

NOTICE OF MEETING

Ordinary Shareholders' Meeting

Monday, January 19, 2015 at 4:30 p.m.
Palais des Arts et des Congrès in Issy-les-Moulineaux
25 avenue Victor Cresson 92130 Issy-les-Moulineaux

Issy-les-Moulineaux, December 30, 2014

Dear Madam, Dear Sir, Dear Shareholder,

It is my pleasure to invite you to the SODEXO Annual Ordinary Shareholders' Meeting covered at 4:30 pm on Monday, January 19, 2015 at the Palais des Arts et des Congrès in Issy-les-Moulineaux.

I hope you will attend in person. During this meeting, we will comment on our Group's results and its outlook for the future. You will have the opportunity to ask questions and vote on the resolutions submitted for your approval.

In the following pages, you will find all the information you need to participate in this meeting.

In addition, you will also be able to view a live webcast of the General Meeting on our website www.sodexo.com.

Yours sincerely,



Pierre Bellon
Chairman of the Board of Directors

CONTENTS

HOW TO PARTICIPATE IN THE ANNUAL GENERAL MEETING	4
AGENDA	6
PRESENTATION OF THE RESOLUTIONS	7
TEXT OF THE RESOLUTIONS	11
FISCAL 2014 ACTIVITY REPORT	15
SODEXO S.A. FIVE-YEAR FINANCIAL SUMMARY	28
REQUEST FOR ADDITIONAL INFORMATION	29

The prior notice of this Shareholders' Meeting was published on December 12, 2014 in the *Bulletin des Annonces Légales Obligatoires* (French bulletin of legal notices) in accordance with article R.225-73 of the French Commercial Code.

The documents and information related to this Shareholders' Meeting are made available to shareholders in accordance with the applicable regulation and, in particular, information referred to by article R.225-73-1 of the French Commercial Code may be consulted on the website www.sodexo.com (*Finance – Shareholders' meeting section*).

By accessing www.sodexo.com (*Finance – Shareholders' meeting section*), you can also view a live webcast of the Shareholders' Meeting and consult the Fiscal 2014 Registration Document (filed with the *Autorité des Marchés Financiers* - French financial markets Authority - on November 17, 2014 and including information provided by article R.225-83 of the French Commercial Code).

For further information:

SODEXO

Group Legal Department
255, quai de la Bataille de Stalingrad
92866 ISSY-LES-MOULINEAUX Cedex 9 - FRANCE
Tel.: +33 (0)1 57 75 81 12

How to participate in the Annual General Meeting?

What are the requirements for attending the Meeting?

In order to participate in the Meeting, shareholders must provide proof of share ownership, through registration of their shares in their name or in the name of the intermediary duly registered to act on their behalf in either the shareholders' register or in the bearer registries maintained by their intermediary. They must provide such proof by **midnight, Paris time, going on Wednesday January 14, 2015** (the third legal working day preceding the Meeting, hereafter : « N-3 »).

- **For registered shareholders**, N-3 registration in the shareholders' register is sufficient to be able to attend the Meeting.
- **For holders of bearer shares**, it is the registered intermediary managing the share account who, upon request of bearer shares wishing to attend the Meeting, directly provides proof that their clients are shareholders. This proof is provided to Société Générale (the meeting registrar appointed by Sodexo) by producing a certificate of attendance attached to the single form that is used for voting by proxy or by post or for requesting an admission card in the shareholder's name or on behalf of the shareholder represented by the intermediary.

How to vote at the Meeting?

All shareholders have four options:

- **Attend the Meeting in person;**
- **Authorise the Chairman of the Meeting to vote on their behalf;**
- **Assign proxy to a third party ;**
- **Vote by post.**

In all cases, shareholders must complete the attached form and return it to their registered intermediary using the envelope provided.

Any shareholder who has already voted by post or by proxy or requested an admission card may no longer choose an alternative means of participating, but is allowed to sell some or all of his shares.

Attending the Meeting in person?

Shareholders wishing to attend the Meeting in person must request an admission card. To obtain this card, **tick box A** in the upper portion of the form, and **date and sign the bottom of the form**. Holders of bearer shares who have not received their admission cards on Wednesday January 14, 2015, must ask their intermediary to issue them an attendance certificate, which they may then present to the Meeting reception desk as proof that they are shareholders as of N-3.

Voting will be carried out using an electronic voting box.

In order to facilitate the conduct of the Meeting, please:

1. arrive promptly as from 3:30 p.m. to sign the attendance register at the Meeting registrar's desk if you have your admission card, and, if not, report to the reception desk;
2. enter the Meeting room with the electronic voting box given to you when signing the attendance register;
3. follow the instructions given at the Meeting on how to use the voting box.

Vote by post or by proxy?

Shareholders who are unable to attend the Meeting in person may choose one of the following three options:

- **Vote by post:** tick the box next to « I vote by post »; to vote YES on the resolutions: do not blacken the corresponding boxes / to vote NO or abstain on certain proposed resolutions: blacken individually the corresponding boxes. Do not forget to complete the « amendments and new resolutions » box and to date and sign the form;
- **Appoint the Chairman as your proxy:** tick the box « I appoint the Chairman as my proxy », date and sign the form. In this case, a vote will be cast on your behalf in favour of the draft resolutions approved by the Board of Directors;
- **Appoint a third party as your proxy:** tick the box next to « I hereby appoint », complete the details of the person who will represent you, date and sign the form.

The notification of the appointment or withdrawal of a proxy can also be made via an electronic mail. In this case:

- **For registered shareholders:** send an email bearing an electronic signature, obtained from a certifying authority in accordance with the applicable regulation, to the e-mail address mandataireAG.group@sodexo.com, stating their surname, first name and address, and their Société Générale user ID for those whose shares are registered with Société Générale (information available on the top left-hand corner of their account statement) or for the others their user ID with their financial intermediary, and the surname and first name of the proxy appointed or withdrawn;
- **For holders of bearer shares:** send an email bearing an electronic signature, obtained from a certifying authority in accordance with the applicable regulation, to the e-mail address mandataireAG.group@sodexo.com, stating their surname, first name, address and complete bank details, together with the surname and first name of the proxy appointed or withdrawn. Then, they need to

ask their financial intermediary in charge of their securities account to send a written confirmation (by mail or fax) to the Department for Shareholders' Meetings (service Assemblées) at Société Générale (CS 30812, 44308 Nantes Cedex 3, France – Fax +33 (0)2 51 85 57 01).

For the appointment or withdrawal of proxies made via an electronic mail, to be taken into account, duly signed and completed notifications must be received no later than 3 pm, Paris time, on Friday January 16, 2015.

Please note that the e-mail address mandataireAG.group@sodexo.com should only be used for requests to appoint/withdraw a proxy; requests of any other nature will not be processed.

In order to take into account vote by post or by proxy, the corresponding duly completed forms must be received - together with the certificate of attendance for bearer shares - by Société Générale (Service des Assemblées – CS 30812 – 44308 Nantes Cedex 3, France), no later than 3 pm, Paris time, going on Friday January 16, 2015.

How to complete your Form?

You wish to attend the Meeting in person: tick A.

IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side.
A. Quelle que soit l'option choisie, noircir comme ceci la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this , date and sign at the bottom of the form.
B. Je désire assister à cette assemblée et demander une carte d'admission ; dater et signer au bas du formulaire / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.
J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

ASSEMBLEE GENERALE ORDINAIRE DU 19 JANVIER 2015

SODEXO
 255 QUAI DE LA BATAILLE DE STALINGRAD
 92130 ISSY LES MOULINEAUX
 AU CAPITAL DE EUR 628 520 100
 501 940 219 RCS NANTERRE

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY
 Identifiant - Account

Nombre d'actions / Number of shares:

Porteur - Bearer:

Nombre de voix - Number of voting rights:

Nominatif / Registered VS - Single vote
 Porteur - Bearer VD - Double vote

JE VOTE PAR CORRESPONDANCE // I VOTE BY POST
 Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou le Gérance à l'EXCEPTION de ceux que je signale en noircissant comme ceci la case correspondante et pour lesquels je vote NON ou je m'abstiens.
 I vote YES all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this for which I vote NO or I abstain.

1	2	3	4	5	6	7	8	9	Oui/Yes	Non/No	Oui/Yes	Non/No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	Abst/Abs	F	Abst/Abs
10	11	12	13	14	15				B		G	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				C		H	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				D		J	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				E		K	

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting:
 - Je donne pouvoir au Président de l'A.G. de voter en mon nom. / I appoint the Chairman of the meeting to vote on my behalf...
 - Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (its equivalent to vote NO)
 - Je donne procuration (cf. au verso 4) à M, Mme ou Melle, Raison Sociale pour voter en mon nom. / I appoint (see reverse (4)) Mr, Mrs or Miss, Corporate Name to vote on my behalf.

Non! Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement). Cf. au verso (1)
 Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary). See reverse (1)

Date & Signature

JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
 Cf. au verso (3)
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
 See reverse (3)

JE DONNE POUVOIR A : Cf. au verso (4)
I HEREBY APPOINT : See reverse (4)
 M, Mme ou Melle, Raison Sociale / Mr, Mrs or Miss, Corporate Name
 Adresse / Address

ATTENTION : S'il s'agit de titres au porteur, les présentes instructions ne sont valables que si elles sont directement retournées à votre banque.
CAUTION : If it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

In all cases, date and sign here

Check your details here and correct them if necessary

à la BANQUE / to the Bank 16/01/15
 à la SOCIÉTÉ / to the Company 16/01/15

- You wish to vote by post: tick this box and follow the instructions.
- You wish to give proxy to the Chairman of the Meeting: tick this box.
- You wish to give proxy to someone attending the Meeting and voting on your behalf: tick this box and fill in the person's name.

Agenda of Ordinary Shareholders' Meeting of January 19, 2015

1. Adoption of the annual consolidated financial statements, Fiscal 2014
2. Allocation of earnings – Declaration of dividend
3. 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
4. Renewal of directorship of Bernard Bellon
5. Renewal of directorship of Sophie Bellon
6. Renewal of directorship of Nathalie Bellon-Szabo
7. Renewal of directorship of Françoise Brougher
8. Renewal of directorship of Peter Thompson
9. Election of Soumitra Dutta as a director
10. Re-appointment of an auditor and appointment of an alternate auditor
11. Annual directors' fees
12. 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
13. 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
14. Authorization to the Board of Directors for the Company to purchase treasury shares
15. Powers

Presentation of the resolutions submitted to the Ordinary Shareholders' Meeting of January 19, 2015

▪ **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	40,000 performance	On March 11, 2014 the Board of Directors used the authorization granted in the

and performance shares	shares valued at €2,589,200 based on the method used for the preparation of the consolidated financial statements	12th resolution of the January 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.

Text of 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 <i>(on the basis of 157,132,025 shares comprising the share capital as of August 31, 2014)</i>	282,837,645 euro
• a 10% dividend premium <i>(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)</i>	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 2° 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 2° 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.

Fiscal 2014 Activity Report

(for fiscal year ended August 31, 2014)

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.

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.

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.

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.

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.

2. FISCAL 2014 PERFORMANCE

2.1. CONSOLIDATED INCOME STATEMENT

<i>(millions of euro)</i>	Year ended August 31		Change at current exchange rates	Change at constant exchange rates
	Fiscal 2014	Fiscal 2013		
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)		
<i>Effective tax rate</i>	<i>34.8%</i>	<i>34.3%</i>		
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.

Impact of exchange rates	Change vs. the euro	(in millions of 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.

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.

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.

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.

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.

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.

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%.

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.

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.

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

<i>(in millions of euro)</i>	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

<i>(in millions of euro)</i>	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

<i>(in millions of euro)</i>	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 Bolivariana 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, Fundação 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

<i>(in millions of euro)</i>	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.

Benefits and Rewards Services

Issue volume

<i>(in millions of euro)</i>	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

<i>(in millions of euro)</i>	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. CONSOLIDATED FINANCIAL POSITION

3.1. CASH FLOWS

Presented below are the key components of the consolidated cash flow statement:

<i>(in millions of euro)</i>	Year ended	
	August 31, 2014	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.

3.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in millions of euro)</i>	August 31, 2014	August 31, 2013	August 31, 2014	August 31, 2013
Non-current assets	6,852	6,626	Shareholders' equity	3,189
Current assets excluding cash	4,120	3,902	Non-controlling interests	32
Financial assets related to the Benefits and Rewards Services activity	758	734	Non-current liabilities	3,830
Cash and cash equivalents	2,748	1,347	Current liabilities	7,427
TOTAL ASSETS	14,478	12,609	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	14,478
			Net debt	371
			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.

3.3. 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.

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.

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."

SODEXO S.A. Five-Year Financial Summary

<i>(in euro)</i>	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			
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

(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).

**Request to receive the documents and information referred to
by article R.225-83 of the French Commercial Code**

I the undersigned:

Address:

holder of shares in SODEXO, a *société anonyme* with a share capital of EUR 628,528,100, with its registered office at 255, quai de la Bataille de Stalingrad, 92130 Issy-les-Moulineaux, France, registered with the Nanterre Register of Commerce and Companies under number 301 940 219,

hereby request to receive, at the above-mentioned address, the documents and information referred to by Article R.225-83 of the French Commercial Code relating to the Annual Ordinary Shareholders' Meeting to be held on January 19, 2015.

Pursuant to Article R.225-88 paragraph 3 of the French Commercial Code, registered shareholders, upon simple request, may obtain from the Company documents and information specified in Articles R.225-81 and R.225-83 of the French Commercial Code for all subsequent Shareholders' Meetings. Registered shareholders who wish to benefit from this option should specify so in this document.

Signed in

On January, 2015

Signature

DOCUMENT TO BE COMPLETED AND RETURNED:

- **if you hold registered shares:**
to Société Générale – Service des Assemblées – CS 30812, 44308 Nantes Cedex 3 – France
- **if you hold bearer shares :** to the intermediary in charge of your securities account.