



Bellon S.A.

**STATUTORY AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS**

For the year ended December 31, 2014

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-Sur-Seine Cedex

KPMG Audit
Department of KPMG S.A.
1, cours Valmy
92923 Paris La Défense Cedex

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Bellon S.A.

Espace Gaymard – 2, place d'Arvieux
13002 Marseille

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of Bellon S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

1 Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Statutory Auditors' report on the financial statements
For the year ended December 31, 2014

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

2 Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

- The Company measures its equity investments using the methods described in Note 3.1 "Financial assets" to the financial statements. Our work consisted in examining, on a test basis, the data and assumptions used for the determination of value in use and reviewing the calculations performed by the Company.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Neuilly-sur-Seine and Paris La Défense, April 27, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit

KPMG Audit
Department of KPMG S.A.

Agnès Husserr

Jean-Claude Reydel

Financial statements

BELLON SA

as of December 31, 2014

I INCOME STATEMENT

In thousands of euro	Year ended December 31	
	2014	2013
REVENUES	7 506	6 176
Other income	-	-
Employee costs	(9 561)	(6 022)
Other external charges	(2 712)	(2 887)
Taxes other than income taxes	(463)	(508)
Amortization, impairment and provisions	-	-
OPERATING PROFIT	(5 220)	(3 241)
Financial income	96 984	94 545
Financial expense	(26 474)	(28 245)
FINANCIAL RESULT	70 510	66 300
Exceptional income/expense net	(4)	-
Income taxes	(254)	(249)
NET INCOME	65 032	62 810

II BALANCE SHEET

ASSETS (in thousands of euro)	As of Dec 31, 2014	As of Dec 31, 2013
NON-CURRENT ASSETS, NET		
Property, plant and equipment	-	-
Financial investments	1 567 048	1 567 048
• Total non-current assets	1 567 048	1 567 048
CURRENT ASSETS		
Accounts receivable	-	-
Other receivables	23 051	13
Marketable securities	347	4 420
Cash	17 142	47 540
• Total current assets	40 540	51 973
TOTAL ASSETS	1 607 588	1 619 021
LIABILITIES AND EQUITY (in thousands of euro)		
SHAREHOLDERS' EQUITY		
Share capital	411	411
Additional paid in capital	396 706	396 706
Reserves and retained earnings	649 710	593 136
• Total Shareholders' equity	1 046 827	990 253
• Provisions for contingencies and losses	-	139
LIABILITIES		
Borrowings	551 713	623 478
Accounts payable	229	262
Other liabilities	8 819	4 889
Total liabilities	560 761	628 629
TOTAL LIABILITIES AND EQUITY	1 607 588	1 619 021

NOTES TO THE FINANCIAL STATEMENTS

I SIGNIFICANT EVENTS

In September 2014, Bellon SA signed a forward purchase agreement with SOFRANE, a simplified joint stock company that is wholly owned by Pierre Bellon's children. Under the terms of the agreement, Sofrane will sell to Bellon SA in 2016 full ownership of the usufruct (the right to receive dividends) of 2,736 Bellon SA shares. These shares will have no rights to any liens, duties, charges, guarantees, pledges, preferential rights, options or other rights of third parties or restrictions regardless of their nature. The sale of the full ownership of the usufruct of these shares and the resulting transfer of the property will take place at the latest eight working days after the Bellon SA annual shareholders meeting to approve the financial statements of the year ended December 31, 2015.

Pursuant to the terms of the aforementioned agreement, the one-time fixed price for the acquisition of the full ownership of the usufruct of 2,736 Bellon SA shares was fixed at 22 million euro of which 21 million euro has already been paid by Bellon SA when the agreement was finalized. This payment is recognized in the balance sheet as of December 31, 2014 in the line item "Other receivables".

1.1 Borrowings

On July 31, 2014, Bellon SA has reimbursed to Calyon the loan of 70 Millions euros which was put in place on July 23, 2007.

1.2 Capital

As of December 31, 2014, Bellon SA held 37.71% of the issued capital of Sodexo and 52,4 % of theoretical voting rights.

II ACCOUNTING PRINCIPLES, RULES AND METHODS

The annual financial statements were prepared and presented in conformity with the principles, standards and accounting methods required by the general accounting plan of 1999 in compliance with Rule 2014-03 of the Accounting Regulation Committee (CRC).

The accounting principles used in the preparation of the statutory financial statements for 2014 are the same as those used for 2013. The historical cost method was used in the preparation of these financial statements.

Otherwise mentioned differently, amounts included in tables in the footnotes are expressed in thousands of euro.

The amounts reported as exceptional income/expense represent those items which do not relate to current activities, as well as certain exceptional items by their nature but which concern ordinary activities.

3.1 Financial assets

Shares in companies and other financial investments are carried at historical cost. At each balance sheet date, an impairment write-down may be recognized if the value in use is less than the carrying amount.

3.2 Marketable securities

Marketable securities are recognized at their acquisition cost and are written down for unrealized losses.

3.3 Borrowings

Transaction costs on borrowings are expensed in « Commissions and expenses on loan issuance » in the period in which they are incurred.

III NON-CURRENT ASSETS

	Amounts as of January 1, 2014	Increase	Decrease	Amounts as of December 31, 2014
Property, plant and equipment	-	-	-	-
Financial investments				
Sodexo	1 567 048	-	-	1 567 048
Other investments	-	-	-	-
Total financial investments	1 567 048	-	-	1 567 048
Other financial assets	-	-	-	-
Total non-current assets (gross amount)	1 567 048	-	-	1 567 048
Amortization and impairment write-down	-	-	-	-
Total non-current assets (net)	1 567 048	-	-	1 567 048

Sodexo shares are valued at historical cost. Market price as of the end of the year would have been 4 815 million euro.

IV CHANGES IN SHAREHOLDERS' EQUITY

	Number of shares	Capital	Additional paid in capital	Legal reserve	Ordinary reserve	Retained earnings	Net income for the fiscal year	Shareholders equity
Shareholders' equity as of December 31, 2012	25 710	411	396 706	41	478 218	7 540	52 831	935 747
Dividends paid			-		44 000	527	(52 831)	(8 304)
Net income for the year							62 810	62 810
Shareholders' equity as of December 31, 2013	25 710	411	396 706	41	522 218	8 067	62 810	990 253
Dividends paid			-		54 000	351	(62 810)	(8 459)
Net income for the year							65 032	65 032
Shareholders' equity as of December 31, 2014	25 710	411	396 706	41	576 218	8 418	65 032	1 046 827

V PROVISIONS FOR CONTINGENCIES AND LOSSES

	Provisions as of January 1, 2014	Increase	Decrease	Provisions as of December 31, 2014
Other provisions	-	-	-	-
Provision carry back 1995	139	-	139	-
Total	139	-	139	-

VI BORROWINGS

	Amounts as of January 1, 2014	Increase	Decrease	Amounts as of December 31, 2014
Bank borrowings	623 474	-	71 761	551 713
Overdraft	4	-	4	-
Total borrowings	623 478	-	71 765	551 713

The following agreements contain terms that are customary for loans of this nature made to a holding company: the Equity Linked Swap agreements signed with Natixis in November 2011 and CACIB in August 2012, the agreements signed with the US investors and the swap agreements. These conditions mainly include the following:

- the level of Bellon SA's investment in Sodexo should not be less than 33.33% of capital and voting rights
- the ratio of Bellon SA's total assets to Sodexo shares should be 90%
- the ratio of revaluated assets to revaluated net financial debt must be higher than 2.5 as of August 31 and December 31 of each year (except Calyon contract for which the ratio is 1.25)
- the ratio "dividends to net financial expenses" should be higher than 1.1 each year (except for the Calyon contract which requires a ratio of one).
- total borrowings should be lower than 1.1 billion euro at any point in time
- the Sodexo rating should not be lower than BBB-.

As of December 31, 2014, Bellon SA met its commitments.

VII MATURITIES OF RECEIVABLES AND PAYABLES

RECEIVABLES		Amounts	Less than 1 year	1 to 5 years
	Other receivables	23 051	2 051	21 000
	Sub total	23 051	2 051	21 000
	TOTAL RECEIVABLES (NET)	23 051	2 051	21 000

LIABILITIES		Amounts	Less than 1 year	1 to 5 years	More than 5 years
	Bank borrowings	551 713	9 991	461 503	80 219
	Total Borrowings	551 713	9 991	461 503	80 219
	Accounts payable	229	229		
	Employee related liabilities	5 641	3 629	2 012	
	Social and fiscal liabilities	3 159	2 416	743	
	Other	19	19		
	Total other liabilities	8 819	6 064	2 755	
	TOTAL LIABILITIES	560 761	16 284	464 258	80 219

VIII RELATED PARTY INFORMATION

		Amount	Related companies and associates	Companies with related investments
ASSETS				
	Financial investments (gross)	1 567 048	1 567 048	
INCOME STATEMENT				
	Operating revenues	7 506	7 506	
	Operating expenses	80	80	
	Financial income	96 114	96 114	

Transactions as stipulated by the regulation "ANC 2010-02" are presented below:

Related parties	Nature of transaction	Amount of transaction
Sodexo S.A.	Assistance and advisory services agreement between Bellon S.A. and Sodexo S.A.	The invoice issued by Bellon S.A. amounts to 5 585 thousand euro excl. taxes for the year ended December 31, 2014

IX ACCRUED EXPENSES

Accounts payable	148
Employee related liabilities	5 641
Social and fiscal liabilities	2 100
Total	7 889

X ISSUED CAPITAL

Total capital is 411 360 euro divided into 25 710 shares of 16 euro each, all fully paid.

XI ANALYSIS OF REVENUES

Revenues are related to services rendered in France and amount to 7 506 thousand euro.

XII AUDIT FEES

The statutory auditors' fee for the year ended December 31, 2014 amounts to 59 thousand euro for the statutory audit of the financial statements.

XIII FINANCIAL RESULT

The financial result of 70 510 thousand euro comprises the following:

- Dividends from Sodexo for 96 114 thousand euro.
- Gains on sale of marketable securities and interest income on financial investments for 870 thousand euro.
- Interest expense amounting to 26 474 thousand euro related to the interest on the company's debt.

XIV INCOME TAXES

The company recognizes a tax loss of 18 033 thousand euro for the year

Consequently the information regarding the split of the income taxes is not applicable.

XV UNREALISED TAX GAINS AND LOSSES

Following the September 1997 merger with Financière Sodexo, Bellon SA committed to calculating, in the future, any unrealized gains on the 3 306 684 Sodexo contributed shares as compared to the tax value recognized by Sodexo Financiere, which amounted to 201 271 thousand euro.

Following the April 1998 grant of three new shares for each previously held share and the 4 for 1 stock split in March 2001, the number of Sodexo shares held through the merger was multiplied by 16.

As of December 31, 2008, total Sodexo shares resulting from the merger was 46 726 226 for a tax value of 168 588 thousand euro.

As of December 31, 2014, Bellon SA has accumulated tax losses of 476 978 thousand euro which can be carried forward indefinitely, representing a decrease in future taxes payable of 158 977 thousand euro, based on the current rate of 33.33%.

XVI LEASES

As of December 31, 2014 Bellon SA had no finance leases.

XVII PLEDGED SHARES

9 974 234 Sodexo shares are pledged to the benefit of Natixis
1 962 984 Sodexo shares are pledged to the benefit of Cacib

For the US private placement:

3 363 679 Sodexo shares are pledged to the benefit of US investors (USD Notes)
1 008 769 Sodexo shares are pledged to the benefit of US investors (Euro Notes)
103 406 Sodexo shares are pledged to the benefit of CACIB
60 478 Sodexo shares are pledged to the benefit of Natixis
38 962 Sodexo shares are pledged to the benefit of Société Générale

A total of 16 512 512 Sodexo shares have been pledged.

XVIII RETIREMENT BENEFIT COMMITMENTS

Bellon SA is required to pay benefits to retiring employees on the terms stipulated in the Sodexo collective agreement.

The commitment, which is not recognized as a liability in the balance sheet, is estimated at 2 785 thousand euro.

XIX FINANCIAL INSTRUMENT COMMITMENTS

The company uses derivative financial instruments in order to manage its exposure to volatility in interest and currency exchange rates.

During the year, the company contracted six financial instrument commitments.

Bank	Inception date	Expiry date	Notional amount	Market value of swaps December 31, 2014.
Natixis	July 4, 2012	July 4, 2015	€150 million	€1.8 million
Natixis	July 4, 2012	July 4, 2017	€150 million	€8.3 million
Natixis	June 29, 2012	February 14, 2022	\$ 49.5 million	€2.2 million
Société Générale	June 29, 2012	February 14, 2022	\$ 33 million	€ 1.6 million
Cacib	June 29, 2012	February 14, 2022	\$ 82.5 million	€ 3.9 million
Cacib	November 30, 2012	August 4, 2016	€70 million	€ 0.5 million

XX COMPENSATION, ADVANCES AND COMMITMENTS WITH RESPECT TO PENSIONS AND INDEMNITIES PAID TO THE MEMBERS OF THE SUPERVISORY BOARD AND NON-EXECUTIVE DIRECTORS

• Total compensation paid to the members of the Board and non executive directors	906 thousand euro
• Advances and loans	None
• Amount paid to a defined benefit pension plan during the financial year	None

XXI NUMBER OF EMPLOYEES

As of December 31, 2014, 8 executives were employed by the company.

XXII LIST OF SUBSIDIARIES

	% Interest in Capital	Capital	Shareholders' equity	Book value of Investment	Revenues	Net income for recent fiscal year	Date	Dividends
Sodexo	37.71 %	628 528	3 132 586	1 567 048	84 594	268 787	8/31/2014	96 114

XXIII CONSOLIDATION

The annual financial statements of Bellon SA are fully consolidated into the consolidated financial statements of Bellon SA.