PRESS RELEASE

Sodexo: A Solid Performance in Fiscal 2013

- **Revenues up +0.9%, thanks to:**
  - Increased demand for facilities management services, which accounted for 27% of revenues.
  - A robust 8.3% increase in revenues from Benefits and Rewards Services.
- **Operating profit before exceptional items[1] up +1.7% excluding the currency effect**
- **Group net income excluding exceptional items and net of tax up +5% and +7.3% at constant exchange rates**
- **A reduction in net debt, bringing the debt ratio down to 16%**
- **A dividend of 1.62 euro per share, an increase of 2% from the prior year**
- **Objectives:**
  - For Fiscal 2014:
    - Organic revenue growth of between +2.5% and +3%.
    - An improvement of around + 11% in operating profit[2], leading to an operating margin of 5.6% (compared to 5.2% for fiscal 2013).
  - For Fiscal 2015, an operating margin of 6%.

Issy-les-Moulineaux, November 14, 2013 - Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY): at the November 12, 2013 Board of Directors meeting chaired by Pierre Bellon, Michel Landel, Chief Executive Officer, presented the performance for Fiscal 2013.

Fiscal 2013 financial performance

In million of euro	Year ended August 31		Change (excluding currency effect)	Currency effect	Reported change
	2013	2012			
Revenues	18,397	18,236	+1.5%	-0.6%	+0.9%
Organic growth	1.1%	6.5%			
Operating profit before exceptional items	953	958	+1.7%	-2.2%	- 0,5%
Exceptional items[1]	(139)	26			
Operating margin before exceptional items	5.2%	5.3%			
Reported operating profit	814	984	-15.2%	-2.1%	-17.3%
Effective tax rate	34.3%	34.9%			
Group net income [3]	439	525	-14.3%	-2.1%	-16.4%
Group net income	530	505	+7.3%	-2.3%	+5%
Net debt ratio at August 31[4]	16%	21%			
Dividend per share (in euro)[5]	1.62	1.59			

[1] *Expenses related to the program to improve operational efficiency in Fiscal 2013 and the favorable accounting adjustment to pension plan costs in the United Kingdom in Fiscal 2012.*

[2] *At constant exchange rates and before the impact of exceptional expenses related to the operational efficiency improvement and cost reduction program.*

[3] *After the exceptional items mentioned above.*

[4] *Net debt divided by shareholders' equity and non-controlling interests.*

[5] *Subject to approval at the Annual Shareholders' meeting on January 21, 2014.*

Commenting on these figures, Sodexo CEO Michel Landel said:

"Sodexo delivered a solid performance for Fiscal 2013. Our strategy is proving effective, as seen in the increased client demand for our facilities management services and the growth observed in our Benefits and Rewards Services. Every day, we demonstrate our resilience as well as our ability to adapt and respond to new client needs and a constantly changing environment.

Lastly, we are proud that our commitment to economic, social and environmental responsibility has been recognized by the Dow Jones Sustainability Index as the global industry leader in our sector for the ninth year in a row".

Revenue Growth

Sodexo's consolidated revenues for Fiscal 2013 increased by 0.9% to 18.4 billion euro.

Organic growth was 1.1% or 2.9% excluding the impacts of the Rugby World Cup, the Olympic Games and the inclusion of a 53rd week of revenue in North America.

On-site Services

Excluding these special events, organic growth for the **On-site Services** activity was 2.6%, due to increased demand for integrated Quality of Life Services offers in most regions and by Sodexo's leadership in emerging countries where it continued to enjoy growth of more than 5%. These solid performances offset the decline in foodservices volumes, particularly in Europe, and slower growth in site revenues in certain regions, as clients sought to decrease costs in the current economic environment.

Fiscal 2013 organic growth by client segment was as follows:

- 4.1% in **Corporate,** led by solid business development in emerging countries and the success of integrated offers in North America and Europe.
- 0.8% in **Health Care and Seniors**, reflecting modest business development (new contract wins) in Fiscal 2012.
- 1.2% in **Education,** attributable to high client retention in North America but with only modest growth on sites in Europe.

Benefits and Rewards Services

Organic growth in Benefits and Rewards Services revenues was 8.3%, roughly the same rate as in Fiscal 2012, reflecting both the sustained growth dynamic in Latin America and the continuing erosion of revenues in Hungary following the introduction of new regulations in January 2012.

Primary performance indicators

During Fiscal 2013, Sodexo continued to invest in executing its strategy to develop Quality of Life Services. These investments primarily concerned three key drivers of sustainable growth for the Group:

- human resources development, through team training, opportunities for managers to obtain international experience and an assertive diversity policy;
- continuous improvements in technical expertise: facilities management services now account for 27% of consolidated revenue compared to 18% in Fiscal 2005;
- expansion in high potential markets, particularly in emerging countries which currently represent 21% of the Group's On-site Services revenue (compared to just 10% in Fiscal 2005) and 8.1 billion euro in issue volume for the Benefits and Rewards Services activity (versus 2.1 billion euro in Fiscal 2005).

The On-site Services activity's key growth indicators were as follows:

- a **92.5% client retention rate.** This was down from Fiscal 2012, due to Sodexo's decision to terminate certain underperforming contracts and to a higher number of Remote Site projects reaching completion. Excluding these two factors, the retention rate was close to that for the prior year.
- **2.1% growth at existing sites,** compared to 3.4% for the prior year. The decrease reflects the following:
  - lower foodservices volumes, notably in Europe
  - strong pricing pressure from clients seeking reductions in their own cost base, making it more difficult for Sodexo to have clients accept inflation clauses (covering food price inflation and, in particular, wage and related payroll tax increases),
  - a slower rate of economic growth in certain emerging countries and the completion of major projects in the Remote Sites segment (particularly mining projects).
- a **7.8% business development rate** (new contract wins), up globally compared to 7.6% for the prior year thanks to the Group's many contract wins. The amount of new contracts won during the fiscal year was 1.4 billion euro in annual revenues.

Increase in operating profit before exceptional items

Group operating profit was 953 million euro, an increase of 1.7% compared to Fiscal 2012 excluding the currency effect and a slight 0.5% decrease at current currency exchange rates.

Operating profit generated by the Benefits and Rewards Services activity rose by close to 13% and that of the On-site Services activity in North America was up by nearly 7%. The contribution of On-site Services in continental Europe and the Rest of the World region declined compared to Fiscal 2012 due to lower foodservices volumes, increased pricing pressure from clients seeking to cut costs, and inflationary pressure in emerging countries.

Sodexo's teams responded to these challenges by mobilizing around specific actions to strengthen competitiveness and reduce operating costs. This is illustrated by the year-on-year reduction in underlying administrative expenses, excluding currency effects and excluding the costs incurred for the program to improve operational efficiency and reduce costs. As a result, consolidated operating margin was unchanged from Fiscal 2012 (excluding currency effects).

Including currency effects, consolidated operating margin narrowed by 0.1 percent point to 5.2% at current currency exchange rates.

Exceptional items

Reported operating profit amounted to 814 million euro, a decline of 17.3% at current currency exchange rates and 15.2% excluding the currency effect.

At the beginning of Fiscal 2013, Group senior management launched a program to improve operational efficiency and reduce costs. The objective of the program is to reduce on-site operating costs and achieve overhead cost savings, with annual savings increasingly affecting operating profit in Fiscal 2014 and Fiscal 2015. As announced in April 2013, senior management expects the program to generate exceptional costs of 180 to 200 million euro over a period of 18 months starting in September 2012. During Fiscal 2013 costs of 139 million euro were recognized in connection with this program.

In addition, Fiscal 2012 was impacted by a favorable accounting adjustment related to the pension plan in the United Kingdom. As a result of new regulations in that country, the Group elected in October 2011 to replace the retail price index (RPI) with the consumer price index (CPI) in the calculation of future indexation adjustments to the pension obligations to certain beneficiaries of its pension plan.

Net income and Earnings per share

Group net income was 439 million euro compared to 525 million euro in the prior year, a decrease of 16.4% or 14.3% excluding currency effects.

Earnings per share was 2.91 euro compared to 3.48 euro for the prior year, a decrease of 16.4% or 14.4% excluding currency effects.

The change in Group net income and earnings per share masks the underlying progress and performance of Sodexo's teams, as a result of the following exceptional items:

- the 91 million euro after-tax negative impact of costs incurred in connection with the program to improve operational efficiency and reduce costs, the benefits of which will not be seen until two to three years from now.
- a higher prior year basis of comparison due to the favorable accounting adjustment in Fiscal 2012 related to pension plan costs in the United Kingdom.

Excluding these two items, Fiscal 2013 Group net income and earnings per share increased by around 5%.

Dividend

At the Annual Shareholders' Meeting to be held on January 21, 2014, the Board of Directors will recommend paying a dividend of 1.62 euro per share for Fiscal 2013, an increase of 2% from the prior year. This proposal reflects the Board's great confidence in the Group's future and also takes into consideration Sodexo's solid cash-generating financial model.

For the first time this year, shares held in registered form for more than four years, and still held when the Fiscal 2013 dividend becomes payable, will be entitled to a 10% dividend premium of the dividend paid on the other shares, provided that they do not represent over 0.5% of the capital per shareholder.

A major strength:
a solid, cash-generating financial model

Net debt was reduced by 161 million euro in Fiscal 2013, further demonstrating the quality of the Group's solid cash-generating financial model, a major strength in the current economic environment.

Net debt at August 31, 2013 was 478 million euro, representing 16% of consolidated equity compared to 21% at August 31, 2012.

Subsequent Events

There have been no material changes in the financial position or business situation of the Company and its subsidiaries since August 31, 2013.

Awards

In Fiscal 2013, Sodexo won several major awards recognizing its commitment to social, environmental and economic responsibility:

- Included in the DJSI World and DJSI STOXX indexes since 2005, for the ninth year in a row Sodexo was named "Global Sustainability Industry leader" by the Dow Jones Sustainability Indexes (DJSI).
- 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.

Outlook

At the November 12, 2013 Board of Directors meeting, Chief Executive Officer Michel Landel underlined the effectiveness of the Group's long-term strategy, based on a unique range of Quality of Life Services, an unparalleled global network in its activities, and undisputed leadership in emerging countries.

He pointed out that since 2005, Sodexo has delivered average annual revenue growth of 6.1% a year (at constant exchange rates) and average annual growth in operating profit and Group net income (excluding currency effects and exceptional items) of 8.4% and 10%, respectively. In addition, over this same eight-year period, Sodexo has achieved an average cash conversion ratio (of net income into free cash flow) of around 140%.

This consistent and robust performance, which enables the Group to finance its development, is even more significant given the steadily worsening conditions in the global economy over the same period.

Michel Landel explained that senior management is now focusing more than ever on enhancing the Group's competitiveness and continuing to adapt it to its environment and clients. All of the teams are committed to pursuing two key objectives:

- **Accelerating organic growth, to achieve an average annual increase in revenues of 7% over the medium term.**

  Sodexo is starting Fiscal 2014 with a number of strengths, including:
  - Double-digit growth in Benefits and Rewards Services in Latin America and Asia.
  - Steadily rising demand for integrated services.
  - An unrivalled international network and client segmentation that will be optimized in coming years.
- **Reducing operating costs, thereby improving productivity** at all levels.
  - The constant pursuit of savings and cost reduction has become a major concern for all of our stakeholders worldwide.
  - The costs of deploying this program to improve operational efficiency reduced Group net income by 139 million euro in Fiscal 2013 and will continue to weigh on the first half of Fiscal 2014. Nevertheless, these efforts began to deliver their initial benefits at the end of the last fiscal year.

Encouraged by these factors, Sodexo has now set the following new **objectives** for **Fiscal 2014**:

- **Organic growth in revenue of between 2.5% and 3%.**
- **An 11% increase in operating profit (at constant exchange rates and excluding the impact of the exceptional costs related to the program to improve operational efficiency).**

  As a result, the Group is now targeting an **operating margin of 5.6%** for Fiscal 2014, up 0.4% compared with Fiscal 2013.

In addition, Sodexo has a **two-year target of reaching a consolidated operating margin of 6% by Fiscal 2015.**

This target reflects the following:

- Significant annual savings of around 160 million euro from the program to improve operational efficiency and reduce costs.
- Slower-than-expected growth in certain emerging countries and in the mining sector, currently experiencing a short-term slowdown. Nevertheless, the Group remains confident that these markets, where Sodexo holds leadership positions, retain strong growth potential over the medium term.
- The earnings impact of exchange rate fluctuations due to the effect of the geographic mix on margins.

Lastly, Michel Landel reiterated Sodexo's core strengths:

- Significant market potential, estimated at over 50 times current revenues.
- A Quality of Life services positioning particularly well adapted to changing client needs.
- An unparalleled global network spanning 80 countries.
- Undisputed leadership in emerging markets.
- A strong culture and engaged teams.
- An excellent financial model.
- Its independence.

These strengths enable Sodexo to look to the future with confidence and to maintain its investments, particularly in the development of its people and the enhancement of its expertise.

In conclusion, Michel Landel added: "*I would like to thank our clients for their loyalty, our shareholders for their confidence and Sodexo's 428,000 employees for their efforts in Fiscal 2013 and for their daily commitment to improving the Quality of Life of our clients and consumers.*"

After the Board of Directors' meeting, Pierre Bellon added: "*Our performance is good. It could be improved in the future. Congratulations and thank you to the men and woman on the ground who work each day to improve client and consumer satisfaction; to Michel Landel and his teams; to our best entrepreneurs; to our Board members whom I make work very hard; and to our shareholders for their loyalty. A big thank you to all of you for all that you have already done and what you will do in the future for Sodexo's growth.*"

Analyst briefing

Sodexo will hold a briefing today at 9:00 a.m. at the Capital 8 Conference Center (32, rue Monceau, 75008 Paris) to discuss the Fiscal 2013 results. The briefing may also be viewed via webcast on www.sodexo.com.

Financial communications schedule

First-quarter Fiscal 2014 revenues	January 8, 2014
Annual Meeting	January 21, 2014
Payment of the Fiscal 2013 dividend	February 4, 2014

About Sodexo

Founded in 1966 by Pierre Bellon, Sodexo is the global leader in services that improve Quality of Life, an essential factor in individual and organizational performance. Operating in 80 countries, Sodexo serves 75 million consumers each day through its unique combination of On-site Services, Benefits and Rewards Services and Personal and Home Services. Through its more than 100 services, Sodexo provides clients an integrated offering developed over more than 45 years of experience: from reception, safety, maintenance and cleaning, to foodservices and facilities and equipment management; from Meal Pass, Gift Pass and Mobility Pass benefits for employees to in-home assistance and concierge services. Sodexo's success and performance are founded on its independence, its sustainable business model and its ability to continuously develop and engage its 428,000 employees throughout the world.

Key figures (as of August 31, 2013)

18.4 billion euro in consolidated revenues
428,000 employees
18th largest employer worldwide
80 countries
33,300 sites
75 million consumers served daily
11.4 billion euro in market capitalization (as of November 13, 2013)

Forward-looking statements

This press release contains statements that may be considered as forward-looking statements and as such may not relate strictly to historical or current facts. These statements represent management's views as of the date they are made and Sodexo assumes no obligation to update them. The reader is cautioned not to place undue reliance on these forward-looking statements.

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APPENDIX 1
Comments by activity and geography

All operating profit figures in this document exclude the exceptional items described in the press release.

1. On-Site Services

1.1 North America

Revenues

in million of euros	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	**1,647**	1,537	**+5.2%**			
Health Care and Seniors	**2,521**	2,559	**-1.9%**			
Education	**2,653**	2,634	**+0.2%**			
TOTAL	**6,821**	6,730	**+0.6%**	**+0.4%**	**+0.4%**	**+1.4%**

On-Site Services revenues in North America were 6.8 billion euro, with organic growth of 0.6%. The Fiscal 2012 figure included an additional week's activity compared to Fiscal 2013 as Sodexo operates on a 52/53-week calendar basis as is industry practice in North America. The impact of the 53rd week on Fiscal 2012 revenues is estimated at 120 million euro. On a comparable 52-week basis, organic revenue growth was 2.4%, as follows:

- Organic growth in the **Corporate** segment was 7.2%, reflecting the success of integrated service offers for clients such as the International Monetary Fund and Nokia, as well as strong growth in the Remote Site segment in Canada. The Group signed many contracts with clients in the United States such as Boeing Company, Harley Davidson and more recently Walt Disney World Parks & Resorts in Florida, and Siemens in Canada.

- In **Health Care and Seniors,** revenues contracted by 0.1%, due to modest business development in Fiscal 2012 and the loss of the contract with Ascension Health System. However, business development has picked up rapidly since the beginning of Fiscal 2013 and should lead to an improved rate of organic growth starting in Fiscal 2014. The numerous large and prestigious contracts won during the year included ManorCare, HCA East Florida, LA County, Ochsner, University of Arizona Medical Center, Wesley Medical Center and CHI.

- Organic growth in **Education** was 2.1%. Client retention remained high at around 98%, while growth in site revenues was more restrained due to:

    - a decline in the number of meals served in primary schools following implementation of the Healthy and Hunger-Free Kids Act which has changed schoolchildren's eating habits;

    - modest growth in the number of new university students, reflecting demographic trends.

  New contracts won in Fiscal 2013 included Brandeis University, University of Michigan Dearborn, Emerson College and Bayonne School District.

The acquisition in the U.S. of Roth Bros., a technical maintenance and energy management company, contributed 0.4 percentage points of growth.

Operating profit

On-Site Services operating profit in North America totaled 371 million, an increase of nearly 7% over the prior year excluding currency effects. Operating margin was 0.3 points higher at 5.4%.
This solid performance reflected tight control over all operating costs and productivity gains, particularly in the Corporate segment, and resulted from the deployment of new generation operational management tools.

1.2 Continental Europe

Revenues

in million of euros	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	**3,407**	3,346	**+1.2%**			
Health Care and Seniors	**1,404**	1,396	**+0.4%**			
Education	**905**	904	**-0.1%**			
TOTAL	**5,716**	5,646	**+0.8%**	**+0,2%**	**+0,2%**	**+1.2%**

In Continental Europe, revenues totaled 5.7 billion euro, with organic growth of 0.8%. On-Site Services performance in Continental Europe remained mixed, with several countries such as France, the Netherlands, Italy and Germany seeing a marked slowdown in activity. This contrasted with a continued strong dynamic in Russia and Sweden.

In **Corporate**, organic growth was 1.2%, led by the ramp-up of major contracts with groups such as Unilever, Eli Lilly and AstraZeneca as well as Gazprom in the Remote Sites segment in Russia. These contracts more than offset the decline in foodservices volumes that resulted from both client staff cutbacks and reduced spending by consumers, which weighed on revenue growth in several countries. Highlights of the year on the business development front included renewal of the KLM contract in the Netherlands and the signature of new contracts with Air France, the Paris-Saint Germain (PSG) football stadium, Safran and Amundi in France, DNB in Norway, the Belgian Parliament and OMK Vyksa in Russia.

In **Health Care and Seniors,** organic revenue growth was 0.4%. This was partly the result of applying a more selective approach to new business in Southern Europe and it also reflected soft growth in site revenues, due to clients' strict controls over spending. Business wins included Pôle Santé Sud (Le Mans) in France.

Education revenues remained flat compared to the prior year. Growth in comparable site revenue was fairly limited, particularly in Spain and Italy due to pressure on school budgets leading to a reduction in the number of services. Sodexo also pursued a selective approach to new business in this segment, particularly in Southern Europe.

During Fiscal 2013, new contracts were signed with the Toulon schools in France, Satakunta University of Applied Sciences in Finland, and the Täby schools in Sweden.

Operating profit

Operating profit from On-site Services in Continental Europe was 196 million euro, representing a decline of 9.3% compared to the prior year excluding currency effects, which was mainly due to lower foodservices volumes and also to pricing pressure from clients seeking cost reductions, which meant that Sodexo was only able to pass on part of the increase in wages, payroll taxes and food prices. In addition, Sports and Leisure activities in France, which have high fixed costs, were affected by the decline in the number of tourists and unfavorable weather conditions. Tight control of overheads throughout the region nevertheless paid off, particularly in the second half of the fiscal year.

Operating margin narrowed to 3.4%, from 3.8% in Fiscal 2012.

1.3 Rest of the World (Latin America, Middle East, Asia, Africa, Australia and Remote Sites)

Revenues

in million of euros	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	**3,402**	3,302	**+5.7%**			
Health Care and Seniors	**171**	162	**+8%**			
Education	**110**	113	**-1.9%**			
TOTAL	**3,683**	3,577	**+5.5%**	**+0.5%**	**-3%**	**+3%**

With revenues of 3.7 billion euro, the Rest of the World region (combining Latin America, Middle East, Asia, Africa, Australia and Remote Sites) accounted for 21% of the Group's revenues in Fiscal 2013 compared to less than 10% in Fiscal 2005.
Organic growth in the region was 5.5%. This was a slower growth rate than in recent years, due to a certain loss of economic momentum in certain emerging markets and in the mining sector.
In December 2012, Sodexo acquired MacLellan, the leading facilities management services provider in India.

Organic growth in the **Corporate** segment was **5.7%**, reflecting the fast pace of business development in Fiscal 2012, particularly in Colombia and Chile, and good growth in site revenues in India. However, the slowdown in industrial activity and the halting of new mining projects started to have an impact in the latter part of the fiscal year, while the completion of several Remote Sites projects had a modest negative effect.
During the fiscal year:

- major contracts were won with Botica Farmaceutica, Electrolux and Martins in Brazil.
- in China and India, where Sodexo is the undisputed leader, the client portfolio was expanded with the addition of companies such as Sinosteel in China, and Samsung Electronics India, Honeywell Technology Solutions India, Cipla, Nestlé and Honda in India.
- in Remote Sites, companies such as Pacific Rubiales, one of Colombia's leading oil and gas companies, chose Sodexo.

Sodexo's global expertise in the **Health Care and Seniors** segment continued to pay off, notably in Latin America, China and Southeast Asia, as illustrated by the **8%** organic revenue growth and contract wins with establishments such as Wuhan University Renmin Hospital in China, Clinica Universidad de los Andes in Chile, and São Rafael de Salvador Hospital in Brazil.

Operating profit

Operating profit in the Rest of the World region contracted slightly compared to the previous year, to 119 million euro. In many countries operating profit was up sharply but in others, such as Brazil, Sodexo was only able to partially pass on to clients the impact of inflation on operating expenses (food prices, employee costs and indirect taxes).

Operating margin was 3.2% in Fiscal 2013 compared to 3.5% the previous year.

1.4 United Kingdom and Ireland

Revenues

in million of euros	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Corporate	**993**	1 155	**-14%**			
Health Care and Seniors	**274**	254	**+7.1%**			
Education	**130**	134	**-3.6%**			
TOTAL	**1,397**	1,543	**-9.6%**	**+0.7%**	**-0.5%**	**-9.4%**

On-Site Services revenues in the United Kingdom and Ireland totaled 1.4 billion euro, down by nearly 10% compared to the previous year when Sodexo, in partnership with the Mike Burton Group, was a major service provider for the Rugby World Cup and the London Olympics. Revenues from these two events totaled over 207 million euro. Excluding these revenues from the basis of comparison, underlying organic revenue growth in the United Kingdom and Ireland was + 3.4%.

Acquisitions relate to WS Atkins' facilities management business in the United Kingdom, acquired in December 2011.

The ramp-up of facilities management offers for large corporations helped to drive **3.4%** organic revenue growth in the **Corporate** segment (excluding the impact of the Fiscal 2012 sporting events). Contract wins included AstraZeneca, GSK, Augusta Westland and Unilever. The solid performance in facilities management services more than offset lower foodservices volumes.

In the Justice segment, Sodexo was awarded a major contract by Northumberland prison at the end of the fiscal year.

In **Health Care and Seniors,** growth accelerated to 7.1%, reflecting an excellent client retention rate and additions to the services provided to several university hospitals, including North Staffordshire University Hospital and Brighton and Sussex University Hospital.

In the **Education** segment, which accounts for less than 10% of Sodexo's revenues in the United Kingdom and Ireland, revenue contracted slightly compared to Fiscal 2012. Comparable on-site growth in university revenues was modest and the teams continued to apply a selective approach to new business in the State school sector.

Operating profit

On-Site Services **operating profit** in the United Kingdom and Ireland contracted to 67 million euro compared with 80 million euro in the previous year, which included the contribution from major sporting events. As a result, operating margin narrowed to 4.8%, from 5.2% in Fiscal 2012.

2. Benefits and Rewards Services

Issue volume

in million of euros	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Latin America	8,128	7,016	+22%			
Europe and Asia	7,908	7,730	+1.0%			
TOTAL	16,036	14,746	+11%	+2.5%	-4.7%	+8.8%

Benefits and Rewards Services issue volume (face value multiplied by the number of vouchers and cards issued) totaled 16 billion euro in Fiscal 2013. Organic issue volume growth remained in the double digits, at 11%.

In **Latin America** growth accelerated to 22%, driving up issue volume to more than 8 billion euro. This strong gain was attributable to the steady increase in the number of beneficiaries in underpenetrated markets such as Brazil, and to higher voucher face values and to the effects of hyperinflation in Venezuela.

In **Europe and Asia,** organic issue volume growth was driven by the increase in issue volume under the ONEM contract in Belgium and strong business development in Turkey. These advances offset the impact on growth rates in the early part of the fiscal year of the fall in activity in Hungary, where a higher tax advantage is provided to beneficiaries of service vouchers issued by Hungarian companies since January 1, 2012.

Revenues

in million of euros	Fiscal 2013	Fiscal 2012	Organic growth	Acquisitions	Currency effect	Total growth
Latin America	452	418	+15.6%			
Europe and Asia	338	338	-0.6%			
TOTAL	790	756	+8.3%	+1.6%	-5.4%	+4.5%

Benefits and Rewards Services organic **revenue** growth was 8.3%, comparable to Fiscal 2012. The November 2012 acquisition of **Servi-Bonos,** a leading meal voucher and card issuer in Mexico, added 1.6% to reported revenue.

Organic growth remained strong in **Latin America,** at 15.6%. This excellent performance was all the more remarkable in that it was achieved in an environment shaped by declining interest rates and pressure on client commissions in Brazil.

New clients that chose Sodexo in Fiscal 2013 included FEMSA, in several countries in the region, Ciferal Industria de Onibus in Brazil, Instituto Nacional de Vias (INVIAS) in Colombia and Reckitt Benckiser and Deacero SA in Mexico.

In **Europe and Asia,** revenue contracted by 0.6%. Excluding the impact of regulatory changes in Hungary, organic growth would have been 2.1%, reflecting strong business development in France and Turkey.
Recent contract wins included the Lyon Chamber of Commerce and Industry in France and the Diyarbakir city authorities in Turkey.

Operating profit

Benefits and Rewards Services **operating profit** totaled 304 million euro, an increase of 4.8% compared to the previous year. However, unfavorable changes in currency exchange rates against the euro, particularly for the Brazilian real, overshadowed the activity's strong underlying performance.
Excluding the currency effect, operating profit rose by 12.8%, reflecting the leverage provided by volume growth and the cost efficiencies generated by tight management of expense items; which allowed for continued investment in new technologies and marketing.

Benefits and Rewards Services operating margin was 38.5% compared to 38.4% the previous year.

APPENDIX 2

Financial statements for Fiscal 2013

(audited)

Consolidated income statement

in million of euro	Fiscal 2013	Fiscal 2012	Change at current exchange rates	Change at constant exchange rates
Revenues	**18,397**	**18,236**	**+0.9%**	**+1.5%**
Operating profit before exceptional items	**953**	**958**	**-0.5%**	**+1.7%**
Exceptional items [1]	(139)	26		
Operating profit	814	984	-17.3%	-15.2%
Financial income	87	65		
Financial expenses	(223)	(231)		
Share of profit of associates	17	18		
Profit before tax	**695**	**836**	**-16.9%**	**-15%**
Income tax expense	(233)	(286)		
Profit for the period	**462**	**550**	**-16%**	**-14%**
Non-controlling interests	23	25		
GROUP PROFIT FOR THE PERIOD	**439**	**525**	**-16.4%**	**-14.3%**
Earnings per share *(in euro)*	**2.91**	**3.48**	**-16.4%**	**-14.4%**
Dividend per share *(in euro)*	**1.62**[2]	**1.59**		

Exceptional items

in million of euro	Fiscal 2013	Fiscal 2012	Change	
			At current exchange rate	At constant exchange rate
Operating profit before exceptional items	**953**	**958**	**-0.5%**	**+1.7%**
Exceptional costs recorded in connection with the program to improve operational efficiency and reduce costs	(139)			
Accounting adjustment to retirement plan costs	-	26		
TOTAL exceptional items	**(139)**	**26**		
REPORTED OPERATING PROFIT	**814**	984	**-17.3%**	**-15.2%**

[1] *In Fiscal 2013, costs recorded in connection with the program to improve operational efficiency and reduce costs and in Fiscal 2012, a 26 million euro favorable accounting adjustment related to pension plan costs in the United Kingdom.*

[2] *Subject to approval at the Annual Shareholders' meeting on January 21, 2014.*

Segment information: operating profit

Operating profit *in million of euro* Before corporate expenses	**Fiscal 2013**	**Fiscal 2012**	**Change at current exchange rate**	**Change at constant exchange rate**
On-site Services				
North America	**371**	346	**+7.2%**	**+6.6%**
Continental Europe	**196**	215	**-8.8%**	**-9.3%**
Rest of the World	**119**	126	**-5.6%**	**-4.8%**
UK and Ireland	**67**	80	**-16.3%**	**-16.3%**
Total On-site Services	**753**	767	**-1.8%**	**-2.1%**
Benefits and Rewards Services	**304**	290	**+4.8%**	**+12.8%**
Headquarters	**-94**	-83		
Eliminations	**-10**	-16		
Exceptional items	**(139)**	26		
TOTAL	**814**	984	**-17.3%**	**-15.2%**

QUALITY OF LIFE SERVICES

Consolidated balance sheet

ASSETS

(in million of euro)	**August 31, 2013**	August 31, 2012
NON-CURRENT ASSETS		
Property, plant and equipment	**540**	574
Goodwill	**4,803**	5,031
Other intangible assets	**528**	563
Client investments	**288**	296
Associates	**78**	81
Financial assets	**118**	133
Derivative financial instruments	**69**	26
Other non-current assets	**14**	15
Deferred tax assets	**187**	169
Total non-current assets	**6,625**	6,888
CURRENT ASSETS		
Financial assets	**7**	4
Derivative financial instruments	**39**	1
Inventories	**271**	296
Income tax receivable	**119**	96
Trade and other receivable	**3,466**	3,445
Restricted cash and financial assets related to the Benefits and Rewards Services activity	**734**	609
Cash and cash equivalents	**1,347**	1, 451
Total current assets	**5,983**	5,902
TOTAL ASSETS	**12,608**	12,790

EQUITY AND LIABILITIES

(in million of euro)	**August 31, 2013**	August 31, 2012
SHAREHOLDERS' EQUITY		
Capital	**628**	628
Share premium	**1,109**	1,109
Consolidated reserves and retained earnings	**1,216**	1,297
Total Group shareholders' equity	**2,953**	3,034
Non-controlling interests	**37**	35
Total shareholders' equity	**2,990**	3,069
NON-CURRENT LIABILITIES		
Borrowings	**1,895**	2,550
Derivative financial instruments	**1**	2
Employee benefits	**372**	381
Other liabilities	**214**	222
Provisions	**99**	105
Deferred tax liabilities	**153**	161
Total non-current liabilities	**2,734**	3,421
CURRENT LIABILITIES		
Bank overdrafts	**40**	15
Borrowings	**712**	136
Derivative financial instruments	**19**	23
Income tax payable	**109**	130
Provisions	**116**	41
Trade and other payables	**3,347**	3,422
Vouchers payable	**2,541**	2,533
Total current liabilities	**6,884**	6,300
TOTAL LIABILITIES AND EQUITY	**12,608**	12,790

Consolidated statement of cash flow

(in million of euro)	Fiscal 2013	Fiscal 2012
Operating activities		
Operating profit before financing costs	814	984
Non cash items		
Depreciation	271	353
Provisions	93	(9)
Losses (gains) on disposals and other, net of tax	(4)	16
Dividends received from associates	16	16
Change in working capital from operating activities	**(129)**	**56**
Change in inventories	6	(7)
Change in client and other accounts receivable	(197)	(87)
Change in suppliers and other liabilities	67	(10)
Change in Service Vouchers and Cards to be reimbursed	151	157
Change in financial assets related to the Benefits and Rewards Services activity	(156)	3
Interest paid	(171)	(160)
Interest received	10	20
Income tax paid	(282)	(258)
Net cash provided by operating activities	**618**	**1 018**
Investing activities		
Acquisitions of tangible and intangible fixed asset investments	(241)	(308)
Fixed asset disposals	12	28
Change in client investments	(7)	(39)
Change in financial assets	19	20
Acquisitions of consolidated subsidiaries	(99)	(586)
Disposals of consolidated subsidiaries	1	3
Net cash used in investing activities	**(315)**	**(882)**
Financing activities		
Dividends paid to parent company shareholders	(240)	(221)
Dividends paid to minority shareholders of consolidated companies	(23)	(26)
Treasury shares	24	(25)
Increase/Decrease in capital	0	1
Acquisitions of non-controlling interests	(12)	(15)
Proceeds from borrowings	44	238
Repayment of borrowings	(66)	(131)
Net cash used in financing activities	**(273)**	**(179)**
CHANGE IN NET CASH AND CASH EQUIVALENTS	**30**	**(43)**
Net effect of exchange rates and other effects on cash	(159)	55
Cash and cash equivalents, as of beginning of period	1,436	1,424
NET CASH AND CASH EQUIVALENTS, AS OF END OF PERIOD	**1,307**	**1,436**

APPENDIX 3
Selection of new clients – Fiscal 2013

On-Site Services

Corporate

Air France, Orly, France
Amundi, Paris, France
Australian Submarine Corporation, Australia
Banco Bradesco S.A., Osasco, Brazil
Boston Consulting Group, Shanghai**,** China
Boeing Company, three sites in South Carolina and Washington, United States
Botica Farmacêutica, two sites in Brazil
Cipla Palliative care and training center, Pune, India
Commercial Aircraft Test Center SH CA, China
DNB, Oslo, Norway
Electrolux, São Carlos, Brazil
Endesa, Madrid, Spain
GlaxoSmithKline, Wavre, Belgium
Harley Davidson Inc., Wisconsin, United States
Hitachi Equipment Manufacturing, Tianjin, China
Honda Motor Cycles and Scooter, Karnataka, India
John Deere, Dewas and Patiala, India
Martins, seven sites in Brazil
Kuwait Ministry of Interior, 23 sites in Kuwait
Nestlé India Ltd., Bangalore, India
Nokia, 140 sites in 55 countries
OMK Vyksa, Nizhny Novgorod, Russia
Belgian parliament, Brussels, Belgium
PWC Sydney, Australia
Safran, Issy-les-Moulineaux, France
Siemens Canada Ltd., 44 sites in Canada
Sinosteel, Wuhan, China
Stockholm County Council, Sweden
The Co-operative Group Ltd., seven sites in the North West of England
Volkswagen, Pune, India

Health Care and Seniors

Brighton & Sussex University Hospital, Brighton, United Kingdom
Clínica Universidad de los Andes, Santiago, Chile
Great Plains Regional Medical Center, three sites in Nebraska, United States
HCA East Florida, nine hospitals in Florida, United States
HCR ManorCare, 290 retirement homes in 32 states, United States
Hospital São Rafael, Salvador, Brazil
LA County, two UCLA Medical Center sites in California, United States
Loyola University Chicago-Stritch School of Medicine, Illinois, United States
Municipality of Gothenburg, Sweden
Ochsner Medical Center, Louisiana, United States
Pôle Santé Sud, Le Mans, France
ProMedica Toledo Children's Hospital, Ohio, United States
Renmin Hospital of Wuhan University, Wuhan, China
The University of Arizona Medical Center, Arizona, United States
Wesley Medical Center, Kansas, United States

Defense

US Air Force, five bases in the United States
US Forces, Zayed military city, United Arab Emirates
Base Aéronavale de Lanvéoc Poulmic, France
Defense Commissary Agency, 12 sites in the United States

Education

Al Mareefa College, Riyadh, Saudi Arabia
Bayonne School District, New Jersey, United States
Brandeis University, Massachusetts, United States
British School of Beijing, Beijing, China
Confederation College, four sites in Ontario, Canada
Emerson College, Massachusetts, United States
Ensemble Scolaire des Recollets, Longwy, France
Hong Kong International School, Hong Kong
Lynn University, Florida, United States
Toulon City Hall, Toulon, France
Täby municipality, 10 sites in Stockholm, Sweden
Shanghai High School, Shanghai, China
SSMS and Birla Institute of Technology and Science, Rajasthan, India
St. Andrews College, Dublin
Sultan Qaboos University, Muscat, Oman
Teaneck School District, New Jersey, United States
Universidad de los Andes, Bogota, Colombia
Satakunta University of Applied Sciences (SAMK), Pori, Rauma and Kankaanpää, Finland
University of Michigan Dearborn, Michigan, United States
York County School District, Virginia, United States

Justice system

HMP Northumberland, United Kingdom

Remote Sites

Campamento Pionero, Antofagasta, Chile
Dakota Landing, North Dakota, United States
Highland Gold, Chukotka, Russia
Hyundai Engineering & Construction Co. Ltd., Khasab, Oman
Pacific Rubiales Energy, Puerto Gaitan, Colombia
Suncor Fort Hills, Fort McMurray, Canada
Total Clov, Angola
Trepang Services – Blaydin Village, Darwin, Australia

Sports and Leisure

Brighton & Hove Albion Football club, Brighton, United Kingdom
Paris Saint-Germain FC, Paris, France

Benefits and Rewards Services

Europe

Aldi, Belgium
Municipalities of Bursa et Diyarbakır, Turkey
Chamber of Commerce and Industry, Lyon, France
Conseil Général de Saône-et-Loire, France
Euronics, Italy
Roche Farma, Spain
Sanofi-Aventis Ilaclari, Istanbul, Turkey

Latin America

Availmed S.A., Guadalajara, Mexico
Ciferal Indústria De Ônibus Ltda., Duque de Caxias, Brazil
Companhia Docas do Estado de São Paulo, Santos, Brazil
Deacero, S.A., Monterrey, Mexico
Etapa - Vigilância e Segurança Ltda., São Luis, Brazil
FEMSA, Mexico, Colombia, Venezuela and Brazil
Fondo Rotatorio De La Policía, Cali, Colombia
Zulia State Government, Venezuela
Instituto Nacional de Vías (INVIAS), Bogota, Colombia
Leviton, Tijuana, Mexico
Municipality of Santa Fe, Brazil
PepsiCo, Brazil
Plastamp, Cabo de Santo Ago, Brazil
Reckitt Benckiser, Mexico City, Mexico
Sharp Electrónica Mexico, Mexico
University of Campinas, Brazil

Asia

Capgemini, Bombay, India
Delhi Metro Rail Corporation Ltd., India
Jia Ding Telecom Bureau, China