

FIRST-HALF FISCAL 2016 RESULTS



London Road Show – UBS

April 18, 2016



FORWARD-LOOKING INFORMATION

This presentation 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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1

A DYNAMIC
FIRST HALF
FISCAL 2016

HIGHLIGHTS OF THE PERIOD

Continuity in governance

Sophie Bellon succeeds Pierre Bellon as Chairwoman of the Board of Directors

Recognized strategy and performance

Sodexo joins the CAC 40

Signature of a major contract for the Group

Rio Tinto

Renewed recognition of Sodexo's societal commitments

- **RobecoSAM Sustainability Yearbook 2016: Number 1 in sustainable development in its sector, for the 9th consecutive year**
- **United Nations: Women's Empowerment Principles CEO Leadership Award**

PERFORMANCE IN LINE WITH OBJECTIVES

Reported revenue

€10.6bn

+6.7%
Total growth

+3.7%
Organic growth

+2.5%
Organic growth
excluding Rugby

Operating profit*

€658m

+ 7.9%
Excluding currency
effects

Operating margin*

6.2%

+ 30 bps
Excluding currency
effects

Exceptional expenses

€37m

* Excluding exceptional expenses related to the adaptation and simplification program (€37m in H1 2016)

SOLID NET PROFIT AND CASH POSITION

Group net profit

€383m
Before exceptionals*

+ 11.7%

+ 11.2%
Excluding currency effects

€359m
After exceptionals*

+ 4.7%

+ 4.6%
Excluding currency effects

Free cash flow

€54m

+ 5.9%

* Exceptional expenses (net of taxes) related to the adaptation and simplification program

2

FIRST-HALF FISCAL 2016 PERFORMANCE

DYNAMIC GROWTH

**Revenue growth
+ 6.7%**

Currency effect
+ 2.9%

Scope changes
+ 0.1%



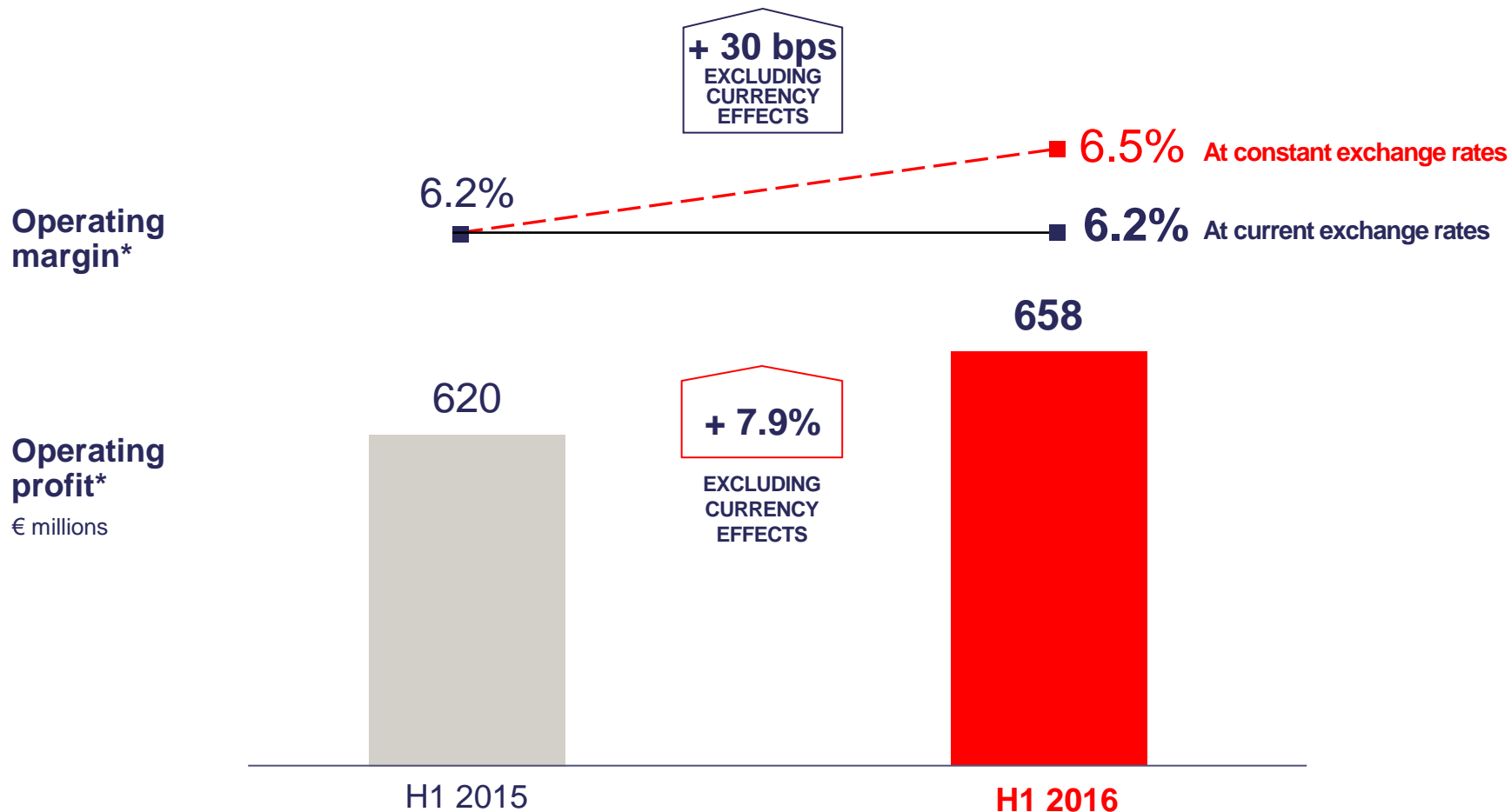
**Organic growth
+ 3.7%**

of which:

On-site Services
+ 3.6%

Benefits and Rewards Services
+ 6.3%

GROWTH IN OPERATING PROFIT*



* Excluding exceptional expenses related to the adaptation and simplification program (€37m in H1 2016)

LAUNCH OF ADAPTATION AND SIMPLIFICATION PROGRAM

- Faster alignment of on-site operating expenses
- Organizational simplification
- Increased international pooling of resources

ANNUAL SAVINGS OF AROUND €200M IN FISCAL 2018

- Gradual increase in savings from H2 2016
- 100% payback by Fiscal 2018



EXCEPTIONAL EXPENSES OF AROUND €200M

- September 2015 to February 2017
- Of which €37m in H1 2016 and around €100m in Fiscal 2016

GROWTH IN CONSOLIDATED INCOME

| | H1 2016 | H1 2015 | CHANGE | |
|--|-------------|-------------|------------------------------|------------------------------|
| € millions | | | At current exchange rates | Excluding currency effect |
| Revenues | 10,596 | 9,931 | +6.7% | +3.8% |
| Operating profit before exceptional expenses | 658 | 620 | +6.1% | +7.9% |
| Operating margin | 6.2% | 6.2% | = | +30 bps |
| Exceptional expenses | (37) | - | | |
| Operating profit | 621 | 620 | | |
| Net financial expense | (49) | (79) | | |
| Effective tax rate | 35.5% | 35.5% | | |
| Group net profit before exceptional expenses (after tax) | 383 | 343 | +11.7% | +11.2% |
| Group net profit | 359 | 343 | +4.7% | +4.6% |
| Diluted earnings per share (diluted) | 2.33 | 2.23 | +4.5% | +4.5% |

CONSOLIDATED CASH FLOW

| € millions | H1 2016 | H1 2015 | CHANGE |
|---|--------------|--------------|---------------|
| Operating cash flow | 587 | 483 | +21.5% |
| Change in working capital* | (314) | (248) | |
| Net cash provided by operating activities | 273 | 235 | +16.2% |
| Net capital expenditure | (176) | (160) | |
| Less change in financial assets related to the Benefits and Rewards Services | (43) | (24) | |
| Free cash flow | 54 | 51 | +5.9% |
| Net acquisitions | (39) | (45) | |
| Share repurchase program | (193) | - | |
| Dividends | (335) | (275) | |
| Other changes in shareholders' equity | 34 | (9) | |
| Other changes (including scope and exchange rates) | (104) | (156) | |
| (Increase)/decrease in net debt | (583) | (434) | |

*Including change in financial assets in Benefits and Rewards Services of €43M in H1'16 and €24M in H1'15.

CONSOLIDATED BALANCE SHEET

ROBUST RATIOS

€ millions

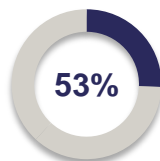
| | February 29, 2016 | February 28, 2015 | | February 29, 2016 | February 28, 2015 |
|---|------------------------------|----------------------|---------------------------------------|------------------------------|----------------------|
| Non-current assets | 7,357 | 7,447 | Shareholders' equity | 3,562 | 3,514 |
| Current assets excluding cash | 4,855 | 5,000 | Non-controlling interests | 45 | 40 |
| Financial assets related to the Benefits and Rewards Services | 689 | 749 | Non-current liabilities | 3,698 | 3,812 |
| Cash | 1,224 | 1,573 | Current liabilities | 6,820 | 7,403 |
| Total assets | 14,125 | 14,769 | Total liabilities & equity | 14,125 | 14,769 |
| Operating cash: €1,877m* , o/w Benefits and Rewards Services cash investments and restricted cash: €1,510m | | | Net debt | 923 | 805 |
| | | | Gearing ratio | 26% | 23% |

* Benefits and Rewards Services financial assets + Cash – Bank overdrafts

3

ON-SITE
SERVICES

ON-SITE SERVICES SUCCESS OF INTEGRATED QUALITY OF LIFE SERVICES OFFERS



Corporate

- Contribution of Rugby World Cup contract
- Ramp-up of integrated service contracts, especially in North America and the United Kingdom
- Steep decline in Remote Sites activity

H1 organic growth

+5.0%



Health Care and Seniors

- Growth in the United States
- Limited contract wins in Europe
- End of contracts in France

+2.7%



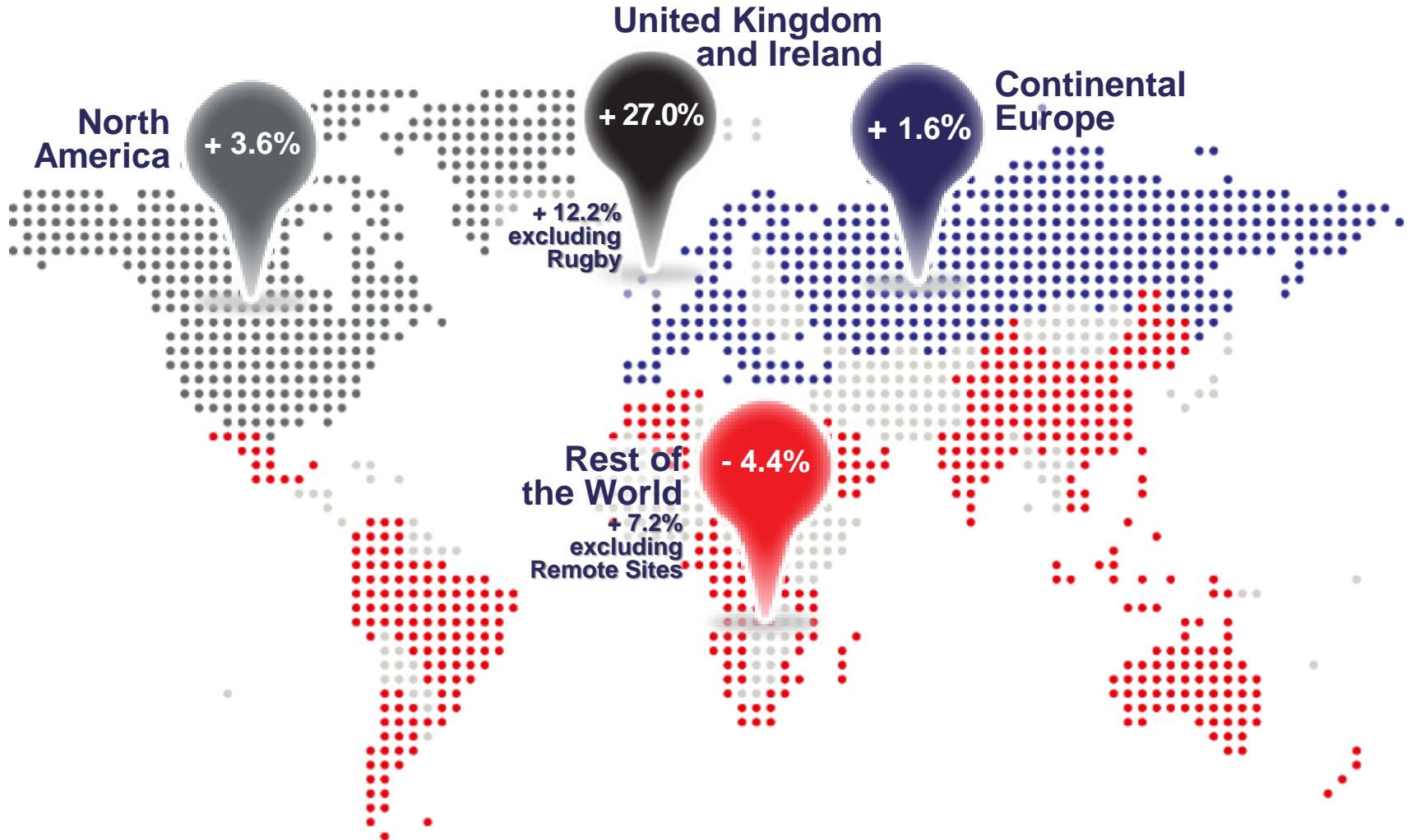
Education

- Modest growth in revenues from existing contracts and selective approach to new business in Europe

+1.5%

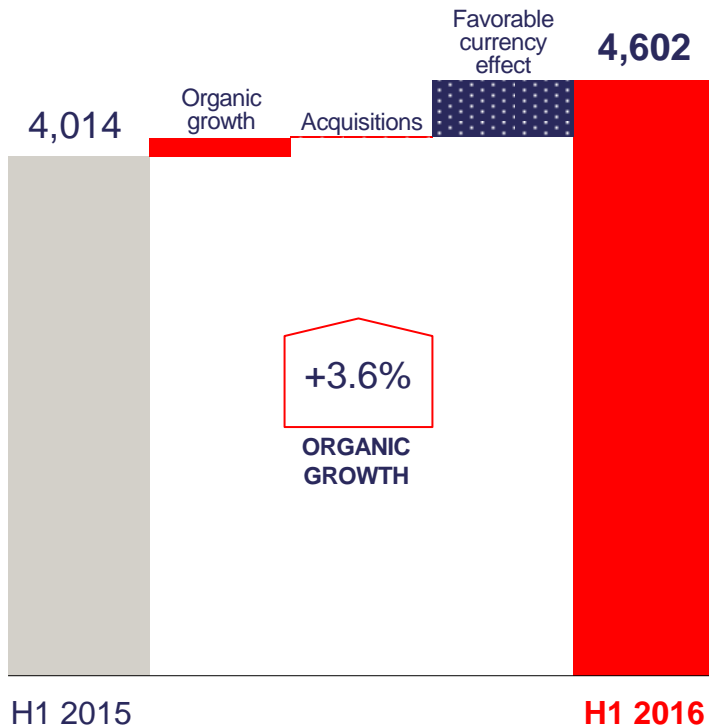
% of Fiscal 2015
On-site Services revenues

ON-SITE SERVICES 3.6% ORGANIC GROWTH



ON-SITE SERVICES NORTH AMERICA

€ millions



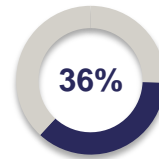
Revenues



Corporate

+7.5%

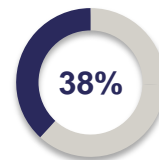
- Robust growth in the Corporate segment



Health Care and Seniors

+4.6%

- Compelling contract wins
- Q1 impact of withdrawal from ManorCare contract



Education

+0.8%

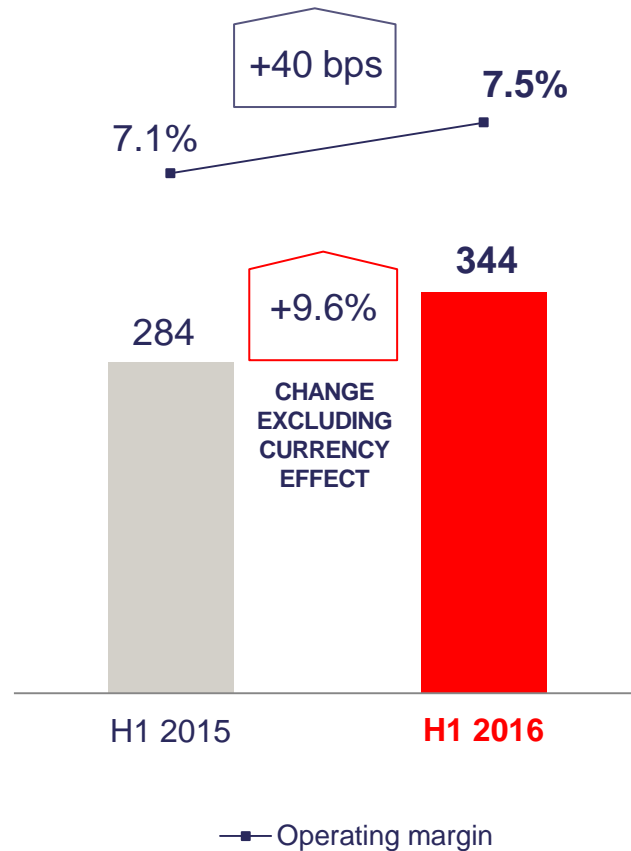
- Limited contract wins in prior year
- Increase in the number of meals served per site

% of Fiscal 2015
revenues

ON-SITE SERVICES NORTH AMERICA

€ millions

Operating profit *



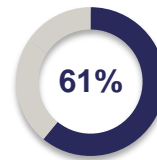
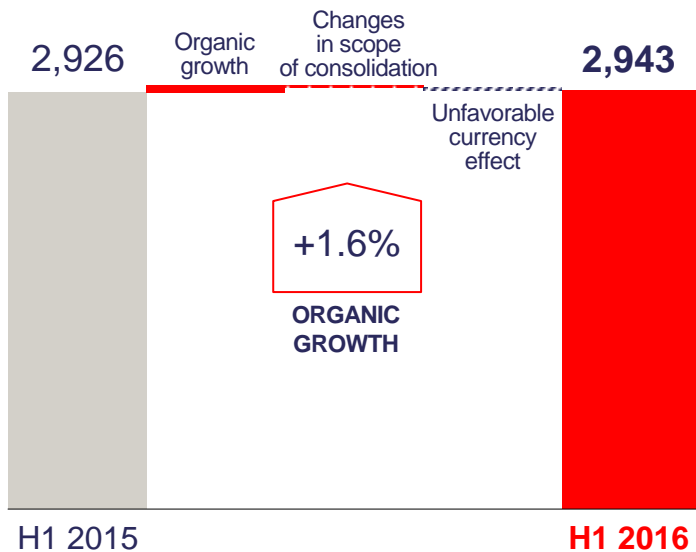
- Optimized food purchases cost savings
- Increased offer and menu standardization
- Lower overheads

* Excluding exceptional expenses related to the adaptation and simplification program

ON-SITE SERVICES CONTINENTAL EUROPE

€ millions

Revenues



Corporate

+3.3%

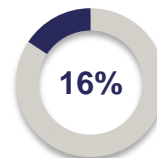
- Contribution of integrated services contracts
- Solid growth at existing Corporate sites



Health Care and Seniors

-3.1%

- Selective approach to new business, especially in France



Education

+2.1%

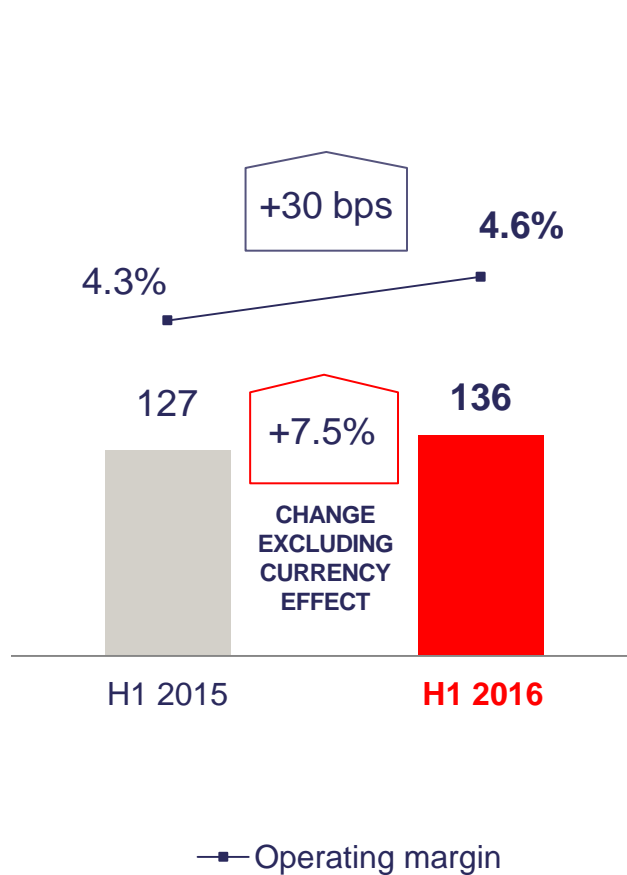
- Higher volumes in Germany and France

% of Fiscal 2015 revenues

ON-SITE SERVICES CONTINENTAL EUROPE

€ millions

Operating profit *



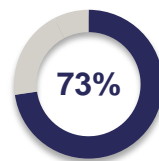
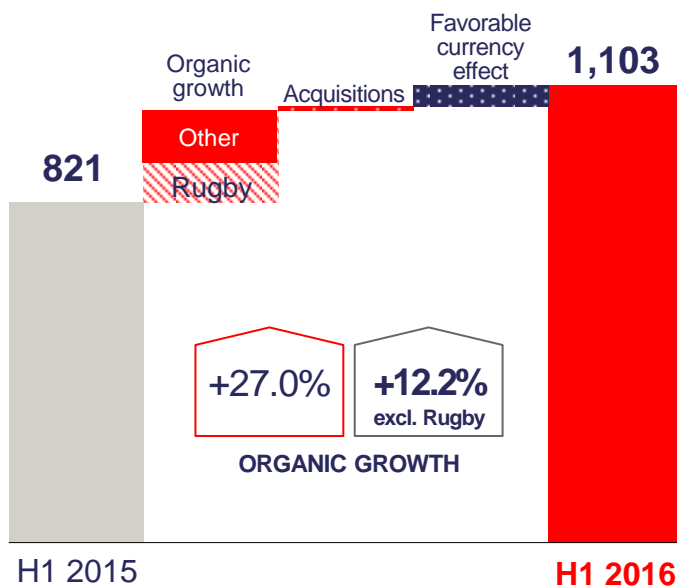
- Productivity gains at existing sites
- Efficient management of food costs

* Excluding exceptional expenses related to the adaptation and simplification program

ON-SITE SERVICES UNITED KINGDOM AND IRELAND

€ millions

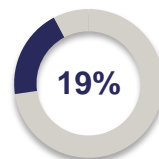
Revenues



Corporate

+35.9%

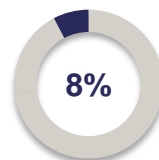
- Contribution of €131m Rugby World Cup contract in Q1 2016
- End of ramp-up phase for Justice contracts (launched in February 2015) and Corporate contracts (launched in H2 2015)



Health Care and Seniors

+1.3%

- End of ramp-up phase for new contracts won in prior year



Education

+15.1%

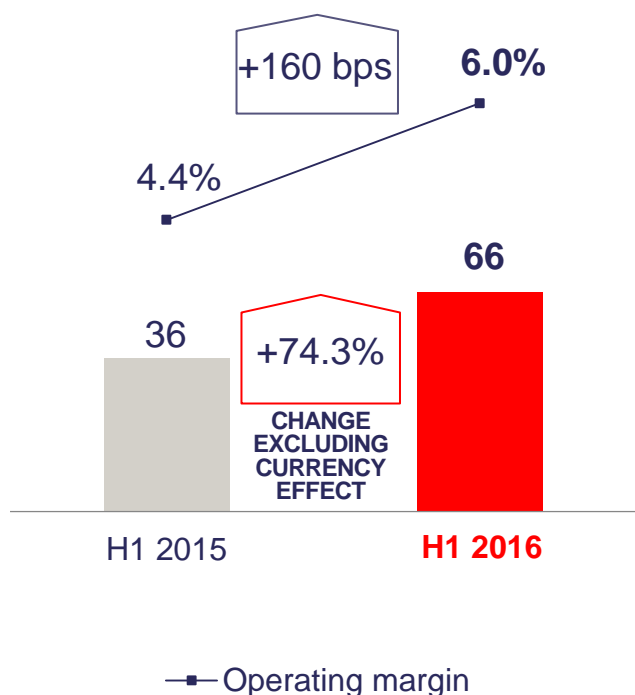
- Strong business development

% of Fiscal 2015 revenues

ON-SITE SERVICES UNITED KINGDOM AND IRELAND

€ millions

Operating profit *



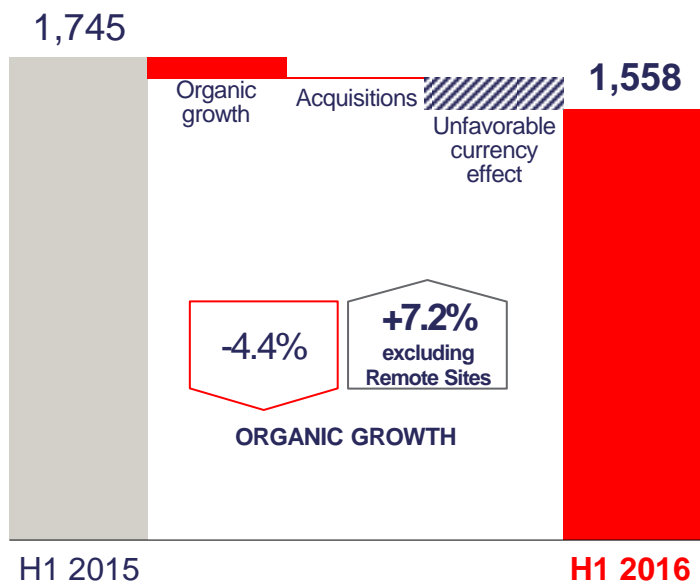
- Favorable basis of comparison (high contract start-up costs in Fiscal 2015)
- Efficiency gains on overheads
- Optimized management of food purchases
- Contribution of Rugby World Cup

* Excluding exceptional expenses related to the adaptation and simplification program

ON-SITE SERVICES REST OF THE WORLD*

€ millions

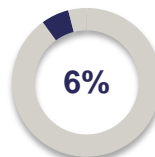
Revenues



Corporate

-6.1%

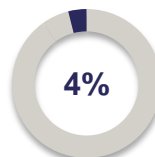
- Sharp 18% decline in Remote Sites revenues
- Strong business development dynamic



Health Care and Seniors

+20.6%

- Continued steady growth in Latin America and Asia



Education

-0.4%

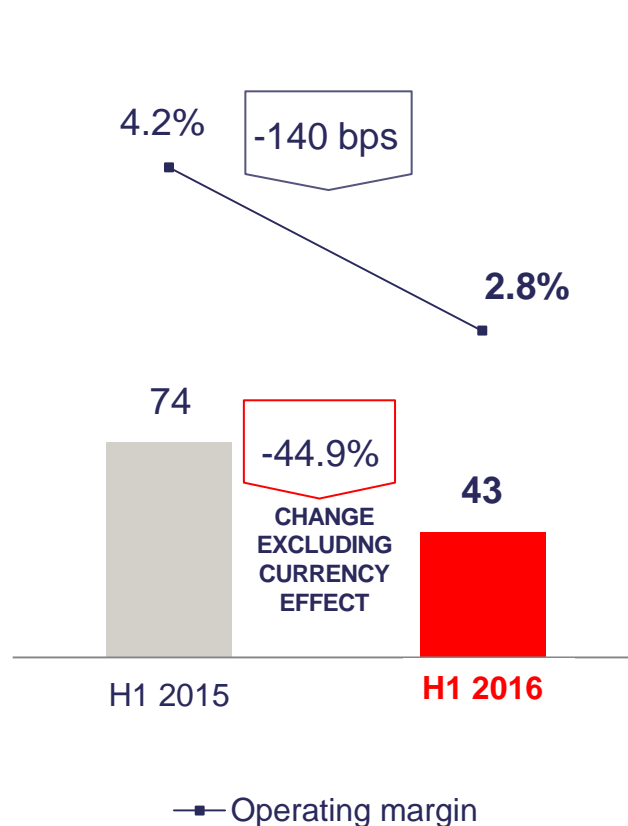
% of Fiscal 2015 revenues

* Latin America, Africa, Middle East, Asia, Australia and Remote Sites

ON-SITE SERVICES REST OF THE WORLD

€ millions

Operating profit *



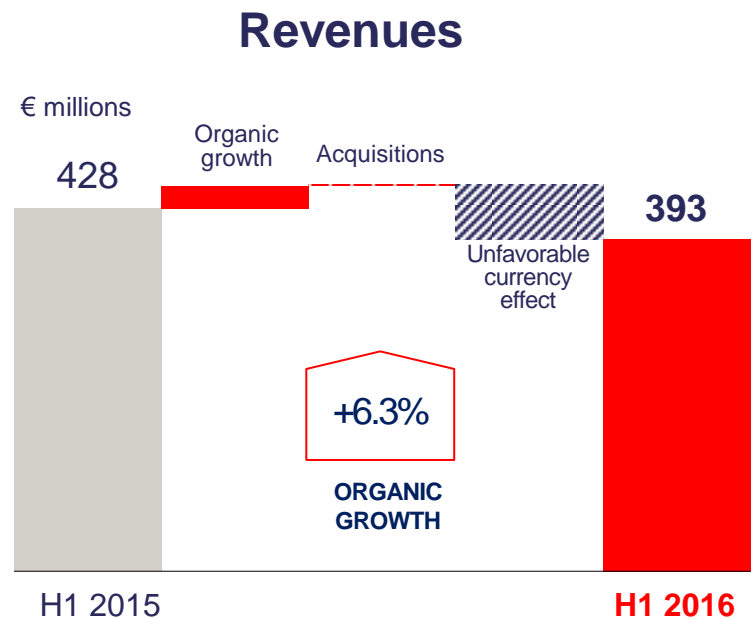
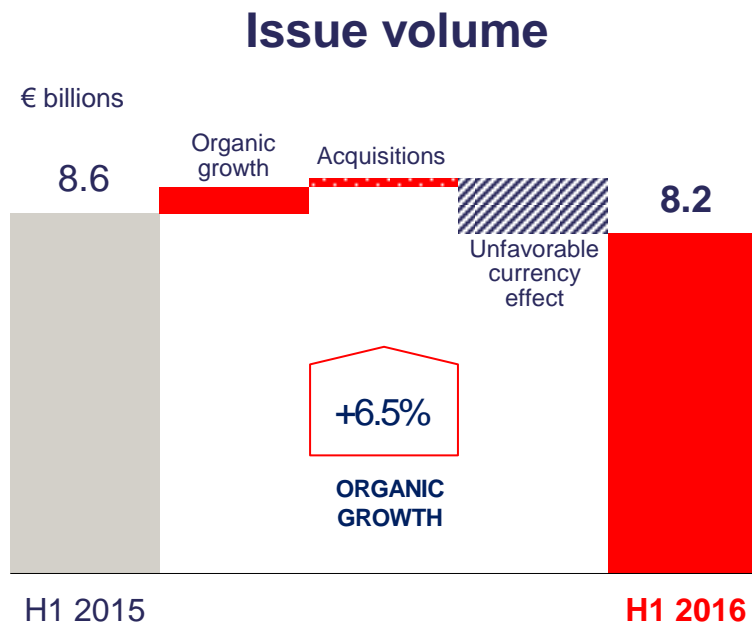
- Challenging economic environment in Latin America and mining and oil and gas industries
- Significant operating cost reductions, not sufficient to offset sharply lower volumes

* Excluding exceptional expenses related to the adaptation and simplification program

4

BENEFITS AND REWARDS SERVICES

BENEFITS AND REWARDS SERVICES ISSUE VOLUME AND REVENUES



- Resilience in Latin America
- Ongoing growth in Europe and Asia

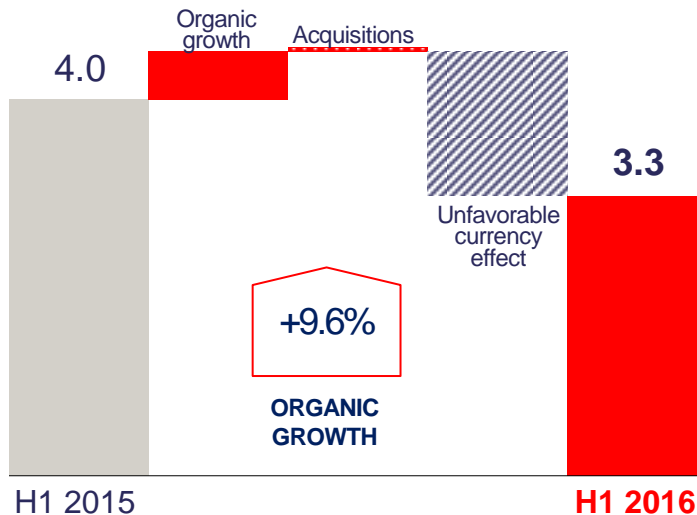
For organic growth calculation, H1 2016 revenues in Venezuelan bolivar are converted at the Fiscal 2015 exchange rate (USD 1 = VEF 199).

BENEFITS AND REWARDS SERVICES ISSUE VOLUME AND REVENUES

Latin America

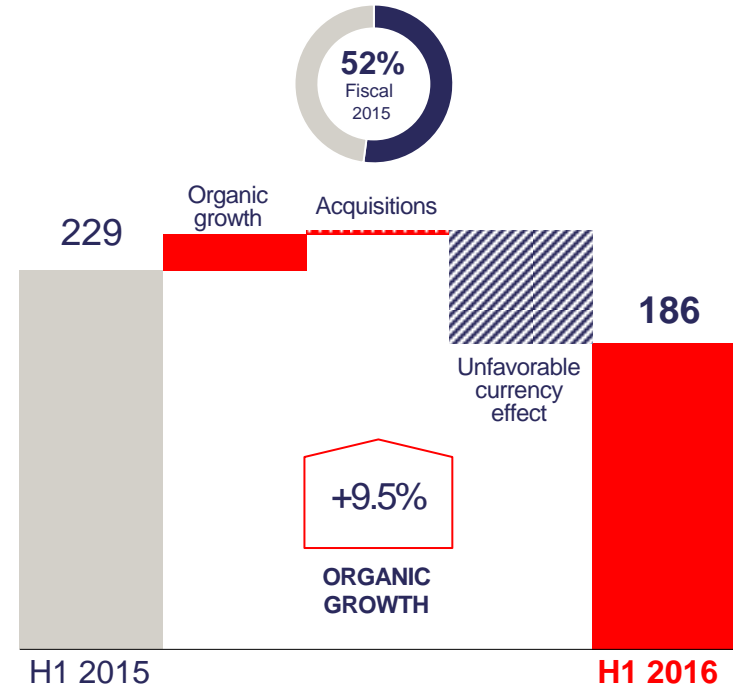
€ billions

Issue volume



€ millions

Revenues



- Higher face values and higher interest rates
- Contract wins but decline in number of beneficiaries in Brazil
- Healthy growth in Mexico and Chile

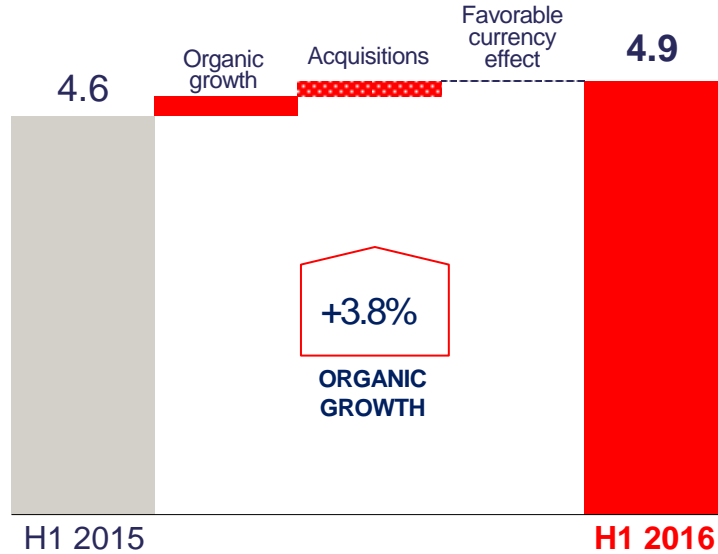
For organic growth calculation, H1 2016 revenues in Venezuelan bolivar are converted at the Fiscal 2015 exchange rate (USD 1 = VEF 199).

BENEFITS AND REWARDS SERVICES ISSUE VOLUME AND REVENUES

Europe and Asia

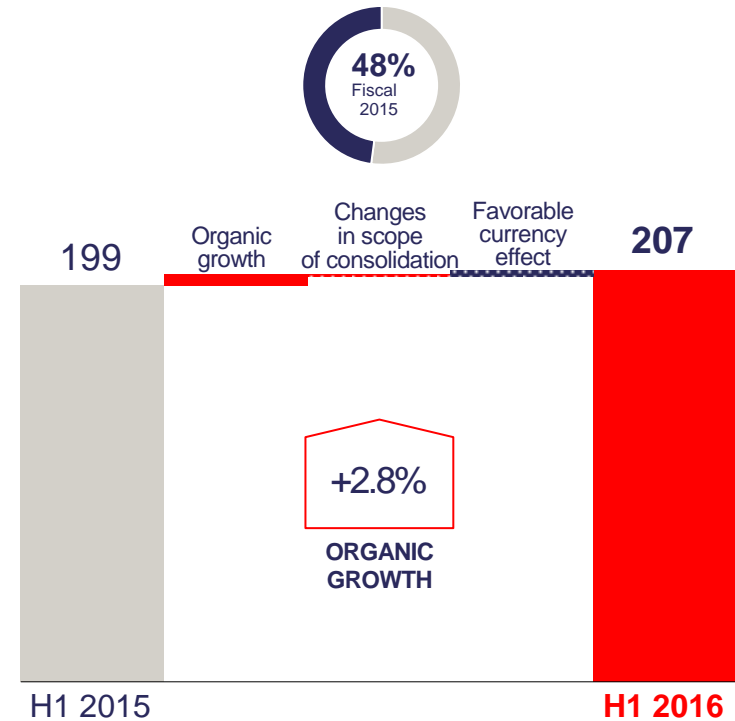
€ billions

Issue volume



€ millions

Revenues

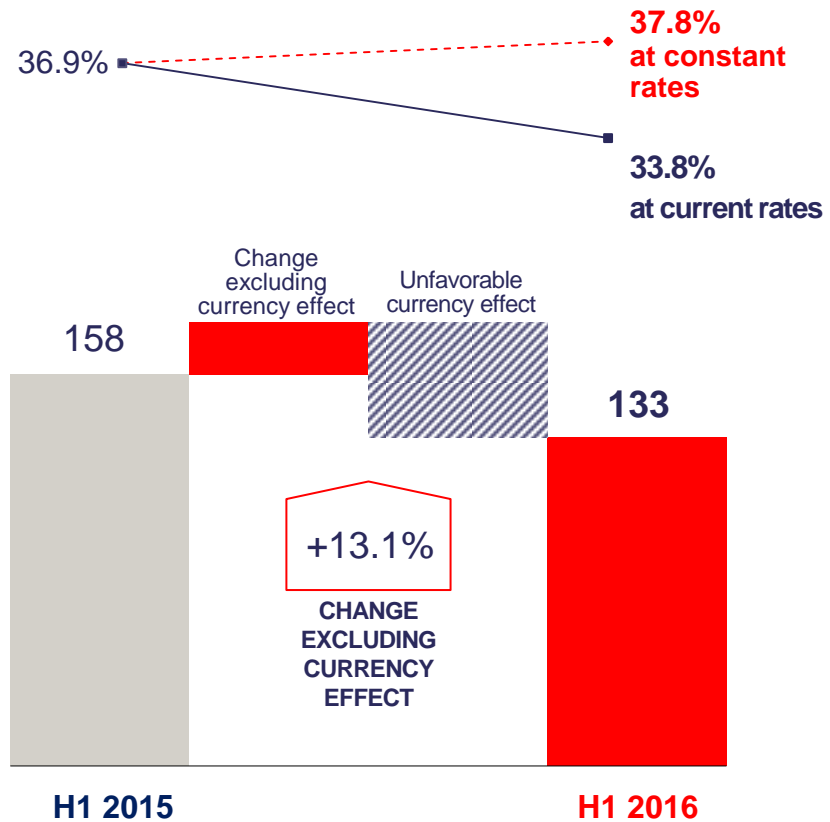


- Solid momentum in Turkey and the Czech Republic
- Modest growth in Western Europe

BENEFITS AND REWARDS SERVICES OPERATING PROFIT

€ millions

Operating profit *



- Negative impact of exchange rates (mainly BRL)
- Tight control of overheads and operating costs

* Excluding exceptional expenses related to the adaptation and simplification program

5

OUTLOOK

FISCAL 2016 OBJECTIVES

The objectives for Fiscal 2016 are as follows:

- 
- Organic revenue growth of around 3%
 - Growth in operating profit of around 8%
(excluding currency effects and exceptional items related to the adaptation and simplification program)

Reminder, the negative effect of the Brazilian real should continue in the second half, while the favorable effect of the U.S dollar should decline. However this is purely a conversion effect with no operational impact.

MEDIUM-TERM OBJECTIVES

The Group remains confident of achieving its medium-term objectives:

average annual **growth**
in **revenue of between 4% and 7%**
(excluding currency effects)

average annual **growth** in
**operating profit of between 8%
and 10%** (excluding currency effects)

A MAJOR CONTRACT IN THE GROUP'S HISTORY: RIO TINTO RECOGNIZING OUR EXPERTISE



RioTinto

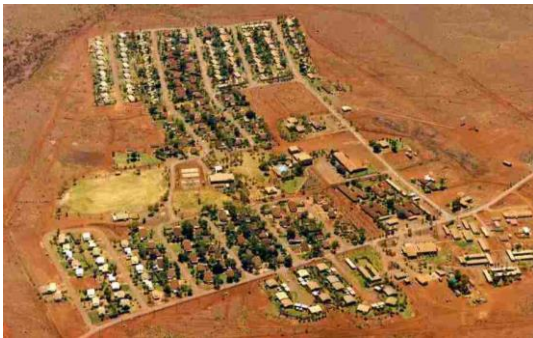
THE GROUP'S LARGEST EVER CONTRACT: RIO TINTO UNPARALLELED VALUE FOR THE CLIENT

- Technical expertise and global experience
- Sophisticated services in a variety of complex environments
 - 1.7bn euros over 10 years
 - 500,000 sq.km
 - ports, towns, aerodromes, operational sites, houses, etc.
- Sustainable energy management with cost savings
- A strong commitment to employing members of the local aboriginal communities



THE GROUP'S LARGEST EVER CONTRACT: RIO TINTO BETTER QUALITY OF LIFE IN EXTREME ENVIRONMENTS

A “home away from home”

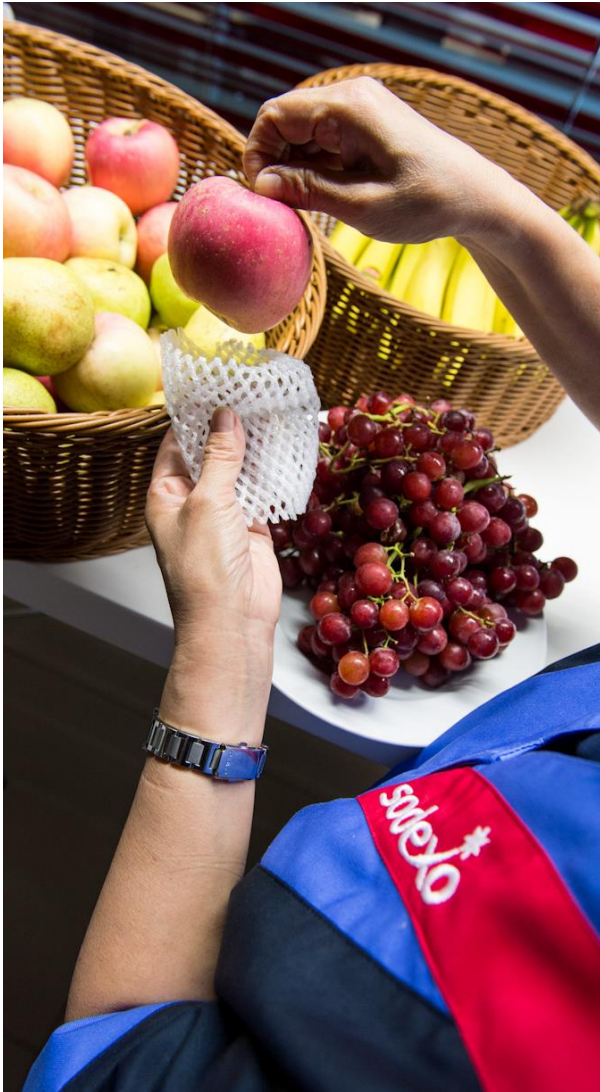


- Comfort, well-being and safety for teams working in extreme conditions
 - transportation between and on sites
 - aerodrome management
 - building maintenance

- Every-day services hundreds of miles from the nearest city
 - swimming pool
 - yoga
 - movie theaters
 - hairdressers
 - grounds and community building maintenance
 - grocery stores...

| Q&A |

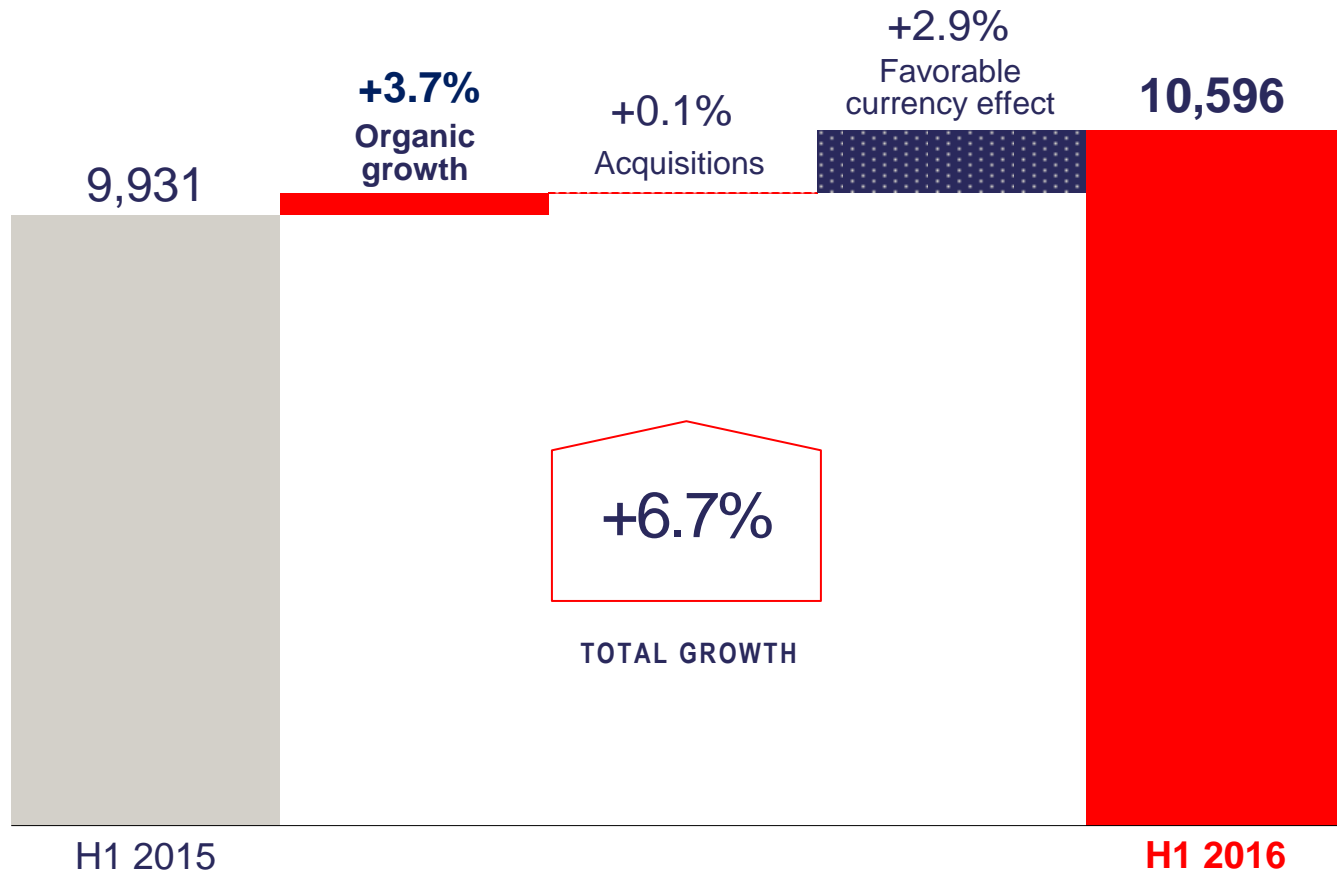
APPENDICES



1. Revenue growth
2. Financial debt analysis
3. €300M share repurchase program
4. H1 2016 exchange rates
5. Principal currency effects on Balance Sheet

APPENDIX 1 REVENUE GROWTH

€ millions



APPENDIX 2 FINANCIAL DEBT ANALYSIS*

AT FEBRUARY 29, 2016

€ millions

BY CURRENCY



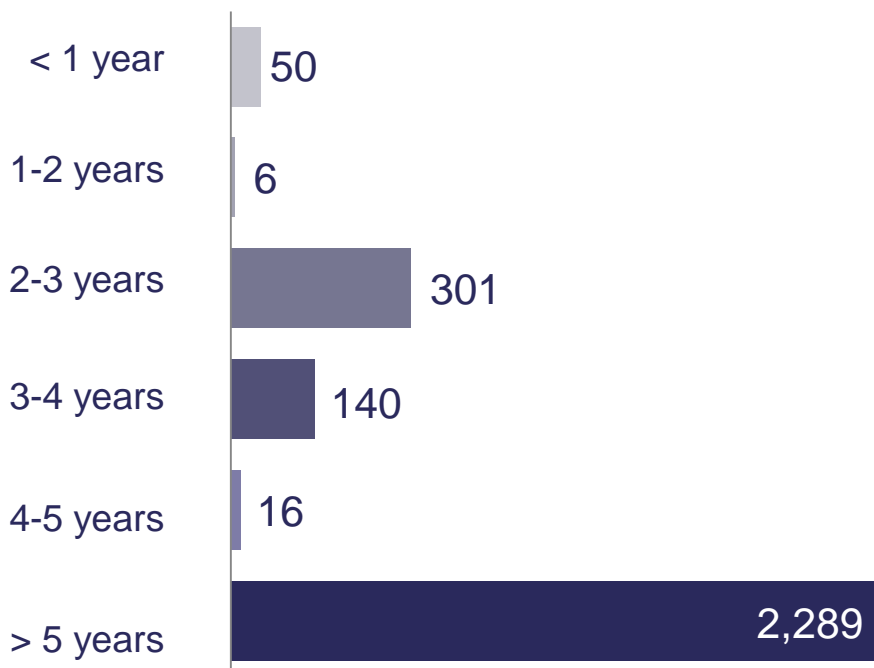
INTEREST RATE



Average interest rate **3.4%**
at February 29, 2016

(vs. 3.8% at August 31, 2016)

BY MATURITY



* Financial debt of €2,802 million (excluding derivative financial instruments for €(2) million)

APPENDIX 3

€300M SHARE REPURCHASE PROGRAM

- 2,672,340 shares repurchased between September 1, 2015 and March 11, 2016, representing 1.7% of the capital
 - Average price €88.57
 - Program 79% complete (€237m out of €300m)
 - Of which 2,198,788 shares purchased before February 29, 2016

| | At August 31, 2015 | Purchased | Delivered | At February 29, 2016 | Purchased |
|--------------------------------|--------------------|-------------|-----------|----------------------|-----------|
| Number of shares | 157,132,025 | | | 157,132,025 | |
| Treasury stocks | 4,862,456 | + 2,198,788 | - 894,688 | 6,166,556 | + 473,552 |
| % | 3.1% | +1.4% | - 0.6% | 3.9% | +0.3% |
| Basic number of shares | 152,269,569 | | | 150,965,469 | |
| Average number of basic shares | 152,087,430 | | | 152,025,146 | |

APPENDIX 4 H1 2016 EXCHANGE RATES

€ millions

| €1 = | Average rates H1 2016 | Change | Period-end rates February 29, 2016 | Change | <i>Impact of exchange rates vs. the euro on H1 2016</i> | |
|----------------|--------------------------|---------|--|---------|---|---|
| | | | | | Revenues | Operating profit before exceptional costs |
| U.S. Dollar | 1.0939 | + 11.5% | 1.0888 | + 3.2% | + 457 | + 34 |
| Pound Sterling | 0.7353 | + 5.5% | 0.7858 | - 7.4% | + 57 | + 3 |
| Brazilian Real | 4.2896 | - 27.2% | 4.3394 | - 24.9% | - 156 | - 32 |

APPENDIX 5 PRINCIPAL CURRENCY EFFECTS ON BALANCE SHEET AT FEBRUARY 29, 2016

€ millions

| | USD | £ | BRL |
|--|------------|--------------|-------------|
| Non-current assets | 98 | (65) | (38) |
| Deferred tax assets | 3 | (1) | (2) |
| Change in working capital and other assets | 30 | (27) | (31) |
| Cash | 16 | (20) | (15) |
| Total assets | 147 | (113) | (86) |

| | USD | £ | BRL |
|---|------------|--------------|-------------|
| Shareholders' equity | 50 | (63) | (36) |
| Provisions | - | (1) | (2) |
| Deferred tax liabilities | 1 | (1) | (4) |
| Borrowings | 51 | (5) | (3) |
| Change in working capital and other liabilities | 45 | (43) | (41) |
| Total liabilities and equity | 147 | (113) | (86) |

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| THANK YOU |