Press Release

sodexo
Quality of Daily Life Solutions

Sodexo announces increase in earnings for Fiscal 2010

- **Revenues up 3.9%, including 2.5% organic growth**
- **Operating profit up 9.5% (at constant exchange rates)**
- **Growth in Net income of 4.1%**
- **Strong increase in net cash provided by operating activities to more than 1 billion euros**
- **Increase in proposed dividend of 6.3%, to 1.35 euro per share**
- **Fiscal 2011 outlook: organic revenue growth of 3 to 4%; operating profit increase of 10% (at constant exchange rates)**

Issy-les-Moulineaux, November 10, 2010 - Sodexo (NYSE Euronext Paris FR 0000121220-OTC : SDXAY): At the Board of Directors meeting held on November 8, 2010 and chaired by Pierre Bellon, Sodexo CEO Michel Landel presented the Fiscal 2010 performance.

Fiscal 2010 financial performance

millions of euros	Year ended August 31 **2010**	2009	Change excluding currency impacts	Currency impacts	Total change
Income statement highlights					
Revenues	**15,256**	14,681	+3.7%	+0,2%	+3.9%
Organic growth	***2.5%***	*2.5%*			
Operating profit	**771**	746	+9.5%	-6,1%	+3.4%
Operating margin	***5.1%***	*5.1%*			
Group net income	**409**	393	+5.9%	1.8%	+4.1%
Earnings per share (in euro)	**2.64**	2.54	+3.9%		
Dividend per share (in euro)	**1.35**	1.27	+6.3%		
Financial structure highlights					
Net cash provided by operating activities	**1,006**	577			
	As of August 31, 2010	As of August 31, 2009			
Gearing	**24%**	38%			

Commenting on the results, Sodexo CEO Michel Landel said:

"Sodexo's performance was solid during the past year, exceeding the objectives set at the beginning of the year, in a still uncertain global economy. This performance demonstrates the relevance of our strategy, our novel positioning, our comprehensive services offer tailored to our different client segments and our unique global network in 80 countries and presence in the strong growth zones such as Asia. These results could not have been achieved without the active commitment of our 380,000 employees. Since Sodexo's creation, our people have been at the heart of our business model and today are a powerful source of competitive advantage in which we continue to invest. The seven point increase in our most recent employee engagement survey, in the midst of the economic crisis, is evidence of our progress. The survey, which is totally anonymous and has been conducted every two years since 2006, also showed that 85% of our employees rate Sodexo as a better employer than its competitors. We are encouraged by this progress and it renews our confidence in our ability to accelerate profitable organic growth in the years ahead."

Revenue grows 3.9%

The 3.9% increase in revenues comprises the following:

- **organic growth: +2.5%**
- currency impact: +0.2%
- acquisitions and changes in scope of consolidation: +1.2%

In **On-site Service Solutions**[1]**,** organic growth was 2.3%, including:

- moderate growth of +1.9% in North America, driven mainly by Education, Health Care and Seniors, offsetting the decrease in Corporate;
- an improvement to +1.7% in Continental Europe, resulting from strong business development in certain countries such as France and the Netherlands;
- a decline (-1.7%) in activity in the United Kingdom and Ireland, particularly in Corporate and Sports and Leisure;
- solid growth of +7.5% in the Rest of the World despite the conclusion of some major Remote Sites contracts; the increase resulted in particular from good growth in Latin America and from Sodexo's strong activity in Asia.

This organic growth also results from:

- +2% organic growth in **Corporate**, in particular as a result of satisfactory growth in Justice and Defense;
- +2.6% growth in **Health Care and Seniors**, lower than in the recent past as a result of often slower decision-making by prospective clients.
- A +2.3% increase in **Education** resulting from rising university enrollments but offset by lower spending by students and their families in the present economic environment.

The bulk of the 7.3% organic growth in **Motivation Solutions** stemmed from the excellent performance of Sodexo's Latin America teams. Issue volume rose to 12.5 billion euro, compared with 12.1 billion euro in the prior year.

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[1] As part of the redefinition of Sodexo's strategic positioning, its activities were renamed in 2009 as follows:

- "Food and Facilities Management Services" became "On-site Service Solutions"
- "Service Vouchers and Cards" became "Motivation Solutions."

Sodexo's key performance indicators reflect:

- an improvement in the client retention rate which increased to 94.2% from 93.5% in Fiscal 2009, reflecting, in particular, strong performance in North America;
- modest comparable unit growth of 2% across the Group, but close to zero in continental Europe and in the United Kingdom and Ireland;
- a business development rate (i.e., new contract wins) of 8%, compared to 6% in Fiscal 2009.

Increase in operating profit

Operating profit rose by +3.4% over the prior year to 771 million euro and by +9.5% at constant exchange rates.

This growth in operating profit resulted primarily from improved profitability in On-site Service Solutions as follows:

- in Continental Europe, reflecting in particular the successful integration of Zehnacker[2] in Germany and improved performance in Sweden;
- in the United Kingdom and Ireland; and
- in the Rest of the World (Latin America, Asia and Remote Sites).

The increase also reflects growth in Motivation Solutions.

Operating profit was down slightly in North America as a result of reduced activity in Concierge Services in the present economic environment and a settlement payment of 15 million euro to resolve a dispute.

The newly introduced *Contribution économique territoriale* (CET), replacing the *Taxe professionnelle* or professional tax in France, also contributed 22 million euro to the positive trend in consolidated operating profit.

Exchange rate movements as compared to the previous fiscal year reduced operating profit by 47 million euro (-6.1%) due to currency translation impacts, the most significant of which resulted from the devaluation of the Venezuelan Bolivar Fuerte in January 2010.

The consolidated operating margin was 5.1%, comparable to the prior fiscal year. Excluding currency translation effects, the operating margin would have increased by 0.3 percentage points to 5.4%.

Increase in net income and earnings per share

Group net income was 409 million euro, an increase of 4.1% compared to Fiscal 2009. Growth is higher than the increase in operating profit, a result of overall lower effective tax rates as the Group benefited from tax loss carryforwards in several countries.

Earnings per share was 2.64 euro, a 3.9% increase at current exchange rates.

Dividend

In view of the solid earnings growth, the strong generation of cash during the year and its strong confidence for the future, Sodexo's Board of Directors will propose an increase in the dividend of 6.3% over Fiscal 2009, to 1.35 euro per share at the January 24, 2011 General Shareholders Meeting. This represents a pay-out ratio of 52% on Group net income and a yield of 2.98% based upon a share price of 45.35 euros (as at August 31, 2010).

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[2] Zehnacker, *Facilities Management* specialist and a leader in Health Care in Germany.

A cash generating financial model

Net cash provided by operating activities exceeded 1 billion euro, again demonstrating the quality of Sodexo's financial model, a major asset in the current economic climate. This significant improvement compared to Fiscal 2009 reflects the change in working capital needs. It should be noted that Fiscal 2009 net cash provided by operating activities was lower as a result of the impact of regulatory changes concerning supplier payment terms (in application of the Economic Modernization Law in France, among others). The increase in Fiscal 2010 also stems from the more than 138 million euro increase in vouchers redeemable in the Motivation Solutions activity as a result of solid growth in issue volumes in the last quarter and the success of the Eco Pass offer.

Net cash provided by operating activities enabled:

- net capital expenditures and client investments of 230 million euro (1.5% of revenues);
- acquisitions totaling 22 million euro, which mainly related to the acquisition of a 35% interest in Crèche Attitude in France and the buyout of a handful of minority interests in other Group subsidiaries.

Consequently, as of August 31, 2010, net debt was 656 million euro, compared to 889 million euro at August 31, 2009, representing 24% of Group consolidated equity, compared to 38% at August 31, 2009. Gross debt repayment capacity at August 31, 2010 represented 3.6 years of operating cash flow.

Subsequent events

At the end of January 2009, Sodexo joined the Metrix consortium, named preferred bidder for the British Defence Ministry tender for the design and implementation of the Defence Training Review, a program to meet the British armed forces' training needs for the next 30 years. On October 18, 2010, as part of wider spending cuts, the British Government terminated the procurement of this program in its current form. Since this announcement, Sodexo continues to work with the UK Ministry of Defence at the designated site for this project in Wales and, more broadly, on solutions better adapted to the armed forces' training needs in the medium term. As a result of this announcement, Sodexo recognized an impairment charge of 15 million euro for certain expenses incurred by the Group for which reimbursement is not certain at this stage.

Outlook

At the November 8, 2010 meeting of the Board of Directors, Sodexo CEO Michel Landel presented the outlook for Fiscal 2011.

With revenue growth of 3.9% for Fiscal 2010 and 2.5% organic growth, Michel Landel reminded the Board that, contrary to many major international corporations, Sodexo had continued to grow in the present global economic climate, as a result of:

- its focus on client segments with strong outsourcing potential (Health Care, Seniors, Education, Defense, and Justice);
- its comprehensive service solutions offer;
- its international presence; and
- the motivation and commitment of its teams.

In Fiscal 2010, Sodexo continued the transformation begun last year with the redefinition of its strategic positioning with the dual objectives of differentiation and positioning itself to seize new growth opportunities arising in the coming years. Sodexo is positioned as a strategic partner for its clients, providing them with comprehensive Quality of Daily Life service solutions.

To achieve this transformation, Sodexo has continued to invest in training for its teams and recruiting talent with new expertise.

Fiscal 2011 objectives

Against this still uncertain economic environment, which requires prudence, Sodexo has set the following goals for Fiscal 2011:

- a modest acceleration in organic revenue growth of between 3 and 4%;
- an increase in operating profit of around 10%, at constant exchange rates.

These objectives are based on:

- our growth indicators, in other words, our client retention rate, existing site sales and the development rate,
- continuing dynamism by Sodexo in the countries which will ensure future global growth.

These objectives also take into account the Group's ongoing drive for greater efficiency and productivity, both in the management of its sites and in overhead expenses.

Medium term

Sodexo once again confirms its medium term objectives, which are to achieve annual average revenue growth of 7% and an operating margin of 6%.

With a huge potential market estimated at over 780 billion euro, particularly in the Health Care, Seniors, Education, Justice and Defense segments in which the Group holds leadership positions, Sodexo enjoys major competitive advantages, including:

- a unique mission;
- strong shared values;
- committed teams;
- an integrated service solutions offer combining On-site Services Solutions, Motivation Solutions and Personal and Home Solutions;
- a unique global network, operating in 80 countries that account for over 80% of the world's population and more than 92% of global GDP;
- a financial model that has proven its strength and effectiveness, allowing Sodexo to self-finance its future development;
- and, finally, Sodexo's independence, allowing it to remain focused on a long-term strategy.

Analysts briefing

SODEXO will hold a briefing today at 9:00 a.m. at the Capital 8 Conference Center (32, rue Monceau, Paris 8th) to comment on the Fiscal 2010 results. The briefing also can be followed via webcast on www.sodexo.com

Future financial communications

- First quarter Fiscal 2011 revenues: January 12, 2011
- General shareholders meeting: January 24, 2011
- First half Fiscal 2011 results: April 21, 2011

Quality of Daily Life Solutions

About Sodexo

Sodexo, world leader in Quality of Daily Life Solutions

Quality of Life plays an important role in the progress of individuals and the performance of organizations. Based on this conviction, Sodexo acts as the strategic partner for companies and institutions that place a premium on performance and employee well-being, as it has since Pierre Bellon founded the company in 1966. Sharing the same passion for service, Sodexo's 380,000 employees in 80 countries design, manage and deliver an unrivaled array of On-site Service Solutions and Motivation Solutions. Sodexo has created a new form of service business that contributes to the fulfillment of its employees and the economic, social and environmental development of the communities, regions and countries in which it operates.

Key Figures (as of August 31, 2010)

15.3 billion euro consolidated revenue

380,000 employees

34,000 sites

50 million consumers served daily

80 countries

21st largest employer worldwide

7.5 billion euro market capitalization (as of November 9, 2010)

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.

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Appendix 1
Analysis of activities and geographic zones

On-site Service Solutions

North America

Revenues in North America were 5.9 billion euro, with organic growth of +1.9%.

With a decrease of -1.6%, **Corporate** declined relative to the prior year in the absence of a rebound in hiring by large companies as well as significant reductions in their discretionary spending.

However, the ramping up of comprehensive service solutions with large corporate clients such as P&G, GSK and Campbell Soup lifted Sodexo's activity levels in the second half of the fiscal year. New contract wins during the year included Abbott Pharmaceuticals (Puerto Rico), Henkel of America, Toyota (Georgetown, Kentucky), Google Inc., British Aerospace, Bayer (Ontario, Canada) and Hydro Québec (Quebec, Canada).

Selected by the Vancouver Olympic Games Organizing Committee (VANOC), Sodexo provided foodservices and cleaning services for the two athletes' villages at Whistler and Vancouver (British Columbia). A thousand Sodexo employees contributed to the provision of Quality of Life services on a daily basis for athletes, officials and other staff working at these Winter Olympics and Paralympics, held in February and March 2010.

Organic growth in the **Health Care and Seniors** client segments was +2.9%. The client retention rate remained high and well above the Group's 95% target. Organic growth slowed relative to the recent past, reflecting primarily:

- near zero inflation;
- slower business development resulting from the increasing complexity of comprehensive service solutions offers and lengthier decision-making by clients and prospects in the current economic climate.

The integration of Comfort Keepers (a specialist in non-medical home care for seniors) has broadened Sodexo's comprehensive offering for seniors and contributed to growth with the opening of new franchises.

New contract wins in Fiscal 2010 include Abbott Northwestern Hospital (Minneapolis, Minnesota), Jefferson Regional Medical Center, Cheyenne Regional Medical Center, Bridgewater Retirement Community (Bridgewater, Virginia), Trident Regional Medical Center (Charleston, South Carolina), San Francisco General Hospital Medical Center and the Kisco Senior Living chain of senior living communities.

In **Education,** organic revenue growth was +2.9%, reflecting:

- increased student enrollment at universities and higher student participation in university and school meal programs,
- stringent control of expenses by students and their families,
- a slowing of renovation and construction projects at universities.

Significant contracts won during the year include University of Washington (Seattle, Washington), University of Michigan, Kansas State University, Monroe Community College, Fort Wayne Community School District, Thomas County School District (Thomasville, Georgia) and Spartanburg School District (South Carolina).

Operating profit was 281 million euro, down -5.1% (excluding currency effects) compared to the prior year and reflecting the effects of the following factors:

- A 15 million euro settlement following an investigation by the New York Attorney General regarding the application by foodservices providers of the National School Lunch Program in schools.
- A decline in performance in Concierge Services related to the economic environment and resulting restructuring decisions.

Excluding these two factors, operating profit continued to grow as a result of productivity gains at sites and tight control of overhead costs.

The operating margin was 4.8% compared to 5.2% for the previous fiscal year.

Continental Europe

Revenues in Continental Europe increased by 4.3% to 5.3 billion euro as follows:

- organic growth: +1.7%;
- changes in the scope of consolidation resulting from the recent acquisitions of Zehnacker in Germany and Score in France: +2%;
- currency effects: +0.6%.

Despite the continuing tough economic environment, **Corporate** achieved organic revenue growth of +1.8%, reflecting:

- the contribution in the second half of the year of new contracts to provide comprehensive service solutions such as those for the French Justice Ministry and KPN in the Netherlands;
- sustained new business development wins in Russia and Central Europe such as with the utility vehicle manufacturer Kamaz, the Cirque du Soleil tour, Salym Petroleum and PSA Peugeot Citroën in Russia and Audi in Hungary.

Organic revenue growth in **Health Care and Seniors** was +1.3%, reflecting weak growth on existing sites but also the ramping up of certain contracts, notably in Belgium (e.g., UZ Gent) and Sweden (e.g., Stockholm City Council). However, similar to North America, sales development was hampered by slower decision-making by potential clients.

Business wins during the fiscal year included Universitätsklinikum Schleswig-Holstein Campus Kiel (Kiel, Germany), H. Juan Grande Jerez (Jerez, Spain), A.P.S.P. Civica di Trento (Trento, Italy), Centre Médico-Chirurgical de l'Europe (Port-Marly, France), Polyclinique Saint-François, Groupe Vitalia (Désertines, France), and the Naberezhnye Chelny Hospital in Russia,

Organic growth of +2.4% in **Education** mainly reflects comparable unit growth and prior year contract wins in France, Hungary and Sweden.

New contracts won during the year included the signing of a contract with EDHEC business school in Lille (France), the Sagrate and Cassano d'Adda schools (Italy), the City of Helsingborg (Sweden) and Enka Schools in Istanbul (Turkey).

Operating profit increased by 50 million euro (+27%) over Fiscal 2009, to 233 million euro. The replacement of the French Taxe professionnelle professional tax by the Contribution économique territoriale (CET) contributed 19 million euro to the improvement in operating profit. [3]

Other contributing factors included:

- improved profitability in Sweden, where charges for restructuring, renegotiation and the termination of certain contracts had weighed on the previous year;
- initial benefits from the integration of Zehnacker;
- increased summer activity in Sports and Leisure in France compared to Fiscal 2009; and
- tight control of overhead costs, contributing to improved efficiency across the organization.

Operating margin increased from 3.6% in Fiscal 2009 to 4.4% in Fiscal 2010.

[3] The French *Taxe Professionnelle* was recognized as an expense in operating profit in Fiscal 2009, whereas the CVAE portion of the CET is accounted for as a tax expense. The impact on net profit attributable to the equity holders of the parent is immaterial.

United Kingdom and Ireland

Revenues in the United Kingdom and Ireland were 1.3 billion euro, down -1.7% at constant exchange rates.

Revenues in **Corporate** declined -2.8% over the year as a whole, a result particularly, from:

- steep cuts in discretionary spending impacting events in Sports and Leisure; and
- weak client retention rates in the prior year.

However, the decline was limited by the start-up in the second half of the year of new comprehensive service solutions contracts with clients such as GSK.

In Justice, Sodexo provided innovative solutions to the HM Prison Service in the UK and obtained extensions on its contracts at the Bronzefield and Forrest Bank sites.

The London Organising Committee of the Olympic Games and the Paralympic Games (LOCOG) has signed an exclusive Hospitality Services Agreement with Prestige Ticketing Limited, a company owned by Sodexo in partnership with Mike Burton Group. Prestige Ticketing Limited will design, implement and market the official Prestige Ticketing hospitality packages for the London 2012 Games.

Another prestigious contract signed in partnership with Mike Burton at the end of the year was the hospitality contract for the Rugby World Cup tournaments in the United Kingdom in 2015 and Japan in 2019.

Health Care and Seniors continued to benefit from the ramp-up of Public Private Partnership contracts signed in previous years, such as Manchester Royal Infirmary and North Staffordshire Hospital, and registered +5.2% growth in Fiscal 2010. New business was moderate in a year of electoral uncertainty.

Revenues in **Education** fell by -6.5%, reflecting Sodexo's highly selective approach to sales activity in the state schools sector. A significant development has been the expansion into universities, particularly in the management of accommodation services on the Medway, Sheffield and Lincoln university and college campuses.

Operating profit was 57 million euro, up +9.6% (also up +9.6% at constant exchange rates), as a result of improved site management efficiency across all segments and good control of overhead costs.

The operating margin increased by +0.5% compared to Fiscal 2009, to 4.6%.

Rest of the World

Revenues in the Rest of the World (Latin America, Middle East, Asia and Australia and Remote Sites) were nearly 2.2 billion euro for the year, with +7.5% organic growth.

Growth continued to accelerate in Latin America and Asia over the fiscal year, with particularly strong sales growth in Brazil and Peru, as well as satisfactory growth on existing sites in the Middle East. In Asia, where Sodexo is an undisputed leader, growth also accelerated in the second half of the year. At the same time, the completion of a number of major Remote Sites projects (including Rio Tinto in Madagascar, Goro Nickel in New Caledonia and Oxiana Prominent Hill, Precious Metals, Australia Windamurra and Rio Tinto Alcan Gove in Australia), weighed on aggregate organic growth.

New contracts signed during the year included Petrobras, Votorantim, Pirelli and Hyundai (Brazil), Karazhanbasmunai (Aktau, Kazakhstan), Baytur Abba (Saudi Arabia), Wuhan Heavy Duty Machine Tool Group Corporation and Beijing Friendship Hospital, Beijing University Hospital (China), BBVA Continental in Peru, MNET in South Africa, and the Ministry of Defense in Kuwait.

In India, Sodexo successfully continued to integrate RKHS, now Sodexo India, following its acquisition in April 2009. Major new contracts in this market included Bajaj Auto Ltd and Tata Motors Ltd.

Operating profit in the Rest of the World increased +22.8% (+15.8% at constant exchange rates) to 70 million euro.

This excellent progress stemmed primarily from:

- an offer increasingly adapted to Sodexo clients' performance criteria;
- growth, enabling Sodexo progressively to spread its overhead expenses; and
- continuing stringent application of contractual clauses.

Operating margin increased 0.2% compared to Fiscal 2009, to 3.2%.

Sodexo continues to invest in these countries, which have considerable medium-term potential, with particular emphasis on training and preparing human resources and on introducing management processes for comprehensive services solutions.

Motivation Solutions

Issue volume (face value multiplied by the number of vouchers and cards issued) rose +3.2% (or more than +12.3% at constant exchange rates) to 12.5 billion euro.

Revenues for Motivation Solutions totaled 689 million euro, with +7.3% organic growth. Currency translation adjustments of 74 million euro had a negative -10.4% impact on revenues compared to the prior year, reflecting the combination of the devaluation of the Bolivar Fuerte in Venezuela and a 17% appreciation of the Brazilian Real against the euro during the period. Latin America accounts for around 51% of Sodexo's revenues in this activity.

Organic growth remains very solid in Latin America, particularly in Brazil and Venezuela, as a result of increases in face values and strong new business development.

Organic growth in the Motivation Solutions activity slowed relative to the prior year, especially at the beginning of the fiscal year, as a result of three factors:

- the continuing decline in the number of beneficiaries, particularly in Central Europe;
- the decrease in financial income from the lower interest rate environment;
- pressure on client commissions stemming from strong competition in some countries.

Sales and marketing teams continued to innovate including the successful launch of the Eco Pass in Belgium, a new service solution aimed both at enhancing consumers' purchasing power and promoting the purchase of environmentally responsible products and services.

In addition, the rate of client retention remained excellent, which should lead to accelerating growth in this activity in the medium term.

Business wins during the year included Amadeus (a global contract), Media Markt (Belgium), CNES and Kuhne+Nagel (France), Sberbank (Russia), Global Village Telecom, SAP and CORSAN (Brazil), Microsoft (China), PepsiCo India Holding, CSC and Accenture (India).

Operating profit totaled 215 million euro, a decline of 32 million euro compared to the prior year, with the devaluation of the Boliva Fuerte in Venezuela accounting for 67 million euro of this decline.

Operating profit was up +7.3% at constant exchange rates.

The activity's operating margin was 31.2%. Excluding the impact of the Bolivar Fuerte's devaluation, the margin would have been unchanged from the prior year, at 34.7%, as a result of strong productivity gains and reduced fixed costs, which largely offset the decline in interest rates.

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Appendix 2
Full Year financial statements

Statement of income

(in euro million)	Fiscal 2010	% Revenues	Variation	Fiscal 2009	% Revenues
Revenue	**15,256**	**100%**	**3.9%**	**14,681**	**100%**
Cost of sales	(12,853)	-84.2%		(12,366)	- 84.2%
Gross profit	**2,403**	**15.8%**	**3.8%**	**2,315**	**15.8%**
Sales department costs	(226)	-1.5%		(221)	- 1.5%
General and administrative costs	(1,377)	-9.0%		(1,322)	- 9.0%
Other operating income	12			5	
Other operating expenses	(41)	-0.2%		(31)	- 0.2%
Operating profit before financing costs	**771**	**5.1%**	**3.4%**	**746**	**5.1%**
Financial income	62	0.4%		74	0.5%
Financial expenses	(212)	-1.4%		(194)	- 1.3%
Share of profit of associates	14	0.1%		12	0.1%
Profit before tax	**635**	**4.2%**	**-0.5%**	**638**	**4.3%**
Income tax expense	(205)	-1.3%		(216)	- 1.5%
Net result from discontinued operations					
Profit for the period	**430**	**2.8%**	**1.9%**	**422**	**2.9%**
Minority interests	21	0.1%		29	0.2%
Group profit for the period	**409**	**2.7%**	**4.1%**	**393**	**2.7%**
Earnings per share (€)	2.64			2.54	

Consolidated balance sheet

ASSETS

(in euro million)	**August 31, 2010**	August 31, 2009
Non-current assets		
Property, plant and equipment	**531**	520
Goodwill	**4,634**	4,226
Other intangible assets	**527**	392
Client investments	**228**	186
Associates	**71**	48
Financial assets	**142**	124
Other non-current assets	**14**	11
Deferred tax assets	**162**	93
Total non-current assets	**6,309**	**5,600**
Current assets		
Financial assets	**6**	7
Derivative financial instruments	**6**	4
Inventories	**235**	204
Income tax	**81**	64
Trade receivable	**3,033**	2,728
Restricted cash and financial assets related to the Service Vouchers and Cards activity	**578**	597
Cash and cash equivalents	**1,527**	1,204
Total current assets	**5,466**	4,808
Total assets	**11,775**	10,408

EQUITY AND LIABILITIES

(in euro million)	**August 31, 2010**	August 31, 2009
Shareholders' equity		
Capital	**628**	628
Share premium	**1,109**	1,109
Consolidated reserves	**970**	542
Total Group shareholders' equity	**2,707**	2,279
Minority interests	**37**	37
Total shareholders' equity	**2,739**	2,316
Non-current liabilities		
Borrowings	**2,534**	2,547
Employee benefits	**348**	257
Other liabilities	**243**	106
Provisions	**64**	46
Deferred tax liabilities	**122**	99
Total non-current liabilities	**3,311**	3,055
Current liabilities		
Bank overdraft	**59**	42
Borrowings	**150**	94
Derivative financial instruments	**25**	11
Income tax	**138**	71
Provisions	**61**	53
Trade and other payable	**2,985**	2,689
Vouchers payable	**2,307**	2,077
Total current liabilities	**2,725**	5,036
Total equity and liabilities	**11,775**	10,408

Consolidated statement of cash flow

(in euro million)	Fiscal 2010	Fiscal 2009
Operating activities		
Operating profit before financing costs	771	746
Non cash items		
• Depreciations	240	217
• Provisions	19	(2)
• Losses (gains) on disposals and other, net of tax	9	10
Dividends received from associates	9	6
Change in working capital from operating activities	**257**	**(96)**
• change in inventories	(12)	1
• change in client and other accounts receivable	(177)	9
• change in suppliers and other liabilities	201	(73)
• change in Service Vouchers and Cards to be reimbursed	233	95
• change in financial assets related to the Service Vouchers and Cards activity	12	(128)
Interest paid	(141)	(147)
Interest received	28	37
Income tax paid	(186)	(194)
Net cash provided by operating activities	**1,006**	**577**
Investing activities		
• Tangible and intangible fixed assets investments	(236)	(221)
• Fixed assets disposals	26	19
• Change in Client investments	(19)	(21)
• Change in financial investments	(23)	(17)
• Acquisitions of consolidated subsidiaries	(25)	(528)
• Disposals of consolidated subsidiaries	3	2
Net cash used in investing activities	**(274)**	**(766)**
Financing activities		
• Dividends paid to parent company shareholders	(197)	(197)
• Dividends paid to minority shareholders of consolidated companies	(18)	(21)
• Change in treasury shares	(90)	18
• Change in capital	0	41
• Proceeds from borrowings	321	1,614
• Repayment of borrowings	(393)	(1,623)
Net cash provided by (used in) financing activities	**(377)**	**(168)**
INCREASE IN NET CASH AND CASH EQUIVALENTS	**355**	**(357)**
• Net effect of exchange rates on cash	(49)	(44)
• Cash and cash equivalents, as of beginning of period	1,162	1,563
CASH AND CASH EQUIVALENTS, AS OF END OF PERIOD	**1,468**	**1,162**

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Sector analysis: revenue

Revenue (in euro million)	**Fiscal 2010**	Fiscal 2009	**Organic growth** (1)	Exchange rate variation(2)	External Growth	**Variation at current rate**
On-site Service Solutions						
• North America	**5,850**	5,730	**1.9%**	-0.2%	0.3%	**2.1%**
• Continental Europe	**5,289**	5,074	**1.7%**	0.6%	2.0%	**4.3%**
• UK and Ireland	**1,252**	1,285	**-1.7%**	-0.9%	0	**-2.6%**
• Rest of the World	**2,194**	1,900	**7.5%**	5.2%	2.7%	**15.4%**
Total	**14,585**	13,989	**2.3%**	0.8%	1.2%	**4.3%**
Motivation Solutions						
	689	711	**7.3%**	-10.4%	0	-3.1%
Elimination	**-18**	- 19				
Total	**15,256**	14,681	**2.5%**	0.2%	1.2%	**3.9%**

1 Organic growth: revenue growth, at constant scope of consolidation and exchange rates.

2 The main currency impact for the fiscal year was due to the devaluation of the Venezuelan Bolivar in January 2010. Over the period, the Brazilian Real increasing 17% vs the Euro more than offset negative currency impacts affecting the Euro / US dollar exchange rate and the Euro / Pound exchange rate.

It should be noted that, contrary to exporting companies, the revenues and expenses of Sodexo subsidiaries are denominated in the same currency. Consequently, foreign exchange variations do not have an operational risk. The average exchange rate for the USD/euro for Fiscal 2010 was 1.363.

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Sector analysis: operating profit

Operating profit (in euro million) Before corporate expenses	**Fiscal 2010**	Fiscal 2009	Change
On-site Service Solutions			
– North America	**281**	297	**-5.4%**
– Continental Europe	**233**	183	**27.3%**
– UK and Ireland	**57**	52	**9.6%**
– Rest of the World	**70**	57	**22.8%**
Motivation Solutions	**215**	247	-13%
Headquarters	**-67**	- 71	-5.6%
Elimination	**-18**	- 19	-5.3%
TOTAL	**771**	746	**3.4%**

Revenue

On-site Service Solutions by segment

Consolidated Group

(in euro million)	Fiscal 2010	Fiscal 2009	Organic growth
Corporate	7,174	6 833	2.0%
Health Care & Seniors	4,014	3,847	2.6%
Education	3,397	3,309	2.3%
TOTAL	14,585	13,989	2.3%

North America

(in euro million)	Fiscal 2010	Fiscal 2009	Organic growth
Corporate	1,282	1,286	-1.6%
Health Care & Seniors	2,281	2,211	2.9%
Education	2,287	2,233	2.9%
TOTAL	5,850	5,730	1.9%

Continental Europe

(in euro million)	Fiscal 2010	Fiscal 2009	Organic growth
Corporate	3,028	2,893	1.8%
Health Care & Seniors	1,367	1,313	1.3%
Education	894	868	2.4%
TOTAL	5,289	5,074	1.7%

United Kingdom and Ireland

(in euro million)	Fiscal 2010	Fiscal 2009	Organic growth
Corporate	887	921	-2.8%
Health Care & Seniors	246	236	5.2%
Education	119	128	- 6.5%
TOTAL	1,252	1,285	-1.7%

Rest of the World

(in euro million)	Fiscal 2010	Fiscal 2009	Organic growth
Corporate	1,977	1,733	7.7%
Health Care & Seniors	120	87	10.9%
Education	97	80	-0.5%
TOTAL	2,194	1,900	7.5%