOTIVATION SOLUTIONS)

Benefits and Rewards Services cover three service categories, Employee Benefits, Incentive Programs and Public Benefits.

BRIC

BRIC denotes the group of high potential emerging countries formed by Brazil, Russia, India and China.

CLIENT RETENTION RATE

The client retention rate is calculated by comparing the impact of prior year revenue from contracts lost to a competitor or to self-operation, to total prior year revenue. This rate also includes contracts terminated by Sodexo and site closures and is considered to be comprehensive. Other companies may calculate their retention rates on a different basis.

COMPARABLE SITE GROWTH

Comparable site growth is the increase in revenues from sites that have contributed to consolidated revenue over two complete consecutive fiscal years (sites with activity from September 1, 2011 to August 31, 2013).

CORPORATE OFFICERS

Corporate Officer is the term used in English for the French *mandataire social* and refers to the Members of the Board of Directors, including Sodexo's Chief Executive Officer, who is also on the Board of Directors.

COSO (COMMITTEE OF SPONSORING ORGANISATIONS)

COSO was formed in the United States in 1985 to sponsor the National Commission on Fraudulent Financial Reporting, an independent private sector initiative jointly sponsored by major professional associations chaired by Senator Treadway. COSO issued recommendations to public companies and independent accountants in the form of an integrated framework for internal control, which forms the basis for the application of certain provisions of the Sarbanes-Oxley Act.

DEVELOPMENT RATE

The development rate is the annualized estimated revenue for new contracts signed during the fiscal year, divided by prior year revenues.

DIVIDEND PREMIUM

Any shareholder able to demonstrate holding registered shares for at least four years as of the end of the Fiscal year including as of the dividend payment date will benefit from a 10% dividend premium on those shares. The number of shares eligible for the dividend premium cannot exceed 0.5% of Sodexo's share capital per shareholder.

EARNINGS PER SHARE (EPS)

Group net income divided by the weighted average number of shares outstanding.

EMPLOYEE ENGAGEMENT RATE

Engagement is defined as a level of commitment in a group or business, and refers to employees' commitment to the success of the business, their loyalty and their pride in being part of the organization. As such the engagement rate is the percentage of employees having responded to the six engagement questions with an average rating of 4.5 or higher on an increasing scale of from 1 to 6 (methodology developed by Aon Hewitt).

Additional information is available in section 2.3.1 of this document.

EMPLOYEE RETENTION RATE

The employee retention rate is the number of employees who leave during the year divided by the average number of employees.

Note that for purposes of this calculation employees leaving the Group do not include departures related to legal requirements or regulations concerning lost contracts, transfers between Group subsidiaries or the expiration of fixed-term contracts.

GRI

The Global Reporting Initiative (GRI) was created in 1997 by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Programme (UNEP). The GRI's vocation is to lift sustainable development methods to a level equivalent to those of financial reporting, in the interests of comparability, credibility, rigor, frequency and verifiability of the communicated information.

GROUP NET INCOME

Group net income corresponds to the line "Profit attributable to equity holders of the parent" in the consolidated income statement. It is the total net income generated by all Group companies less the portion of net income attributable to interests held by third party shareholders in subsidiaries not wholly owned by Sodexo.

ISSUE VOLUME

The face value of vouchers and cards multiplied by the number of vouchers and cards issued.

INTENSITY RISK

Risks whose frequency and severity require transfer to the insurance market.

ISO

ISO (International Organization for Standardization) is the world's largest developer of voluntary International Standards. International Standards give state of the art specifications for products, services and good practice, helping to make industry more efficient and effective. They include ISO 9001 for Quality management, ISO 14001 for Environmental management and ISO 22000 for Food Safety management and ISO 55000 for asset management.

NET DEBT

Net debt corresponds to the Group's gross borrowings* at the balance sheet date less cash and cash equivalents and restricted cash and financial assets related to the Benefits and Rewards Services activity, less bank overdrafts.

* *Gross borrowings: current and non-current financial debt plus derivative financial instruments (assets and liabilities, current and non-current).*

NUMBER OF SITES

The number of sites corresponds to the number of locations where the Group performs a service.

ON-SITE SERVICES

On-site Services respond to the needs of Sodexo's eight client segments: Corporate, Remote Sites, Defense, Justice Services, Sports and Leisure, Health Care, Seniors and Education.

ORGANIC GROWTH

Organic growth is the increase in revenues, excluding exchange rate effects and the impact of acquisitions or divestitures of subsidiaries over a twelve month period.

OHSAS 18001

A UK-developed standard (Occupational Health and Safety Assessment Series) used as a model for occupational health and safety management systems. Its objective is to provide companies with assessment and certification of their health and safety management systems, consistent with international management system standards.

PERFORMANCE SHARES

Sodexo free shares granted to the Chief Executive Officer and Group managers by the Board of Directors, which are subject to employment and performance conditions. In particular, it should be noted that performance shares represent only a portion of the free shares granted to each beneficiary (between 0 to 50% depending on the manager), except for the Chief Executive Officer, who receives performance shares only.

PERSONAL AND HOME SERVICES

Services provided in three main areas: childcare, concierge services and in-home care for dependent persons.

REGISTERED SHARES

Registered shares are shares that are registered in the holder's name in Sodexo's share register (unlike bearer shares). They may be directly or indirectly registered. The benefits of holding registered shares are presented in section 6.1.7 of this Registration Document.

1. Directly registered shares (French *nominatif pur*)

The shares are recorded in the holder's name in a share account kept by the Company's registrar, Société Générale, allowing direct communications between the shareholder and Sodexo.

2. Indirectly registered shares (French *nominatif administré*)

In this case, the shares are registered in the holder's name in a share account managed by his or her bank or broker, which is responsible for the related custodial and administration services. The shares are administered in the same way as for bearer shares.

STOP HUNGER

STOP Hunger is a global initiative developed by Sodexo to fight hunger and malnutrition and combat food waste. It is part of the Better Tomorrow Plan, the Group's social and environmental responsibility roadmap.

WORK-RELATED ACCIDENT FREQUENCY RATE

Number of accidents per million hours worked.

WORK-RELATED ACCIDENT SEVERITY RATE

Number of days' work lost due to work-related accidents per million hours worked.

9.2 Responsibility for the Registration Document and the audit of the Financial Statements

9.2.1 RESPONSIBILITY FOR THE REGISTRATION DOCUMENT

Responsibility for the *Document de référence* (French-language equivalent of the Registration Document)

"Having taken all reasonable precautions, I hereby declare that the information contained in the *Document de référence* is to the best of my knowledge in accordance with reality and that nothing has been omitted that would alter its impact.

I declare that to the best of my knowledge the financial statements comply with the applicable accounting standards and present a true statement of the net worth, the financial position, and of the income of the Company, and of the consolidated entities.

The Management Report described on page 357 presents a true picture of the evolution of the business, of the results and the financial position of the Company and of the consolidated entities, as well as a description of the principal risks for the Group.

I have obtained from our Statutory Auditors an engagement completion letter in which they declare that they verified the information relating to the financial position and the financial statements which are presented in this document and that they have read this document in its entirety."

Michel Landel
Chief Executive Officer

November 18, 2013

9.2.2 RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Auditors	First appointed	Term of office	Term of office expires
Statutory Auditors			
PricewaterhouseCoopers Audit Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles 63, rue de Villiers 92208 Neuilly-sur-Seine, France Registered no. RCS Nanterre 672 006 483 Represented by Yves Nicolas	February 22, 1994	6 years	Annual Shareholders' Meeting to be held in 2017 to adopt the financial statements for Fiscal 2016
KPMG Audit Département de KPMG SA Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles 1, cours Valmy 92923 Paris-La Défense Cedex, France RCS Nanterre 775 726 417 Represented by Hervé Chopin	February 4, 2003	6 years	Annual Shareholders' Meeting to be held in 2015 to adopt the financial statements for Fiscal 2014
Deputy Statutory Auditors			
Anik Chaumartin Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles 63, rue de Villiers 92208 Neuilly-sur-Seine, France	January 21, 2013	6 years	Annual Shareholders' Meeting to be held in 2017 to adopt the financial statements for Fiscal 2016
Bernard Pérot Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles 1, cours Valmy 92923 Paris-La Défense Cedex, France	January 19, 2009	6 years	Annual Shareholders' Meeting to be held in 2015 to adopt the financial statements for Fiscal 2014

1 Group Presentation
2 Economic, social and environmental responsibility
3 Consolidated information
4 Information on the issuer
5 Legal Information
6 Shareholders - Financial Communication
7 Corporate Governance
8 Combined Annual Shareholders' Meeting, January 21, 2014
9 Other information

9.3 Reconciliation tables

To facilitate the reading of this document, the reconciliation tables below identify:

- the main headings required by Appendix I of European Regulation 809/2004. Disclosures not applicable to Sodexo are marked "N/A";
- the information that constitutes the Annual Financial Report provided for under articles L.451-1-2 of the Monetary and Financial Code and 222-3 of the General Regulation of the AMF *(Autorité des marchés financiers);*
- the disclosures constituting the Management Report of the Board of Directors defined by the French Commercial Code;
- The information required by Article R.225-105-1 of the French Commercial Code ("Grenelle II");
- The GRI, ISO 26000 and UN Global Compact Indicators.

9.3.1 APPENDIX I OF EUROPEAN REGULATION NO. 809/2004

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7.2. Significant subsidiaries	208-211, 242-243,273
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9. Financial position and operating profit analysis	126-141
10. Cash and capital	
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10.2. Sources and amounts of cash flow	139, 146
10.3. Information on borrowing conditions and on the structure of financing	180-185, 236-237
10.4. Restrictions on capital utilizations having materially affected or potentially materially affecting the operations of the Company	177, 182-183
10.5. Expected sources of financing	N/A

In accordance with Appendix I of European Regulation no.809/2004	Pages
11. Research and development, patent and licenses	N/A
12. Information on trends	140-141
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14. Board of Directors and Senior Management	
14.1. Information concerning members of the Board of Directors and Senior Management	276-285, 290-291, 302
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15. Compensation and benefits	
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16. Duties of the Board of Directors	
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18.4. Pact known to the issuer that could, if implemented, result in a change of control of Sodexo	N/A
19. Related party transactions	203-204, 238, 248-250, 302-303
20. Financial information concerning assets, financial position and company operating profit	
20.1. Historical financial information*	356
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20.5. Date of most recent financial information	August 31, 2013
20.6. Interim and other financial information	N/A
20.7. Dividend distribution policy	26-27, 132, 271, 335-336

* *Pursuant to article 28 of Rule (CE) nº 809/2004 of the European Commission of April 29, 2004, the following information is incorporated by reference into this Registration Document:*
- *Group Management Report, Group consolidated financial statements and Statutory Auditors' Report on the consolidated financial statements for the year ended August 31, 2012, as presented on pages 319 and 95-181 of the Registration Document filed with Autorité des marchés financiers (French financial markets authority) on November 12, 2012, under number D. 12-0964;*
- *Group Management Report, Group consolidated financial statements and Statutory Auditors' Report on the consolidated financial statements for the year ended August 31, 2011 as presented on pages 299 and 89-162 of the Registration Document filed with Autorité des marchés financiers (French financial markets authority) on November 10, 2011 under number D. 11-1021.*

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22. Material contracts	255
23. Information coming from third parties, expert declarations and interest declarations	N/A
24. Information available to the public	255, 265
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9.3.2 ANNUAL FINANCIAL REPORT

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7. Chairman's Report on the operating procedures of the Board of Directors and on internal control and risk management procedures and attached Auditors' Report	276-301

9.3.3 MANAGEMENT REPORT

Reconciliation table for the Management Report pursuant to articles L.225-100 *et seq.* of the French Commercial Code

Main headings of the Management Report of the Board of Directors – French Commercial Code	Pages
1. Management Report	126-141
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9.3.4 INFORMATION REQUIRED BY ARTICLE R.225-105-1 OF THE FRENCH COMMERCIAL CODE ("GRENELLE II")

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1. Workforce-related data:					
a	Employment:	i	total workforce and distribution of employees by gender, age group and geographical area		88-89
		ii	new employee hires and dismissals		89-90, 120
		iii	remuneration and any related changes		165, 121
b	Work organisation:	i	working-time organisation		120
		ii	absenteeism		89, 121
c	Labour/Management relations:	i	organisation of social dialogue including information procedures, consultation and negotiation with employees		96
		ii	summary of collective bargaining agreements		121
d	Health and safety:	i	occupational health and safety conditions		93
		ii	summary of collective bargaining agreements signed with trade unions or workers' representatives on occupational health and safety		122
		iii	occupational accidents, including accident frequency and severity rates, and occupational diseases		93, 122
e	Training and education:	i	policies implemented regarding training and education		90-91
		ii	total number of hours of training		91
f	Diversity and equal opportunity:	i	measures implemented to promote gender equality		93-95
		ii	measures implemented to promote the employment and integration of disabled people		95
		iii	policy against discrimination		93-96
g	Promotion of and compliance with the core Conventions of the ILO relative to:	i	freedom of association and the right to collective bargaining		96
		ii	non-discrimination in respect of employment and occupation		
		iii	the elimination of all forms of forced or compulsory labour		
		iv	the effective abolition of child labour		
2. Environmental data:					
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		iii	resources allocated to the prevention of environmental risks and pollution		115
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Grenelle II Chapters				Page Number
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c	Sustainable use of resources:	i	water consumption and supply adapted to local constraints	104
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d	Climate change:	i	greenhouse gas emissions	103-104
		ii	adaptation to consequences of climate change	28
e	Protection of biodiversity:	i	measures implemented to protect or develop biodiversity	101-102
3. Social data:				
a	Territorial, economic and social impact of the company's activity:	i	regarding regional employment and development	90, 99-101
		ii	on local residents/communities	99-100
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		ii	partnership or sponsorship actions	99, 107
c	Subcontractors and suppliers:	i	inclusion of social and environmental issues in the company's procurement policy	101-103
		ii	extent of subcontracting and the importance placed on social and environmental responsibility in relations with subcontractors and suppliers	101
d	Fair business practices:	i	anti-corruption policies and procedures	87
		ii	measures implemented to promote consumer health and safety	97-98
e	Other actions implemented to promote human rights:	i	other actions implemented to promote human rights	96

9.3.5 GLOBAL REPORTING INITIATIVE (GRI) GUIDELINE

Relevant GRI G3 Guidelines Disclosures - Disclosure on Management Approach (DMA) or Performance Indicators		ISO 26000 Core Social Responsibility Subjects and Themes	ISO 26000 clauses	UN Global Compact Principles	Page Number
Stakeholder Inclusiveness Principle		Community involvement	6.8.3		105-107
Boundary Protocol		Promoting social responsibility in the value chain	6.6.6		100-104
1,1 1,2	Strategy and Analysis	Organizational governance	6.2	Principle 8	3-17
2.1-2.10	Organizational profile				20
4.1-4.17	Governance, Commitments and Engagement				86, 275-324
3.13	Assurance	Verification	7.5.3	Principle 7	116, 212, 246, 344
General Reporting Notes - Assurance					
SOCIAL CATEGORY (INCLUDES HUMAN RIGHTS, LABOUR, PRODUCT RESPONSIBILITY AND SOCIETY)					
Human Rights DMA		Organizational governance Human Rights	6.2 6.3		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Human Rights Due diligence Avoidance of complicity Promoting social responsibility in the value chain	6.3 6.3.3 6.3.5 6.6.6	Principle 1	86, 96, 101, 217
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Human Rights Due diligence Avoidance of complicity Employment and employment relationships Promoting social responsibility in the value chain	6.3 6.3.3 6.3.5 6.4.3 6.6.6	Principle 1 and 2	86, 96, 101, 217
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Human Rights Avoidance of complicity	6.3 6.3.5	Principle 1 and 2	86, 96, 101, 217
HR4	Total number of incidents of discrimination and actions taken	Human Rights Resolving grievances Discrimination and vulnerable groups Fundamental principles and rights at work Employment and employment relationships	6.3 6.3.6 6.3.7 6.3.10 6.4.3	Principle 1 and 6	86, 96, 101, 217
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Human Rights Due diligence Human rights risk situations Avoidance of complicity Civil and political rights Fundamental principles and rights at work Employment and employment relationships Social dialogue	6.3 6.3.3 6.3.4 6.3.5 6.3.8 6.3.10 6.4.3 6.4.5	Principle 3	86, 96, 101, 217

Relevant GRI G3 Guidelines Disclosures - Disclosure on Management Approach (DMA) or Performance Indicators		ISO 26000 Core Social Responsibility Subjects and Themes	ISO 26000 clauses	UN Global Compact Principles	Page Number
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	Human Rights Due diligence Human rights risk situations Avoidance of complicity Discrimination and vulnerable groups Fundamental principles and rights at work	6.3 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10	Principle 5	86, 96, 101, 217
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor			Principle 4	86, 96, 101, 217
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Human Rights Avoidance of complicity Employment and employment relationships Promoting social responsibility in the value chain	6.3 6.3.5 6.4.3 6.6.6		86, 96, 101, 217
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Human Rights Resolving grievances Discrimination and vulnerable groups Civil and political rights Respect for property rights	6.3 6.3.6 6.3.7 6.3.8 6.6.7		86, 96, 101, 217
Society DMA		Organizational governance Fair Operating Practices Community involvement and development	6.2 6.6 6.8		
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	Economic, social and cultural rights Community involvement and development Employment creation and skills development Wealth and income creation Respect for property rights	6.3.9 6.8 6.8.5 6.8.7* 6.6.7		87, 99-100
S02	Percentage and number of business units analyzed for risks related to corruption	Fair Operating Practices Anti-corruption	6.6 6.6.3	Principle 10	87, 99-100
S03	Percentage of employees trained in organization's anti-corruption policies and procedures				87, 99-100
S04	Actions taken in response to incidents of corruption				
S05	Public policy positions and participation in public policy development and lobbying	Fair Operating Practices Responsible political involvement Community involvement	6.6 6.6.4 6.8.3		87, 99-100
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country				
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Fair Operating Practices Fair competition Respect for property rights	6.6 6.6.5 6.6.7		87, 99-100
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Fair Operating Practices Respect for property rights Wealth and income creation	6.6 6.6.7 6.8.7*		87, 99-100

** Indirectly relevant*

Relevant GRI G3 Guidelines Disclosures - Disclosure on Management Approach (DMA) or Performance Indicators		ISO 26000 Core Social Responsibility Subjects and Themes	ISO 26000 clauses	UN Global Compact Principles	Page Number
Labor DMA		Organizational governance Labour Practices Fundamental principles and rights at work	6.2 6.4 6.3.10		
LA1	Total workforce by employment type, employment contract, and region	Labour Practices Employment and employment relationships	6.4 6.4.3		88-96
LA2	Total number and rate of employee turnover by age group, gender, and region				
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Labour Practices Employment and employment relationships Conditions of work and social protection	6.4 6.4.3 6.4.4	Principle 3	88-96
LA4	Percentage of employees covered by collective bargaining agreements	Labour Practices Employment and employment relationships Conditions of work and social protection Social dialogue Fundamental principles and rights at work	6.4 6.4.3 6.4.4 6.4.5 6.3.10	Principle 3	88-96
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	Labour Practices Employment and employment relationships Conditions of work and social protection Social dialogue	6.4 6.4.3 6.4.4 6.4.5		88-96
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Labour Practices Health and safety at work	6.4 6.4.6		88-96
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region				
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Labour Practices Health and safety at work Community involvement and development Community involvement Education and culture Health	6.4 6.4.6 6.8 6.8.3 6.8.4 6.8.8		88-96
LA9	Health and safety topics covered in formal agreements with trade unions	Labour Practices Health and safety at work	6.4 6.4.6		88-96
LA10	Average hours of training per year per employee by employee category	Labour Practices Human development and training in the workplace	6.4 6.4.7	Principle 6	88-96
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Labour Practices Human development and training in the workplace Employment creation and skills development	6.4 6.4.7 6.8.5	Principle 6	88-96

** Indirectly relevant*

Relevant GRI G3 Guidelines Disclosures - Disclosure on Management Approach (DMA) or Performance Indicators		ISO 26000 Core Social Responsibility Subjects and Themes	ISO 26000 clauses	UN Global Compact Principles	Page Number
LA12	Percentage of employees receiving regular performance and career development reviews	Labour Practices Human development and training in the workplace	6.4 6.4.7		88-96
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Discrimination and vulnerable groups Fundamental principles and rights at work Labour Practices Employment and employment relationships	6.3.7 6.3.10 6.4 6.4.3		88-96
LA14	Ratio of basic salary of men to women by employee category	Discrimination and vulnerable groups Fundamental principles and rights at work Labour Practices Employment and employment relationships Conditions of work and social protection	6.3.7 6.3.10 6.4 6.4.3 6.4.4		88-96
Product Responsibility DMA		Organizational governance Fair Operating Practices Consumer issues	6.2 6.6 6.7		
PR1	Life cycle stages for health and safety impacts of products and service are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Economic, social and cultural rights Promoting social responsibility in the value chain Consumer Issues Protecting consumers' health & safety Sustainable consumption	6.3.9 6.6.6 6.7 6.7.4 6.7.5		97-98
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Consumer Issues Fair marketing, factual and unbiased information and fair contractual practices Protecting consumers' health & safety Sustainable consumption Consumer service, support and complaint and dispute resolution Education and awareness	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9		97-98
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Consumer Issues Protecting consumers' health & safety Sustainable consumption Consumer service, support and complaint and dispute resolution Access to essential services* Education and awareness	6.7 6.7.4 6.7.5 6.7.6 6.7.8 6.7.9		105-106

** Indirectly relevant*

Relevant GRI G3 Guidelines Disclosures - Disclosure on Management Approach (DMA) or Performance Indicators		ISO 26000 Core Social Responsibility Subjects and Themes	ISO 26000 clauses	UN Global Compact Principles	Page Number
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	Consumer Issues Fair marketing, factual and unbiased information and fair contractual practices Consumer service, support and complaint and dispute resolution Education and awareness	6.7 6.7.3 6.7.6 6.7.9		non applicable
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorhip by type of outcomes				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of consumer data	Consumer Issues Consumer data protection and privacy	6.7 6.7.7		non applicable
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Consumer Issues Consumer service, support and complaint and dispute resolution*	6.7 6.7.6		non applicable
ECONOMIC CATEGORY					
Economic DMA		Organizational governance Community involvement and development	6.2 6.8		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Community involvement and development Community involvement Wealth and income creation Social investment	6.8 6.8.3 6.8.7 6.8.9		125-147
EC2	Financial implications and other risks and opportunties for the organisation's activities due to climate change	Climate change mitigation and action	6.5.5		28, 217-221
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	Conditions of work and social protection Community involvement and development	6.4.4 6.8		88-96, 99-100
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Promoting social responsibility in the value chain Community involvement and development Employment creation and skills development Wealth and income creation	6.6.6 6.8 6.8.5 6.8.7		99, 101-102

** Indirectly relevant*

Relevant GRI G3 Guidelines Disclosures - Disclosure on Management Approach (DMA) or Performance Indicators		ISO 26000 Core Social Responsibility Subjects and Themes	ISO 26000 clauses	UN Global Compact Principles	Page Number
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	Community involvement and development Employment creation and skills development	6.8 6.8.5		90
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement	Wealth and income creation Economic, social and cultural rights Community involvement and development Community involvement Education and culture* Employment creation and skills development Technology development and access* Wealth and income creation Social investment	6.8.7 6.3.9 6.8 6.8.3 6.8.4 6.8.5 6.8.6 6.8.7 6.8.9		99-100
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Economic, social and cultural rights Promoting social responsibility in the value chain Respect for property rights Access to essential services* Community involvement and development Employment creation and skills development Technology development and access* Wealth and income creation Social investment	6.3.9 6.6.6 6.6.7 6.7.8 6.8 6.8.5 6.8.6 6.8.7 6.8.9		99-100
ENVIRONMENTAL CATEGORY					
Environment DMA		Organizational governance The Environment	6.2 6.5		
EN1	Materials used by weight or volume	The Environment Sustainable resource use	6.5 6.5.4	Principle 8	101-104
EN2	Percentage of materials used that are recycled input materials				101-104
EN3	Direct energy consumption by primary energy source				101-104
EN4	Indirect energy consumption by primary source				101-104
EN5	Energy saved due to conservation and efficiency improvements				101-104
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives				101-104
EN7	Initiatives to reduce indirect energy consumption and reductions achieved				101-104
EN8	Total water withdrawal by source				101-104
EN9	Water sources significantly affected by withdrawal of water				101-104
EN10	Percentage and total volume of water recycled and reused				101-104

Relevant GRI G3 Guidelines Disclosures - Disclosure on Management Approach (DMA) or Performance Indicators		ISO 26000 Core Social Responsibility Subjects and Themes	ISO 26000 clauses	UN Global Compact Principles	Page Number
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The Environment Protection of the environment & biodiversity, and restoration of natural habitat	6.5 6.5.6	Principle 8	non applicable
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas				non applicable
EN13	Habitats protected or restored				non applicable
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity				101-102
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk				101-102
EN16	Total direct and indirect greenhouse gas emissions by weight	The Environment Climate change mitigation and action	6.5 6.5.5	Principle 8 Principle 9	103-104
EN17	Other relevant indirect greenhouse gas emissions by weight				
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved				
EN19	Emissions of ozone-depleting substances by weight	The Environment Prevention of pollution	6.5 6.5.3		non applicable
EN20	NOx, SOx, and other significant air emissions by type and weight				non applicable
EN21	Total water discharge by quality and destination				non applicable
EN22	Total weight of waste by type and disposal method				104
EN23	Total number and volume of significant spills				non applicable
EN24	Weight of transported, imported, exported, or treated waste deemed to be hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally				non applicable

Relevant GRI G3 Guidelines Disclosures - Disclosure on Management Approach (DMA) or Performance Indicators		ISO 26000 Core Social Responsibility Subjects and Themes	ISO 26000 clauses	UN Global Compact Principles	Page Number
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	The Environment Sustainable resource use Protection of the environment & biodiversity, and restoration of natural habitat	6.5 6.5.4 6.5.6		non applicable
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	The Environment Sustainable resource use Promoting social responsibility in the value chain Sustainable consumption	6.5 6.5.4 6.6.6 6.7.5		100-105
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	The Environment Sustainable resource use Sustainable consumption	6.5 6.5.4 6.7.5		103
EN28	Monetary value of significant fines and total number of non-financial sanctions for non-compliance with environmental laws and regulations	The Environment	6.5		non applicable
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	The Environment Sustainable resource use Promoting social responsibility in the value chain	6.5 6.5.4 6.6.6		100-105
EN30	Total environmental protection expenditures and investments by type	The Environment	6.5		100-105

** Indirectly relevant*

Published by Sodexo

Design, creation and production: Labrador +33 (0)1 53 06 30 80

Coordination: Xplicite

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