Financial report for the first half of Fiscal 2012

STOP HUNGER

sodexo

Quality of Daily Life Solutions

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Activity report for the first half of Fiscal 2012

At the Board of Directors meeting on April 17, 2012, chaired by Pierre Bellon, Chief Executive Officer Michel Landel presented the Group's performance for the first half of Fiscal 2012 which ended on February 29, 2012.

1. Key Figures

In millions of euro	First half Fiscal 2012	First half Fiscal 2011	Change excluding currency impacts	Currency impacts	Change in scope	Organic growth	Total change
Revenues	**9,069**	8,269	+ 10.3%	- 0.6%	3.9%	+ 6.4%	+ 9.7%
Operating profit	**559**	488	+ 16%	- 1.5%			+ 14.5%
Group net income	**297**	252	+ 19.4%	- 1.5%			+ 17.9%
Net cash provided by operating activities	**315**	284					
Net borrowing cost	**38%**	26%					

1.1. Revenue growth

Consolidated revenues for the first half of Fiscal 2012 amounted to 9.1 billion euro. The total increase was 9.7%, including solid organic growth of 6.4%, a 3.9% increase related to acquisitions and a negative currency impact of 0.6%.

At 6.2%, organic growth in **On-site Service Solutions** accelerated versus the prior year, a result in particular of the Rugby World Cup hospitality contract as well as the excellent pace of activity in the Rest of the World (Latin America, Asia, Australia and Remote Sites).

For the first time in three years, **Motivation Solutions** recorded double-digit organic growth (**+11.5%**). This excellent performance mainly comes from Latin America, but also reflects new growth in Europe and Asia.

Acquisitions

During the first half of Fiscal 2012, revenues increased by 3.9% from the three main acquisitions made at the beginning of the fiscal year.

- On September 6, 2011 Sodexo acquired **Puras do Brasil** and became the leader in On-site Service Solutions in Brazil, one of the world's most dynamic economies offering Sodexo considerable growth potential.
- On September 22, 2011 the Group acquired **Lenôtre** in France. Lenôtre's recognized brand and *savoir faire* as well as its strong reputation, with its three-star restaurant and its eleven *Meilleurs Ouvriers de France* (a prestigious award for culinary masters) will allow Sodexo to reinforce its gastronomic expertise.
- On November 30, 2011, Sodexo acquired U.S.-based **Roth Bros**, which designs, manages and delivers technical Facilities management services (HVAC, energy management, facilities automation and control, and fluid and energy maintenance services).

Integration of these acquisitions is proceeding successfully and in line with the Group's expectations.

Currency impact evolution

The 9.7% total revenue growth includes currency effects of -0.6%. This negative impact resulted in particular from the unfavorable change in the Brazilian real compared to the euro.

Unlike exporting companies, Sodexo's subsidiaries' revenues and operating expenses are incurred in the same currency; therefore, changes in currency exchange rates do not lead to operational risks.

1.2. Increase in operating profit

Operating profit was 559 million euro, a 14.5% increase at current exchange rates, or 16% excluding currency impacts.

It should be noted that operating profit for the first half of the year benefited from a favorable 26 million euro accounting adjustment related to the cost of retirement plans in the United Kingdom. The Group elected to replace the Retail Price Index (RPI) with the Consumer Price Index (CPI), as permitted by new regulations, for the calculation of pension obligations to certain beneficiaries of its retirement plan.

Excluding this favorable accounting adjustment, the Group's operating profit increased by 9.2%, or 10.7% at constant exchange rates and its consolidated operating margin was 5.9%, a level similar to that achieved for the same period in the prior year.

This performance reflects:

- a slight increase in On-site Service Solutions in the context of high food price inflation in certain countries;
- very good performance in Motivation Solutions (+24.2% at constant rates) as a result of increased volumes and a number of favorable non-recurring items.

1.3 Increase in Group net income

Group net income was 297 million euro, a 17.9% total increase, or 19.4% excluding currency effects. Excluding the favorable accounting adjustment related to the cost of retirement plans in the United Kingdom, Group net income increased by 10.1% (11.7% excluding currency exchange effects) and includes an 8 million euro increase in net financial expenses compared to the first half of Fiscal 2011, which resulted from financing costs for the recent acquisitions.

1.4. Net cash provided by operating activities and net borrowing rate

Net cash from operating activities was 315 million euro, compared to 284 million euro during the first half of the previous fiscal year, an increase in line with the growth in operating profit.

On February 29, 2012, net borrowing as a percentage of equity was only 38%. The Group's financial ratios are thus very strong.

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2. Growth in Revenues and Operating Profit by activity

Revenues by activity

(in millions of euro)	First Half Fiscal 2012	First Half Fiscal 2011	Change at current exchange rates	Change at constant exchange rates [1]
On-site Service Solutions				
North America	**3,420**	3,256	+ 5.0%	+ 5.3%
Continental Europe	**2,892**	2,808	+ 3%	+ 3.2%
UK and Ireland	**680**	613	+ 10.9%	+ 10.4%
Rest of the World	**1,708**	1,249	+ 36.7%	+ 38.7%
Total	**8,700**	**7,926**	**+ 9.8%**	**+ 10.3%**
Motivation Solutions	**377**	351	+ 7.4%	+ 11.5%
Elimination of intra-group revenues	**(8)**	(8)		
Total	**9,069**	**8,269**	**+ 9.7%**	**+ 10.3%**

During first half of Fiscal 2012, activities located outside of the euro zone represented 70.6% of revenues (36.7% of which was in U.S. dollars and 6.7% in BRL).

Operating profit by activity

(in millions of euro)	First Half Fiscal 2012	First Half Fiscal 2011	Change at current exchange rates	Change at constant exchange rates [1]
On-site Service Solutions				
North America	**226**	207	+ 9.2%	+ 9.2%
Continental Europe	**131**	141	- 7.1%	- 7.1%
UK and Ireland	**56**	21	+ 166.7%	+ 166.7%
Rest of the World	**43**	38	+ 13.2%	+ 13.2%
Total	**456**	**407**	+ 12%	**+ 12%**
Motivation Solutions	**147**	124	+ 18.5%	+ 24.2%
Corporate expenses	**(36)**	(35)		
ELIMINATIONS	**(8)**	(8)		
Total	**559**	**488**	**+ 14.5%**	**+ 16%**

[1] The change at constant exchange rates is determined by applying the average exchange rates for the first half of the previous year to the figures for the first half of the current year.

2.1. On-site Service Solutions

Revenues for On-site Service Solutions were 8.7 billion euro, a 9.8% increase from the prior year. Organic growth was 6.2%, accelerating from the 4.8% organic growth achieved during the first half of Fiscal 2011.

Organic growth in revenues by client segment evolved as follows:

- **+ 8.9%** for **Corporate** (compared to 6.5% for the first half of Fiscal 2011). This good growth includes:
  - the contribution of the hospitality contract from the Rugby World Cup in September and October 2011 in New Zealand;
  - excellent growth in Latin America, Asia, Australia and in Remote Sites, with close to 20% organic growth.
- **+ 3.3%** in **Health Care and Seniors**, reflecting expanded services with several existing clients in North America.
- **+ 4.1%** in **Education**, notably arising from the ramp up of new public school contracts signed over the last 12 months (Detroit, Lewisville, etc.).

Of particular note was the growth in facilities management services, which was three times that for Foodservices, further confirming the relevance of the Group's strategy and positioning.

Operating profit for On-site Service Solutions increased by 49 million euro to 456 million euro, with an operating margin of 5.2%. Excluding the favorable accounting adjustment related to the retirement plan costs in the United Kingdom, operating profit was 430 million euro, with an operating margin of 4.9%.

Analysis by geographic region

North America

Revenues in North America reached 3.4 billion euro, a 5% total increase with 4.8% organic growth. Impacts from changes in consolidation scope contributed 0.6% to growth following the acquisition at the end of November 2011 of Roth Bros, specialized in technical facilities management services.

Organic growth for **Corporate increased to** 5.5%, mainly resulting from growth in integrated services for large clients such as GlaxoSmithKline (GSK) as well as good growth in Remote Sites in Canada.

Sodexo won several contracts over the course of the first half of the year including the Federal Aviation Administration (Washington, D.C.), Circuit of the Americas (Texas) and the National Zoological Park (Washington D.C.).

In **Health Care and Seniors**, organic growth was **3.7%**, reflecting the excellent client retention rate achieved in Fiscal 2011 and numerous expansions of services to existing clients, confirming the relevance of Sodexo's offerings in this segment.

Recently won new contracts include Cardinal Glennon Children's Medical Center (Missouri), Chilton Hospital (New Jersey), Huntington Medical Hospital (Indiana) and Rapides Regional Medical Center (Louisiana).

In **Education**, organic growth in revenues was **5.3%.** This growth reflects the positive impact from the facilities management contracts won during the prior fiscal year (notably in Detroit and Lewisville), as well as increased patronage in university meal plans. Among the new contracts signed is Mount Ida College (Massachusetts).

Operating profit was 226 million euro, a 9.2% increase excluding currency effects. This performance resulted from strict control of all operating expenses against a backdrop of high food inflation, notably for dairy products. The operating margin thus reached 6.6%, a 0.2% improvement compared to the first half of Fiscal 2011.

In Continental Europe

In Continental Europe, revenues reached 2.9 billion euro, with 2% organic growth. This growth took place in a difficult economic environment.

Lenôtre has been integrated since September 22, 2011 and contributed 1.5% to growth.

In **Corporate**, the **2.5%** organic growth is mainly due to the contribution from new contracts won with large groups in several countries, such as:

- Alcatel (involving technical maintenance services in entities located in France, Poland, Hungary, Germany, Russia and Spain).
- Unilever: this contract covers a large range of facilities management services on approximately 70 Unilever sites located in 15 European countries and will generate over 90 million euro in annual revenue.

In **Health Care and Seniors**, organic growth in revenues was **2.2%**, reflecting better progress on sites, notably in France thanks to an expanded service offering to existing clients. Recent contract wins included Ziekenhuis Gelderse Vallei in the Netherlands and a 20-site contract with SARquavitae in Spain.

In the **Education** segment, revenues remained similar to levels achieved for the first half of Fiscal 2011 **(-0.1 %).** They had been impacted at the beginning of the fiscal year by the termination of the Nice schools contract, which returned to self-operation by the city.

Operating profit of 131 million euro decreased by 7.1% excluding currency effects, reflecting the pressure arising from the current economic situation across Europe. The operating margin was 4.5% compared to 5.0% for the first half of Fiscal 2011.

UK and Ireland

Revenues reached 680 million euro, with 8.3% organic growth. This increase mainly resulted from the success of the hospitality contract from the Rugby World Cup in New Zealand in September and October 2011, with revenues of approximately 52 million euro.

Thanks to the good performance on this hospitality contract, organic growth in **Corporate** reached **11.9%.** Elsewhere, a decrease in the number of consumers in foodservices was offset by growing demand for facilities management services by corporate clients, such as GSK and British Aerospace. Expanded service offerings in Justice also contributed to growth. Among the commercial successes in the first half of the year were the award of South Oxfordshire and Vale District Council and of White Horse District Council.

In **Health Care and Seniors**, revenues remained flat mainly as a result of weak business development over recent months. Organic growth in revenues of **0.1%** in **Education** reflects continued significant commercial selectivity.

Operating profit was 56 million euro compared to 21 million euro for the first half of the prior fiscal year. As previously mentioned this includes a favorable accounting adjustment resulting from the change in index used for calculating the retirement obligations for certain members of one of Sodexo's retirement plans. The increase in operating profit also reflects on-site productivity gains and the contribution of the Rugby World Cup hospitality contract and certain costs incurred in connection with preparing for the Olympic Games in London next July.

Excluding the favorable adjustment from retirement plans, the operating margin was 4.4% compared to 3.4% during the same period in the prior year.

Rest of the World

In the Rest of the World (Latin America, Africa, Asia, Middle East, Australia and Remote Sites), Sodexo reaffirmed its position as leader in emerging and high-potential countries. Revenues totaled 1.7 billion euro for the first half of the year, with excellent organic growth of 18.4%.

The integration of Puras in Brazil, which contributed 20.5% to revenue growth is proceeding in a satisfactory manner in line with the Group's expectations.

In **Corporate**, the 18.8% organic growth was driven by increased business in Latin America, in Remote Sites (particularly in Australia) and in Asia. Activities in Brazil, China and India were particularly buoyant.

The Group won several prestigious contracts, such as Bosch Rexroth Changzhou (China), Hotel Mazagan, El Jadida (Morocco), Reckitt Benckiser (Sao Paulo, Brazil), Siemens (Colombia), and Samsung (United Arab Emirates).

Sodexo's global expertise in the **Health Care and Seniors** and **Education** segments was also demonstrated by the good organic growth of **12.6% in Health Care and Seniors** and **16.2% in Education.**

Among new contract signings were the contract with the renowned Jakarta International School, the largest international private school in Indonesia, as well as the Shanghai Hanghua school in China.

Operating profit increased 13.2%, excluding currency effects, to 43 million euro. The operating margin was 2.5% (compared to 3% at the end of the first half of Fiscal 2011) after taking into consideration the impact from the initial integration efforts following the acquisition of Puras in Brazil as well as temporary logistics surcharges on certain remote site contracts.

3.2. Motivation Solutions

Issue volume for the Motivation Solutions activity was 7.5 billion euro, a **7.9%** increase. Of this increase, 11.4% was organic growth and 3.5% resulted from negative currency effects (in particular from the depreciation of the Brazilian real against the euro).

Issue volume in Latin America reached 3.4 billion euro and organic growth remained high at 17.3%, thanks to continued growth in the number of beneficiaries and face value.

In Europe and Asia, issue volume was 4.1 billion euro and organic growth accelerated to reach 6.7%, due in particular to the large success of the Service Employee vouchers in Belgium.

Revenues totaled 377 million euro for the first half of Fiscal 2012. Total growth was 7.4%, with 11.5% organic growth and 4% negative currency effects.

Revenues in **Latin America** amounted to 203 million euro and represented approximately 54% of total revenues for the activity during the period. Organic growth of 18.8% resulted from strong growth in Brazil and Venezuela.

Revenues for **Europe and Asia** were 174 million euro and organic growth was 3.8%, an improvement compared to last year, as a result of more stable performance in Central Europe and several recent commercial wins in France.

Among new clients were BASF (Brazil), Reserve Bank of India, Office of the National Civil Aviation and Airports (Tunisia), Skanska (Poland), and Sekerbank Grubu (Turkey).

Operating profit totaled 147 million euro, an 18.5% increase compared to the first half of Fiscal 2011. Excluding currency effects, operating profit rose by 24.2%. This increase resulted from issue volume growth as well as strict control of operating expenses, but also includes several one-time favorable items such as the positive outcome of a final ruling on a lawsuit. The operating margin for the first half of the year was 39%, compared to 35.3% for the first half of the prior fiscal year. Medium-term investments in marketing and innovation are expected to be made in the second part of this fiscal year.

3. Main changes in other income statement line items

3.1. Net financial expense

Net financial expense was 91 million euro, compared to 83 million euro in the first half of the previous fiscal year. This 8 million euro change in net financing costs compared to the first half of fiscal 2011 mainly resulted from financial debt incurred in connection with the acquisitions made at the beginning of the fiscal year.

3.2. Income tax expense

Income tax expense for the first half of Fiscal 2012 was 166 million euro. The effective tax rate of 35.6% was comparable to the 35.4% rate for the prior fiscal year.

4. The Group's financial position

4.1. Change in cash flow

The following table presents the components of cash flows.

	Half year ended	
In millions of euro	**February 29, 2012**	February 28, 2011
Net cash provided by operating activities	**315**	284
Net cash used in investing activities	**(704)**	(131)
Net cash used in financing activities	**38**	(508)
Cash flow	**(351)**	(355)

Net cash from operating activities totaled 315 million euro, an increase in line with the growth in operating profit.

Investments made during the first half of Fiscal 2012 include:

- 143 million euro in net capital expenditures and client investments, or 1.6% of revenues; and
- acquisitions of Puras in Brazil, Lenôtre in France, and Roth Bros. in the United States, for 576 million euro.

Considering these different factors, net debt as of February 29, 2012 increased by 711 million euro compared to August 31, 2011. However, net borrowings represent only 38% of shareholders' equity as of the end of the first half and the Group's financial ratios have remained very solid.

4.2. Group summary balance sheet as of February 29, 2012

(in millions of euro)	February 29, 2012	August 31, 2011		February 29, 2012	August 31, 2011
Non-current assets	**6,798**	5,862	Shareholders' equity	**2,840**	2,535
Current assets excluding cash and cash equivalents	**4,242**	3,477	Non-controlling interests	**34**	30
Motivation Solutions financial assets	**577**	622	Non-current liabilities	**3,458**	2,946
Cash and cash equivalents	**1,210**	1,448	Current liabilities	**6,495**	5,898
Total assets	**12,827**	**11,409**	**Total liabilities**	**12,827**	**11,409**
			Net debt	**1,087**	376
			Net borrowing ratio	**38%**	15%

As of the February 29, 2012 close, favorable effects from currency exchange rates (mainly the U.S. dollar and the pound sterling against the euro), impacted all of the balance sheet items compared to August 31, 2011.

As of February 29, 2012, **financial debt was 2,783 million euro.** This debt primarily consists of two euro bonds for 1,380 million euro and two private placements with U.S. investors for a total amount of 1,100 million U.S. dollars. Financing through various bank loans and leases and financial derivatives constitute the balance of the debt.

Following the acquisitions made during the first half of this fiscal year, net debt was 1,087 million euro as of February 29, 2012, and represented 38% of Group's Shareholders' equity (versus 40% on a pro forma basis as of August 31, 2011, including the impact from acquisitions made at the beginning of Fiscal 2012: Puras, Lenôtre, and Roth Bros.).

At the end of the first half of Fiscal 2012, the Group had 865 million euro in unused bank credit lines.

During the prior fiscal year Sodexo refinanced the financial debt that would have matured in April 2012 and extended the maturity of its loans. The **average interest rate on financial debt was 5.9%** as of February 29, 2012.

Cash and cash equivalents net of bank overdrafts amounted to 1,119 million euro as of February 29, 2012. Investments of cash in Motivation Solutions in instruments of more than three months totaled 227 million euro and Motivation Solutions' restricted cash was 350 million euro.

The Group's operating cash (which also includes investments and Motivation Solutions restricted cash) amounted to 1,696 million euro, with 1,598 million euro for the Motivation Solutions activity.

5. Corporate Governance

Following the shareholders' vote during the General Shareholders' Meeting on January 23, 2012, **Françoise Brougher** joined Sodexo's Board of Directors for a term of three fiscal years.

Career

Françoise Brougher began her career in 1989 in a production unit at L'Oréal in Japan. After receiving her MBA in 1994, she joined the strategic consulting firm Booz Allen and Hamilton, sharing her time between Europe and the United States. In 1998, she managed the company Ocean Gem Pearl Corporation in San Francisco, a Tahitian black pearl importer, for two years. From 2000 to 2005, she became Vice-Chairman of Strategy for the company Charles Schwab Corporation, based in California. In March 2005, she joined Google where, from 2005 to 2010, she managed strategy and operations activities. Since 2009, she has been in charge of global sales and marketing operations for the small to medium sized business segment.

As of February 29, 2012, the Board of Directors has thirteen members, five of which are women, or more than 38% of the directors, demonstrating the Group's commitment to having a significant level of representation of women on the Board of Directors.

6. Human resources

On December 12, 2011, Sodexo signed an international agreement with the IUF (**International Union of Food workers**) that confirms the Group's commitments in terms of respecting fundamental labor rights, and more particularly, collective association and negotiation rights. This agreement, unique in the Group's business sector, defines a framework of regular relationships with the IUF and Sodexo's employee representatives. It illustrates, in concrete terms, Sodexo's attachment to respecting union rights and its employees' expressiveness, a vital factor for dialog, internal cohesion and progress. This agreement does not replace either national negotiations or pre-existing agreements.

7. Distinctions

In March 2012, Sodexo was again included among FORTUNE magazine's **"Most Admired Companies",** ranking fourth in its business sector, "Diversified Outsourcing Services." The ranking is based on surveys of 4,000 executives and analysts who assess 700 of the world's largest companies in 32 countries across nine criteria, including financial strength and corporate social responsibility. Sodexo ranked 10th of the 28 companies evaluated based in France.

In the United States, also in March 2012, Sodexo's initiatives to promote the advancement of women throughout the organization were recognized with the prestigious **Catalyst 2012 for Diversity and Inclusion Award.** The award is based on a rigorous, year-long assessment of several criteria, including management involvement, employee commitment, innovation, business relevance, communications and quantifiable results. The Catalyst recognition marks a significant step in Sodexo's efforts to foster employee diversity and integration in North America.

For the fifth consecutive year Sodexo was included in the **Sustainable Asset Management (SAM) "Sustainability Yearbook 2012"** in recognition of its economic, social and environmental responsibility commitments. Sodexo was distinguished **as "SAM 2012 Gold Class"** and **"SAM 2012 Sector Leader",** signifying the highest ranking in its industry sector. SAM's in-depth evaluation assesses companies across several criteria, including brand management, corporate governance, risk and crisis management, environmental policy, employee development and well-being, shareholder commitment, corporate responsibility toward local communities, supplier relationships and employee attraction and retention.

8. Related party transactions

The primary related party transactions are summarized in note 6.5.9 of the notes to the financial statements.

9. Key risks and uncertainties for the second half of Fiscal 2012

The key risks and uncertainties which the Group may face in the remaining six months of the Fiscal year have not changed significantly from those identified in the "Risk Factors" section of the Fiscal 2011 Reference Document filed with the AMF on November 9, 2011.

10. Fiscal 2012 Outlook

At the April 17, 2012 Board of Directors' meeting, Chief Executive Officer Michel Landel reminded the Board of the progress made on performance indicators in four main areas (Development, Management, Human resources, and Sustainable development). He then presented the outlook for the remainder of Fiscal 2012.

He emphasized that significant prudence was still required in a macro-economic climate that remains uncertain and which is still marked by inflationary pressures on food costs. Under these difficult conditions, Sodexo teams continue to seek productivity gains and cost savings in response to client requirements.

Michel Landel also reminded board members that significant investments will need to be made during the current fiscal year in connection with the startup of certain large international contracts as well as for the integration of Puras in Brazil, Lenôtre in France and Roth Bros. in the United States. These investments will weigh slightly on the Group's short term operating profitability.

On the strength of its performance in the first half of the fiscal year and in spite of the tense economic environment, the Group confirms the following objectives for the full year Fiscal 2012:

- for **revenues:**
    - **organic growth in revenues of between 6% and 7%,**
    - an additional 4% contribution to consolidated revenues from recent acquisitions,
- **growth in operating profit of around 10%** (excluding currency effects and the favorable impact of the one-time retirement plan adjustment in the United Kingdom)

Lastly, revenues for the second half will include the effect of a 53rd week of activity for the fiscal year (as was the case for Fiscal 2007), as Sodexo operates on a 52/53 week calendar basis, in line with industry practice in North America.

In the medium term, Sodexo confirms its objective of achieving annual average consolidated revenue growth of 7% and a consolidated operating margin of 6.3% for the end of Fiscal 2015.

Lastly, Chief Executive Officer Michel Landel concluded by noting Sodexo's considerable strengths:

- its independence;
- a global footprint encompassing 80 countries including uncontested leadership in each of the BRIC countries (Brazil, Russia, India and China) which represent markets with high economic growth;
- a well-diversified portfolio of clients (Corporate, Sports and Leisure, Health Care, Seniors, Education, Defense and Justice);
- an ever broader integrated offer for Quality of Life services, which allows it to help its clients improve their performance;
- a strong culture and values shared by all of the teams;
- a rich and diverse pool of talent; and
- excellent financial stability.

These strengths allow Sodexo to view its future with confidence and to maintain its investments, notably in human resources development and the reinforcement of its competencies.

In concluding, Michel Landel added: "I would like to thank our clients for their loyalty, our shareholders for their confidence and the Group's 410,000 employees for their efforts during the half year. They are the people who are ultimately responsible for the quality of our services aimed at improving the Quality of Life of our clients and consumers.

Interim condensed consolidated financial statements

February 29, 2012

1. Consolidated income statement

(in millions of euro)	Notes	**First half Fiscal 2012**	First half Fiscal 2011
Revenues	6.3	**9,069**	**8,269**
Cost of sales	6.5.5	(7,642)	(6,978)
Gross profit		**1,427**	**1,291**
Sales department costs	6.5.5	(129)	(120)
General and administrative costs	6.5.5	(732)	(674)
Other operating income		10	3
Other operating expenses	6.5.5	(17)	(12)
Operating profit	6.3	**559**	**488**
Financial income	6.5.6	33	28
Financial expenses	6.5.6	(124)	(111)
Share of profit of associates consolidated by the equity method		7	6
Profit before tax		**475**	**411**
Income tax expense	6.2.3	(166)	(150)
Profit for the period		**309**	**261**
Attributable to:			
Non-controlling interests		12	9
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**297**	**252**
Basic earnings per share *(in euro)*	6.5.7	**1.97**	**1.64**
Diluted earnings per share *(in euro)*	6.5.7	**1.96**	**1.63**

These interim condensed consolidated financial statements should be read in conjunction with the accompanying notes.

2. Consolidated statement of comprehensive income

(in millions of euro)	**First half 2012**	First half 2011
Profit for the period	**309**	**261**
Items of comprehensive income that may be reclassified subsequently to profit and loss		
Change in the fair value of available-for-sale financial assets		
Change in the fair value of available-for-sale financial assets reclassified to profit and loss		
Change in the fair value of hedging derivatives	(10)	
Change in the fair value of hedging derivatives reclassified to profit and loss	10	14
Currency translation differences	192	(191)
Income tax relating to items that may be reclassified		(5)
Share of other comprehensive income of associates consolidated by the equity method, net of tax	(6)	7
Items of comprehensive income that will not be subsequently reclassified to profit and loss		
Actuarial gain on defined benefit pension plans and other		5
Tax on other comprehensive income that will not be subsequently reclassified to profit and loss		(2)
Total other comprehensive income, net of tax	**186**	**(172)**
Total comprehensive income	**495**	**89**
Attributable to:		
Equity holders of the parent	481	82
Non-controlling interests	14	7

These interim condensed consolidated financial statements should be read in conjunction with the accompanying notes.

3. Consolidated balance sheet

(in millions of euro)	Notes	**February 29, 2012**	August 31, 2011
Non-current assets			
Property, plant and equipment		570	513
Goodwill	6.5.1	4,942	4,283
Other intangible assets		647	492
Client investments		251	222
Investment in associates consolidated by the equity method		76	70
Non-current financial assets		122	115
Other non-current assets		15	14
Deferred tax assets		175	153
TOTAL NON-CURRENT ASSETS		**6,798**	**5,862**
Current assets			
Current financial assets		6	9
Derivative financial instruments		1	2
Inventories		283	252
Income tax receivable		124	72
Trade and other receivables		3,828	3,142
Restricted cash and financial assets related to the Motivation Solutions activity		577	622
Cash and cash equivalents	6.5.2	1,210	1,448
TOTAL CURRENT ASSETS		**6,029**	**5,547**
TOTAL ASSETS		**12,827**	**11,409**

Shareholders' equity			
Common stock		628	628
Additional paid-in capital		1,109	1,109
Reserves and retained earnings		1,103	798
Equity attributable to equity holders of the parent		**2,840**	**2,535**
Equity attributable to non-controlling interests		**34**	**30**
TOTAL SHAREHOLDERS' EQUITY		**2,874**	**2,565**
Non-current liabilities			
Borrowings and financial liabilities	6.5.3	2,622	2,262
Derivative financial instruments		3	1
Employee benefits	6.5.4	279	281
Other non-current liabilities		221	190
Provisions		79	62
Deferred tax liabilities		254	150
TOTAL NON-CURRENT LIABILITIES		**3,458**	**2,946**
Current liabilities			
Bank overdrafts		91	23
Borrowings and financial liabilities	6.5.3	139	152
Derivative financial instruments		20	10
Income tax payable		130	120
Provisions		51	47
Trade and other payables		3,426	3,125
Vouchers payable		2,638	2,421
TOTAL CURRENT LIABILITIES		**6,495**	**5,898**
TOTAL LIABILITIES AND EQUITY		**12,827**	**11,409**

These interim condensed consolidated financial statements should be read in conjunction with the accompanying notes.

4. Consolidated cash flow statement

(in millions of euro)	**Notes**	**First half Fiscal 2012**	First half Fiscal 2011
Operating activities			
Operating profit of consolidated companies		**559**	**488**
Elimination of non-cash and non-operating items			
Depreciation and amortization		139	117
Provisions		(2)	(10)
Losses/gains on disposals (net of tax) and other		8	9
Dividends received from associates		6	5
Change in working capital from operating activities		**(178)**	**(130)**
• Change in inventories		1	(15)
• Change in accounts receivable		(501)	(616)
• Change in trade and other payables		76	244
• Change in vouchers payable		197	241
• Change in financial assets related to the Motivation Solutions activity		49	16
Interest paid		**(101)**	**(89)**
Interest received		**11**	**8**
Income taxes paid		**(127)**	**(114)**
NET CASH PROVIDED BY OPERATING ACTIVITIES		**315**	**284**
Investing activities			
Acquisitions of property, plant and equipment and intangible assets		(145)	(116)
Disposals of property, plant and equipment and intangible assets		15	12
Change in client investments		(13)	(14)
Change in financial assets		14	(11)
Acquisitions of subsidiaries	6.4	(576)	(2)
Disposal of subsidiaries		1	0
NET CASH USED IN INVESTING ACTIVITIES		**(704)**	**(131)**
Financing activities			
Dividends paid to parent company shareholders		(221)	(208)
Dividends paid to non-controlling shareholders of consolidated companies		(15)	(12)
Purchases of treasury shares		(5)	
Disposal of treasury shares		40	23
Increase (decrease) in common stock and additional paid-in capital			
Acquisitions of non-controlling interests			(1)
Disposal of non-controlling interests			
Proceeds from borrowings	6.5.3	339	218
Reimbursement of borrowings	6.5.3	(100)	(528)
NET CASH USED IN FINANCING ACTIVITIES		**38**	**(508)**
CHANGE IN NET CASH AND CASH EQUIVALENTS		**(351)**	**(355)**
Net effect of exchange rates and other effects on cash		46	(43)
Net cash and cash equivalents at beginning of period		1,424	1,468
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	6.5.2	**1,119**	**1,070**

These interim condensed consolidated financial statements should be read in conjunction with the accompanying notes.

5. Statement of changes in shareholders' equity

(in millions of euro)	Number of shares	Common stock	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Currency translation differences	Total shareholders' equity		
							Attributable to equity holders of the parent	Attributable to minority interests	TOTAL
Shareholders' equity as of August 31, 2010	**157,132,025**	**628**	**1,109**	**(229)**	**1,326**	**(127)**	**2,707**	**32**	**2,739**
Profit for the period					252		252	9	261
Other items of comprehensive income					19	(189)	(170)	(2)	(172)
Comprehensive income					**271**	**(189)**	**82**	**7**	**89**
Dividends paid					(208)		(208)	(10)	(218)
Capital increase									
Capital reduction									
Treasury shares				26			26		26
Share-based payments (net of tax)					8		8		8
Other changes					1		1		1
Shareholders' equity as of February 28, 2011	**157,132,025**	**628**	**1,109**	**(203)**	**1,398**	**(316)**	**2,616**	**29**	**2,645**

(in millions of euro)	Number of shares	Common stock	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Currency translation differences	Total shareholders' equity		
							Attributable to equity holders of the parent	Attributable to minority interests	TOTAL
Shareholders' equity as of August 31, 2011	**157,132,025**	**628**	**1,109**	**(391)**	**1,626**	**(437)**	**2,535**	**30**	**2,565**
Profit for the period					297		297	12	309
Other items of comprehensive income					(6)	190	184	2	186
Comprehensive income					**291**	**190**	**481**	**14**	**495**
Dividends paid					(221)		(221)	(11)	(232)
Capital increase									
Capital reduction									
Treasury shares				36			36		36
Share-based payments (net of tax)					9		9		9
Other changes								1	1
Shareholders' equity as of February 29, 2012	**157,132,025**	**628**	**1,109**	**(355)**	**1,705**	**(247)**	**2,840**	**34**	**2,874**

As of February 29, 2012, the Group held 5,520,667 Sodexo shares, with a value of 280 million euro, to cover its obligations under stock-option plans awarded to Group employees.

During the period, the Group delivered 40 million euro of Sodexo shares upon exercise of stock options by employees and acquired 5 million euro of Sodexo shares. During the first half of Fiscal 2011, the Group delivered 23 million euro of Sodexo shares upon exercise of stock options by employees.

Dividends paid during the first half of Fiscal 2012, including the effect of treasury shares, totaled 221 million euro, representing a dividend of 1.46 euro per share.

Transactions recognized in other items of comprehensive income (Group share) comprise the following:

(in millions of euro)	Available for sale financial instruments	Cash-flow hedges	Actuarial gains (losses) and other	Currency translation differences	Total of other items of comprehensive income (Group share)
Shareholders' equity as of August 31, 2010	**0**	**(29)**	**(44)**	**(127)**	**(200)**
Increase (decrease) during the period (before tax)		23	5	(189)	(161)
Income tax benefit (expense)		7 (1)	(2)		(9)
Change during the period (net of tax)		16	3	(189)	(170)
Shareholders' equity as of February 28, 2011		**(13)**	**(41)**	**(316)**	**(370)**
Shareholders' equity as of August 31, 2011	**0**	**(19)**	**(18)**	**(437)**	**(474)**
Increase (decrease) during the period (before tax)		(8)		190	182
Income tax benefit (expense)		2 (1)			2
Change during the period (net of tax)		(6)		190	184
Shareholders' equity as of February 29, 2012	**0**	**(25)**	**(18)**	**(247)**	**(290)**

(1) Including 2 million euro of deferred tax relating to hedging instruments recognized in other comprehensive income of associates and presented under the "Share of other comprehensive income of associates consolidated by the equity method" line in the statement of comprehensive income for the first half of Fiscal 2012 (-3 million euro for the first half of Fiscal 2011).

6. Notes to the consolidated financial statements

Sodexo is a *société anonyme* (a form of limited liability company) domiciled in France, with its headquarters located in Issy-les-Moulineaux.

The condensed consolidated interim financial statements of the Group were approved by the Board of Directors on April 17, 2012.

6.1 Significant events

The principal acquisitions made by the Group during the first half of Fiscal 2012 were as follows:

- On September 6, 2011, Sodexo acquired 100% of Puras do Brasil, Brazil's second-largest provider of on-site service solutions, with annual revenues of approximately 500 million euro and a workforce of 22,000 people on 1,300 sites across the country. This acquisition enabled Sodexo to create a leader in Brazil, one of the world's biggest markets, and is consistent with the Group strategy of strengthening its presence in high-potential emerging markets.
- On September 22, 2011, Sodexo completed the acquisition of Lenôtre, after having received the approval of the relevant competition authorities. The acquisition of this French company enables Sodexo to expand its Prestige business portfolio in France and internationally, and to extend its expertise in the luxury gastronomy business, thereby strengthening its customer offering. Lenôtre has revenues of around 100 million euro.
- On November 8, 2011, Sodexo signed an agreement in the United States to acquire Roth Bros., a U.S. company with nationwide presence which specializes in technical maintenance services. Founded in 1923, Roth Bros. designs, manages and installs air-conditioning, automation and control services in buildings, and provides maintenance of fluids and energies. Roth Bros. has annual revenues of approximately 100 million dollars. This acquisition was finalized on November 30, 2011.

6.2 Basis of preparation of the financial statements

6.2.1 General principles

The interim condensed consolidated financial statements of the Sodexo Group as of and for the six months ended February 29, 2012 have been prepared in accordance with IAS 34, *Interim Financial Reporting*. They do not include all of the disclosures required for complete annual financial statements, and should be read in conjunction with the consolidated financial statements of the Sodexo Group for the year ended August 31, 2011, except for certain interim reporting treatments as described below.

Amounts in tables are expressed in millions of euro (unless otherwise indicated).

6.2.2 Standards and interpretations applied

The accounting policies applied by the Group in the interim consolidated financial statements are the same as those used in the consolidated annual financial statements for the year ended August 31, 2011.

The Group has not elected early application of the standards and interpretations not required to be applied in Fiscal 2012. The Group is currently analyzing the practical consequences of these new rules and the effects of their application on the financial statements.

The Group does not apply IFRS standards and interpretations that have not been approved by the European Union as of the balance sheet date.

6.2.3 Specific items relating to preparation of the interim financial statements

Income taxes

In the interim financial statements, the income tax expense (current and deferred) has been computed by applying the average annualized tax rate estimated for the current fiscal year to the period's half-year pre-tax income for each tax reporting entity.

Post-employment and other long-term employee benefits

The charge recognized for post-employment and other long-term employee benefits has been estimated as one-half of the annual charge, as computed on the basis of the information available as of August 31, 2011, with the exception of the United Kingdom, for which the change in the reference rate for the future indexation of pensions was taken into account, as mentioned in Note 6.5.4.

There have been no other significant modifications to the plans during the period.

6.2.4 Use of estimates

The preparation of the condensed consolidated interim financial statements requires the management of Sodexo and its subsidiaries to make estimates and assumptions that may affect the amounts reported for assets, liabilities and contingent liabilities as of the date of preparation of the financial statements, and of revenues and expenses for the period.

These estimates and assumptions are reassessed continuously based on past experience and on various other factors considered reasonable in light of current circumstances, which constitute the basis for assessments of the carrying amount of assets and liabilities.

Actual results may differ substantially from these estimates if assumptions or circumstances change.

Significant items subjected to such estimates and assumptions are the same as those described in the consolidated financial statements for the year ended August 31, 2011 (provisions for litigation and tax risks, derivative financial instruments, post-employment benefit plan assets and liabilities, goodwill and intangible assets, impairment of current and non-current assets, deferred taxes, goodwill, and share-based payments).

6.2.5 Exchange rates

The exchange rates for the main currencies used in the conversion of subsidiary financial statements fluctuated as follows as compared with the prior year:

Currency	**Closing rate as of February 29, 2012**	**Average rate for the first half of Fiscal 2012**	Closing rate as of February 28, 2011	Average rate for the first half of Fiscal 2011
Dollar (USD)	**1.3443**	**1.3484**	1.3834	1.3444
Pound Sterling (GBP)	**0.8439**	**0.8548**	0.8528	0.8541
Real (BRL)	**2.2872**	**2.3827**	2.2932	2.2821

6.3 Segment information

As of February 29, 2012, the Group's activities monitored by the principal operating decision makers were as follows: On-site Service Solutions and Motivation Solutions. On-site Service Solutions is further segmented by significant geographic regions:

- North America;
- Continental Europe;
- United Kingdom and Ireland;
- Rest of the World.

The Group's operating segments are On-site Service Solutions (further segmented by geographic region) and Motivation Solutions.

First half Fiscal 2012 *(in millions of euro)*	**On-site Service Solutions**				**Total**	**Motivation Solutions**	**Corporate expenses**	**Eliminations**	**Total**
	North America	**Conti-nental Europe**	**UK and Ireland**	**Rest of the world**					
Revenues (third-party)	3,420	2,892	680	1,708	8,700	369			9,069
Inter-segment sales (Group)						8		(8)	0
Total	**3,420**	**2,892**	**680**	**1,708**	**8,700**	**377**		**(8)**	**9,069**
Segment operating profit	226	131	56	43	456	147	(36)	(8)	559

First half Fiscal 2011 *(in millions of euro)*	**On-site Service Solutions**				**Total**	**Motivation Solutions**	**Corporate expenses**	**Eliminations**	**Total**
	North America	**Conti-nental Europe**	**UK and Ireland**	**Rest of the world**					
Revenues (third-party)	3,256	2,808	613	1,249	7,926	343			8,269
Inter-segment sales (Group)						8		(8)	0
Total	**3,256**	**2,808**	**613**	**1,249**	**7,926**	**351**		**(8)**	**8,269**
Segment operating profit	207	141	21	38	407	124	(35)	(8)	488

6.4 Business combinations

The main acquisitions during the period are described in Section 6.1 "Significant events".

The amount of assets acquired and liabilities assumed at the acquisition date, measured on an interim basis as of February 29, 2012, is summarized in the following table:

(in millions of euro)	**Amount at fair value**
Intangible assets	163
Property, plant and equipment	42
Other non-current assets	15
Trade receivables (1)	87
Other current assets	29
Cash and cash equivalents	28
Non-current borrowings	(13)
Other non-current liabilities	(30)
Net deferred tax liabilities	(8)
Current borrowings	(50)
Other current liabilities	(113)
Total identifiable net assets	**156**
Goodwill	**(457)**
Consideration transferred (2)	**(613)**
Cash acquired	**28**
Increase (decrease) in acquisition-related liabilities	9
IMPACT ON THE CASH-FLOW STATEMENT	**(576)**

(1) Corresponding to a gross amount of 94 million euro

(2) Including contingent consideration estimated at 6 million euro

The contribution of acquired companies since their integration was 319 million euro in revenue and was not material to profit for the period.

Intangible assets mainly include customer relationships, trademarks and leasehold rights. The amortization life of these intangible assets has been determined by management to range from 3 to 15 years, based on the estimated attrition rate for contracts and the expected life of trademarks, except where the useful life is unlimited. Goodwill is the excess of the acquisition price compared with the aggregate fair value of identifiable net assets.

Goodwill mainly represents the *savoir faire* and competence of employees and the future profitability of the acquired companies.

6.5 Notes to the financial statements as of and for the six months ended February 29, 2012

6.5.1 Goodwill

The increase in goodwill during the period stemmed mainly from currency translation differences in the amount of 201 million euro and the recognition of new goodwill in the amount of 457 million euro mainly resulting from the acquisitions of Puras do Brasil, Lenôtre and Roth Bros. (see Note 6.4).

6.5.2 Cash and cash equivalents

(in millions of euro)	**February 29, 2012**	August 31, 2011
Marketable securities	426	445
Cash	784	1,003
Sub-total: cash and cash equivalents	**1,210**	**1,448**
Bank overdrafts	(91)	(23)
TOTAL	**1,119**	**1,425**

Marketable securities totaled 426 million euro as of February 29, 2012 *(445 million euro as of August 31, 2011)* and comprised the following:

(in millions of euro)	**February 29, 2012**	August 31, 2011
Short-term notes	312	323
Term deposits	88	98
Listed bonds	11	6
Mutual funds and other	15	18
Marketable securities	**426**	**445**

6.5.3 Borrowings

(in millions of euro)	**February 29, 2012**		August 31, 2011	
	Current	**Non-current**	Current	Non-current
Bond issues				
Euro	27	1,384	43	1,385
Bank borrowings				
US dollars[1]	18	817	17	760
Brazilian real	51	24	51	46
Euro[2]	1	332	1	3
Other currencies	2		3	
	72	**1,173**	**72**	**809**
Finance lease obligations				
Euro	7	16	7	18
Other currencies	14	20	12	21
	21	**36**	**19**	**39**
Other borrowings [3]				
Euro	11	25	12	24
Other currencies	8	4	6	5
	19	**29**	**18**	**29**
TOTAL EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**139**	**2,622**	**152**	**2,262**
Net fair value of derivative financial instruments	19	3	**8**	**1**
TOTAL INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**158**	**2,625**	**160**	**2,263**

(1) Including the proceeds from the issuance of two private placements of 500 million dollars and 600 million dollars with US investors. This debt includes financial covenants which were met as of February 29, 2012.

(2) Of this amount, 330 million euro was drawn on the July 2011 confirmed multi-currency line of credit.

(3) Of this amount, 35 million euro related to debt recognized on put options on non-controlling interests in certain subsidiaries (34 million euro as of August 31, 2011).

The Group's borrowings varied as follows during the first half of Fiscal 2012:

(in millions of euro)	**August 31, 2011**	**Increases**	**Reimburse-ments**	**Discounting and other effects**	**Currency translation differences**	**Change in scope of consolidation**	**February 29, 2012**
Bond issues	1,428			(17)			1,411
Bank borrowings	881	335	(87)	1	54	61	1,245
Finance lease obligations	58	7	(10)		1	1	57
Other borrowings	47	3	(4)	1		1	48
TOTAL EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**2,414**	**345**	**(101)**	**(15)**	**55**	**63**	**2,761**
Net fair value of derivative financial instruments	9	1	1	8	3		22
TOTAL INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**2,423**	**346**	**(100)**	**(7)**	**58**	63	**2,783**

As of February 29, 2012, 98% of Group consolidated borrowings was at a fixed rate, and the average interest rate as of that date was 5.9%.

July 2011 multi-currency revolving credit facility

As of February 29, 2012, a total of 330 million euro was outstanding. As of August 31, 2011, no amount was outstanding on this facility, which was fully available.

As of the end of the first half of Fiscal 2012, the Group has unutilized bank lines of credit of 865 million euro.

6.5.4 Long-term employee benefits

(in millions of euro)	**February 29, 2012**	August 31, 2011
Defined-benefit plans	135	154
Other long-term employee benefits	144	127
Employee benefits	**279**	**281**

Pursuant to new regulations that recently came into force in the United Kingdom, the Group elected in October 2011 to use the consumer price index (CPI) as opposed to the retail price index (RPI) as the basis for the future indexation of pensions that Sodexo UK will have to pay to some members of its pension plan. The retroactive effect on the rights already accrued by plan members affected by this change resulted in a reduction of pension liabilities in the amount of 26 million euro, recognized in operating income.

The United Kingdom pension plan is regularly subject to a formal actuarial valuation, in conformity with UK legislation. The next valuation will be initiated in April 2012.

6.5.5 Operating expenses by nature

(in millions of euro)	**First half Fiscal 2012**	First half Fiscal 2011
Depreciation, amortization and impairment charges	(140)	(111)
Employee costs		
- Wages and salaries	(3,216)	(2,939)
- Other employee costs (1)	(877)	(858)
Purchases of consumables and change in inventory	(2,944)	(2,664)
Other operating expense (2)	(1,343)	(1,212)
TOTAL	**(8,520)**	**(7,784)**

(1) Includes costs associated with defined-benefit pension plans, defined-contribution pension plans and stock options.

(2) Other operating expenses mainly include operating lease expenses (169 million euro for the first half of Fiscal 2012 and 157 million euro for the first half of Fiscal 2011), professional fees, other consumable purchases, other subcontracting costs and travel expenses.

6.5.6 Financial income and expense

(in millions of euro)	**First half Fiscal 2012**	First half Fiscal 2011
Gross borrowing costs (1)	(93)	(67)
Income from cash and equivalents	*6*	*5*
Net borrowing cost	**(87)**	**(61)**
Interest income from loans and receivables at amortized cost	3	3
Other financial income		1
Other financial expense	(4)	(3)
Net foreign exchange gains (losses)	(2)	(4)
Net impairment charges (reversals)		
Expected return on defined-benefit plan assets	20	19
Interest cost on defined-benefit plan obligations	(19)	(18)
Change in fair value of derivative financial instruments	4	(8)
Monetary adjustment related to hyper-inflation accounting	(2)	(2)
Other	(4)	(10)
NET FINANCIAL EXPENSE	(91)	(83)
Financial income	**33**	**28**
Financial expense	**(124)**	**(111)**

(1) The cost of gross debt is the interest expense on financial liabilities measured at amortized cost as well as interest relating to hedging instruments.

6.5.7 Earnings per share

The number of shares outstanding, on a diluted and undiluted basis, is provided below:

	First half Fiscal 2012	First half Fiscal 2011
Weighted average number of shares - undiluted	151 011 502	153,733,793
Average dilutive effect of stock options	873 776	521,464
Weighted average number of shares - diluted	151 885 278	154,255,257

Basic and diluted earnings per share were computed as follows:

	First half Fiscal 2012	First half Fiscal 2011
Profit for the period attributable to equity holders of the parent	297	252
Weighted average number of shares – undiluted	151,011,502	153,733,793
Basic earnings per share (in euro)	**1.97**	**1.64**
Weighted average number of shares – diluted	151,885,278	154,255,257
Diluted earnings per share (in euro)	**1.96**	**1.63**

A stock option plan representing 2,042,950 options did not have a dilutive effect on the first half of Fiscal 2011 but could do so in the future, depending on the evolution of Sodexo's share price.

6.5.8 Share-based payments

New stock option plan granted in December 2011

On December 13, 2011, a new plan granting 2,046,950 options with an exercise price of 51.40 euro was approved by the Board of Directors. The exercise of options is subject to conditions of service within the Group. Of the total, 741,690 options include performance conditions related to the Group's attainment of a specified level of earnings for Fiscal 2014, with the remaining rights vesting in equal installments over four years.

Charge recognized for the first half of Fiscal 2012

Compensation expense of 9.4 million euro related to stock-option plans was recognized for the first half of Fiscal 2012 (8.1 million euro for the first half of Fiscal 2011).

6.5.9 Related parties

Members of the Board of Directors and the Executive Committee, and the Chief Executive Officer of Sodexo

There has been no significant change in the nature of compensation, advances and commitments in respect of pensions or similar allowances granted to members of the Board of Directors or the Executive Committee, or to the Chief Executive Officer of Sodexo since August 31, 2011.

Companies not fully consolidated

Transactions with non-consolidated companies are similar in nature to those described in Note 4.26 “Related parties” in the consolidated financial statements for the year ended August 31, 2011.

Principal shareholder

As of February 29, 2012, Bellon SA held 37.7% of the capital of Sodexo.

During the first half of Fiscal 2012, Sodexo recognized a charge of 3 million euro (2.2 million euro for the first half of Fiscal 2011) in connection with the assistance and advisory services contract with Bellon SA.

During the first half of Fiscal 2012, the Annual Shareholders' Meeting approved the payment of a dividend of 1.46 euro per share. Consequently, Bellon SA received a dividend payment of 86.5 million euro in February 2012.

6.5.10 Subsequent events

There was no significant event subsequent to the half-year close.

Statutory Auditors' report

PricewaterhouseCoopers Audit
63 rue de Villiers
92208 Neuilly-sur-Seine cedex

KPMG Audit
Département de KPMG S.A.
1, cours Valmy
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This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

SODEXO S.A.

255 Quai de la bataille de Stalingrad 92866 Issy-les-Moulineaux Cedex 9
Share capital: €.628 528 100

Statutory Auditors' Review Report on the condensed interim consolidated financial statements

For the six-month period ended 29 February 2012

To the Shareholders,

Following our appointment as statutory auditors by your General Meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Sodexo S.A. for the six-month period ended 29 February 2012,
- the verification of information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

II. Specific verification

We have also verified information given in the interim management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, 18 April 2012

The Statutory Auditors

French original signed by

KPMG Audit	PricewaterhouseCoopers Audit
Isabelle Allen	Yves Nicolas

Statement from the person responsible for the interim financial report

Quality of Daily Life Solutions

Group Chief Executive Officer

RESPONSIBILITY FOR THE HALF YEAR FINANCIAL REPORT

Issy-les-Moulineaux, April 17, 2012

I hereby affirm that to the best of my knowledge the condensed financial statements in the half year report have been prepared in accordance with the applicable accounting standards and provide a fair view of the assets, financial position, and profits of Sodexo, and of that of all of the companies included within the consolidation scope, and that the half year activity review included in this report presents the following: a true view of the significant events which took place during the first six months of the full year period and of their impact on the half year financial statements; a description of the main risks and uncertainties for the remaining six months of the year; and the principle transactions between related parties.

Michel Landel
Chief Executive Officer

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