Registration Document Fiscal 2014

including the Annual Financial Report

sodexo

QUALITY OF LIFE SERVICES

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Fiscal 2014 REGISTRATION DOCUMENT

including the Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French version of this Registration document was filed with the French Financial Markets Authority on November 17, 2014, 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

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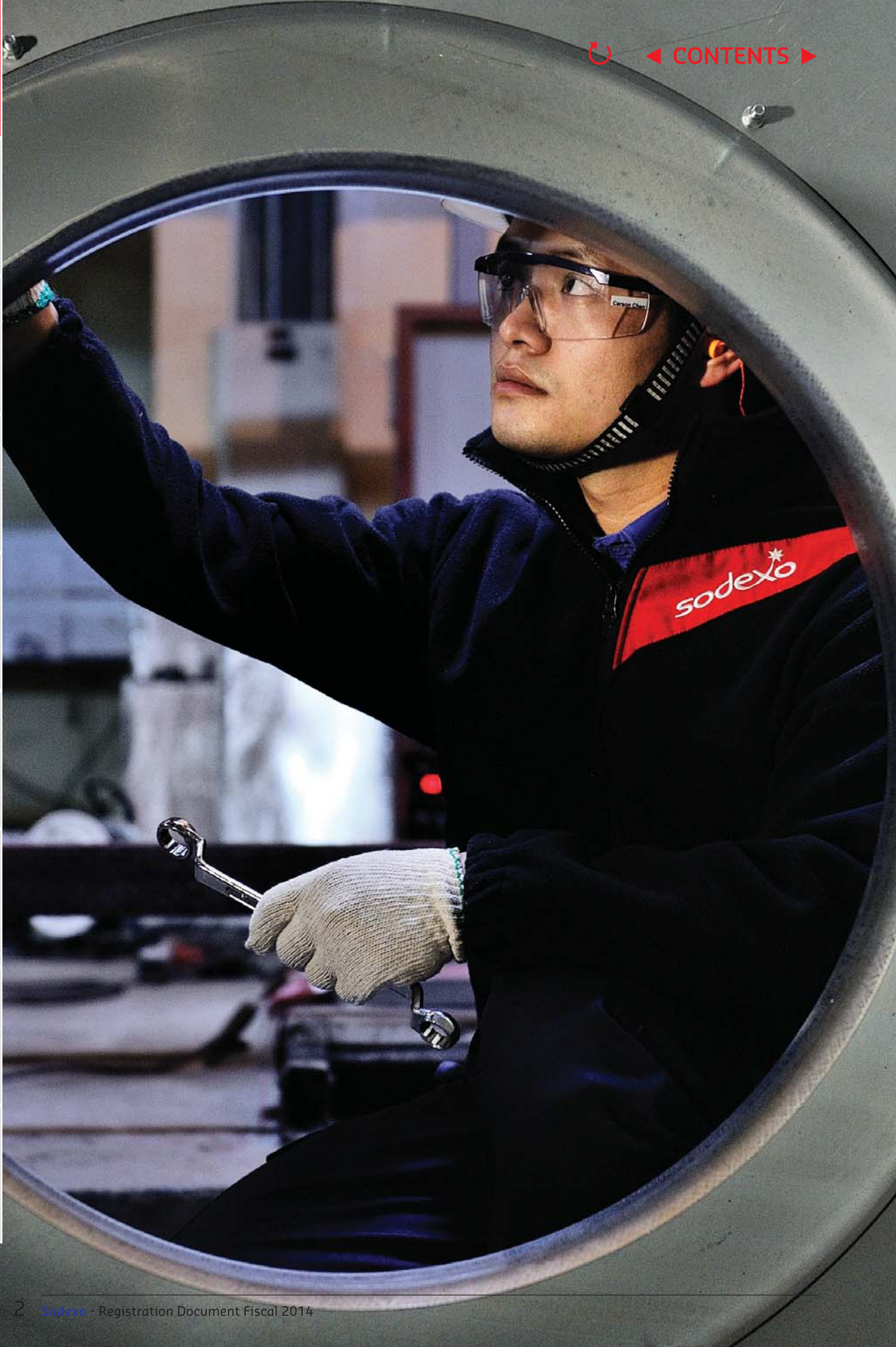
This document is available on Sodexo's website, www. sodexo.com or on the website of the Autorité des marchés financiers, www.amf-france.org.


sodexo

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PRESENTATION OF THE GROUP

Message from PIERRE BELLON
Chairman of the Board of Sodexo

Let me start with a brief reminder of Sodexo's history.

After graduating from France's HEC business school and completing my military service as an officer in the French Navy, I returned to Marseille to work for a small maritime supply company created by my grandfather in 1895 and managed at the time by my father.

After a few years I realized that the Marseille maritime supply market was in decline, and also that what I wanted more than anything was to start my own business.

In 1965, I discussed my plans with my father, whom I admired greatly. At first skeptical, he finally came around to my way of thinking and in early 1966 I created Sodexo and took my first steps in the foodservices market. Today, Sodexo is a large global company and world leader in Quality of Life Services, with 419,000 employees in 80 countries serving 75 million consumers each day.

This message comprises two main parts.

I'll start by answering a question that I'm asked regularly:

HOW DID SODEXO, WHICH STARTED FROM NOTHING IN MARSEILLE IN 1966, BECOME A LARGE GLOBAL COMPANY?

Then I'll answer the question:

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

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

1. THE REASONS FOR OUR GROWTH

There are seven reasons behind our growth, which we call the seven fundamental principles of our development.

1.1 MY COMMITMENT TO GROWTH

I was determined to make Sodexo a growth company in order to create value for our consumers and clients and to create jobs.

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

1.2 MY VISION OF THE BUSINESS

From the start, I wanted Sodexo to be a community of clients and consumers, employees and shareholders.

Our core strength lies in the fact that my fellow Board members and I, our managers, our teams and our family shareholders all share the same values and are all committed to taking Sodexo forward.

In 2006, we carried out our first international employee engagement survey, based on an anonymous questionnaire sent to 50,000 Group employees. In 2014, the fifth survey was conducted, involving 130,000 employees. These surveys show that the employee engagement rate went from 50% in 2006 to 48% in 2008. Since then, we have turned the situation around and the rate has improved steadily, rising to 55% in 2010, 57% in 2012 and 59% this year. Our goal is to raise it to 65%, to put us in a league with the large global companies that are ranked among the best places to work.

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

Our strategy is simple:

- keep our existing clients: we have set as our objective a retention rate of 95%;
- attract new clients by two methods:
  - segmentation, sub-segmentation and the identification of niches,
  - geographic expansion;
- expand our Quality of Life Services offer: alongside our foodservices offer, we are developing facilities management services, which now represent 28% of our revenue.

PIERRE BELLON
message, continued
Chairman of the Board of Sodexo

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 two crucial observations:

- **on my own, it would be hard to accomplish anything.** This is why I surrounded myself with men and women who were more competent than me. Sodexo has been able to grow thanks to its employees and, above all, its major 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 sustained earnings growth;
- **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.

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

- mission;
- values;
- ethical principles.

Our mission is twofold:

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

Our values are simple and are embraced by all our employees:

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

The same is true for 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 demonstrated by our managers, who set the example.

Today, nearly 50 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.

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

WHICH SERVICES?

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

We chose to focus on Quality of Life Services, in order to fulfill our mission and set ourselves apart from the competition.

This is also why we have chosen three activities, all of which help to improve the quality of life of our employees, our clients' employees and our consumers:

1. On-site Services;
2. Benefits and Rewards Services (Service Vouchers and Cards);
3. Personal and Home Services.

Sodexo has become the world leader in Quality of Life Services.

1.6 A GLOBAL CONQUEST

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 took up the challenge and now 85% of our revenue is generated outside France.

We will continue to expand in France but the majority of our consumers are located in international markets. As a result our international expansion will significantly outstrip domestic 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.

Our independence ensures that we don't fall into the hands of a financial group or a competitor.

As of August 31, 2014, our managing holding company, Bellon SA, held 37.7% of Sodexo's capital and 52.4% of the voting rights. On May 22, 2008, my wife and I and our children signed a **50-year agreement that prevents our grandchildren and their direct descendants from selling any Bellon SA shares to anyone outside the family group made up of Pierre Bellon's direct heirs.** This agreement guarantees that Sodexo will continue to enjoy the independence valued by all of our employees.

Starting with nothing in Marseille in 1966, Sodexo has become a large international business and a global leader in most of its markets. With 419,000 employees in 80 countries, it is the largest private sector French employer in the world and the 18th largest worldwide.

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

PIERRE BELLON
message, continued
Chairman of the Board of Sodexo

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

All countries have been faced with a crisis at some point in their history, from which they have recovered.

In a globalized economy in which capital, information, trade and talent are interconnected, crises and opportunities are two sides of the same coin.

The process of global transformation has been underway for many centuries but the pace of change is now reaching break-neck speeds.

2.1 TEN IMPORTANT TRENDS

In recent years, we have identified ten fundamental global trends:

1. demographic changes (population growth, longer life expectancy, etc.); medical research, biological, medical and surgical advances and preventive strategies mean that babies born today are likely to live beyond 100;
2. economic globalization, leading to a growing interconnection between capital, information, talent and trade; this trend is enabling small, innovation-led companies to sustainably benefit from new sources of growth;
3. rampant urbanization, with the development of megacities: there are now 526 cities with over one million inhabitants, including 24 with 10 to 20 million and 14 with over 20 million;
4. the transfer of economic muscle to new countries, with the development of high potential emerging economies such as Brazil, Mexico and Turkey;
5. expanding middle classes in emerging economies;
6. increasing government debt, a trend that encourages governments to consider outsourcing solutions, leading to an increase in private finance initiatives;
7. growing environmental concerns, particularly the depletion of natural resources, driving efforts to develop more resource-efficient utilization methods and to identify sustainable substitutes; for example, shale gas production will enable the United States to gain energy independence;
8. mounting pressure from consumers looking for well-being, a good quality of life, improved health and personalized services;
9. development of new information and communication technologies;
10. a growing trend among companies away from owning the assets used in the business.

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This is the case for Sodexo, which has chosen not to acquire its office buildings, in order to devote its entire capital budget to business growth. For example, at Group headquarters, we clearly defined our needs, designed the office layout and purchased the furniture, but we rent the offices.

In some cities, bicycles, motorcycles and even cars are not owned by their users (Velib and Autolib systems, etc.); airlines rarely own their fleet of aircraft; hotel properties are frequently financed by groups of investors (insurance companies, private equity funds, real estate funds) and are managed by major hospitality groups under contracts that provide the investors with rental income over a long period along with a share of the hotel's profit in some cases.

Companies that are unable to adapt will disappear, but others – including Sodexo – will successfully grasp the major growth opportunities that they offer.

For evidence of this, you just have to look at the Fortune 500 list of the world's largest companies. Over half of the companies on the latest list didn't exist 20 years ago.

These fundamental global trends are accompanied by specific trends in each of our client segments and host countries.

2.2 FIVE PRIORITIES

To meet the challenges of this profoundly changing world, we have identified five priorities that will enable our business to continue to grow in the future:

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 or, as I like to say, holding up a mirror:**

     There are several ways of looking at our reflection in a mirror. Some entrepreneurs admire what they see; they forget how to listen to clients and consumers and are convinced that their past success is a guarantee of future performance. As far as we are concerned, I think we need to look above all at our weaknesses and those of the business, analyze them and find ways to convert them into strengths. Personally, I have taken risks and so have my colleagues. I have experienced many failures – we all have the right to fail – but I have also learned far more from my failures than from my successes. This improvement drive is supported, at all levels in the organization, by an analysis of our competitors' strengths and weaknesses. Internal benchmarking is also essential; each employee should regularly perform a critical review of his or her improvement indicators and check the advances made compared with other Group units, looking at how things really are;

PIERRE BELLON
message, continued
Chairman of the Board of Sodexo

- **transparency** is needed to instill trust across the organization. There is scope to improve our internal communications, particularly the implementation of our strategic plan which covers four areas:
  - Group strategy, as presented in the Chairman's message to the Annual Shareholders' Meeting of January 21, 2014,
  - Group objectives for Fiscal 2015, as confirmed by the Chief Executive Officer during the same meeting,
  - overall policies of the Group: some exist and have been distributed (covering such topics as Corporate Governance and Internal Audit), others are in the process of being revised or slimmed down, while others need to be issued in different versions depending on the target employee categories, with simpler procedures that are easier to apply. This is the case, in particular, for the "Consumer and client focus", "Human resources", "Finance" and "Strategic planning process" policies,
  - the three-, five and ten-year plans of the Benefits and Rewards Services and Personal and Home Services activities and the plans of the various On-site Services segments, sub-segments and niches,

  We need to step up our internal communication drive, in particular as regards implementation of our communication plan, by using new information and communication technologies so that each Sodexo employee takes full ownership of the matters under his or her responsibility,
- **inverting the hierarchical pyramid:** when I talk to Sodexo executives, I often affirm that the Company's size is a key strength but that, as a very large organization, we have to be wary of becoming too technocratic. To avoid drifting in this direction, we need to invert the hierarchical pyramid by giving more power and responsibility to employees on the front lines and, critically, by knowing how to listen to our clients, our consumers and our employees. It's also why we recently sent a questionnaire to the Group's 1,200 main employees to obtain their view on Quality of Life and Sodexo's strengths and weaknesses, as well as their suggestions on how to improve the Group's performance;

2. **transform our On-site Services activity:** to better respond to the specific needs of our clients and consumers in each of our markets, we will gradually move from an organization by geographic region to an organization built around **global divisions by client segment;**
3. Michel Landel, our Chief Executive Officer, and I believe that Sodexo could **significantly increase its investment in Research, Development and Innovation.** 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,** starting from the top,
- **facilitating the emergence of future internal entrepreneurs,** who will increasingly need to be "global citizens".
- That's why Michel Landel proposed to the Board that a certain number of younger internal entrepreneurs who will drive the Group's future growth should join the Executive Committee.
- It's also the reason why I wanted to proactively raise the issue of my succession.

Since 2005, the positions of Chairman of the Board of Directors and Chief Executive Officer have been separated. I am still Chairman but Michel Landel has taken over as Chief Executive Officer.

Concerning my succession, I wanted one of my four children to take over from me, which seemed like the obvious solution for everyone concerned. Rather than making the choice myself, I asked them to set up a process to determine which of them should be my successor. They met regularly with an independent advisor to discuss their respective wishes. As several of them were interested in taking the helm, they decided jointly to ask four directors to decide which of them was the best qualified to assume this role. These directors unanimously chose Sophie, and their choice was endorsed by the Board of Directors on November 29, 2013. Sophie was named Vice Chairman of the Group and will take over from me in January 2016. I'm proud of my children, who put the Company's interests before their personal ambitions in order to ensure a seamless transition.

Sophie has learned the ropes and proved her worth, initially outside the Group and then within our organization. She has been a director of Sodexo for 24 years and has held a variety of management positions within the Group over the past 20 years.

Sophie shares all of Sodexo's values and knows the organization inside out. She enjoys the legitimacy of having been unanimously designated to succeed me by the four directors chosen by my children. She is disciplined, hardworking, generous and capable of making tough decisions;

4. **improve our competitiveness.**
   - **We are making headway in the following areas:** consumer satisfaction, cost-effective purchasing and menu planning, improving financial terms on underperforming contracts in agreement with our clients, reducing operating expenses and developing our human resources. Improvement in this area will drive faster growth in our operating income, free cash flow and revenue.
   - **The bulk of our investments are essentially intangibles. 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. Our teams represent an outstanding source of differentiation, and the 130,000 employees who took part in our anonymous engagement survey told us that Sodexo is a better company than its competitors.

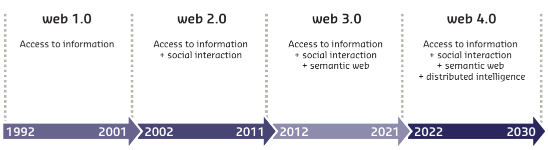
PIERRE BELLON
message, continued
Chairman of the Board of Sodexo

- Over the last ten years, our growth has been 80% organic and 20% through acquisitions.
- We have an excellent acquisition process that we apply in a disciplined manner. But we have virtually no procedures for nontangible investments and we lack the necessary discipline in this area.

  We have therefore decided to set up a dedicated working group to make recommendations for improvement. It will be headed by a project leader 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. We have advanced in this area but we still have a long way to go.

INCREASED USE OF ONLINE SOLUTIONS
(source: Centre d'Analyse Stratégique (France))



The countries with the most Internet users are China, the United States, India, Japan and Brazil. China is at the top of the list, with 516 million. It also has the most mobile telephone subscribers, with 990 million.

We need to invest heavily in digital solutions, in order join the ranks of the world's best companies, and develop in such areas as e-learning, progress measurement, communication and innovation.

Our medium-term goal is to achieve average annual revenue growth[(1)] of between 4% and 7%, an average annual growth in operating profit of between 8% and 10% and a cash conversion ratio of 100%.

How? By improving in the three areas that have underpinned our success to date: client and consumer focus, management, and development of our human resources;

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. 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 have made progress in this area, but here again we've still got a long way to go.

(1) At constant exchange rates.

In conclusion

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

In many companies, especially in Europe, people are saying that the situation is catastrophic, that nothing can be done 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.

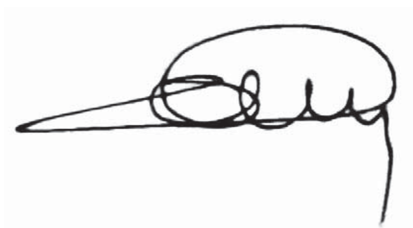
At Sodexo, at conferences organized by the *Centre des jeunes dirigeants* (CJD) (Center for Young Executives) that I chaired from 1968 to 1970, and at meetings of the Association Progrès du Management (APM), an organization I set up with a group of free-spirited entrepreneurs and which now has 6,000 members, I have regularly stated that **"Whatever the environment and regardless of a company's size, its growth is directly proportional to the development ambitions, boldness and capabilities of its Chief Executive and its teams."**

I would like to thank the Board of Directors, Michel Landel and his teams, all of our employees and my children, who are ensuring that Sodexo remains independent.

Well done and thank you 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



BOARD OF DIRECTORS OF SODEXO

as of August 31, 2014

At its meeting on November 29, 2013, Sodexo's Board of Directors appointed Sophie Bellon as Vice Chairman of the Board, with a view to her succeeding Pierre Bellon (Chairman and Founder of Sodexo) as Chairman of the Board of Directors in two years' time.

PIERRE BELLON
Chairman of the Board of Directors of Sodexo

NATHALIE BELLON-SZABO
Member of the Management Board of Bellon SA

SOPHIE BELLON
Vice Chairman of the Board of Directors of Sodexo
Chairman of the Management Board of Bellon SA

FRANÇOIS-XAVIER BELLON
Chief Executive Officer, Bright Yellow Group Plc
Member of the Management Board of Bellon SA

ASTRID BELLON
Member of the Management Board of Bellon SA

ROBERT BACONNIER
Company Director

PATRICIA BELLINGER
Executive Director, Executive Education, Harvard Business School

BERNARD BELLON
Member of the Supervisory Board of Bellon SA

PHILIPPE BESSON
Employee representative on the Board of Directors

FRANÇOISE BROUGHER
Business Lead, Square

PAUL JEANBART
Chief Executive Officer, Rolaco

MICHEL LANDEL
Chief Executive Officer of Sodexo

PETER THOMPSON
Company Director

Six questions for MICHEL LANDEL

Chief Executive Officer of Sodexo

QUALITY OF LIFE MAKES OUR DIFFERENCE

Question: **Quality of life has always been part of Sodexo's values, but since 2005, you have chosen to make it the focus of your business and you now describe yourself as a specialist in quality of life services. Why did you adopt this strategy?**

Because we believe that quality of life is a determining factor in the performance of organizations and society. With our services we want to provide even more value to our clients and our consumers. In each of our client segments, Sodexo's offer should be chosen because it is competitive of course, but especially because it contributes directly to achieving the strategic objectives of our clients, thus differentiating us from our competitors.

What business or organization is not seeking to increase its productivity, find new ways to motivate employees or reduce the human and financial costs of absenteeism and disengagement? What manager of a healthcare facility does not want to ensure that patients and their families feel welcome, and have this contribute to its reputation?

For 50 years, we have upheld this idea and now there are many studies that show we have been right: the well-being of people must be the primary focus in business workplaces, hospitals, and schools seeking to improve performance. Because these are also living spaces!

Since its founding, our company has had a dual mission: to improve quality of life and to contribute to the economic, social and environmental development of the communities in which we operate. This commitment is reflected in practice through all of the services we offer as well as in their deployment. It gives meaning to the daily work of our 419,000 employees. It is the key to sustainable growth and differentiates us from our competitors.

Moreover, the business successes achieved in Fiscal 2014 certainly confirm the relevance of our offer.

From a financial perspective, if you look at the long-term, between Fiscal 2005 and Fiscal 2014, we achieved an average annual revenue growth of close to 6% and an average annual increase in operating profit of around 10%, excluding currency effects. This is why we have every reason to be confident in our strategy.

> "We believe that quality of life is a determining factor in the performance of organizations and society. In each of our client segments, Sodexo's offer should be chosen because it is competitive of course, but especially because it contributes directly to achieving the strategic objectives of our clients, thus differentiating us from our competitors."

Question: **Quality of life is a broad concept that includes very different dimensions. How do you define it in concrete terms? Where do you draw the line in terms of the services that make up your offer in order to guarantee the coherence of your offer?**

That's a very good question and it's led to significant reflection internally on the definition of quality of life and the role that Sodexo can legitimately play.

Although there is no single definition of quality of life, numerous studies have aimed to define the factors that contribute to it. For example, the OECD, with whom we've been partners since 2013, built the Better Life Index, which identifies 11 dimensions of the quality of life of citizens.

It is clear that factors such as health, social ties or recognition are universally recognized as key components of quality of life regardless of an individual's age, nationality or profession.

As far as we're concerned, beyond our historical business of foodservices, which obviously contributes to the well-being and health of those we serve, we offer over 100 services that impact the six dimensions of quality of life that we have identified.

We believe that our services contribute to well-being and health, ease and efficiency, ensuring a safe and healthy physical environment, strengthening bonds between people, as well as promoting individual recognition and personal growth.

We have done studies that demonstrate how our services have a concrete impact on these very real dimensions of quality of life and on performance. The results are often remarkable. For example, one of our studies in the Netherlands showed that a healthy physical environment increased employee productivity by 15%![1] So, yes, it is perfectly consistent that our services include air quality, heating and cleaning. Because these factors influence quality of life and thus impact an organization's performance.

Another example is recognition. A recent study shows that 80% of employees work more effectively when they feel truly recognized.

With our expertise in this field, especially through our Benefits and Rewards activity, we know that the conditions for recognition differ, in particular between generations. The programs we develop are therefore customized to the needs not only of our clients but also to the composition of their work force.

(1) http://qualityoflifeobserver.com/content/productivity-in-the-air.

Six questions for
MICHEL LANDEL
Chief Executive Officer of Sodexo

What's encouraging is that our scope of coverage is constantly opening new areas to consider and that we are increasingly able to measure the impact of our services on the performance of organizations. To further enrich our knowledge and in addition to the partnership with the OECD that I mentioned, we have established our own Institute for Quality of Life, which conducts studies and collaborates with researchers to identify the factors that drive quality of life in environments as diverse as offices, healthcare facilities, university campuses, schools, remote sites and correctional facilities.

We also launched our very own Quality of Life Observer[(2)], which provides decision makers with an overall view of quality of life through shared experiences, expert interviews, forums and analysis of academic studies and surveys.

We therefore define the range of our services based on their ability to respond to one of the six dimensions of quality of life we identified. Of course, we are also careful to develop services that comply with the strength of our financial model, characterized by low investment in capex and solid cash generation.

Question: **How do you ensure that the understanding you have of your consumers and the consistency you describe in your offer are reflected in the deployment of your services? Isn't this a major challenge given your presence in 80 countries and the very different issues faced by the markets you serve?**

For almost 50 years, we have been gaining a thorough knowledge of each of our client segments as well as our consumers, both at the local and global levels. This knowledge is an important source of value for each of our clients.

To develop this knowledge even further, I entrusted the Executive Committee with defining the steps to move progressively from a country-based organization to one based on global client segments. This structure will also allow us to ensure consistent and increasingly effective global processes and enable us to better share best practices from around the world.

Moreover, we can ensure our clients benefit from even more innovative capabilities to meet their needs, across our three activities, On-site Services, Benefits and Rewards Services and Personal and Home Services.

(2) http://qualityoflifeobserver.com/

Question: **How are you approaching Fiscal 2015? What are Sodexo's opportunities and advantages for achieving its growth objectives?**

I am confident as we are fortunate to benefit from a number of positive trends. First, we see that demand for integrated services by major international companies is continuing to grow. We also are maintaining sustained growth, at double digits in Benefits and Rewards Services in Latin America and Asia. Finally, in Remote Sites, with our rate of business development and new contracts, we will be able to return to growth in this client segment right from the first half of this fiscal year.

Nonetheless, we expect a modest acceleration of organic revenue growth of around +3% in Fiscal 2015, as the global economy is experiencing both low growth and low inflation. In addition, in the short term, the macro-economic and political environment in emerging countries is also more uncertain. And, finally, the ramping up of our big multi-site and/or international contracts is slower than in the past due to the complexity in their implementation.

In terms of operating profit and margin, we think we will attain an operating profit growth of 10%, excluding currency effects, and operating margin should continue to improve and should reach 6% at Fiscal 2013 currency exchange rates (5.7% at Fiscal 2014 exchange rates, given the impact of the fluctuations in certain currency exchange rates).

Six questions for
MICHEL LANDEL
Chief Executive Officer of Sodexo

Question: **With the explosion of digital technology and demographic changes, the global economy will be undergoing profound transformation in the years to come and will overturn many business models. How are you approaching the future?**

Our business means that we are constantly on the lookout for changes in consumer behavior to better understand the evolution of their quality of life needs. These trends represent real opportunities for us to develop new services. In addition, we estimate our market potential at 50 times our current revenues.

Today, we are closely following the developments of ten or so global trends that will impact our services. I will mention two that are great opportunities for us.

First is the global demographic trend: by 2025, the population over 65 will double to 800 million people worldwide. This growing number of seniors will mean an ever increasing need for additional services to assist them in their daily lives. This trend is a potential for phenomenal growth, notably for our Personal and Home Services business.

Another example of change, cultural this time but very important, is the increasing power of consumers! They are now accustomed to receiving more personalized services and to being informed in real time. They are also increasingly attentive that goods and services offered to them contribute to their well-being and health. All sectors are affected. In hospitals, for example, the patient is no longer just a "patient": beyond the quality of care, there are high expectations regarding waiting time and the provision of services and information.

From this perspective, we have a head start: for half a century, we have been placing people and their well-being at the heart of everything we do. At school, we don't just serve meals to children, we contribute to their health and the development of good eating habits. With our Benefits and Rewards Services, we are going well beyond providing a means of payment, we are helping employers to provide access to their employees and their families to cultural events or medical care.

This is why our clients choose us: this is where we can bring them value. We are able to help them respond to the trends that they identify.

The result of our approach translates into tangible and measurable impact on our clients' performance such as increased engagement, reduced waiting times or increased attractiveness as an employer.

Question: **And in the medium term, what strengths will help support your growth? What is your ambition?**

I have always been convinced that the greatest strength contributing to our success is our teams. This is why the employee engagement rate is a key performance indicator at Sodexo. Last April, we completed another international engagement survey and once again, the employee engagement rate increased, attaining an increase of 11 points over eight years. And we need to continue in this direction in order to progress even further.

We have many other strengths. First, our independence, which allows us to focus on a consistent strategy over time. We remain faithful to our mission and as the model for global economic growth continues to evolve, more than ever Sodexo will be a force for development in the communities where it conducts its activities. Next, as I already mentioned, we operate in a market with considerable potential, and our Quality of Life Services provide a unique response to the needs of our clients and consumers. Finally, our global network is unmatched and we benefit from undisputed leadership in emerging markets.

Also, from a financial perspective, our medium term ambition is to accelerate revenue growth over the next three to five years, to reach an average annual revenue growth of between 4% and 7%, excluding currency effects. Over this same period, we also think that our average annual operating profit will reach between 8% and 10%, excluding currency effects. Finally, we target an average annual cash conversion ratio of 100%, which will allow our company to continue to finance its development.

Our overall ambition continues to be the global reference in Quality of Life Services. We believe more than ever in our growth model, which places people at its center.

MICHEL LANDEL
Chief Executive Officer, Sodexo

EXECUTIVE COMMITTEE OF SODEXO
as of August 31, 2014

Pierre Henry >

Chief Executive Officer Europe,
On-site Services
President, Benefits and Rewards Services,
and President, Personal and Home Services
Vice Chairman of Executive Committee

Élisabeth Carpentier >

Group Chief Human
Resources Officer

In line with Sodexo's strategy of developing its unique Quality of Life Services offering, in January 2014 Michel Landel, Group Chief Executive Officer, announced several new appointments to the Group's Executive Committee, following approval of his recommendations by the Board of Directors.

This Executive Committee comprises six women and eight men from six different countries, reflecting all of Sodexo's activities and client segments, as well as its truly international dimension. One of the missions of the Group Executive Committee over the coming years will be to define and implement the next steps required to transform our On-site Services business from its current country-based structure into a group organized by worldwide client segment.

George Chavel

Chief Executive Officer,
North America,
On-site Services

Patrick Connolly

President, Health
Care Market, North America,
On-site Services

Ana Busto >

Group Chief Brand
and Communications Officer

Lorna Donatone
President, Education Market,
North America,
On-site Services

Siân Herbert-Jones
Group Chief Financial Officer

Nicolas Japy
Chief Executive Officer,
Remote Sites
Chief Executive Officer,
Asia/Australia,
On-site Services

Satya-Christophe Menard
Chief Executive Officer,
South America,
On-site Services

Michel Landel
Chief Executive Officer and member of the Board
of Directors of Sodexo
President of Executive Committee

Denis Machuel
Chief Executive Officer,
Benefits and Rewards
Services

Sylvia Métayer
President of International
Large Accounts,
On-site Services

Damien Verdier
Group Chief Marketing
and Strategic Planning
Officer

Debbie White
Chief Executive Officer,
United Kingdom and Ireland,
On-site Services

1.2 Our History

Pierre Bellon founds Sodexho, a company specializing in providing foodservices to institutions, businesses, schools and hospitals, in Marseille (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, who was appointed in 2000, Jean-Michel Dhenain and Michel Landel are appointed Chief Operating Officers.

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 in that country.	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.	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.
The Board of Directors of Sodexo appoints Sophie Bellon Vice Chairman; in January 2016, Sophie Bellon will succeed Pierre Bellon, the Chairman and founder of Sodexo, in the role of Chairman of the Board of Directors.	2014	

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** billion euro in consolidated revenues
- **419,317** employees
- **32,659** 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 more than **419,000 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, nearly **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...

QUALITY OF LIFE AS A PERFORMANCE DRIVER

Quality of life – a competitive advantage

Sodexo's mission to improve quality of life is based on its conviction that it is an important determinant of individual and organizational performance. **By making people and their well-being the focus of all it does,** it has transformed the delivery of services into an act of creating an experience. Sodexo's focus on people's "well-being" is built on a deep understanding of the expectations of its consumers and its clients. This ability to enhance consumer satisfaction throughout the world is why numerous clients choose Sodexo, ensuring the Group's long-term development.

The Sodexo Institute for Quality of Life – deepening our expertise

Through its **Institute for Quality of Life,** Sodexo increases understanding of the relationship between improved Quality of Life and the progress of individuals and organizations. This institute undertakes studies and engages with external stakeholders to identify the Quality of Life drivers that improve organizational performance in environments as diverse as businesses, health care facilities, campuses and schools, remote sites and prisons.

Sharing knowledge, nourishing reflection

To further reinforce its position as one of the world's leading quality of life experts, Sodexo launched the Quality of Life Observer in March 2014, the first website to monitor and interpret the components that contribute to quality of life. The Observer provides decision makers and opinion leaders with an exclusive and ongoing global panorama on quality of life as a decisive factor in individual and collective performance. Insights are drawn from shared experiences, expert interviews, forums, analyses of university studies and surveys and is enriched through media monitoring and external contributions.

Awards

SODEXO ONE OF FORTUNE'S "WORLD'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. The nine judging criteria range from corporate social responsibility to global competitiveness. Sodexo's strong showing in the key reputation categories reflects its social model and the values that unite its 419,000 employees around the world.

SODEXO, SUSTAINABLE DEVELOPMENT LEADER FOR ITS INDUSTRY

Sodexo's commitment to social, environmental and economic responsibility earns major recognitions in 2014:

- A member of the DJSI World and DJSI Europe (formerly STOXX indices) since 2005, Sodexo was named **"global leader for its industry"** by the **Dow Jones Sustainability Indices (DJSI)**[(1)] for the 10th consecutive year. The Group earned a perfect (100) score for the positive local impact of its business operations around the world. Sodexo also earned the highest score in its industry in social responsibility. In addition, Sodexo was named Industry Group Leader for **Consumer Services.**
- Sodexo's leadership in corporate social responsibility was confirmed in February 2014 when it was included, for the seventh consecutive year, in the prestigious "Sustainability Yearbook", published by RobecoSAM, an asset management company specializing in sustainable investment. Sodexo also was designated **"Industry Leader",** and **"Gold Class"** for its social, environmental and economic performance.

(1) *Dow Jones Sustainability Indices (DJSI)*

Launched in 1999, the Dow Jones Sustainability Indices are the first global indices tracking the financial performance of the leading sustainability-driven companies worldwide. Compiled by Dow Jones Indexes and SAM, these indexes provide investors with sustainability benchmarks.

SODEXO RANKED AMONG WORLD'S 100 MOST INNOVATIVE COMPANIES BY FORBES

Forbes named Sodexo one of the world's 100 most innovative companies. Forbes compiles its list based on the "Innovation Premium", reflecting **investor expectations** that a company will continue to launch innovative new product or services offerings and enter new markets.

On-site Services

KEY FIGURES

- **96%** of Group revenues
- **17.3** billion euro in consolidated revenues
- **414,954** employees*

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, **Sodexo's 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

- **15.5** billion euro in issue volume (of which 62% is digitized)
- **4%** of Group revenues
- **751** million euro in revenues
- **4,054** employees
- Around **425,000** clients (excluding individuals)
- Nearly **32.2** million beneficiaries and consumers
- More than **1.2** million affiliated commercial partners

Source: Sodexo.

In addition to its widely recognized meal and food vouchers and cards, Sodexo designs, manages and delivers nearly 250 Benefits and Rewards Services. Adapted to **each client's strategic objectives,** these services improve quality of life for individuals:

- helping them to perform daily activities with **ease and efficiency;**
- encouraging **healthy lifestyles;**
- making them **feel truly valued** as employees;
- promoting **social interaction** through culture and entertainment;
- facilitating **learning and progress;**
- contributing to **comfort and safety**.

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

Combining **economic performance** and **sustained improvement in quality of life,** Sodexo's offer is focused around four service categories:

- **recruit, retain and motivate talented people.** Employee Benefits responds to the issues of company compensation policies, helping clients enhance their attractiveness as an employer and improve organizational efficiency;
- **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, develop loyalty, promote good plant safety practices and ensure business continuity;
- **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 social policy, cultural and educational goals;
- **help everyone enjoy gift giving and receiving.** Leveraging its expertise in gift giving programs designed for client employees, Sodexo provides consumers Gift Boxes and Cards for any occasion, combining freedom of choice with simplicity.

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 in-home services, administrative tasks and dry cleaning to leisure activities like restaurant and vacation reservations and purchasing tickets;

- Home Care

  Sodexo's Home Care services help seniors to maintain their independence and quality of life, allowing them to remain and live comfortably in their own home. Services are customized to the individual's needs and can include housekeeping, grocery shopping, accompaniment outside the home, preparation of balanced meals, assistance in getting up, bathing and grooming, and day and night companionship.

1.3.1.2 FINANCIAL PERFORMANCE AND KEY FIGURES

Consolidated revenues

EVOLUTION OF CONSOLIDATED REVENUES

	(in millions of euro)
Fiscal 2010	15,256
Fiscal 2011	16,047
Fiscal 2012	18,236
Fiscal 2013	18,397
Fiscal 2014	**18,016**

Sodexo's consolidated revenues for Fiscal 2014 totaled 18 billion euro. Organic growth was 2.3%.

Organic growth for the On-site Services activity was 1.8%. In the context of a weak economy worldwide, this increase demonstrates the continued demand for Quality of Life services in most geographic regions. These offers include a significant facilities management component, which has lessened the effect of lower foodservices volumes resulting from staff reductions by clients, particularly in Europe.

Organic growth for Benefits and Rewards Services accelerated strongly from Fiscal 2013 **to 13%**, and reflects continued dynamism in Latin America but also good development in Asia, in particular in India and China.

REVENUES BY ACTIVITY AND CLIENT SEGMENT (FISCAL 2014)

On-site Services	96%
• Corporate	32%
• Remote Sites	9%
• Defense	4%
• Justice Services	2%
• Sports and Leisure	4%
• Health Care	17%
• Seniors	7%
• Education	21%
Benefits and Rewards Services	4%

For On-site Services, organic growth by client segment was as follows:

- up 2.2% in **Corporate,** reflecting sustained demand in North America, Europe and emerging markets for multiservice contracts with a strong technical maintenance element, which offsets a reduction in foodservices volumes in several countries, notably in Europe. This growth also reflects a significant slowdown in the Remote Sites activity (down 4.5%), in particular in the mining sector in Africa, the Middle East, Australia and Latin America.

- up 1.1% in **Health Care and Seniors,** reflecting moderate same site growth in North America as well as in Europe.
- up 1.4% in **Education,** resulting in particular from a slight increase in the number of consumers in North America and solid development in emerging countries which benefit from Sodexo's expertise by client segment.

Organic growth for **Benefits and Rewards Services** accelerated significantly from Fiscal 2013 to +13%, and reflects continued dynamism in Latin America but also good development in Asia, in particular in India and China.

FACILITIES MANAGEMENT SERVICES' SHARE OF REVENUES

Fiscal 2010	24%
Fiscal 2011	25%
Fiscal 2012	26%
Fiscal 2013	27%
Fiscal 2014	**28%**

Facilities management services now represent 28% of consolidated revenues. Similar to the prior three fiscal years, these services continue to grow at a higher rate than foodservices, confirming the relevance of the Group's positioning.

REVENUES AND ISSUE VOLUME, BENEFITS AND REWARDS SERVICES (FISCAL 2014)

	Revenues	Issue volume
Latin America	55%	47%
Europe and Asia	45%	53%

CONSOLIDATED REVENUES BY REGION (FISCAL 2014)

North America	38%
Continental Europe	34%
Rest of the World	20%
United Kingdom and Ireland	8%

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) represent 20% of the Group's total revenues for Fiscal 2014.

Employees

NUMBER OF EMPLOYEES AS OF THE END OF FISCAL

2010	379,137
2011	391,148
2012	421,391
2013	427,921
2014	**419,317**

The number of employees of the Group decreased in Fiscal 2014 because of the decline in foodservices volumes, notably in Europe, and in particular as a result of staff reductions by clients. This decrease also reflects the decisions made by Sodexo to exit certain contracts deemed insufficiently profitable, in connection with the program to improve operational efficiency.

EMPLOYEES BY REGION (FISCAL 2014)

North America	32%	132,060 employees
Continental Europe	24%	101,082 employees
Rest of the World	36%	151,454 employees
United Kingdom and Ireland	8%	34,721 employees

EMPLOYEES BY ACTIVITY AND CLIENT SEGMENT (FISCAL 2014)

On-site Services	97%
• Corporate	40%
• Remote Sites	9.5%
• Defense	3%
• Justice Services	1%
• Sports and Leisure	2.5%
• Health Care	16.5%
• Seniors	2%
• Education	22.5%
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

2010	33,543
2011	33,400
2012	34,343
2013	33,279
2014	**32,659**

SITES BY CLIENT SEGMENT AS OF AUGUST 31, 2014

• 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 2010	771
Fiscal 2011	853
Fiscal 2012*	958
Fiscal 2013*	964
Fiscal 2014*	**966**

* *Excluding exceptional items resulting from the program to improve operational efficiency in Fiscal 2014 and Fiscal 2013, and the favorable accounting adjustment related to the pension plan in the United Kingdom in Fiscal 2012.*

At 966 million euro, operating profit increased by 10.7% excluding currency effects, compared to the prior year, and decreased slightly, by 0.2%, at current exchange rates.

Operating profit reflects excellent progress:

- +20.5% in On-site Services in the Rest of the World;
- +17.7% in On-site Services in Continental Europe;
- and nearly +12% in the Benefits and Rewards Services activity.

At the beginning of Fiscal 2013, the Chief Executive Officer launched a program to improve operational efficiency and reduce costs. The goal of this program was to allow the Group to decrease its operating costs on-site and to achieve sustained reductions in its overheads, with annual savings spreading progressively starting in Fiscal 2014 and Fiscal 2015. Thus in the current year Sodexo started to benefit from the initial favorable effects of the implementation of this plan.

GROUP NET INCOME

	(in millions of euro)
Fiscal 2010	409
Fiscal 2011	451
Fiscal 2012	525
Fiscal 2013*	530
Fiscal 2013 (reported)	439
Fiscal 2014*	**508**
Fiscal 2014 (reported)	**490**

* *Excluding exceptional items related to the program to improve operational efficiency in Fiscal 2014 and Fiscal 2013, net of taxes.*

Group net income increased by 11.6% (20.3% excluding currency effects), from 439 million euro for the prior year to 490 million euro.

Net of tax costs related to the implementation of the program to improve operational efficiency and reduce costs, weighed on Fiscal 2014 in the amount of 18 million euro (compared to 91 million euro in the prior year).

Earnings per share was 3.23 euro compared to 2.91 euro for the prior fiscal year, an increase of 11% (19.6% excluding currency effects).

1 Presentation of the Group
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 Annual ordinary Shareholders' Meeting, January 19, 2015
9 Other information

DISTRIBUTED EARNINGS

	(in millions of euro)
Fiscal 2010	208
Fiscal 2011	221
Fiscal 2012	240
Fiscal 2013	247
Fiscal 2014	**283***

* *Subject to approval at the Annual Shareholders' Meeting of January 19, 2015.*

Sodexo's Board of Directors will propose a dividend of **1.80 euro per share,** an increase of 11.1% from the prior year, at the January 19, 2015 Shareholders' Meeting. This proposal is consistent with the Group's policy of allowing shareholders to benefit from the increase in Group net income; it also reflects the Board's confidence in Sodexo's future and in its solid cash generating financial model. The proposed distribution represents a pay-out ratio of 56% of Group net income (54% excluding exceptional items related to the program to improve operational efficiency and reduce costs).

CASH CONVERSION RATIO OF NET INCOME TO FREE CASH FLOW*

Fiscal 2010	184%
Fiscal 2011	146%
Fiscal 2012	130%
Fiscal 2013	120%
Fiscal 2014	**123%**

* *Cash-flow conversion:* $\dfrac{\textit{free cash flow}}{\textit{Group net income}}$

Over the past five fiscal years years Sodexo has achieved an average cash conversion ratio of its net income to free cash flow of 141%.

NET DEBT AS A PERCENTAGE OF SHAREHOLDERS' EQUITY*

(Including non-controlling interests)

Fiscal 2010	24%
Fiscal 2011	15%
Fiscal 2012	21%
Fiscal 2013	16%
Fiscal 2014	**12%**

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

Sodexo's financial ratios were reinforced during the fiscal year reflecting the relevance of Sodexo's strategic choices and the strength of its financial model. The independent rating from the Standard & Poor's rating agency was increased in February 2014 to "A-", attesting to the Group's solid financial model. Up until that time and since its initial rating by Standard & Poor's in 1998, Sodexo was rated "BBB+". As of August 31, 2014, net debt was 371 million euro, representing 12% of shareholders' equity, compared to 16% as of August 31, 2013.

During Fiscal 2014, Sodexo was also able to successfully realize two significant transactions on the international financial markets, which allowed it to refinance more than two-thirds of the Group's structural long-term debt at lower interest rates. The two transactions allowed the Group to increase the maturities of its borrowings, to improve the adequacy between the currency exposure on its debt and its operational activities and to obtain more attractive interest rates.

RETURN ON CAPITAL EMPLOYED (ROCE)*

Fiscal 2010	15%
Fiscal 2011	18%
Fiscal 2012	17%
Fiscal 2013	15%
Fiscal 2014	**17%**

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

1.3.1.3 SODEXO SHARES

EARNINGS PER SHARE *(IN EURO)*

Fiscal 2010	2.64
Fiscal 2011	2.95
Fiscal 2012	3.48
Fiscal 2013	2.91
Fiscal 2014	**3.23**

Earnings per share is up 11% compared to Fiscal 2013 or 19.6% excluding currency effects.

DIVIDEND PER SHARE *(IN EURO)*

Fiscal 2010	1.35
Fiscal 2011	1.46
Fiscal 2012	1.59
Fiscal 2013	1.62
Fiscal 2014	**1.80***

* *Dividend subject to the approval of the January 19, 2015 Shareholders' Meeting.*

In addition, all shares held in registered form for more than four years as of August 31, 2014 (and held as such up until the date of payment of the dividend in February 2015), will qualify for a 10% dividend premium, 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 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.**

1.3.2.1 ON-SITE SERVICES

KEY FIGURES

- 96% of Group revenues
- 17.3 billion euro in consolidated revenues
- 414,954 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 to improve quality of life.

CORPORATE

KEY FIGURES

- 5,825 million euro in revenues
- 32% of Group revenues
- 167,529 employees
- 16,749 sites

Source: Sodexo.

Our offer

WORKPLACE QUALITY OF LIFE AND IMPROVED PERFORMANCE

Faced with the unprecedented pace of competition, innovation and globalization, companies are seeking solid partners to **make life easier** for employees, provide a pleasant workplace and strengthen organizational **performance.**

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, research and development 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:

- companies and organizations are recognizing the importance of focusing on people to create lasting value and improve performance;
- 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 reinforce engagement and well-being of client employees;
- in Europe where markets are more mature, organizations are seeking to regain a competitive edge by including corporate real estate activity and Facilities Management activities in their outsourcing agendas, while facilities management remains one of the largest areas for further outsourcing;
- clients are seeking socially-responsible outsourcing partners with demonstrated efficiency based on best practices, expertise in integrating business services and a capacity for ongoing innovation in order to enhance nontangible assets such as the company brand and image;
- international companies are seeking global partners 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 require tailored solutions adapted to each client's organization, site portfolio and scale;
- 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;
- employees increasingly value their quality of life at the workplace and seek a healthy, comfortable and encouraging environment.

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.

Focus on...

THE RAPIDLY EVOLVING WORKPLACE

United Kingdom – United States: studies link performance and Quality of Life

Two Sodexo-published studies show how a healthy, supportive work environment can improve staff retention and productivity. The research, conducted in the United States and the United Kingdom, helps Sodexo and its customers better understand the evolving workplace, employee aspirations and the role of Quality of Life solutions.

Three influential trends in the British workplace

The report, **"How Britain works"**, focuses on social, people and space trends that affect how we work. Major social trends include the changing composition of the workforce, the influence of younger employees and women and a greater emphasis by companies on employee health and well-being. People trends show increases in productivity for companies that offer employees flexible work arrangements and that judge performance on output rather than hours worked. For space trends, organizations that offer well-designed workspaces that encourage employee communication and sharing are better able to attract and retain talent. Commissioned by Sodexo, the report's insights permit a better understanding of the continuously adapting workplace environment in the United Kingdom.

Sodexo reports on top 10 ways to look ahead in the American workplace

Sodexo's **2014 Workplace Trends Report** examines key trends and solutions implemented by companies that lead to higher employee retention, engagement and increased productivity. Among the 10 significant trends identified are workplace designs focused on worker well-being and promotion of cross-cultural understanding and management. The report provides insights into the outcomes sought by today's workforce, including performing work that is valued, improved flexibility, training and civility among peers, and recognition and rewards that are relevant to personal values. It also advises companies on how to create an experience that bonds employees and the organization – and the positive impact on their bottom-line of doing so.

Highlights

CHILE – LEED(1) CERTIFICATION FOR IBM TECHNOLOGY CENTER

The IBM Technology Center in San Bernardo has received LEED (Leadership in Energy and Environmental Design) certification, **the first Sodexo-maintained site in Chile** to earn this recognition. Opened in April 2013, the site houses an IBM data center linked to 430 business centers worldwide and can store up to 22.8 million gigabytes of IBM customer data.

CHINA – CLIENTS HONOR SODEXO TEAMS

Sodexo was recognized several times by clients for its performance during the year. **DuPont** and **Shanghai General Motors** both recognized Sodexo for safety excellence while **Lilly** presented an award for professional and efficient services to Sodexo's on-site integrated facilities management team at its Shanghai R&D center.

FRANCE – BUILDING RECEIVES MAXIMUM ENVIRONMENTAL PERFORMANCE SCORE

Sodexo continued to support clients in obtaining HQE certification(2), the French equivalent to BREEAM In-Use certification, the world's leading building environmental performance indicator. Among the four client buildings certified during the year, the **Delta Tishmann Speyer** building in Boulogne-Billancourt attained the **HQE Exceptional** designation with the maximum possible score of 14 stars. The certifications underline the ability of Sodexo's technical maintenance teams to reinforce sustainable operating practices and energy efficiency of client buildings and improve the health and quality of life for occupants.

INDIA – FITNESS AND WELL-BEING FOR CLIENT EMPLOYEES

To extend its comprehensive **wellness services offer, Sodexo partnered with Gold's Gym,** operator of 80 fitness centers in 36 cities across the country. Gold's Gym capabilities include exercise classes and on-site fitness club consulting, operations and design. Sodexo also signed an agreement with **1to1help.net** to offer counseling services for client employees. 1to1help.net has 115 highly qualified counselors operating in a 20-city network and offers multi-channel (online, telephone and face-to-face) confidential counseling services as well as a web portal and on-site work-life seminars.

INTERNATIONAL – SODEXO RECOGNIZED AT "UNILEVER PARTNER TO WIN" SUMMIT

At the "Unilever Partner to Win" summit, Sodexo received the "World Class Service & Quality" award for its deployment of a global program transforming the delivery of facilities management services.

More than 330 of Unilever's strategic supplier-partners were represented at the London event, designed to strengthen existing relationships, promote mutual and sustainable growth and recognize suppliers that had made particularly positive contributions to Unilever's business.

Since January 2012, Sodexo and Unilever teams have worked together to transform facilities management services as part of a strategic partnership to create value for both companies. The partnership helped generate savings, while ensuring that Unilever employees and service excellence remain the priority focus of the solutions deployed.

(1) *LEED (Leadership in Energy and Environmental Design).*
An ecology-oriented building certification program organized under the U.S. Green Building Council (USGBC). LEED is focused on improving performance across five key areas of environmental and human health: energy efficiency, indoor environmental quality, materials selection, sustainable site development.

(2) *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. The building's overall level is based on the sum of the stars obtained: HQE Good (1-4), HQE Very Good (5-8), HQE Excellent (9-11), HQE Exceptional (12 to 14).

PHILIPPINES – LAUNCH OF ON-SITE SERVICES

Sodexo began offering On-site Services in the Philippines during the year with its joint venture partner, Building Care Corporation. Among the first clients: Google, Nokia and The Bank of the Philippine Islands (BPI).

UNITED KINGDOM

Sodexo accredited as Integrated Facilities Management (IFM) trainer

Continuing to reinforce **its level of excellence in delivering integrated facilities management services,** Sodexo has earned accreditation from the British Institute of facilities management (BIFM). This new step responds to rising demand from clients for the IFM delivery model and a marketplace moving increasingly toward strategic partnerships. More than half of Sodexo's United Kingdom and Ireland revenues are generated through integrated facilities management contracts. The recognition underlines Sodexo's commitment to employee learning, development and skills enhancement and providing opportunities to earn professional industry-recognized qualifications.

Nutrition, health and wellness: triple recognition for Sodexo in Scotland

Sodexo's commitment to promote healthy eating and wellness won recognition during the year, including in becoming the first workplace foodservices provider in Scotland to win the **Silver Food for Life catering distinction,** awarded by the UK & Scotland Soil Association. The Company also received the **Healthier Living Award** from Catering in Scotland magazine and the Healthy Living Award from NHS Health Scotland.

UNITED STATES – INNOVATIVE PARTNERSHIP WINS RECOGNITION

The Bradley Department of Psychology awarded Sodexo and its Innovations to Solution Team with the **Innovation in Corporate Partnerships award for 2013.** The award was given for Sodexo's mentorship and guidance program to help students better understand the Quality of Life drivers among U.S. manufacturing workers. The university particularly highlighted Sodexo's support for the curriculum, its commitment to contribute to preparing the next generation of talent in applied psychology and its ability to improve understanding of the role of worker well-being as a key growth factor.

Key contract wins

INTERNATIONAL

A world of services for Alcatel-Lucent employees

Sodexo is a longstanding partner to Alcatel-Lucent. Having started with foodservices 15 years ago at the telecommunications company's facilities in France, Sodexo teams today deliver a broad range of Facilities Management services at Alcatel-Lucent sites in 43 countries.

As one of the few service providers with worldwide On-site Services coverage, Sodexo was chosen by Alcatel-Lucent to provide Quality of Life services at **250 sites** in **43 countries.** The project, being rolled out progressively at company sites throughout the world, responds to Alcatel-Lucent's objective to ensure the well-being of its employees in offering the same level of service quality worldwide while improving on-site operational efficiency.

The wide array of IFM services range from building engineering services and grounds maintenance to cleaning, pest control, energy, waste management and security. Sodexo also provides Benefits and Rewards Services for Alcatel-Lucent teams in 11 countries and delivers concierge and childcare services for employees at client sites in France.

Services to support Carlsberg's employees

Carlsberg chose Sodexo to ensure the well-being of its teams at plants across Europe under a five-year On-site Services contract.

Sodexo teams provide reception services and foodservices, cleaning, technical services and grounds keeping, to help ensure smooth operations at 30 Carlsberg sites.

In delivering Quality of Life Services, a key objective of the contract is to facilitate the work of the Danish brewer's employees, many of whom work at sites that operate 24 hours a day, seven days a week. The simplicity and accountability of having a single point of contact for all services was also a major plus for the client.

Sodexo also showed that it understood not only Carlsberg's corporate culture but also the local conditions and cultures. Exchanges between Sodexo and Carlsberg country teams ensured that services were adapted to respond to specific client needs and the local expectations in all 10 countries covered by the contract.

ASIA – SODEXO STRENGTHENS BUSINESS PORTFOLIO

Clients are increasingly demonstrating their confidence in Sodexo's Quality of Life Services expertise in entrusting the Company with responsibility for facilities management services.

Malaysia – Wide range of facilities management services for Zurich

Since September 2013, Sodexo has been providing services that improve quality of life for 1,500 consumers in five buildings across the country on behalf of its client Zurich. The scope of services includes facility and equipment maintenance, cleaning, space management, security, pest control, waste management, landscaping and grounds keeping. Two particular focus areas are ensuring rapid response and compliance with occupational safety and health requirements.

Singapore – Expanded services at BNPP Asia Pacific Campus

France's largest bank, BNP Paribas entrusted Sodexo to manage a variety of On-site Services at its new flagship Asia Pacific training center in Singapore. The five-year integrated facilities management contract for the 240-seat facility developed out of an initial tender covering only foodservices. The new contract extends to facilities management services that include supply maintenance, cleaning, gardening, security, transportation and pest control.

EUROPE – RAPID MOBILIZATION AT 18 REXAM SITES

Rexam, a leading global consumer packaging company, chose Sodexo to deliver a broad range of integrated services to 27 sites in 15 European countries under a three-year contract, including an accelerated start-up at the first 18 sites.

Sodexo teams are providing soft services for more than 2,000 Rexam employees, including cleaning, laundry management, switchboard, grounds maintenance, waste and recycling services and foodservices. The first phase of service implementation at offices and plants began in March, ensuring the on-schedule official start at 18 sites at the beginning of April.

Key selling points for Rexam were the provision of a single point of contact for all services, simplification of operations, standardization of processes across all sites and regular evaluation to ensure consistent quality of services.

CHILE – KEEPING TELEFONICA SA CONNECTED

Sodexo is managing the energy needs and maintaining the antenna systems network for its client Telefonica SA under a new contract at 436 sites in eight cities. The contract delivers savings through economies of scale and provides the client with a single point of contact to oversee maintenance throughout the country. Telefonica, which has been a Sodexo foodservices client for 14 years, also renewed Sodexo's contract to provide foodservices for 800 people at the company's Santiago headquarters.

CHINA – EXPERIENCE MAKES THE DIFFERENCE

To meet the needs of 300 employees at its new tire factory in Kaiping, Guangdong, Bridgestone turned to Sodexo. In building the first factory in the new development zone, Bridgestone needed to outsource its environmental and safety services to a professional partner that could ensure a healthy and secure working environment for employees while optimizing costs. Sodexo appointed an experienced site supervisor to interface with the client, set up a service agreement with measurable performance indicators and regular reporting and installed a multi-skilled team able to respond to all of the client's needs.

FRANCE – OPTIMIZING THE WORK ENVIRONMENT FOR DELOITTE EMPLOYEES

Deloitte chose Sodexo to provide a variety of services to optimize the workplace environment for **8,000 employees** at its **10-building headquarters in Paris** as well as **17 sites** across France. Sodexo's team worked with the client to custom design the services offer, which includes reception, cleaning, logistics, mail services, waste management and switchboard operations.

GERMANY – TECHNICAL FACILITIES MANAGEMENT SERVICES FOR ENERGY CLIENT

A longtime relationship with the client, requisite technical skills, a differentiating ability to build technical facilities and a customized proposal from a professional and experienced team enabled Sodexo to win a significant facilities management contract from major energy company **EnBW**. The contract covers services to the employees at more than **200 buildings** on **53** EnBW properties in southwest Germany. Services include heating, ventilation, air conditioning, drinking water hygiene, fire detection and prevention, safety engineering and 24-hour emergency service.

INDIA – TETRA PAK ENTRUSTS ADDITIONAL SERVICES TO SODEXO

Sodexo, which has provided foodservices for Tetra Pak employees for eight years, was entrusted to provide **facilities management services** at its client's second largest manufacturing facility in Pune. Sodexo teams now provide housekeeping, and technical services for the factory's **650 employees.** The site is being prepared to serve as a global training hub for the world leader in food packaging and processing, which will further add to the number of consumers Sodexo serves.

NETHERLANDS – FACILITIES MANAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY FOR NXP

Semiconductor company NXP signed a three-year partnership agreement with Sodexo to provide all **facility services** in **13 buildings** in Eindhoven and Nijmegen. Services provided on behalf of **3,400 employees** include cleaning, foodservices, postal services, printing, reception, project management and technical maintenance. The Sodexo-managed team also includes individuals re-entering the labor market as part of NXP's and Sodexo's commitment to corporate social responsibility.

POLAND – A CONSUMER-FOCUSED OFFER IN PARLIAMENT

Sodexo is providing foodservices to **560 deputies** and senators and **1,200 employees** of the Polish Parliament's lower house (the Sejm) as well as providing full catering services for meetings and conferences. Sodexo is conducting a complete redesign of the self-service restaurant it operates in the parliament's main building and has opened an additional restaurant and cafe. Based on the results of a Personix™[1] survey conducted by the company, Sodexo chefs and nutritionists prepared the menus, which feature varied and balanced food options from traditional dishes to vegetarian and gluten-free options.

UNITED STATES – RAPID EXPANSION OF FM BUSINESS

Sodexo's commitment to satisfying consumer expectations and its ability to deliver a wide range of services while offering clients a single point of contact helped it to win several major facilities management contracts during the year.

- Beginning in March 2014, Sodexo has been working with **OneMain Financial/CitiFinancial** with teams providing integrated facilities management services for more than 1,400 retail branches in the United States and Canada. Sodexo's offer leverages a technology solution for managing services more efficiently for the sector.
- **Alaska Airlines** awarded a contract to Sodexo in January 2014 to provide integrated facilities management services for offices, airport gates and hangar facilities at 84 locations in North America, including Hawaii, Canada and Mexico. Services provided include building maintenance, electrical, heating and air conditioning, plumbing, painting, carpentry, janitorial, grounds keeping, fire prevention and project management.

*(1) **Personix**™ is a unique consumer profiling tool developed by Sodexo to better understand on-site population behaviors and expectations across client segments.*

Among our clients...

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

Agusta Westland, 3 sites (United Kingdom)

Air France, Orly (France)

Alcatel Lucent, 14 countries: Austria, Brazil, Canada, Czech Republic, France, Hungary, India, Italy, Morocco, Poland, Romania, Slovakia, Spain, United States

Alpina, 6 sites (Colombia)

AstraZeneca, 8 countries: China, Denmark, Finland, France, India, Norway, Sweden, United Kingdom

AT&T Global Network Services Slovakia s.r.o., Bratislava, (Slovakia)

Banco Santander, Madrid (Spain)

Bank of Philippines (Philippines)

Baosteel Group, 4 sites (China)

Baxter, 6 sites (Austria)

Bikini, Berlin (Germany)

Bosch Diesel Jihlava, 5 sites, Prague (Czech Republic)

Cemaz Ind Eletronica da Amazonia SA Lenovo, 3 sites (Brazil)

China Energy Conservation and Environmental Protection Group, Beijing (China)

Coca-Cola Enterprises, 7 countries: Belgium, France, Luxembourg, Netherlands, Norway, Sweden, United Kingdom

Deloitte, headquarters and 17 sites (France), Hyderabad (India)

DNB, 1 site (Norway)

Ecolab Nalco, Paveletskaya Plaza, Moscow (Russia)

EGED, 12 sites (Israel)

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

Endesa, Madrid (Spain)

EnBW Energie Baden-Württemberg AG, 3 sites (Germany)

FAW, 22 sites, China

GSK, 19 countries: Argentina, Australia, Belgium, Brazil, Canada, Chile, China, Colombia, Costa Rica, France, Ireland, Italy, Mexico, Netherlands, Poland, Spain, Turkey, United Kingdom, United States

Heineken Brasil SA, 5 sites (Brazil)

Impact Exhibition, Bangkok (Thailand)

Johnson & Johnson, 13 countries: Argentina, Belgium, China, Colombia, France, Germany, Ireland, Italy, Mexico, Netherlands, Sweden, Switzerland, United Kingdom

Knesset, Jerusalem (Israel)

Land Hessen – Hessisches Immobilienmanagement, Frankfurt (Germany)

La Poste Belge, 35 sites (Belgium)

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

Ma'adeen Aluminum Company, Saudi Arabia

Merck MSD, 25 countries: Algeria, Austria, Belgium, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Israel, Italy, Lebanon, Morocco, Norway, Poland, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey

Microsoft, Issy les Moulineaux (France)

Molinos Río de la Plata, 5 sites (Argentina)

National Instruments, Penang (Malaysia)

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

NXP, 10 sites (Netherlands)

NewsCorp, 4 sites (Australia)

Polish Parliament, Warsaw (Poland)

Procter & Gamble, 29 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, Spain, Turkey, United Kingdom, United States, Vietnam

RAI (public Italian television), 17 sites (Italy)

Renault Nissan Automotive India Pvt. Ltd., Chennai (India)

Royal Dutch Shell, 8 countries: Argentina, Brazil, Netherlands, Norway, Philippines, Russia, Scotland, United States

RUSAL, 5 sites (Russia)

Sanofi, 9 countries: Brazil, Canada, France, Germany, India, Italy, Slovakia, Spain, United States

Scania, Södertälje (Sweden)

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

Stora Enso, Helsinki and Imatra (Finland)

Suzano Papel e Celulose SA, 4 sites (Brazil)

SwissLife, Zurich (Switzerland)

Telefonica, 3 sites (Chile)

Tetra Pak, Pune (India)

Unilever, 24 countries: Austria, Belgium, Canada, China, Colombia, Costa Rica, Denmark, Dominican Republic, Finland, France, Germany, India, Ireland, Italy, Mexico, Netherlands, Poland, Puerto Rico, Russia, Spain, Sweden, Switzerland, United Kingdom, United States

Zurich, 4 countries: Germany, Malaysia, South Africa, Kingdom United

REMOTE SITES

KEY FIGURES

- **1,671** million euro in revenues
- **9%** of Group revenues
- **39,048** employees
- **1,670** sites

Source: Sodexo.

Our offer

QUALITY OF LIFE AND EFFICIENCY AT THE ENDS OF THE EARTH

On both onshore and offshore remote sites, Sodexo contributes to the **well-being** of the people who live and work in these challenging, often isolated environments. Sodexo is unique in its market thanks to deep understanding of consumer expectations, its teams' international expertise and its proven technical processes. **From site design to dismantling,** Sodexo contributes to the performance of remote site clients throughout the world with its integrated offer of **innovative, value added services** that:

- create a safe and comfortable workplace for all;
- include added-value technical and cost-saving services;
- meet rigorous Quality, Health, Safety and Environmental(1) standards;
- reflect Sodexo's commitment of contributing to 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 demand for crude oil is driving growth, predominantly in offshore activity and specifically deep and ultra-deep exploration and production. Onshore development continues with shale oil and gas projects, especially in the North America as well as liquefied natural gas development opportunities in the United States and Australia. Lower liquefied 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 recurring consequences of 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 that lack infrastructure, attracting and retaining employees as well as ensuring project responsiveness to local sustainability and development needs.

(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.

In the engineering and construction sector, although 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 in estimated total market value

Sodexo estimate.

Supporting our client: Seadrill

QUALITY OF LIFE AND SAFETY ON BOARD

Since 2008, Sodexo has been supporting Seadrill with Quality of Life Services that increase the satisfaction, motivation and efficiency of over 6,000 consumers and end users who live and work aboard its client's offshore drilling rigs.

Our client's and consumers' needs

As the operator of one of the world's most modern, state-of-the-art offshore drilling fleets, Seadrill regularly mobilizes new rigs and recognizes that the quality of crew living quarters is critical to their complex operations. Seadrill relies on Sodexo as its global long-term partner, to be able to offer the work environment required to attract and retain highly skilled employees for its growing fleet around the world.

Sodexo's response

In partnership with Seadrill, Sodexo designed and delivered a comprehensive service solution that includes equipment purchases for living quarters, fitting out of accommodations, maintenance, concierge services and foodservices. From providing homemade meals from the crew's country of origin to performing laundry services and maintaining hotel-standard cabins, teams help to improve onboard Quality of Life and ambiance at remote sites.

Results

With its client, Sodexo has ensured the success of **32 mobilizations** since 2008. Sodexo's Quality of Life services have helped enhance Seadrill's performance, improving productivity and optimizing the use, reliability and safety of infrastructure and equipment. Sodexo's and Seadrill's shared commitment to a strong Health Security and Environment (HSE) culture and standards has contributed to an unblemished safety record of **zero lost time incidents** over the six years since the initial mobilization.

"We would not have been able to manage all aspects of the mobilization if not for Sodexo's participation. Their team displayed professionalism and commitment while delivering their services on-time and within budget."

Jim Finlay, Rig manager of Seadrill West Tucana

Focus on...

THE DAILY QUALITY OF LIFE CHALLENGES ON A REMOTE SITE

Through decades of experience, Sodexo has developed unrivaled expertise in services that improve the Quality of Life of all those who live and work on remote sites. Its mission: make life in harsh environments safe, comfortable and friendly for its clients' culturally diverse teams.

Whether on a mine site, an offshore platform or a large civil engineering project, living and working conditions are often very difficult, combining isolation, confinement, extreme climates and separation from family. Sodexo accompanies each individual on a daily basis by:

- promoting all aspects of wellness and well-being, and encouraging a positive work-life balance;
- easing the physiological and psychological effects of isolation;
- creating conditions to foster a friendly, on-site ambiance;
- providing well-designed and maintained facilities that are secure and respect the environment.

Sodexo's Quality of Life Services offers are based on thorough knowledge of its clients' objectives and an understanding of each site's performance drivers. Services delivered are similar to those required to manage a small town, typically including dining facilities, accommodation, water treatment and waste management, fire prevention, medical services and logistics as well as leisure and entertainment activities.

In addition to day-to-day operational challenges, Sodexo teams must also take into account the global factors that impact its customers, such as geopolitical instability and fluctuations in commodity prices. As a result, Sodexo's remote site proposals are characterized by the capacity to anticipate and remain flexible.

Sodexo teams respond to their daily challenges with determination, creativity and reliability, proposing a vast range of fully integrated services and placing people at the heart of everything they do. The continued appreciation and loyalty of its clients upholds Sodexo in its historic position as world leader in Quality of Life Services.

Highlights

INTERNATIONAL – MULTIPLE AWARDS FOR INNOVATIVE OFFSHORE QUALITY OF LIFE PROGRAM

Three industry groups recognized Sodexo for its **Well Track** program. Designed in collaboration with the University of Aberdeen in Scotland, Well Track is a well-being solution that encourages offshore workers to get and stay in shape, both physically and mentally – at work and on leave. The comprehensive program includes individually tailored nutrition and fitness coaching, motivation rewards and virtual concierge services. Recognized by the **Energy Institute** in its safety at work category and by **World Oil** in the sustainability and HSE category, Well Track also received the **2014 UK Oil & Gas Industry Safety Award**.

AUSTRALIA – SODEXO RECOGNIZED FOR EXCEPTIONAL SAFETY PERFORMANCE

Sodexo was recognized at an **Esso** Contractor Safety Forum held in Melbourne for its achievements and commitment to continuous improvement in the pursuit of safety excellence. Sodexo provides housekeeping, laundry and foodservices to more than 22,000 Esso employees at 14 offshore locations and three onshore sites.

COLOMBIA – REMOTELY CONTROLLED FACILITIES MANAGEMENT SERVICES

New software developed with **Pacific Rubiales** enables improved remote management of facilities at multiple client sites, such as monitoring power consumption and maintenance needs. The **Maintenance Command Center** also allows centralization of detailed energy consumption records and streamlining of billing processes for accommodation and foodservices.

MOZAMBIQUE – START-UP FOR MINING CLIENT

As part of its development strategy for the mining and energy sectors in emerging countries, Sodexo opened operations in Mozambique during the year, designing, building and operating foodservices for **Rio Tinto sub-contractor Eqstra** in Tete City.

PERU – SODEXO RECOGNIZED BY CLIENTS FOR SAFETY PERFORMANCE

Clients recognizing Sodexo's good safety record during the year included **Xstrata División Sur del Perú** for two million hours without a lost time incident at the Las Bambas copper mine project in Nueva Fuerabamba; **Hochschild** in recognition of good practices and safety management during 2013 at the Aracta goldmine.

UNITED KINGDOM – A REMARKABLE SAFETY ACHIEVEMENT

Sodexo marked an unprecedented 27 years of operations with no lost time incidents with **Talisman Sinopec Energy** in the UK at its **Flotta refinery**. Sodexo also provides services to the client's 11 North Sea offshore installations and its headquarters in Aberdeen, Scotland.

Key contract wins

AUSTRALIA – MANAGING SERVICES AND ONSHORE PROPERTIES

Australia's largest oil and gas company, **Woodside Energy,** awarded Sodexo a five-year contract to provide a broad array of services, including the management of 756 residential houses and a 2,000 room village, production plant catering service, uniform laundry service, office support service, technical maintenance of all non-production assets, industrial cleaning and ground maintenance services.

CANADA – CUSTOMIZED SERVICES AND LOCAL COMMUNITY DEVELOPMENT

Working hand in hand with our aboriginal partners, Fox Lake Cree Nation and York Factory First Nation, Sodexo teams are ensuring that employees at Manitoba Hydro's remote Keeyask generating station construction project in Northern Canada enjoy all the comforts of home.

To ensure the delivery of customized services to the client while contributing to local community development, the Sodexo team provides the 2,000 people working on the site with a state-of-the-art facility and multiple services, including accommodation management, site office administration, security services, housekeeping, custodial, onsite commercial laundry, foodservices, catering services, a recreation center and retail services.

CHILE – SUSTAINABLE QUALITY OF LIFE SERVICES FOR GREEN PROJECT

Enel Green Power entrusted Sodexo with responsibility for ensuring the comfort, health and safety of 400 employees constructing the Taltal wind farm project, a key element of Chile's program to promote green energy. The 84-member Sodexo team helps improve workers' quality of life by providing foodservices, cleaning, maintenance and ambulance services on the construction site, located 200 kilometers south of Antofagasta. Consistent with its environmental commitments, Sodexo has also partnered with the client to provide sustainable services, including recycling cooking oil and managing organic and non-organic waste.

NORWAY – WARMING UP PITCH-BLACK WINTER NIGHTS

For 200 workers at the Svalbard Islands-based coal mining camp, 1,000 kilometers south of the North Pole, Sodexo's expertise in delivering hospitality services and nourishing hot meals in extreme environments is critical to their quality of life. Under the contract with Store Norske, the world's northernmost mining company, Sodexo teams ensure that the camp runs smoothly while rising to unique challenges including a harsh climate that requires stocking six months of supplies before ports ice over, constant darkness from mid-October to mid-February and a local population of about 3,000 polar bears.

PERU – TECHNICAL SERVICES ADDED TO CONTRACT SCOPE

At the Serpetbol hydrocarbon site in Loreto, Sodexo teams succeeded in expanding its foodservices and soft FM offer to also cover hard FM services, including the operation and maintenance of water treatment facilities. The contract to provide Quality of Life Services for 900 people at the site was won based on the technical qualifications of Sodexo's team in managing, treating and conserving water resources.

PHILIPPINES – SODEXO ENHANCES QUALITY OF LIFE AT KEY ENERGY SITES

Under a five-year contract with Shell Philippines Exploration B.V. (SPEX), Sodexo is providing integrated facilities management services for 181 employees at both onshore and offshore sites for the Malampaya deep–water, gas-to-power project. The services, which include light technical maintenance, cleaning, grounds keeping, help desk, administrative work, reprographics and foodservices, support the public-private partnership project (between SPEX and the government of the Philippines), which provides 30% of the Philippines' electricity requirements.

QATAR – EXPERIENCE AND EXPERTISE HELP WIN CONTRACT WITH GULF WAREHOUSING COMPANY

Rigorous Health, Safetyand Hygiene practices, a custom-tailored offer and considerable experience in managing similar locations helped Sodexo win a major contract to provide Quality of Life services for 800 people working at the Gulf Warehousing Company Logistics Village, the country's largest and most modern logistics facility where Sodexo teams provide food and laundry services.

RUSSIA – FROZEN ENVIRONMENT, WARM AMBIANCE

Temperatures at Highland Gold Mining Limited's Kekura gold surface mining project in the Russian far northeast average minus 30 degrees centigrade for almost half the year but Sodexo's team works to ensure a comfortable environment and a positive atmosphere for the 100 people who live and work on the site. Sodexo provides foodservices, housekeeping and laundry as well as catering for special events and procurement of camp equipment.

SINGAPORE – SODEXO OPENS NEW CONTRACTS WITH ENSCO

Sodexo is providing foodservices, housekeeping, janitorial and laundry services for more than 250 people on six ENSCO rigs while they are at anchorage or undergoing repairs in **Singapore shipyards**.

Among our clients...

OIL AND GAS

Apache Energy: Argentina, Australia

Arabian Drilling Company: Saudi Arabia

Baker Hughes: India, Oman, Saudi Arabia

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

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

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

KCA Deutag: Oman, Malaysia

Nabors: Algeria, India, Saudi Arabia, United States (Alaska)

Pacific Rubiales "Quifa Field": Colombia

PanAmerican Energy: Argentina

Petrobras: Brazil

Saudi Aramco: Saudi Arabia

Schlumberger: Algeria, Brazil, India, Saudi Arabia, United Arab Emirates, United States (Alaska)

Shell: Argentina, Brazil, Philippines, Russia, United Kingdom (North Sea), United States (Gulf of Mexico)

Sinopec: Gabon, Saudi Arabia

Sipetrol: Argentina

Statoil: Angola, Brazil

Talisman: Canada, Norway, United Kingdom

Total: Angola, Congo, Gabon, Netherlands, South Korea (Offshore)

ENERGY

GDF-Suez: Netherlands, Saudi Arabia

Hydro Quebec: Canada

Manitoba Hydro: Canada

Suncor: Canada

OFFSHORE AND MARINE

Atwood Oceanics: Cameroon, Malaysia, Netherlands, South Korea, Thailand, United States (Gulf of Mexico)

Diamond Offshore: Norway, United Kingdom, Singapore

ENSCO: Brazil, Denmark, India, Indonesia, Myanmar, Netherlands, Qatar, United Arab Emirates, United Kingdom, Singapore

Maersk Drilling: Cameroon, Congo

Noble Drilling: Congo, Gabon, India, Netherlands, Qatar, South Korea, United Kingdom, United States (Alaska, Gulf of Mexico)

Ocean Rig: Brazil, South Korea

Rowan: Norway, United Kingdom

Seadrill: Angola, Brazil, China, Malaysia, Mexico, Norway, Qatar, Saudi Arabia, Singapore, South Korea, Thailand, United Kingdom

Seafox: Netherlands, Thailand

Shelf Drilling: India, Indonesia, Qatar, Saudi Arabia, Thailand

Subsea 7: Brazil

Technip: Angola, India

Teekay: Brazil, Norway, Qatar, South Korea, United Kingdom

Transocean: India, Indonesia, Malaysia, Norway, Saudi Arabia, Singapore, Thailand, Vietnam

Van Oord: Australia, India, Indonesia, Netherlands, Singapore

MINES

Anglo American: Chile

Antofagasta: Chile

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

BHP Billiton: Australia, Brazil, Chile, Columbia, Peru

Freeport McMoran: Democratic Republic of Congo

Glencore Xstrata: Australia, Cameroon, Chile, Colombia

KGHM International: Chile

Lumina Copper: Chile

Ma'aden Phosphate Company: Saudi Arabia

Newmont Mining: Australia

Oz Minerals: Australia

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

Vale: Brazil, New Caledonia

Yamana Gold: Chile

ENGINEERING AND CONSTRUCTION

Al Hassan Engineering: 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, India, Norway, Qatar, United States (Gulf of Mexico)

Hyundai Engineering: Algeria, Oman, Qatar, United Arab Emirates

JGC Corporation: Algeria, Qatar

Leighton: Australia, India

MIDMAC Contracting: Qatar

Odebrecht: Brazil, Peru

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

Samsung Engineering: Kuwait, Qatar, United Arab Emirates

Techint: Peru

The Oman Construction CO (TOCO)

DEFENSE

KEY FIGURES

- 634 million euro in revenues
- 4% of Group revenues
- 12,741 employees
- 1,055 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 or other international organizations. 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...

UNDERSTANDING SOLDIERS' NEEDS

United States – "Food. Life. You."

Customized in response to a detailed analysis of lifestyles and consumer preferences, Sodexo's new foodservices offer is helping the U.S. Air Force better respond to expectations of military personnel and their families.

Sodexo's Food. Life. You. (FLY) offer results from work performed with the U.S. Air Force (USAF) to improve the quality of life of military personnel in rethinking foodservices and creating new training and career opportunities at six North American bases.

Sodexo has refined and customized its foodservices offer based on a detailed analysis of the lifestyle needs and taste preferences of various consumer types on the site, using Sodexo's Consumer Centric Process[1]. FLY responds to the USAF's first priority in offering a varied, healthy and balanced menu at more dining locations.

In response to another client priority to increase career opportunities, Sodexo integrated dozens of USAF personnel into its ongoing culinary training and professional immersion program. Sodexo benefits equally from the infusion of new talent into its foodservices teams as well as the feedback provided by these built-in "consumer focus groups."

Highlights

FRANCE – SUPPORTING COMMEMORATION OF THE GREAT WAR

To support eight days of First World War centennial commemoration, Sodexo provided **foodservices** for **350 young people** invited from **82 countries** which were involved in the conflict. The foodservices, including self-serve buffets, snacks, breakfasts, dinners and restaurant vouchers were delivered throughout the commemorative events, which culminated with the traditional July 14 parade on the Champs-Élysées.

UNITED KINGDOM

Increasing flexibility through innovative Pay As You Dine initiative

Military service personnel, their families and friends, and contractors and civil servants are being introduced to Sodexo's innovative Pay As You Dine (PAYD) foodservices offer at **62 restaurants and mess halls** in military garrisons across **Salisbury Plain** in Southern England; some of the last UK garrisons to go live with the MOD's PAYD initiative. Under this PAYD contract, **18,700 soldiers** pay for each meal based on their actual consumption, rather than through a fixed monthly salary deduction. An additional **3,500 service personnel** are now also enjoying Sodexo's new PAYD food offer in **Colchester** Garrison following its launch there in September. Clients have expressed satisfaction with Sodexo's smooth introduction of the concept, which offers consumers increased flexibility, as well as comfortable dining facilities, a focus on good quality, food and value for money.

Recognitions earned for quality of services

Sodexo's contribution to improving military service personnel's quality of life was recognized through foodservice industry awards to two of its employees. **Bridgette Roberts** won the **Contract Catering Multi-Site Manager Award** at the 2014 Cost Sector Catering Awards for her management of catering, retail and leisure across 10 major defense sites. In addition, **Glyn Greenow,** Head Chef at the Infantry Battle School in Brecon, won the **Cost Sector Chef of the Year** from the Craft Guild of Chefs, a prestigious global association of chefs.

(1) *The Consumer Centric Process (CCP) 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.*

UNITED STATES

Sodexo approved as U.S. government FM and energy services supplier

Sodexo earned approval from the federal government to provide **facilities management and energy services at government facilities nationwide.** The Company's services are now included in the online catalog for suppliers that have been approved by the U.S. government procurement agency, the General Services Administration.

Military-friendly employment policies recognized

Sodexo won double acclaim for the supportiveness of its employment policies toward military personnel. The **Extraordinary Employer Support Award** recognizes the Company's sustained support of the National Guard and Reserve Service as an employer. Sodexo also was listed among the **Top 100 Military Friendly Employers®** for 2013, which highlights companies with leading employment solutions for military personnel.

Key contract wins

CYPRUS – HOSPITALITY SERVICES FOR BRITISH MILITARY FORCES

Sodexo renewed for three years its contract to deliver foodservices, retail, leisure and hotel services for approximately **6,700 members of the British Armed Forces community** stationed at the two Sovereign Base Areas of Akrotiri and Dhekelia in Cyprus. The broad array of Quality of Life services ranges from waste collection, pest control, laundry and tailoring to road sweeping, snow clearance, inventory management and cleaning.

UNITED KINGDOM – MULTI-ACTIVITY CONTRACT EXTENDED ACROSS LONDON AND WINDSOR GARRISON

Through a two-year extension of this contract, the **5,000 military service personnel** serving in barracks across London and Windsor will continue to receive a variety of services delivered by Sodexo. These include retail, leisure and hotel services, foodservices, cleaning, waste management laundry, uniform tailoring, footwear repair and pest control.

UNITED STATES – FLY TAKES OFF AT DYESS AIR FORCE BASE

The U.S. Air Force awarded Sodexo the contract to provide its FLY foodservices offer for **5,000 active duty soldiers** and **14,000 family members** and military retirees at **Dyess Air Force Base** in Texas. Among the features of Sodexo's offer: 24-hour services for aircrews with Simply-To-Go meals that are always ready for takeoff. Sodexo already has integrated more than two dozen active duty Air Force women and men into its culinary training program.

Among our clients...

AUSTRALIA

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

Helicopter training school, Dax

Institution Nationale des Invalides (Military hospital), Paris

Instruction center and Naval Air Station, Brest Defense Base

Military training centers, Bourges

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, Larkhill, London, Tidworth, Warminster and York

Joint garrisons in Cyprus and the Falkland Islands

Royal Naval Air Stations: Culdrose and Yeovilton

Royal Marines bases across South West England, including the Commando Training Centre Royal Marines (CTCRM)

UNITED STATES

U.S. Air Force, 26 dining locations

U.S. Army, 8 hospitals

U.S. Department of Defense retail operations, 5 dining locations

U.S. Marine Corps, 49 dining locations

U.S. Navy, 4 facilities management contracts

IN THEATER MILITARY FORCES

Postal service for French troops deployed abroad in the Middle East, Africa and Central Europe

UNIFIL (Lebanon)

U.S. Air Force 1 site (Kuwait)

U.S. Forces Camps, 3 sites (Kuwait)

JUSTICE SERVICES

KEY FIGURES

- **407** million euro in revenues
- **2%** of Group revenues
- **4,920** employees
- **122** sites

Source: Sodexo.

Our offer

QUALITY OF LIFE AT THE SERVICE OF PRISONER REHABILITATION

Sodexo provides justice services 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 4,920 Justice Services 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 tightening, 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 – or even improving – 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, such as electronic bracelets.

Source: Sodexo.

Focus on...

EMPLOYEE WORK WITH PRISONERS

United Kingdom – Opening the way to rehabilitation

Sodexo's commitment to prisoner rehabilitation is reflected in the special recognitions awarded to individual employees, representative of Justice Service teams' high level of professionalism, commitment and creativity.

The Butler Trust, an independent charity promoting excellence in correctional settings, has singled out two Sodexo employees at the HMP Bronzefield prison for women with commendations for their remarkable work.

- Patience Kokroko was recognized for her dedication, self-sacrifice and professionalism in providing support to foreign nationals at the prison. Bronzefield's female prison population includes around 30% foreign nationals, many of whom have been trafficked into the country.
- Nathan Sawford was commended for going beyond expectations in working to reduce reoffending by women prisoners, many of whom have complex needs requiring specific interventions and plans to be put in place for their release.

At HMP Peterborough, Ben Baker was nominated for the National Prison Officer of the Year award in recognition of his work with local charities in establish the "Outside Links" service, which provides help and guidance to prisoners being discharged from the prison.

Highlights

CHILE

Teaching craftsmanship, preserving local heritage

Located in a rural region of Chile, Rancagua prison has opened the first school of upholstery craft to enable prisoners to learn the techniques of restoring equestrian equipment and other tools traditionally used to perform work in nearby fields. The professional training is part of a program to provide prisoners with skills to facilitate their reintegration into society. The program also promotes craft professions and preserves traditional skills. The objects skillfully restored through the training were part of a successful exhibition at a local museum supported by the Ministry of Culture and Arts.

Helping prepare re-entry to society at new prison

Sodexo is providing services to support rehabilitation and reintegration for more than 1,100 prisoners at the newly opened prison in Antofagasta. The ultra-modern 37,000-m^2 facility includes a training center and drug addiction prevention facility. Programs managed by Sodexo teams include addiction treatment, vocational training courses, psychological and social counseling, care for prisoner's infant children, and sports, cultural and artistic activities. Inmates can learn skills that will help them find employment working for Sodexo in areas such as maintenance, foodservices and laundry services or for outside companies with workshops installed inside the prison. Sodexo also supports prisoner reintegration by working with their families and coordinating with NGOs and government agencies during their incarceration and after their release from the prison.

FRANCE

Sodexo's innovative prisoner employment program earns Corporate Social Responsibility award

Circle Humania presented Sodexo with the **2013 CSR Innovation Award** for its investment in prisons and its **innovative Exponis program,** which supports prisoner rehabilitation through vocational assistance. Under the program, inmates nearing the end of their sentence are linked to businesses looking for employees. Since its inception, the program has helped 250 prisoners to find employment each year, a key element in their successful reintegration into society.

External work project supports prisoner reintegration

Acteurs publics magazine awarded the **2013 innovation prize** to the community of **Uzerche** and the **correctional services administration** for an integration project conducted in partnership with **Inserxo,** an association created by Sodexo to assist the social and professional reintegration of prisoners through local projects. Prisoners from Uzerche prison have been employed in rehabilitating a former paper mill in an "eco-neighborhood." This professional immersion has helped nearly 70% of the former prisoners who participated in the experiment to find employment or training since the beginning of the project, with none having been returned to prison.

UNITED KINGDOM

Increased job skills training

Following contract award in July 2013, Sodexo successfully took over the **overall management of Northumberland Prison** from the National Offender Management Service in December 2013. Under the 15-year contract, Sodexo will implement an innovative working prison model, enabling more prisoners to work for longer periods in order to improve their skills and increase their prospects for employment upon release.

Helping inmates to fight addiction

In partnership with local employment and substance abuse agencies, Sodexo launched **One Recovery Bury,** an innovative recovery service to combat alcohol and drug addiction at **Forest Bank** Prison. The program emphasizes individual well-being in helping offenders to recover and break the cycle of addiction, a key to successful re-assimilation into the community.

Key contract win

BELGIUM – SERVICES SUPPORT PSYCHOSOCIAL REHABILITATION

Sodexo was awarded a 10-year contract to provide facilities management services at a new **forensic psychiatric center in Ghent.** The secured institution, unique in Belgium, can accommodate 264 patients who have been convicted for offenses resulting from psychiatric problems. The objective is to improve the quality of life of internees – a key contribution to the high-level treatment provided – in the interests of psychosocial rehabilitation. Sodexo services include management of the site and human resources, information and communications technology, reception, registration, hygiene and cleaning services, foodservices, grounds keeping, laundry, accounting, security, shop management, parking and waste management.

Among our clients...

BELGIUM

Ministry of Justice, 1 prison, 1 forensic psychiatric clinic

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, 5 prisons

SPORTS AND LEISURE

KEY FIGURES

- **671** million euro in revenues
- **4%** of Group revenues
- **9,565** employees
- **807** sites

Source: Sodexo.

Our offer

QUALITY OF LIFE FOR EXCEPTIONAL MOMENTS

With more than 20 years experience, Sodexo is a valued partner for **world-class cultural and sports events,** including the Olympics and Rugby World Cup, and in managing **unique venues.** Sodexo knows what it takes to create exceptional moments for consumers: creativity, savoir-faire, refinement and enjoyment.

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.

From ticketing, travel, foodservices, security and logistics to sales and marketing, technical and artistic execution, Sodexo teams are expert at producing memorable events for attendees while enhancing the reputation of prestigious sites.

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 other solutions to attract consumers;
- **limiting discretionary spending** in many parts of the world;
- despite 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 key to clients seeking partners that can assist in attracting new guests to boost attendance and facility rentals;
- **digital technology** is changing models and concepts for sporting and cultural event organizers, providing 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 with 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...

LENÔTRE IN ASCOT

Lending a sublime French touch to an exceptional British tradition

Sodexo extended its 15-year relationship with Ascot Racecourse, signing a new 10-year contract to provide catering and hospitality services which include serving the 300,000 visitors that each year attend the five-day Royal Ascot. For the 2014 edition, Sodexo featured Lenôtre, symbol of culinary excellence.

Part of Sodexo since 2011, Lenôtre brought its exceptional culinary heritage and unique experience in creating memorable experiences at major events such as Roland Garros and Rugby World Cup. In France and abroad, Lenôtre's mastery of the creative, logistical and human aspects of the world's most prestigious events underpins its ability to meet and surpass the high expectations of clients.

For this year's Royal Ascot gourmet dining offer in the three-restaurant hospitality marquee, Lenôtre executive chef Guy Krenzer revisited the classic traditions of British cuisine in designing a handcrafted, Michelin-star worthy menu adapted to the local cuisine and traditions and emphasizing seasonal, locally grown produce. Wines chosen by Lenôtre's award winning sommelier, Olivier Poussier, combined subtle textures to splendidly complement the three different menus and lend a luxurious French touch to the event's rich tradition.

In preparation for Royal Ascot, Lenôtre teams worked alongside Sodexo's UK teams for two years to ensure a complete understanding of every detail and element that define the event. Together, the teams ensured an exceptional customer experience that created a wonderful keepsake for each guest.

Highlights

FRANCE – BRAZIL

École Lenôtre: passport to excellence

Sharing expertise, exchange, transferring knowledge – these are the values that led Gaston Lenôtre to open the doors of his vocational school in 1971. A culinary heritage and a standard of excellence that are exported today to benefit the greatest possible number through **"Master Class Lenôtre,"** an intensive training that opens doors to the food services industry. Already offered in Paris, Seoul, Lima and Buenos Aires in partnership with specialized schools and universities, the 24-week training program is now provided at the Centro **Universitário Senac** of **Campos do Jordão,** in the State of São Paulo, by École Lenôtre's highly qualified teachers. It begins with learning the basics of pastry, bakery and cooking, followed by an eight-module program. Culminating in an examination, the training program's diploma is a passport to careers in gastronomy worldwide.

Taking the field with France's soccer team

For the 23-member French soccer team competing in the **2014 World Cup in Brazil, Sodexo chef Yannick Coquisart** truly was the "24th man." In consultation with the team's training staff, Yannick prepared menus for the players' three meals a day based on three food groups: carbohydrates for energy, protein for muscle repair and locally produced seasonal fruits and vegetables for health protection. Back home in France, a 42-member Sodexo team looks after the National Soccer Center in Clairefontaine. Under a partnership extending more than 17 years, Sodexo delivers an array of services, including accommodations, foodservices, maintaining rooms, common areas, the medical center, sports areas and equipment, road cleaning and snow removal.

FRANCE – LENÔTRE CHEF ELECTED FRENCH PASTRY CHEF OF THE YEAR

The famed gastronomic **guide Gault Millau** named Lenôtre's **Christelle Brua** as France's "Best Pastry Chef" for 2014. Pastry chef of Sodexo's prestigious Michelin three star restaurant, Le Pré Catelan, Christelle's artistry had been previously recognized when her industry peers also elected her pastry chef of the year in 2009.

SPAIN – A CUSTOMIZED NUTRITIONAL REGIME: KEY TO SPORTS PERFORMANCE

The High Performance Center in Catalonia works to help athletes compete at the highest international levels, including the Olympics, in leveraging the most advanced technical and scientific resources. Sodexo's foodservices offer provides the perfect complement to fitness and training regimes by addressing the specific nutritional needs of each sport's discipline. Sodexo nutritionists work with each athlete to design a diet that suits their needs and meets the requirements of their sport in terms of macro- and micro-nutrients.

UNITED KINGDOM

New Prestige Venues & Events premium service launched

More than 200 guests were on hand at a showpiece function at Edinburgh's historic Assembly Rooms for the launch of Sodexo's new premium service, **Prestige Venues & Events.** Designed to showcase the culinary talent and fine events expertise of Sodexo teams, the new offer is based on client and customer feedback, market research and best practices, integrating the highest quality standards to ensure an exceptional customer experience.

Recognitions won by Sodexo chefs

Sodexo's culinary expertise was recognized through awards to two of its chefs. **Ben Harrison,** Head Chef at Royal Botanic Garden Edinburgh won the **Sports and Leisure Award** from Food Service Management Magazine for his innovation, dedication and commitment to using fresh, local and sustainable produce. In addition, Sodexo Prestige Events Executive Head Chef **Ben Dutson** was selected by his peers for the prestigious **2014 Acorn Award,** which recognizes flair and passion among young hospitality industry professionals. He also received the "Oscars for chefs" Craft Guild of **Chefs Banqueting & Event Chef Award** for his leadership and commitment to producing innovative food that meets the highest standards.

UNITED STATES – SODEXO MANAGED SITES WIN AWARDS

Special event industry recognitions won by Sodexo-managed venues during the year included the **Chicago Botanic Garden** as a best regional event venue. In addition, the **High Country Conference Center** in Flagstaff, Arizona, won three awards: the Gold Key Award for Excellence from corporate and association meeting planners, the Pinnacle Award for Outstanding Meeting Facility and the Best of the West Award chosen by meeting planners from around the world.

Key contract wins

FRANCE – HIGH QUALITY CUISINE AND MODERNISM AT THE POMPIDOU CENTER OF METZ

Sodexo was awarded a five-year contract to **provide foodservices and manage events** for the Centre Pompidou in Metz. Sodexo's offer includes a first floor dining room offering regional cuisine and a garden café. In the *"La Voile Blanche"* restaurant, Sodexo teams bring a contemporary touch to classic regional dishes in an elegant setting. In the "333" lounge bar, which transforms into a Saturday champagne bar, breakfast, a quick lunch or coffee are offered to accompany conversation or a rest break at any time of the day. Able to draw upon the 100,000-piece collections of the Centre Pompidou in Paris for its exhibitions, the modern and contemporary art museum has welcomed more than **2.1 million visitors** since its opening in May 2010.

INDIA – SODEXO EXPERTISE ON DISPLAY AT MAJOR EVENTS

At two of India's major cultural events, Sodexo Prestige teams showcased their ability to create unforgettable experiences despite challenging conditions.

Sodexo won the contract to manage the first **UPVAN Arts Festival,** held in Thane, near Mumbai. Attended by the biggest names in the national and international arts community, the event was spread over 15 acres, featured six stages, 2,500 performers and over 300 exhibition kiosks. This three-day festival welcomed 350,000 visitors in January 2014, during which Sodexo teams catered to 400 guests in the VIP Lounge area, serving beverages and fusion cuisine that reflected the celebration of art from around the world.

At the **Ragasthan Music Festival** in the remote Thar Desert of Jaisalmer, Rajasthan, Sodexo teams overcame extreme conditions to successfully deliver high quality food and beverage services to 2,500 people daily. As the event's official hospitality partner, Sodexo ensured continuous 24-hour service under extreme conditions over the four-day event. The strong logistics expertise of the Sodexo team helped in identifying and implementing solutions to overcome challenges such as the lack of nearby facilities. From the specialized storage and preparation zones created to manage food delivery and ensure the highest standards of food safety and hygiene to the special efforts to protect the environment and involve the local community, the team's performance under difficult conditions won praise from organizers and attendees alike.

SPAIN – MASTER CHEF'S TALENT COMBINES WITH SODEXO'S EXPERTISE FOR WINNING EVENTS

Sodexo won a 10-year contract to maintain and manage the 50 hectares and 16,000 m^2 of the three facilities of **Fuentepizarro,** located in the heart of the Sierra de Guadarrama. A special attraction is Sodexo's gastronomic consultant for the project, master chef Pepe Rodríguez, whose *"El Bohío"* and *"La Casa del Carmen"* restaurants in Toledo have both earned a Michelin star.

UNITED KINGDOM

Sustainable services nourish Glasgow 2014

For the **2014 Commonwealth Games in Glasgow,** held from July 23-August 3, Sodexo provided catering and hospitality services during the Games. This involved serving in excess of 800,000 meals to athletes, officials and staff based in the Athletes' Village, as well as catering for the public, staff and hospitality clients at Scotland's national stadium Hampden Park, the Athletics venue for the Games. The team had the honor of serving lunch for the Queen and 120 representatives from the Commonwealth Games Associations in the Athletes' Village. During the eleven sessions at Hampden Park the kiosks served 360,000 spectators. Working within the ground-breaking Glasgow 2014 Food Charter, Sodexo played its part in ensuring the food served at the Games was sustainably and ethically sourced as well as being fully traceable from farm to fork.

Flying high with Emirates Aviation Experience

Airline company Emirates chose Sodexo's high-quality **catering, facilities and operations management services** to help make Emirates Aviation Experience one of the UK's leading new visitor attractions. Visitors to the North Greenwich site dedicated to innovation and technology within the aviation industry can practice their takeoff and landing skills on simulators of two of the world's largest planes, the giant Airbus A380, and the twin-engine Boeing 777. Sodexo is providing front-of-house, ticketing, cleaning and technical services as well as managing the retail shop, and the onsite café. Sodexo also provides catering services at Emirates lounges in London Gatwick, Manchester and Glasgow Airports.

Among our clients...

ATHLETIC AND CULTURAL ACTIVITIES

Art Café, Strasbourg (France)

Ascot Racecourse, Ascot (United Kingdom)

Bateaux Parisiens, Paris (France)

Brighton & Hove Albion Football Club Training Ground, Lancing (United Kingdom)

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)

Emirates Aviation Experience, London (United Kingdom)

Grand Parc du Puy du Fou (France)

Hampden Park, Glasgow, Scotland (United Kingdom)

Henley Royal Regatta, Henley-on-Thames (United Kingdom)

HMS Belfast, London (United Kingdom)

Houston Zoo, Texas (United States)

Jardin du Petit Palais, Paris (France)

L'Olympique de Marseille (France)

L'Olympique Lyonnais, Lyon (France)

La Cité Musicale de l'Île Seguin (France)

La Grande Verrière du Jardin d'Acclimatation, Paris (France)

Le Centre Pompidou de Metz (France)

Le Musée des Regards de Provence (France)

Lenôtre, Cour des Senteurs, Versailles (France)

Le Paris Saint-Germain (France)

Le Rallye Dakar (Argentina-Chile)

Lido de Paris (France)

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

RHS Chelsea Flower Show, London (United Kingdom)

RHS Hampton Court Palace 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)

St. James' Park, Newcastle (United Kingdom)

The American Express Community Stadium, Brighton (United Kingdom)

The Open Championship (United Kingdom)

PRESTIGE RESTAURANTS

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

Le Pavillon Elysée Lenôtre Paris (France)

Le Pré Catelan (three Michelin stars), 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 by Siemens, London (United Kingdom)

Yachts de Paris, Paris (France)

HEALTH CARE

KEY FIGURES

- **3,123** million euro in revenues
- **17%** of Group revenues
- **67,941** employees
- **3,871** 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 in 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;
- medical 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 health care 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 care 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 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 health care 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: Bangkok Phuket Hospital in Thailand

WINNING PARTNERSHIP FOR IMPROVED QUALITY OF LIFE AND PERFORMANCE

To improve quality of life for patients, visitors and staff while controlling costs, Bangkok Hospital Phuket turned to its longtime foodservices provider, Sodexo, to deliver a broad range of facilities management services. The hospital is part of Bangkok Dusit Medical Services Public Company Limited (BDMS), Thailand's largest network operator of private general hospitals and a Sodexo partner since 2004.

Our client's and consumers' needs

Having previously outsourced facility services to a variety of companies, southern Thailand's most prestigious health care facility, Bangkok Hospital Phuket, faced challenges in maintaining quality, integrating services and controlling costs. To support its vision to become the ASEAN[(1)] Community's standard for regional medical care of choice, the hospital needed an expert partner capable of optimizing Quality of Life services to increase the satisfaction of 250 patients, 700 outpatients per day, and 1,240 hospital staff, improve operational performance and reinforce its attractiveness.

Sodexo's response

For nine years, Sodexo has been successfully delivering inpatient foodservices adapted to the special dietary needs of patients and managing visitor restaurants and staff cafeterias. Today, 270 Sodexo employees are delivering the same high level of performance for a broad array of facilities management services: building management and maintenance, energy management, wastewater processing and analysis, security, fire prevention, bio-cleaning (patient rooms, examining rooms and operating rooms), waste management, pest control, maintenance of green spaces and laundry.

Results

With the addition of these expert facilities management services to its responsibilities, Sodexo has ensured installation performance and that all hospital equipment is in full compliance with international standards. Under the new contract's unique pricing model, Sodexo-delivered services linked to the hospital's occupancy are charged as a percentage of the hospital's total revenue. In addition to providing Bangkok Phuket Hospital with greater visibility on its operating costs, the approach aligns both parties toward the same goals in supporting the hospital's growth and enhancing its reputation in the region.

"Entrusting all outsourced services to Sodexo has visibly improved service quality, simplified contract administration and helped us to better control costs. The Sodexo's innovative pricing model reinforces our partnership and we are expanding this approach to other hospitals in our network."

Kongkiat Kespechara, M.D. and CEO – Bangkok Hospital Phuket parent company, Group 3.2

Focus on...

THE FIGHT AGAINST HOSPITAL-ACQUIRED INFECTIONS

Hospital-acquired infections are responsible for an estimated 99,000 patient deaths per year in the United States and 37,000 deaths in Europe. Integration of adequate disinfecting protocols into hospital strategies can prevent 30% or more of these infections. Through its technical expertise, cleaning protocols and specific training programs, Sodexo helps Health Care clients minimize the risk of contamination and ensure a healthy environment for patients.

To respond to the rising threat of hospital-acquired infections, Sodexo implemented a new and improved response to high-risk cleaning based on pulsed xenon ultraviolet disinfection technology from Xenex. The disinfection technology was selected following a comprehensive review of the different methods and their relative advantages in terms of patient comfort, ease of use and the time required to perform the entire cleaning procedure. The cleaning technology chosen by Sodexo was found to be the fastest and most effective and is 30 times more efficient than traditional cleaning methods. The system also proved to be the safest method, as it uses no mercury or hydrogen peroxide, which can be toxic and polluting. Easy to use and reliable, the system requires just two five-minute disinfection cycles in a patient's room

(1) **ASEAN:** *Association of Southeast Asian Nations.*

and just one cycle in the bathroom compared with up to three hours for other technologies.

To optimize overall sterilization processes, Sodexo partners with clients throughout the world to ensure compliance with local regulations, ensure traceability, manage quality and control costs.

In bringing even more comfort, safety, and reliability to health care settings, Sodexo's cleaning and sterilization services minimize health risks and improve quality of life for patients, their families and health facility teams and, thus, the performance of its clients.

Highlights

INTERNATIONAL – SUPPORTING CLIENT CONTINUOUS IMPROVEMENT

Clients in emerging countries continue to rely on Sodexo's global health care expertise to achieve and maintain accreditation from international agencies. In addition to gaining accreditation, Sodexo's Quality of Life services also improve patient comfort, staff satisfaction and operational performance, thus contributing to client competitiveness.

- **In India,** NABH[(1)] accreditation was received by Indraprastha Medical Corporation Ltd which also saw its JCI[(2)] accreditation renewed. NABH accreditation was renewed for Shalby, Fortis Mulund and Lilavati hospitals.
- **In Singapore,** Sodexo teams helped National University Hospital, KK Women's and Children's Hospital and Thye Hua Kwan Hospital achieve ISO 22000 food safety certification.

BRAZIL – HEALTH CARE INDUSTRY GROUP NAMES SODEXO TOP SERVICES COMPANY

Sodexo was presented with the **"Top Hospitalar 2014"** award, the most important award for Brazil's health care industry. It is the seventh time that Sodexo has received the recognition as the industry's best supplier, which is voted on by hospitals, clinics and laboratories.

FRANCE – PAMPERING NEW MOTHERS IN THE MATERNITY WARD

Sodexo's **Maternea offer** is designed to respond to the particular food preferences and nutritional needs of new mothers and contribute to their well-being. The service offers *à la carte* restaurant ordering and is available *via* a special smartphone app. Maternea offers patients the freedom to choose either hearty or light balanced and healthy meals and snacks to celebrate the happy event with their guests and Sodexo special touches, such as courtesy trays, boxes of sweets and flowers to further beautify their stay.

SPAIN – ONLINE STORE SIMPLIFIES LIFE FOR MEDICAL STAFF

Busy medical team members working at public health consortium **Consorci Sanitari Integral** (CSI) facilities now can conveniently purchase competitively priced products with just one click at an online store designed and developed by Sodexo. The new service helps support better work-life balance for employees at three CSI's hospitals where Sodexo provide foodservices for more than 600 patients.

UNITED KINGDOM – SAFETY COMMITMENT WINS INDUSTRY RECOGNITION

Sodexo Health Care sites **Central Manchester Hospital, North Staffordshire Hospital** and **Wythenshawe Hospital** were recognized at the **2014 International Safety Awards.** Winners are chosen from over 500 entries each year by an independent panel of chartered health and safety professionals in recognition for performance excellence.

UNITED STATES – WINNING ENERGY PERFORMANCE FOR SHARP HEALTHCARE

Sodexo teams have helped client Sharp HealthCare save over 15 million kWh in electricity over the past four years. The performance has helped two Sharp hospitals **achieve Energy Star ratings**[(3)] and won recognition for Sharp as **the leading health care energy champion** in San Diego from local utility San Diego Gas and Electric. A Sodexo client for almost 20 years, Sharp is a not-for-profit integrated regional health care delivery system with over 15,000 employees and 2,600 affiliated physicians. In addition to foodservices, Sodexo provides a range of technical facility services, including environmental services and maintenance.

(1) *The National Accreditation Board for Hospitals & Healthcare Providers (NABH) is a constituent Board of the Quality Council of India, which establishes and operates accreditation programs for health care organizations.*

(2) *Joint Commission International (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.*

(3) *Energy Star is a U.S. government program that promotes energy savings that is also used in Canada, Australia and the European Union. It was launched in 1992 by the U.S. Environmental Protection Agency (EPA).*

Key contract wins

BRAZIL – COMPREHENSIVE FOODSERVICES PROPOSAL PROVES A WINNER

To win the contract to provide foodservices to patients, visitors and 1,500 staff at **Hospital Mater Dei** in Brazil's fifth largest city of Belo Horizonte, Sodexo proposed a quality of life solution based on a close understanding of the client's needs. The Sodexo offer includes a choice of delicious dishes, a gourmet restaurant and lounge, and cafeterias. A centralized kitchen provides six patient meals per day in the 270-bed hospital.

CHILE – CUSTOMIZED FOODSERVICES SUPPORT SANTIAGO'S BENCHMARK HEALTH CLINIC

Santiago's new leading health care facility, the **University Clinic de Los Andes,** chose Sodexo to provide foodservices to its 600 employees and manage the cafeteria, vending machines and hot beverage services. Sodexo also oversees purchasing, manages inventories for non-medical food and controls costs. The first of the clinic's newly inaugurated buildings provides services for 200 patients.

CHINA – SODEXO PARTNERS WITH BEIJING JISHUITAN HOSPITAL

Sodexo was awarded the contract to provide foodservices for patients and staff at the new **Huilongguan** branch of Beijing Jishuitan Hospital. The national facility is particularly renowned for its orthopedic care and treats patients from throughout the country. The **1,000-member medical staff** at the new 500-bed general hospital serves a regional population of 300,000 people.

INDIA – MULTIPLE HOSPITALS CHOOSE SODEXO

Sodexo teams won a **series of contracts at multi-specialty hospitals,** adding to its growing Health Care business in India. Sodexo began providing Quality of Life Services at the 500-bed Jaypee Hospital in Noida, Delhi and the 110-bed Krishna Shalby Hospital in Ahmedabad. Thanks to recognized performance over the years at the Vijaya Hospital in Chennai, Sodexo now provides foodservices for patients, staff and doctors at the nearby Vijaya Health Centre, a 180-bed facility. And finally, Sodexo began operations in August 2014 at Wockhardt Hospital, a 350-bed hospital located in central Mumbai, providing inpatient dining, and foodservices for doctors, staff and visitors.

ITALY – CARING FOR CHILDREN WITH LEUKEMIA

Sodexo is working as part of a consortium in designing and building a new leukemia research and treatment center at **Monza Hospital** just outside of Milan. The **Maria Letizia Verga Center** is designed to provide an optimal care environment for patients and their families and will serve as an international benchmark for children suffering from leukemia when it is completed in 2015. Sodexo teams are developing and installing the new center's HVAC solution, designed to ensure optimum comfort for staff and patients. Sodexo is also designing and installing systems for sanitary hot water, steam for sterilization and humidification and a specialist system to deliver medical gases to patient bedsides and laboratories in the 7,700-square-meter facility.

PHILIPPINES – HEALTH CARE TEAMS SCORE INITIAL SUCCESSES

The Medical City, a tertiary care hospital in Manila serving 40,000 in-patients and 400,000 out-patients annually, is one of the major contracts won by Sodexo's new health care market team in the Philippines. Services provided under the two-year contract include electrical systems, chiller operation, HVAC, instrumentation, plumbing, hygiene and project management.

UNITED KINGDOM – MAJOR CONTRACT WITH IMPERIAL COLLEGE HEALTHCARE

Patient dining and transportation, retail and domestic and housekeeping services are among the services Sodexo is providing under a five-year contract with Imperial College Healthcare. The contract, which can be extended for five additional years, covers **four hospitals** in central and western London, serving two million patients every year. The client chose Sodexo based on its cost-effective offering of cleaning services conforming to the highest hospital environment standards, foodservices meeting the high expectations of patients and innovative and efficient patient transport solutions.

UNITED STATES

Improving the patient experience

One of the nation's leading health care systems, providing high quality, patient centered medical care, **University Hospitals** in Cleveland renewed its confidence in Sodexo. More than 4.5 million outpatient procedures are performed annually at the system's 10 acute care hospitals, which have 2,100 beds and more than 24,000 physicians and employees. Sodexo's partnership with University Hospitals began in 2001 and is based on a shared commitment to enriching the patient experience. Expanded over the years, the services Sodexo provides under the contract renewed in 2014 that contribute to University Hospitals' health care leadership include environmental services, food and nutrition services and facilities management services. An affiliate of Case Western Reserve University, University Hospitals has been recognized in U.S. News and World Report's annual rankings of the country's best hospitals.

Expanded services for Wheaton Franciscan Healthcare

Sodexo expanded its partnership with Wheaton Franciscan Healthcare, the leading health care provider in southeast Wisconsin, adding Clinical Technology Management. Sodexo has been providing **food and nutrition and environmental services** since 1999 to its client's health care system, which treats more than 300,000 patients annually at eight hospitals with 1,150 beds and 125 outpatient care centers. The new five-year agreement covers **maintenance and repair services** for more than 22,000 unique device types, system wide. Sodexo's proposal matched the client's needs with the Company's technical and professional expertise to create a customized solution that ensures the availability of essential equipment and high quality service for which it is known.

Among our clients...

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

Bangkok Medical Centre (Thailand)

Bangkok Phuket Hospital, Phuket (Thailand)

Barking Havering and Redbridge University Hospitals NHS Trust, 2 hospitals, London (United Kingdom)

Beijing Jishuitan Hospital (China)

Bumrungrad Hospital, Bangkok (Thailand)

Bundeswehrkrankenhaus, Ulm (Germany)

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

Catholic Health Initiative, Denver, Colorado – 18 hospitals in 5 states (United States)

Central Manchester Hospitals NHS Foundation Trust, 4 hospitals, Manchester (United Kingdom)

Clinica de Los Andes, Santiago (Chile)

Clinica Servet, Providencia (Chile)

Danderyd's Hospital, Danderyd (Sweden)

Esho Empresa de Serviços Hospitalares SA – Hospital Vitoria, São Paulo (Brazil)

Healthcare Corporation of America, 8 hospitals, Texas (United States)

Herzzentrum Bodensee, Konstanz (Germany)

Monza Hospital (Italy)

Hospital Italiano de Buenos Aires (Argentina).

Hospital Mater Dei, Belo Horizonte (Brazil)

Hospital Monte Klinikum, Fortaleza (Brazil)

Hospital Restinga, Porto Alegre (Brazil)

Hospital Universitario San Ignacio, Bogotá (Colombia)

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

Instituto Argentino de Diagnóstico y Tratamiento Buenos Aires (Argentina)

Jaypee Hospital, Noida, Delhi (India)

Klinikum Darmstadt (Germany)

Krakow University Hospital (Poland)

Mackenzie Health, Ontario (Canada)

Medical City Hospital, Manila (Philippines)

Medi-Partenaires, 25 sites (France)

Military Medical Institute (WIM), Warsaw (Poland)

Mutual de Seguridad, Punta Arenas (Chile)

National University Hospital (Singapore)

Nouvelles Cliniques Nantaises, Nantes (France)

Onkološki Inštitut Ljubljana (Slovenia)

Pantai Hospital (Malaysia)

Sakra World Hospital, Bangalore (India)

Sanatorio de la Trinidad, San Isidro (Argentina)

Shanghai 1st People Hospital, Shanghai (China)

Shanghai Renji Hospital, Shanghai (China)

Siriraj Hospital, Bangkok (Thailand)

St. Michaels Medical Center, New Jersey (United States)

Stockholm County Council (Sweden)

Tun Hussein Onn National Eye Hospital (Malaysia)

Universitair Ziekenhuis Gent, Ghent (Belgium)

University Hospital of North Staffordshire NHS Trust, 2 hospitals, Stoke on Trent (United Kingdom)

Universitätsklinikum, Erlangen (Germany)

Universitätsklinikum, Tübingen (Germany)

Vienna Hospital Association (Austria)

Vitalia, 38 sites (France)

Vithas, 8 sites (Spain)

Vítkovická Hospital, Ostrava (Czech Republic)

Vivalto, 9 sites (France)

Wilhelminenspital, Vienna (Austria)

Wockhardt Hospital, Mumbai (India)

SENIORS

KEY FIGURES

- 1,157 million euro in revenues
- 7% of Group revenues
- 8,575 employees
- 2,831 sites

Source: Sodexo.

Our offer

IMPROVING THE QUALITY OF LIFE OF SENIORS

Sodexo helps ensure the overall well-being of seniors through 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...

BEHAVIORAL TRAINING TO OPTIMIZE QUALITY PATIENT CARE

INTERNATIONAL – CARES: COMPASSION, ACCOUNTABILITY, RESPECT, ENTHUSIASM, SERVICE

CARES, the Sodexo-designed behavioral training program for employees working in Health Care and Seniors facilities has been implemented at 1,600 locations in the U.S. and extended to five other countries.

Taught by Sodexo trainers, CARES consists of six learning modules, including an introductory module centered on the patient-resident experience. Training is focused on customer-caregiver role-playing and the use of appropriate voice and body language to reinforce awareness and behaviors that treat each consumer as a unique and valued individual and offer the best possible quality of life.

Through a recent study exploring what seniors need and expect from caregivers, Sodexo has been able to take actions and provide services that are even more relevant and meaningful to its elderly consumers. Areas identified as important in the study have been integrated into CARES training to further customize the patient experience. For example, the Respect training module responds to a key priority for elderly patient populations for dignity and feeling safe and secure.

Highlights

FRANCE – SENIORS SHOW TEAM SPIRIT IN COOKING CONTEST

Patients and residents from **22 Korian senior institutions** throughout France took part in the **Koréo culinary competition,** co-organized by Sodexo and Korian Group around a themed celebration of chocolate. The initiative sought to foster teamwork, sharing and exchange around a common project. Competing teams, composed of a resident or patient, a Korian employee and a Sodexo employee, worked together for five months, creating and perfecting recipes. A panel chaired by chef Guy Krenzer, double winner of the *Meilleur Ouvrier de France,* judged the national final, held at L'École Lenôtre. The winning recipe, a gourmet chocolate dessert created by a team from Korian's **Villa d'Albon,** was featured on all Korian residence menus as a special Easter Sunday treat for patients and their guests.

FRANCE – FACILITATING LIFE FOR INDIVIDUALS WITH DISABILITIES

As a partner at numerous facilities for individuals with disabilities, Sodexo is committed to **integrating people with disabilities more fully into society and the workplace.** In enabling people with disabilities to overcome daily challenges and making their daily life simpler, safer and more enjoyable, Sodexo works actively to increase awareness – and alter attitudes – about all forms of disability.

Encouraging healthy nutrition through color coding

An **educational training program** developed by Sodexo is helping individuals with disabilities learn about the composition of a balanced diet. The long-term support program emphasizes learning while avoiding feelings of guilt and is adapted to each individual's level of comprehension. Attractive, colorful tools and other visual cues as well as playful workshops enable the delivery of simple, positive messages. Training is also open to families of residents to enable them to further reinforce the program's long-term influence on their loved ones' healthy eating habits.

Challenging assumptions through cooking

The **"One for all, all for one"** competition, symbolizes Sodexo's commitment to promoting integration and autonomy for people with disabilities through learning, sharing and helping each other. The annual cooking contest's 16th edition, organized under the patronage of renowned chef Michel Bras, drew contestants from Sodexo-managed facilities throughout France who competed in regional competitions in order to qualify for the finals in June. This year's theme involved the creation of a delicious, gourmet dessert made with vegetables, underlining the importance of challenging assumptions, about food – and each other! Congratulations to the team from the **Villa Normande** medical care home for adults with disabilities, winners of this year's competition.

UNITED STATES – IMPROVING SENIOR WELL-BEING

Partnering with leading associations for the elderly

Sodexo works to improve the quality of long-term care and create new opportunities for seniors in the U.S. through leading associations such as the **American Health Care Association** (AHCA), **National Center for Assisted Living** (NCAL) and **LeadingAge.** With AHCA/NCAL, Sodexo supports programs to improve the senior care profession and build powerful alliances with leaders in the long-term care market. Through its partnership with LeadingAge, an association of 6,000 not-for-profit organizations dedicated to aging advocacy, Sodexo works to advance policies, practices and research that enable people to live fully as they age.

Quality of Life services pay dividends

The Virginian, a medical facility for seniors located in Fairfax, Virginia and renowned for its Quality of Life, chose to assign its facilities management services to Sodexo in 2012, its partner for 20 years for foodservices. By optimizing the use of infrastructure and space management, strengthening security, reducing operational costs, increasing the productivity, commitment and loyalty of employees, Sodexo teams have already secured results that confirm their client's 5-star rating, a classification that depends on the level of infrastructure, residents' satisfaction and the quality of life provided.

Key contract wins

AUSTRALIA – SERVICES SOLUTION SUPPORTS CLIENT'S HIGH QUALITY OFFER

Sodexo is providing foodservices to over **1,000 residents in all 10 state-of-the-art residences** operated by **TLC Aged Care** homes in Victoria, Australia. Recognized as a premier provider of quality aged care, TLC chose Sodexo for its ability to deliver consistently high quality services in line with the changing needs and expectations of residents. For example, Sodexo services include a new café and an *à la carte* restaurant at TLC's newest facility in Melbourne.

BELGIUM – SPECIALIZED SUPPORT FOR PATIENTS WITH DEMENTIA

Sodexo was selected to improve quality of life through its new **Dignicare offer** for **Menos,** a 120-resident skilled nursing facility in the city of Genk, specialized in people with dementia. Dignicare adapts foodservices and food environment design for residents that are progressively losing autonomy. Developed by Sodexo teams in the U.S., the Netherlands, Italy and Belgium, the program is designed to transform the dining experience into a sensory activity through an individualized approach that emphasizes health and well-being and a safe, calming and comfortable environment.

FRANCE – EXPERIENCE AND EXPERTISE CONTRIBUTE TO NEW CONTRACT WIN

ADAPEI, an association for friends and family of children with adaptive issues, chose Sodexo to provide foodservices at its **26 facilities** throughout the Charente Maritime region. ADAPEI's 534 employees provide services through three centers of activity (infants, adapted work and lodging) to nearly 1,000 individuals with disabilities. In some facilities, meals prepared by Sodexo teams are served by company-trained ADAPEI employees. Key factors in the contract win included Sodexo's expertise in meeting the nutritional needs of individuals with disabilities, its training capabilities, the satisfaction of other clients in neighboring regions and Sodexo's commitment to delivering quality while achieving savings.

SPAIN – REDISCOVERING THE PLEASURE OF TASTE

In Spain's Basque region, **IGURCO** chose Sodexo for its nutritional expertise to meet the specific needs of elderly consumers at senior residences. Sodexo is providing foodservices for more than **780 residents** at **five facilities** through its **Saborea nutritional offer,** designed for people with swallowing and chewing difficulties. The concept relies on the use of natural raw materials to preserve the nutrients, aroma, flavor and color of traditional recipes to combat malnutrition in encouraging seniors to rediscover the pleasure of eating.

UNITED STATES – FACILITIES MANAGEMENT SERVICES ADD TO SENIORS' SATISFACTION

Numerous clients chose Sodexo during the year based on the strength of its comprehensive facilities management services in responding to the needs and expectations of seniors in improving their quality of life.

- At **Presbyterian Home for Central New York,** where Sodexo is already providing foodservices for the 452 senior residents, the Company was entrusted by its client with responsibility for facility management services at the 62-acre continuing care retirement community.
- In New Jersey, Sodexo won a contract to manage operations and maintenance, grounds, housekeeping and laundry services as well as foodservices for **1,400 senior residents** on behalf of its client **United Methodist Homes.**
- In addition to foodservices, Sodexo provides a wide range of integrated facility management services to **Charles T. Sitrin Health Care Center in** New York, an innovative regional provider of health and rehabilitative services. Sodexo teams are responsible for long-term care, medical rehabilitation, assisted living, adaptive sports and wellness services. Sodexo also manages independent living residences, special needs residences, adult day health care and childcare.

Among our clients...

ADAPEI 85 (France)

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

Baptist Housing, 5 sites, British Columbia (Canada)

Diakonische Dienste, Hannover (Germany)

Domain Principal Group, 7 sites (Australia)

Fondation Caisses d'Épargne pour la Solidarité, 94 sites (France)

Fondazione Santa Maria Ausiliatrice, Bergamo (Italy)

Grupo SAR (Spain)

Korian, 95 sites (France)

Loomis Communities, Massachusetts, 5 sites (United States)

Maison Marie Immaculée, 4 sites, Neufvilles (Belgium)

Maisons de Soins de Bettembourg et de Wasserbillig (Luxembourg)

MENSA, 8 sites, Meulebeke (Belgium)

Mercy Community Health, Connecticut, 2 sites (United States)

Novaire, 11 sites (Spain)

Providence Place Senior Living, Pennsylvania, 5 sites (United States)

Retirement Home, City of Stockholm (Sweden)

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

Seniorenheim, Hermannsburg (Germany)

Seniorenzentrum, Hittfeld (Germany)

Shepherd Village, Toronto, Ontario (Canada)

Stiftung Haus Zuflucht Pflegeheim, Soltau (Germany)

StoneRidge, Pennsylvania, 3 sites (United States)

TLC, 10 sites, Victoria (Australia)

United Methodist Homes of New Jersey, 10 sites (United States)

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

Yallambi Aged Care Facility, Melbourne, Victoria (Australia)

EDUCATION

KEY FIGURES

- **3,783** million euro in revenues
- **21%** of Group revenues
- **93,106** employees
- **5,554** 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 and quality of life. Sodexo helps Education clients respond to the expectations of students and families as well as educators and staff, helping **ensure a safe, welcoming and healthy learning environment.** Sodexo's efficient and innovative integrated service offers:

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

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.

Focus on...

THE FIGHT AGAINST OBESITY

International – Building healthy bodies... and better quality of life

Poor eating habits and obesity are major concerns affecting both developed and emerging countries. Sodexo is at the forefront in the battle against these public health threats and has made promotion of healthy diets and physical activity two of its top priorities.

Because 90% of children who are severely overweight at age six become obese adults, raising awareness regarding the importance of a healthy life style early in each child's life is critical. In teaching children the basics for a nutritious, varied and balanced diet, and encouraging physical activity, Sodexo is working each day to help its partners, parents and teachers in the fight against obesity.

United States – Teaming up to fight childhood obesity

Sodexo joined the Partnership for a Healthier America (PHA) in announcing new commitments to battle childhood obesity. An estimated 12.5 million children in the U.S. are classified as obese, increasing their risk for cardiovascular disease, Type 2 diabetes and cancer. Obesity has become the second leading cause of preventable death in the U.S.

With its strong presence in schools, Sodexo offers varied, nutritious and balanced meals and encourages students to make good eating choices at a young age. Sodexo's commitments include equipping school lunchrooms with tools to adopt healthy eating habits in 90% of school accounts. Sodexo also will provide 17 million free healthy breakfast meals in schools by 2018, ensuring students start the day with proper nutrition.

United Kingdom – Preparing the future

The 2014 Sodexo University Lifestyle Survey marked the 10th anniversary of this highly regarded evaluation of **UK student population attitudes and expectations** regarding non-academic services. The survey involved a representative sample of 2,000 students from 144 universities. The publication of the results was the catalyst for Sodexo's Higher Education Round Table event held in May at which senior Higher Education executives from across the sector reflected on the solutions Sodexo could bring to offer learning environments that best respond to students' changing expectations.

France – Eat well, move well!

Sodexo's *"Bien manger, bien bouger !"* (Eat well, move well!) campaign seeks to encourage students aged six to 12 to **adopt healthy eating habits** and to engage in regular **physical activity** each day, in accordance with French government guidelines[(1)]. During the 2013-2014 school year, the program was implemented in school cafeterias in the communities of Montélimar and Saint-Genis-Laval.

Highlights

CHINA – UNPRECEDENTED RECOGNITION

At the **Beijing City International School,** Sodexo's team received the "Distinguished Service Certificate" in 2013. It is the first time an award has ever been presented to a service supplier by the renowned school, whose 700 students range from primary school to international baccalaureate levels and come from 50 countries.

FRANCE – GOURMET EXPERIENCE REINFORCES HEALTHY EATING

Sodexo invited the **500,000 students** it serves each day in French schools to participate in gourmet events, created in partnership with its **École Lenôtre,** throughout the school year. Featuring new recipes designed especially for young people as well as entertaining activities, the program emphasized the pleasure of eating tasty, nutritious dishes prepared with quality seasonal products. The year-long gourmet program culminated with a family cooking competition organized in June 2014 at the Lenôtre pavilion on the Champs-Élysées in Paris.

SPAIN – LEARNING WHILE EATING

Sodexo has made mealtime in schools a place to teach healthy eating habits through a variety of **recreational learning activities.** Teams can draw upon a broad portfolio of activities such as storytellers, bilingual theater and international days. One of the most popular activities is **"From the garden to the table",** in which children study the origins of the food they eat. Through the **"1 + in the dining room"** program, students learn about the importance of healthy eating and physical exercise and can increase their understanding of others by sponsoring a child from Peru.

UNITED KINGDOM – SODEXO CHEF JOINS INTERNATIONAL ELITE

Michael Godfrey, who leads Sodexo's catering team at Eton College, was accepted into the prestigious **Disciples d'Escoffier**[(2)] international culinary order for his commitment to promoting the development of the foodservices profession. Michael Godfrey is also responsible for training the British national team for the international "WorldSkills Competition."

(1) *National Nutrition and Health Plan (PNNS): Launched in 2001, the French National Health and Nutrition Program is a plan for improving public health through a focus on nutrition. A government sponsored public/private collaboration involving government officials, research, health, education and industry professionals and interest groups, the PNNS program sets four priority objectives focusing on nutrition and physical activity.*

(2) *The International Brotherhood of Escoffier Disciples was created in 1954 by a former chef of Auguste Escoffier, to honor the "king of chefs" and "chef of kings." The disciples share and pass on their knowledge, and promote the history and constant evolution of gastronomy.*

UNITED STATES – NUTRITION AND HEALTHY EATING INITIATIVES RECOGNIZED

Two Sodexo innovations were recognized with awards from Food Management magazine. The Company's **Did You Know Café,** designed to appeal to hard-to-please middle school and junior high students (ages 11-14), won the **2013 Best Concept Award.** It combines food concepts designed to appeal to young tastes, balanced menus with tempting dishes and nutritional education through "fun facts" and "tips of the week." In addition, Sodexo won the **Best Wellness Concept** for its **Simple Servings** dining option for universities, providing safe and appetizing food choices for students with food allergies, gluten intolerance or who prefer simpler foods. Simple Servings also includes mandatory training on food allergens and consumer communications.

Key contract wins

CHINA – EXPANDING CAMPUS QUALITY OF LIFE

YMCA of Hong Kong Christian College chose Sodexo as the foodservices provider for its 1,000 students and 100 staff, the Company's first partnership in Hong Kong's emerging direct subsidy school market. The school, which draws students from 40 countries, awarded the seven-year contract based on Sodexo's track record in adding value to the quality ofl life across education campuses in Hong Kong and beyond.

COLOMBIA – FIRST UNIVERSITY CONTRACT

Sodexo teams created two innovative new dining offers as part of a new three-year contract with **Universidad de Los Andes** in Bogota, the Company's first in the country's university sector. Sodexo chefs from India, Peru and Spain serve meals for the university's **16,000 students** and its staff at the campus cafeteria and at a healthy eating outlet located at one of the highest vantage points on campus. Consumers also have the option of healthy meals from Sodexo's Simply To Go carry-out facility.

FINLAND – PARTNERSHIP CREATES WORK EXPERIENCE OPPORTUNITIES

At the **JAMK** University of Applied Sciences in Jyväskylä, Sodexo is serving **4,500 students** and **700 employees at six campus** sites. The university chose Sodexo based on its healthy eating and its fair trade beverages offer, as well as the Company's commitment to offer student training and internship opportunities in its restaurants.

FRANCE – NEW PRIVATE AND PUBLIC SCHOOL CONTRACTS ENTRUSTED

In the Paris suburb of **Asnières-sur-Seine,** Sodexo is operating the central kitchen and distribution centers to provide foodservices **for 6,700 students** in **34 school** restaurants under a seven-year contract.

The Company also won a major contract to provide foodservices for **900 students** at **11 Catholic schools** in Bassin de Pontivy, Locminé, Guémené-sur-Scorff and Mûr-de-Bretagne in the Brittany region.

INDIA – HIGH LEVEL DINING SERVICES AT ELITE SCHOOL

Sodexo was awarded the contract to provide foodservices to 800 students at the elite **Indian School of Business (ISB)** in Hyderabad. The contract also includes executive management dining and VIP banquet dining services for visiting faculty from around the world. Sodexo enhanced the cafeteria's attractiveness, strengthened communications and installed its "Unity" food court offer, which offers a variety of nutritionally balanced food options for students at colleges and universities in India. Other Sodexo programs at the school include IT support services and managing the bar and kiosk.

SINGAPORE – CATERING TO HIGHLY DIVERSE TASTES

Sodexo provides foodservices for 3,000 students and 400 faculty and staff on two campuses of the **Canadian International School** in Singapore. The offer includes varied menus designed to meet the highly varied tastes of the school's diverse population. Sodexo teams now serve 20,000 students, teachers and staff at various schools in Singapore.

THAILAND – MULTI-TECHNICAL EXPERTISE

Panyapiwat Institute of Management has entrusted Sodexo with providing a comprehensive range of integrated facilities management services including building management, technical Facilities Management, housekeeping, security, administrative management and banqueting/functions management. The university population includes 3,500 students, 300 staff and 200 faculty members.

UNITED KINGDOM – MEETING CLIENT EXPECTATIONS – DIVERSITY AND SUSTAINABILITY

Internationally inspired menus with a focus on innovation and sustainability are part of Sodexo's winning foodservices and hospitality offer chosen by University College London (UCL), England's third oldest university.

The services are part of Sodexo's commitment to delivering quality, variety and diversity for the university community's **25,000 students** and **9,000 staff** and include features such as specially selected independent pop-up and street food providers as guest vendors. UCL awarded the three-and-a-half year contract to Sodexo as part of a move to ensure consistently high quality for its staff and a student community drawn from 155 countries around the world. Reflecting both partner's shared social and environmental values, Sodexo has committed to reduce the carbon output from on-site foodservices and meet ambitious sustainable food targets. Sodexo's ethical coffee brand, Aspretto, which is triple certified (Fairtrade, Rainforest Alliance and organic) is being introduced across all outlets.

UNITED STATES

A comprehensive services model for Public Schools

Chicago Public Schools (CPS) chose Sodexo to ensure delivery of a wide range of services to improve Quality of Life at **680 schools** across the city. Under the contract, Sodexo is managing and supporting CPS' facilities services and energy expenditures. Sodexo's innovative proposal includes a **pilot approach** for **integrated facilities management** services being implemented for 33 schools, covering engineering, grounds keeping, custodial, service contracts and energy management, assessment and planning. Sodexo also coordinates and tracks the comprehensive facilities services program being implemented by CPS at the city's remaining schools. The approach is already viewed by the client as offering exceptional value.

The importance of attractive foodservices on campus

Sodexo's ability to improve the quality of life experience for students, faculty, staff and guests led to a number of new contract wins during the year. **Jackson State University** in Mississippi selected Sodexo for a 10-year foodservices partnership based on an innovative roadmap conceived by Sodexo to reinforce the University's aggressive enrollment growth plans. In Denver, Sodexo partnered with the **University of Colorado's Anschutz Medical Campus** to provide catering and retail services under an eight-year contract. **William Rainer Harper College** in Palatine, Illinois, also chose Sodexo to provide campus dining services through a 10-year food services partnership.

Among our clients...

Aalto University, Helsinki (Finland)

Acadia University, Wolfville, Nova Scotia (Canada)

American Schools of Bombay, Mumbai (India)

Benedictine University, Lisle, Illinois, (United States)

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

Brisbane Girls Grammar School, Brisbane (Australia)

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

British School of Beijing (China)

Chicago Public Schools, Illinois, (United States)

Colegio Academia Humanidades, Santiago (Chile)

Colegio Santa Cruz de Chicureo, Colina (Chile)

Darüşşafaka Schools (Turkey)

Dhirubai Ambani International School, Mumbai (India)

Écoles de la ville de Brest (France)

Écoles de la ville de Marseille (France)

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

Établissement Privé Saint Vincent, Rennes (France)

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

French Schools, Singapore, Doha (Qatar), Bangkok (Thailand)

Haileybury College, Melbourne (Australia)

Hansestadt Rostock, Amt für Schule und Sport (Germany)

Hobart and William Smith, Geneva, New York (United States)

Hong Kong International School, (China)

Indian School of Business (ISB), Hyderabad (India)

Insead (Singapore)

Instituto de Empresa (Spain)

Jain Global University, Bangalore (India)

Jakarta International School (Indonesia)

JAMK University of Applied Sciences, Jyväskylä (Finland)

Johnson and Wales, Denver, Colorado (United States)

Kindergartens and Primary Schools, Debrecen (Hungary)

Lake Forest Academy, Illinois (United States)

Lecong Middle School, Guangdong (China)

Liceo Francés Jean Mermoz, Buenos Aires (Argentina)

Lidingö Municipality, Stockholm (Sweden)

Lycée Franco Qatarien Voltaire, Doha (Qatar)

Lycée Louis Massignon, Abu Dhabi (United Arab Emirates)

Mahindra United World College of India, Pune (India)

Oasis Community Learning, 17 sites (United Kingdom)

OP Jindal Global University, Sonepat, Haryana, NCR of Delhi (India)

Örebro University (Sweden)

Queen's University, Kingston, Ontario (Canada)

Saudi Mining Institute (Saudi Arabia)

Schools of the city of Vienna (Austria)

Southampton Solent University (United Kingdom)

St Paul's College, Sydney University (Australia)

Sultan Qaboos University (Oman)

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)

University of Technology and Economics, Budapest (Hungary)

Western Kentucky University, Bowling Green, Kentucky (United States)

Westfield-Washington School District, Indiana (United States)

Woldingham School (United Kingdom)

YMCA of Hong Kong Christian College, Hong Kong (China)

1.3.2.2 BENEFITS AND REWARDS SERVICES

ACTIVITY

KEY FIGURES

- **15.5** billion euro in issue volume (of which 62% is digitized)
- **751** million euro in revenues
- **4%** of Group revenues
- **4,054** employees
- Around **425,000** clients (excluding individuals)
- Nearly **32.2** million beneficiaries and consumers
- More than **1.2** million affiliated commercial partners
- **34** countries

Source: Sodexo.

Our offer

IMPROVING QUALITY OF LIFE TO BOOST MOTIVATION

In addition to its widely recognized meal and food vouchers and cards, Sodexo designs, manages and delivers nearly 250 services in the area of benefits and rewards for employees and citizens. **Adapted to each client's strategic objectives,** these services improve quality of life for individuals:

- helping them to perform daily activities with **ease and efficiency;**
- encouraging **healthy lifestyles;**
- making them **feel truly valued** as employees;
- promoting **social interaction,** including through culture and entertainment;
- facilitating **learning and progress;**
- contributing to **comfort and safety.**

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

Combining **economic performance** and sustained **improvement in quality of life,** Sodexo's offer is focused around four service categories:

- **recruit, retain and motivate talented people.** Employee Benefits responds to the issues of company compensation policies, helping clients enhance their attractiveness as an employer and improve organizational efficiency;
- **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, develop loyalty, promote good plant safety practices and ensure business continuity;
- **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 social policy, cultural and educational goals;
- **help everyone enjoy gift giving and receiving.** Leveraging its expertise in gift giving programs designed for client employees, Sodexo provides consumers **Gift Boxes and Cards** for any occasion, combining freedom of choice with simplicity.

Market trends and growth potential

MARKET TRENDS

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

- **the following macroeconomic factors:**
  - **macroeconomic change:** the increasing importance of the service economy, rising numbers

of working women, the search for a competitive edge and the growing emphasis on people,

- sociological change: the increasing focus on well-being, quality of life and health,
- political issues: combating illegal work, public health policy and controlling public spending,
- new technologies: rapidly evolving mobile technologies in an increasingly digital world where connections are massively integrated in daily life;

- and several microeconomic factors.

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.

Consumers desiring better quality of life are looking for solutions, such as service vouchers and cards that facilitate daily life and lifestyle choices.

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, the rapidity of change, including the formalization of the economy, growth in population and the middle class, a more service-driven economy and the intense competition for trained talent through increases in their purchasing power are all factors driving demand for human resource services.

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 the most disadvantaged members of society.

The shift to electronic vouchers and payment methods continues to accelerate worldwide. Likewise, 62% of Sodexo's issue volume is entirely digitized, with no significant change to the activity's financial model.

Source: Sodexo.

GROWTH POTENTIAL

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

Sodexo estimate.

Focus on...

COMPREHENSIVE OFFER FOR NATIONAL POSTAL SERVICE

Belgium – Supporting Bpost employees and clients

Bpost, which provides postal services in Belgium, turned to Sodexo for a comprehensive and innovative turnkey services solution that responded to its key human resource and business performance challenges.

Attracting and retaining talent

Since 1998, more than 32,000 Bpost employees have been using Sodexo's Lunch Pass® to purchase meals in a wide variety of participating restaurants. Sodexo won the new contract with a solution designed to enhance the company's attractiveness and build employee loyalty. Sodexo teams are working closely with Bpost to ensure the smooth migration from paper vouchers to a more secure and environmentally friendly electronic card.

Rewarding business partners

Bpost also entrusted Sodexo with a contract to provide media services. The concept involves using the four million payroll stubs printed and distributed annually by Bpost as a commissioning tool for its business partners, the "social secretariat" administrative offices[1]. Sodexo proposed to attach coupons to the pay stubs offering discounts on consumer goods, family activities or trips. After a test phase on 30,000 payroll stubs of Bpost employees, the operation will be gradually extended to include pay stubs managed by the social secretariats. Sodexo also provides Bpost with additional visibility through its magazine, Sodexo4You platform, mobile app and social networks.

(1) *In Belgium, the social secretariat is an organization that supports a number of administrative tasks for businesses, including the issuance and management of payroll stubs. It contracts with the postal services to ensure their printing and distribution.*

Encouraging teamwork

To help Bpost mobilize its teams and increase sales in a very competitive environment, Sodexo developed *TeamPlus,* a turnkey motivation and recognition program. Bpost employees today can access an online dedicated platform to view the daily performance rankings for their team and order their rewards in a customized catalog. Since *TeamPlus* was implemented, sales have increased and Bpost has observed a strengthening of team spirit and greater employee commitment and proactivity.

Highlights

ISRAEL

Official Sodexo brand launch

Present in Israel in On-site Services since 1998, Sodexo acquired Cibus Business Meal Ltd. in 2013 to become the country's leader in Benefits and Rewards Services. Today, 250,000 employees from 1,500 companies benefit from Sodexo's restaurant cards. To raise awareness of Sodexo's **comprehensive Quality of Life services offer** in Israel, Sodexo CEO Michel Landel officially launched the single Sodexo brand for On-site Services and Benefits and Rewards Services at a November 2013 event in Tel Aviv, catered by Lenôtre and attended by more than 500 clients and partners.

Sodexo reinforces expertise in mobile technologies

In May 2014, Sodexo invested in **Keeprz** to enhance its expertise in new technologies and mobile trends. The innovative Israeli company develops intelligent mobile platforms designed to help merchants of all sizes retain customers. With a few clicks, merchants can create their own customized mobile app and loyalty program that allows them to better understand their customers' needs, to keep them coming back.

ITALY – ACQUISITION STRENGTHENS POSITION IN LUNCH VOUCHERS

Sodexo strengthened its position in the lunch vouchers market with the acquisition of the **Ristomat** and **Lunch Time** brands. The acquisition enables Sodexo to expand the number of approved retail outlets available to serve consumers and supports company objectives for growth and market leadership. In addition to complementing and enriching Sodexo's offer, the Ristomat and Lunch Time brands' expertise in the "card" segment of the lunch voucher market will also help accelerate growth on a technological level.

ROMANIA – SMOOTH CLIENT TRANSFER

In just a 30-day period, a 42-member team achieved a smooth transfer and no interruption in service in taking over the client portfolio of a local operator acquired by Sodexo. The addition of **1,000 clients** and more than **68,000 beneficiaries** moved Sodexo into the number one position in the market in terms of revenues and services.

EMPLOYEE BENEFITS

KEY FIGURE

- More than 25 million beneficiaries of Sodexo employee benefit programs

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.

Sodexo's **customized, easy-to-use, economical solutions optimize tax treatment** and help clients to address their human resource needs and increase their attractiveness.

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

1 Presentation of the Group
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 Annual ordinary Shareholders' Meeting, January 19, 2015
9 Other information

Highlights

CHINA – SODEXO LAUNCHES ITS PREPAID GIFT CARD

Following receipt of its license from the People's Bank of China required under Chinese regulations to extend its prepaid card offer, Sodexo launched its Tung Pass gift card in July 2014. The card can be used in a wide range of shopping centers, decorating shops, fashion boutiques, supermarkets and trendy restaurants.

TURKEY – REFUELING COMPANY CARS SIMPLIFIED

Hundreds of client employees using company cars already are benefiting from Sodexo's recently launched **Fuel Pass.** The new service enables companies to easily and effectively manage fuel expenses for fleets of up to 1,000 vehicles. The innovative and automated fuel payment system frees users from having to pay for fuel from their own pocket and then be reimbursed while providing control and commercial benefits for clients. Fuel Pass can be used in 1,900 of the 2,200 service stations operated by Sodexo partner, Petrol Ofisi, which manages Turkey's largest network of service stations.

UNITED KINGDOM – FINANCIAL WELL-BEING AS EMPLOYEE BENEFIT

Sodexo is helping clients increase employee engagement, retention, well-being and productivity with **Money Boost,** a new employee benefit program that helps employees manage their money by deducting a set amount from their pay. The online, simple, easy-to-use money management tool lets employees set their own money-saving goals. In addition to the ability to save enough for desired goods and services, they benefit from a 5% discount for purchases made with their Money Boost Visa Card.

Key contract wins

BRAZIL – PASSPORT TO CULTURE

Banco Santander chose Sodexo to offer access to culture for more than 17,000 income-eligible workers in bank offices across the country. The **"Vale Cultura" Pass** can be used at a broad network of affiliates, enabling beneficiaries to choose cultural activities or products (cinema, theater, CDs, books, etc.) best-suited to their needs and offering special promotions and discounts. This efficient and customized solution thus contributes to the employees' personal growth and improved quality of life. It also convinced several of the bank's clients to choose Sodexo to implement incentive programs for their employees.

INDIA – INCREASING EMPLOYEE SATISFACTION AND MOTIVATION

To enhance employee motivation, **Citibank** turned to Sodexo to design and deliver a national meal benefits program for its **4,800 employees** at its **58 locations** in **12 cities.** Help desks set up at all locations enable employees to utilize the full benefits of the Meal Card, including by converting the amount they choose into vouchers that can then be used at over 20,000 Sodexo partner merchants nationally.

UNITED KINGDOM – ENSURING ON-TIME IMPLEMENTATION OF CHILDCARE VOUCHERS PROGRAM

The expertise of Sodexo's team helped ensure rapid and effective implementation of a childcare voucher solution for 500 employees of **Oberthur Technologies UK Ltd,** a world leader in digital security solutions. To deliver information on the benefits of the new program to all staff across rotating shifts that operate 24/7, the Sodexo team provided on-hand assistance and customized communications and made presentations outside of normal business hours. This commitment to supporting the client ensured that the tight implementation deadlines were met.

Among our clients...

BANKS – INSURANCE – CORPORATE SERVICES

Adecco: France, Germany, Luxembourg, Peru, Spain

Allianz: Germany

AXA: Czech Republic, Germany, Spain

Banco Santander: Brazil

BNP Paribas: France, Germany, Spain

HSBC: Philippines

ING Group: Spain

Manpower: Germany, Peru, Turkey

Postal Savings Bank of China: China

PricewaterhouseCoopers: France, Germany, Luxembourg, Vietnam

Sicredi: Brazil

Société Générale: Czech Republic, Spain

IT – ELECTRONICS

Alcatel-Lucent: India, Mexico, Turkey

Cisco Systems: Spain, Turkey, Venezuela

Hewlett-Packard: India, Peru

IBM: Spain

L.M Ericson: Spain

Nokia: Peru, Turkey

SAP: Germany, India, Spain

Sony: Peru, Spain, Vietnam

CONSUMER GOODS

Coca-Cola: Italy, Luxembourg, Venezuela

Colruyt: France

Henkel: Mexico

L'Oréal: Turkey, Vietnam

Nestlé: Czech Republic, Venezuela, Vietnam

PepsiCo: Italy

Procter & Gamble: Vietnam

Unilever: Spain

INDUSTRY – ENERGY

Aguas de Niteroi S.A: Brazil

Consorcio Constructor Parque Rio: Brazil

Departamento de Estradas de Rodagem: Brazil

General Electric: Czech Republic, Turkey

General Motors: United Kingdom

GlaxoSmithKline: Chile, Peru

Johnson & Johnson: Czech Republic

Michelin: United Kingdom

Pfizer: Spain, Venezuela

Sanofi-Aventis: Mexico

Schneider Electric: France, Peru

Siemens: Czech Republic, France, Germany, Peru, Turkey

Tata Group: India, Philippines

Total: Philippines, Spain

Toyota Motors: Spain

NATIONAL PUBLIC AUTHORITIES

Brazil: Caixa Economica Federal, Correios, Municipal Government of Rio de Janeiro, Petrobras, São Paulo University

Czech Republic: Public Health Insurance

France: Employment Agency *(Pôle Emploi)*

India: Hindustan Aeronautics Limited

Mexico: Health Department of the State of Puebla

United Kingdom: Ministry of Defense

Venezuela: Government of Zulia State, National Electoral Council

INCENTIVES AND RECOGNITION

KEY FIGURE

> 5 million consumers benefit from Sodexo Incentive and Recognition programs

Source: Sodexo.

Our offer

ENHANCING ORGANIZATIONAL PERFORMANCE THROUGH QUALITY OF LIFE

Based on its in-depth understanding of employees and consumers, Sodexo is accelerating its growth in the **incentive and recognition programs** market, proposing customized turnkey solutions to companies that allow them to **unite** and **motivate** employees around common objectives and **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.

Based on its knowledge of beneficiary priorities, Sodexo provides support at each step, including program design, follow-up assessment, event communications and selection and delivery of rewards.

Through its wide range of options, dedicated online platform and Gift Pass offer, Sodexo's incentives and recognition programs enable clients to achieve their goals and improve performance.

Focus on...

ONLINE SOLUTIONS FOR RECOGNIZING AND REWARDING PERFORMANCE

Supporting decision-making on a local or global perspective

Many corporate clients are considering incentives and recognition programs from a global perspective. By facilitating exchange, sharing and recognition, globally focused programs strengthen employee commitment and leverage contributions from the entire organization throughout the world.

Sodexo's new global offer responds to this trend in helping clients determine whether to take a local or global approach through a user-friendly, secure, customizable online platform that best meets their strategic needs.

To present the new offer, **Sodexo launched "Inspiring Behaviors,"** a web site presenting its methodology, best practices business cases and white papers to aid decision-making.

Supporting our client: New Holland in Brazil

ENSURING A RICH HARVEST FOR NEW HOLLAND

To help New Holland maintain its position as a leader in agricultural equipment in Latin America, Sodexo designed and developed a program to provide incentives for its dealers' sales forces.

Our client's needs

One of the world's leading manufacturers of agricultural equipment, New Holland sells tractors and harvesters of exceptional quality throughout the world, including Brazil. The company, which relies on its network of 180 dealers to meet sales volume goals, turned to Sodexo for a solution to recognize and encourage dealer sales forces in order to maintain New Holland's position as a market leader.

Sodexo's response

Under the Sodexo-designed incentive campaign, sales of New Holland products by its dealers generate points for both the sales rep and their manager. These points are totaled each month and sellers and managers are ranked according to their scores. Based on their ranking, they receive credits, which are added to a Sodexo Premium Pass card that can then be used at a wide range of affiliated retailers and restaurants. By working to expand the network of affiliates at which the credits can be used, Sodexo ensures that participants are able to benefit from a rich array of choices.

Results

New Holland reports that managers and salespeople have demonstrated increased motivation as a result of the campaign, helping the company to maintain its position as Brazil's market leader. On the basis of the sales incentive program's success, the client has entrusted Sodexo with three additional campaigns.

"Sodexo's solution is essential to New Holland's business, in enabling managers and employees of our dealer network to see that their dedication to our products is paying off."

Raphael Proença – Marketing Business Intelligence, New Holland AG, Latin America.

Key contract wins

CHILE – GFK ENCOURAGES ONLINE RESPONSES... ONLINE

To enhance its effectiveness, **GfK**, a world leader in market research, developed a multi-country project for forming panels of consumers to respond to surveys online. As part of the project, GfK Adimark in Chile sought a means of encouraging participation through rewards to participants.

In considering the diversity of survey targets and objectives as well as their length and complexity, Sodexo created an **online incentive solution** that could be customized and personalized based on the survey's characteristics. The solution covers the design and development of a dedicated website, a mechanism for earning points, a broad catalog of gifts to meet varying objectives and daily program management and support services for Adimark GFK panelists in Chile. The program, launched at the end of 2014 with 5,000 panelists, will be gradually developed over the next three years to support 50,000 panelists.

PERU – ENCOURAGING AND REWARDING DISTRIBUTOR PERFORMANCE

To increase cellular phone subscription sales, **Claro,** a subsidiary of America Moviles and Peru's second largest telecommunications company, chose Sodexo to help deliver a **gift card** incentive and recognition program for the sales teams of its partner commercial outlets. Sodexo's extensive and diversified network of affiliates enabled the card to be used for a large variety of gift choices by the sales forces throughout the country. In addition to reinforcing the commitment of the partners to Claro's products, the program helped double issue volume in the first three months and is being expanded by the client to all of its commercial partners.

ROMANIA – ONLINE MOTIVATION FOR MOBILE PHONE OPERATOR

To help **Vodafone** expand the distribution of its prepaid telephone cards, Sodexo implemented an **incentive system** for the more than 10,000 resellers in its client's network. Resellers can register directly online, entering data needed into the system, custom-designed by Sodexo. Based on the level of activation of prepaid cards, resellers collect points that they can use to obtain gift vouchers, Vodafone products or electronic goods such as TVs, phones, tablets, laptops and cameras. In the first few months, the program achieved strong success with more than 6,000 new participants registered.

TURKEY – SUPPORTING SUSTAINABLE AGRICULTURAL PRACTICES THROUGH INCENTIVES

To support **Ferraro's** "Ferraro Farming Values" project to encourage sustainable nut production in Turkey. Sodexo designed and implemented a **Gift Pass program** for eligible farmers. Farmers achieving project goals are compensated by Ferrero per ton produced through monetary value added to a Gift Pass card. To support the use of agriculture improvement tools and techniques to increase production and quality, the card is programmed to allow farmers to spend half of their total card balance at affiliated agriculture retailers and the other half in supermarket partners. Implemented in five cities in the Black Sea region, the program supports agricultural development and educates farmers on good sustainability practices as well as raising awareness of policies prohibiting the use of child labor.

Among our clients...

BANKS – INSURANCE – CORPORATE SERVICES

Adecco: France, Luxembourg, Peru

BNP Paribas: Peru

HSBC: Argentina, Peru, Philippines

Manpower: Peru

PricewaterhouseCoopers: Luxembourg

Sicredi: Brazil

IT – ELECTRONICS

Hewlett-Packard: India, Peru, Vietnam

LM Ericsson: Spain

Samsung Electronic: Peru

SAP: India, Spain

Sony: Vietnam

CONSUMER GOODS

Nestlé: Czech Republic, Venezuela, Vietnam

Procter & Gamble: Argentina, Vietnam

INDUSTRY – ENERGY

Alcatel-Lucent: India

Consorcio Constructor Parque Rio: Brazil

General Electric: Czech Republic

GlaxoSmithKline: Chile

Ipiranga: Brazil

Johnson & Johnson: Peru

Sanofi-Aventis: Mexico

Schneider Electric: France, Peru

Siemens: Czech Republic, France, Peru

Tata Group: India

Total: Philippines, Spain

PUBLIC BENEFITS

KEY FIGURE

> Nearly 2 million citizens receiving public benefits through Sodexo solutions.

Source: Sodexo.

Our offer

IMPROVING CITIZEN QUALITY OF LIFE THROUGH OPTIMIZED SOCIAL WELFARE PROGRAMS

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

Faced with changing demographic trends (aging population, increasing urbanization, rising middle class, the development of initial and continuing education), public entities today seek solutions to more precisely target assistance as well as to control public spending.

Sodexo's **simple, transparent and effective responses** facilitate the work of public authorities, optimize budget resources and help clients achieve their **social policy, cultural or educational objectives** while contributing to the formalization of the economy. 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 in-home assistance to seniors and individuals with disabilities.

Focus on...

AN INNOVATIVE TRAINING VOUCHERS SYSTEM

Belgium – Supporting training for small company employees

With Sodexo's help, the Wallonia regional authority established an innovative training vouchers system in 1998 to address the lack of worker training in the region, particularly among employees of small firms.

The completely paperless system created by Sodexo, administered through a user-friendly extranet, was used by 50,000 small and independent firms in Fiscal 2013 to provide 700,000 hours of training at 1,000 approved training providers.

The program allows the firms to purchase vouchers for their employees at half the cost of the continuing education. Training is available to meet a wide variety of needs, including language courses, technical or technological improvements, upgrades and computers offered both during or outside normal working hours.

Key contract wins

CHILE – SUPPORTING ACADEMIC SUCCESS

To help young people from disadvantaged backgrounds succeed within the higher education system, Sodexo delivers its **Junaeb** (Junta Nacional de Auxilio Escolar y Becas) higher-education food scholarship program since 2008. Sodexo won again the contract for three years and took new responsibilities. Nearly **190,000 scholarship students** use their **electronic cards** to purchase daily meals at a network of 3,300 affiliated restaurants and supermarkets. Consistent with Sodexo's commitment to health and physical well-being, the affiliates are selected to ensure student access to healthy food options that have been formulated and tested by Sodexo nutritionists. Independent restaurants and food outlets also are inspected and certified to ensure compliance with health and safety standards. These audits are used to post daily recommended menus to help students maintain balanced eating habits.

FRANCE – SUPPORTING DELIVERY OF IN-HOME SERVICES TO DISABLED PERSONS

Sodexo is supporting the **regional Haute-Garonne General Council** by implementing and managing its *Chèque Solidarité* 31 initiative. The Universal Employment Services Vouchers (CESU) are delivered to residences of individuals receiving *prestation de compensation du handicap* (PCH) or *allocations personnalisées d'autonomie* (APA) benefits.

The 5.3 million vouchers issued annually, with a value of approximately 16 million euros, are used by **4,500 eligible recipients** to pay for in-home services. A dedicated Sodexo team ensured the program's smooth implementation and management to support and implement the General Council's new system, with a toll-free assistance line and communications for beneficiaries, in-home service providers and regional government agents.

Among our clients...

PUBLIC AUTHORITIES

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

France : Conseil Général de la Haute-Garonne (Universal Employment Services Vouchers – CESU), Conseil Général de la Sarthe (Universal Employment Services Vouchers – CESU)

United Kingdom: UK Border Agency

GIFT BOXES AND CARDS

KEY FIGURE

> Nearly 3 million gift boxes per year.

Source: Sodexo.

Our offer

IMPROVING QUALITY OF LIFE BY SIMPLIFYING THE PLEASURE OF GIVING AND RECEIVING

Building on its recognized expertise in designing and implementing corporate gift programs and to respond to expectations of consumers for gift offers increasingly customized to their preferences, Sodexo developed two gift concepts for consumers, combining freedom of choice and personalization to allow everyone to simply and easily please friends and relatives.

- Gift boxes: the lucky recipient can enjoy a good meal, depart for a weekend getaway, enjoy a glass of wine, discover a new perfume, relax in the sauna, read or listen to music, with a vivabox gift container, which, beginning this year, can be customized by the giver.
- Gift cards: multi-themed gift cards that can be used across a wide variety of retail chains, for home or sporting goods to fashion, beauty, culinary, cultural or travel products, the recipient will feel spoiled with options.

Focus on…

MEMORABLE EXPERIENCES BY VIVABOX

Belgium – Vivabox launches new gourmet gift card

Providing a memorable gourmet dining experience, the new surprise from vivabox is already appealing to both givers and beneficiaries.

Vivabox's new prepaid gift card is proving a hit with consumers in Belgium. The card, sold at more than 850 stores and online at the vivabox web store, is accepted at a network of 150 restaurants throughout the country. Cards are valid for two years and can be used for a single meal or spread across several visits.

Launched in 2003 and acquired by Sodexo in 2007, the company today sells more than three million gift boxes per year covering more than 70 different themes in Belgium, Canada, France, Mexico, the Netherlands, the United Kingdom and the United States.

Highlight

FRANCE – INNOVATION TROPHY FOR SODEXO'S *"LE CADEAU COMMUN"* GIFT CARD

Launched by Sodexo last year, the *"Le Cadeau Commun"* gift-giving card received the award for 2013's most innovative gift card. Each year, the Publi-news Innovative Card Trophies recognize the industry's best cards and payment systems. The judging panel singled out Sodexo's gift card as the first to enable easy group gift-giving, responding to a real consumer need. With an authorized collective 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. Since its launch, the number of partners accepting the common gift card has increased from 100 to 250 stores. Also available for use at more than 50 Internet sites, the card can be purchased at commercial outlets or online at spiritofcadeau.com.

1.3.2.3 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 in-home services, administrative tasks and dry cleaning to leisure activities like restaurant and vacation reservations and purchasing tickets;
- Home Care

  Sodexo's Home Care services help seniors to maintain their independence and quality of life, allowing them to remain and live comfortably in their own home. Services are customized to the individual's needs and can include housekeeping, grocery shopping, accompaniment outside the home, preparation of balanced meals, assistance in getting up, bathing and grooming, and day and night companionship.

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

With an aging population and seniors' desire to remain in their own home for as long as possible, the need for in-home care services will continue to rise. While government agencies promote in-home care to control public spending, the private pay segment continues to grow in response to demand from seniors wishing to maintain their independence and quality of life.

Source: Sodexo.

Highlights

FRANCE

Growing with one of France's leading operators of childcare facilities

After acquiring an interest in 2010 in Crèche Attitude, one of the leading operators of childcare facilities in France, Sodexo today holds 100% of the company's capital. With approximately 100 sites throughout France and a site in Luxembourg, Crèche Attitude is enabling Sodexo to further **strengthen its expertise in quality of life childcare services.** The business also offers attractive synergies with Sodexo's On-site Services and Benefits and Rewards Services activities, as well as offering good prospects for continued development internationally and in France. In 2014, for example, Crèche Attitude acquired Lyons-based Crèches de Margot, a network of centers caring for children from two-and-a-half months to three years old, extending the company's coverage in the metropolitan area.

Connected childcare centers, protective of the environment

Crèche Attitude launched a **"private space for parents",** offering them the ability to connect online with their children's childcare facility for items such as news, a staff directory, photo sharing and classified ads. As part of its commitment to protecting the environment, the company also is helping all of its centers earn **Ecolo Crèche© labels.**

Amélis accelerates growth in senior Home Care

Founded in 2005, Sodexo subsidiary Amélis provides a comprehensive range of **customized Quality of Life services** that facilitate life for seniors and dependent individuals in their home. With five branches in the Paris and Provence-Alpes-Côte d'Azur regions, Amélis accelerated its development in 2014 with the **launch of its franchising activity** at the Paris Franchise Expo. This marks a new stage for Sodexo's development in the growing market of home care for seniors in France.

UNITED STATES –COMFORT KEEPERS WINS TRIPLE RECOGNITION

Sodexo subsidiary Comfort Keepers was again recognized with industry distinctions during the year. The company is a leading franchise network in the **non-medical in-home care market** for seniors and other adults in North America and has more than 700 franchised locations around the world. Comfort Keepers offers a broad array of **in-home Quality of Life Services** that facilitate life for seniors and enable them to remain as long as possible in their home.

- For the second year, Comfort Keepers was ranked **#1 in the Senior Care sector** by Entrepreneur Magazine Franchise 500 in its review of America's top franchise opportunities.
- For the fifth year in a row, Comfort Keepers was recognized as a **"World Class Franchise™"** by the Franchise Research Institute, a recognition based on feedback from franchisees.
- Franchise Times ranked Comfort Keepers in the **top 200 franchise systems.**

Key contract wins

FRANCE

Enhancing property values

Real estate management company **Société Foncière Lyonnaise** (SFL) chose Sodexo subsidiary Circles to help it increase the value and attractiveness of its rental. Circles is delivering **high-quality concierge services to 9,000 tenants** in nine buildings. In addition to telephone and internet access, services can be ordered 24/7 *via* a unique "Services by SFL" app. The range of services includes help with restaurant, taxi and event reservations and ticketing, babysitting, cleaning and other in-home help, an online boutique and assistance with administrative tasks.

Flexible approach to childcare

Crèche Attitude was chosen to operate the childcare center at the **Regional University Hospital of Rouen,** with its customized offer to look after 90 children of hospital staff. The hours at the center are adapted to match the schedules of hospital work shifts, operating from 5:45 a.m. to 9:30 p.m. The service facilitates daily life for the hospital's **7,000 employees**, enabling the hospital to increase employee loyalty and optimize the management of maternity leave.

SWEDEN – CIRCLES OPENS CONCIERGE/RECEPTION SERVICE AT SECOND AREIM PROPERTY

Areim renewed its confidence in Circles, entrusting it with **concierge and reception services** for **22 tenants** of **Kista One,** its new 12,000-m^2 property in Kista Science City, Stockholm's creative center for communications and information technologies. Circles also has been providing Areim with concierge services since early 2012 for 23 tenants at another nearby site. A total of 1,100 employees work at the two sites.

UNITED STATES – FACILITATING DAILY LIFE FOR EMPLOYEES

Circles won the contract to provide **On-site Concierge services to 4,500 Biogen employees** at three sites in Massachusetts and North Carolina. The services, including handling personal and business tasks in and around the office, such as making appointments for car or bicycle servicing and assisting with travel arrangements, support the client's objectives of improving employee quality of life, reducing stress and increasing productivity.

Among our concierge services clients…

Alstom, France

Altran, Belgium

Amica, United States

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

Meridian Health, United States

Microsoft, 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, United States

Thales, France

TripAdvisor, United States

UMMC (University of Mississippi Medical Center), United States

Unibail-Rodamco, France

Valeo, France

Virgin Atlantic, United States


sodexo

2

ECONOMIC, SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

2.1 The Better Tomorrow Plan

Since its founding, Sodexo's commitment to Corporate Responsibility has been central to its fundamentals, underpinning its development as a responsible company.

These commitments are reflected in the Group's mission: to improve quality of life for 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.

The Group tracks the implementation and measures the impact actions in the 80 countries in which it operate through our Corporate Responsibility roadmap, the Better Tomorrow Plan (BTP).

The Better Tomorrow Plan comprises three core pillars:

1. **We are**: the fundamentals that serve as the cornerstone of a responsible company.
2. **We do**: four priority commitments for action:
   - Our commitments as an employer;
   - Our commitments to nutrition, health and wellness;
   - Our commitments to local communities;
   - Our commitments to the environment.
3. **We engage**: dialogue and joint actions with our stakeholders.

CORPORATE RESPONSIBILITY GOVERNANCE

Two members of the Group Executive Committee have primary responsibility for driving continuous improvement in Sodexo's Corporate Responsibility performance:

- Elisabeth Carpentier, Group Chief Human Resources Officer;
- Damien Verdier, Group Chief Marketing and Strategic Planning Officer.

Sodexo's diversity and inclusion strategy is defined and managed by Senior Vice President and Group Chief Diversity Officer, Rohini Anand, who reports directly to Michel Landel, Sodexo's Chief Executive Officer.

Programs worldwide are coordinated and tracked by the Better Tomorrow Plan project management office, in consultation with Group functions and subject matter working groups. These expert groups develop action plans, guidelines and worldwide programs, promote innovation, validate indicators and perform risk and competitor analysis.

Sodexo's Executive Committee and senior management monitor BTP actions and overall performance. To drive progress within the business, managers' annual performance objectives and reviews are closely linked to achievement of BTP commitments.

During Fiscal 2014, Sodexo worked with BSR* to update the materiality analysis carried out during Fiscal 2008 in order to revise and enhance the Better Tomorrow Plan at the beginning of Fiscal 2016. The update included interviews with internal and external stakeholders.

* *BSR – Business for Social Responsibility (BSR) works with its global network of more than 250 member companies to develop sustainable business strategies.*

2.2 We Are

2.2.1 OUR MISSION, VALUES AND ETHICAL PRINCIPLES

Sodexo's mission, values and ethical principles provide a common frame of reference that unifies and guides the actions of our 419,000 employees around the world.

2.2.1.1 OUR MISSION

Our mission is twofold:

- improve the quality of life of our employees and all who 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

Since its founding, Sodexo's values – Service Spirit, Team Spirit and Spirit of Progress – have served as a common bond for its teams throughout the world.

Sodexo conducts its business according to the ethical principles of loyalty, respect for people and equal opportunity, transparency and business integrity.

Focus

BUSINESS INTEGRITY

"Sodexo will only continue to achieve its objectives if we remain fully committed to the highest standards of business integrity."

Pierre Bellon, Founder of Sodexo and Chairman of the Board of Directors

- Sodexo's Statement of Business Integrity, outlines its commitment to ethical business practices. Its Guide to the Statement of Business Integrity provides employees with practical guidelines on the Code of Conduct;
- a Group Ethics Officer, appointed in May 2011, is responsible for overseeing Business Integrity throughout the Group;
- an e-learning module on Business Integrity is part of managerial training programs worldwide;
- in 2014, the internal controls framework was enhanced to include additional controls on business integrity.

KEY FIGURE

In Fiscal 2014, 99.8% of Sodexo employees worked in countries in which the Statement of Business Integrity is available in at least one official language.

2.3 We Do

We do: our four priorities with commitments to action

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

2.3.1 OUR COMMITMENTS AS AN EMPLOYER

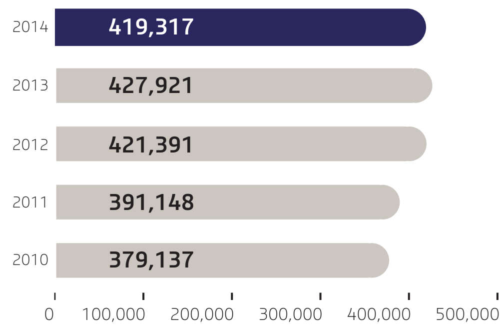
Since its founding, Sodexo has been guided by the belief that organizations and society must make people their central focus in order to create sustained value. For companies, this means ensuring that the women and men who work for it also share in its success.

As the world's 18th private largest employer*, Sodexo puts its 419,000 employees in 80 countries at the heart of the Company. Sodexo's success is built on a unique social and economic model: our ability to improve consumers' Quality of Life is primarily due to the professionalism and engagement of our employees. More than 95% of Sodexo's employees are in daily contact with its clients and serve 75 million consumers each day.

Sodexo is committed to improving its employees' quality of life, offering solid jobs, providing them 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.

KEY FIGURES

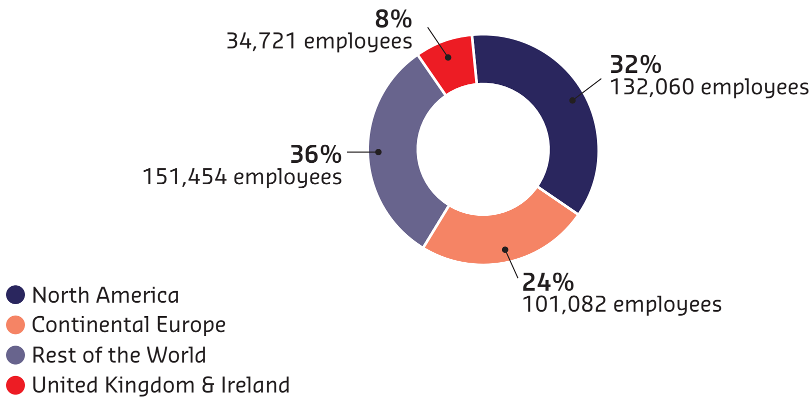
NUMBER OF EMPLOYEES AT THE END OF FISCAL:



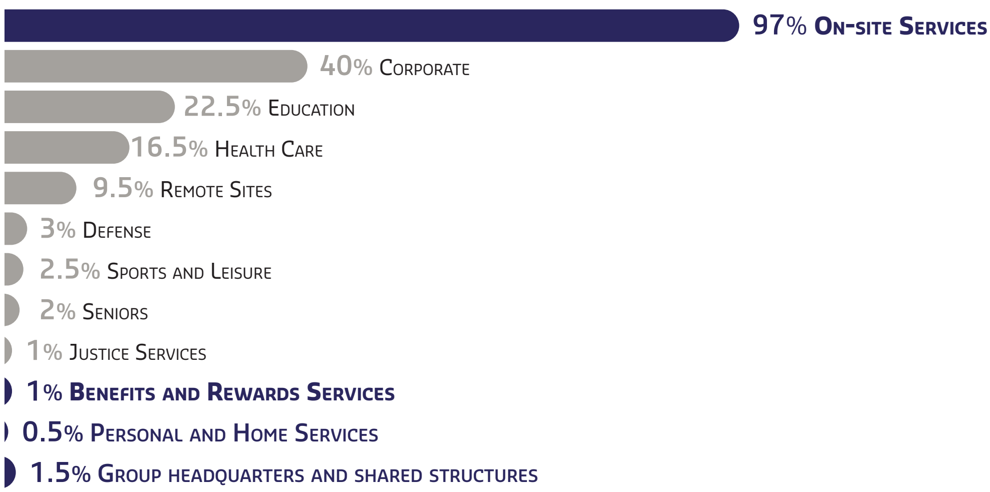
The number of employees decreased during Fiscal 2014 because of lower foodservices volumes, notably in Europe and in particular as a result of staff reductions at client locations. This decrease also reflects decisions made by Sodexo in connection with its operational efficiency improvement program to exit certain contracts which were not sufficiently profitable.

* *Source: Fortune 500 – July 21, 2014.*

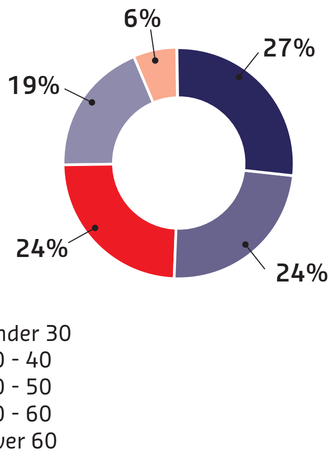
WORKFORCE BY REGION – FISCAL 2014



WORKFORCE BY ACTIVITY AND CLIENT SEGMENT – FISCAL 2014



WORKFORCE BY AGE GROUP – FISCAL 2014



KEY FIGURES

Retention rate for all employees: **62.6%** for Fiscal 2014.

Retention rate for site management: **81.2%** for Fiscal 2014.

KEY FIGURES

Average seniority for all employees: **6 years**.

Average seniority for management: **9 years**.

Focus

GLOBAL EMPLOYEE ENGAGEMENT INCREASES AGAIN

In April 2014, Sodexo carried out its fifth 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 companies most admired by its employees.

The survey results indicated significant progress:

- for the third time in a row, the employee engagement rate increased reaching 59% in Fiscal 2014 (a 2 point increase since Fiscal 2012);
- with a stable participation rate at 68%.

In early Fiscal 2015, managers presented local survey results to their teams with the objective of building tangible action plans. These action plans allow countries to improve quality of life for their employees and to consolidate its performance as an employer on matters such as absenteeism, health and safety and retention.

INTERNATIONAL – Best Employer Certification

In Fiscal 2014, Sodexo became the first international company to participate in the Aon Hewitt Certified Best Employer program.

This innovative program compares organizations to identify those that are driving high employee engagement, effective leadership, high performance culture and a compelling employer brand strategy. Aon Hewitt's consistent methodology is based on over 20 years of employee research experience.

The initial results are highly positive: 17 countries – representing the Group's three activities – were certified Best Employer.

Focus

STRONG HEALTH AND SAFETY GOVERNANCE

Sodexo's commitment to Health and Safety is an integral part of its mission to improve quality of life. In addition to ensuring the protection of people and property, it is the basis for the trust of Sodexo's clients and consumers that the Company will provide them with safe services.

Health and Safety is a global strategic priority for Sodexo. All employees are expected to personally demonstrate their commitment to support and strengthen the Company's health and safety culture.

Sodexo's Health and Safety Policy defines the Company's expectations and guides its actions in this area. Sodexo's global Health and Safety management system which defines standards for each business entity, is based on OHSAS 18001* and includes 18 mandatory core processes.

KEY FIGURE

In Fiscal 2014, 23 countries representing **82.6%** of Group revenues held one or more OHSAS 18001 certifications.

AUSTRALIA – Keeping employees safe on remote sites

Employees working on remote sites are required to do physically demanding work under extreme conditions and face numerous occupational hazards. For example, simple actions such as manually handling loads can result in sprains and strains. Heat stress and dehydration also are risks in extremely hot environments.

At remote sites in Australia, Sodexo employees undergo thorough health and safety induction training. Certain sites require firefighter or first aid training and workers at mine sites are trained in handling hazardous chemicals.

In addition, employees working at offshore sites receive survival and emergency response training to teach them how to survive in case of an incident at sea.

Training can be provided either on-site or off-site or at the Sodexo Skill Center in Perth, dedicated to preparing employees to work on remote sites.

2.3.1.1 CREATING EMPLOYMENT OPPORTUNITIES

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 Quality of Life focus and ability to offer fulfilling and rewarding job opportunities makes the Company uniquely adapted to the changing employment market.

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

Sodexo offers employees stability, continuity and fulfillment. This is reflected in the high level of employee satisfaction – 86%*** of employees prefer working for Sodexo to its competitors.

KEY FIGURES

In Fiscal 2014, hiring for permanent positions, excluding employees joining Sodexo as a result of new contracts and acquisitions, was as follows:

Employees: **127,941**

Managers: **7,257**

Total: **135,198**

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

* *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).*

*** *Employee Engagement Survey 2014 based on a representative sample of 130,000 employees.*

UNITED KINGDOM – Opening doors for youth

Sodexo student internship and apprenticeship programs offer young people unique opportunities to develop their skills and careers and enter the professional world. They enable Sodexo to reach young people, finding skilled and efficient talent who bring initiative and a fresh pair of eyes into challenging and competitive workplaces.

The programs also help Sodexo to build sustainable relationships with educational institutions and communities. In the United Kingdom, 30 Sodexo "ambassadors" visit schools and universities to showcase jobs in the service sector and identify students interested in a career at Sodexo.

In Fiscal 2014, Sodexo hired 820 apprentices in the UK.

KEY FIGURE

In Fiscal 2014, 27% of Sodexo staff was under 30 years old.

CANADA – Strengthening Aboriginal relationships

As part of its ongoing relationship with the Canada Council for Aboriginal Business (CCAB), Sodexo provides professional opportunities in local Aboriginal communities.

This initiative directly supports Sodexo's commitment to becoming an employer and partner of choice for its clients and communities. As a Progressive Aboriginal Relations (PAR) Gold certified company since 2001, Sodexo's relationships with its Aboriginal partners and their communities is critical to its growth strategy and ongoing success.

2.3.1.2 INVESTING IN EMPLOYEE DEVELOPMENT

As part of its commitment to providing opportunities for employees to develop and grow, Sodexo has delivered 5.1 million hours of training in Fiscal 2014. With 95% of its teams in daily contact with clients and consumers, Sodexo recognizes that a highly trained and talented workforce is the most effective way to respond to client and customer needs.

Employees can choose from an extensive catalogue of training and development opportunities offered by several Sodexo Academies. For example, more than 500 training modules are available to U.S. facilities management employees.

CHILE – Training for all

In partnership with leading universities in Chile, Sodexo introduced an innovative training initiative in Fiscal 2014. The Professional and Supervisor Certification Program consists of four training tracks focused on meeting business standards.

The new courses for inventory managers, site managers, dietitians and supervisors help improve the Company's operational efficiency and competitiveness and contributes to its attractiveness as an employer. For example, last year Sodexo did not have enough certified dietitians to cover its clients' needs in the Health Care segment during the holiday season. With the additional dietitians certified under the training program, the Company is again able to ensure service continuity even during holidays.

Already, 120 employees have completed courses and received certification, which is recognized by the Chilean government.

United States – Reinforcing caregiver skills

A training program designed and launched in the U.S. in 2005 is helping health care and senior facilities employees master the skills and behaviors required to fully respond to the needs of seniors and patients in delivering services.

CARES (Compassion, Accountability, Respect, Enthusiasm, Services) is a six-module program taught by Sodexo-trained managers that helps trainees to better understand the patient-resident experience and personalize the services delivered to patients and elderly residents. The training provides simple behavioral and learning activities, making use of role-playing to explore the consumer-caregiver relationship and reinforce the use of appropriate voice and body language.

This training program, developed in the U.S. has been extended to the UK, France, China, Singapore and India.

KEY FIGURES

In Fiscal 2014, 5.1 million hours of training were provided to more than 363,000 employees, or 87% of Sodexo's global workforce, representing a 7% increase compared with Fiscal 2013.

2.3.1.3 INTERNAL PROMOTION

Sodexo's constant growth, international presence, range of services and diversity of professions multiplies the opportunities for internal promotion for its employees.

Providing opportunities for internal advancement is at the heart of Sodexo's employee value proposition and one of the key ingredients of its success. Employees are actively encouraged to be proactive in developing their chosen career path and in exploring other professions.

Sodexo's commitment to career opportunities is a key driver of employee motivation. In the 2014 Engagement Survey, 80%* of employees say they feel they have opportunities to grow within the Company.

INTERNATIONAL – Ensuring talent management worldwide

Sodexo continues to deploy its global Ingenium Talent Management System to manage the annual performance review process, talent and succession planning and the creation of personal development plans. The platform is also used to provide a global view of talent and to ensure a consistently high standard of talent management throughout the world.

Ingenium is an important tool in helping Sodexo identify talent and engage employees across all parts of its business and in taking a long-term approach to developing people and resources for the future.

Since its launch in 2010, 50% of managers worldwide benefit from this system, with an objective to reach all managers.

EUROPE – Mentoring for the future

Launched in 2008, the European Mentoring Program pairs an experienced Sodexo manager (the mentor) with a more junior colleague (the mentee) to assist in developing specific skills and knowledge of the Company. The program is intended to enhance both the mentee's and the mentor's professional and personal growth.

The program is key to supporting the development of female managers (more than 60% of mentees are women) and provides a development opportunity for senior leaders as mentors.

In Fiscal 2014, 45 mentoring pairs participated in the program.

KEY FIGURE

In Fiscal 2014, 24% of site manager positions were filled through internal promotion.

2.3.1.4 IMPROVE WORK ENVIRONMENTS

Recognizing that employees work better in a supportive, stable and healthy working environment, Sodexo's own teams benefit from the Company's mission of improving workplace quality of life. Wherever Sodexo employees work, the Group optimizes workplace well-being to help employees remain fully focused on serving clients and consumers.

This ongoing commitment 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.

* *2014 Employee Engagement Survey of a representative sample of 130,000 employees.*

INTERNATIONAL – Helping meet life challenges

Several Sodexo entities, including the U.S., Chile, Canada and India, offer personal and professional support to employees. The service provides counseling to help employees meet the challenges of everyday life, both at work and outside.

Based on the program's success, the Group expects to expand this program to additional countries under the name Sodexo Supports Me. Each country's Sodexo Supports Me service will be cost-free to employees and their immediate family and available 24/7 by telephone.

KEY FIGURE

88%* of employees say that their physical work environment is appropriate to the type of work they perform on a daily basis.

* *Employee Engagement Survey 2014 based on a representative sample of 130,000 employees.*

2.3.1.5 DIVERSITY AND INCLUSION

Diversity and inclusion is a cornerstone of Sodexo's culture and a fundamental component of its overall growth strategy. Sodexo believes that tapping into the full potential of its employees' diversity makes it a stronger and more innovative company, better able to serve its clients and 75 million consumers around the world.

Sodexo global diversity and inclusion strategy is focused on five key areas:

- 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;
- culture and origins: 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's strategy is driven forward through the commitment of its leaders, the engagement of its employees and the fostering of a culture of diversity and inclusion at every level of the organization. A significant source of competitive advantage, Sodexo works collaboratively on diversity and inclusion through innovative partnerships with clients and with national and international institutions.

Sodexo measures its progress and success through a scorecard that tracks both quantitative and qualitative indicators to ensure the continued sourcing, development and retention of a diverse and highly skilled workforce. A 50-member Diversity and Inclusion Global Task Force oversees development and implementation of global initiatives throughout the Group.

KEY FIGURES

Since Fiscal 2009, representation of women among Sodexo's Senior Leaders has risen from **16%** to **23%** – the goal for 2015 is 25%.

KEY FIGURES

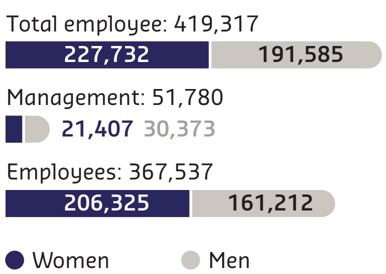
38% of women on the Sodexo Board of Directors

43% of women on the Group Executive Committee

41% of women in all management positions

54% of women in Sodexo workforce

GENDER DISTRIBUTION FOR MANAGERS AND NON-MANAGERS - FISCAL 2014



KEY FIGURES

90 % * of employees feel that diversity is valued by Sodexo (up 9 points since Fiscal 2012).

* *2014 Employee Engagement Survey based on a representative sample of 130,000 employees.*

INTERNATIONAL – Sodexo committed to balanced leadership

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 in 2009 by Sodexo CEO Michel Landel, SWIFt brings together 35 senior leaders representing 15 different nationalities and all areas of the organization who propose tangible initiatives and actions to support Sodexo's target of 25% representation among its Senior Leaders by 2015. In Fiscal 2014, this representation was at 23% (up from 17% in 2009).

SWIFt's efforts have helped Sodexo achieve significant progress toward improving gender balance among the company's managers and has multiplied fivefold the number of women participating in mentoring leadership programs over the last four years.

INTERNATIONAL – Sodexo number one for women in top management

Sodexo was in the top position on the list of French companies recently published by the Secretary of State responsible for women's rights. This list classifies all of the companies in the SBF 120 of the Paris stock exchange.

This award recognizes the significant progress Sodexo has made in increasing the presence of women in its top management and on its Board; 43% of the members of the Group Executive Committee are women as are 38% of the members of the Board of Directors. In addition, there are solid women's networks at all levels of the Company. Sodexo's commitment to gender equality is at the heart of its strategy and performance.

FRANCE – Long-term commitment to disabled employees

For the 17th consecutive year, Sodexo was an active participant in the Week for Employment of People with Disabilities, organized by the non-profit organization ADAPT, dedicated to the inclusion of people with disabilities in the professional world. During the week, members of Sodexo's disabilities network met with job candidates with disabilities and demonstrated the Company's diversity of professions.

Sodexo's support for the event reflects its long-term commitment to employing people with disabilities demonstrated by the signature of its first disability charter in 2006.

2.3.1.6 CONSTRUCTIVE LABOR RELATIONS

Sodexo respects the right of employees to decide whether or not to be represented by a trade union and the right to bargain collectively, in accordance with local laws. The Group promotes constructive and proactive methods for resolving disputes that encourage respect among parties and efficient resolution through consultation, information exchange and negotiation. Sodexo prohibits discrimination or retaliation against any employee or employee representative because of their affiliation with, support for, or opposition to any union.

Sodexo seeks to abide by the laws of the countries in which it does business and works within the legal framework of each country to ensure respect for freedom of association and collective bargaining.

Sodexo is the first company in its industry to enter an International Framework Agreement with the International Union of Food Workers.

2.3.1.7 HUMAN RIGHTS

Sodexo believes 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 Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, Sodexo is committed to respecting human rights in every country where it operates.

Sodexo's human rights policies are informed by both the Universal Declaration of Human Rights and the International Labor Organization (ILO) Declaration of Fundamental Principles and Rights at Work.

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.

Sodexo's Charter concerning Fundamental Rights at Work includes mechanisms for taking action to ensure consistent communication and implementation of Sodexo's commitments throughout the world. In Fiscal 2014, Sodexo added a Fundamental Rights at Work standard to its internal audit procedures. The new provision means that internal auditors regularly confirm that local policies, procedures and related training and communication are aligned with Group level commitments in every country in which Sodexo operates.

KEY FIGURE

In Fiscal 2014, **95.6%** of employees worked in countries in which the Group Human Rights Policy is available in at least one official language.

2.3.2 OUR COMMITMENTS TO NUTRITION, HEALTH AND WELLNESS

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."

Focus

FOOD SAFETY

Sodexo's Global Food Safety and Hygiene Policy is consistent with ISO 22000 (food safety) and incorporates good hygiene practices and generic Hazard Analysis and Critical Control Points (HACCP) controls. The system covers health monitoring, hygiene, management of food suppliers, training, audits, foodservices facilities and equipment, inventory control and verification of use-by dates and temperature.

All Sodexo foodservices operations are required to implement the Global Food Safety and Hygiene Policy. Performance is tracked and mesured through indicators in the following areas; food supplier authorization, food safety training, food safety audits and food safety incidents.

KEY FIGURE

In Fiscal 2014, **all countries** had implemented a system to ensure that employees with foodservices responsibilities are trained in compliance with local laws and regulations and the Company's Global Food Safety and Hygiene Policy.

KEY FIGURE

In Fiscal 2014, **16** countries representing **68.3%** of Group revenues had one or more ISO 22000 certification (food safety).

NORTH AMERICA – Sodexo food safety commitment recognized

In recognition of its efforts to improve food safety, Sodexo was selected as the 2014 recipient of the Black Pearl Award by the International Association for Food Protection (IAFP). Representing more than 4,000 food safety professionals, the IAFP presents the award to one company each year for its efforts to advance food safety and quality through consumer programs, employee relations, educational activities, adherence to standards and support of IAFP goals and objectives.

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, each of which are prevalent and increasing in both developed and developing countries.

CHILE – Promoting better living with consumers

Vivir Bien, a Sodexo wellness, health and nutrition program is demonstrating quantifiable improvement in the promotion of healthy lifestyles.

The Benefits and Rewards Services initiative has been implemented for 560 companies, universities, service providers and schools in Chile, engaging more than 300,000 people at the conferences and workshops that were offered as part of the program.

In surveys conducted with client employees, 38% of Vivir Bien participants reported losing weight, 33% lowered their cholesterol, 26% lowered their blood pressure and nearly 10% were able to quit smoking.

Vivir Bien also builds goodwill for Sodexo clients with 97% of program participants responding that they believe their company cares more about them.

UNITED KINGDOM – Worker well-being in the North Sea

Sodexo's innovative Well Track program provides incentives to offshore oil and gas workers to get and stay in shape – both physically and mentally – while at work and on leave. Working with the University of Aberdeen, Sodexo measured the impact of the program on the psychological and physical health of more than 60 workers working on an offshore oilrig in the North Sea.

The results showed significant improvement in participants' quality of life. The percentage of participants experiencing anxiety decreased from 14% to 3% while those sleeping well improved from 80% to 88%. In addition, participants reporting an improved ability to cope with the monotony of living in an isolated environment increased from 88% to 94%.

2.3.2.2 BALANCING MEAL OPTIONS

Sodexo dietitians and chefs collaborate to develop healthy meal choices that can be adopted at company-managed sites globally. One example is "EquiLunch", a menu option offering delicious, healthy recipes based on seasonably available vegetables. With a flexible approach allowing for adjustment for local tastes, "EquiLunch" or an equivalent initiative has been implemented at more than 5,400 Sodexo client sites around the world.

The 10 Golden Rules is a set of guiding principles focused on nutrition, health and wellness that guide Sodexo's offers and promote healthy lifestyle behaviors with consumers. They are based on nutritional recommendations and a deep understanding of the local nutritional context and needs.

With more than 4,400 dietitians, Sodexo is the profession's largest private sector employer globally.

U.S. – Joining Michelle Obama to fight childhood obesity

In the U.S., Sodexo and the Partnership for a Healthier America (PHA) chaired by First Lady Michelle Obama announced new commitments to battle childhood obesity*.

Sodexo is using its strong presence in schools to offer healthier choices and encourage students to adopt healthy eating habits at a young age. Sodexo's commitments include equipping school lunchrooms with tools to improve students' eating behaviors in 90% of primary and secondary school accounts by 2016. In addition, Sodexo will provide 17 million free healthy breakfast meals in schools by 2018, ensuring students start the day with proper nutrition.

In addition to its actions in schools, Sodexo is expanding its healthy dining programs at workplace, health care, government, campus sites and cultural destinations as well as increasing the availability of healthier options in vending machines.

KEY FIGURE

4,427 dietitians employed by Sodexo worldwide.

2.3.2.3 LESS SUGAR, SALT AND FAT

People in many countries 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 numerous initiatives to reduce salt content across the entire food chain, from suppliers to end consumers.

FRANCE – The Golden Rules Inform Creation of Food Offers

The 10 Golden Rules have defined the nutritional standard for the offers that Sodexo creates. The teams in France have launched three campaigns to reduce sugar, salt and fats. For example, all recipes have been reviewed to ensure that there are no more than 20g of sugar in each pastry.

* *More than 78 million adults and 12.5 million children in the U.S. are classified as obese which significantly increases their chances of getting heart disease, Type 2 diabetes and cancer. Obesity is the second leading cause of preventable death in the U.S. Source: Centers for Disease Control and Prevention.*

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 to Quality of Life in local communities through its activities.

Sodexo has defined three commitments to local communities:

- "We have chosen to fight hunger and malnutrition worldwide through a dedicated Stop Hunger organization;"
- "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

Quality of life begins when basic human needs are met. For nearly twenty years, Sodexo has been supporting the fight against hunger and malnutrition, through a dedicated non-profit organization, Stop Hunger.

Created in 1996 by Sodexo's U.S. employees, Stop Hunger operates today in 43 countries.

Sodexo seeks to make Stop Hunger a leading force in the fight against hunger and malnutrition in the world. Three measurable three-year objectives of annual activity, to be achieved by 2017, have been set to drive progress toward this goal: 50,000 volunteers providing 5,000,000 meals (or their equivalent) and raising 5 million U.S. dollars per year.

Stop Hunger activity is focused on three areas:

- local help for the disadvantaged through serving of free meals, collections and donations of food and money or volunteering with local associations and NGOs;
- support for social entrepreneurs who have innovatively organized their business to effectively fight hunger;
- assistance in emergencies, with an emergency fund created to enable rapid and targeted responses to climatic or food disasters.

Focus

SERVATHON: INTERNATIONAL AWARENESS CAMPAIGN FOR THE FIGHT AGAINST HUNGER, MALNUTRITION AND FOOD WASTE

Each year, Servathon, as part of the Stop Hunger framework, mobilizes Sodexo employees to serve free meals, collect food and raise funds. In Fiscal 2014, Sodexo teams broke all records for Servathon: 33,000 employees volunteered over 82,000 hours in 36 countries and serving 815,000 meals.

INTERNATIONAL – Partnership with the World Food Program

Today, Sodexo fights against hunger and malnutrition in partnership with more than 700 local NGOs and associations that share the same goals and benefit from the Group's human and financial support.

While these local partnerships are very important and the essence of Stop Hunger, the Group also decided to seek a partner of international stature in order to accelerate progress. As a result, a partnership was established between Stop Hunger and the World Food Program (WFP)*.

The partnership is being formed around three main pillars:

- setting up a free food vouchers distribution system that can operate efficiently in an emergency in both urban and rural areas; for this, the expertise of Sodexo's Benefits and Rewards activity is being fully leveraged;
- setting up free rural and urban school restaurants to serve disadvantaged populations with Sodexo contributing its skills in nutritional education, hygiene, logistics and purchasing;
- fundraising and advocacy in the fight against hunger.

* *WFP, the world's largest humanitarian agency fighting against hunger, was created 53 years ago by the UN and is present in 70 countries, with a budget of 4 billion U.S. dollars, 90% funded through donations from 192 countries.*

PHILIPPINES – A partnership serving local populations

When Typhoon Hayian devastated the Philippines in December 2013, many Sodexo employees in the country sought to help local populations. Through the partnership between Stop Hunger and the World Food Program (WFP), large numbers of people were able to send financial or food donations to the hardest hit communities.

Emergency food rations were delivered to 150,000 people through the expertise and dedication of WFP teams.

KEY FIGURE

In Fiscal 2014, 43 countries engaged in efforts to fight hunger and malnutrition.

2.3.3.2 SUPPLY CHAIN INCLUSION PROGRAM

Since its founding, Sodexo has been committed to supporting local community development, including through its Supply Chain. Launched in 2013, the Supply Chain Inclusion Program defines goals to increase diversity among suppliers in all countries where Sodexo operates by 2020.

The program leverages best practices from Sodexo operations around the world (including Australia, Canada, India, Peru, the UK and the U.S.), in support of a commitment that all countries will develop strong and sustainable relationships with suppliers in at least one 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, with an emphasis on women-owned businesses;
- major Sodexo suppliers demonstrating a diverse workforce composition, actively embracing diversity and inclusion and promoting local supply chain inclusion.

Focus

BUILDING ON PROGRESS IN SUPPLY CHAIN INCLUSION

The targets that Sodexo has set for supply chain inclusion are based on building on our existing efforts. As of 2014:

- Sodexo operations in 32 countries have specific initiatives to integrate SMEs (Small and Medium Enterprises) into their supply chains;
- 86 active agreements are in place with local communities, clients, NGOs and associations to promote inclusion of SMEs in Sodexo's supply chain;
- 12 countries have a system in place to track which of their suppliers are SME's (Small and Medium Enterprises); and
- 21 countries have conducted diversity and inclusion training for supply team members.

DEMOCRATIC REPUBLIC OF CONGO – Sowing the seeds of development

Through its partnership with the Mbeko Shamba farm, Sodexo has contributed not only to the farm's development by providing direct employment for 170 people, it has helped the local community because this agreement supports a network of 70 small-scale farmers.

The farm and its network provide Sodexo with:

- 1,000 bags of corn flour per month;
- 90,000 eggs per month;
- 4.5 tons of bananas.

The partnership has resulted in the addition of an irrigation system, the development of four henhouses and a five-fold expansion of vegetable gardens.

2.3.3.3 FAIRLY TRADED CERTIFIED PRODUCTS

Sodexo contributes to improved Quality of Life in developing countries by giving preference to purchasing goods 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.

KEY FIGURE

The percentage of certified fairly traded coffee served by Sodexo (as measured in kilograms) reached 23.2% in Fiscal 2014 compared to 8.5% in Fiscal 2009.

2.3.4 OUR COMMITMENTS TO THE ENVIRONMENT

Sodexo works to reduce the environmental impacts of client sites, promote sustainable sourcing practices and optimize natural resource consumption. To this end, Sodexo employs professionals in 57 countries representing 96.8% of Group revenues.

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 FIGURE

In Fiscal 2014, 31 countries representing 51.5% of Group revenues held one or more ISO 14001 certifications (for 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.

Supplier Code of Conduct

The Sodexo Supplier Code of Conduct sets forth the Company's expectations of suppliers, vendors, contractors and others with whom Sodexo conducts business with respect to sound and responsible ethical, social and environmental practices.

Sodexo requires all suppliers, regardless of their size, to comply with this Code.

In addition to complying with these requirements directly, suppliers also are required to communicate the principles of the Code throughout their supply chains.

The most recent version, finalized in April 2014 takes into account:

- new internal documents such as the Fundamental Rights at Work Charter, the Group Occupational Health and Safety Policy and the Supply Chain Inclusion Program;
- feedback from clients;
- feedback from non-financial analysts.

Local, seasonal or sustainable products

As part of its supply chain commitments, Sodexo focuses on five priority commodities that are among its largest purchases and have the highest environmental impact: palm oil, soy, beef, dairy and fruit and vegetables. Company policies and deployment plans are being developed for each commodity.

Sodexo is also working with its suppliers to improve animal welfare conditions throughout the supply chain.

INTERNATIONAL – Sustainable sourcing for palm oil

Sodexo has established a policy requiring that all frying oil and margarine is sourced from certified sustainable palm oil by 2015 or, where not immediately possible, offset through GreenPalm* certificates.

In 2014, Sodexo achieved its commitment to 100% certified sustainable palm oil through a combination of purchases of certified sustainable palm oil and GreenPalm* certificates. The Group is now working to reduce its purchase of GreenPalm certificates by giving priority to the purchase of physical certified sustainable palm oil directly from its suppliers.

INTERNATIONAL – Improving animal welfare

A Sodexo position paper on animal welfare issued during the year is now being deployed Group wide. Although its involvement in the raising and processing of animals is indirect, Sodexo recognizes its responsibility to improve the welfare of the animals in its Supply Chain. As a result, the Company has undertaken a commitment to improve animal welfare in all countries in which it operates by 2015. In the first phase, suppliers are being asked to sign the Animal Welfare Charter.

Additional implementation steps include setting annual objectives to improve animal welfare throughout the supply chain, ensuring that animal welfare is part of company procurement requirements and increasing awareness of clients and consumers on animal welfare issues.

KEY FIGURE

In Fiscal 2014, 13 countries representing 38.5% of On-site Services revenues selected products that support the development of a sustainable palm oil industry.

* *GreenPalm is a certificate trading program, endorsed by the non-profit Roundtable on Sustainable Palm Oil (RSPO), designed to address the environmental and social problems created by the production of palm oil.*

1 Presentation of the Group
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3 Consolidated information
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8 Annual ordinary Shareholders' Meeting, January 19, 2015
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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 ensure 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 World Wildlife Fund (WWF) and working with other NGOs for technical advice on Sodexo's sustainable seafood sourcing. WWF advises Sodexo on sourcing both wild-caught and farm-raised fish.

KEY FIGURE

In Fiscal 2014, **20.4%** of total fish and seafood served by Sodexo were certified as sustainable fish and seafood.

INTERNATIONAL – Certified sustainable seafood

Since 2011, Sodexo has had 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 on wild-caught fish.

Wherever MSC's Chain of Custody Certification is available, Sodexo, its clients and consumers are assured that certified seafood is not mixed with or substituted for non-certified seafood at any step of the chain.

Achievements in Fiscal 2014 include:

- all food service sites managed by Sodexo in Germany achieved MSC Certification for the first time;
- the UK renewed its MSC certification for all food service sites;
- a total of 6 countries achieved MSC certification for a total of 1,648 food service sites.

Sustainable equipment and supplies

Sodexo is increasing the proportion of sustainable products and equipment it purchases in designated priority categories such as paper disposables, cleaning products and office paper.

INTERNATIONAL – Using fewer napkins protects the environment

In Fiscal 2014, Sodexo launched "Take One!" a new napkin dispenser to reduce the number of napkins used. The innovation is helping Sodexo meet its commitments to reduce water consumption and carbon emissions and cut waste at sites.

The Company is working to measure and report the number of napkins saved and the associated carbon emissions and water consumption avoided. During the initial pilot in several countries, Sodexo measured reductions in napkin use ranging from 25% to 55%.

KEY FIGURE

In Fiscal 2014, **81.6%** of paper disposables purchased by Sodexo were certified as sustainable.

* *Marine Stewardship Council (MSC)*
The Marine Stewardship Council (MSC) works with partners to transform the world's seafood market and promote sustainable fishing practices. MSC strives to develop credible standards for sustainable fishing and seafood traceability and seeks to make certified sustainable seafood more widely available.

2.3.4.2 ENERGY AND EMISSION PRACTICES

Sodexo continues to progress in its commitment to reduce carbon emissions in its operations and at client sites by 2020.

Since Fiscal 2010, direct and indirect (Scope 1 and Scope 2) carbon emissions (excluding purchasing and client sites) have been reduced by 7%.

Each year, Sodexo completes and makes progress in the Carbon Disclosure Project's* annual request for information. Through its partnership with World Wildlife Fund (WWF), Sodexo created a new methodology to calculate the carbon embedded in its operations and supply chain. This information has allowed Sodexo to set a target to reduce carbon emissions by 34% from its operations and supply chain between 2011 and 2020.

Sodexo will achieve this target through a combination of offers and energy and waste reduction initiatives, as well as joint efforts with our suppliers.

KEY FIGURE

In Fiscal 2014, 34.3% of client sites were implementing awareness and behavior steps to reduce their consumption of energy.

2.3.4.3 WATER REDUCTION PRACTICES

One of the year's major achievements was developing the 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, Sodexo identified "hot spots" on which it needs to focus attention and define actions to be taken.

KEY FIGURE

In Fiscal 2014, 54.3% of sites were implementing awareness and behavior steps to reduce water consumption.

SPAIN – Leveraging supply chain to promote conservation

In addition to reducing water consumption on the sites it operates, Sodexo also encourages better conservation by giving priority in its purchasing to suppliers who implement water reduction efforts. The Company sources 70,000 tons of citrus fruit annually from Frutinter, a family owned-company that reduced water consumption using a drip irrigation system that distributes water to the roots of the plants.

2.3.4.4 MATERIAL AND WASTE PRACTICES

More than 99% of the client sites where Sodexo operates worldwide have implemented initiatives to reduce organic and non-organic waste.

In Fiscal 2014, Sodexo's global WasteWatch initiative identified the causes of and ways to reduce food waste in food preparation**. WasteWatch requires teams to collect, measure and track the amount of food wasted in preproduction (such as food that is prepared and cooked but not plated).

* *Carbon Disclosure Project (CDP)*
CDP is an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information.

** *An estimated 4-10% of food purchased in foodservices operations ultimately becomes kitchen waste before reaching the consumer. (Source:* LeanPath*).*

SWEDEN – Engaging consumers to help stop food waste

To reduce food waste, Sodexo teams in Sweden instituted a series of improvements in kitchen processes and engaged consumers with reminders about reducing waste. Posters and table displays encourage continued effort by letting consumers know how they are helping to reduce waste. Sodexo now measures food waste every day at 280 restaurants in Sweden. In an 18-month period, food waste was reduced by 360 tons.

KEY FIGURE

In Fiscal 2014, **85.7%** of sites where Sodexo operates using specialized contractors to recover and recycle used cooking oil.

2.4 We Engage

To fulfill its corporate responsibility commitments, Sodexo relies on the involvement of all of its stakeholders. Sodexo maintains an ongoing dialogue with employees, clients, consumers, suppliers and institutions to unite the efforts of all.

EUROPE – Sodexo-led coalition combats food waste

To leverage the full power of its multiple stakeholders in combating food waste, Sodexo initiated the creation of the International Food Waste Coalition (IFWC). The Brussels-based not-for-profit organization is comprised of 7 founding members, including major companies and organizations. Key objectives include actively promoting strategies to reduce food waste, including by consumers. The IFWC will also serve as an expert resource for policy makers.

2.4.1 EMPLOYEES

To deliver on its commitments, Sodexo continuously engages its employees, the Company's best ambassadors with clients and consumers.

Sodexo continues to involve an increasing number of employees in its corporate responsibility efforts through actions that include:

- deploying Sodexo's corporate responsibility commitments;
- providing information through Supply Chain, Communications and Marketing teams on key priorities such as the Sustainable Supply Chain commitments and Sodexo's 10 Golden Rules for Nutrition, Health and Wellness;
- discussing individual reports by site managers with their employees to explain Sodexo actions on energy, water and waste;

- fighting hunger and malnutrition, reducing waste through initiatives that align employee actions around the world and contribute to fulfilling the Group's commitments; and,
- encouraging employees to engage with their clients and consumers through programs such as WasteLESS Week.

2.4.2 CLIENTS

Sodexo supports client sustainability strategies thereby contributing to strengthening their reputations.

The Group believes that sustainability is a potentially significant growth opportunity*, because:

- it is becoming increasingly important in all markets, with clients placing increased emphasis on – and committing additional resources to – improved 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.

NORTH AMERICA – Engaging clients in a better tomorrow

In March 2014, more than 90 clients participated in Sodexo's first "Better Tomorrow Summit", combining the three themes of diversity and inclusion, environmental sustainability and health and wellness. The meeting, "Creating Value Through Diversity, Sustainability & Wellness", included presentations, a panel discussion and breakout sessions on subjects, including "Healthy Buildings, Healthy People", "Personal Work Life Quotient" and the "Business Case for Employee Health & Wellbeing."

2.4.3 CONSUMERS

Sodexo embraces the tremendous opportunity we have to help millions of people adopt healthier and more sustainable lifestyles by sharing educational, topical and consumer friendly information. The content provided demonstrates Sodexo's commitment to reaching beyond client sites to improve consumers' quality of life.

INTERNATIONAL – Empowering People to Waste Less

In October 2013, Sodexo teams, clients and consumers in 37 countries participated in "WasteLESS Week". Highlighting the concept of "less is more", the campaign focused on the environmental benefits and quality of life impacts of reducing waste. The campaign highlighted local efforts and impacts as well as Sodexo efforts to reduce organic and non-organic waste throughout the entire year, sharing site and country-level results and encouraging people to share their positive experiences through social media.

2.4.4 SUPPLIERS

Sodexo partners with suppliers to advance on its commitments to support local communities (supply chain inclusion program), reduce environmental impacts (sustainable seafood) and promote 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 in its industry sector.

2.4.5 INSTITUTIONS

Sodexo regularly consults external stakeholders to advance its corporate responsibility strategy and promote innovation.

Examples include:

- Sodexo signed a three-year agreement with the OECD to promote the international Better Life Index on Quality of Life.
- Sodexo's long-standing working relationship with WWF on environmental and supply chain issues. Topics include sustainable sourcing of seafood, agricultural commodities like palm oil and soy, improving efficiency of water and energy use and reducing food waste;
- Sodexo is an active participant in ILO working groups;
- Sodexo is a founding partner and Board member of the Global Sustainable Seafood Initiative (GSSI), 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 provides expert advice to the United Nations Environmental Program (UNEP) on environmental impacts related to food issues;
- Sodexo is an active player and member of key organizations that promote diversity and protect human rights including, Business for Social Responsibility (BSR), Ceres, IMS Entreprendre pour la Cité, ILO Global Business and Disability Network, European Network Against Racism (ENAR), Fondation agir contre l'exclusion (FACE) and Stonewall Global Diversity champions;
- Sodexo is part of its industry's main trade associations at the European Union (EU) level and in the different countries where it operates. For example, Sodexo was a founding member of EuroFood Service, the trade association of collective catering in Europe, and European Federation for Services to Individuals (EFSI), the trade association for personnel and home services. Sodexo is also active in "Business Europe", to better defend the services industry;
- Sodexo is registered in the Transparency Register of the European Union. Sodexo serves as an expert to the EU and its trade associations, responding to inquiries on issues including public procurement, concessions, VAT, CSR, food waste, Quality of Life and providing quality jobs;
- Sodexo was the only foodservices company to testify before the United Kingdom House of Lords EU Committee on food waste, which recently issued a call for urgent action to reduce food waste by 50% across all EU member states by 2020.

2.5 Rankings and awards

2.5.1 RANKINGS

2.5.1.1 DOW JONES SUSTAINABILITY INDEXES (DJSI)

- In 2014, Sodexo was named Global Sustainability Industry Leader for the tenth year in a row in the Dow Jones Sustainability Index (DJSI), for its industry sector, Restaurants and Leisure Facilities.
- In addition, Sodexo was recognized as Industry Group Leader for Consumer Services.
- Listed in the DJSI World and DJSI Europe (formerly STOXX) indexes since 2005.

2.5.1.2 2014 ROBECOSAM SUSTAINABILITY YEARBOOK

Sodexo's leadership in corporate social responsibility was confirmed in February 2014 when it was included, for the seventh consecutive year, in the prestigious "Sustainability Yearbook", published by RobecoSAM, an asset management company specializing in sustainable investment. Sodexo also was designated "Industry Leader" and "Gold Class" for its social, environmental and economic performance.

2.5.1.3 UNITED NATIONS GLOBAL COMPACT

Sodexo was recognized at the United Nations Global Compact highest ("Advanced") level. The designation is reserved for companies that report having adopted a broad range of best practices in sustainability governance and management, consistent with the Global Compact Blueprint for Corporate Sustainability Leadership.

Sodexo is also ranked in the following indexes:

- Ethibel Sustainability Index (ESI) Global since July 2010;
- Fédéris ISR Euro Index since June 2010;
- NYSE EuroNet Vigeo Europe 120 (formerly ASPI Eurozone® Index) since 2009;
- STOXX® Global ESG Leaders Index since September 2011.

2.5.2 COUNTRY AWARDS AND CERTIFICATIONS

2.5.2.1 AUSTRALIA

Sodexo Receives Best Employer Branding Award

The Australian HR Awards recognized Sodexo for excellence in the delivery of its employer branding campaign and its role in reinforcing corporate values and culture. The Awards bring together industry leaders to celebrate excellence in the HR profession, recognizing individuals, teams and companies for their achievements in people management.

2.5.2.2 CANADA

Triple recognitions as responsible employer

Sodexo was named one of Canada's Top Employers for Young People as well as one of the country's Greenest Employers. In addition, the Workplace Institute recognized Sodexo for its commitment to attracting and retaining highly skilled older employees with a 2014 Employers Award for 50 Plus Canadians™.

Diversity as a business imperative

Sodexo also was named by publishing company Mediacorp, a publisher of periodicals about employment, as one of Canada's Best Diversity Employers for its forward-thinking culture that puts diversity at the heart of its business strategy. The award recognizes Sodexo's multiple diversity actions that include employee network groups, community partnerships and a commitment to training and skill development programs for women, visible minorities, persons with disabilities, Aboriginal peoples and lesbian, gay, bisexual and transgendered/transsexual (LGBT) people.

2.5.2.3 COLOMBIA

CSR commitment recognized

Sodexo was presented with the *"Premio Portafolio 2013"* award in recognition of its social, economic, academic and environmental policies. Juan Manuel Santos, President of Colombia, personally thanked Sodexo for its contribution toward the peace process in providing employment opportunities to people who had previously participated in armed conflict.

2.5.2.4 EUROPE

Combating racism

The European Network Against Racism (ENAR) Foundation distinguished Sodexo for its commitment to the recruitment, employment and inclusion of people from different cultures and backgrounds, reflecting the strategic priority the Group places on diversity and inclusion.

Each year, ENAR honors individuals, non-governmental organizations, public authorities and companies with awards for actions to combat racism.

2.5.2.5 FRANCE

Promoting diversity worldwide

Sodexo won the award for "International Approach" at the eighth edition of the Diversity Awards on September 26, 2013.

The award cited Sodexo's commitment to diversity and inclusion and its effective worldwide implementation through adaptation of its diversity policies to the local context of each of the 80 countries in which the Company operates.

2.5.2.6 MEXICO

Sustainability leadership

For the 10th consecutive year, *Centra Mexicano para la Filantropia* (CEMEFI) presented Sodexo with its *Empresa Socialmente Responsable* (ESR) award. This distinction reflects Sodexo's commitment to quality of life, business ethics and environmental responsibility. Sodexo was also named as 2014 Super Company and one of the best places to work by *Expansion,* Mexico's leading business magazine.

2.5.2.7 NETHERLANDS

A certified top employer

Sodexo was certified as one of the Netherlands' "Top Employers" for 2014, in recognition of the excellent working conditions for employees and the Company's commitment to developing talent at all levels of the organization.

2.5.2.8 SINGAPORE

May Day Model award for innovation and productivity

Sodexo received the May Day Model award for enhancing productivity by introducing an electronic meal ordering system at Kanbang Kerbau Women's and Children's hospital.

2.5.2.9 SWEDEN

LGBT* award from union

Sodexo was named Sweden's most LGBT-friendly workplace by "the Union" trade organization in 2013. Sodexo was recognized for ensuring a work environment in which an employee can openly show their sexual orientation and/or gender identity/gender expression and that offers an open and LGBT-friendly dialogue.

2.5.2.10 UNITED KINGDOM

Leveraging opportunity potential

Opportunity Now, the gender campaign within the United Kingdom's Business in the Community**, twice recognized Sodexo for its commitment to diversity and gender balance. In partnership with The Times, the organization named Sodexo one of the Top 50 Employers for Women in 2014. The Top 50 recognizes organizations that ensure opportunities in the workplace for women to reach their full potential.

In addition, Sodexo won the Global Award at the Opportunity Now Excellence in Practice Awards for its commitment to putting gender at the core of its business agenda and creating inclusive workplaces.

2.5.2.11 UNITED STATES

Visionary Corporate Governance

WomenCorporateDirectors (WCD***) recognized Sodexo as one of the winners of its 2014 Visionary Awards for its commitment to advancing better Corporate Governance across the globe.

Benchmark diversity performance

DiversityInc has again ranked Sodexo among the leading companies for diversity. The organization assesses the performance of 900 companies in four key diversity management areas: Talent Pipeline, Equitable Talent Development, CEO/Leadership Commitment and Supplier Diversity. Sodexo is the only company to rank in the top two in DiversityInc's Top 50 for five consecutive years.

Mobilizing young people to fight hunger

The Campus Kitchens Project honored Sodexo with its first ever Vision Award, recognizing the Company's leadership and commitment in communities in the fight against hunger.

* *Lesbian, Gay, Bisexual, Transsexual.*

** *Business in the Community is a business-led charity with 850 member companies, from large multinational household names to small local businesses and public sector organizations. BITC seeks to positively shape business impact on the environment, in the marketplace, the workplace and the community.*

*** *WCD is an international community of women corporate directors that is committed to best practices in Corporate Governance around the world.*

2.6 Indicators, reporting methodology and Statutory Auditor's Report

2.6.1 SUMMARY OF GROUP WORKFORCE AND ENVIRONMENTAL INDICATORS

		Fiscal 2014	Fiscal 2013
	GENERAL INFORMATION		
☑	% of Group revenues of countries having one or more ISO 9001 certification	92.7%	56.8%
	We Are		
	BUSINESS INTEGRITY		
☑	% of employees working in countries having the Sodexo Statement of Business Integrity available in at least one official language	99.8%	97.9%
	We Do		
	AS AN EMPLOYER		
	Workforce		
☑	Total Workforce	419,317	427,921
	Per category		
☑	Employees	367,537	379,036
☑	• Male employees	161,212	167,922
☑	• Female employees	206,325	211,114
☑	Managers	51,780	48,885
☑	• Male managers	30,373	28,280
☑	• Female managers	21,407	20,605
	Per activity and client segment		
☑	On-site Services	97%	97%
☑	• Corporate	40%	40%
☑	• Education	22.5%	22%
☑	• Health Care	16.5%	14%
☑	• Remote Sites	9.5%	10%
☑	• Defense	3%	4%
☑	• Sports and Leisure	2.5%	3%
☑	• Seniors	2%	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%

☑ *indicator audited to the level of "reasonable" assurance.*

	Fiscal 2014	Fiscal 2013
Per geography		
☑ North America	132,060	132,611
☑ Continental Europe	101,082	102,236
☑ United Kingdom and Ireland	34,721	35,072
☑ Rest of the World	151,454	158,002
Per age		
☑ Under 30	26.6%	27.5%
☑ 30-40	23.9%	24.0%
☑ 40-50	24.0%	23.9%
☑ 50-60	19.2%	17.7%
☑ Over 60	6.2%	6.9%
Other workforce indicators		
☑ Employee retention rate	62.6%	67.8%
☑ Site management retention rate	81.2%	82.2%
Respect Human Rights		
☑ % of employees working in countries having the Human Rights policy available in at least one official language	95.5%	94.2%
Employee development		
Access to employment		
Average seniority (number of years)	6	
• Employees	5	
• Managers	9	
New hires (excluding acquisitions and transfers)	135,198	133,861
Employees	127,941	126,937
Managers	7,257	6,924
Internal promotion		
Site managers and other non-site staff promoted to off-site management	538	533
% of off site management positions filled by internal promotion	34.6%	33.1%
Front-line staff promoted to site management	1,963	1,848
☑ % of site management positions filled by internal promotion	23.9%	24.0%
Training		
Total number of training hours	5,113,926	4,774,255
☑ Number of employees participating in at least one training program	363,074	351,071
• Employees	316,464	294,319
• Managers	46,610	56,752
☑ % of employees particating in at least one training program	86.5%	82.6%
Employee engagement		
☑ Group Employee Engagement Rate*	59.0%	
Diversity and inclusion		
Representation of women		
☑ % of women's representation on the Board of Directors	38%	38%
☑ % of women's representation on the Executive Committee	43%	29%

* *Survey carried out every two years.*
☑ *indicator audited to the level of "reasonable" assurance.*

		Fiscal 2014	Fiscal 2013
☑	% of women's representation among Group Senior Leaders	23%	23%
☑	% of women in management positions	41%	42%
☑	% of women's representation in total workforce	54%	54%
	Health and safety		
☑	% of Group revenues of countries having one or more OHSAS 18001 certification	82.6%	78.5%
	NUTRITION, HEALTH AND WELLNESS		
	Health and wellness		
☑	% of Group revenues of countries developing and promoting health and wellness solutions	98.6%	93.5%
☑	% of On-site Services revenues of countries having one or more ISO 22000 certification	68.3%	65.0%
	% of On-site Services revenues of countries having a system to ensure that employees with food service responsibilities are trained in compliance with local laws and regulations and Global Food Safety and Hygiene Policy	100.0%	99.9%
	Advocate balancing food options		
	Number of registered dietitians employed by Sodexo	4,427	4,904
	LOCAL COMMUNITIES		
	Stop Hunger		
☑	Number of countries fighting Hunger and Malnutrition through Stop Hunger	43	42
	Fairly traded certified products		
	% in kg of certified fairly traded coffee	23.2%	23.8%
	ENVIRONMENT		
	Environment management		
☑	% of Group revenues of countries having one or more ISO 14001 certification	51.5%	50.4%
	Supply chain code of conduct		
☑	% of spend with contracted suppliers having signed the Sodexo Supplier Code of Conduct	83.7%	84.8%
	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	38.5%	35.9%
	Sustainable seafood		
	% of certified sustainable fish and seafood as a % of total fish and seafood	20.4%	15.5%
	Number of MSC certified foodservice sites	1,648	1,470
	Sustainable equipment and supplies		
☑	% of spend on certified sustainable paper disposables as a % of total paper disposables	81.6%	66.8%
	Energy and emissions		
	% of sites implementing heightened awareness and behavior steps to reduce their consumption of energy	34.3%	37.6%

☑ *indicator audited to the level of "reasonable" assurance.*

	Fiscal 2014	Fiscal 2013
Water and effluents		
% of sites implementing heightened awareness and behavior steps to reduce their consumption of blue water	54.3%	53.0%
Materials and waste		
% of sites implementing equipment and processes steps to reduce their organic waste	90.8%	90.5%
% of sites implementing equipment and processes steps to reduce their non organic waste	63.9%	62.8%

☑ *indicator audited to the level of "reasonable" assurance.*
There are no provisions made for risks related to the environment.

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 Corporate Responsibility 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) 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.

As part of our progressive journey, we have added some addition indicators this year and will continue to do so each year (*c.f.* List of indicators 2.6.2.3).

2.6.2.2 SCOPE OF CONSOLIDATION

Indicators generally include all entities which are fully consolidated for financial reporting purposes, with the following exceptions:

- a new country added during the fiscal year is included in the reporting scope in the following fiscal year;
- acquired entities are included as from the date of acquisition.

Fiscal 2014 workforce indicators

Workforce indicators are consolidated for all Sodexo entities. Certain additional indicators provided are specific to the entities in France.

Fiscal 2014 environmental indicators

Environmental indicators are consolidated for entities representing 97% of Group revenues, compared to 96% in Fiscal 2013. 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.

Two Sustainable Supply Chain indicators are consolidated for entities representing 96% of Group or On-site Services 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.

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 also examined 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 key indicators:

- % of Group revenues of countries having one or more ISO 9001 certification;
- percentage of employees working in countries having the Sodexo Statement of Business Integrity available in an official language of the country;
- total workforce;
- employees by gender, category, activity, age, geography;
- employee retention rate;
- site management retention rate;
- percentage of employees working in countries having the Human Rights policy available in an official language of the country;
- percentage of site manager positions filled through internal promotions;
- number of employees participating in training programs;
- % of employees participating in at least one training program;
- Group Employee Engagement Rate;
- percentage representation of women on the Board, in the Executive Committee, among Group Senior Leaders, in management and in the total workforce;
- % of On-site Services revenues of countries having one or more ISO 22000 certification;
- % of Group revenues of countries having one or more OHSAS 18001 certification;
- number of work related accidents;
- percentage of Group revenues of countries developing and promoting health and wellness solutions;
- number of countries fighting Hunger and Malnutrition through Stop Hunger;
- % of Group revenues of countries having one or more ISO 14001 certification;
- percentage of spend with contracted suppliers having signed the Sodexo Supplier Code of Conduct;
- percentage of On-site Services revenues of countries selecting products that support the development of a sustainable palm oil industry;
- percentage of spend on certified sustainable paper disposables as a % of total paper disposables.

2.6.2.4 LIMITATIONS

With over 419,000 employees, Sodexo is present in 80 countries with differing regulations and operates across 32,700 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 on pages 125 to 128 and include the following:
  - "CDD (*contrat à durée détérminée* – Limited term contract)/CDI (*contrat 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 work accidents: this indicator is only provided for Sodexo in France as due to the large number of differing national definitions it requires standardization;
  - number of days lost due to sickness, frequency rate and gravity 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 and in the USA, the number of site employees trained and the related number of training hours are under-estimated on the basis of conservative assumptions on employee retention and the number of mandatory training hours;
  - Sodexo's activities are performed on 32,700 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 has defined 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.
- One of Sodexo's missions is to improve Quality of Life for our employees and all who we serve. Sodexo's services are, in the majority of cases, provided on the 32,700 client sites where we operate throughout the world. The following information is therefore not applicable to Sodexo:
  - 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;
  - 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 report.

2.6.3 ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED LABOR, ENVIRONMENTAL AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

Sodexo SA
Head office: 255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux

ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED LABOR, ENVIRONMENTAL AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

Year ended August 31, 2014

To the shareholders,

In our capacity as Statutory Auditor of Sodexo SA, appointed as Independent Third Party, accredited by the COFRAC registered under number 3-1049, we hereby present to you our report on the consolidated labor, environmental and social information (hereinafter the "CSR Information") for the year ended August 31st, 2014, presented in the Management Report. This report has been prepared in accordance with article L.225-102-1 of the French Commercial Code.

RESPONSIBILITY OF THE COMPANY

The Board of Directors is responsible for preparing the Company's Management Report including CSR Information in accordance with the provisions of article R.225-105-1 of the French Commercial Code and with the guidelines used by the Company (hereinafter the "Guidelines"), summarized in the Management Report and available on request from the Company's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulations, the French Code of Ethics governing the audit profession and the provisions of article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the Codes of Ethics, professional auditing standards and applicable law and regulations.

RESPONSIBILITY OF THE STATUTORY AUDITOR

On the basis of our work, it is our responsibility to:

- attest that the required CSR Information is presented in the Management Report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information);
- at the request of the Company, express reasonable assurance, that information selected by the Group and identified by the symbol √ in the chapter 2 of the Management Report is fairly presented, in all material respects, in accordance with the Guidelines (Reasonable assurance on a selection of CSR information).

Our work was performed by a team of six people between September and October 2014. We were assisted by our CSR specialists.

We performed the procedures below in accordance with professional auditing standards applicable in France, with the decree dated May 13, 2013 determining the manner in which the independent third party should carry out his work, and with ISAE 3000[(1)] concerning our reasoned opinion on the fairness of the CSR Information and our reasonable assurance on a selection of CSR information.

1. Statement of completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant Departments, we reviewed the Company's sustainable development strategy with respect to the social and environmental impact of its activities and its social commitments and, where applicable, any initiatives or programs it has implemented as a result.

We compared the CSR Information presented in the Management Report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the consolidation scope, *i.e.* the Company, its subsidiaries as defined by article L.233-1 and the entities it controls as defined by article L.233-3 of the French Commercial Code, within the limitations set out in the methodological information presented in chapter 2.6.2 of the Management Report.

Based on these procedures and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the Management Report.

2. Reasoned opinion on the fairness of the CSR Information

NATURE AND SCOPE OF THE WORK

We conducted approximately ten interviews with the people responsible for preparing the CSR Information in the Departments in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practice, where appropriate;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the Information and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the Company, the social and environmental impact of its activities, its sustainable development strategy and best practice. With regard to the CSR Information that we considered to be the most important, presented in Appendix 1:

- at parent entity level and subsidiaries and controlled entities level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and consolidation of the data. We also verified that the data was consistent by cross-checking it with other information in the Management Report;
- at the entity level for a representative sample of entities selected, presented in Appendix 2, on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 59% of headcount, between 56% and 69% of the quantitative environmental information and between 56% and 73% of the quantitative social information.

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

For the other consolidated CSR information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgment, were sufficient to enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected.

CONCLUSION

Based on our work, we did not identify any material anomalies likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly in accordance with the Guidelines.

3. Reasonable assurance on a selection of CSR Information

NATURE AND SCOPE OF THE WORK

For the information selected by the Group and identified by the symbol √, our audit consisted of work of the same nature as described in paragraph 2 above for the CSR information considered the most important, but in more depth, particularly regarding the number of tests.

The sample selected represents 59% of headcount, between 56% and 68% of the quantitative environmental information and between 59% and 73% of the quantitative social information identified by the symbol √.

We consider that this work enables us to express a conclusion of reasonable assurance for the information selected by the Group and identified by the symbol √.

CONCLUSION

In our opinion, the information selected by the Group and identified by the symbol √ is fairly presented, in all material aspects, in compliance with the Guidelines.

Paris La Défense, le November 12, 2014

KPMG Audit
Département de KPMG S.A

Philippe Arnaud	Hervé Chopin
Partner	*Partner*
Climate Change & Sustainability Services Sustainability Services	

Appendix 1

All the information disclosed in the CSR chapter of the Management Report is subject to either a limited or a reasonable assurance level.

The list below indicates the information:

- verified with a reasonable assurance level (√).
- verified with a limited assurance level and considered to be the most important (see section 2 of our report).

Labor indicators	Level of assurance
Total Workforce per category, per activity and client segment, per geography, per age	Reasonable
Employee retention rate	Reasonable
Site management retention rate	Reasonable
% of site management positions filled by internal promotion	Reasonable
Number of employees participating in at least one training program	Reasonable
% of employees participating in at least one training program	Reasonable
Group Employee Engagement Rate	Reasonable
% of women's representation on the Board of Directors % of women's representation on the Executive Committee % of women's representation among Group Senior Leaders % of women in management positions	Reasonable
% of women's representation in total workforce	Reasonable
Number of work related accidents*	Reasonable
% of Group revenues of countries having one or more OHSAS 18001 certification	Reasonable
Total number of training hours	Limited

* *France only.*

Environmental indicators	Level of assurance
% of Group revenues of countries having one or more ISO 14001 certification	Reasonable
% of On-site Services revenues of countries selecting products that support the development of a sustainable palm oil industry	Reasonable
% of spend on certified sustainable paper disposables as a % of total paper disposables	Reasonable
% of sites implementing heightened awareness and behavior steps to reduce their consumption of blue water	Limited
% of sites implementing heightened awareness and behavior steps to reduce their consumption of energy	Limited
% of sites implementing equipment and processes steps to reduce their organic waste	Limited
% of sites implementing equipment and processes steps to reduce their non-organic waste	Limited
% of certified sustainable fish and seafood as a % of total fish and seafood	Limited

Social indicators	Level of assurance
% of employees working in countries having the Sodexo Statement of Business Integrity available in at least one official language	Reasonable
% of Group revenues of countries developing and promoting health and wellness solutions	
% of On-site Services revenues of countries having one or more ISO 22000 certification	
Number of countries fighting hunger and malnutrition through Stop Hunger	
% of employees working in countries having the Human Rights policy available in at least one official language	
% of spend with contracted suppliers having signed the Sodexo Supplier Code of Conduct	
% of Group revenues of countries having one or more ISO 9001 certification	
% in kg of certified fairly traded coffee	Limited
Number of registered dietitians employed by Sodexo	
% of On-site Services revenues of countries having a system to ensure that employees with food service responsibilities are trained in compliance with local laws and regulations and Global Food Safety and Hygiene Policy	

Qualitative information	
Labor topics	Policies implemented regarding training Organisation of social dialogue including collective bargaining agreements with employee representatives Occupational health and safety conditions Measures implemented to promote gender equality Measures implemented to promote the employment and integration of disabled people Respect of fundamental labor rights
Environmental topics	Greenhouse gas emissions Measures regarding waste prevention, recycling and disposal
Social topics	Action regarding regional employment and development Partnership or sponsorship actions Actions implemented to promote human rights

Appendix 2

AUDITED ENTITIES

Sodexo On-site Services	Sodexo Benefits and Rewards Services
Sodexo France Sodexo Chile Sodexo UK and Ireland Sodexo USA Sodexo Italy Sodexo India	Sodexo India

2.7 Data related to Sodexo's activities in France

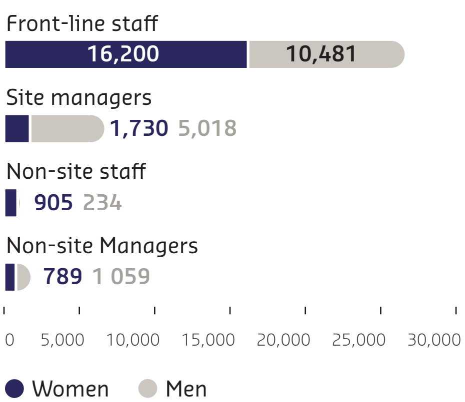
The following data comprises all employment aspects of all Sodexo operations in France, *i.e.*, On-site Services, Benefits and Rewards Services, Personal and Home Services, the parent company and the Group's management companies, are presented below.

2.7.1 WORKFORCE

As of August 31, 2014, Sodexo employed a total of 36,416 people in France.

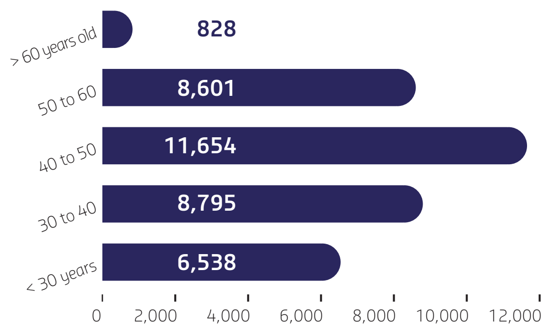
2.7.2 WORKFORCE BY GENDER

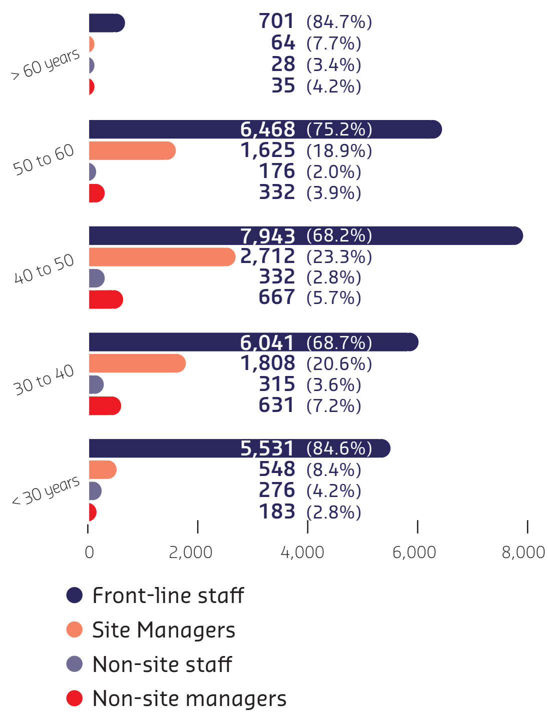
Women represent 54% of total employees, 61% of front-line staff, 26% of site managers, 43% of non-site managers and 79% of non-site employees.



2.7.3 WORKFORCE BY AGE GROUP

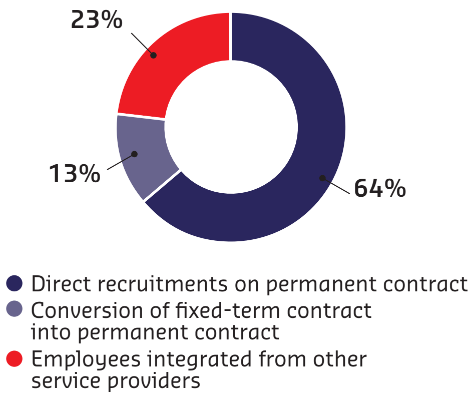
The average age is 41.





2.7.4 EMPLOYMENT

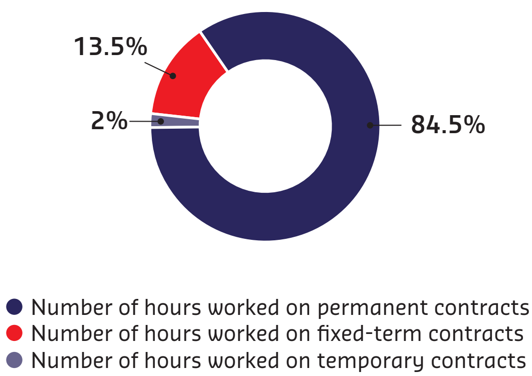
4,218 staff were recruited in France on a permanent contract during Fiscal 2014 (compared to 4,627 in Fiscal 2013), comprising 2,700 by direct recruitment, 541 by conversion of fixed-term contracts into permanent contracts, and 977 by integrating employees from other service providers.



As of August 31, 2014, 10% of employees were on fixed-term contracts (compared to 9.4% in Fiscal 2013).

During the fiscal year, employment on fixed-term contracts represented 13,5% of hours worked and temporary work represented 2%. These mainly concerned temporary replacements and spikes in workload.

310,812 hours of overtime were worked in Fiscal 2014, or 1% of hours worked.



1,205 employees had their employment contract terminated in Fiscal 2014.

As part of measures to improve its competitiveness, Sodexo France negotiated a voluntary redundancy plan with employee representatives. This plan involved 180 off-site employees who left the Group between March and August 2014.

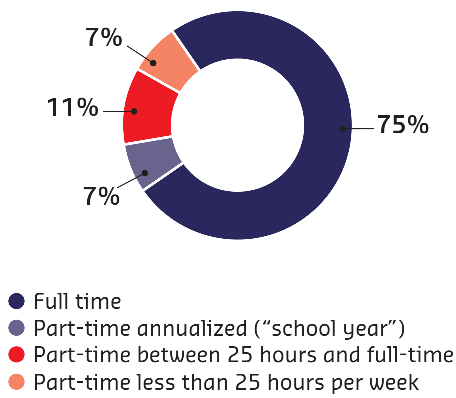
2.7.5 INTERNAL PROMOTION

In Fiscal 2014, 128 front-line employees in France were promoted site managers.

2.7.6 ORGANIZATION OF WORKING HOURS

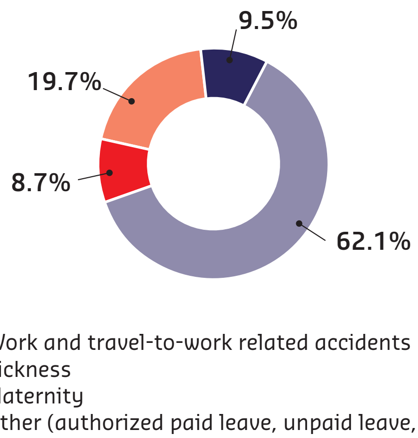
The working week is 35 hours (34.87 hours for most subsidiaries).

For Fiscal 2014, 75% of the workforce worked full-time. Part-time work involved 25% of the workforce.



2.7.7 ABSENTEEISM

In France, the average absenteeism rate based on the number of days absent was 7.4% for the workforce as a whole (compared to 7.1 in Fiscal 2013). The reasons were as follows:



2.7.8 COMPENSATION

The average annual salary for a full-time front-line employee was 21,530 euro in France, which is 24% higher than the French legal minimum wage [1].

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 2014 was 10,032,128 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 50%.

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, 31 collective agreements were signed in Fiscal 2014.

2.7.13 HEALTH AND SAFETY

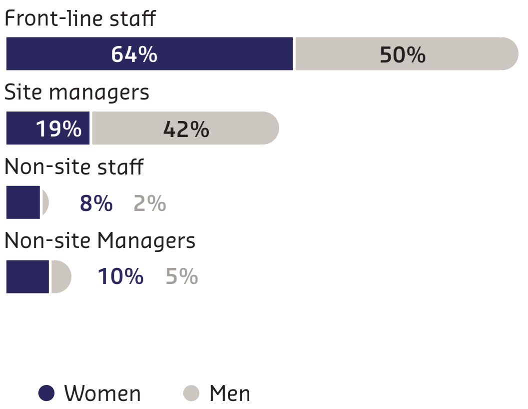
In Fiscal 2014, the number of work-related accidents was 2,345.

Thus, the frequency rate of work-related accidents in France was 44.54% in Fiscal 2014, and the severity rate was 1.26.

(1) The French gross legal minimum wage (Smic) in euro for a workweek of 37.87 hours, as of December 19, 2013.

2.7.14 EMPLOYEE TRAINING AND DEVELOPMENT

Expenditure on training by all Sodexo businesses in France totaled 6.3 million euro in Fiscal 2014.



The number of training hours totaled 221,553 hours during the fiscal year.

2.7.15 PROFESSIONAL EQUALITY

In Fiscal 2014, 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 Fiscal 2013 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.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3

CONSOLIDATED INFORMATION

3.1 Fiscal 2014 Activity Report

At the Board of Directors meeting held on November 10, 2014 and chaired by Pierre Bellon, Sodexo's Chief Executive Officer Michel Landel presented the Group's performance for the fiscal year ended August 31, 2014.

3.1.1 FISCAL YEAR HIGHLIGHTS

Sodexo's development model is based primarily on organic growth, achieved by leveraging the considerable potential offered by the worldwide outsourcing market.

Its Quality of Life Service offer is an important source of competitive differentiation. Sodexo is also the only company in the world to offer its clients On-site Services, Benefits and Rewards Services and Personal and Home Services, and as such is uniquely positioned to improve the quality of life.

During the Board meeting, Sodexo's Chief Executive Officer Michel Landel observed that quality of life has become widely recognized as an agent of progress for people and a performance driver for companies and organizations. By placing people and the well-being of everyone it serves at the center of its organization, Sodexo has evolved from being a service provider to a creator of well-being experiences built on its deep understanding of consumers' and clients' needs.

During Fiscal 2014, 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 team training, strengthened employee engagement, opportunities for managers to obtain international experience and an assertive diversity policy;
- continuous improvements in technical expertise, with facilities management services now accounting for 28% of consolidated revenues. Sodexo offers over 100 different services to companies, universities, hospitals, retirement homes and prisons, and to private individuals. In Fiscal 2014, facilities management revenues rose sharply in several geographic markets, particularly the United Kingdom, continental Europe and Asia, as well as in the Corporate segment in North America, with growth rates ranging from 5% to 17%;
- expansion in high potential markets, particularly in emerging countries. These markets currently represent nearly 20% of the Group's On-site Services revenue, while the Benefits and Rewards Services activity has issue volume of more than 7 billion euro in Latin America, compared to 5 billion euro ten years ago (in Fiscal 2004).

Financial performance for Fiscal 2014 was once again very robust and fully in line with the targets set at the beginning of the year:

- consolidated revenues totaled 18 billion euro;
- organic growth was 2.3%;
- reported operating profit was 939 million euro, after including 27 million euro in exceptional costs for the program to improve operational efficiency and reduce costs.

Excluding these exceptional costs, operating profit was 966 million euro, up 10.7% from Fiscal 2013 excluding currency effects;

- reported Group net profit was 490 million euro, up by more than 20% excluding currency effects and by 11.6% after taking into account the significant fluctuations in foreign currency exchange rates observed in Fiscal 2014;
- net cash provided by operating activities totaled 825 million euro versus 618 million euro in Fiscal 2013, demonstrating once again Sodexo's ability to generate large amounts of cash year after year.

Michel Landel mentioned to his fellow Board members that the Group had achieved these performances in a complicated macro-economic environment and despite considerably slower global economic growth, thanks to the hard work of Sodexo's 419,000 employees.

In 2005, the Group set the target of achieving 7% average annual growth in revenues and 11% average annual growth in operating profit over the next ten years. Between Fiscal 2005 and Fiscal 2014, revenues grew by an average of nearly 6% per year and operating profit by an average of around 10% excluding currency effects.

Michel Landel explained to the Board that like other international groups that present their consolidated financial statements in euro, in Fiscal 2014 all of Sodexo's income statement items were severely affected by negative currency effects resulting from changes in average exchange rates between Fiscal 2013 and Fiscal 2014. He also noted that, unlike exporting companies, Sodexo is not exposed to any operational risks as a result of exchange rate fluctuations, because each subsidiary bills its revenues and incurs its expenses in the same currency.

The Group's financial ratios also improved during Fiscal 2014, reflecting the quality of Sodexo's strategic choices and the robustness of its financial model. Attesting to the Group's financial strength, in the middle of the year Standard & Poor's raised its rating to A-. Prior to that, between 1998, when Standard & Poor's rated the Group for the first time, and February 2014, Sodexo had always been rated BBB+.

During Fiscal 2014, Sodexo also successfully carried out two major debt issues on the international financial markets, using the proceeds to refinance more than two-thirds of the Group's structural long-term debt at lower interest rates:

- in the spring of 2014, the Group borrowed 1.1 billion U.S. dollars through a private placement with U.S. investors (U.S. Private Placement) structured in five tranches with maturities of 5, 7, 10, 12, and 15 years;
- then in the summer of 2014, Sodexo completed a 1.1 billion euro bond issuance structured in two tranches: a 600 million euro tranche maturing in 7.5 years and another tranche for 500 million euro maturing in 12 years.

Both issues were significantly oversubscribed by investors. They enabled the Group to extend the maturity of its debt, better align the respective foreign currency exposures of its borrowings and operating activities, and obtain more attractive interest rates.

All of these factors should contribute to a continuous rise in Group net profit and earnings per share over the next two fiscal years.

3.1.1.1 ONGOING DEVELOPMENT

The Sodexo teams' marketing successes with many clients contributed to the development rate (contract wins) in both On-site Services and Benefits and Rewards Services.

In On-site Services, Sodexo's integrated service offer and innovations won over the following clients:

- **in the Corporate segment,** several new clients chose the service offer developed by Sodexo to improve their employees' quality of life in the workplace. They included EnBW, in Germany, for its 200 buildings at 53 sites; Deloitte for the ten buildings comprising its Paris headquarters and its 17 regional offices in France; TetraPak for its second largest plant in India, and Telefonica SA in Chile for energy management services and maintenance of its network of telephone masts, at 436 sites in eight cities.

The Group's international network also allows it to partner with a growing number of major multinational groups. These include Alcatel-Lucent, which chose Sodexo as its worldwide Quality of Life services provider at 250 sites in 43 countries. Sodexo also ensures the well-being of Carlsberg's teams at 30 sites in ten European countries, and manages a wide range of integrated services for Rexam at 27 sites in 15 European countries.

Energy management has become a priority for a growing number of clients. Sodexo supports their efforts with an energy efficiency service offer that helps them to reduce costs while also protecting the environment;

- **in Health Care and Seniors,** Sodexo strengthened its global expertise by winning major contracts in Europe, including with Imperial College Healthcare in the United Kingdom for its four London hospitals, and the Monza hospital in Italy for its new leukemia research and treatment center.

  This expertise also led to the renewal and extension of large existing contracts, notably in the United States. For example, Wheaton Franciscan Healthcare, a major Wisconsin-based network of hospitals, physicians and home health service providers, extended its partnership with Sodexo to include maintenance and repair services for over 22,000 types of specialized medical appliances, while the Presbyterian Home for Central New York, a nursing home for the elderly, awarded Sodexo a facilities management contract in addition to the existing foodservices contract.

  University Hospitals, one of the largest health care networks in the United States, signed a new five-year contract with Sodexo covering environmental, food, nutrition and facilities management services.

  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. This is shown by the contracts won in Fiscal 2014 with Jaypee Hospital in Noida and Wockhardt Hospital in Mumbai (India), The Medical City in Manila (Philippines), Mater Dei Hospital in Belo Horizonte (Brazil) and Jishuitan Hospital's new Huilongguan center in Beijing (China);

- **in the Education segment,** new clients chose Sodexo to help them create a healthy, safe and welcoming environment responding to the aspirations of their students and employees. In the United States, Chicago Public Schools (CPS) chose Sodexo to manage energy infrastructure and costs at the city's 680 schools, while in Thailand, the Panyapiwat Institute of Management awarded the Group a contract to provide a full range of integrated facilities management services.

  University College London (UCL) was won over by the innovative, diversified and responsible foodservices offer proposed by Sodexo for its 25,000 students and 9,000 faculty members and staff. Sodexo's bespoke foodservices offers also won over Jackson State University in Mississippi (United States), the Jyväskylä University of Applied Sciences (Finland), the public schools in Asnières-sur-Seine (France), the Canadian International School in Singapore, the Indian School of Business (ISB) in Hyderabad (India), the University of the Andes in Bogota (Colombia) and the Hong Kong YMCA's Christian College (Hong Kong);

- **in Remote Sites,** Australia's largest oil and gas producer, Woodside Energy, chose Sodexo to provide a wide range of services including management of the 756 houses and 2,000 rooms in the camp, foodservices for the plant, cleaning of employees' work wear, administrative services, technical maintenance of all buildings other than the plant, industrial cleaning and grounds keeping services. In the Philippines, Sodexo provides integrated facilities management services for the offshore and onshore sites operated by Shell Philippines Exploration B.V. (SPEX) for the Malampaya project, a public-private partnership between the Philippine government and SPEX that supplies 30% of the Philippine's electricity needs.

In Benefits and Rewards Services, 40% of whose clients are also served by the other Group activities, Fiscal 2014 saw a certain number of developments and innovations. For example:

- **in Brazil:** Sodexo expanded its offer and innovated by proposing and deploying Vale Cultura, a solution that provides easier access to cultural activities to the 17,000 Banco Santander employees working in the bank's branches;
- **in China,** after obtaining a license from the People's Bank of China (PBOC) authorizing it to expand its

prepaid card offer, Sodexo launched the Tung Pass gift card in July 2014. The card is accepted by a wide network of affiliated merchants, including shopping malls, fashion boutiques, home accessories stores, supermarkets and fashionable restaurants;

- **in Israel,** the Group strengthened its expertise in mobile technologies, particularly personalized digital loyalty programs, by acquiring a stake in Keeprz;
- **in Peru, Romania and the United Kingdom,** Sodexo won over mobile telephone operators to its Quality of Life Services, in the form of employee benefits and incentive programs for other targets.

3.1.1.2 CREATING A COMPETITIVE ADVANTAGE THROUGH OUR PEOPLE

The world's 18th largest private sector employer with 419,000 employees in 80 countries, Sodexo is a community of men and women whose engagement is key to client and consumer satisfaction and, therefore, a genuine competitive advantage. That is why the Group implemented several major initiatives in Fiscal 2014 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 its employees. With 95% of staff in daily contact with clients and consumers, Sodexo is convinced that client and consumer satisfaction depends on its teams' skills and talent.

In April 2014, Sodexo conducted a new international employee engagement survey among 130,000 employees in 60 countries. The engagement rate, which measures employees' satisfaction and commitment, is a key performance indicator.

The results of this latest survey show that significant advances have been made:

- **the employee engagement rate improved for the third time running. At 59%,** it was up two points on Fiscal 2012 and 11 points from six years ago. The participation rate was stable, at 68%, attesting to the survey's credibility among employees;
- the main take-aways from the survey are that Sodexo offers a stable, sustainable and fulfilling work environment, with **86% of respondents stating that they would rather work for Sodexo than for a competitor.** 80% of respondents are aware of the career development opportunities available to them and 88% consider that their working environment is appropriate for the types of tasks they are asked to perform.

Sodexo was the first international group to participate in the Best Employer certification program launched by Aon Hewitt in 2014. This innovative program compares organizations and identifies those that are marked by effective leadership, a strong performance culture, a compelling employer brand and high employee engagement. The methodology used is based on Aon Hewitt's more than 20 years' experience in the area of employee engagement. Seventeen Sodexo countries, representative of the Group's three activities, have already obtained Best Employer certification.

During the year, Sodexo also continued to invest in staff training. As part of its commitment to offering employees opportunities to acquire new skills and move up the career ladder, Sodexo provided 5.1 million hours of training during Fiscal 2014, an increase of 7% compared with the prior year.

In addition, the Sodexo Academies offer Group employees a wide range of training courses and development opportunities. They include, for example, over 500 training modules for employees working in facilities management in the United States.

3.1.1.3 A GLOBAL EXPERT IN QUALITY OF LIFE SERVICES

The Sodexo Quality of Life Institute conducts research to deepen the Group's understanding of how quality of life can drive individual and collective progress. The Institute works with external stakeholders to identify the Quality of Life levers that influence an organization's performance in environments as diverse as businesses, health care facilities, campuses, schools, remote sites and correctional facilities.

To strengthen its position as a global quality of life expert, in March 2014 Sodexo launched the Quality of Life Observer, the first internet site to monitor and interpret the components that contribute to quality of life. It provides decision makers and opinion leaders with a global panorama on quality of life, a decisive factor in individual and collective performance, through shared experiences, expert interviews, forums, analyses of university studies and surveys. This unique production is enhanced through media monitoring and is open to external contributions.

3.1.1.4 AWARDS

In Fiscal 2014, Sodexo won several major awards recognizing its commitment to social, environmental and economic responsibility:

- included in the DJSI World and DJSI STOXX indices since 2005, **for the tenth consecutive year Sodexo was named "Global Sustainability Industry leader"** by the **Dow Jones Sustainability Indices (DJSI).** The Group earned a perfect (100%) score for the positive local impact of its business operations around the world, and earned the highest score in its industry in the social pillar. Sodexo was also named "Sector Leader" in the Consumer Services category;
- **Sodexo topped the French Ministry of Women's Rights' league table of SBF 120 companies for gender balance within its leadership team.** This award recognizes that 43% of Sodexo's Executive Committee and 38% of its Board of Directors are women, the creation of strong women's networks throughout the global organization and a commitment to gender equality at the heart of its strategy and performance;
- **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 was also presented with the **"World Class Service & Quality"** award for the rollout of a global **facilities management** transformation program at the **Unilever Partner to Win Summit** held in London. The summit brings together over 330 representatives from Unilever's strategic supplier partners with the aim of deepening relationships to drive sustainable, mutual growth and to recognize suppliers who have made a winning contribution to the Unilever business.

3.1.2 FISCAL 2014 PERFORMANCE

3.1.2.1 CONSOLIDATED INCOME STATEMENT

(millions of euro)	Year ended August 31 Fiscal 2014	Fiscal 2013	Change at current exchange rates	Change at constant exchange rates
Revenues	18,016	18,397	-2.1%	+2.6%
Organic growth	2.3%	1.1%		
Operating profit before exceptional expenses[1]	966	964	+0.2%	+10.7%
Operating margin before exceptional expenses[1]	5.4%	5.2%		
Exceptional expenses[2]	(27)	(139)		
Operating profit (reported)	939	825	+13.8%	+25.9%
Interest income	20	53		
Financing costs	(193)	(189)		
Share of profit of other companies consolidated by the equity method	8	6		
Profit before tax	774	695	+11.4%	+21.0%
Income tax expense	(265)	(233)		
Effective tax rate	*34.8%*	*34.3%*		
Profit for the period	509	462	+10.2%	+19.0%
Profit attributable to non-controlling interests	19	23		
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT, BEFORE EXCEPTIONAL EXPENSES, NET OF TAX	**508**	**530**	**-4.2%**	**+3.0%**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (REPORTED)	**490**	**439**	**+11.6%**	**+20.3%**
Earnings per share *(in euro)*	3.23	2.91	+11%	+19.6%
Dividend per share *(in euro)*	1.80[3]	1.62	+11.1%	

(1) Operating profit before costs recorded in connection with the program to improve operational efficiency and reduce costs in Fiscal 2013 and Fiscal 2014 and after share of profit of companies consolidated by the equity method that directly contribute to the Group's business.
(2) Costs recorded in connection with the program to improve operational efficiency and reduce costs in Fiscal 2013 and Fiscal 2014.
(3) Subject to approval at the Annual Shareholders' Meeting on January 19, 2015.

Changes in scope of consolidation

External growth was 0.3%, with the main change in the scope of consolidation resulting from the increase in ownership to 100% of Crèche Attitude (France), which is now fully consolidated, at the beginning of the fiscal year.

Currency effects

Sodexo operates in 80 countries. The percentages of total revenues and operating profit denominated in the main currencies are as follows:

	Revenues	Operating profit
U.S. dollar	36%	36%
Euro	29%	17%
UK pound sterling	8%	6%
Brazilian real	6%	20%

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 %, average rate)**	**Revenues**	**Operating profit**	**Net profit**
Euro/U.S. dollar	-3.9%	(267)	(14)	(5)
Euro/Brazilian real	-12.4%	(152)	(27)	(14)
Euro/UK pound sterling	+1.6%	24	1	1
Euro/bolivar fuerte	-80%	(83)	(42)	(2)

During Fiscal 2014, the Brazilian real declined 12.4% against the euro. The U.S. dollar lost 3.9% and the UK pound sterling gained 1.6%.

Continuing the method used since 2010 to translate amounts in Venezuelan bolivars into euro and present performance for the year, the consolidated financial statements were prepared using an average exchange rate of 51.06 bolivars = 1 U.S. dollar (equivalent to 67.34 bolivars = 1 euro). This rate is the one used for the most recent transactions carried out by Sodexo (notably in June 2014) on the new SICAD II foreign exchange platform set up by the Venezuelan government in March 2014. This new rate used to translate income statement items represented an 80% decline in the bolivar against the euro in Fiscal 2014.

The effects of this decline (including on the consolidated statement of financial position which is translated at the closing exchange rate for the year) are presented in the table below. The effect on profit attributable to equity holders of the parent is just 2 million euro, which is not material.

MAIN EFFECTS OF THE DEVALUATION ON THE FISCAL 2014 INCOME STATEMENT AND THE STATEMENT OF FINANCIAL POSITION AT AUGUST 31, 2014 (IN MILLIONS OF EURO):

Impact on revenues	Impact on operating profit	Impact on hyperinflation cost*	Impact on other income statement items**	Impact on profit attributable to equity holders of the parent	Impact on total cash flow	Impact on shareholders' equity
(83)	(42)	32	8	(2)	(64)	(37)

* *Included in financing costs.*
** *Including other components of financial income and expense, income tax expense and non-controlling interests.*

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Reflecting the application of this foreign currency exchange rate, Group operations in Venezuela represented just 0.1% of consolidated revenues and around 1% of consolidated operating profit in Fiscal 2014.

3.1.2.2 REVENUE GROWTH

Sodexo's consolidated revenues for Fiscal 2014 declined by 2.1% to 18 billion euro. Organic growth was 2.3%.

Organic growth for the **On-site Services** activity was 1.8%. In a sluggish global economy, this increase reflects stronger demand for Sodexo's integrated Quality of Life Services offers in most regions. These well-configured offers, which include a significant facilities management component, helped to offset the decline in foodservices volumes, particularly in Europe, that resulted from client downsizing plans.

Organic growth in **Benefits and Rewards Services** revenues was 13%. The significant acceleration compared with Fiscal 2013 reflected the sustained growth dynamic in Latin America and healthy expansion in Asia, led by India and China.

3.1.2.3 GROWTH IN OPERATING PROFIT BEFORE EXCEPTIONAL EXPENSES

Group operating profit before exceptional expenses was 966 million euro, an increase of 10.7% excluding currency effects and 0.2% at current currency exchange rates over the prior year.

The overall growth in operating profit included some outstanding gains:

- 20.5% in On-site Services activity in the Rest of the World region;
- 17.7% in On-site Services activity in Continental Europe; and
- nearly 12% in Benefits and Rewards Services activity.

At the same time, however, due to the significant start-up costs incurred for large contracts, On-site Services operating profit in North America and the United Kingdom and Ireland was more or less stable compared with the prior year.

At the beginning of Fiscal 2013, Group senior management launched a program to improve operational efficiency and reduce costs. The objective of the program was to reduce on-site operating costs and achieve sustained administrative cost savings, with annual savings increasingly affecting operating profit starting in Fiscal 2014 and Fiscal 2015. In line with this time-scale, Sodexo benefited from the initial positive effects of the plan in Fiscal 2014, with cost savings of 100 million euro.

Consolidated operating margin therefore improved by 0.5 point, rising from 5.2% in Fiscal 2013 to 5.7% in Fiscal 2014, excluding currency effects. Including currency effects, consolidated operating margin was 5.4% at current currency exchange rates.

3.1.2.4 REPORTED OPERATING PROFIT

Reported operating profit amounted to 939 million euro, an increase of 13.8% at current currency exchange rates and 25.9% excluding currency effects.

Exceptional expenses related to the program to improve operational efficiency and reduce costs amounted to 27 million euro in Fiscal 2014. They included:

- exceptional expenses which reduced gross margin: 12 million euro related to asset impairments and the cost of terminating certain under-performing contracts or activities;
- exceptional expenses recorded in overheads: 15 million euro related in particular to various cost-reduction measures taken.

The total costs incurred under the program to improve operational efficiency and reduce costs during the 18-month period from September 2012 to February 2014 amounted to 166 million euro. The program is expected to generate annual savings in the same amount in Fiscal 2015, representing a 100% payback.

As part of the plan, Sodexo decided to terminate under-performing contracts and activities representing annual revenues of around 450 million euro.

Information related to operating profit in the remainder of this section excludes these exceptional expenses.

3.1.2.5 NET FINANCING COSTS

Net financing costs increased to 173 million euro in Fiscal 2014 from 136 million euro in Fiscal 2013.

Net borrowing costs decreased by 11 million euro compared with Fiscal 2013, following the refinancing operations carried out since the beginning of Fiscal 2014 and the gradual reduction in borrowings.

The interest cost on defined benefit plan obligations increased slightly. In addition, year-on-year comparisons were unfavorably affected by the prior year 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, which reduced net financing costs by 28 million euro in Fiscal 2013.

3.1.2.6 INCOME TAX EXPENSE

Income tax expense amounted to 265 million euro, representing an effective tax rate of 34.8% as compared to the prior year rate of 34.3%.

3.1.2.7 GROUP NET PROFIT AND EARNINGS PER SHARE

Group net profit was 490 million euro compared to 439 million euro in the prior year, an increase of 11.6% or 20.3% excluding currency effects.

Earnings per share was 3.23 euro compared to 2.91 euro for the prior year, an increase of 11% or 19.6% excluding currency effects.

The costs incurred in connection with the program to improve operational efficiency and reduce costs had an after-tax negative impact on Group net profit of 18 million euro in Fiscal 2014 compared to 91 million euro in Fiscal 2013.

3.1.2.8 PROPOSED DIVIDEND

At the Annual Shareholders' Meeting to be held on January 19, 2015, the Board of Directors will recommend paying a dividend of 1.80 euro per share for Fiscal 2014, an increase of 11.1% over the prior year. This proposal is in line with Sodexo's policy of allowing shareholders to benefit from the increase in Group net profit; it also reflects the Board's great confidence in the Group's future and takes into consideration Sodexo's solid cash-generating financial model. The proposed dividend represents a payout ratio of 56% of Group net profit (54% of Group net profit before exceptional expenses related to the program to improve operational efficiency and reduce costs).

Shares held in registered form for more than four years as of August 31, 2014 and still held when the dividend becomes payable in February 2015, will qualify for a 10% dividend premium, provided that they do not represent over 0.5% of the capital per shareholder.

3.1.2.9 ANALYSIS OF CHANGES IN REVENUES AND OPERATING PROFIT BY ACTIVITY

Revenues by activity *(in millions of euro)*	Fiscal 2014	Fiscal 2013	Change at current exchange rates	Change at constant exchange rates
On-site Services				
North America	6,759	6,821	-0.9%	+3.7%
Continental Europe	5,702	5,716	-0.2%	+0.7%
Rest of the World	3,327	3,683	-9.7%	+0.4%
United Kingdom and Ireland	1,483	1,397	+6.2%	+4.6%
Total On-site Services	17,271	17,617	-2.0%	+2.1%
Benefits and Rewards Services	751	790	-4.9%	+13.7%
Intragroup eliminations	(6)	(10)		
TOTAL	**18,016**	**18,397**	**-2.1%**	**+2.6%**

Operating profit by activity[1] *(in millions of euro)*	Fiscal 2014	Fiscal 2013	Change at current exchange rates	Change at constant exchange rates
On-site Services				
North America	358	372	-3.8%	+0.5%
Continental Europe	231	198	+16.7%	+17.7%
Rest of the World	140	127	+10.2%	+20.5%
United Kingdom and Ireland	66	67	-1.5%	-3.0%
Total On-site Services	795	764	+4.1%	+8.0%
Benefits and Rewards Services	268	304	-11.8%	+11.8%
Corporate expenses	(91)	(94)		
Eliminations	(6)	(10)		
TOTAL	**966**	**964**	**+0.2%**	**+10.7%**

(1) Operating profit before costs recorded in connection with the program to improve operational efficiency and reduce costs in Fiscal 2013 and Fiscal 2014 and after share of profit of companies consolidated by the equity method that directly contribute to the Group's business.

On-site Services represents 96% of consolidated revenues and 75% of consolidated operating profit before eliminations and corporate expenses. The Benefits and Rewards Services activity accounts for 4% of consolidated revenues and 25% of consolidated operating profit before eliminations and corporate expenses.

On-site Services

REVENUES

Growth by region:

(in millions of euro)	Fiscal 2014	Fiscal 2013	Organic growth	Acquisitions	Currency effect	Total growth
North America	6,759	6,821	+3.7%			
Continental Europe	5,702	5,716	-0.2%			
Rest of the World	3,327	3,683	+0.2%			
United Kingdom and Ireland	1,483	1,397	+4.7%			
TOTAL ON-SITE SERVICES	**17,271**	**17,617**	**+1.8%**	**+0.3%**	**-4.1%**	**-2.0%**

Growth by segment:

(in millions of euro)	Fiscal 2014	Fiscal 2013	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	9,208	9,445	+2.2%			
Health Care and Seniors	4,280	4,370	+1.1%			
Education	3,783	3,802	+1.4%			
TOTAL ON-SITE SERVICES	**17,271**	**17,617**	**+1.8%**	**+0.3%**	**-4.1%**	**-2.0%**

On-site Services revenues totaled 17.3 billion euro, a decline of 2%. Organic growth was 1.8%.

Facilities management services now account for 28% of consolidated revenues. As has been the case for the last three fiscal years, revenues from these services are continuing to grow more rapidly than foodservices revenues (almost three times faster in Fiscal 2014), providing renewed confirmation of the relevance of the Group's strategic positioning.

Fiscal 2014 organic growth in revenues on the same basis of comparison was as follows by client segment:

- 2.2% in **Corporate,** reflecting three contrasting trends:
  - on the one hand, sustained demand in North America, Europe and in emerging countries for multi-services contracts with a significant technical maintenance component,
  - on the other hand:
    - declining foodservices volumes in several countries, particularly in Europe. Clients continued to seek additional cost savings and to downsize their workforces, while the effects of reductions in consumer spending were felt, particularly in France, the Netherlands, Italy and Spain,
    - a sharp 4.5% decline in Remote Sites activity, in particular in the mining sector, both worldwide and more specifically in Africa, the Middle East, Australia and Latin America.

    Excluding Remote Sites, Corporate segment organic growth was around 4%;
- 1.1% in **Health Care and Seniors,** reflecting moderate growth in On-site Services activity in both North America and Europe. In addition, Sodexo decided not to pursue the expansion of a new multi-site integrated services contract in North America;
- 1.4% in **Education,** with a modest increase in the number of consumers (universities and schools) in North America, and solid growth in emerging countries that benefit from Sodexo's expertise in this segment.

The On-site Services activity's key growth indicators were as follows:

- a **93.4% client retention rate.** This represented a sharp improvement compared to the prior year, and was in spite of Sodexo's decision to terminate certain under-performing contracts and the completion of certain Remote Site projects. The rate was particularly high in the United Kingdom and Ireland (at close to 97%) and it also improved in Continental Europe and Latin America, as well as for the Remote Sites activity;
- **2.5% growth on existing sites,** compared to 2.1% for the prior year. The increase was mainly attributable to improvements by Sodexo teams in reflecting the effects of inflation in pricing both in Europe and in Latin America, which offset continued decreases in volumes in foodservices in Europe and the slowdown in economic growth in certain emerging countries;
- a **7.1% business development rate** (new contract wins). The overall decline compared to 7.8% in Fiscal 2013 masked improvements in Continental Europe and China, as well as for the Remote Sites activity, thanks to the many new integrated services contracts sold during the year. The amount of new contracts won during the fiscal year was 1.3 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 795 million euro as compared to 764 million euro in Fiscal 2013.

The 8% increase at constant exchange rates was generated primarily in Continental Europe and the Rest of the World region and was partly due to the initial effects of the program to improve operational efficiency and reduce costs. On-site Services operating margin was 4.6% in Fiscal 2014 compared to 4.3% in Fiscal 2013.

ANALYSIS BY GEOGRAPHIC REGION

North America

Revenues

(in millions of euro)	Fiscal 2014	Fiscal 2013	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	1,704	1,647	+8.9%			
Health Care and Seniors	2,439	2,521	+1.1%			
Education	2,616	2,653	+2.8%			
TOTAL	**6,759**	**6,821**	**+3.7%**	**+0.0%**	**-4.6%**	**-0.9%**

On-site Services revenues in North America were 6.8 billion euro. Organic growth for the year of 3.7% significantly exceeded the 0.6% recorded in Fiscal 2013.

At **8.9%,** organic growth in the **Corporate** segment was at its highest level since 2007, reflecting the success of facilities management services offers for such clients as Unilever, OneMain Financial/Citi Financial and The Boeing Company, as well as the development of several major Remote Sites in Canada, such as Suncor Fort Hills and La Romaine 3. Sodexo won many new contracts during the fiscal year, notably with Bloomberg and Dow Jones & Company.

In **Health Care and Seniors,** the **1.1%** revenue growth was due to modest growth on sites, slower-than-expected ramp-up of major contracts won in 2013 and the sale of certain under-performing laundry activities. In addition, following a change in the client's strategy, in the last quarter of Fiscal 2014 Sodexo decided not to pursue the ramp-up of the expanded contract for the ManorCare national retirement home network and to revert to the original contract scope consisting of services provided for many years in the Northeastern United States.

Contract wins during the year included Covenant Care (Alberta) in Canada, USC Kenneth Norris Jr Cancer Hospital (California) and Wheaton Franciscan Hospital (Wisconsin) in the United States.

Organic growth in **Education** was **2.8%.** The growth dynamic was maintained thanks to a high client retention rate and improved growth in On-site Services revenues in the Schools and Universities segments linked to increases in student spending and in the number of meals served.

New contracts signed during the year included Chicago Public Schools, Jackson State University (Mississippi) and William Rainer Harper College (Illinois).

Operating profit

On-site Services **operating profit** in North America totaled 358 million euro, an increase of 0.5% over the prior year excluding currency effects.

Many productivity improvement initiatives were launched as part of a structured program, leading in particular to further advances in menu standardization and improved management of overheads. However, these gains were partially masked by the significant start-up costs incurred notably for the ManorCare contract, and by a one-off increase in provisions for impairment of certain trade receivables.

Operating margin was 5.3% compared to 5.5% in Fiscal 2013.

Continental Europe

Revenues

(in millions of euro)	Fiscal 2014	Fiscal 2013	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	3,404	3,407	+1.1%			
Health Care and Seniors	1,380	1,404	-1.2%			
Education	918	905	-3.6%			
TOTAL	**5,702**	**5,716**	**-0.2%**	**+0.9%**	**-0.9%**	**-0.2%**

In Continental Europe, revenues totaled 5.7 billion euro, with organic growth representing a negative 0.2%.

Performances were mixed, depending on the country. Sodexo continued to expand in Central Europe and improved its performance in Germany and Belgium, but experienced a further decline in foodservices volumes, particularly in France and the Netherlands. In addition, growth in Russia slowed considerably in the second half of the fiscal year, as a result of the geopolitical situation.

In **Corporate,** organic growth was **1.1%,** reflecting the continued success of integrated service offers with a significant facilities management component, which were sold to many clients throughout Europe. These services enabled Sodexo to maintain its growth momentum and to offset the decline in foodservices volumes that was due, in particular, to client downsizing plans. Recent contract wins included Carlsberg (for 35 sites in 10 countries, with a wide range of services including cleaning, reception, grounds keeping, foodservices, and technical maintenance of buildings and fire protection systems), and Johnson & Johnson in Germany.

In **Health Care and Seniors,** organic revenue growth in Continental Europe was a negative **1.2%,** reflecting weak growth in On-site Services revenues due in particular to shorter patient stays and erosion of the client retention rate in Northern Europe over the twelve months of Fiscal 2014. Recent contract wins included the Regional Hospital in Saint Omer and the Clinique Générale in Annecy, in France, and the Istituto Fisioterapici Ospitalieri (IFO) in Italy.

In **Education,** the **3.6%** decline in revenues was due to Sodexo's decision to terminate or not to renew certain under-performing contracts, notably in Southern Europe, and to reductions in school budgets in several countries. Sodexo's teams nevertheless signed several major contracts, for example with the public schools in Asnières-sur-Seine in France and Taideyliopiston Sibelius Akatemia in Finland.

Operating profit

Operating profit from On-site Services in Continental Europe rose by 33 million euro (or nearly 18% excluding currency effects) to 231 million euro, and operating margin improved significantly, to 4.1% from 3.5% in Fiscal 2013. This performance was above all attributable to effective management of overheads. It also reflected the positive effects of several initiatives conducted as part of the program to improve operational efficiency in several European countries. In France, the *crédit d'impôt pour la compétitivité et l'emploi* (CICE) recognized in operating profit helped to offset the increase in payroll taxes observed in recent years.

Rest of the World (Latin America, Middle East, Asia, Africa, Australia and Remote Sites)

Revenues

(in millions of euro)	Fiscal 2014	Fiscal 2013	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	3,030	3,398	-1.3%			
Health Care and Seniors	172	171	+17.1%			
Education	125	114	+17.4%			
TOTAL	**3,327**	**3,683**	**+0.2%**	**+0.2%**	**-10.1%**	**-9.7%**

In the Rest of the World (Latin America, Africa, Middle East, Asia, Australia and Remote Sites), Sodexo reaffirmed its leadership in high potential emerging markets. Revenues for the fiscal year amounted to 3.3 billion euro. Unfavorable exchange rates reduced reported revenues by 369 million euro.

Excluding currency effects, revenues in the Rest of the World region were stable, edging up 0.4%.

- Remote Site revenues (which accounted for 44% of the total for the region) declined by more than 7%, due to client delays in investing in new projects, implementation of cost reduction programs by mining sector clients and the large number of projects completed over the past eighteen months. Sales momentum by Sodexo's teams in the energy and infrastructure markets should drive a return to growth in Fiscal 2015;
- Excluding Remote Sites, organic growth in the Rest of the World region was 6.9%, with some regions such as India and Southeast Asia recording double-digit increases.

Organic growth in the **Corporate** segment declined by **1.3%** excluding currency effects. Services to companies in the manufacturing and services sectors (excluding Remote Sites) continued to grow at a satisfactory rate, with revenues up 5.6% in emerging countries with strong medium-term potential.

Sodexo's strong sales dynamic led to major contract wins, such as BHP Billiton Cerro Matoso, and Unysis in Colombia, Heineken in Brazil, Enel in Chile, Groote Eylandt Gemco (BHP Billiton) and Woodside Energy in Australia, Goodyear Tyres and Tetra Pak India in India, the Knesset in Israel, Mondelez International in Peru and Shanghai Mitsubishi Electric Ltd in China.

In **Health Care and Seniors,** organic revenue growth of **17.1%** reflected solid business development performance, particularly in Brazil and Asia, with new contracts such as Mater Dei Hospital (Belo Horizonte) in Brazil, Clinica Universitaria Boliviariana in Colombia, American Sino Medical Shanghai and the Beijing Jishuitan Hospital in China. The sustained, steady pace of business growth is the result of Sodexo's globally-recognized expertise in the Health Care and Seniors market.

In **Education,** Sodexo is also continuing to expand in emerging markets, contributing its expertise and deep familiarity with the various market segments to many clients, especially in Southeast Asia and India. Organic growth was **17.4%.** Contract wins by Sodexo's teams included Panyapiwat Institute of Management in Thailand, Fundaçao Getulio Vargas in Brazil and Universidad Santo Tomas in Chile.

Operating profit

Operating profit in the Rest of the World region increased by 20.5% excluding currency effects to 140 million euro. During the year, the integration of Puras in Brazil continued according to plan, allowing the implementation of additional operational synergies. In addition, efficient cost management and improved on-site productivity in all regions led to an increase in operating margin to 4.2% from 3.4% in Fiscal 2013.

United Kingdom and Ireland

Revenues

(in millions of euro)	Fiscal 2014	Fiscal 2013	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	1,070	993	+6.3%			
Health Care and Seniors	289	274	+3.8%			
Education	124	130	-6.1%			
TOTAL	**1,483**	**1,397**	**+4.7%**	**-0.1%**	**+1.6%**	**+6.2%**

On-site Services revenues in the United Kingdom and Ireland totaled 1.5 billion euro, reflecting organic growth of **4.7%.**

In **Corporate,** revenues grew by a strong **6.3%,** reflecting increased demand for integrated services and the supply of additional services to such clients as GSK, Unilever, Agusta Westland and AstraZeneca. Fiscal 2014 revenues also include the start-up of a major service contract for the prison located in Northumberland in the Justice segment.

Organic growth in **Health Care and Seniors** remained strong, at **3.8%,** reflecting ongoing service extensions for several hospitals, including North Staffordshire University Hospital and Romford Hospital. At the end of the fiscal year, Sodexo won a major contract with Imperial Hospital in London.

In **Education,** Sodexo won a prestigious contract with University College London. Other recent contract wins included The Lady Eleanor Holles School.

Operating profit

Operating profit amounted to 66 million euro, down 3% excluding currency effects.

Despite progress made in on-site productivity programs carried out in Fiscal 2014, operating margin declined from 4.8% to 4.5% as Sodexo teams began preparing for the 2015 Rugby World Cup, incurring marketing costs in connection with the Group's contract to supply hospitality services. The bulk of revenues generated by this event will be recognized in Fiscal 2016. In addition, start-up costs for the new Justice contract adversely affected growth in operating margin in Fiscal 2014.

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Benefits and Rewards Services

Issue volume

(in millions of euro)	Fiscal 2014	Fiscal 2013	Organic growth	Acquisitions	Currency effect	Total growth
Latin America	7,323	8,128	+17.2%			
Europe and Asia	8,171	7,908	+4.1%			
TOTAL	**15,494**	**16,036**	**+10.7%**	**+0.8%**	**-14.9%**	**-3.4%**

Revenues

(in millions of euro)	Fiscal 2014	Fiscal 2013	Organic growth	Acquisitions	Currency effect	Total growth
Latin America	410	452	+20.8%			
Europe and Asia	341	338	+2.5%			
TOTAL	**751**	**790**	**+13.0%**	**+0.7%**	**-18.6%**	**-4.9%**

Benefits and Rewards Services issue volume (face value multiplied by the number of vouchers and cards issued) totaled approximately 15.5 billion euro in Fiscal 2014 and revenues from the activity amounted to 751 million euro.

Very strong underlying performances by the operating teams, in terms of both growth and margins, were masked by significant unfavorable currency effects, particularly for Latin American currencies (see explanation at the beginning of this section).

In **Latin America,** organic growth was very strong in Fiscal 2014, with issue volume increasing by over 17% and revenues by nearly 21%, in both cases excluding currency effects. These impressive gains reflected the sustained sales dynamic in Brazil, Chile and Venezuela, supported by innovations closely aligned with client needs. Around two-thirds of growth was due to market penetration and cross-selling, while the other third resulted from inflation in these countries.

In **Europe and Asia,** organic growth in issue volume and revenues was 4.1% and 2.5% respectively, reflecting contract wins for Quality of Life Services, particularly in the United Kingdom with Money Boost, in Turkey with the offer for Ferrero, and in Central Europe. Organic growth was also led by faster development in Asia, particularly in India and China.

Recent contract wins included Santander in Brazil with 22,000 beneficiaries of the Pass Cultura, Johnson Controls in Romania, the Konak District, part of the Izmir municipality in Turkey, the General Directorate of Customs in the Czech Republic, Alcatel Lucent in Mexico, Fundación Escolar Del Estado Lara in Venezuela, Abbott Laboratories in Mexico and Petrobras in Brazil.

Operating profit

Benefits and Rewards Services **operating profit** increased by nearly 12% (excluding currency effects) to 268 million euro in Fiscal 2014, representing 25% of the Group's consolidated operating profit.

The solid growth reflected the leverage provided by issue volume growth and the cost efficiencies generated by tight management of operating expenses. Sodexo's Benefits and Rewards Services solutions are now 63% digital, following a gradual shift that has taken place over the past ten years in the various countries. Sodexo is constantly adapting to changes in payment media, while continuing to invest to improve its client service performance and better anticipate their future needs.

For Fiscal 2014, Benefits and Rewards Services operating margin was 35.7% at current currency exchange rates and 37.9% excluding currency effects, compared to 38.5% in the prior year. Margins were negatively affected in Fiscal 2014 by the sharp decline in Latin American currencies (Venezuelan bolivar and Brazilian real).

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, 2014	Year ended August 31, 2013
Net cash provided by operating activities	825	618
Net cash used in investing activities	(337)	(315)
Net cash used in financing activities	920	(273)
Increase in net cash and cash equivalents	1,408	30

Net cash provided by operating activities amounted to 825 million euro, representing 200 million euro more than in Fiscal 2013. Two factors explain the increase:

- the 119 million euro rise in operating profit of consolidated companies, due notably to a low basis of comparison in Fiscal 2013 when operating profit was weakened by exceptional charges related to the cost of implementing the program to improve operating efficiency and reduce costs;
- a sharp improvement in working capital requirement, due mainly to an improvement in the timing of client payments.

The net cash provided by operating activities was used to finance:

- net capital expenditure and client investments of 287 million euro, representing 1.6% of revenues; and
- acquisitions for a total of 50 million euro, mainly Crèche Attitude in France (increase in control to 100%-owned).

Net cash provided by financing activities comprises:

- dividend payments for 266 million euro, including 248 million euro paid to Sodexo SA shareholders; and
- a 1,203 million euro increase in borrowings following two refinancing operations carried out during the year.

In all, net cash provided by operating, investing and financing activities in Fiscal 2014 totaled 1,408 million euro.

3.1.3.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euro)	August 31, 2014	August 31, 2013		August 31, 2014	August 31, 2013
Non-current assets	6,852	6,626	Shareholders' equity	3,189	2,950
Current assets excluding cash	4,120	3,902	Non-controlling interests	32	37
Financial assets related to the Benefits and Rewards Services activity	758	734	Non-current liabilities	3,830	2,738
Cash and cash equivalents	2,748	1,347	Current liabilities	7,427	6,884
TOTAL ASSETS	**14,478**	**12,609**	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**14,478**	**12,609**
			Net debt	371	478
			Net debt ratio	12%	16%

Small gains in the U.S. dollar and, above all, the UK pound sterling, had a positive impact on several items in the consolidated statement of financial position at August 31, 2014, such as goodwill. However, the increase in cash and cash equivalents and non-current liabilities was primarily due to the refinancing operations carried out during the year.

Borrowings at August 31, 2014 amounted to 3,816 million euro, a higher level than that as of August 31, 2013 (2,519 million euro). During the year, Sodexo carried out two major debt refinancing operations:

- a private placement with U.S. investors in March 2014 for 1.1 billion U.S. dollars, structured in five tranches with maturities ranging from 5 to 15 years and an average interest rate of 3.8%; and
- a 1.1 billion euro bond issuance in June 2014, comprising a 7.5-year tranche and a 12-year tranche, at an average interest rate of 2.1%.

These two operations enabled Sodexo to refinance borrowings maturing in 2014 and 2015 at lower interest rates, significantly extend the average maturity of its debt and gradually reduce its average annual borrowing cost.

Borrowings now mainly comprise two tranches of a euro-denominated bond issue for 500 million euro and 600 million euro respectively, an 880 million euro bond issue maturing in January 2015 and three private placements with U.S. investors for a total of 1,591 million euro. The remaining balance includes various bank loans and facilities, capital leases and derivative financial instruments.

As of August 31, 2014, the average interest rate on borrowings was 4.3%.

Cash and cash equivalents net of bank overdrafts totaled 2,687 million euro at August 31, 2014. Cash investments by the Benefits and Rewards Services activity in instruments with maturities of over three months increased to 343 million euro. Restricted cash in the Benefits and Rewards Services activity totaled 415 million euro.

As of August 31, 2014, the operating cash position (which includes Benefits and Rewards Services cash investments and restricted cash) was 3,445 million euro, including 1,582 million euro for Benefits and Rewards Services.

Net debt at August 31, 2014 was 371 million euro, representing 12% of consolidated equity compared to 16% at August 31, 2013. Gross debt repayment capacity as of the same date represented 5.4 years of operating cash flow (4.1 years after including the reimbursement of bonds in January 2015) compared to 3.4 years as of the prior year-end.

As of August 31, 2014, the Group had unused bank credit facilities of 992 million euro.

SUBSEQUENT EVENTS

On September 12, 2014, Sodexo's Benefits and Rewards Services subsidiary in the United Kingdom announced that it had signed an agreement for the acquisition of Motivcom plc. The acquisition should be completed before the end of the year.

3.1.4 OUTLOOK

At the November 10, 2014 Board of Directors meeting, Chief Executive Officer Michel Landel highlighted the effectiveness of the Group's long-term strategy, based on a unique range of integrated Quality of Life Services, an unparalleled global network in its activities, and undisputed leadership in emerging countries.

Michel Landel summarized three priorities for the Group going forward in the coming years:

- demonstrate the value of Sodexo's offer in a rapidly changing world, thanks to unique and differentiated Quality of Life Services offerings in its three activities, by showing how these services improve the daily life of its customers and the performance of its clients;
- deliver the best of Sodexo across its international network spanning 80 countries, using the Group's deep-seated understanding of clients' businesses, in each client segment and sub-segment, and its unique knowledge of the needs of the 75 million consumers that it serves daily;
- strengthen Sodexo's competitiveness, efficiency and profitability, while continuing to deploy new standards and adopt the best available processes.

In the context of a global economy shaped currently by low inflation and an uncertain macro-economic and political environment in certain emerging countries in the short-term, Fiscal 2015 commences with three favorable trends for Sodexo:

- Increasing demand for integrated services confirming the relevance of the Group's offer;
- Continued sustained momentum and double-digit growth in the Benefits and Rewards Services activity in Latin America and Asia;
- A strong development rate (new contract wins) in Remote Sites that should lead to a return to growth in this activity in the first half of the fiscal year.

However, ramp-up of some of the more comprehensive integrated service contracts is proving to take longer than in the past.

Nonetheless, Michel Landel reaffirmed his confidence in the Group's ability to achieve further operating leverage and profitability improvement during Fiscal 2015, thanks to the structured action plans implemented at all levels of the organization to achieve the Fiscal 2015 objective; a program to improve operational efficiency that is already delivering results; and, finally, the full engagement of all Sodexo teams around initiatives to improve competitiveness.

Accordingly, for Fiscal 2015 Sodexo is targeting:

- **organic growth in revenues of around 3%;**
- **an increase in operating profit of around 10% excluding currency effects, representing an overall improvement in operating margin** of 0.8% over a two year period excluding currency effects, in alignment with the objectives set in November 2013.

In the medium-term, Sodexo is convinced that it can capture an even greater share of its markets' considerable potential that is almost 50 times its current revenues and also achieve lasting improvement in profitability.

Further, Michel Landel noted that his Group Executive Committee has been given the task of defining, over the coming fiscal year, the necessary steps to progressively move from an organization by country to an organization by global client segment. This organizational transformation will make it easier for Sodexo to give its international and local clients the benefit of its expertise and consumer insights in each of its markets.

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He explained that by accelerating investment in nontangible assets, in particular, by developing the Group's human resources and strengthening technical and innovation capabilities throughout the world, Sodexo is continuing to focus its teams on the sustained drive to improve competitiveness.

Hence, the Group's **medium-term** ambition (over the next three to five years) is to achieve:

- **an annual average revenue growth rate (excluding currency effects) of between 4% and 7%;**
- **an annual average growth in operating profit (excluding currency effects) of between 8% and 10%;** and
- **an average annual cash conversion ratio of around 100%,** allowing the Group to comfortably self-finance its development.

Lastly, Michel Landel reaffirmed his strong confidence in Sodexo's future and reiterated its core strengths:

- **the Group's independence;**
- **a largely untapped potential market** estimated at nearly 50 times Sodexo's current revenue;
- **a unique range** of Quality of Life Services particularly well aligned with evolving client demand;
- **an unparalleled global network in our services** spanning 80 countries;
- **unchallenged leadership in emerging countries;**
- **a robust financial model** that allows Sodexo to self-finance its development;
- **a strong culture and engaged teams.**

In conclusion, Michel Landel added: "I would like to take this opportunity to thank our clients for their loyalty, our shareholders for their confidence and the Group's 419,000 employees for their efforts in Fiscal 2014 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, 2014

3.2.1 CONSOLIDATED INCOME STATEMENT

(in millions of euro)	Notes	Fiscal 2014	Fiscal 2013
Revenues	3	**18,016**	**18,397**
Cost of sales	4.1	(15,265)	(15,651)
Gross profit		**2,751**	**2,746**
Sales department costs	4.1	(262)	(265)
General and administrative costs	4.1	(1,554)	(1,649)
Other operating income	4.1	44	20
Other operating costs	4.1	(46)	(38)
Operating profit(1)	3	**933**	**814**
Share of profit of companies consolidated by the equity method that directly contribute to the Group's business	3 and 4.9	6	11
Operating profit after share of profit of companies consolidated by the equity method that directly contribute to the Group's business		**939**	**825**
Interest income	4.2	20	53
Financing costs	4.2	(193)	(189)
Share of profit of other companies consolidated by the equity method	3 and 4.9	8	6
Profit for the period before tax		**774**	**695**
Income tax expense	4.3	(265)	(233)
Profit for the year		**509**	**462**
Of which:			
Non-controlling interests		19	23
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**490**	**439**
Earnings per share *(in euro)*	4.4	**3.23**	**2.91**
Diluted earnings per share *(in euro)*	4.4	**3.19**	**2.88**

(1) Including 27 million euro in costs recorded in Fiscal 2014 (139 million euro 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 2014	Fiscal 2013
Profit for the year		**509**	**462**
Components of other comprehensive income to be reclassified subsequently to profit or loss			
Change in fair value of available for sale financial assets	4.11.2 and 4.14		1
Change in fair value of available for sale financial assets reclassified to profit or loss	4.11.2 and 4.14		
Change in fair value of Cash Flow Hedges	4.16 and 4.14	(14)	
Change in fair value of Cash Flow Hedges reclassified to profit or loss	4.16 and 4.14	13	12
Currency translation differences		29	(342)
Tax on components of other comprehensive income to be reclassified subsequently to profit or loss	4.14		(4)
Share of other components of comprehensive income of companies consolidated by the equity method, net of tax	4.14		7
Components of other comprehensive income that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan obligation	4.17.1 and 4.14	(75)	(11)
Tax on components of other comprehensive income that will not be reclassified subsequently to profit or loss	4.14	16	5
Total other comprehensive income (loss), after tax		**(31)**	**(332)**
COMPREHENSIVE INCOME		**478**	**130**
Of which:			
Equity holders of the parent		467	109
Non-controlling interests		11	21

3.2.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in millions of euro)	Notes	August 31, 2014	August 31, 2013
NON-CURRENT ASSETS			
Property, plant and equipment	4.5	555	540
Goodwill	4.6	4,971	4,803
Other intangible assets	4.7	524	528
Client investments	4.8	361	288
Companies consolidated by the equity method	4.9	60	78
Financial assets	4.11	122	118
Derivative financial instrument assets	4.16	17	69
Other non-current assets	4.12	16	14
Deferred tax assets	4.20	226	188
Total non-current assets		**6,852**	**6,626**
CURRENT ASSETS			
Financial assets	4.11	8	7
Derivative financial instrument assets	4.16	35	39
Inventories		265	271
Income tax receivable		185	119
Trade and other receivables	4.12	3,627	3,466
Restricted cash and financial assets related to the Benefits and Rewards Services activity	4.11	758	734
Cash and cash equivalents	4.13	2,748	1,347
Total current assets		**7,626**	**5,983**
TOTAL ASSETS		**14,478**	**12,609**

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LIABILITIES AND SHAREHOLDERS' EQUITY

(in millions of euro)	Notes	August 31, 2014	August 31, 2013(1)
SHAREHOLDERS' EQUITY			
Common stock		628	628
Additional paid in capital		1,109	1,109
Reserves and retained earnings		1,452	1,213
Equity attributable to equity holders of the parent		**3,189**	**2,950**
Non-controlling interests		**32**	**37**
Total shareholders' equity	**4.14**	**3,221**	**2,987**
NON-CURRENT LIABILITIES			
Borrowings	4.15	2,895	1,895
Derivative financial instrument liabilities	4.16	1	1
Employee benefits	4.17	449	376
Other liabilities	4.19	233	214
Provisions	4.18	104	99
Deferred tax liabilities	4.20	148	153
Total non-current liabilities		**3,830**	**2,738**
CURRENT LIABILITIES			
Bank overdrafts	4.13	61	40
Borrowings	4.15	957	712
Derivative financial instrument liabilities	4.16	15	19
Income tax payable		132	109
Provisions	4.18	88	116
Trade and other payables	4.19	3,592	3,347
Vouchers payable		2,582	2,541
Total current liabilities		**7,427**	**6,884**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**14,478**	**12,609**

(1) After restatement of past service costs in application of the revised IAS 19 (see note 2.1.2).

3.2.4 CONSOLIDATED CASH FLOW STATEMENT

(in millions of euro)	Notes	Fiscal 2014	Fiscal 2013
Operating activities			
Operating profit		933	814
Elimination of non-cash and non-operating items			
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		250	271
Provisions		(21)	93
(Loss)/gain on disposal and other non-cash items		(30)	(4)
Dividends received from companies consolidated by the equity method		12	16
Change in working capital from operating activities		117	(129)
Change in inventories		5	6
Change in trade and other receivables		(138)	(197)
Change in trade and other payables		218	67
Change in vouchers payable		103	151
Change in financial assets related to the Benefits and Rewards Services activity		(71)	(156)
Interest paid		(159)	(171)
Interest received		24	10
Income tax paid		(301)	(282)
Net cash provided by operating activities		**825**	**618**
Investing activities			
Acquisitions of property, plant and equipment and intangible assets		(245)	(241)
Disposals of property, plant and equipment and intangible assets		26	12
Change in client investments	4.8	(68)	(7)
Change in financial assets		0	19
Acquisitions of subsidiaries		(50)	(99)
Dispositions of subsidiaries		0	1
Net cash used in investing activities		**(337)**	**(315)**
Financing activities			
Dividends paid to parent company shareholders	4.14	(248)	(240)
Dividends paid to non-controlling shareholders of consolidated companies		(18)	(23)
Purchases of treasury shares	4.14	(74)	(47)
Disposition of treasury shares		57	71
Acquisition of non-controlling interests			(12)
Proceeds from borrowings		1,903	44
Repayment of borrowings		(700)	(66)
Net cash provided by/(used in) financing activities		**920**	**(273)**
CHANGE IN NET CASH AND CASH EQUIVALENTS		**1,408**	**30**
Net effect of exchange rates and other effects on cash		(28)	(159)
Net cash and cash equivalents, beginning of period		1,307	1,436
NET CASH AND CASH EQUIVALENTS, END OF PERIOD	**4.13**	**2,687**	**1,307**

3.2.5 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euro)	Shares outstanding	Share capital	Share premium	Treasury shares	Reserves and comprehensive income	Translation adjustments	Total shareholders' equity: Attributable to equity holders of the parent	Non-controlling interests	Total
Notes	4.14			4.14	4.14				
Shareholders' equity as of August 31, 2012(1)	157,132,025	628	1,109	(416)	1,864	(154)	3,031	35	3,066
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(2)					8		8	5	13
Shareholders' equity as of August 31, 2013(1)	157,132,025	628	1,109	(392)	2,099	(494)	2,950	37	2,987
Profit for the year					490		490	19	509
Other comprehensive income (loss), net of tax					(60)	37	(23)	(8)	(31)
Comprehensive income					430	37	467	11	478
Dividends paid					(248)		(248)	(19)	(267)
Increase in share capital									
Decrease in share capital									
Treasury shares				(17)			(17)		(17)
Share-based payment (net of income tax)					33		33		33
Change in ownership interest without any change of control									
Other(2)					4		4	3	7
Shareholders' equity as of August 31, 2014	**157,132,025**	**628**	**1,109**	**(409)**	**2,318**	**(457)**	**3,189**	**32**	**3,221**

(1) After restatement of past service costs in application of the revised IAS 19 (see note 2.1.2).
(2) Including the effects of hyperinflation.

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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, 2014 were approved by the Board of Directors on November 10, 2014 and will be submitted to the Annual Shareholder's Meeting on January 19, 2015.

1. SIGNIFICANT EVENTS

As explained in note 4.15 "Borrowings", on March 4, 2014 the Group borrowed 1.1 billion U.S. dollars through a private placement with U.S. investors (U.S. Private Placement) structured in five tranches with maturities of 5, 7, 10, 12, and 15 years. This borrowing was used to refinance the Group's 500 million euro bond issue that matured on March 28, 2014. On June 24, 2014, Sodexo SA completed a bond issuance structured in two tranches: 600 million euro maturing in 7.5 years and another tranche for 500 million euro maturing in 12 years, for the purpose of refinancing the 880 million euro bond issue maturing on January 30, 2015. The transactions have significantly extended the maturity of the Group's borrowings and will gradually reduce their cost.

As explained in note 2.3.3.2 "Financial statements denominated in foreign currencies", for the translation of the financial statements of subsidiaries operating in Venezuela, Sodexo uses a specific exchange rate corresponding to the rate obtained for the most recent transactions in bolivars. On March 24, 2014, the Venezuelan government created a new foreign exchange platform called SICAD II (Alternative Currencies Exchange System). On June 12, 2014, Sodexo carried out its first transaction on this platform, at an exchange rate of 52.10 bolivars = 1 U.S. dollar (corresponding to 70.72 bolivars = 1 euro). To maintain consistency with the translation method used since Fiscal 2010, the financial statements of subsidiaries operating in Venezuela have been translated at the rate obtained for the most recent transactions. This rate was 1 U.S. dollar = 51.06 bolivars (corresponding to 1 euro = 67.34 bolivars) at August 31, 2014.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1.1 Basis of preparation of financial information for Fiscal 2014

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, except for IFRS 10, IFRS 11 and IFRS 12, which are applicable in accounting periods beginning on or after January 1, 2013 according to the IASB and in accounting periods beginning on or after January 1, 2014 in the European Union. The Group early-adopted these standards as from September 1, 2013 (see note 2.1.3). Any difference between the two sets of standards arising out of delays in approval by the European Union had no impact on the consolidated financial statements.

2.1.2 New accounting standards and interpretations required to be applied

The new standards, interpretations or amendments whose application was mandatory for the Group effective for the fiscal year beginning September 1, 2013 had no material impact on the consolidated financial statements.

In particular, retrospective application of the revised IAS 19 "Employee Benefits", which notably requires the expected return on defined benefit plan assets to be measured using the discount rate applied to determine the defined benefit obligation under these plans and the recognition as an expense of certain costs related to the administrative management of certain defined benefit plan funds, would not have a material impact on the Fiscal 2013 income statement. As a result, comparative information for Fiscal 2013 has not been restated to reflect the application of this revised standard. Unrecognized past service costs in the amount of 4 million euro were recognized by adjusting shareholders' equity as of August 31, 2012, net of tax.

Adoption of IFRS 13 "Fair Value Measurement", which was applicable by the Group as from September 1, 2013, had no material impact on the consolidated financial statements.

2.1.3 Accounting standards and interpretations issued but not yet applicable

The Group elected to early adopt IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities", as well as the amendments to IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures". Application of these standards and amendments had no material impact on the consolidated financial statements.

The Group has not elected to early adopt any other standards, interpretations or amendments not required to be applied in Fiscal 2014.

The Group has not applied any IFRSs that had not yet been approved by the European Union as of August 31, 2014.

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 4.28);
- 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. The Group controls a subsidiary when it is exposed, or has rights to obtain variable benefits from its involvement with the subsidiary and has the ability to influence those benefits through its power over the subsidiary. In determining whether control exists, voting rights granted by equity instruments are taken into account only when they give the Group substantive rights. 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.

Associates are companies in which Sodexo SA directly or indirectly exercises significant influence over financial and operating policy without exercising exclusive or joint control. Joint ventures are joint arrangements in which Sodexo SA directly or indirectly exercises joint control and has rights to the net assets of the arrangement. Associates and joint ventures are consolidated by the equity method. 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, in order to determine whether they qualify as associates or joint ventures.

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, 2014 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, and the financial statements of subsidiaries operating in Venezuela are now translated at the actual rate obtained for the most recent currency transactions. Accordingly, based on the rates obtained for a transaction carried out in June 2014 on the SICAD II platform and other transactions carried out in August 2014, the exchange rates used are 1 U.S. dollar = 51.06 bolivars (1 euro = 67.34 bolivars) for the year ended August 31, 2014, and 1 U.S. dollar = 10.20 bolivars (1 euro = 13.50 bolivars) for the year ended August 31, 2013.

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 and joint ventures 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 Bargain purchases

When the fair value of the net assets acquired and the liabilities assumed as of the acquisition date is greater than acquisition cost, increased by the amount of any non-controlling interest, the excess – representing negative goodwill – is immediately recognized in the income statement in the period of acquisition, after reviewing the procedures for the identification and measurement of the different components included in the calculation.

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 except when the consideration transferred consists of an equity instrument.

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 orderly transaction between market participants at the measurement date; and
- 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 one- to 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 and discount rate).

Remeasurements of the net obligation under defined benefit plans, including actuarial gains and losses, differences between the return on plan assets and the corresponding interest income recognized in the income statement, and any changes in the effect of the asset ceiling, are recognized in other comprehensive income and have no impact on profit for the period.

Plan amendments and the establishment of new defined benefit plans result in past service costs that are recognized immediately in the income statement.

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;
- 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 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, past service cost, if any, and the effect of plan settlements, all of which are recorded in operating income,
  - the interest expense (income) on the net defined benefit obligation (asset), calculated by multiplying the obligation (asset) by the discount rate used to measure the defined benefit obligation at the beginning of the period.

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 and past service costs arising from plan amendments and the establishment of new plans 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.

The Group's share of the profits of companies consolidated by the equity method is included in "Operating profit after share of profit of companies consolidated by the equity method that directly contribute to the Group's business" or below this line in "Profit for the period before tax" depending on the nature of each of these companies' activities.

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

In early Fiscal 2013, the Group launched a program to improve its operational efficiency and reduce costs over a period of around 18 months, 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.

1 Presentation of the Group
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 Annual ordinary Shareholders' Meeting, January 19, 2015
9 Other information

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 2014 *(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)	6,759	5,702	1,483	3,327	17,271	745				18,016
Inter-segment sales (Group)						6		(6)		0
TOTAL	**6,759**	**5,702**	**1,483**	**3,327**	**17,271**	**751**		**(6)**		**18,016**
Segment operating profit[2]	358	231	66	140	795	268	(91)	(6)	(27)	939
Share of profit of other companies consolidated by the equity method										8
Net financing costs										(173)
Income tax expense										(265)
Non-controlling interests										19
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT										**490**
Depreciation/amortization of tangible and intangible assets	47	98	20	41	206	31	17		(4)	250
Other non-cash items	6	5	2	3	16	2	10			28

(1) Corresponding to the costs recorded in connection with the program to improve operational efficiency and reduce costs (see note 2.22.4).
(2) Including share of profit of companies consolidated by the equity method that directly contribute to the Group's business.

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[2]	372	198	67	127	764	304	(94)	(10)	(139)	825
Share of profit of other companies consolidated by the equity method										6
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 connection with the program to improve operational efficiency and reduce costs (see note 2.22.4).
(2) Including share of profit of companies consolidated by the equity method that directly contribute to the Group's business.

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, 2014 *(in millions of euro)*	France	United States	Other	Total
Revenues (third-party)	2,827	6,385	8,804	18,016
Non-current assets[(1)]	1,009	2,715	2,687	6,411

(1) Excluding financial assets, investments in companies consolidated by the equity method, and deferred tax assets.

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.

3.3 BY TYPE OF SERVICE

Revenues by type of service are as follows:

(in millions of euro)	Fiscal 2014	Fiscal 2013
Foodservices	12,327	12,693
Facilities management services	4,944	4,924
Total On-site Services revenues	**17,271**	**17,617**
Benefits and Rewards Services	751	790
Eliminations	(6)	(10)
TOTAL CONSOLIDATED REVENUES	**18,016**	**18,397**

4. NOTES TO THE FINANCIAL STATEMENTS AS OF AUGUST 31, 2014

4.1 OPERATING EXPENSES BY NATURE

(in millions of euro)	Fiscal 2014[1]	Fiscal 2013[1]
Depreciation, amortization and impairment losses	(263)	(320)
Employee costs		
• Wages and salaries	(6,580)	(6,650)
• Other employee costs[2]	(1,960)	(2,049)
Purchases of consumables and change in inventory	(5,332)	(5,605)
Other operating expenses[3]	(2,948)	(2,959)
TOTAL	**(17,083)**	**(17,583)**

(1) Including 27 million euro in costs recorded in Fiscal 2014 (139 million euro 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 (288 million euro for Fiscal 2014 and 306 million euro for Fiscal 2013), professional fees, other purchases of consumables, sub-contracting costs and travel expenses.

4.2 FINANCE INCOME AND EXPENSE

(in millions of euro)	Fiscal 2014	Fiscal 2013
Gross borrowing cost[1]	(157)	(158)
Interest income from short-term bank deposits and equivalent	16	6
Net borrowing cost	**(141)**	**(152)**
Interest income from loans and receivables at amortized cost	4	6
Other interest income		
Other interest expense	(4)	(5)
Net foreign exchange (losses)/gains	(6)	(7)
Net interest cost on net defined benefit plan obligation	(7)	(3)
Monetary adjustment for hyperinflation	(8)	(16)
Change in fair value of derivative financial instruments not qualified for hedge accounting	(1)	23
Other	(10)	18
Net financing costs	**(173)**	**(136)**
Interest income component	20	53
Financial expense component	(193)	(189)

(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 2014	Fiscal 2013
Profit for the period before tax	774	695
Share of profit of companies consolidated by the equity method	(14)	(17)
Accounting profit before tax	**760**	**678**
Tax rate applicable to Sodexo SA(1)	38.0%	36.1%
Theoretical income tax expense	**(289)**	**(245)**
Effect of jurisdictional tax rate differences	55	39
Additional tax on dividends paid	(7)	(7)
Permanently non-deductible expenses or non-taxable income	17	25
Other tax repayments/(charges), net	(17)	(19)
Tax loss carry-forwards used or recognized during the period but not recognized as a deferred tax asset in prior periods	1	1
Tax loss carry-forwards arising during the period but not recognized as a deferred tax asset	(16)	(16)
Actual income tax expense	**(256)**	**(222)**
Withholding taxes	(9)	(11)
TOTAL INCOME TAX EXPENSE	**(265)**	**(233)**

(1) The 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, 2016.

4.3.2 Components of income tax expense

(in millions of euro)	Fiscal 2014	Fiscal 2013
Current income taxes	(256)	(203)
Adjustments to current income tax payable in respect of prior periods	1	0
Provision for tax exposures	(1)	(3)
Utilization of tax credits, tax losses and temporary difference carry-forwards	(32)	(37)
Current income taxes	**(288)**	**(243)**
Deferred taxes on temporary differences arising or reversing during the period	15	(10)
Deferred taxes on changes in tax rates or liability for taxes at new rates	2	(4)
Utilization of tax credits, tax losses and tax loss carry-forwards	15	35
Deferred income taxes	**32**	**21**
ACTUAL INCOME TAX EXPENSE	**(256)**	**(222)**

Accruals for withholding taxes on dividends receivable recognized by the Group amounted to 1 million euro in both Fiscal 2014 and Fiscal 2013.

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, increased from 34.3% for Fiscal 2013 to 34.8% for Fiscal 2014.

1 Presentation of the Group
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 Annual ordinary Shareholders' Meeting, January 19, 2015
9 Other information

4.4 EARNINGS PER SHARE

The number of ordinary shares outstanding used in calculating basic and diluted earnings per share is shown below:

	Fiscal 2014	Fiscal 2013
Basic weighted average number of shares	151,893,759	150,980,749
Average dilutive effect of stock option and free share plans	1,712,862	1,384,095
Diluted weighted average number of shares	153,606,621	152,364,844

The table below presents the calculation of basic and diluted earnings per share:

	Fiscal 2014	Fiscal 2013
Profit for the period attributable to equity holders of the parent	490	439
Basic weighted average number of shares	151,893,759	150,980,749
Basic earnings per share[1]	**3.23**	**2.91**
Diluted weighted average number of shares	153,606,621	152,364,844
Diluted earnings per share[1]	**3.19**	**2.88**

(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, 2014, such shares total 3,144,120 shares (3,992,369 shares as of August 31, 2013).

All of the stock option plans and free share plans have a dilutive impact in both Fiscal 2013 and Fiscal 2014.

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, 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**
Increases during the fiscal year	5	137	63	205
Decreases during the fiscal year	(5)	(15)	(5)	(25)
Assets classified as held for sale				
Newly consolidated companies	6			6
Newly deconsolidated companies			(1)	(1)
Depreciation expense	(13)	(146)	(19)	(178)
Impairment losses recognized in profit or loss				
Impairment losses reversed in profit or loss		7		7
Translation adjustment	1			1
Other	1	28	(29)	0
Carrying amount – August 31, 2014	**81**	**392**	**82**	**555**

(in millions of euro)	August 31, 2014	August 31, 2013
Cost	1,691	1,702
Accumulated depreciation and impairment	(1,136)	(1,162)
Carrying amount	**555**	**540**

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.

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, 2012	6	46	1	53
August 31, 2013	7	38	1	46
August 31, 2014	7	14		21

(in millions of euro)	**August 31, 2014**	**August 31, 2013**
Cost	59	112
Accumulated depreciation and impairment	(38)	(66)
Carrying amount	**21**	**46**

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 during the fiscal year:

(in millions of euro)		**August 31, 2013**	**Additions during the period**	**Disposals during the period**	**Translation adjustment**	**Other**	**August 31, 2014**
On-site Services North America	Gross	2,216	2		8		2,226
	Impairment						
On-site Services United Kingdom and Ireland	Gross	557			40		597
	Impairment						
On-site Services Continental Europe	Gross	982	79		(6)		1,055
	Impairment						
On-site Services Rest of the World	Gross	485			24		509
	Impairment						
Benefits and Rewards Services	Gross	563	6		11	4	584
	Impairment	(2)					(2)
Holding companies	Gross	2					2
	Impairment						
TOTAL	**GROSS**	**4,805**	**87**		**77**	**4**	**4,973**
	IMPAIRMENT	**(2)**					**(2)**

Goodwill recognized in Fiscal 2014 on acquisitions made during the year mainly concerned the increase in ownership to 100% of Crèche Attitude in France.

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						
	GROSS	**5,033**	**92**		**(322)**	**2**	**4,805**
TOTAL	**IMPAIRMENT**	**(2)**					**(2)**

Goodwill recognized in Fiscal 2013 on acquisitions made during the year mainly concerned Servi-Bonos SA de CV in Mexico.

4.7 OTHER INTANGIBLE ASSETS

The tables below show movements in other intangible assets during Fiscal 2013 and Fiscal 2014.

(in millions of euro)	Licenses and software	Client relationships, trademarks and other	Total
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
Increases during the fiscal year	41	5	46
Decreases during the fiscal year	(2)		(2)
Assets classified as held for sale			
Newly consolidated companies		22	22
Newly deconsolidated companies			
Amortization expense	(40)	(34)	(74)
Impairment losses recognized in profit or loss		(5)	(5)
Impairment losses reversed in profit or loss			
Translation adjustment		12	12
Other	3	(6)	(3)
Carrying amount – August 31, 2014	111	413(1)	524

(1) Including trademarks and lease rights with an indefinite useful life for 50 million euro at August 31, 2014 and 50 million euro at August 31, 2013.

(in millions of euro)	August 31, 2014	August 31, 2013
Cost	1,032	969
Accumulated amortization and impairment	(508)	(441)
Carrying amount	**524**	**528**

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 2014	Fiscal 2013
Carrying amount – September 1	288	296
Increases during the period	129	67
Decreases during the period	(61)	(60)
Translation adjustment	5	(15)
Carrying amount as of August 31	**361**	**288**

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 2014 and Fiscal 2013 are shown below:

(in millions of euro)	Fiscal 2014			Fiscal 2013		
	Joint ventures	Associates	Total	Joint ventures	Associates	Total
As of September 1	56	4	60	42	6	48
Positive amounts	73	5	78	74	7	81
Negative amounts	(17)	(1)	(18)	(32)	(1)	(33)
Share of profit for the period	13	1	14	15	2	17
Other comprehensive income(1)				7		7
Dividend paid for the period	(11)	(1)	(12)	(12)	(3)	(15)
Changes in scope of consolidation	(14)		(14)	6	(1)	5
Translation adjustments	(1)		(1)	(3)		(3)
Other movements				1		1
AS OF AUGUST 31	**43**	**4**	**47**	**56**	**4**	**60**
Positive amounts	56	4	60	73	5	78
Negative amounts	(13)		(13)	(17)	(1)	(18)

(1) Corresponding to changes in fair value of derivative financial instrument hedges (note 4.16).

4.10 IMPAIRMENT OF ASSETS

Impairments of 43 million euro and 45 million euro were recognized on tangible and intangible assets (including goodwill) as of August 31, 2014 and 2013 respectively. Movements for the year represented a net release of 2 million euro in Fiscal 2014 and a net charge of 6 million euro in Fiscal 2013.

Assets with indefinite useful lives were tested for impairment as of August 31, 2014 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 2014		Fiscal 2013	
Economic region	Discount rate(1)	Long-term growth rate(2)	Discount rate(1)	Long-term growth rate(2)
Continental Europe	8.2% to 11.2%	2%	8.5% to 11%	2%
North America	8.2%	2.5%	8.5%	2.5%
United Kingdom and Ireland	8.2%	2.3%	8.5%	2.4%
Latin America	10.9%	4%	11%	4%
Rest of the World (excluding Latin America)	9.2%	3.3%	9.5%	3.3%
Benefits and Rewards Services	10.2%	3.6%	10.5%	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, 2014. 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 Current and non-current financial assets

(in millions of euro)	August 31, 2014		August 31, 2013	
	Current	Non-current	Current	Non-current
Available-for-sale financial assets				
Investments in non-consolidated companies				
Cost		43		36
Impairment		(2)		(2)
Carrying amount		41		34
Restricted cash and financial assets related to the Benefits and Rewards Services activity				
Cost	758		734	
Impairment				
Carrying amount	758		734	
Loans and receivables				
Receivables from investees				
Cost		38		41
Impairment		(1)		(2)
Carrying amount		37		39
Loans and deposits				
Cost	9	54	8	48
Impairment	(1)	(10)	(1)	(3)
Carrying amount	8	44	7	45
TOTAL FINANCIAL ASSETS	**766**	**122**	**741**	**118**
Cost	767	135	742	125
Impairment	(1)	(13)	(1)	(7)
Carrying amount	766	122	741	118

PRINCIPAL INVESTMENTS IN NON-CONSOLIDATED COMPANIES

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.

RESTRICTED CASH

Restricted cash of 415 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 (258 million euro), India (59 million euro) and Romania (36 million euro) and Belgium (27 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.

4.11.2 Changes in current and non-current financial assets

(Carrying value in millions of euro)	August 31, 2013	Increase/ (decrease) during the period	Impairment	Change in scope of consolidation	Change in fair value	Translation adjustment and other items	August 31, 2014
Available-for-sale financial assets	768	72				(41)	799
Loans and receivables	91	(1)	(6)			5	89
TOTAL	**859**	**71**	**(6)**			**(36)**	**888**

(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**

4.12 TRADE AND OTHER RECEIVABLES

(in millions of euro)	August 31, 2014			August 31, 2013		
	Gross amount	Allowance	Carrying amount	Gross amount	Allowance	Carrying amount
Other non-current assets	16		16	14		14
Advances to suppliers	5		5	5		5
Trade receivables	3,300	(129)	3,171	3,184	(108)	3,076
Other operating receivables	322	(5)	317	270	(7)	263
Prepaid expenses	130		130	115		115
Non-operating receivables	4		4	7		7
TOTAL TRADE AND OTHER RECEIVABLES	**3,761**	**(134)**	**3,627**	**3,581**	**(115)**	**3,466**

The maturities of trade receivables as of August 31, 2014 and August 31, 2013 respectively were as follows:

Breakdown of trade receivables due as of August 31:	August 31, 2014		August 31, 2013	
	Gross amount	Allowance	Gross amount	Allowance
Less than 3 months due	479	(7)	467	(4)
More than 3 months and less than 6 months due	62	(22)	57	(10)
More than 6 months and less than 12 months due	113	(25)	106	(20)
More than 12 months due	77	(66)	74	(58)
TOTAL TRADE RECEIVABLES DUE AS OF AUGUST 31	**731**	**(120)**	**704**	**(92)**
TOTAL TRADE RECEIVABLES NOT YET DUE AS OF AUGUST 31	**2,569**	**(9)**	**2,480**	**(16)**
TOTAL TRADE RECEIVABLES AS OF AUGUST 31	**3,300**	**(129)**	**3,184**	**(108)**

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, 2014	August 31, 2013
Marketable securities	782	434
Cash	1,966	913
Total cash and cash equivalents	2,748	1,347
Bank overdrafts	(61)	(40)
NET CASH AND CASH EQUIVALENTS	**2,687**	**1,307**

Marketable securities comprised:

(in millions of euro)	August 31, 2014	August 31, 2013
Short-term notes	282	277
Term deposits	168	134
Listed bonds	8	1
Mutual funds and other	324	22
Total marketable securities	782	434

Around 82% 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 5,298,649 Sodexo shares (versus 5,620,453 as of August 31, 2013) with a carrying amount of 318 million euro (309 million euro as of August 31, 2013) 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 74 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. In Fiscal 2013, 47 million euro of Sodexo SA shares were purchased.

The par value of Sodexo SA shares is 4 euro per share.

Company bylaws confer double voting rights on shares held in registered form for more than four years.

Further, since Fiscal 2013, shares held in registered form for at least four years and still held in that form when the dividend becomes payable, are entitled to a dividend premium equal to 10% 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.

Total dividends paid out in Fiscal 2014, adjusted for treasury shares, amounted to 248 million euro, for a dividend of 1.62 euro per share and, where applicable, a dividend premium of 0.16 euro per share.

Items recognized directly in other comprehensive income (OCI) (Group share) are shown below:

	August 31, 2014			August 31, 2013		
(in millions of euro)	(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
Cash Flow Hedges	(1)		(1)	21	(6)[(1)]	15
Remeasurements of net defined benefit obligation	(75)	16	(59)	(11)	5	(6)
Translation adjustment	37		37	(340)		(340)
TOTAL OTHER COMPREHENSIVE INCOME (GROUP SHARE)	**(39)**	**16**	**(23)**	**(329)**	**(1)**	**(330)**

(1) Of which -2 million euro for Fiscal 2013 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, 2014 Current	August 31, 2014 Non-current	August 31, 2013 Current	August 31, 2013 Non-current
Bond issues				
Euro	918	1,096	542	883
Bank borrowings[1]				
U.S. dollar	31	1,560	124	725
Brazilian real			23	
Euro		220		252
Other currencies			3	
	31	**1,780**	**150**	**977**
Finance lease obligations				
Euro	3	8	4	9
Other currencies	1	2	11	17
	4	**10**	**15**	**26**
Other borrowings[2]				
Euro	1	5	2	5
Other currencies	3	4	3	4
	4	**9**	**5**	**9**
TOTAL EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**957**	**2,895**	**712**	**1,895**
Net fair value of derivative financial instruments[3]	(20)	(16)	(20)	(68)
TOTAL INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**937**	**2,879**	**692**	**1,827**

(1) Including the proceeds of the three private bond placements with U.S. private investors (respectively 360 million U.S. dollars, 600 million U.S. dollars and 1,100 million U.S. dollars).
(2) Including 4 million euro as of August 31, 2014 and 4 million euro as of August 31, 2013 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, 2013	Increases	Repayments	Discounting effects and other	August 31, 2014
2007 bond issue – 500 million euro					
Principal	500		(500)		0
Debt issuance costs					
Accrued interest	10			(10)	0
TOTAL	**510**		**(500)**	**(10)**	**0**
2009 bond issue – 880 million euro					
Principal	880				880
Debt issuance costs and issue premium	3			(2)	1
Accrued interest	32				32
TOTAL	**915**			**(2)**	**913**
2014 bond issue – 500 million euro					
Principal		500			500
Debt issuance costs and issue premium		(1)			(1)
Accrued interest				2	2
2014 bond issue – 600 million euro					
Principal		600			600
Debt issuance costs and issue premium		(2)			(2)
Accrued interest				2	2
TOTAL		**1,097**		**4**	**1,101**
TOTAL	**1,425**	**1,097**	**(500)**	**(8)**	**2,014**

	August 31, 2012	Increases	Repayments	Discounting effects and other	August 31, 2013
2007 bond issue – 500 million euro					
Principal	500				500
Debt issuance costs	(1)			1	
Accrued interest	10				10
TOTAL	**509**			**1**	**510**
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**
TOTAL	**1,426**			**(1)**	**1,425**

4.15.1.1 2007 BOND ISSUE – 500 MILLION EURO

The bonds issued by Sodexo SA on March 30, 2007, which bore interest at an annual rate of 4.50%, were redeemed on March 28, 2014.

4.15.1.2 2009 BOND ISSUE – 880 MILLION EURO

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, also redeemable on January 30, 2015, bringing the face value to 880 million euro. After the additional bonds, these bonds bear an average effective interest rate of 5.97%.

4.15.1.3 2014 BOND ISSUES – 500 MILLION EURO AND 600 MILLION EURO

On June 24, 2014, Sodexo SA completed a bond issuance structured in two tranches:

- 600 million euro tranche redeemable at par on January 24, 2022 and bearing interest at an annual rate of 1.75%, with interest payable annually on January 24;
- 500 million euro tranche redeemable at par on June 24, 2026 and bearing interest at an annual rate of 2.50%, with interest payable annually on June 24.

The effective interest rate is 1.79% for the 600 million euro tranche and 2.54% for the 500 million euro tranche.

None of these 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, 2014, the euro tranche had been utilized in the amount of 215 million euro (compared to 250 million euro as of August 31, 2013).

4.15.2.2 LOANS FROM PRIVATE U.S. INVESTORS

The Group has obtained three loans in private placements with U.S. investors, as follows:

Date of the loan	Principal *(in millions of U.S. dollars)*	Interest rate	Maturity
September 29, 2008	290	5.99%	September 2015
	70	6.43%	September 2018
TOTAL	**360**		
March 29, 2011	250	4.24%	March 2018
	225	4.85%	March 2021
	125	4.95%	March 2023
TOTAL	**600**		
March 4, 2014	150	2.71%	March 2019
	150	3.44%	March 2021
	525	3.99%	March 2024
	175	4.14%	March 2026
	100	4.34%	March 2029
TOTAL	**1,100**		
TOTAL	**2,060**		

These three 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, 2014, February 28, 2014 and August 31, 2013.

4.15.2.3 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.

As of August 31, 2014, nearly 100% of Sodexo's borrowings were at fixed rate. The average rate of interest as of the same date was 4.3%.

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%.

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, 2014 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		915	3		1,096	2,014
Bank borrowings	31			795	985	1,811
Finance lease obligations	1	1	2	9	1	14
Other borrowings	1		3	9		13
TOTAL	**33**	**916**	**8**	**813**	**2,082**	**3,852**

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, 2014 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		941	15	95	1,227	2,278
Bank borrowings	35		35	1,021	1,179	2,270
Finance lease obligations	1	1	3	9	2	16
Other borrowings	1		3	9	1	14
Impact of derivative financial instruments excluding those related to the PPP companies	13	2	1	9		25
TOTAL	**50**	**944**	**57**	**1,143**	**2,409**	**4,603**

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		32	510	883		1,425
Bank borrowings	140	6	4	659	318	1,127
Finance lease obligations	1	1	13	24	2	41
Other borrowings			5	9		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			5	10		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**

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, 2014	August 31, 2013
Currency instruments		(3)	(2)
Assets	*Trading*	*1*	
Liabilities	*Cash Flow Hedge*		
Liabilities	*Trading*	*(4)*	*(2)*
Cross-currency swaps[(1)]		39	69
Assets	*Cash Flow Hedge*	*52*	*61*
Assets	*Trading*		*26*
Liabilities	*Cash Flow Hedge*	*(13)*	*(12)*
Liabilities	*Trading*		*(6)*
Other derivative financial instruments		0	21
Assets	*Trading*		*21*
Net derivative financial instruments		36	88

(1) Relates to cross-currency euro-BRL swaps with notional value of 490 million BRL as of August 31, 2014 and 710 million BRL as of August 31, 2013 for which accrued interest of 13 million euro was recognized as a liability as of August 31, 2014 (18 million euro as of August 31, 2013).

The face values and fair values of cross-currency swaps are as follows by maturity:

(in millions of euro)	August 31, 2014				August 31, 2013			
	< 1 year	1-5 years	> 5 years		< 1 year	1-5 years	> 5 years	Total
Currency lender positions	69	22		91	85	11		96
UK Sterling/Euro								
Brazilian Real/Euro								
Czech Crown/Euro	*53*	*22*		*75*	*71*	*8*		*79*
Other	*16*			*16*	*14*	*3*		*17*
Currency borrower positions	(188)	(111)	(22)	(321)	(134)	(195)	(22)	(351)
UK Sterling/Euro	*(49)*	*(2)*	*(10)*	*(61)*	*(44)*			*(44)*
Brazilian Real/Euro	*(128)*	*(50)*		*(178)*	*(88)*	*(158)*		*(246)*
Czech Crown/Euro		*(3)*		*(3)*				
Other	*(11)*	*(56)*	*(12)*	*(79)*	*(2)*	*(37)*	*(22)*	*(61)*
TOTAL	**(119)**	**(89)**	**(22)**	**(230)**	**(49)**	**(184)**	**(22)**	**(255)**
Fair value	20	15	1	36	7	61	(1)	67

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 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 instruments designated as hedges as of August 31, 2013	(30)
Change in fair value for the period	(14)
Share in the change in fair value of derivative instruments held by companies consolidated by the equity method(1)	0
Fair value items recognized in financial income or expense	13
Total changes recognized in other comprehensive income	(1)
Translation adjustments and other	
Cumulative changes in fair value of instruments designated as hedges as of August 31, 2014	**(31)**

(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 profit 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, 2014	August 31, 2013(1)
Net defined benefit plan asset(2)	(3)	(0)
Net defined benefit plan obligation	298	226
Other long-term employee benefits	151	150
Employee benefits	**446**	**376**

(1) After restatement of past service costs in application of the revised IAS 19.
(2) Included in "Other non-current assets" in the consolidated statement of financial position.

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 346 million euro for Fiscal 2014, compared to 361 million euro for Fiscal 2013.

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.

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;
- 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.

Changes in the present value of the defined benefit plan obligation and fair value of the plan's assets are shown below:

	Fiscal 2014			Fiscal 2013		
	Benefit obligation	Plan assets	Net benefit obligation	Benefit obligation	Plan assets	Net benefit obligation
As of September 1	979	(753)	226	963	(732)	231
Expense/(income) recognized in the income statement	61	(34)	27	62	(34)	28
Current service cost	*26*		*26*	*25*		*25*
Past service cost	*(5)*		*(5)*			
Effect of settlements	*(1)*		*(1)*			
Interest cost/(income)	*41*	*(34)*	*7*	*37*	*(34)*	*3*
Remeasurement losses/(gains)*	109	(34)	75	31	(20)	11
Actuarial losses/(gains) arising from changes in demographic assumptions	*3*		*3*			
Actuarial losses/(gains) arising from changes in financial assumptions	*114*	*(34)*	*80*			
Experience adjustments	*(8)*		*(8)*			
Effect of asset ceiling						
Translation adjustments	48	(44)	4	(49)	43	(6)
Contributions made by plan members	2	(2)		3	(3)	
Employer contributions		(28)	(28)		(30)	(30)
Benefits paid from plan assets	(21)	21		(23)	23	
Benefits paid other than from plan assets	(9)		(9)	(9)		(9)
Changes in scope of consolidation				1		1
Other						
AS OF AUGUST 31	**1,169**	**(874)**	**295**	**979**	**(753)**	**226**
Of which:						
Partially funded plans	1,026	(874)	152	840	(753)	87
Unfunded plans	143		143	139		139

* *Pro forma. Details of Fiscal 2013 actuarial gains and losses are not available.*

The amounts recorded in the income statement for defined benefit plans amounted to 27 million euro in Fiscal 2014 and 28 million euro in Fiscal 2013, as follows:

- net expense of 11 million euro in Fiscal 2014 (net expense of 15 million euro in Fiscal 2013) in cost of sales;
- net expense of 9 million euro in Fiscal 2014 (net expense of 10 million euro in Fiscal 2013) in general and administrative costs;
- net expense of 7 million euro in interest expense (see note 4.2).

Defined benefit plan assets comprise:

(millions of euro)	August 31, 2014	August 31, 2013
Equities	167	136
Bonds	97	108
Real estate	60	36
Cash	5	12
Derivative instruments	1	5
Investment funds	108	98
Insurance and other	436	358
TOTAL	**874**	**753**

Actuarial losses arising from changes in financial assumptions amounted to 80 million euro, of which 52 million euro related to plans in the United Kingdom and 16 million euro for plans in the Netherlands, the two countries that account for most of the benefit obligation. These actuarial losses were mainly due to reductions in the discount rates applied.

The following assumptions were used for actuarial valuations for the principal countries as of August 31, 2014 and 2013:

August 31, 2014	France	Netherlands	United Kingdom	Italy
Discount rate(1)	2% - 3%	2%	4%	1.25% - 1.50%
Salary inflation rate(2)	2.5% - 3%	2%	2.1% - 3.6%	N/A
General long-term inflation rate	2%	2%	2.1% - 3.1%(3)	2%
Net liability (in millions of euro)	75	50	60	29
Average term of the plans *(in years)*	10	22	22	6

(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): 3.10%; consumer price index (CPI): 2.1%.

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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%
Net liability (in millions of euro)	66(4)	36	21	30
Average term of the plans (in years)	11	22	22	6

(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) After restatement of past service costs in application of the revised 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 1,435 million euro (compared to 1,169 million euro with the assumptions used as of August 31, 2014), while an increase of 0.5% in the long-term inflation rate would increase the gross obligation to 1,261 million euro.

Based on estimates derived from reasonable assumptions, Sodexo will pay 26 million euro into defined benefit plans in Fiscal 2015.

4.17.2 Other employee benefits

Other employee benefits, in the amount of 151 million euro as of August 31, 2014 and 150 million as of August 31, 2013, mainly comprise a liability related to a deferred compensation program in the United States and obligations relating to long-service awards.

The total expense recognized with respect to these benefits in Fiscal 2014 was 15 million euro (24 million euro in Fiscal 2013), of which 1.3 million euro (1.6 million euro in Fiscal 2013) relates to a deferred compensation program in the United States, reported in financial expense.

4.18 PROVISIONS

(in millions of euro)	August 31, 2013	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, 2014
Tax and social security exposures	46	19	(4)	(9)	2			54
Employee claims and litigation	35	15	(11)	(2)	(2)			35
Contract termination and loss-making contracts	31	16	(18)	(9)	1			21
Reorganization costs	52	5	(28)	(6)	1			24
Client/supplier claims and litigation	25	7	(1)	(2)				29
Negative net assets of associates*	18				(5)			13
Other provisions	8	9	(2)		1			16
TOTAL	**215**	**71**	**(64)**	**(28)**	**(2)**			**192**

* *Investments in companies consolidated by the equity method that have negative net assets (see note 4.9).*

(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	18	(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).*

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, 2014		August 31, 2013	
	Current	Non-current	Current	Non-current
Tax and social security exposures	9	45	9	37
Employee claims and litigation	14	21	19	16
Contract termination and loss-making contracts	10	11	11	20
Reorganization costs	24		52	
Client/supplier claims and litigation	26	3	23	2
Negative net assets of associates*		13		18
Other provisions	5	11	2	6
TOTAL	**88**	**104**	**116**	**99**

* *Investments in companies consolidated by the equity method that have negative net assets (see note 4.9).*

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4.19 TRADE AND OTHER PAYABLES

(in millions of euro)	August 31, 2014	August 31, 2013
Other non-current liabilities	233	214
TOTAL OTHER NON-CURRENT LIABILITIES	**233**	**214**
Advances from clients	299	241
Trade payables	1,768	1,719
Employee-related liabilities	1,022	992
Tax liabilities	267	231
Other operating liabilities	95	67
Deferred revenues	109	78
Other non-operating liabilities	32	19
TOTAL TRADE AND OTHER CURRENT PAYABLES	**3,592**	**3,347**
TOTAL TRADE AND OTHER PAYABLES	**3,825**	**3,561**

Employee-related liabilities include mainly short-term employee benefits.

Maturities of trade and other payables	Carrying value	Undiscounted contractual value
Less than three months	2,633	2,633
More than three months and less than six months	214	214
More than six months and less than twelve months	668	668
More than one year and less than five years	225	238
More than five years	85	103
TOTAL TRADE AND OTHER PAYABLES	**3,825**	**3,856**

4.20 DEFERRED TAXES

Movements in deferred taxes were as follows in Fiscal 2014:

(in millions of euro)	August 31, 2013	Deferred tax benefit/ (expense)	Deferred tax recognized in other comprehensive income	Translation adjustments and other	August 31, 2014
• Employee-related liabilities	161	22	16	6	205
• Fair value of financial instruments	3	1		1	5
• Intangible assets	(57)	3		(7)	(61)
• Other temporary differences	(138)	(10)		(7)	(155)
• Tax loss carry-forwards	66	16		2	84
TOTAL	**35**	**32**	**16**	**(5)**	**78**
Of which deferred tax assets	188				226
Of which deferred tax liabilities	(153)				(148)

Deferred tax assets not recognized because their recovery is not considered probable totaled 69 million euro (61 million euro as of August 31, 2013), including 7 million euro generated by subsidiaries prior to their acquisition (8 million euro as of August 31, 2013).

Temporary differences on employee-related liabilities relate primarily to post-employment benefits.

The other temporary differences mainly include deferred taxes recognized on the portion of goodwill amortization that is tax deductible 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, 2014 Carrying value	August 31, 2014 Fair value	Fair value level Level 1	Level 2	Level 3	Total
Cash and cash equivalents	Financial assets at fair value through profit and loss	4.13	782	782	333	449		782
Restricted cash and financial assets related to the Benefits and Rewards Services activity	Available-for-sale financial assets	4.11	758	758	112	646		758
Trade and other receivables	Loans and receivables at amortized cost	4.12	3,627	3,627				
Other financial assets	Available for sale financial assets	4.11	41	N/A				
	Loans and receivables at amortized cost	4.11	89	89				
Derivative financial instruments, assets		4.16	52	52		52		52

Financial liabilities (in millions of euro)	Category	Note	August 31, 2014 Carrying value	August 31, 2014 Fair value	Fair value level Level 1	Level 2	Level 3	Total
Bond issues(1)	Financial liabilities at amortized cost	4.15	2,014	2,086	2,086			2,086
Bank borrowings	Financial liabilities at amortized cost	4.15	1,811	1,875		1,655	220	1,875
Other borrowings and financial debts	Financial liabilities at amortized cost	4.15	27	27				
Bank overdrafts	Financial liabilities at amortized cost		61	61				
Trade and other payables	Financial liabilities at amortized cost	4.19	3,592	3,592				
Vouchers payable	Financial liabilities at amortized cost		2,582	2,582				
Derivative instruments, liabilities		4.16	16	16		16		16

(1) Fair value is calculated on the basis of listed bond prices as of August 31, 2014.

Financial assets *(in millions of euro)*	Category	Note	August 31, 2013 Carrying value	Fair value	Fair value level 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	Fair value level Level 1	Level 2	Level 3	Total
Bond issues[1]	Financial liabilities at amortized cost	4.15	1,425	1,501	1,501			1,501
Bank borrowings	Financial liabilities at amortized cost	4.15	1,127	1,187		909	278	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.

There was no transfer between the different levels between Fiscal 2013 and Fiscal 2014.

4.22 SHARE-BASED PAYMENT

In both Fiscal 2014 and Fiscal 2013, Sodexo's Board of Directors decided to grant new and/or existing Sodexo shares to Group employees free of consideration. Some of these share grants are subject to performance conditions. Options to purchase existing shares were also granted by the Board of Directors to Group employees under various stock option plans set up in prior years.

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 profit (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 7, 2008	42.27 euro	28.85%	7	4.01%	2.75%	6
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

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.

For plans granted as from 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 2014 AND FISCAL 2013

The table below provides the quantity, weighted average exercise price (WAP) and movements of stock options during the period.

	Fiscal 2014		Fiscal 2013	
	Number	WAP (in euro)	Number	WAP *(in euro)*
Outstanding at the beginning of the period	5,007,293	46.76	6,816,539	45.71
Granted during the period				
Forfeited during the period	(134,133)	45.72	(191,001)	47.12
Exercised during the period	(1,273,004)[(1)]	43.99	(1,618,245)[(2)]	42.27
Expired during the period				
Outstanding at the end of the period	3,600,156	47.78	5,007,293	46.76
Exercisable at the end of the period	2,090,670	45.52	2,133,493	43.05

(1) The weighted average share price at the exercise date of options exercised in the period was 74.47 euro.
(2) The weighted average share price at the exercise date of options exercised in the period was 65.57 euro.

No stock options were granted in Fiscal 2014 or Fiscal 2013.

The weighted average residual life of options outstanding as of August 31, 2014 was 3 years (August 31, 2013: 3.6 years).

The exercise prices and exercise period for options outstanding as of August 31, 2014 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, 2014
January 2008	January 2009	January 2015	42.27 euro	84,021
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	209,982
January 2009	January 2010	January 2015	39.40 euro	63,852
January 2010	January 2011	January 2017	39.88 euro	308,046
January 2010	January 2011	January 2016	39.88 euro	184,450
December 2010	December 2011	December 2017	48.37 euro	630,825
December 2010	December 2011	December 2016	48.37 euro	459,955
December 2011	December 2012	December 2018	51.40 euro	773,858
December 2011	December 2012	December 2017	51.40 euro	885,167
TOTAL				**3,600,156**

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;
- 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.

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MOVEMENTS IN FISCAL 2014 AND FISCAL 2013

The table below shows movements in free shares granted in Fiscal 2014 and Fiscal 2013:

	Fiscal 2014	Fiscal 2013
Outstanding at the beginning of the period	838,305	
Granted during the period	840,000	840,755
Forfeited during the period	(62,938)	(2,450)
Delivered during the period		
Outstanding at the end of the period	1,615,367	838,305

The weighted average fair value of the free shares was 68.31 euro for shares granted in Fiscal 2014 and 56.14 euro for shares granted in Fiscal 2013.

The table below shows the grant dates of free shares outstanding as of August 31, 2014, the assumptions used to estimate their fair value at the grant date and the number of free shares outstanding at the period end:

Date of grant		Vesting period *(in years)*	Lock-up period *(in years)*	Expected dividend yield *(in %)*	Risk-free interest rate (%)	Loan interest rate (in %)	Number of shares outstanding as of August 31
April 25, 2013	France	2	2	2.5%	0.40%	6%	152,171
April 25, 2013	France	3	2	2.5%	0.40%	6%	114,746
April 25, 2013	International	4	N/A	2.5%	0.60%	6%	508,450
March 11, 2014	France	2	2	2.5%	0.50%	5.8%	160,111
March 11, 2014	France	3	2	2.5%	0.50%	5.8%	120,714
March 11, 2014	International	4	N/A	2.5%	0.80%	5.8%	559,175
TOTAL							**1,615,367**

4.22.3 Expense recognized during the year

The expense recognized in the Fiscal 2014 income statement for stock options and free shares was 28 million euro (17 million euro in Fiscal 2013).

4.23 BUSINESS COMBINATIONS

There were no material acquisitions during Fiscal 2014.

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 2014 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, 2014	August 31, 2013
Less than 1 year	119	128
1 to 5 years	231	271
More than 5 years	73	99
TOTAL	**423**	**498**

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 120 million euro, compared to 136 million euro for Fiscal 2013;
- the rent for office premises of 283 million euro, compared to 338 million euro for Fiscal 2013.

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 29 million euro. The leases and lease renewals signed by Sodexo France and Sodexo, Inc. for their office premises represent operating lease commitments of 24 million euro and 51 million euro respectively.

4.24.3 Other commitments given

	August 31, 2014				August 31, 2013
(in millions of euro)	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Financial guarantees to third parties	12	2		14	10
Site management commitments	1	1		2	5
Performance bonds given to clients		48	132	180	167
Other commitments	22	1	126	149	139
TOTAL	**35**	**52**	**258**	**345**	**321**

Financial guarantees to third parties mainly comprise bank subordinated debt commitments under Public-Private Partnership (PPP) contracts (see note 2.3.2.) totaling 10 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 2,806,000 hours.

4.25 RELATED PARTIES

4.25.1 Principal shareholder

As of August 31, 2014, Bellon SA held 37.71% of the capital of Sodexo SA.

Bellon SA invoiced 5.8 million euro to Sodexo SA in Fiscal 2014 and 6.2 million euro in Fiscal 2013 for assistance and advisory services under a contract between the two companies.

The Fiscal 2013 dividends received by Bellon SA on its Sodexo shares in February 2014 amounted to 96.1 million euro.

4.25.2 Non-consolidated companies

Other transactions with related companies comprise loans advanced, commercial transactions, and off balance sheet commitments involving associates and non-consolidated companies.

(millions of euro)	August 31, 2014			August 31, 2013
	Gross	Impairment	Carrying amount	Carrying amount
Loans	61	0	61	65

Off-balance sheet commitments	August 31, 2014	August 31, 2013
Financial guarantees to third parties	14	10
Performance bonds given to clients	180	165

Transactions	Fiscal 2014	Fiscal 2013
Revenue	327	325
Operating expenses	0	0
Financial income and expense, net	4	3

4.26 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, 2014	August 31, 2013
Short-term employee benefits	13,297,514	10,249,871
Post-employment benefits	557,335	549,600
Fair value of stock options and free shares at the grant date	12,398,013	7,176,691
TOTAL	**26,252,862**	**17,976,162**

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 2014, 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.

4.27 GROUP EMPLOYEES

The following table shows the breakdown of Group employees:

	August 31, 2014	August 31, 2013
Executives, middle management, site managers and supervisory staff	51,780	48,885
Front-line service staff and other employees	367,737	379,036
TOTAL	**419,317**	**427,921**

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, 2014	132,030	99,073	34,641	149,134	414,878	3,983	456	419,317
August 31, 2013	132,581	100,249	34,997	155,653	423,480	3,989	452	427,921

4.28 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.

4.29 SUBSEQUENT EVENTS

On September 12, 2014, Sodexo's Benefits and Rewards Services subsidiary in the United Kingdom announced that it had signed an agreement for the acquisition of Motivcom plc. The acquisition should be completed before the end of 2014.

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, 2014	August 31, 2013
Financial liabilities excluding derivative financial instruments	4.15	3,852	2,607
Fixed rate liabilities		3,637	2,324
Variable rate liabilities		215	283
Impact of interest rate and cross-currency swaps	4.16	(36)	(67)
On fixed rate liabilities		178	177
On variable rate liabilities		(214)	(244)
Financial liabilities after impact of interest rate and cross-currency swaps		3,816	2,540
Fixed rate liabilities		3,815	2,501
Variable rate liabilities		1	39

As of August 31, 2014 and 2013, a 0.5% increase or decrease in interest rates would have had no material impact on net profit 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, 2014				August 31, 2013			
	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF
Closing rate as of August 31	*0.758*	*0.338*	*1.257*	*0.015*	*0.756*	*0.321*	*1.171*	*0.074*
Monetary assets								
Working capital items and other receivables	770	459	249	1	776	421	194	3
Deferred tax assets	91	46	19		57	43	10	1
Cash and cash equivalents	725	501	301	43	510	430	139	154
TOTAL MONETARY ASSETS	**1,586**	**1,006**	**569**	**44**	**1,343**	**894**	**343**	**158**
Monetary liabilities								
Financial liabilities	1,592		4		850	23	3	
Working capital items and other liabilities	1,297	816	477	30	1,226	722	335	112
Deferred tax liabilities	31	99			30	93		
TOTAL MONETARY LIABILITIES	**2,920**	**915**	**481**	**30**	**2,106**	**838**	**338**	**112**
Net position(1)	(1,334)	91	88	14	(763)	56	5	46

(1) This net position does not include currency positions on intragroup transactions.

After currency derivatives *(in millions of euro)*	August 31, 2014				August 31, 2013			
	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF
Closing rate as of August 31	*0.758*	*0.338*	*1.257*	*0.015*	*0.756*	*0.321*	*1.171*	*0.074*
Monetary assets								
Working capital items and other receivables	770	459	249	1	776	421	194	3
Deferred tax assets	91	46	19		57	43	10	1
Cash and cash equivalents	725	501	301	43	510	430	139	154
TOTAL MONETARY ASSETS	**1,586**	**1,006**	**569**	**44**	**1,343**	**894**	**343**	**158**
Monetary liabilities								
Financial liabilities	1,592	178	48		850	269	30	
Working capital items and other liabilities	1,297	816	477	30	1,226	722	335	112
Deferred tax liabilities	31	99			30	93		
TOTAL MONETARY LIABILITIES	**2,920**	**1,093**	**525**	**30**	**2,106**	**1,084**	**365**	**112**
Net position(1)	(1,334)	(87)	44	14	(763)	(190)	(22)	46

(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, 2014				August 31, 2013			
	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	651	34	20	130	657	35	23	190
Real BRL	107	19	15	70	117	17	11	56
Sterling GBP	151	5	7	64	139	5	7	63
Bolivar VEF*	2	1		1	7	4	2	5
TOTAL	**911**	**59**	**42**	**265**	**920**	**61**	**43**	**314**

* *A 10% increase in the Bolivar/Euro exchange rate would not have had a material impact on profit – Group share for Fiscal 2014 and would have had an impact of less than 1 million euro on profit – Group share for Fiscal 2013.*

5.2 EXPOSURE TO LIQUIDITY RISK

The nature of the Group's borrowings and bond issuances as of August 31, 2014 is described in detail in note 4.15 of the consolidated financial statements.

As of August 31, 2014, more than 94% of the Group's consolidated borrowings was borrowed on capital markets and bank financing was less than 6% of the Group's financing needs. As of August 31, 2013 more than 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. The reimbursement maturity dates of the main borrowings range between Fiscal 2015 and Fiscal 2029. 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 215 million euro as of August 31, 2014 (250 million euro as of August 31, 2013).

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 12% (14% as of August 31, 2013) 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, 2014 and presented in the table below together represent 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 profit and of shareholders' equity.

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
Groupe Crèche Attitude (consolidated)			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 SA (consolidated including Puras)			On-site	Brazil
	Sodexo Pass do Brasil Serviços e Comercio 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
	Sodexo Soluciones de Motivacion 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
	Sodexo Beteiligungs BV & Co. KG			On-site	Germany
	Sodexo Dienstleistungen GmbH (consolidated)			On-site	Germany
	GA-tec Gebäude- und Anlagentechnik Gmbh			On-site	Germany
	Sodexo Service Solutions Austria			On-site	Austria
	Sodexo Belgium SA (consolidated)			On-site	Belgium
	Imagor SA			Benefits and Rewards	Belgium
	Sodexo Pass Belgium SA (consolidated)			Benefits and Rewards	Belgium

		% interest	% voting rights	Principal activity	Country
	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 Motivation Solutions Italia SRL			On-site	Italy
	Sodexo Italia SA (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) Holdings Ltd	25%	25%	On-site	United Kingdom
S	Integrated Pathology Partnerships Ltd	3%	3%	On-site	United Kingdom
	Sodexo Services Group Ltd			Holding	United Kingdom
	Sodexo Ltd			On-site	United Kingdom
	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

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		% interest	% voting rights	Principal activity	Country
	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
	Sodexo Pass Holding Sweden AB			Benefits and Rewards	Sweden
	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 AS			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 Shanghai 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 WLL	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, 2014

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, 2014, on:

- the audit of the accompanying consolidated financial statements of Sodexo;
- 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 August 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of 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 tests, 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 12, 2014

The Statutory Auditors

PricewatershouseCoopers Audit	KPMG Audit
	Department of KPMG SA
Yves Nicolas	Hervé Chopin

3.5 Supplemental information

3.5.1 FINANCIAL RATIOS

		Fiscal 2014 Excluding exceptional items[4]	Fiscal 2014 Reported data	Fiscal 2013 Excluding exceptional items[4]	Fiscal 2013 Reported data
Gearing ratio	Borrowings[1] – operating cash[2] / Shareholders' equity and non-controlling interests	**12%**	12%	**16%**	16%
Debt coverage	Borrowings[1] / Cash from operations[3]	**3.8 years**	4.1 years	**3.1 years**	3.4 years
Financial independence	Non-current borrowings / Shareholders' equity and non-controlling interests	**89.9%**	89.9%	**63.4%**	63.4%
Return on equity	Profit attributable to equity holders of the parent / Equity attributable to equity holders of the parent (before profit for the period)	**18.8%**	18.2%	**21.1%**	17.5%
Net debt ratio	Borrowings[1] – operating cash[2] / Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)	**0.3**	0.3	**0.4**	0.4
Return on capital employed (ROCE)	Operating profit after tax / Total of tangible and intangible assets + goodwill + client investments + working capital, as of the end of the year	**17.7%**	17.2%	**18.0%**	15.4%
Interest cover	Operating profit / Net interest expense	**6.8**	6.6	**6.3**	5.4

(1) Borrowings = non-current borrowings + current borrowings excluding amounts repayable in the first half of Fiscal 2015 and 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) Financial ratios for Fiscal 2014 and Fiscal 2013 have been recomputed to exclude the effect of exceptional costs relating to the operational efficiency improvement and cost reduction program.

3.5.2 TWO-YEAR FINANCIAL SUMMARY

	Fiscal 2014	Fiscal 2013
Total shareholders' equity	**3,221**	**2,987**
Equity attributable to equity holders of the parent	3,189	2,950
Equity attributable to non-controlling interests	32	37
Borrowings(1)		
Non-current borrowings	2,879	1,827
Current borrowings	937	692
Cash and equivalent, net of bank overdrafts	**2,687**	**1,307**
Restricted cash and financial assets (Benefits and Rewards Services)	**758**	**734**
Net borrowings(2)	**(371)**	**(478)**
Revenue	**18,016**	**18,397**
Operating profit after share of profit of companies consolidated by the equity method that directly contribute to the Group's business	939	825
Profit for the period	509	462
Profit attributable to non-controlling interests	19	23
Profit attributable to equity holders of the parent	**490**	**439**
Average number of shares outstanding	**151,893,759**	**150,980,749**
Earnings per share *(in euro)*	3.23	2.91
Dividend per share *(in euro)*	1.62	1.59
Share price at August 31 *(in euro)*	74.97	66.77
Highest share price in the fiscal year *(in euro)*	80.56	74.91
Lowest share price in the fiscal year *(in euro)*	66.69	58.50

(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

			Closing exchange rate at August 31, 2014	Average exchange rate Fiscal 2014
ISO CODES	**Countries**	**Currency**	**1 euro =**	**1 euro =**
CFA	Africa	CFA (thousands)	0.655957	0.655957
ZAR	South Africa	Rand	14.019000	14.295032
DZD	Algeria	Dinar (thousands)	0.105755	0.107803
SAR	Saudi Arabia	Rial	4.942400	5.105303
ARS	Argentina	Peso	11.076400	9.739915
AUD	Australia	Dollar	1.412300	1.482604
BRL	Brazil	Real	2.960000	3.103774
BGN	Bulgaria	Lev	1.955800	1.955800
CAD	Canada	Dollar	1.431400	1.466953
CLP	Chile	Peso (thousands)	0.776710	0.735441

ISO CODES	Countries	Currency	Closing exchange rate at August 31, 2014 1 euro =	Average exchange rate Fiscal 2014 1 euro =
CNY	China	Yuan	8.101800	8.370595
COP	Colombia	Peso (thousands)	2.539300	2.627287
KRW	South Korea	Won (thousands)	1.337970	1.430362
CRC	Costa Rica	Colon (thousands)	0.712610	0.713218
DKK	Denmark	Krone	7.452000	7.460065
AED	United Arab Emirates	Dirham	4.839600	4.999282
USD	United States	Dollar	1.318800	1.361174
GNF	Guinea	Guinea Franc (thousands)	9.261830	9.464402
HKD	Hong Kong	Dollar	10.220800	10.555435
HUF	Hungary	Forint (thousands)	0.315020	0.305090
INR	India	Rupee (thousands)	0.079810	0.083495
IDR	Indonesia	Rupiah (thousands)	15.437610	15.867369
ILS	Israel	Shekel	4.705700	4.757096
JPY	Japan	Yen (thousands)	0.137110	0.138307
KZT	Kazakhstan	Tenge (thousands)	0.241710	0.229446
KWD	Kuwait	Dinar	0.375400	0.384664
LBP	Lebanon	Pound (thousands)	1.989900	2.054964
MGA	Madagascar	Ariary (thousands)	3.259230	3.126863
MYR	Malaysia	Ringgit	4.164800	4.414021
MAD	Morocco	Dirham	11.140500	11.207112
MXN	Mexico	Peso	17.266400	17.852212
MZN	Mozambique	Metical	40.438000	41.275612
NOK	Norway	Kroner	8.146500	8.271642
NZD	New Zealand	Dollar	1.575200	1.626253
OMR	Oman	Rial	0.507500	0.524013
PEN	Peru	Sol	3.743500	3.812041
PHP	Philippines	Peso	57.583000	60.033659
PLN	Poland	Zloty	4.217100	4.188486
QAR	Qatar	Rial	4.804800	4.960609
CZK	Czech Republic	Koruna (thousands)	0.027725	0.027084
RON	Romania	New Lei	4.406500	4.445156
GBP	United Kingdom	Pound	0.795300	0.823272
RUB	Russia	Ruble (thousands)	0.048740	0.046707
SGD	Singapore	Dollar	1.645600	1.710720
SEK	Sweden	Krona	9.165800	8.946512
CHF	Switzerland	Swiss Franc	1.206100	1.221744
TZS	Tanzania	Shilling (thousands)	2.202470	2.210858
THB	Thailand	Baht	42.141000	43.896220
TND	Tunisia	Dinar	2.289900	2.226924
TRY	Turkey	New Lira	2.850600	2.876657
UYU	Uruguay	Peso	31.977500	30.376773
VEF	Venezuela	Bolivar (thousands)	0.067337	0.067337
VND	Vietnam	Dong	27,997.980000	28,694.553169

3.5.4 INVESTMENT POLICY

(millions of euro)	Fiscal 2014	Fiscal 2013
Acquisitions of property, plant equipment and intangible assets, plus client investments	294	251
Acquisitions of equity interests	50	98

Investments in progress as of August 31, 2014:

- 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: on September 12, 2014, the Group made a firm commitment through its Benefits and Rewards Services subsidiary in the United Kingdom to acquire all of the shares of Motivcom plc for 41 million pounds sterling.

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 32,700 sites, which are used to support operating activities and are financed by operating cash. None of these investments is individually significant.

No significant acquisitions were made in Fiscal 2014.

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 4.29 of the Notes to the 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 2014, the client retention rate for On-site Services was 93.4%.

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 consumers worldwide, and it is committed to the safety of the food and services provided.

In addition, workplace accidents may occur in foodservices and in facilities management services.

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 facilities management

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 an international 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 of which eight focus on the environment.

3.5.5.4 RISKS ASSOCIATED WITH TECHNOLOGY

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, data security and 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, anti-corruption 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 4.28 of the notes to the consolidated financial statements for information on these risks.

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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 are as follows:

- 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.

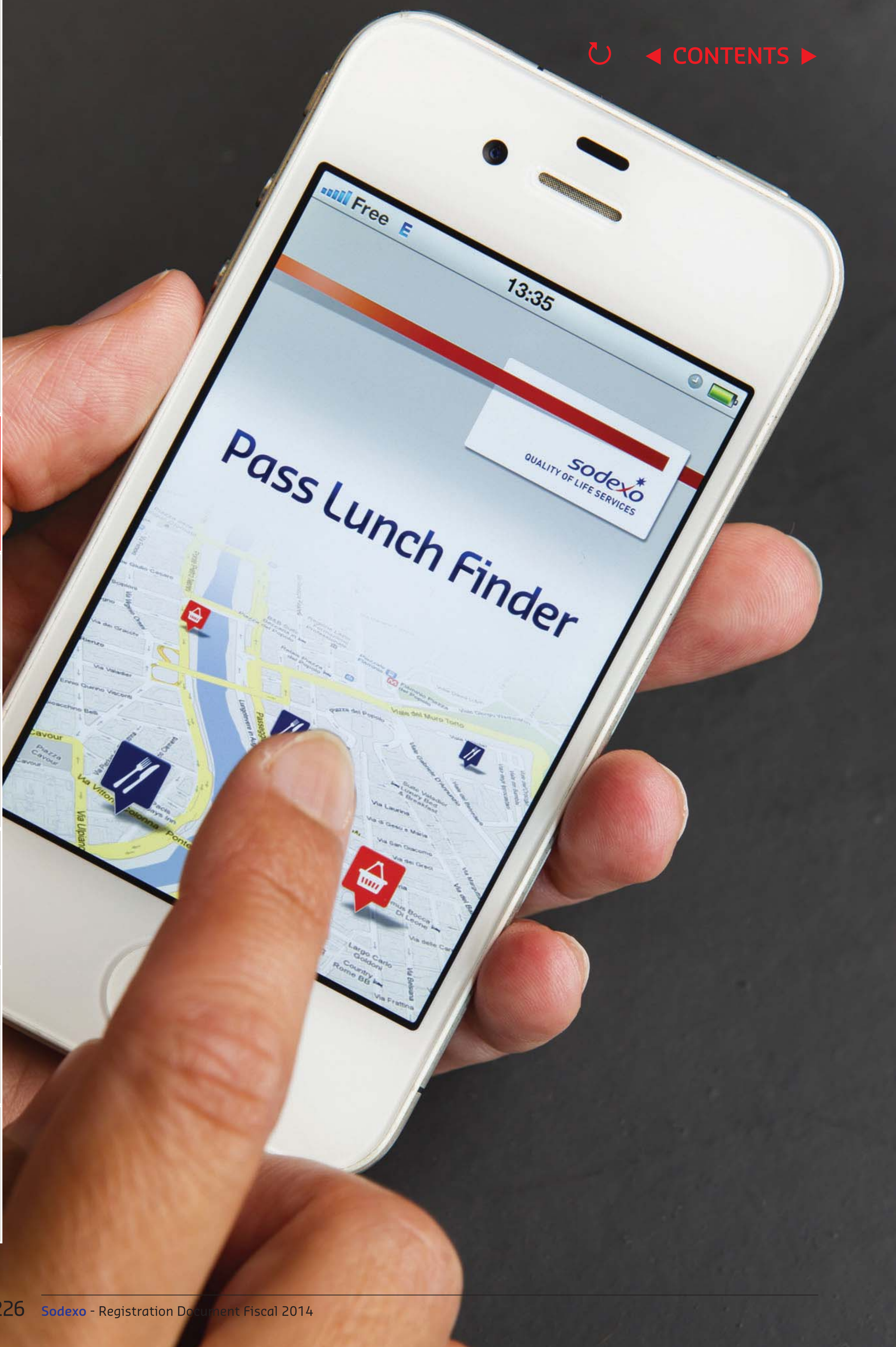
In North America, deductibles range from 5,000 U.S. dollars to 5,000,000 U.S. dollars per occurrence and some of the corresponding self-insured risks have been managed by a captive insurance company since June 1, 2006. Outside North America, deductibles generally range from 7,500 euro to 2,000,000 euro 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, general 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.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QUALITY OF LIFE SERVICES

4

INFORMATION ON THE ISSUER

4.1 Sodexo SA Individual Company Financial Statements

4.1.1 INCOME STATEMENT

(in thousands of euro)	Note	Fiscal 2014	Fiscal 2013
Revenues	3	84,594	77,175
Other income		233,753	234,967
Purchases		(619)	(689)
Employee costs		(51,778)	(45,318)
Other external charges		(130,112)	(118,382)
Taxes other than income taxes		(13,339)	(13,225)
Depreciation, amortization and increase in provisions		(1,840)	(2,099)
Operating profit		120,659	132,429
Financial income/(expense), net	4	196,351	230,726
Exceptional income/(expense), net	5	(53,179)	(23,578)
Employee profit sharing		(7)	(6)
Income taxes	6	4,963	2,071
Net income		268,787	341,642

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4.1.2 BALANCE SHEET

ASSETS

(in thousands of euro)	Note	August 31, 2014	August 31, 2013
FIXED AND INTANGIBLE ASSETS, NET			
Intangible assets	7	15,446	14,106
Property, plant and equipment	7	2,014	2,557
Financial investments	7	5,019,700	5,759,958
Total fixed and intangible assets	**7**	**5,037,160**	**5,776,621**
CURRENT AND OTHER ASSETS			
Accounts receivable	9	54,723	65,252
Prepaid expenses, other receivables and other assets	9	282,041	260,895
Marketable securities	11	617,423	309,138
Cash		722,306	106,497
Total current and other assets		**1,676,493**	**741,782**
TOTAL ASSETS		**6,713,653**	**6,518,403**

LIABILITIES AND EQUITY

(in thousands of euro)	Note	August 31, 2014	August 31, 2013
SHAREHOLDERS' EQUITY			
Common stock		628,528	628,528
Additional paid in capital		1,108,954	1,108,954
Reserves and retained earnings		1,378,508	1,357,144
Restricted provisions		16,596	15,550
Total shareholders' equity	**13**	**3,132,586**	**3,110,176**
Provisions for contingencies and losses	10	216,977	152,621
LIABILITIES			
Borrowings	14	2,940,189	2,760,909
Accounts payable		21,099	20,895
Other liabilities		402,802	473,802
Total liabilities and provisions		**3,581,067**	**3,408,227**
TOTAL LIABILITIES AND EQUITY		**6,713,653**	**6,518,403**

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 2014, Sodexo SA repurchased 951,200 treasury shares for 73.8 million euro, to be used primarily for stock options and free shares granted in prior fiscal years as well as to free shares granted in March 2014.

1.2 BORROWINGS

On June 24, 2014, Sodexo SA completed a bond issuance structured in two tranches:

- 600 million euro tranche redeemable at par on January 24, 2022 and bearing interest at an annual rate of 1.75%, with interest payable annually on January 24;
- 500 million euro tranche redeemable at par on June 24, 2026 and bearing interest at an annual rate of 2.50%, with interest payable annually on June 24.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The individual company financial statements have been prepared in accordance with the *plan comptable général* of 2014 and regulation no. 2014-03 issued by the *Autorité des normes comptables* (ANC).

The accounting policies applied in preparing the individual company financial statements in Fiscal 2014 are the same as those applied in Fiscal 2013. 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

Equity investments 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 one- 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.

Receivables related to equity investments are recognized 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 recognized 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 recognized at acquisition cost, with any unrealized losses at the balance sheet date 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 no provision for impairment is recorded.

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 at the balance sheet date 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 French tax consolidation recognizes the income tax for which it would have been liable had there been no French tax consolidation. Any income tax gains or losses arising from the French tax consolidation 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 French tax consolidation, 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 French tax consolidation 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 2014	Fiscal 2013
Revenues by business activity		
On-site Services	3,678	3,703
Holding company services	80,916	73,472
TOTAL	**84,594**	**77,175**
Revenues by geographic region		
France	80,851	73,343
French overseas departments and territories	3,743	3,832
TOTAL	**84,594**	**77,175**

4. FINANCIAL INCOME AND EXPENSE, NET

(in thousands of euro)	Fiscal 2014	Fiscal 2013
Dividends received from subsidiaries and equity investments	656,839	372,031
Interest income	30,124	31,588
Interest expense	(137,226)	(152,010)
Net foreign exchange gain/(loss)	(326,960)	1,742
Net change in provisions for financial items	(26,426)	(22,625)
TOTAL	**196,351**	**230,726**

The net foreign exchange loss for Fiscal 2014 includes a 313 million euro loss arising from the repayment during the year by Sodexo, Inc. of a capital contribution made in June 2001.

5. EXCEPTIONAL ITEMS, NET

(in thousands of euro)	Fiscal 2014	Fiscal 2013
Net change in provision for negative net assets of subsidiaries and equity investments	(75)	(885)
Net expense on treasury shares and commitments under stock option plans	(28,123)	(9,052)
Net change in restricted provisions	(1,047)	(2,619)
Net change in provisions for tax losses reclaimable by subsidiaries included in French tax consolidation	(13,255)	(9,231)
Debt forgiveness/subsidies given	(4,894)	(593)
Net profit/(loss) on asset disposals	(5,788)	(1,910)
Other increases and releases in provisions, and impairment losses	3	(3)
Other items		715
TOTAL	**(53,179)**	**(23,578)**

The net loss of 28 million euro on treasury shares and purchase commitments for stock option plans comprises:

- a net increase of 26 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 9 million euro;
- a release of 7 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	120,659	(42,238)	78,421
Financial income and expense, net	196,351	17,610	213,961
Exceptional items, net	(53,179)	29,592(1)	(23,587)
Employee profit-sharing	(7)		(7)
TOTAL	**263,824**	**4,964**	**268,788**

(1) This amount includes the 11,501 thousand euro tax gain arising from the French tax consolidation.

7. FIXED AND INTANGIBLE ASSETS

(in thousands of euro)	Gross value at August 31, 2013	Additions in the period	Decreases in the period	Gross value at August 31, 2014	Net value at August 31, 2014
Intangible assets	18,965	2,122	256	20,831	15,446
Property, plant and equipment	9,663	182	22	9,823	2,014
Financial investments					
• Equity investments	5,514,678	252,695	879,693	4,887,680	4,678,036
• Receivables related to equity investments	405,777	229,746	299,467	336,056	336,056
• Other financial assets	8,004		2,394	5,610	5,607
Total financial investments	**5,928,459**	**482,441**	**1,181,554**	**5,229,346**	**5,019,699**
TOTAL	**5,957,087**	**484,745**	**1,181,832**	**5,260,000**	**5,037,159**

During the prior fiscal year, 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 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, 2013	Increases during the period	Decreases during the period	Accumulated depreciation and amortization August 31, 2014
Intangible assets	4,859	781	256	5,384
Property, plant and equipment	7,107	725	22	7,810
TOTAL	**11,966**	**1,506**	**278**	**13,194**

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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 provisions	Carrying amount
Equity investments	4,887,680		4,887,680	209,644	4,678,036
Receivables related to equity investments	336,056	133,716	202,340		336,056
Other financial investments	5,610	1,988	3,622	3	5,607
Total financial investments	**5,229,346**	**135,704**	**5,093,642**	**209,647**	**5,019,699**
Accounts receivable	54,894	54,894		171	54,723
Prepaid expenses, other receivables and other assets	282,291	219,182	63,109	458	281,833
Total accounts and other receivables	**337,185**	**274,076**	**63,109**	**629**	**336,556**
TOTAL	**5,566,531**	**409,780**	**5,156,751**	**210,276**	**5,356,255**

There is no commercial paper included in trade receivables.

10. PROVISIONS AND IMPAIRMENT

(in thousands of euro)	August 31, 2013	Increases and charges in the period	Decreases, releases and reclassifications in the period	August 31, 2014
Provisions for contingencies and losses	152,621	93,819	29,463	216,977
Impairment				
• financial investments	168,501	50,578	9,432	209,647
• current assets	1,182		553	629
Total impairment	**169,683**	**50,578**	**9,985**	**210,726**
TOTAL	**322,304**	**144,397**	**39,448**	**427,253**
Increases and decreases:				
• operating items		6,035	281	
• financial items		58,947	30,363	
• exceptional items		79,415	8,804	

As of August 31, 2014, the main provisions for contingencies and losses were for the following:

- stock options and free share grants for 122 million euro;
- losses reclaimable by subsidiaries included in the French tax consolidation for 74 million euro;
- subsidiaries with net liabilities for 11 million euro;
- foreign exchange losses for 8 million euro.

11. MARKETABLE SECURITIES

(in thousands of euro)	Gross value August 31, 2014	Net value August 31, 2014	Net value August 31, 2013
Money market funds	299,813	299,813	
TREASURY SHARES	**317,610**	**317,610**	**309,138**
TOTAL	**617,423**	**617,423**	**309,138**

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, 2013	5,620,453	
Acquisitions	951,200	
Disposals	1,273,004(1)	
August 31, 2014	5,298,649	
Gross value of shares held		
September 1, 2013	309,138	
Acquisitions	73,764	
Disposals	65,291(1)	
August 31, 2014	317,611	

(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, 2014, common stock totaled 628,528,100 euro and comprised 157,132,025 shares, including 53,646,044 with double voting rights.

Since Fiscal 2013, shares held in registered form for at least four years and still held when the dividend becomes payable for the related fiscal year, 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	3,110,176
Dividends approved by Annual Shareholders' Meeting	(255,193)
Dividends on treasury shares	7,769
Net income for the fiscal year	268,787
Restricted provisions	1,047
SHAREHOLDERS' EQUITY AT END OF FISCAL YEAR	**3,132,586**

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	2,016,606	916,606		1,100,000
Bank overdrafts				
Borrowing from related companies	697	697		
Other borrowings	922,886	209,886	447,606	265,394
Sub-total borrowings	**2,940,189**	**1,127,189**	**447,606**	**1,365,394**
Accounts payable[1]	21,099	21,099		
Other liabilities	402,802	399,224	3,578	
TOTAL	**3,364,090**	**1,547,512**	**451,184**	**1,365,394**

(1) Only accounts payable and accrued expenses are included in this line item.

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]	7,699	1,847	3	276		5,573
Group accounts payable	5,189	5,189				
TOTAL	**12,888**	**7,036**	**3**	**276**		**5,573**

(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

The bonds issued by Sodexo SA on March 30, 2007, which bore interest at an annual rate of 4.50%, were redeemed on March 28, 2014.

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%.

15.1.3 Bond issue for 500 million euro and 600 million euro

On June 24, 2014, Sodexo SA completed a bond issuance structured in two tranches:

- 600 million euro tranche redeemable at par on January 24, 2022 and bearing interest at an annual rate of 1.75%, with interest payable annually on January 24;
- 500 million euro tranche redeemable at par on June 24, 2026 and bearing interest at an annual rate of 2.50%, with interest payable annually on June 24.

None of these 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, 2014, the amount of 215 million euro was used on the euro tranche (250 million euro as of August 31, 2013).

15.2.2 Bond issues for 500 and 600 million U.S. dollars

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 repaid 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 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, 2014 and 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.

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16. ACCRUED EXPENSES

(in thousands of euro)	
Borrowings	66,074
Accounts payable	12,898
Tax and employee-related liabilities	18,845
TOTAL	**97,817**

17. RELATED PARTY INFORMATION

(in thousands of euro)	Related parties	Associated companies	Other	Total
Assets – Gross values				
Equity investments	4,886,469	1,211		4,887,680
Receivables related to equity investments	336,057			336,057
Other investment securities			3	3
Advances to suppliers				
Accounts receivable	50,050			50,050
Other operating receivables	53			53
Due from related companies	10,016			10,016
Non-operating receivables	62,891			62,891
TOTAL	**5,345,536**	**1,211**	**3**	**5,346,750**
Liabilities				
Advances from clients				
Accounts payable	5,958			5,958
Other operating liabilities				
Due to related companies	273,226			273,226
TOTAL	**279,184**			**279,184**
Income statement				
Financial income	695,600	114		695,714
Financial expenses	190,818			190,818

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.

18. FINANCIAL COMMITMENTS

18.1 COMMITMENTS MADE BY SODEXO SA

(in thousands of euro)	August 31, 2014	August 31, 2013
Performance bonds given to Sodexo Group clients	1,031,037	896,377
Financial guarantees to third parties	1,699,551	622,788
Retirement benefit commitments	6,373	4,505
Other commitments	157,476	154,472
TOTAL	**2,894,434**	**1,678,172**

Virtually all financial guarantees to third parties relate to loans to Sodexo SA subsidiaries.

During the year, Sodexo issued a guarantee for the repayment of bonds for 1,084 million euro issued by Sodexo, Inc. in a private placement with U.S. investors.

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 29.3 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.

18.2 COMMITMENTS RECEIVED BY SODEXO SA

(in thousands of euro)	August 31, 2014	August 31, 2013
Commitments received	2,908,268	2,411,462

Certain borrowings by Sodexo SA are counter-guaranteed by Sodexo, Inc.

18.3 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, 2014
Two swaps hedging the currency and interest rate risk on loans to Sodexo do Brasil	September 2011	February 2015 and 2016	490 million BRL	39 million EUR
Forward currency purchase	April 2011	April 2021	703 million USD	4 million EUR
Forward currency purchase	March 2012	April 2021	100 million USD	(6) million EUR

Sodexo may use derivative financial instruments in order to hedge its exposure to volatility in interest and currency exchange rates.

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19. PRINCIPAL FUTURE ADJUSTMENTS TO THE TAX BASIS

Increases *(in thousands of euro)*	
Exceptional amortization	16,596

Decreases *(in thousands of euro)*	
Employee profit-sharing	217
Other non-deductible provisions, including provisions for French social solidarity contribution tax "Organic"	138

The future tax liability related to this unrealized tax difference was 6 million euro, calculated at a rate of 37.77%.

20. RETIREMENT BENEFIT COMMITMENTS

20.1 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 1.6 million euro.

20.2 COMMITMENTS RELATED TO THE COMPLEMENTARY RETIREMENT PLAN

Commitments related to the complementary retirement plan of 4.7 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.

21. 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, 2014 the number of hours available was approximately 21,742.

22. DIRECTORS' FEES

Directors' fees paid to Board members during the fiscal year totaled 1 million euro.

23. FRENCH TAX CONSOLIDATION

23.1 GAIN ARISING FROM FRENCH TAX CONSOLIDATION

Sodexo recognized a gain of 13 million euro from the French tax consolidation for Fiscal 2014. This gain represents the difference between the income tax liability of Sodexo SA as lead company in the French tax consolidation and the aggregate of the income tax charges recognized by the French subsidiaries included in the French tax consolidation.

23.2 TAX LOSSES RECLAIMABLE AS OF AUGUST 31, 2014

The amount of potentially reclaimable tax losses as of August 31, 2014 was 216 million euro, resulting in a provision of 74 million euro (using a rate of 34.43%).

24. AVERAGE NUMBER OF EMPLOYEES

	Fiscal 2014	Fiscal 2013
Managers	226	217
Supervisors	26	25
Other	40	40
Apprentices	1	3
TOTAL	**293**	**285**

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.

25. CONSOLIDATION

Sodexo SA is consolidated in the financial statements of Bellon SA, which has its registered office at 2, place d'Arvieux, Marseilles, France.

26. POST-BALANCE SHEET EVENTS

There have been no material post-balance sheet events.

27. 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										
Sodexo Pass International	387,780	101,111	93.46%	362,416	362,416				40,945	224,266
Score Groupe	10,069	14,227	100.00%	145,607	145,607				2,900	
Holding Sogeres	6,098	36,007	100.00%	104,702	104,702				5,099	
Sofinsod	14,164	79,741	100.00%	72,460	72,460				29,518	18,738
Sodexo GC	17,552	(9,901)	100.00%	72,218	36,688				(4,034)	
Lenôtre	2,606	(17,582)	100.00%	41,291	17,933			104,380	(3,308)	
Sodexo Amecaa	31,712	28,200	100.00%	31,400	31,400				4,292	
Sodexo Entreprises	17,030	8,292	97.41%	21,108	21,108			564,274	744	9,124
ONE SAS	20,525	(21,114)	100.00%	20,525					(2,334)	
SoTech Services	2,025	1,085	100.00%	12,500	12,500				1,648	
SFRS	1,899	(10,694)	90.92%	9,799	9,799		2,140	246,313	(5,634)	
Sodexo Afrique	80	(1,143)	99.80%	8,750			16		110	
Ouest Catering	516	(217)	100.00%	7,900	7,900				29	
French equity investments										
Sogeres	1,987	3,011	37.05%	72,570	72,570			459,045	630	2,995
Foreign subsidiaries										
Sodexo, Inc.	3	806,805	100.00%	2,115,119	2,115,119		1,227,664	6,128,683	118,684	281,489
Sodexo Holdings Ltd	393,311	297,532	100.00%	751,028	751,028		1,257		56,583	62,764
Sodexo BV & Co. KG	192,722	(23,083)	100.00%	190,392	190,392			4	(6,318)	
Sodexo do Brasil Comercial Ltda	65,927	442,065	51.24%	159,393	159,393		14,045	678,545	(1,466)	
Sodexo Food Solutions India Private Limited	2,506	75,353	98.00%	92,361	92,361		3,962	88,855	(2,764)	
Sodexo Scandinavian Holding AB	57,824	13,612	100.00%	86,089	86,089		47,459		103	
Sodexo Rose Holding Company Inc.	36,093	660	100.00%	80,753	47,877				57	
Compagnie Financière Aurore International	58,010	190,687	100.00%	68,918	68,918				8,313	
Sodexo Awards	13	4,568	100.00%	45,684	4,434					
Sodexo Australia	33,821	(17,677)	100.00%	36,378	36,378		4,833	73,328	(411)	
Sodexo Belgium	4,300	15,520	73.74%	26,887	26,887		3,958	296,490	6,567	1
Sodexo España	3,467	14,268	98.86%	26,805	26,805			190,950	3,396	3,236
Sodexo Venues Australia	21,743	(15,644)	100.00%	21,729	6,098					
Sodexo Entegre Hizmet Yonetimi AS	4,452	(2,008)	100.00%	14,887	2,444		1,476	35,326	(2,732)	
Sodexo Mexico	4,782	(423)	100.00%	11,434	11,434			36,578	(410)	

(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 Chile	11,894	23,355	99.61%	10,911	10,911			377,811	4,142	
Kalyx Ltd	19	102,619	100.00%	9,430	9,430			160,434	21,070	
Sodexo Facilities Management Services India Private Ltd	6,335	(3,122)	97.80%	7,345	7,345		3,962	49,365	635	
Sodexo OY	5,046	(3,713)	100.00%	7,054	7,054			136,691	(1,250)	
Sodexo Italia	1,898	47,880	100.00%	7,029	7,029			400,505	10,715	11,483
Sodexo Argentina	2,352	926	99.39%	6,832	6,832		1,648	81,583	926	
Foreign equity investments										
Sodexo Gmbh	308	307,924	37.37%	38,702	38,702				31,370	
Aggregate information										
Other French subsidiaries				19,954	17,971		79,769			23,410
Other foreign subsidiaries				39,522	24,839	2,602	49,443			18,018
Other French equity investments				475	9					57
Other foreign equity investments				12,244	10,860		4,217			1,975
TOTAL				**4,870,600**	**4,661,721**	**2,602**	**1,445,849**			**657,556**

1 Presentation of the Group
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 Annual ordinary Shareholders' Meeting, January 19, 2015
9 Other information

4.3 Supplemental Information on the Individual Company Financial Statements

4.3.1 FIVE-YEAR FINANCIAL SUMMARY

(in euro)	Fiscal 2014(1)	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
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	84,594,216	77,175,406	63,336,905	80,469,639	70,914,651
Earnings before income tax, employee profit-sharing, depreciation, amortization and provisions	363,475,307	397,787,059	370,162,664	295,399,759	280,334,403
Income tax	4,963,697	2,071,317	22,363,609	15,061,259	22,267,894
Employee profit-sharing	7,200	6,400	131,452	62,480	167,200
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	268,787,333	341,642,070	340,498,609	301,668,265	261,581,611
Dividend payout	283,403,569	255,192,660	249,839,920	229,412,757	212,128,234
Per share data					
Earnings after income tax and employee profit-sharing but before depreciation, amortization and provisions	2.34	2.54	2.50	1.98	1.93
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	1.71	2.17	2.17	1.92	1.66
Net dividend per share(2)	1.80	1.62	1.59	1.46	1.35
Dividend premium per eligible share(2)	0.18	0.16			

(1) Subject to approval by the Annual Shareholders' Meeting to be held on January 19, 2015.

(2) The Board of Directors proposes that the Shareholders' Meeting on January 19, 2015 approve the distribution of a cash dividend of 1.80 euro per share. In addition, and in accordance with the system adopted by the Shareholders' Meeting held on January 24, 2011, shares held in registered form since at least August 31, 2010 and still held when the dividend becomes payable in February 2015, will automatically be entitled, without any additional formality, to a 10% dividend premium, representing an additional 0.18 euro per share (provided that they do not represent over 0.5% of the capital per shareholder).

(in euro)	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Employee data					
Average number of employees during the fiscal year	293	285	279	268	252
Salary expense for the fiscal year	33,804,922	28,898,315	16,202,743	31,831,493	24,153,262
Social security and other employee benefits paid during the fiscal year	17,972,987	16,419,324	12,591,005	10,423,028	10,166,115

4.3.2 APPROPRIATION OF EARNINGS

(in thousands of euro)	Fiscal 2014[1]	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Net income	268,787	341,642	340,499	301,668	261,582
Retained earnings	987,575	891,353	790,921	716,014	664,468
Retained earnings[2]	7,637	9,773	9,773	4,104	2,092
Retained earnings[3]	133				
Transfer to legal reserve					
Transfer to long-term capital gains reserve					
Transfer from long-term capital gains reserve					
Distributable earnings	1,264,132	1,242,768	1,141,193	1,021,786	928,142
Net dividend	282,838	254,554	249,840	229,413	212,128
Dividend premium[4]	566	639			
Reserves					
Retained earnings	980,728	987,575	891,353	792,373	716,014
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)*	1.71	2.17	2.17	1.92	1.66

(1) Subject to approval by the Annual Shareholders' Meeting to be held on January 19, 2015.
(2) Corresponding to dividends not distributed on treasury shares.
(3) Corresponding to 10% dividend premium not distributed.
(4) The Board of Directors proposes that the Shareholders' Meeting on January 19, 2015 approve the distribution of a cash dividend of 1.80 euro per share. In addition, shares held in registered form since at least August 31, 2010 and still held when the dividend becomes payable in February 2015, will automatically be entitled, without any additional formality, to a 10% dividend premium, representing an additional 0.18 euro per share (provided that they do not represent over 0.5% of the capital per shareholder).

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.

To the shareholders,

SODEXO
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9

Ladies and gentlemen:

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended August 31, 2014, on:

- the audit of the accompanying financial statements of Sodexo;
- the justification of our assessments;
- the specific verification 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, 2014, and of the results of its operations for the year then ended in accordance with French accounting principles.

II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matter:

- your Company has valued financial investments held in accordance with the accounting principles set out in the note 2.1.3 "financial investments" 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 12, 2014

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.

To the shareholders,

SODEXO
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9

Ladies and gentlemen:

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 authorized 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.

AGREEMENTS AND COMMITMENTS TO BE APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments authorized since the year end

We have been advised of the following agreement, authorized since the year end, which has have been authorized beforehand by your Board of Directors:

1 COMMITMENT TO MR MICHEL LANDEL, CHIEF EXECUTIVE OFFICER

- Directors affected by the agreement:

Mr Michel Landel, Chief Executive Officer of SODEXO

- Purpose:

The Annual Shareholders' Meeting of January 30, 2007 approved the application of a defined benefit supplemental retirement plan to Michel Landel, Chief Executive Officer.

Under the terms of the plan, which was set up for the Group's main senior executives, after participating in the plan for at least five years, Michel Landel qualified for a retirement pension equal to 14% of his average fixed annual salary for the three years preceding the date when he will receive a State pension.

Following changes to the Group's Executive Committee in January 2014 and as a measure to retain Committee members, the Group decided to increase the pension payable under the plan from 14% to 15% of the participants' average fixed annual salary for the three years preceding the date when will receive a State pension. The other plan terms and conditions are unchanged.

At its meeting of November 10, 2014, the Board of Directors authorized the corresponding amendment to the commitment given to Michel Landel, Chief Executive Officer (who did not take part in the vote), with immediate effect.

- Terms and conditions:

Under the condition of a five year presence in the supplemental retirement plan, the retirement pension supplement amounts to 15% of the fixed annual salary. The fixed annual salary used for the calculation of the retirement pension is the average fixed annual salary for the three years preceding the date of retirement.

CONTINUING AGREEMENTS AND COMMITMENTS ENTERED INTO IN PRIOR YEARS AND NOT APPROVED BY THE SHAREHOLDERS' MEETING

In accordance with article R.225-30 of the French Commercial Law *(Code de commerce),* we have been informed of the following commitment, which was applicable during the year.

This commitment, authorized during the year ended August 31, 2013, which was included in our report on regulated agreements and commitments for the year ended August 31, 2013, was not approved by the Shareholders' Meeting held to examine the August 31, 2013 accounts.

2 SERVICE AGREEMENT BETWEEN BELLON AND SODEXO

- 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 and members of the Management Board or of the Supervisory Board of BELLON; Mr Michel Landel, Chief Executive Officer of SODEXO and employee of BELLON.

- Purpose:

A services agreement has been in place between SODEXO and BELLON since 1991, under which BELLON 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 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 per the service agreement, invoices from BELLON to SODEXO are based on the expenses incurred by BELLON, plus a margin of 5%.

During the fiscal year ended August 31, 2013, SODEXO 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 beforehand by the Board of Directors at its meeting held on April 16, 2013 (with Michel Landel and the directors who are members of the Bellon family not taking part in the vote).

- Terms and conditions:

For the year ended August 31, 2014, BELLON invoiced SODEXO under this agreement a total of 5,800,000 euros excluding VAT, corresponding to the following services:

  - salaries of Michel Landel (Chief Executive Officer), Elisabeth Carpentier (Group Chief Human Resources Officer), and Siân Herbert-Jones (Group Executive Vice President and Chief Financial Officer), employed and paid directly by BELLON, 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 under this agreement is approved annually by the Board of Directors of SODEXO (with Michel Landel and the directors who are members of the Bellon family not taking part in the vote).

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.

3 TRANSACTIONS WITH MR MICHEL LANDEL, CHIEF EXECUTIVE OFFICER

- Purpose:

The Board of Directors of SODEXO 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 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 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, 2014 was 2,578,481 euros.

Neuilly-sur-Seine and Paris-La Défense, November 12, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit
	Department of KPMG SA
Yves Nicolas	Hervé Chopin


sodexo

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.

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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, 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 21, 2013 and January 21, 2014 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 21, 2014	March 21, 2016
• Issuance of debt securities giving access to Sodexo shares	€1 billion	January 21, 2014	March 21, 2016
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, 2014	March 21, 2016
• 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 21, 2014**	**March 21, 2016**

(1) The use of this delegation by the Board of Directors in Fiscal 2014 is explained in section 7.3.4.2 of this document. The other delegations have not been used.

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, 2014

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, 53,646,044 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, 2014

	Number of shares	% of share capital	Theoretical voting rights(1)	% of theoretical voting rights(1)	Actual voting rights(2)	% of actual voting rights(2)
Bellon SA	59,252,063	37.71	110,482,428	52.42	110,482,428	53.77
First Eagle Investment Management(3)	4,403,576	2.80	4,403,576	2.09	4,403,576	2.14
Allianz Global Investors Europe(4)	4,249,974	2.70	4,249,974	2.02	4,249, 974	2.07
Employees	1,087,951	0.69	1,937,392	0.92	1,937,392	0.94
Treasury shares	5,298,649	3.37	5,298,649	2.51	0	0
Public	82,839,812	52.73	84,406,050	40.04	84,406,050	41.08
TOTAL	**157,132,025**	**100.00**	**210,778,069**	**100.00**	**205,479,420**	**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) The number of actual voting rights is calculated without taking into account shares which do not have voting rights, such as treasury shares.
(3) Acting on behalf of its managed funds (including First Eagle Funds, Inc.).
(4) Acting on behalf of its managed funds.

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 2014:

- on October 21, 2013, First Eagle Investment Management LLC, acting on behalf of the funds it manages, notified the Company that it had crossed above the legal threshold of 5% of the Company's voting rights. As of October 16, 2013, it held 3.71% of the capital and 5.0002% of the voting rights – this threshold crossing resulted from the acquisition of 16,700 Sodexo shares at this date;
- on November 26, 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 November 21, 2013 it held 3.71% of the capital representing 2.78% of the voting rights – this threshold crossing resulted from the loss of double voting rights attributable to Sodexo shares owned by the funds managed by First Eagle Investment Management LLC following the transfer to bearer form of said shares.
- on September 22, 2014, Allianz Global Investors Europe GmbH, acting on behalf of the funds it manages, notified the Company that it had crossed above the

statutory threshold of 2.5% of the Company's capital. As of July 21, 2014, it held 2.7% of the capital and 2.02% of the 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 2014.

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

Shareholders	August 31, 2014				August 31, 2013				August 31, 2012			
	Number of shares	% of capital	% of theoretical voting rights	% of actual voting rights	Number of shares	% of capital	% of theoretical voting rights	% of actual voting rights	Number of shares	% of capital	% of theoretical voting rights	% of actual voting rights
Bellon SA	59,252,063	37.71	52.42	53.77	59,252,063	37.71	50.91	52.28	59,252,063	37.71	49.61	51.20
First Eagle Investment Management(1)	4,403,576	2.80	2.09	2.14	5,818,003	3.70	4.99	5.13	5,604,372	3.57	5.02	5.18
Allianz Global Investors Europe(2)	4 249 974	2.70	2.02	2.07	N/A(3)	N/A(3)	N/A(3)	N/A(3)	N/A(3)	N/A(3)	N/A(3)	N/A(3)
Employees	1,087,951	0.69	0.92	0.94	1,560,461	0.99	1.16	1.19	1,683,957	1.07	1.22	1.26
Treasury shares	5,298,649	3.37	2.51	0	5,620,453	3.58	2.62	0	6,499,322	4.14	3.11	0
Public	82,839,812	52.73	40.04	41.08	84,881,045	54.02	40.32	41.40	84,092,311	53.51	41.04	42.36

(1) Acting on behalf of its managed funds (including First Eagle Funds, Inc.).
(2) Acting on behalf of its managed funds.
(3) 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 2014:

- at its meeting on January 21, 2014, 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;
- Sodexo repurchased 951,200 shares (representing 0.61% of the share capital) at an average price of 77.54 euro per share plus trading fees of 29,504 euros excluding VAT. Sodexo also transferred 1,273,004 shares upon exercise of stock options, and directly held 5,298,649 treasury shares (representing 3.37% of the share capital) as of August 31, 2014 intended to cover the various stock option and free and performance share grant plans benefiting Group managers;
- the total carrying value of the treasury shares portfolio was 318 million euro as of August 31, 2014.

Since August 31, 2014 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 19, 2015

- In its fourteenth resolution, the Board of Directors will propose to the Shareholders' Meeting of January 19, 2015 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, 2014.
- The treasury shares held as of August 31, 2014 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 19, 2015 Shareholders' Meeting in section 8.2 of this document.

5.1.2.5 EMPLOYEE SHARE OWNERSHIP

As of August 31, 2014, employees held 0.69% of the Company's share capital (approximately 78% of which was held in a holding entity for Company employee share purchase plans (FCPE)).

As of August 31, 2014, an estimated 31,447 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 until December 31, 2013 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 accordance with the provisions of the plan and depending on the country, employees having chosen the "Plus" plan have received the cash value of their assets or have transferred their assets invested in this plan to the Classic fund or a monetary fund. Following this legal deadline, the FCPE *Sodexo with me* was renamed FCPE *Sodexo with me Classic*. The assets held in this fund are still available.

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

SODEXO SA

Holds directly or indirectly 100% of the subsidiaries indicated

Shareholding (SODEXO SA →)	Management (→)
SODEXO LTD	**UNITED KINGDOM** SODEXO DEFENCE SERVICES LTD SODEXO HEALTHCARE SERVICES LTD
SODEXO, INC.	**NORTH AMERICA** USA - CANADA
SODEXO SOLUTIONS DE SERVICES SUR SITES SAS	**FRANCE** SOGERES SA SODEXO ENTREPRISES SAS SODEXO SANTÉ MÉDICO SOCIAL SAS SOCIÉTÉ FRANÇAISE DE RESTAURATION ET SERVICES SAS SODEXO JUSTICE SERVICES SAS
SODEXO EUROPE SAS	**EUROPE** SODEXO ITALIA SPA SODEXO BELGIUM SA SODEXO OY (FINLAND) SODEXO SERVICES GMBH (GERMANY) SODEXO ESPAÑA SA SODEXO AB (SWEDEN) SODEXO NEDERLAND BV
SODEXO GC SAS	**GREATER CHINA** SODEXO HONG KONG LTD SODEXO SHANGHAI MGT. SERVICES CO. LTD BEIJING SODEXO SERVICE CO. LTD
SODEXO INVERSIONES SA	**SOUTH AMERICA** SODEXO CHILE SA SODEXO DO BRASIL COMERCIAL LTDA SODEXO COLOMBIA SA * SODEXO PEROU SAC
SODEXO AMECAA SAS	**REMOTE SITES** SODEXO REMOTE SITES SCOTLAND LTD SODEXO REMOTE SITES PARTNERSHIP (USA) SODEXO REMOTE SITES AUSTRALIA PTY LTD **ASIA-AUSTRALIA** SODEXO AUSTRALIA PTY LTD SODEXO FOOD SOLUTIONS INDIA PRIVATE LTD SODEXO FACILITIES MANAGEMENT SCES INDIA PRIVATE LTD
SODEXO PASS INTERNATIONAL SAS	**BENEFITS AND REWARDS SERVICES** SODEXO PASS FRANCE SA SODEXO PASS DO BRASIL SERV. E COMERCIO SA SODEXO PASS ČESKA REPUBLIKA AS * SODEXO PASS BELGIUM SA

→ Shareholding
→ Managment

* Third party non-controlling interest

Note: The operating subsidiaries indicated for each geographic area or activity are those with the highest revenues for Fiscal 2014.


BAMBOO BRAND

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 working to improve its investor relations programs by developing new information channels and organizing regular meetings with shareholders.

Sodexo'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 informed of the financial publication schedule a year in advance, and updates are always available on the website at www.sodexo.com;
- **accessibility:** The General Shareholders' Meeting and annual earnings presentation are broadcast *via* live webcast and archived 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 retained 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 makes available to 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 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 appoints the Director of Financial Communication to act as spokesperson for the Group, within specific delegated powers.

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** preceding the Board of Directors' meeting to approve the annual and half-year financial statements up to and including the date of release of its **consolidated annual and interim results;**
- **fifteen calendar days** before the release of its **first and third quarters'** consolidated revenue figures up to and including the date of release of these quarterly publications.

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 Group's Executive Committee members and key finance executives have formally agreed to this Code and to abide by its principles.

This Code of Conduct sets out a core set of behaviors:

- to avoid actual or apparent conflicts of interest;
- to comply with all laws, rules and regulations;
- to protect the Group's confidential proprietary information;
- to conduct all business fairly;
- to hold managers accountable for their behavior, and create an environment where concerns can be reported without fear of retaliation or retribution.

The Group's ethical principle of transparency means efficient 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 comprehensible 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 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. It 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 financial 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, London, and Frankfurt) but also in the United States and Canada, which creates opportunities 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 *Conférence d'Automne* held by Kepler-Cheuvreux in September 2014.

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;

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- double voting rights;
- and since 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 given by 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.

Up 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, 2010	August 31, 2014	February 2015	FR0011532431**
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
August 31, 2014	August 31, 2018	February 2019	FR0012033199

* *Dates provided for indicative purposes only and are subject to the decision to pay a dividend as adopted by the Annual Shareholders' Meeting.*

** *On September 2, 2014 Euroclear proceeded to merge shares held under the code SODEXO ACTIONS PRIME DE FIDÉLITE 2015 – FR0011071885 into the code FR0011532431 (which will benefit from the 10% dividend premium for the February 2015 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.sharinbox.societegenerale.com (previously, www.nominet.socgen.com)

6.2 Financial communications calendar

First quarter revenues, Fiscal 2015	January 9, 2015
Annual Shareholders' Meeting 2015	January 19, 2015
Ex-date	January 29, 2015
Record date	January 30, 2015
Payment of dividend	February 2, 2015
Half-year interim results, Fiscal 2015	April 16, 2015
Nine month revenues, Fiscal 2015	July 8, 2015
Annual results, Fiscal 2015	November 13, 2015
Annual Shareholders' Meeting 2016	January 19, 2016

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.**

(1) Sodexo's fiscal year starts on September 1 of each year. The dividend premium payment will be made in February 2015 for the fiscal year ended August 31, 2014 for shareholders holding registered shares (directly or indirectly) since August 31, 2010 and up until the payment of the dividend.

6.3 Sodexo Share Performance

Sodexo shares are listed on 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, 2014, Sodexo had a Standard & Poor's rating of A-long-term and A-2 short-term.

ADJUSTED SODEXO SHARE PRICE TRENDS FROM INITIAL LISTING THROUGH AUGUST 31, 2014 (IN EURO)

** Sodexo share price trend assuming it had tracked the CAC 40 index(1) (the main stock market index of Paris).*

Source: Sodexo.

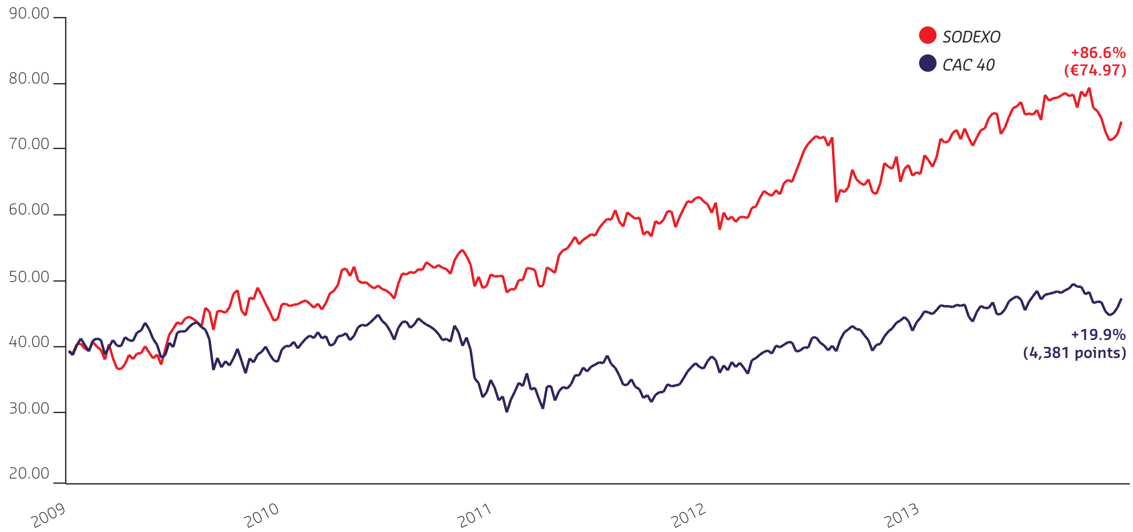
The initial listing was on March 2, 1983 at an adjusted price of 1.55 euro. As of August 29, 2014 (last trading day of Fiscal 2014), the closing share price was 74.97 euro.

Since its first listing, the value of Sodexo share has been multiplied by 48.4, whereas the CAC 40 index has been multiplied by only 11.8 over the same period, 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.

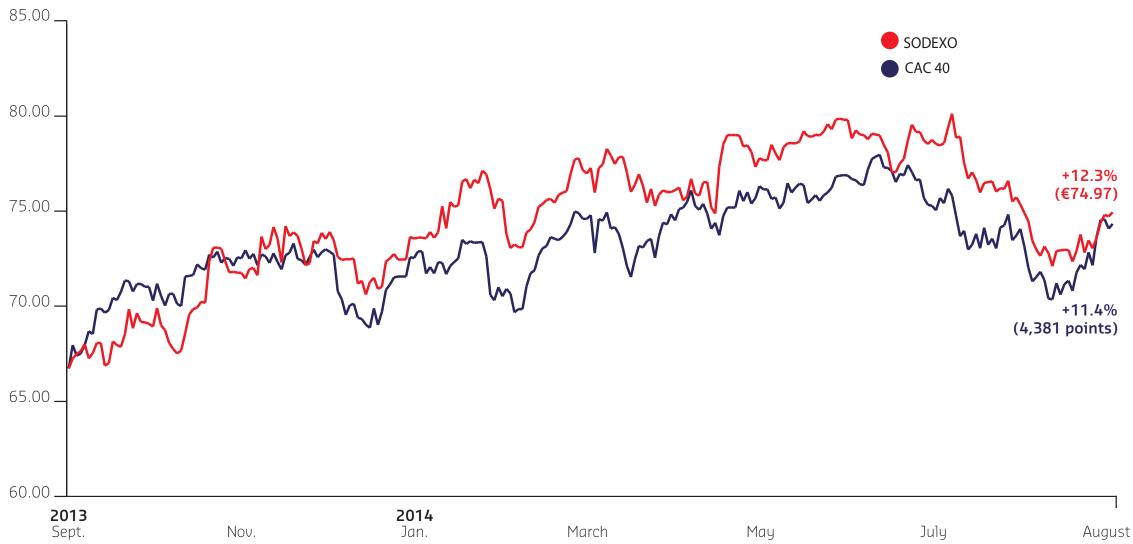
ADJUSTED SODEXO SHARE PRICE TRENDS OVER THE LAST FIVE FISCAL YEARS *(IN EURO)*



Source: Sodexo.

Over the last five fiscal years, Sodexo's share price increased by more than 86%, whereas the CAC 40 index increased by nearly 20% during the same period.

ADJUSTED SODEXO SHARE PRICE TRENDS FROM SEPTEMBER 1, 2013 THROUGH AUGUST 31, 2014 *(IN EURO)*



Source: Sodexo.

During the last fiscal year, Sodexo's share price increased by 12.3% compared with a 11.4% increase for the CAC 40 index.

As of August 31, 2014 the market capitalization of Sodexo was 11.8 billion euro.

SODEXO SHARE PRICE FROM SEPTEMBER 1, 2013 THROUGH AUGUST 31, 2014 *(IN EURO)*

Closing price at September 2, 2013		67.30
12-month	low (September 3, 2013)	66.69
12-month	high (July 7, 2014)	80.58
Closing price at August 29, 2014		74.97

AVERAGE DAILY TRADING VOLUME OF SODEXO SHARE ON EURONEXT PARIS

Volume	178,656
Value *(in thousands of euro)*	13,333

Source Euronext Paris (from September 1, 2013 through August 31, 2014).

TRADING VOLUMES AND SHARE PRICE TRENDS

Date	Share price *(in euro)* high	low	average*	Average daily trading volume *(in thousands of euro)*
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	13,801
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
November	75.00	70.73	73.20	15,916
December	74.46	70.27	72.27	11,735
2014				
January	77.72	71.35	75.31	18,235
February	77.90	72.04	75.57	11,573
March	78.79	74.70	76.68	12,702
April	80.16	73.60	77.06	14,303
May	80.42	77.42	78.98	14,064
June	79.84	76.03	78.60	11,395
July	80.58	74.38	76.93	14,229
August	77.39	71.71	73.35	10,089
September	78.96	74.55	76.90	15,283
October	77.77	69.49	74.02	14,327

* *Monthly average of closing prices.*

DIVIDEND AND SHARE PERFORMANCE

	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Total payout	€283,403,569[1]	€247,423,253	€240,067,214	€221,091,767
Dividend per share	**€1.80[1]**	**€1.62**	**€1.59**	**€1.46**
10% dividend premium	€0.18	€0.16		
Earnings per share[2]	€3.23	€2.91	€3.48	€2.95
Payout ratio[3]	55.7%	55.7%	45.6%	49.5%

(1) Subject to approval at the Annual Shareholders' Meeting on January 19, 2015.
(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 1.80 euro per share at the Annual Shareholders' Meeting on January 19, 2015, an increase of 11.1% over the prior year.

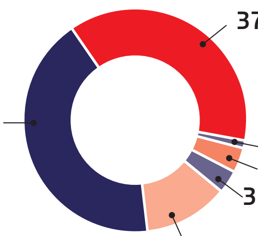
In addition, shares held in registered form since at least August 31, 2010 and which are still held in such form when the dividend becomes payable in February 2015, will automatically be granted, without any further formality, a 10% dividend premium of an additional 0.18 euro per share (provided that they do not represent over 0.5% of the capital per shareholder). The dividend, along with the dividend premium for shares which are entitled to it, will be paid as of February 2, 2015, with an ex-dividend date on Euronext Paris of January 29, 2015. The date to determine the shares that shall be entitled to dividends shall be the close of business on January 30, 2015 (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, 2014, its share capital was held as follows:



* *Treasury shares: as of August 31, 2014, Sodexo directly held 5,298,649 treasury shares (representing 3.37% 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, 2014

	Number of shares	% of issued capital	Number of theoretical voting rights(1)	% of theoretical voting rights(1)	% of actual voting rights(2)
Bellon SA	59,252,063	37.71	110,482,428	52.42	53.77
First Eagle Investment Management(3)	4,403,576	2.80	4,403,576	2.09	2.14
Allianz Global Investors Europe(4)	4,249,974	2.70	4,249,974	2.02	2.07
Employees	1,087,951	0.69	1,937,392	0.92	0.94
Treasury shares	5,298,649	3.37	5,298,649	2.51	0
Public	82,839,812	52.73	84,406,050	40.04	41.08
TOTAL	**157,132,025**	**100.00**	**210,778,069**	**100.00**	**100.00**

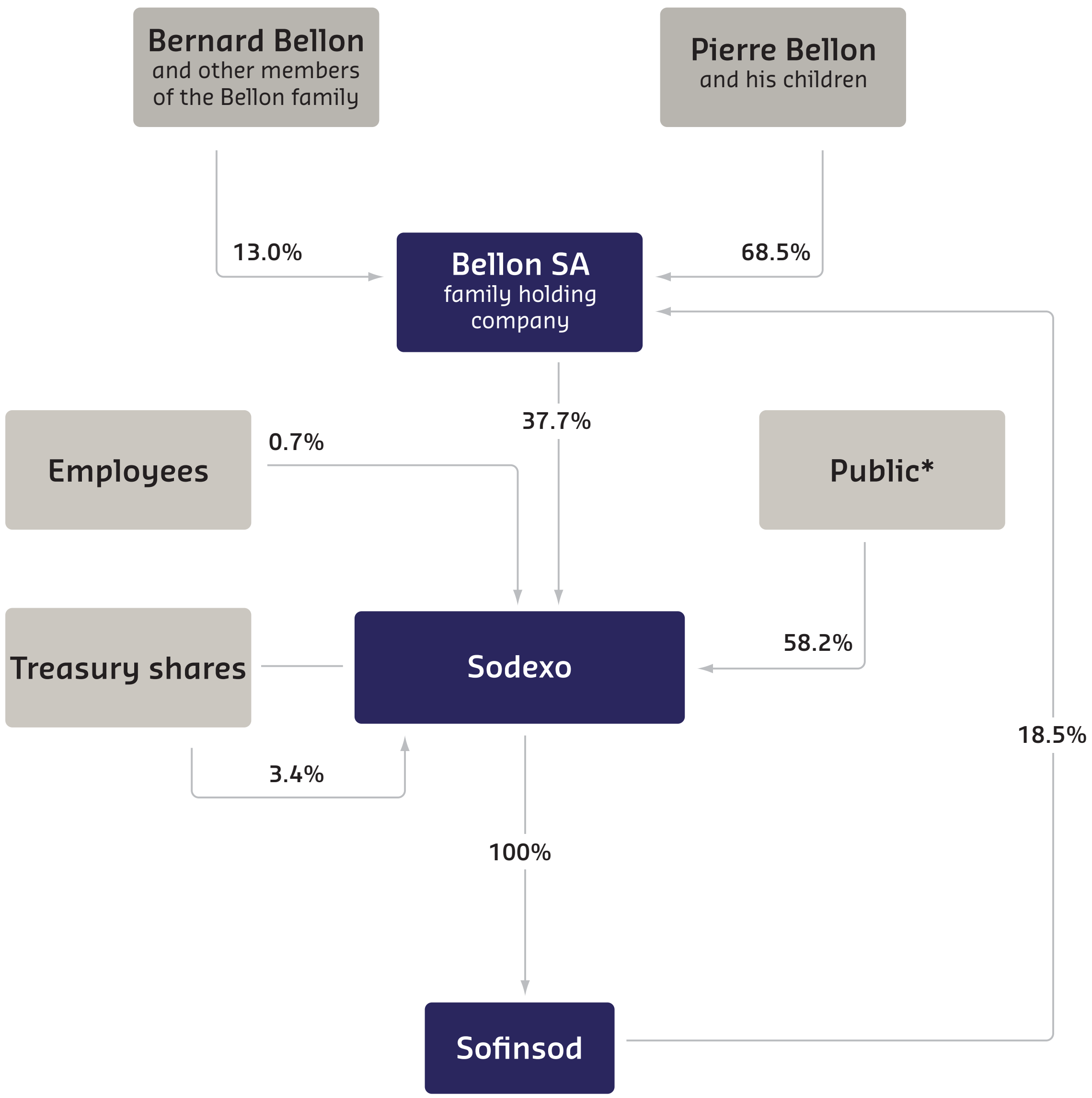
(1) The Company's bylaws confer double voting rights on registered shares held by the same shareholder for at least four years. Further, pursuant to article 223-11 of the General Regulation of the Autorité des marchés financiers (AMF), the number of voting rights is calculated on the basis of all shares with voting rights, including shares for which the voting rights have been suspended temporarily, such as treasury shares.

(2) The number of actual voting rights is calculated excluding the shares for which the voting rights have been suspended such as treasury shares.

(3) Acting on behalf of funds managed by it (including First Eagle Funds, Inc.).

(4) Acting on behalf of funds managed by it.

6.4.2 SHAREHOLDERS AS OF AUGUST 31, 2014 (PERCENTAGE OF CAPITAL)



* *Including First Eagle Investment Management, which holds 2.8% of the share capital and Allianz Global Investors which hold 2.7% of the share capital.*

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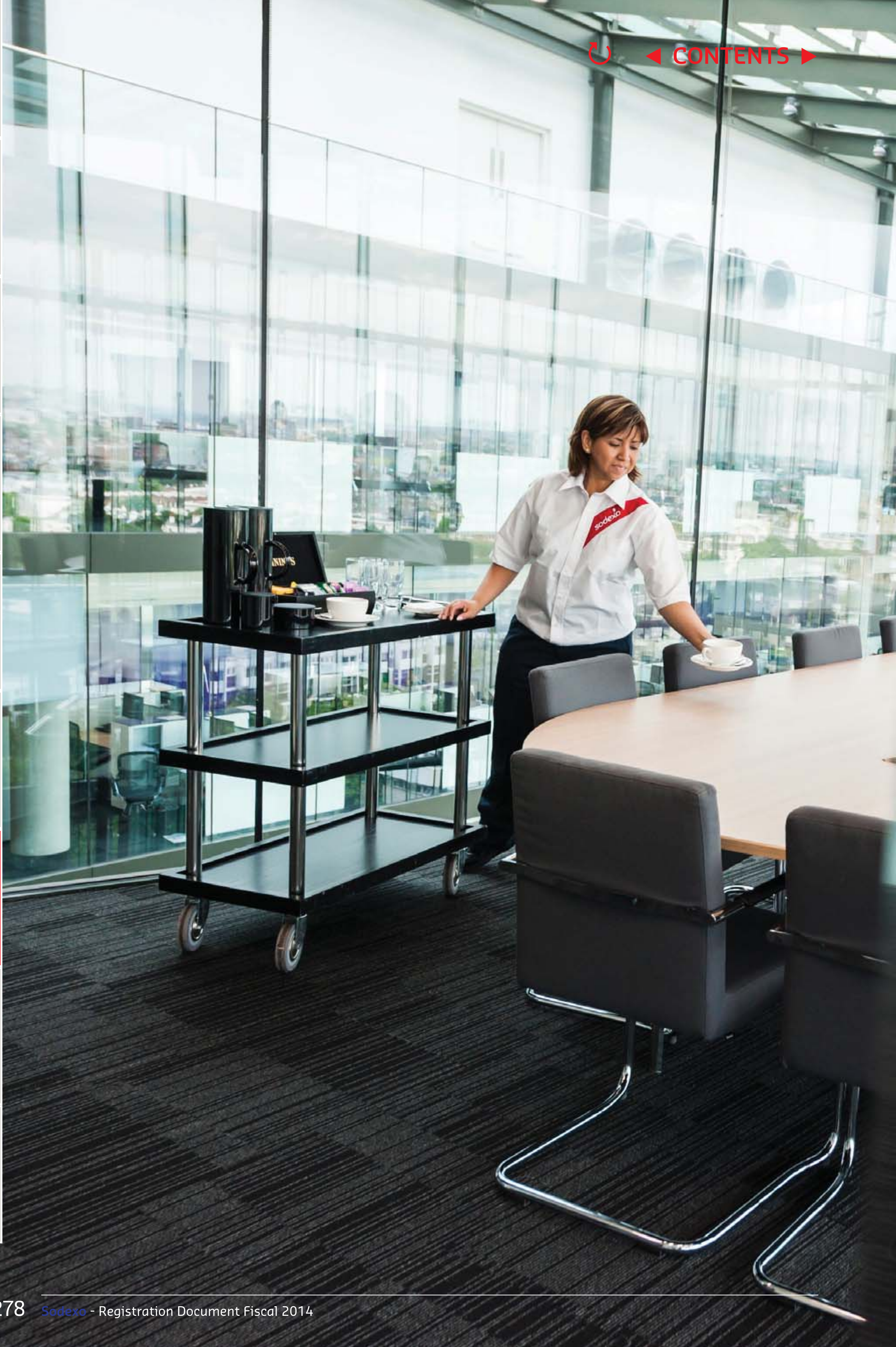

7

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 10, 2014 meeting. This report will be presented to the shareholders at the next Shareholders' Meeting on January 19, 2015.

7.1.1 COMPOSITION AND 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, 2014

		First Elected	Term Expires
Pierre Bellon	Chairman of the Board of Directors, Sodexo	Nov. 14, 1974	2016
Robert Baconnier(1)	Director	Feb. 8, 2005	2016
Patricia Bellinger(1)	Executive Director, Executive Education, Harvard Business School	Feb. 8, 2005	2017
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(2)
François-Xavier Bellon	Member of the Management Board, Bellon SA Chief Executive Officer, Bright Yellow Group Plc	Jul. 26, 1989	2016
Nathalie Bellon-Szabo	Member of the Management Board, Bellon SA	Jul. 26, 1989	2015(2)
Sophie Bellon	Vice Chairman of the Board of Directors, Sodexo Chairman of the Management Board, Bellon SA	Jul. 26, 1989	2015(2)
Philippe Besson	Director representing employees	Jun. 18, 2014	2017
Françoise Brougher(1)	Business Lead, Square	Jan. 23, 2012	2015(2)
Paul Jeanbart(1)	Chief Executive Officer, Rolaco	Feb. 13, 1996	2017
Michel Landel	Chief Executive Officer, Sodexo	Jan. 19, 2009	2017
Peter Thompson(1)	Director	Feb. 8, 2005	2015(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 19, 2015.

7.1.1.2 INFORMATION ABOUT THE DIRECTORS AS OF AUGUST 31, 2014

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).

In 1988, he was appointed Chairman and Chief Executive Officer of Bellon SA, the family holding company that controls Sodexo, before serving as Chairman of the Management Board from 1996 to 2002 and 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*; Association Nationale des Sociétés par Actions (ANSA).

* *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. From 2010 to November 2013, he was 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 positions and 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 position: Member of the *Conseil des Prélèvements Obligatoires* (the French Tax and Social Charges Board).

* *Listed company.*

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 BP 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 Diversity and Including Advisory Board of Barilla SA.

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).
- Member of the Business Advisory Board: Sodexo, Inc.

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. His last posting was in London.

Francois-Xavier Bellon also spent ten years with Sodexo, where he was Chief Executive of Sodexo United Kingdom at the time of his resignation in May 2004. After joining the Healthcare subsidiary in 1995, he was successively Head of Sector, 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; The home of HR.

Other corporate offices held within the past five years but no longer held

- **Advisor:** Dr Clic Sociedad Limitada.

NATHALIE BELLON-SZABO

Born January 26, 1964.
3 children.
Nationality: French.
Graduate of the European Business School.

Business address:
Sodexo Prestige Sports and Leisure/Sodexo Prestige Sites and Brands
Tour Horizons
CP H 200
30, cours de l'Île Seguin
92777 Boulogne Billancourt (France)

Background

Nathalie Bellon-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. She is also Chairman of Sodexo Prestige Sites and Brands.

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**;
- **Chairman of the Board of Directors:** L'Affiche SA**; Millenia SA**; Gedex**;
- **Chairman of the Management Board:** Société du Lido (SEGSHMI)**; Lenôtre SA**;
- **Chairman and member of the Executive Board:** Excel SAS**;
- **Chairman and member of the Executive Board:** Altima SA**;
- **Member of the Management Board:** Bellon SA;
- **Chief Executive Officer:** Sodexo Prestige Sports and Leisure in France.

** *Sodexo Group company.*

Other corporate offices held within the past five years but no longer held

- **Managing Director**: Millenia SA**; L'Affiche SA**;
- **Chief Executive Officer**: SAS Lenôtre Cote d'Azur;
- **Chairman of the Board of Directors**: Holding Bungener et Compagnie SAS**;
- **Chairman of the Supervisory Board**: Lenôtre SA**;
- **Member of the Supervisory Board**: Société du Lido (SEGSHMI)**;
- **Legal Manager**: Courcelles Miromesnil SARL**; LBCV Sarl**;

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 (FM) activities in France in September 2010.

In November 2013, Sophie Bellon was appointed Vice Chairman of the Sodexo Board of Directors (replacing Robert Baconnier in this role), with specific responsibility for increasing the pace of Research, Development and Innovation, particularly in Quality of Life Services.

Number of Sodexo shares held: 7,964.

Other positions and corporate offices held

- **Chairman**: PB Holding SAS;
- **Chairman of the Management Board**: Bellon SA;
- **Founding member**: Association Pierre Bellon;
- **Member of the Board of Directors**: Association Nationale des Sociétés par Actions (ANSA).

** *Sodexo Group company.*

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**.

PHILIPPE BESSON

Born September 21, 1956
Married, 4 children.
Nationality: French.

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Background

Philippe Besson joined the Sodexo Healthcare Division in 1981, as foodservices manager for the Paris Ile de France region. He took part in the World Youth Days in Paris, Rome and Cologne, was responsible for the Tour de France departure villages for Sodexo and managed athlete foodservices for the Pacific Games.

He has served as a director representing employees since June 2014.

Other positions and corporate offices held

None.

** *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
1455 Market Street
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.*

1 Presentation of the Group
2 Economic, social and environmental responsibility
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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: 85,560.

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;
- **Permanent representative of Sodexo SA,** corporate Chairman of the Board of Directors of STOP Hunger.

Other corporate offices held within the past five years but no longer held

None.

* *Listed company.*
** *Sodexo Group company.*

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).

Number of Sodexo shares held: 400.

Other positions and corporate offices held

None.

Other corporate offices held within the past five years but no longer held

- **Chairman of the Board**: Vero Beach Museum of Art;
- **Board member:** Syngenta* AG (member of the Audit Committee).

Election of a new member of the Board of Directors

At the Annual Meeting on January 19, 2015, shareholders will be asked to elect Soumitra Dutta as a director for a three-year term expiring at the close of the Annual Meeting to be called to approve the financial statements for the fiscal year ending August 31, 2017. On the recommendation of the Nominating Committee, the Board of Directors considers that Mr. Dutta will qualify as an independent director based on the criteria in the AFEP-MEDEF Code of corporate governance for listed companies.

SOUMITRA DUTTA

Born August 27, 1963.
Married, 1 child.
Nationality: dual Indian and Spanish.
Doctorate in Computer Sciences, Artificial Intelligence, University of California, Berkeley, USA

Business address:
Samuel Curtis Johnson Graduate School of Management
Cornell University
Ithaca, New York, USA

Background

Soumitra Dutta began his career in 1985 as a research assistant at University of California, Berkeley, USA. Between 1988 and 1990, he gained further research experience at General Electric. He then joined Insead, the international management school based in Fontainebleau (France), where he served as lecturer then dean of technology and e-learning. In 1999 he set up eLab@ Insead, the school's research and analytics center focused on big data analytics for businesses, which he headed until 2012. In 2002, he was named dean of executive education at Insead. During his tenure at Insead, Soumitra Dutta also participated in setting up and managing three strategy consultancies specialized in new technologies and innovation, which he developed before selling them. Since 2012, he has been dean and professor of management and organizations in the Samuel Curtis Johnson Graduate School of Management at Cornell University, Ithaca, New York

Other positions and corporate offices held

- **Board member,** The Case Centre at Babson College (ECCH), USA.

Number of Sodexo shares held: 400.

Other corporate offices held within the past five years but no longer held

- **Chairman of the Board of Directors,** Fisheye Analytics Ltd, Singapore; DL Partners, Switzerland.

7.1.1.3 PRINCIPLES GOVERNING THE COMPOSITION OF THE BOARD OF DIRECTORS

As of August 31, 2014, the Board of Directors had twelve members, of which five (more than 41% of all Board members[(1)]) are women, evidence that women are well represented on the Board. Nine Board members are French nationals, one is American, one has dual American and British nationality and one has dual Canadian and Swiss nationality. 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.

During Fiscal 2014, five 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.

In accordance with the French Act of June 14, 2013 relating to employment protection, the Annual Shareholders' Meeting of January 21, 2014 decided on the conditions of appointment to the Board of Directors of one or more directors representing employees. Directors representing employees are appointed for three-year terms. A director representing employees was appointed by the trade union that obtained the most votes in the first round of the most recent elections in France of union representatives and took his seat on the Board at its meeting on June 18, 2014. If the Board has thirteen members at the close of the Annual Shareholders' Meeting of January 19, 2015, following the election as director of Soumitra Dutta, a second director representing employees will be appointed by the European Works Council.

(1) In accordance with French law and the AFEP-MEDEF Code of corporate governance for listed companies, directors representing employees are not taken into account for the determination of (a) whether the minimum/maximum limits on the number of directors are complied with, (b) the proportion of men and women on the Board or (c) the proportion of independent directors.

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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 this 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 risk management and 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 should constantly keep in mind the corporate interest, exercise good judgment (particularly of situations, strategies and people), and look to the future in order to identify the risks and strategic challenges that lie ahead. Each director should also be focused, active and engaged, and act with integrity.

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, 2014:

- Robert Baconnier – the Committee Chairman – in his capacity as a "financial expert";
- Sophie Bellon;
- Paul Jeanbart.

All Audit Committee members have recognized expertise in finance and accounting, as confirmed by their professional background (see section 7.1.1.2).

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 2014, 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 five 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 2014;
- 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 2014. 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 2015.

The Audit Committee also reviewed the annual consolidated financial statements for Fiscal 2013, and the interim consolidated financial statements for the first half of Fiscal 2014. In addition to five 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.

The Fiscal 2014 financial statements were reviewed by the Audit Committee on Friday, November 7, 2014 prior to their submission to the Board of Directors on Monday, November 10, 2014.

NOMINATING COMMITTEE

Composition at August 31, 2014:

- Patricia Bellinger, the Committee Chairman;
- Nathalie Bellon-Szabo;
- Sophie Bellon;
- Francoise Brougher;
- 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 four times in Fiscal 2014, notably to review Group Executive Committee succession plans and organizational changes. The average attendance rate at these meetings was 100%.

COMPENSATION COMMITTEE

Composition at August 31, 2014:

- Patricia Bellinger, the Committee Chairman;
- Pierre Bellon;
- Bernard Bellon;
- Sophie Bellon;
- Philippe Besson, director representing employees.

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 share grants (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 once during the fiscal year and the attendance rate was 100%.

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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 840,000 free shares should be granted to 1,205 people in March 2014 (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 in connection with the Public-Private Partnership. 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, Paul Jeanbart, Michel Landel and Pierre Bellon) and members of her staff, together with the operational managers who propose and will manage these projects. During the year, this working group met once to review the Group's commitments in connection with a PPP project in Europe.

Board meetings during the year

BOARD MEETINGS

The Board of Directors met seven times during Fiscal 2014, fulfilling the minimum requirement of four meetings per year as stated in the Internal Rules. The Board of Directors has 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 are examined at subsequent Board meetings held during the fiscal year.

The average attendance rate at Board meetings during Fiscal 2014 was 96.4%.

Date	Main items on the agenda	Attendance rate
September 10, 2013	Presentation by the Chief Executive Officer and Group senior management of the three-year plan covering the period 2013-2016. Approval of the Fiscal 2014 budget, the three-year plan and the 10-year financing plan. Policy for equal opportunities and equal pay.	100%
November 12, 2013	Approval of the Fiscal 2013 financial statements for publication. Finalization of the Board Report. Review of the annual earnings press release. Convening and preparation of the Combined Shareholders' Meeting.	100%
November 29, 2013	Appointment of Sophie Bellon as Vice Chairman of the Board of Directors	100%
January 21, 2014	Business update for opening months of Fiscal 2014. Refinancing plan.	92%
March 11, 2014	Approval of the fee payable under the services agreement between Bellon SA and Sodexo for the period April 2014 to March 2015. Business update for the first five months of Fiscal 2014. Adoption of a plan to grant free shares.	83%
April 15, 2014	Approval of the interim consolidated financial statements for the first half of Fiscal 2014 for publication. Approval of the Interim Report for the first half of Fiscal 2014. Review of the first-half results press release. Assessment of the Board of Directors' operating procedures.	100%
June 18, 2014	Presentation of the STOP Hunger program. Update of the Board's Internal Rules Business update for the first nine months of Fiscal 2014.	100%

ASSESSMENT OF BOARD OPERATING PROCEDURES

During Fiscal 2014, an assessment of the Board's operating procedures was performed by an external consultant in February and March 2014, through individual interviews of each of the individual Board members.

This new assessment highlighted that a certain number of measures had been taken following the previous assessment in Fiscal 2011. These included organizing an additional Board meeting in June, providing more detailed information to directors on the topics to be discussed at each meeting, and preparing more in-depth analyses of the competition for the directors. All Board members expressed satisfaction with these improvements.

The new assessment provided confirmation that the Board's operating procedures were generally considered satisfactory and that the number of directors was deemed adequate. The directors expressed satisfaction with the significant role played by the Audit Committee. They also expressed their confidence in the work of the Nominating Committee and the Compensation Committee, but suggested that these Committees' expertise should be broadened, bearing in mind the need to plan the succession of their respective Chairmen.

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 recommendation was made to set up an induction process for new directors.

The directors all considered that their fellow members participate actively in the work of the Board. They appreciate the atmosphere at meetings of the Board and the climate of trust that prevails among its members. They are willing to become even more involved, suggesting in particular that strategic issues be discussed in more detail, that human resources policies be discussed once a year, along with the main risk factors, and that post mortem analyses of the main investments be performed.

The directors were unanimous in their appreciation of the strategic review conducted at the September meeting, welcoming this unique opportunity for an exchange of views with the senior management team. However, many directors consider that this meeting focuses too much on short-term action plans rather than on broader strategic issues. A majority of them called for more time to be devoted to discussing Group strategy.

The directors were unanimous in their approval of the process for appointing the future Chairman of the Board. However, they would 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).

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.

At the Board meeting held in June 2014, the Chairman of the Board presented the following action plan in response to the suggestions made by directors during the assessment process.

- the dates of Compensation Committee and Nominating Committee meetings and the related agendas will be announced in advance;
- an update on the succession plan for the Chairman will be presented systematically at each Board meeting;
- a discussion of strategic issues will be included on the agenda of one Board meeting during the year to enable each director to express his or her views on the Group's strategy;
- a detailed review of human resources policy will be included on the agenda of one Board meeting during the year;
- the induction process for new directors will be subject to specific follow up.

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. This governance structure creates a clear separation between the strategic planning and oversight functions that are the responsibility of the Board of Directors, and the operational and executive functions that are the responsibility of senior management.

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 fourteen members as of August 31, 2014 (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.

Members of the Group Executive Committee as of August 31, 2014:

- **Michel Landel,** Chief Executive Officer and member of the Board of Directors of Sodexo, Chairman of the Executive Committee;
- **Ana Busto,** Group Chief Brand and Communication Officer;
- **Elisabeth Carpentier,** Group Chief Human Resources Officer;
- **George Chavel,** Chief Executive Officer, North America, On-site Services;
- **Patrick Connolly,** President, Health Care Market, North America, On-site Services;
- **Lorna Donatone,** President Education Market, North America, On-site Services;
- **Pierre Henry,** Vice Chairman of the Group Executive Committee, Chief Executive Officer Europe, On-site Services, President of Benefits and Rewards and Personal and Home Services;
- **Siân Herbert-Jones,** Group Chief Financial Officer;
- **Nicolas Japy,** Chief Executive Officer, Remote Sites and Asia-Australia, On-site Services;
- **Denis Machuel,** Chief Executive Officer, Benefits and Rewards Services;
- **Satya-Christophe Menard,** Chief Executive Officer, South America, On-site Services;
- **Sylvia Métayer,** President, International Large Accounts, On-site Services;
- **Damien Verdier,** Group Chief Marketing and Strategic Planning Officer;
- **Debbie White,** Chief Executive Officer, United Kingdom and Ireland, On-site Services.

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.

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. The Committee considers and approves:

- 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 fifteen times during Fiscal 2014 and its members also reviewed a number of time-sensitive items.

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).

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 9.4 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 12 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 17.1 of the Code) – This Committee should have a majority of independent Board members.	The Nominating Committee has three members qualified as independent [(1)], Patricia Bellinger (who chairs this Committee), Françoise Brougher and Peter Thompson. Nathalie Bellon-Szabo, Sophie Bellon 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 52.42% of the voting rights at August 31, 2014. 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 18.1 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, Sophie 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 52.42% of the voting rights at August 31, 2014. 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).

(1) In accordance with the law and the AFEP-MEDEF Code for corporate governance of listed companies, the Board members representing employees are not included in the determination of the following items: the minimum and maximum number of Board members, the representation of men to women on the Board, and the number of independent Board members.

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AFEP-MEDEF Recommendations	Sodexo practice/Explanations
Termination of employment contract in case of appointment as a corporate officer (section 22 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 62 years old as of August 31, 2014. This situation is regularly reviewed by the Compensation Committee and the Board of Directors.
Performance shares(2) (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.

(2) See glossary for definition.

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 (see 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 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.

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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, and are 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 and non-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 (Messages from the Chairman of the Board of Directors and the Chief Executive Officer).

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 planning process and cover such areas as strategic planning, human resources development, finance, supply chain, consumer and customer focus, food safety and hygiene, sustainable development, internal audit and delegations of authority. They comprise four parts: goals, 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

In the past five years, the Board of Directors and senior management have worked together to improve the strategic planning process and promote 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 start from nothing in 1966 and then become a major international group with 419,317 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 four 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.

The process leads to the preparation of a three-year strategic plan and a consolidated annual budget. In addition, a 10-year consolidated financing plan is prepared by the Group Finance Department. All of these documents are submitted to the Board of Directors for approval.

Human resources development policy

The Group's three 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;
- to promote the emergence of a growing number of internal entrepreneurs by giving priority to internal promotions, career planning and on-going training to prepare the senior executives of the future.

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.

Sodexo is also making significant advances in the area of diversity, by promoting women within the organization and establishing partnerships with organizations for people with disabilities.

Financial policies

The Group's financial objectives are twofold, namely:

To preserve the Group's financial independence.

Financial independence is a fundamental principle, because it enables the Group to hold firm to its values, pursue a long-term strategic vision, ensure management continuity and guarantee the business's lasting success.

Sodexo's financial independence is guaranteed by the shareholder family. As of August 31, 2014, Sodexo's holding company, Bellon SA, held 37.71% of the shares and 52.42% of the voting rights. It is based on three simple principles:

- choosing low capital intensive activities;
- 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.

Enhancing the attractiveness of Sodexo shares to loyal, long-term shareholders.

Financial policies establish rules applicable to areas such as investment approvals, working capital management, cash management, financial borrowings, and the distribution of subsidiaries' profits. They also set forth principles for maintaining accounting records.

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 4,400 dieticians worldwide;
- support **social, economic, and environmental development in the cities, regions or countries where Sodexo is present:** 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.

  For some 20 years, Sodexo has been supporting the fight against hunger and malnutrition through STOP Hunger. The Group's aim is to make STOP Hunger a major player in the worldwide fight against hunger and malnutrition, with three goals for the next three years: sign up 50,000 volunteers per year, provide 5 million free meals (or equivalent) per year and raise 5 million U.S. dollars per year. All Sodexo stakeholders are taking part: employees, consumers, customers, suppliers and their staff;
- **protect the environment**/reduce energy and water consumption and cut food waste, 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.

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 one-, three- and five-year plans, 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 of operating profit, operating cash flow and revenue.

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 over the next ten years, 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.;
- return on investments in development (particularly non tangible investments).

Management metrics:

- contract profitability;
- profitability of the different client segments;
- gross operating margin and on-site costs;
- operating expenses 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 57% in 2012 to 59% in 2014, as determined by the most recent survey conducted in April 2014 of 130,000 employees in 70 countries. Sodexo's employee engagement rate has increased by 11 percentage points compared to the 2008 survey and two percentage points compared to that conducted in 2012. Sodexo's medium-term objective is to reach an employee engagement rate of 65%, which is Aon Hewitt's threshold for best employer status. Eighty-six percent of employees already consider Sodexo a better employer than its competitors;
- employee retention for all personnel and for site managers. This rate was 63% overall in Fiscal 2014 and 81% for on-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; 2,379 staff members were promoted to a managerial position passing from one category to the next in Fiscal 2014;
- 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 2014. Over 41% of the members of the Board of Directors and 43% of the Executive Committee members are women.

Sustainable development metrics, including:

- 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 dieticians employed by Sodexo;
- percentage of certified fairly traded coffee.

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 in the area of corporate social responsibility. 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.

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 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 95% 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. In nine main areas, 1,654 controls 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.

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.

The Group Legal Department is part of the Group Finance Department. Supported by the legal teams at local levels, it works pro-actively with the operational teams. It oversees compliance with legal requirements. It also ensures 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

1 Presentation of the Group
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 Annual ordinary Shareholders' Meeting, January 19, 2015
9 Other information

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 (70%) of the Group Internal Audit Plan approved by the Audit Committee at the start of Fiscal 2014 was completed during the year. The Group Internal Audit Department, with an average of 25 staff, conducted 93 audits in 29 countries. In addition to this central team, some 40 operational controllers report to the Finance Directors who report to the regional general management, and report 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 2014. All audits are followed up on the ground within a maximum of 12 months.

More than 86% of recommendations made in years prior to Fiscal 2013 have been implemented by the subsidiaries' management. For Fiscal 2014, 20% of the 1,673 recommendations made by the Group Internal Audit Department, have already been implemented and 80% 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 2014, the Internal Audit Department carried out a survey of a sample of entities. 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.225-335 OF THE FRENCH COMMERCIAL CODE *(CODE DE COMMERCE),* ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF SODEXO SA

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.

To the shareholders,

SODEXO
255, quai de la Bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9

For the year ended August 31, 2014

Ladies and gentlemen:

In our capacity as Statutory Auditors of Sodexo SA, 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, 2014.

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 12, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit
	Department of KPMG SA
Yves Nicolas	Hervé Chopin

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 Bellon-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, which in turn holds 37.71% of the share capital of Sodexo and 52.42% of the voting rights. Agreements prevent them from selling their shares to third parties; 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. Bellon SA's only asset is its holding in Sodexo; Bellon SA has no intention of selling this holding to a third party;
- 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.

As required under article 223-26 of the AMF's General Rules, transactions on Company shares by management and related persons declared to the AMF in connection with article L.621-18-2 of the French Monetary and Financial Code were as follows during Fiscal 2014:

- Michel Landel, Chief Executive Officer, exercised 90,063 stock options at a per share price of 47.82 euro on January 9, 2014.

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 five independent directors among the thirteen members of the Board of Directors as of August 31, 2014;

(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),
- the Sodexo shares are the only assets held by Bellon SA; consequently, the interests of Sodexo's shareholders are aligned with those of Bellon SA's shareholders and the capital ties between the two companies do not generate any conflict of interests,
- 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 is presented in section 4.4.2 of this document.
- Since 1991, a service agreement between Sodexo and Bellon SA, Sodexo's managing 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 due under this agreement, and changes compared with the prior year, were reviewed by the Audit Committee in its April 14, 2014 meeting. In addition, and in compliance with the law, the contract is reviewed every year by the Board of Directors.

  The annual fee payable to Bellon SA 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 5.8 million euro excluding taxes for Fiscal 2014, representing less than the 6.2 million euro billed for Fiscal 2013. Of this amount, 5.5 million euro was for compensation (including payroll taxes), 0.1 million euro for external consultancy fees, and 0.2 million euro for the 5% mark-up.

  This agreement is referred to in the Auditors' Special Report each year.

  The terms and conditions of this service agreement were modified in April 2013 (change in the term of the agreement), in order to submit it to shareholders for approval every five years. As such, the revised agreement was authorized by the Board of Directors at its meeting on April 16, 2013 (Michel Landel and the directors who are members of the Bellon family did not take part in the vote), was the subject of a Statutory Auditors' Special Report on regulated agreements and commitments for Fiscal 2013, and was submitted to the vote of the Shareholders Meeting on January 21, 2014 (Bellon SA, Michel Landel and the directors who are members of the Bellon family did not take part in the vote). The shareholders did not approve this agreement; however, this rejection has no legal impact on its implementation. During its meeting on November 10, 2014, the Board of Directors discussed the implications of this rejection. It considers that the interests of the shareholders of both Bellon SA and Sodexo are aligned given that its holding in Sodexo is Bellon SA's only asset.
- 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 directors' 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 2014		Fiscal 2013	
	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	-	-	-	-
Directors' fees paid by Sodexo SA in his capacity as Chairman of the Board of Directors	50,875	50,875	53,740	53,740
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
• Directors' fees	200,000	200,000	200,000	200,000
TOTAL	**320,875**	**320,875**	**323,740**	**323,740**

SUMMARY OF COMMITMENTS TO THE CHAIRMAN OF THE BOARD OF DIRECTORS AS OF AUGUST 31, 2014

	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: November 14, 1974 Expiration of current term: 2016 Annual Shareholders' Meeting		X		X		X		X

7.3.1.2 CHIEF EXECUTIVE OFFICER'S COMPENSATION

The compensation package of Michel Landel, Chief Executive Officer, 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 200% 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 at the beginning of each fiscal 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 and the level achieved for each are presented in the table below.

  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 and trade secrets.

  The bonus is calculated and paid after the close of the fiscal year to which it applies and the related approval of the financial statements by the Board of Directors;
- **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 performance shares granted to him. Michel Landel was granted 40,000 performance shares on March 11, 2014. The shares will vest only if the average annual growth in Group net profit at constant rates is at least 15% between Fiscal 2013 and Fiscal 2016. 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 2014 for the above components, including measurement of the value of the performance shares granted, are provided in detail in the tables below.

  In Fiscal 2014, Michel Landel's short-term compensation represented 53% of the total and his long-term compensation represented 47%. His long-term compensation now consists entirely of performance shares.

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 explained 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)].

Michel Landel is not paid a director's fee for his mandate as a director of Sodexo SA.

SUMMARY OF COMPENSATION GRANTED TO THE CHIEF EXECUTIVE OFFICER

Michel Landel Chief Executive Officer *(in euro)*	Fiscal 2014		Fiscal 2013	
	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)]	1,950,129	901,598	1,027,295	648,798
Exceptional compensation	-	-	-	-
Directors' fees[(2)]	-	-	-	-
Fringe benefits[(3)]	2,400	2,400	2,400	2,400
TOTAL	**2,885,929**	**1,837,398**	**1,963,095**	**1,584,598**

(1) Variable compensation corresponds to Michel Landel's bonus for the year, to be paid the following year, and to travel allowances paid during the year (see table below for details).
(2) Michel Landel is not paid a director's fee for his mandate as a director of Sodexo SA.
(3) Michel Landel has the use of a company car.

DETAILS OF VARIABLE COMPENSATION DUE FOR FISCAL 2014

		Weighting of objectives	Maximum in % of objective	Achievement level	Corresponding amount in euro
80% based on quantitative targets	Organic revenue growth	15%	100%	67%	€93,107
	Growth in operating profit	30%	250%	250%	€700,050
	Growth in net profit	15%	300%	300%	€420,030
	Free cash flow	20%	250%	250%	€466,700
	Total quantitative targets	80%	185%	180%	€1,679,887
20% based on qualitative targets	Implementation of Group strategy	20%	100%	100%	€186,680
	Total qualitative targets	20%	20%	20%	€186,680
Total performance bonus for Fiscal 2014		**100%**	**205%***	**200%**	**€1,866,567**
Travel allowance paid in December 2013					**€83,562**
TOTAL VARIABLE COMPENSATION FOR FISCAL 2014					**€1,950,129**

* *Capped at 200%.*

(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 (Other information concerning the Corporate Officers and Senior Management of the Company) and 4.4.2 (Statutory Auditors' Report on regulated agreements and commitments) of this Registration Document.

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DETAILS OF VARIABLE COMPENSATION DUE FOR FISCAL 2013

		Weighting of objectives	Maximum in % of objective	Achievement level	Corresponding amount in euro
80% based on quantitative targets	Organic revenue growth	15%	100%	37%	€52,270
	Growth in operating profit	30%	200%	100%	€280,020
	Growth in net profit	15%	200%	0%	€0
	Free cash flow	20%	200%	188%	€350,594
	Total quantitative targets	80%	130%	73.1%	€682,884
20% based on qualitative targets	Implementation of Group strategy	20%	100%	14.5%	€135,152
	Total qualitative targets	20%	20%	14.5%	€135,152
Total performance bonus for Fiscal 2013		**100%**	**150%***	**87.6%**	**€818,036**
Travel allowance paid in December 2012					**€209,259**
TOTAL VARIABLE COMPENSATION FOR FISCAL 2013					**€1,027,295**

* *Capped at 150%.*

PERFORMANCE SHARES GRANTED TO THE CHIEF EXECUTIVE OFFICER IN FISCAL 2014

	Date of plan	Number of shares granted in the fiscal year	Value of shares(1) *(in euro)*	Vesting date	End of lock-up period (2)	Performance condition
Michel Landel Chief Executive Officer	March 11, 2014	40,000(3)	2,589,200	March 11, 2017	March 11, 2019	Yes(4)

(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) The shares are subject to a two-year lock-up after the vesting date.
(3) Representing 0.03% of share capital and 4.76% 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). The grants have no dilutive impact as existing shares have been allocated to the plan and no new shares will be issued.
(4) The shares will vest only if annual growth in Group net profit at constant rates is at least 15% between Fiscal 2013 and Fiscal 2016.

STOCK OPTIONS EXERCISED BY THE CHIEF EXECUTIVE OFFICER IN FISCAL 2014

	Date of plan	Number of options exercised during the year(1)	Exercise price(1)
Michel Landel Chief Executive Officer	January 16, 2007	90,063	€47.82

(1) Number of options and exercise price adjusted for capital transactions carried out since the grant date.

SUMMARY OF COMPENSATION AND PERFORMANCE SHARES GRANTED TO THE CHIEF EXECUTIVE OFFICER DURING THE FISCAL YEAR

Michel Landel Chief Executive Officer *(in euro)*	Fiscal 2014	Fiscal 2013
Compensation due (gross, before tax)	2,885,929	1,963,095
Value of options	N/A	N/A
Value of performance shares	2,589,200	1,967,660
TOTAL	**5,475,129**	**3,930,755**

SUMMARY OF COMMITMENTS MADE TO THE CHIEF EXECUTIVE OFFICER AS OF AUGUST 31, 2014

	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 62 as of August 31, 2014. 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 the 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, 2014 was 2,578,481 euro, and the charge recognized during the year was 205,484 euro. Based on calculations at August 31, 2014, his annual pension under the plan would amount to 130,676 euro. Consequently, on the basis of actual data, the total aggregate amount of the pensions to be paid to Michel Landel - gross amounts before tax and taking as well into account the pensions due to him under compulsory retirement plans - would amount to approximately 237,000 euro per year.

Lastly, the Group decided to amend the terms of this plan by increasing the pension from 14% to 15% of the average annual salary paid to Michel Landel during the three years preceding his retirement. At its meeting on November 10, 2014, the Board of Directors authorized this amendment of the commitment made to Michel Landel and decided to submit it to shareholders in advance, at the Annual Meeting of January 19, 2015 (see section 8, Annual Shareholders' Meeting).

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 630,000 euro by the Combined Shareholders' Meeting of January 21, 2014. The total amount of directors' fees actually paid to all directors (directors, executive and non-executive corporate officers) for Fiscal 2014 was 575,603 euro, as compared to 561,840 euro for Fiscal 2013.

Directors' fees were calculated and paid in accordance with the Board's Internal Rules, based on the following criteria established for Fiscal 2014:

- 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;
- 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;
- the Chairmen of the Board Committees (Audit, Compensation and Nominating Committees) each receive a fee of 17,500 euro in addition to their fee as a Committee member.

Directors' fees paid to non-executive corporate officers in office as of August 31, 2014 for Fiscal 2013 and Fiscal 2014 were as follows:

Members of the Board of Directors (other than the Chairman of the Board of Directors and the Chief Executive Officer)	Fiscal 2014 *(in euro)*	Fiscal 2013 *(in euro)*
Robert Baconnier	62,100	52,010
Patricia Bellinger	91,875	94,740
Astrid Bellon	34,000	34,000
Bernard Bellon(1)	43,140	44,870
Nathalie Bellon-Szabo	43,735	44,870
François-Xavier Bellon	34,000	36,000
Sophie Bellon	61,475	45,735
Philippe Besson(2)	5,333	0
Françoise Brougher	46,735	39,000
Paul Jeanbart	36,240	36,000
Alain Marcheteau	24,360	45,735
Peter Thompson	43,735	37,140

(1) This total includes 2,000 euro in directors' fees paid by Bellon SA in Fiscal 2013 and Fiscal 2014 for his appointment as member of the Supervisory Board of Bellon SA.
(2) The directors' fees due to Philippe Besson for his mandate as director representing employees were paid to his trade union.

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 2014 *(in euro)*			Fiscal 2013 *(in euro)*		
	Total annual compensation			Total annual compensation		
	Fixed	Variable(1)	Fringe benefits	Fixed	Variable(1)	Fringe benefits
Astrid Bellon(2)	118,334	-	-	105,768	-	-
François-Xavier Bellon(2)	118,334	-	-	105,768	-	-
Sophie Bellon(3)	322,873	14,579	2,091	304,240	-	2,665
Nathalie Bellon-Szabo(4)	324,503	-	3,275	285,772	-	4,178
Patricia Bellinger(5)	-	-	-	38,240	-	-

(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 Chairman of the Management Board of Bellon SA (192,873 euro for Fiscal 2014) and 146,670 euro for her position as Group Special Advisor Research, Development and Innovation (70,000 euro for Fiscal 2013). Sophie Bellon has the use of a company car.
(4) Compensation paid for her membership on the Management Board of Bellon SA (172,503 euro for Fiscal 2014) and for her position as Chief Executive Officer of Sodexo Prestige (155,275 euro for Fiscal 2014). Nathalie Bellon-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 until June 2013 (50,000 U.S. dollars converted at the average currency exchange rate for the fiscal year).

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7.3.3 EXECUTIVE COMMITTEE COMPENSATION

The compensation of members of the Executive Committee comprises a fixed salary, 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, and a travel allowance, the amount of which varies depending on the countries visited and the length of stay.

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 of this document).

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 200% 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 during Fiscal 2014 by the Group to members of the Executive Committee in their position as of August 31, 2014 (including the Chief Executive Officer, details of whose compensation are provided in section 7.3.1.2 of this document), amounted to 11,549,252 euro. This amount comprises:

- a fixed portion of 7,102,923 euro, including 37,691 euro of contributions to the above-mentioned retirement plans;
- a variable portion of 4,446,329 euro (comprising the Fiscal 2013 performance-based bonus and the travel allowance of 382,410 euro paid in Fiscal 2014).

The Executive Committee has had 14 members since January 2014 (compared with 8 members as of August 31, 2013).

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 profit at constant currency exchange rates of at least 6% over three years. 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 four years. It should be noted that the performance condition included in the stock option plan documents for the December 13, 2011 plan was attained as of the close of Fiscal 2014.

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. On March 11, 2014, new free share grants were made by the Board of Directors for Fiscal 2014.

The rules governing free share grants within the Group are as follows:

- all free share grants are made in the same period of each calendar year;
- shares granted under this 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). Shares granted under the 2014 plan will vest only if average annual growth in Group net profit at constant rates is at least 15% between Fiscal 2013 and Fiscal 2016;
- subject to the conditions for performance and vesting, 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 March 11, 2014 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:

- from March 2018 for shares granted under the Plan reserved for employees in France that are not subject to performance conditions but have a vesting period of two years and a two-year lock-up;
- from March 2019 for shares granted under the Plan reserved for employees in France that are subject to performance conditions and have a vesting period of three years and a two-year lock-up;
- from March 2018 for shares in the International Plan which have a vesting period of four years and no lock-up.

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, 2014 was 3,599,656 (around 2.3% of the capital at that date) for a total amount of 171,976,272 euro. The number of options exercisable as of August 31, 2014 was 2,090,670 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	April 24, 2007 (A1)	20,000		April 24, 2008
January 31, 2006	January 7, 2008 (A1)	619,300	100,000*	50% of the options: January 7, 2009 50% of the options: January 7, 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]
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]

(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 profit 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, 2014	Cumulative number of options cancelled[5]	Options out-standing as of Aug. 31, 2014
January 15, 2014	47.82	25% at each anniversary date	435,029	67,579	0
April 23, 2014	55.36	25% at eachanniversary date	20,014	0	0
January 6, 2015	42.27	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	187,369	3,848,416	84,021
January 6, 2014	42.27	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	175,978	276,126	0
January 6, 2014	42.27	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	258,386	297,198	0
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]	369,517	52,076	209,982
January 18, 2015	39.40	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	318,895	107,205	21,125
January 18, 2015	39.40	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	479,093	23,280	42,727
January 10, 2017	39.88	12.5% at each anniversary date 50% at the 3rd anniversary date	289,244	56,160	208,046

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	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)
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

(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 profit 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, 2014	Cumulative number of options cancelled[5]	Options out-standing as of Aug. 31, 2014
January 10, 2016	39.88	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	357,665	55,596	68,989
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]	423,950	24,589	115,461
December 12, 2017	48.37	25% at each anniversary date	2,237	11,563	49,850
December 12, 2017	48.37	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	5,562	35,113	241,975
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	21,207	6,213	23,430
December 12, 2016	48.37	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	173,629	57,205	158,017
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	21,573	6,000	22,427
December 12, 2016	48.37	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	237,355	19,888	196,457

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 (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)
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 profit 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, 2014	Cumulative number of options cancelled[5]	Options out-standing as of Aug. 31, 2014
December 12, 2016	48.37	12.5% at each anniversary date 30% at the 3rd anniversary date[4]	46,375	0	6,625
December 12, 2018	51.40	25% at each anniversary date	1,627	8,385	47,138
December 12, 2018	51.40	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	2,904	43,876	311,720
December 12, 2018	51.40	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	0	50,000	280,000
December 12, 2017	51.40	25% at each anniversary date	15,650	8,350	50,500
December 12, 2017	51.40	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	78,720	39,359	312,221
December 12, 2017	51.40	12.5% at each anniversary date 50% 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
December 12, 2017	51.40	25% at each anniversary date	13,500	5,750	38,750
December 12, 2017	51.40	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	84,550	21,504	377,446
December 12, 2017	51.40	12.5% at each anniversary date 30% at the 3rd anniversary date[4]	13,750	0	41,250

Stock purchase options granted to or exercised by members of the Group Executive Committee during Fiscal 2014

Options granted to or exercised by members of the Group Executive Committee under plans still in effect in Fiscal 2014 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, 2013	Options exercised during the fiscal year	Options unexercised as of Aug. 31, 2014
Ana Busto	January 11, 2010 (A1)	3,000	39.88	January 10, 2017	0	0	3,000
	December 13, 2010 (A1b)	3,500	48.37	December 13, 2017	0	0	3,500
	December 13, 2011 (A1b)	5,000	51.40	December 13, 2018	0	0	5,000
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		28,530	12,470
	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 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	46,000	0	0
	January 11, 2010 (B)	55,000	39.88	January 10, 2016	48,125	6,875	0
	December 13, 2010 (Bc)	53,000	48.37	December 12, 2016	13,250	33,125	6,625
	December 13, 2011 (Bc)	55,000	51.40	December 12, 2017	6,875	6,875	41,250
Patrick Connolly	January 7, 2008 (B)	16,011	42.27	January 6, 2014	8,005	0	0
	January 19, 2009 (B)	17,000	39.40	January 19, 2015	14,875	2,125	0
	January 11, 2010 (B)	17,000	39.88	January 10, 2016	17,000	0	0
	December 13, 2010 (B)	17,000	48.37	December 12, 2016	0	14,025	2,975
	December 13, 2011 (B)	19,500	51.40	December 12, 2017	0	6,825	12,675
Lorna Donatone	January 7, 2008 (B)	10,357	42.27	January 6, 2014	5,179	0	0
	January 19, 2009 (B)	10,000	39.40	January 19, 2015	10,000	0	0
	January 11, 2010 (B)	16,000	39.88	January 10, 2016	14,000	2,000	0
	December 13, 2010 (B)	17,000	48.37	December 12, 2016	8,925	5,100	2,975
	December 13, 2011 (B)	19,500	51.40	December 12, 2017	438	6,387	12,675
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	0
	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

(1) Total number of options granted by the Board of Directors at grant date.
(2) As stipulated in the rules 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.*

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, 2013	Options exercised during the fiscal year	Options unexercised as of Aug. 31, 2014
Siân Herbert-Jones	January 16, 2007 (A1)	50,000	47.82	January 15, 2014		50,035	0
	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
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	0
	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	0
	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
Denis Machuel	January 7, 2008 (A1)	5,004	42.27	January 6, 2015	2,502	0	0
	January 19, 2009 (A1)	5,000	39.40	January 18, 2016	5,000	0	0
	January 11, 2010 (A1)	6,100	39.88	January 10, 2017	0	6,100	0
	December 13, 2010 (A1b)	7,000	48.37	December 12, 2017	0	0	7,000
	December 13, 2011 (A1b)	20,000	51.40	December 12, 2018	0	0	20,000
Satya-Christophe Menard	January 16, 2007 (A1)	3,003	47.82	January 15, 2014	1,502	0	0
	January 7, 2008 (A2)	15,000	42.27	January 6, 2014	7,500	0	0
	January 19, 2009 (A2)	5,000	39.40	January 18, 2015	5,000	0	0
	January 11, 2010 (A2)	6,100	39.88	January 10, 2016	5,337	763	0
	December 13, 2010 (A2b)	7,000	48.37	December 12, 2016	2,450	3,325	1,225
	December 13, 2011 (A2b)	20,000	51.40	December 12, 2017	3,500	3,500	13,000

(1) Total number of options granted by the Board of Directors at grant date.

(2) As stipulated in the rules 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.*

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, 2013	Options exercised during the fiscal year	Options unexercised as of Aug. 31, 2014
Sylvia Métayer	January 16, 2007 (A1)	12,009	47.82	January 15, 2014	12,009	0	0
	January 7, 2008 (A1)	12,509	42.27	January 6, 2015	6,255	0	0
	January 19, 2009 (A1)	10,000	39.40	January 18, 2016	10,000	0	0
	January 11, 2010 (A1)	11,500	39.88	January 10, 2017	0	0	11,500
	December 13, 2010 (A1b)	17,000	48.37	December 12, 2017	0	0	17,000
	December 13, 2011 (A2b)	20,000	51.40	December 12, 2018	0	0	20,000
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	0
	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
Debbie White	January 7, 2008 (A2)	12,009	42.27	January 6, 2014	6,005	0	0
	January 19, 2009 (B)	12,000	39.40	January 18, 2015	10,500	1,500	0
	January 11, 2010 (b)	13,000	39.88	January 10, 2016	3,250	9,750	0
	December 13, 2010 (b)	13,000	48.37	December 12, 2016	2,363	8,775	2,362
	December 13, 2011 (A2b)	20,000	51.40	December 12, 2017	0	7,000	13,000

(1) Total number of options granted by the Board of Directors at grant date.
(2) As stipulated in the rules 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 2014

	Total number	Weighted average price *(in euro)*
Options granted during the fiscal year to the ten Group employees receiving the largest number of options	-	-
Options exercised during the fiscal year by the ten Group employees exercising the largest number of options[(1)]	372,927	42.89

(1) Including 50,035 options granted on January 16, 2007; 31,060 options granted on January 19, 2009; 210,750 options granted on January 11, 2010; 64,000 options granted on December 13, 2010 and 17,112 options granted on December 13, 2011.

7.3.4.2 FREE SHARES GRANTED TO MANAGERS

A total of 1,680,775 free shares had been granted to managers as of August 31, 2014 (representing approximately 1.1% of the capital at that date). The cost of these free shares was 104,578,236 euro based on estimated fair value at the grant date, taking into account the related terms and conditions.

These grants concerned 1,123 beneficiaries in 2013 and 1,200 in 2014.

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(3)	Number of vested shares at August 31, 2014	Cumulative number of free shares cancelled(4)	Free share outstanding as of August 31, 2014
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	4,250	284,725
January 21, 2013	April 25, 2013 (International)	551,780		April 25, 2017	April 25, 2017	0	17,600	534,180
January 21, 2013	March 11, 2014 (France)	280,825	40,000	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019	0	1,500	279,325
January 21, 2013	March 11, 2014 (International)	559,175		March 11, 2018	March 11, 2018	0	950	558,225

(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.

Free shares granted to members of the Group Executive Committee as of August 31, 2014

Free shares granted to members of the Executive Committee under plans approved by the Board of Directors since Fiscal 2013 are listed below:

Name	Number of shares granted	Date of the Board meeting(1)	Vesting date(2)	End of lock-up period(3)
Ana Busto	2,500	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	5,500	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
Elisabeth Carpentier	13,000	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	12,800	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
George Chavel	14,250	April 25, 2013	April 25, 2017	April 25, 2017
	15,800	March 11, 2014	March 11, 2018	March 11, 2018
Patrick Connolly	5,150	April 25, 2013	April 25, 2017	April 25, 2017
	9,000	March 11, 2014	March 11, 2018	March 11, 2018
Lorna Donatone	5,150	April 25, 2013	April 25, 2017	April 25, 2017
	9,000	March 11, 2014	March 11, 2018	March 11, 2018
Pierre Henry	17,000	April 25, 2013	April 25, 2017	April 25, 2017
	16,800	March 11, 2014	March 11, 2018	March 11, 2018
Siân Herbert-Jones	14,250	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	14,770	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
Nicolas Japy	13,000	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	12,800	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
Michel Landel*	37,000	April 25, 2013	April 25, 2016	April 25, 2018
	40,000	March 11, 2014	March 11, 2017	March 11, 2019
Denis Machuel	7,000	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	9,000	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
Satya-Christophe Menard	10,000	April 25, 2013	April 25, 2017	April 25, 2017
	9,000	March 11, 2014	March 11, 2018	March 11, 2018
Sylvia Métayer	10,000	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	9,000	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
Damien Verdier	13,000	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	12,800	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
Debbie White	10,000	April 25, 2013	April 25, 2017	April 25, 2017
	9,000	March 11, 2014	March 11, 2018	March 11, 2018

(1) 50% of shares granted to each beneficiary are performance shares, except for Michel Landel, Chief Executive Officer, who only receives performance shares. See section 7.3.4 for more information on the continued employment requirement, the performance conditions, the vesting dates and the lock-up periods under the French and International plans.
(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.
** Under 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) granted performance shares, is required to hold in registered form a number of shares received under these plans, equivalent to 30% of his base salary as of the date of delivery of these shares for the duration of his mandate.*

Free shares granted during Fiscal 2014 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 2014 to the ten Group employees receiving the largest number of shares	121,770	8,113,306

* *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 2014	Fiscal 2013	Fiscal 2014	Fiscal 2013	Fiscal 2014	Fiscal 2013	Fiscal 2014	Fiscal 2013
• Audit								
Audit of individual company financial statements and consolidated financial statements								
Issuer	0.7	0.7	12%	10%	0.7	0.6	15%	14%
Consolidated subsidiaries	4.7	4.6	83%	75%	3.5	3.5	77%	80%
Total audit	5.4	5.6	95%	85%	4.2	4.1	92%	94%
• Audit-related services directly related to the external auditors engagement								
Issuer	0.1	0.1	2%	2%	0.1	0.1	2%	2%
Consolidated subsidiaries	0.1	0.8	2%	12%	0.1	0.1	2%	2%
Total audit-related services	0.2	0.9	4%	14%	0.2	0.2	4%	4%
SUB-TOTAL – AUDIT	**5.6**	**6.5**	**99%**	**99%**	**4.4**	**4.3**	**96%**	**98%**
• Other services to consolidated subsidiaries								
Legal and tax	0.1	0.1	1%	1%	0.2	0.1	4%	2%
Other								
SUB-TOTAL – OTHER SERVICES	**0.1**	**0.1**	**1%**	**1%**	**0.2**	**0.1**	**4%**	**2%**
TOTAL FEES	**5.7**	**6.6**	**100%**	**100%**	**4.6**	**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 96% of financial statement audit fees. 54% of these fees are paid to PricewaterhouseCoopers and 42% to KPMG.

Audit fees paid by Group subsidiaries to firms other than PricewaterhouseCoopers and KPMG (and member firms of their international networks) amounted to 0.4 million euro for Fiscal 2014.

All services performed by the external auditors during Fiscal 2014 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

ANNUAL ORDINARY SHAREHOLDERS' MEETING, JANUARY 19, 2015

8.1 Board Report

Presentation of Resolutions submitted to the Ordinary Shareholders' Meeting, January 19, 2015

8.1.1 PRESENTATION OF THE RESOLUTIONS SUBMITTED TO THE ORDINARY SHAREHOLDERS' MEETING

ADOPTION OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS (FIRST RESOLUTION)

The Board of Directors is requesting the Shareholders' Meeting to adopt the individual company financial statements of Sodexo for Fiscal 2014 presenting net income of 269 million euro and the consolidated financial statements of the Group presenting profit attributable to equity holders of the parent of 490 million euro.

APPROPRIATION OF NET INCOME FOR THE FISCAL YEAR AND DIVIDEND (SECOND RESOLUTION)

This resolution relates to appropriation of net income for Fiscal 2014 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 1.80 euro per share, an increase of 11.1% over the prior year.

In addition, shares held in registered form since at least August 31, 2010 and still held when the Fiscal 2014 dividend becomes payable, will automatically be entitled, without any additional formality, to a 10% dividend premium, representing an additional 0.18 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, 2014).

The dividend and dividend premium (for eligible shares) will become payable on February 2, 2015, with a Euronext Paris ex-dividend date of January 29, 2015. The record date – *i.e.* the date before which an investor must own the shares in order to receive the dividend – will be January 30, 2015.

APPROVAL OF THE REGULATED RELATED-PARTY COMMITMENT FALLING WITHIN THE SCOPE OF APPLICATION OF ARTICLE L.225-42-1 OF THE FRENCH COMMERCIAL CODE CONCERNING THE SUPPLEMENTAL RETIREMENT PLAN COVERING THE CHIEF EXECUTIVE OFFICER (THIRD RESOLUTION)

Shareholders are informed that no new regulated agreement nor commitment falling within the scope of articles L.225-38 and L.225-42-1 of the French Commercial Code has been entered into during Fiscal 2014. In addition, it should be noted that agreements and commitments already approved at Shareholders' Meetings in previous years are not being re-submitted for approval.

As required by article L.225-42-1 of the French Commercial Code, in the third resolution the Board is requesting shareholders to approve a change to the supplemental retirement plan covering Michel Landel, Chief Executive Officer.

Under the procedure governing regulated related-party agreements and commitments falling within the scope of article L.225-42-1 of the French Commercial Code, the Annual Shareholders' Meeting of January 30, 2007 approved the application of a defined benefit supplemental retirement plan to Michel Landel, Chief Executive Officer.

Under the terms of the plan, which was set up for the Group's main senior executives, provided that he has participated in the plan for at least five years, Michel Landel will qualify for a retirement pension equal to 14% of his average fixed annual salary for the three years preceding his retirement.

Following changes to the Group's Executive Committee in January 2014 and as a measure to retain Committee members, the Group decided to increase the pension payable under the plan from 14% to 15% of the participants' average fixed annual salary for the three years preceding their retirement. The other plan terms and conditions remain unchanged.

On the recommendation of the Compensation Committee, the Board of Directors decided that it would be fair to extend the benefit of this increase to the Chief Executive Officer. Consequently, at its meeting of November 10, 2014, the Board of Directors authorized the corresponding amendment to the commitment given to Michel Landel, Chief Executive Officer (who did not take part in the vote), with immediate effect. In view of the timing of this decision, the change is being submitted to shareholders in advance, during Fiscal 2015. This commitment is described in the Auditors' Special Report on regulated related-party agreements and commitments in section 4.4.2 of this document.

RE-ELECTION AND ELECTION OF DIRECTORS (FOURTH TO NINTH RESOLUTIONS)

The directorships of Sophie Bellon, Nathalie Bellon-Szabo, Françoise Brougher, Bernard Bellon and Peter Thompson expire at the close of the Annual Shareholders' Meeting on January 19, 2015.

The Board of Directors is proposing, on the recommendation of the Nominating Committee, that the shareholders re-elect Sophie Bellon, Nathalie Bellon-Szabo, Françoise Brougher (qualified by the Board of Directors as an independent director) and Bernard Bellon 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, 2017 and Peter Thompson (qualified by the Board of Directors as an independent director) 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, 2015 (in order to stagger the re-election of directors in accordance with article 11-1 of the Company's bylaws).

Also on the recommendation of the Nominating Committee, the Board of Directors is proposing, in the ninth resolution, that the shareholders elect Soumitra Dutta 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, 2017. If elected, Mr. Dutta will be qualified as an independent director by the Board, in line with the recommendation of the Nominating Committee.

Biographical information on these directors is provided in section 7.1.1.2 of this Registration Document.

RE-APPOINTMENT OF AN AUDITOR AND APPOINTMENT OF ITS ALTERNATE AUDITOR (TENTH RESOLUTION)

The terms of KPMG Audit as auditor and Bernard Pérot as alternate auditor expire at the close of the Annual Shareholders' Meeting of January 19, 2015.

The Board of Directors is proposing, on the recommendation of the Audit Committee, that the shareholders renew the appointment of KPMG Audit as auditor and appoint the firm Salustro Reydel as alternate auditor, for the statutory period of six years ending at the close of the Annual Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2020.

ANNUAL DIRECTORS' FEES (ELEVENTH RESOLUTION)

The preparation for and participation in Board and Committee meetings requires an increasing amount of time and personal commitment from Board members. Accordingly, the Board of Directors requests shareholders to approve an increase in the maximum aggregate amount of directors' fees, in order to take into account the following changes: the election of an additional director (ninth resolution submitted to the vote by shareholders concerning the election as a director of Soumitra Dutta) and the appointment of a second director representing employees, in the event that the number of directors increases to more than twelve, as well as the plan to hold a greater number of meetings of the Compensation Committee and the Nominating Committee. 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 700,000 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, at the Annual Shareholders' Meeting of January 21, 2014, the maximum aggregate amount of directors' fees was set at 630,000 euro per fiscal year.

OPINION ON THE ELEMENTS OF COMPENSATION AND BENEFITS DUE OR AWARDED FOR FISCAL 2014 TO EACH CORPORATE OFFICER (TWELFTH AND THIRTEENTH 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 twelfth and thirteenth resolutions to give their opinion on the compensation and benefits due or awarded for Fiscal 2014 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 2014 to Pierre Bellon, Chairman of the Board of Directors

Type of compensation or benefits	Amount	Comments
Director's fees	€50,875	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 2014 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. The Chief Executive Officer's salary did not change from Fiscal 2013.
Annual bonus	€1,950,129	Variable compensation comprised of the bonus due for Fiscal 2014 (which will be paid during Fiscal 2015) corresponding to 200% of the fixed compensation due for the same fiscal year (given that objectives were exceeded) and travel allowances paid during Fiscal 2014 for which the amount varies depending on the countries visited and the duration of the stay. The bonus is based for 20% on qualitative personal objectives and for 80% on quantitative targets based on the financial performance achieved by the Group for the year. These criteria and their weighting as well as their achievement level are detailed in Section 7.3.1.2 of this Registration Document (compensation of the Chief Executive Officer).
Stock options and performance shares	40,000 performance shares valued at €2,589,200 based on the method used for the preparation of the consolidated financial statements	On March 11, 2014 the Board of Directors used the authorization granted in the 12th resolution of the Janua^ry 21, 2013 Annual Shareholders' Meeting to grant Michel Landel 40,000 performance shares (representing 4.76% of the total number of free shares and performance shares allocated by the Board during the fiscal year). These shares will vest only if average annual growth in Group net income at constant rates corresponds to at least 15% for the period between Fiscal 2013 and Fiscal 2016, at constant rates. No stock options were granted to Michel Landel during Fiscal 2014.
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 approved by the Annual Shareholders' Meeting of January 19, 2009 (5th resolution), 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, 2014 was 2,578,481 euro and the charge recognized for Fiscal 2014 was 205,484 euro. Based on Michel Landel's current compensation, this would represent an annual pension of 130,676 euro. Consequently, on the basis of actual data, the total aggregate amount of the pensions to be paid to Michel Landel - gross amounts before tax and taking as well into account the pensions due to him under compulsory retirement plans - would amount to approximately 237,000 euro per year.
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 (FOURTEENTH 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, 2014.

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: 95 euro;
- total maximum amount: 990 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, 2014, the percentage of treasury shares held by the Company was 3.37% (refer to section 5.1.2.4 of this Registration Document for additional information on the use of the share repurchase program during Fiscal 2014).

POWERS TO PERFORM FORMALITIES (FIFTEENTH RESOLUTION)

This standard resolution concerns the conferring of powers to perform all formalities and filings relating to the resolutions approved by the Shareholders' Meeting.

8.1.2 USE BY THE BOARD OF AUTHORIZATIONS TO INCREASE THE SHARE CAPITAL

Information on the use by the Board during Fiscal 2014 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 Ordinary Shareholders' Meeting of January 19, 2015

FIRST RESOLUTION

(Adoption of the annual consolidated financial statements, Fiscal 2014)

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, 2014 as presented, presenting net income of 269 million euro, and the consolidated financial statements for the year ended August 31, 2014, presenting profit attributable to equity holders of the parent of 490 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 2014 of	268,787,333 euro
plus retained earnings as of the close of Fiscal 2014 of	995,344,683 euro
Making a total available for distribution of	1,264,132,016 euro
In the following manner:	
• dividend *(on the basis of 157,132,025 shares comprising the share capital as of August 31, 2014)*	282,837,645 euro
• a 10% dividend premium *(on the basis of 3,144,020 shares held in registered form as of August 31, 2014 that are eligible for the dividend premium after application of the limitation of 0.5% of capital per shareholder)*	565,924 euro
• retained earnings	980,728,447 euro
TOTAL	**1,264,132,016 EURO**

Accordingly, the Shareholders' Meeting resolves that a dividend of 1.80 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, 2010 and which are still held in such form when the dividend for Fiscal 2014 becomes payable, will automatically be entitled to a 10% dividend premium, representing an additional 0.18 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, 2014).

The dividend and dividend premium (for eligible shares) will become payable on February 2, 2015, with a Euronext Paris ex-dividend date of January 29, 2015. The record date will be January 30, 2015.

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 3,144,020 shares held in registered form that are eligible for the dividend premium as of August 31, 2014 cease to be recorded in registered form between September 1, 2014 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 2013 (paid in 2014)	Fiscal 2012 (paid in 2013)	Fiscal 2011 (paid in 2012)
Dividend per share*	€1.62	€1.59	€1.46
Total payout	€247,423,253	€240,067,214	€221,091,767

* *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 related party commitment falling within the scope of article L.225-42-1 of the French Commercial Code concerning the supplemental retirement plan covering the Chief Executive Officer)

The Shareholders' Meeting, having heard the Board of Directors' Report and the Statutory Auditors' Special Report on agreements and commitments governed by articles L.225-38 and L.225-40 to L.225-42 of the French Commercial Code and voting on the Statutory Auditors' Report, approves, in accordance with article L.225-42-1 of the French Commercial Code, the amendment to the supplemental retirement plan covering the Chief Executive Officer, as presented in the Statutory Auditors' Report and authorized by the Board of Directors on November 10, 2014.

FOURTH RESOLUTION

(Renewal of the directorship of Bernard Bellon)

The Shareholders' Meeting, having heard the report of the Board of Directors and noting that the directorship of Bernard Bellon 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, 2017.

FIFTH RESOLUTION

(Renewal of the directorship of Sophie Bellon)

The Shareholders' Meeting, having heard the report of the Board of Directors and noting that the directorship of Sophie Bellon 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, 2017.

SIXTH RESOLUTION

(Renewal of the directorship of Nathalie Bellon-Szabo)

The Shareholders' Meeting, having heard the report of the Board of Directors and noting that the directorship of Nathalie Bellon-Szabo 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, 2017.

SEVENTH RESOLUTION

(Renewal of the directorship of Françoise Brougher)

The Shareholders' Meeting, having heard the report of the Board of Directors and noting that the directorship of Françoise Brougher 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, 2017.

EIGHTH 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, 2015.

NINTH RESOLUTION

(Election of Soumitra Dutta as a director)

The Shareholders' Meeting, having heard the report of the Board of Directors, elects Soumitra Dutta as a director 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, 2017.

TENTH RESOLUTION

(Re-appointment of an auditor and appointment of an alternate auditor)

The Shareholders' Meeting, having heard the report of the Board of Directors and having noted that the terms of KPMG Audit as auditor and Bernard Pérot as alternate auditor expire at the close of the Annual Shareholders' Meeting of January 19, 2015, renews the appointment of KPMG Audit as auditor and appoints the firm Salustro Reydel as alternate auditor for the statutory term of six years ending at the close of the Annual Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2020.

ELEVENTH RESOLUTION

(Annual directors' fees)

The Shareholders' Meeting, having reviewed the Board Report, sets at 700,000 euro the total amount of directors' fees to be paid for the current and future fiscal years, 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.

TWELFTH RESOLUTION

(Opinion on the elements of compensation and benefits due or awarded to Pierre Bellon, Chairman of the Board of Directors for the fiscal year ended August 31, 2014)

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, 2014, as described in section 7.3.1.1 of the Fiscal 2014 Registration Document and also included in the Board Report.

THIRTEENTH RESOLUTION

(Opinion on the elements of compensation and benefits due or awarded to Michel Landel, Chief Executive Officer for the fiscal year ended August 31, 2014)

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, 2014, as described in section 7.3.1.2 of the Fiscal 2014 Registration Document and also included in the Board Report.

FOURTEENTH 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 acquire or 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 or any similar plan, 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 profit sharing plan or a company or group share purchase plan (or equivalent 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, pursuant to the twelfth resolution of the Shareholders' Meeting of January 21, 2014 or 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 exchange, payment or otherwise 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.,* as an indication, as of August 31, 2014, 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 price paid for shares purchased under this resolution may not exceed 95 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 allocated to the share purchase program may not exceed 990 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, 2014.

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.

FIFTEENTH 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.

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

Sodexo 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, 2012 to August 31, 2014).

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.

1 Presentation of the Group
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 Annual ordinary Shareholders' Meeting, January 19, 2015
9 Other information

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.

ISSUE VOLUME

Face value of service vouchers and cards (Benefits and Rewards Services activity) multiplied by the number of service vouchers and cards issued.

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.

NUMBER OF SITES

The number of sites corresponds to the number of locations where the Group performs a service.

ON-SITE SERVICES

Sodexo 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.

* *Gross borrowings: current and non-current financial debt plus derivative financial instruments (assets and liabilities, current and non-current).*

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 standard developed in the United Kingdom (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

Sodexo 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, 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 356 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 17, 2014

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 fiscal 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 fiscal 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 fiscal 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 fiscal years	Annual Shareholders' Meeting to be held in 2015 to adopt the financial statements for Fiscal 2014

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

In accordance with Appendix I of European Regulation no. 809/2004	Pages
10.4. Restrictions on capital utilizations having materially affected or potentially materially affecting the operations of the Company	184, 190-191
10.5. Expected sources of financing	N/A
11. Research and development, patent and licenses	N/A
12. Information on trends	150-151
13. Profit forecast or estimate	150-151
14. Board of Directors and Senior Management	
14.1. Information concerning members of the Board of Directors and Senior Management	281-290, 295-296, 308
14.2. Absence of potential conflict of interest within the membership of the Board of Directors and Senior Management	308-309
15. Compensation and benefits	
15.1. Amount of compensation of Corporate Officers	208, 310-316
15.2. Total amounts provided for or recognized for the payment of pensions or other benefits	208, 314
16. Duties of the Board of Directors	
16.1. Date of expiration of current terms	281
16.2. Service contracts between members of the Board of Directors and the CEO and the Company or one of its subsidiaries	308-309
16.3. Information concerning the Audit Committee, the Nominating Committee and the Compensation Committee	292-294
16.4. Statement of compliance with the current principles of Corporate Governance	297-298
17. Employees	
17.1. Number of Employees	31, 90-91, 114-115, 125, 208
17.2. Profit sharing and stock options	202-205, 281-290, 317-331
17.3. Employee participation in Share Capital	262-264
18. Principal shareholders	
18.1. Shareholders holding more than 5% of the share capital or voting rights	262,276-277
18.2. Existence of different voting rights	260, 262, 270-271
18.3. Controlling interests	262, 276-277, 308-309
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	207, 241, 251-254, 308-309
20. Financial information concerning assets, financial position and Company operating profit	
20.1. Historical financial information*	355
20.2. Pro forma financial information	N/A
20.3. Financial statements	152-215, 228-248
20.4. Verification of historical annual financial information*	216-217, 249-250, 355
20.5. Date of most recent financial information	August 31, 2014
20.6. Interim and other financial information	N/A
20.7. Dividend distribution policy	32-34, 140, 275, 336, 341
20.8. Litigation	209-224
20.9. Material change in financial or commercial situation	N/A

In accordance with Appendix I of European Regulation no. 809/2004	Pages
21. Other information	
21.1. General information on the share capital	157, 186-187, 238-239, 261-264
21.2. General information on the Company	258-260, 291-298
22. Material contracts	259
23. Information coming from third parties, expert declarations and interest declarations	N/A
24. Information available to the public	259, 269
25. Information relating to subsidiaries	184, 212-215, 245-246

* *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.*

9.3.2 ANNUAL FINANCIAL REPORT

Information concerning the Annual Financial Report – articles L.451-1-2 of the Monetary and Financial Code and 222-3 of the General Regulation of the AMF	Pages
1. Individual Company Financial Statements	227-248
2. Consolidated Financial Statements	152-215
3. Management Report	See table below
4. Declaration of Responsibility	351
5. Statutory Auditors' Reports	216-217, 249-250
6. Auditors' fees	332
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	280-307

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	132-151
2. Description of main risks and uncertainties	221-225
3. Information concerning the members of the Board of Directors and senior management	281-298, 308-331
4. General information on the share capital	247, 258-264
5. Employment and environmental information	88, 128
6. Annual Ordinary General Meeting of Shareholders of January 19, 2015	336-345

9.3.4 INFORMATION REQUIRED BY ARTICLE R.225-105-1 OF THE FRENCH COMMERCIAL CODE (“GRENELLE II”)

Grenelle II Chapters				Page Number
1. Workforce-related data:				
a	Employment:	i	total workforce and distribution of employees by gender, age group and geographical area	90-91
		ii	new employee hires and dismissals	93, 126
		iii	remuneration and any related changes	175, 127
b	Work organisation:	i	working-time organisation	126
		ii	absenteeism	92, 127
c	Labour/Management relations:	i	organisation of social dialogue including information procedures, consultation and negotiation with employees	98
		ii	summary of collective bargaining agreements	127
d	Health and safety:	i	occupational health and safety conditions	92-93, 127
		ii	summary of collective bargaining agreements signed with trade unions or workers’ representatives on occupational health and safety	127
		iii	occupational accidents, including accident frequency and severity rates, and occupational diseases	127, 222, 225
e	Training and education:	i	policies implemented regarding training and education	94-95, 128
		ii	total number of hours of training	95, 128
f	Diversity and equal opportunity:	i	measures implemented to promote gender equality	96-98
		ii	measures implemented to promote the employment and integration of disabled people	98
		iii	policy against discrimination	96-98

Grenelle II Chapters				Page Number
g	Promotion of and compliance with the core Conventions of the ILO relative to:	i	freedom of association and the right to collective bargaining	98
		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:				
a	General environmental policy:	i	the Company's organisational strategy to factor in environmental issues and, if appropriate, the approaches to auditing/obtaining certification for environment-related performance	104-108
		ii	information and training measures for employees regarding environmental protection	104-109
		iii	resources allocated to the prevention of environmental risks and pollution	104
		iv	amount of provisions and guarantees for environmental risks, unless such information is likely to cause serious harm to the Company in the event of ongoing litigation	117
b	Pollution and waste management:	i	preventive or corrective actions with regard to discharges into the atmosphere, water and soil with a significant negative impact on the surrounding environment	119
		ii	measures regarding waste prevention, recycling and disposal	107-108
		iii	consideration of noise and any other activity-specific pollution	119
c	Sustainable use of resources:	i	water consumption and supply adapted to local constraints	107
		ii	consumption of raw materials and measures implemented for more efficient use	105-107
		iii	energy consumption and measures implemented to improve energy efficiency and the use of renewable energy	107
		iv	land usage	119
d	Climate change:	i	greenhouse gas emissions	107
		ii	adaptation to consequences of climate change	35-84
e	Protection of biodiversity:	i	measures implemented to protect or develop biodiversity	105-106
3. Social data:				
a	Territorial, economic and social impact of the Company's activity:	i	regarding regional employment and development	102-103
		ii	on local residents/communities	102-103
b	Relations with stakeholders, including associations for the promotion of social integration, educational institutes, environmental protection associations, consumer associations and local residents:	i	conditions surrounding dialogue with stakeholders	108-110
		ii	partnership or sponsorship actions	102-103, 110

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Grenelle II Chapters				Page Number
c	Subcontractors and suppliers:	i	inclusion of social and environmental issues in the Company's procurement policy	105-106
		ii	extent of subcontracting and the importance placed on social and environmental responsibility in relations with subcontractors and suppliers	105-106
d	Fair business practices:	i	anti-corruption policies and procedures	89
		ii	measures implemented to promote consumer health and safety	99-101
e	Other actions implemented to promote human rights:	i	other actions implemented to promote human rights	98

9.3.5 GLOBAL REPORTING INITIATIVE (GRI) GUIDELINE

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
Strategy and analysis				
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	4.7 6.2 7.4.2		6, 16
G4-2	Provide a description of key impacts, risks, and opportunities.			221-225
Organizational profile				
G4-3	Report the name of the organization.	6.2		Cover Page
G4-4	Report the primary brands, products, and services.			35-84
G4-5	Report the location of the organization's headquarters.			258
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.			26
G4-7	Report the nature of ownership and legal form.			262, 258, 265
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).			31
G4-9	Report the scale of the organization, including: • total number of employees; • total number of operations; • net sales (for private sector organizations) or net revenues (for public sector organizations); • total capitalization broken down in terms of debt and equity (for private sector organizations); • quantity of products or services provided.			30-33
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).		Principle 6	90-92
G4-12	Describe the organization's supply chain.			99-110, 300

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	6.2		221-225
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.			111
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: • holds a position on the governance body; • participates in projects or Committees; • provides substantive funding beyond routine membership dues; • views membership as strategic. This refers primarily to memberships maintained at the organizational level.			110
Identified material aspects and boundaries				
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. The organization can report on this Standard Disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents.	5.2 7.3.2 7.3.3 7.3.4		212-215
G4-19	List all the material Aspects identified in the process for defining report content.			88-128
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: • report whether the Aspect is material within the organization; • if the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: - the list of entities or groups of entities included in G4-17 for which the Aspect is not material, or - the list of entities or groups of entities included in G4-17 for which the Aspects is material; • report any specific limitation regarding the Aspect Boundary within the organization.			117-119
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: • report whether the Aspect is material outside of the organization; • if the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified; • report any specific limitation regarding the Aspect Boundary outside the organization.	5.2 7.3.2 7.3.3 7.3.4		117-119
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect *Boundaries*.			212-215

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
Stakeholder engagement				
G4-24	Provide a list of stakeholder groups engaged by the organization.	5.3		108-110
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.			108-110
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.			108-110
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its *reporting*. Report the stakeholder groups that raised each of the key topics and concerns.			108-110, 117
Report profile				
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	7.5.3 7.6.2		117
G4-29	Date of most recent previous report (if any).			117
G4-30	Reporting cycle (such as annual, biennial).			117
G4-31	Provide the contact point for questions regarding the report or its contents.			Back Cover Page
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.			120-122
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.			118-122

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
Governance				
G4-34	Report the governance structure of the organization, including Committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	6.2 7.4.3 7.7.5		291-294
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.			88
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.			88
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.			88, 108-110
G4-38	Report the composition of the highest governance body and its Committees by: • executive or non-executive; • independence; • tenure on the governance body; • number of each individual's other significant positions and commitments, and the nature of the commitments; • gender; • membership of under-represented social groups; • competences relating to economic, environmental and social impacts; • stakeholder representation.			290-291
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).			291-292
G4-40	Report the nomination and selection processes for the highest governance body and its Committees, and the criteria used for nominating and selecting highest governance body members, including: • whether and how diversity is considered; • whether and how independence is considered; • whether and how expertise and experience relating to economic, environmental and social topics are considered; • whether and how stakeholders (including shareholders) are involved.			290-291
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: • cross-board membership; • cross-shareholding with suppliers and other stakeholders; • existence of controlling shareholder • related party disclosures.			290-291
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.			290-291

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.			295
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.			88, 302-305
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.			302-305
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	6.2 7.4.3 7.7.5		302-305
G4-48	Report the highest Committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.			353
G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: • fixed pay and variable pay: - performance-based pay, - equity-based pay, - bonuses, - deferred or vested shares; • sign-on bonuses or recruitment incentive payments; • termination payments; • clawbacks; • retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.			310-331
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	6.2 7.4.3 7.7.5		293-294
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.			92, 293-294, 339-340

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
Ethics and integrity				
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	4.4 6.6.3		89
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.			89
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.			89
CATEGORY: ECONOMIC				
Aspect: Economic performance				
G4-EC1	Direct economic value generated and distributed.	6.8.1 6.8.2 6.8.3 6.8.7 6.8.9 6.5.5		30-34
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	6.5.5		34-84, 107
G4-EC3	Coverage of the organization's defined benefit plan obligations.	6.8.7		194-197
Aspect: Market presence				
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	6.3.7 6.3.10 6.4.3 6.4.4 6.8.1 - 6.8.2		127
Aspect: Indirect economic impacts				
G4-EC7	Development and impact of infrastructure investments and services supported.	6.3.9 6.8.1- 6.8.2 6.8.7 6.8.9		221
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	6.3.9 6.6.6 6.6.7 6.7.8 6.8.1- 6.8.2 6.8.7		103, 221
Aspect: Procurement practices				
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	6.4.3 6.6.6 6.8.1- 6.8.2 6.8.7		103, 300
CATEGORY: ENVIRONMENTAL				
Aspect: Materials				
G4-EN1	Materials used by weight or volume.	6.5.4	Principles 7, 8, 9	105-108
G4-EN2	Percentage of materials used that are recycled input materials.	6.5.4	Principles 7, 8, 9	108

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GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
Aspect: Energy				
G4-EN3	Energy consumption within the organization.	6.5.4	Principles 7, 8, 9	107, 119
G4-EN4	Energy consumption outside the organization.	6.5.4	Principles 7, 8, 9	107, 119
G4-EN5	Energy intensity.	6.5.4	Principles 7, 8, 9	107, 119
G4-EN6	Reduction of energy consumption.	6.5.4 6.5.5	Principles 7, 8, 9	107, 119
G4-EN7	Reductions in energy requirements of products and services.	6.5.4 6.5.5	Principles 7, 8, 9	107
Aspect: Water				
G4-EN8	Total water withdrawal by source.	6.5.4	Principles 7, 8, 9	107, 119
G4-EN9	Water sources significantly affected by withdrawal of water.	6.5.4	Principles 7, 8, 9	107, 119
G4-EN10	Percentage and total volume of water recycled and reused.	6.5.4	Principles 7, 8, 9	107, 119
Aspect: Biodiversity				
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	6.5.6	Principles 7, 8, 9	105-106
G4-EN13	Habitats protected or restored.	6.5.6	Principles 7, 8, 9	105-106
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	6.5.6	Principles 7, 8, 9	105-106
Aspect: Emissions				107
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	6.5.5	Principles 7, 8, 9	119
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	6.5.5	Principles 7, 8, 9	119
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	6.5.5	Principles 7, 8, 9	119
G4-EN18	Greenhouse gas (GHG) emissions intensity.	6.5.5	Principles 7, 8, 9	119
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	6.5.5	Principles 7, 8, 9	107, 119
Aspect: Effluents and waste				107-108
G4-EN22	Total water discharge by quality and destination.	6.5.3 6.5.4	Principles 7, 8, 9	119
G4-EN23	Total weight of waste by type and disposal method.	6.5.3	Principles 7, 8, 9	119
Aspect: Products and services				
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	6.5.3 6.5.4 6.5.5 6.7.5	Principles 7, 8, 9	105-108
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	6.5.3 6.5.4 6.7.5	Principles 7, 8, 9	108

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
Aspect: Overall				
G4-EN31	Total environmental protection expenditures and investments by type.	6.5.1-6.5.2	Principles 7, 8, 9	104
Aspect: Supplier environmental assessment				
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	6.3.5 6.6.6 7.3.1	Principles 7, 8, 9	105
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	6.3.5 6.6.6 7.3.1	Principles 7, 8, 9	105-106
CATEGORY: SOCIAL				
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK				
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