PRESS RELEASE

sodexo QUALITY OF LIFE SERVICES

▸ Sodexo: Q1 Fiscal 2018 in line with expectations

▸ Annual objectives maintained

- **Modest organic revenue growth[1] of +1.9% for the first quarter of Fiscal 2018, in line with expectations**
  - **On-site Services: +1.8%**
  - **Benefits & Rewards Services: +3.8%**

Issy-les-Moulineaux, January 11, 2018 - Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY), world leader in Quality of Life Services, today reported its revenues for the first quarter of Fiscal 2018, which ended on November 30, 2017.

Fiscal 2018 Q1 revenues

Revenues by segment *(in millions of euro)*	Q1 FY 2018	Q1 FY 2017	Organic growth	Published growth
Business & Administrations	**2,665**	2,620	**+5.2%**	**+1.7%**
Health Care & Seniors	**1,200**	1,229	**+1.0%**	**-2.4%**
Education	**1,254**	1,387	**-4.0%**	**-9.6%**
On-site Services	**5,119**	5,236	**+1.8%**	**-2.2%**
Benefits & Rewards Services	**194**	216	**+3.8%**	**-10.4%**
Elimination of intra-group revenues	(1)	(1)		
TOTAL GROUP	**5,312**	5,451	**+1.9%**	**-2.6%**

Commenting on these figures, Sodexo CEO Michel Landel said:

"First quarter performance was in line with our expectations, thanks to strong momentum in Business & Administrations, with in particular, robust growth in Energy & Resources and a recovery in France. However, the Education business has slowed due to fewer working days as well as low client retention last year.

The pipeline for new contracts is good. Our revenue growth should progressively improve in the coming quarters. In addition, the recent acquisitions of Centerplate in the US and Morris Corporation in Australia will contribute as of next quarter. We maintain our objectives for Fiscal 2018."

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[1] *Alternative Performance measures are defined on page 8*

Highlights of the period

- Fiscal 2018 first quarter revenues totaled 5.3 billion euro, down -2.6% compared to the same period in the previous fiscal year. Currency effects represented -4.1%, and net acquisitions/disposals -0.3%. Organic growth reached +1.9%.
- Organic growth for On-site Services was +1.8%, reflecting:
  - Solid growth in **Business & Administrations** at +5.2%. The performance remains strong in North America. Recovery is continuing in the Energy & Resources segment due to new contract start-ups. Activity in France is improving with the start-up and ramp-up of several new contracts as well as an improvement in tourism. Momentum in Latin America, Brazil and Asia remains strong.
  - Modest growth, as expected, in **Health Care & Seniors** at +1.0%**.** Weak performance in North America was offset by robust development in Brazil and Latin America. In Europe, bidding opportunities remained highly competitive, but the United Kingdom won some encouraging new business during the period.
  - A -4.0% decline **in Education**. North American Universities suffered from poor prior year retention, and from weak comparable unit growth due to a negative calendar impact.
- Organic revenue growth in Benefits and Rewards Services was +3.8%. Growth in Europe, Asia and the United States remained strong at +8.6%, with solid growth in Europe as well as continued strong momentum in *Incentive & Recognition.* This performance compensated for the -1.5% decline in Latin America that was impacted by lower inflation and a reduction in interest rates in Brazil.

Outlook

The Group maintains the following objectives for **Fiscal 2018:**

- **Organic revenue growth of between +2% and +4%, excluding the 53rd week impact;**
- **Underlying operating profit margin[1] maintained at 6.5%.**

The Group confirms the **medium-term objectives of**:

- **average annual revenue growth, excluding currency effect, of between 4% and 7%;**
- **average annual growth in underlying operating profit[1], excluding currency effect, of between 8% and 10%.**

53rd week impact
The 53rd week adjustment is linked to the change from weekly to monthly accounting as from September 2017 in North America. Weekly accounting has the side effect of losing one or two days per year, depending upon whether there is a leap year or not. These lost days are usually recovered in the accounts in a one-off every 5 to 6 years. In Fiscal 2017, this 53rd week effect is the equivalent of six more days of trading which will not reoccur in Fiscal 2018. The Impact of the 53rd week was estimated at +0.7% on Fiscal 2017 revenues and therefore -0.7% for Fiscal 2018 revenues.

Conference call

Sodexo will hold a conference call (in English) today at 9:00 a.m. (Paris time), 8:00 a.m. (London time) to comment on its Fiscal 2018 Q1 revenues. Those who wish to connect from the UK may dial **+44 (0) 330 336 9105** or from France **+01 76 77 22 74**, followed by the passcode **270 79 17**.

The **press release, presentation and webcast will be available on the Group website www.sodexo.com** in both the "Latest News" section and the "Finance - Financial Results" section.

[1] *See page 8 for definition of new indicator*

Financial calendar

Annual Shareholders' Meeting	January 23, 2018
Ex-dividend date	February 1, 2018
Dividend record date	February 2, 2018
Dividend payment date	February 5, 2018
1st half results – Fiscal 2018	April 12, 2018
Nine month revenues – Fiscal 2018	July 5, 2018
Capital Markets Day	September 6, 2018
Annual results – Fiscal 2018	November 8, 2018
Annual Shareholders' Meeting 2019	January 22, 2019

About Sodexo

Founded in Marseille in 1966 by Pierre Bellon, Sodexo is the global leader in services that improve Quality of Life, an essential factor in individual and organizational performance. Operating in 80 countries, Sodexo serves 100 million consumers each day through its unique combination of On-site Services, Benefits and Rewards Services and Personal and Home Services. Through its more than 100 services, Sodexo provides clients an integrated offering developed over 50 years of experience: from food services, reception, maintenance and cleaning, to facilities and equipment management; from services and programs fostering employees' engagement to solutions that simplify and optimize their mobility and expenses management, to in-home assistance, child care centers and concierge services. Sodexo's success and performance are founded on its independence, its sustainable business model and its ability to continuously develop and engage its 427,000 employees throughout the world.

Sodexo is included in the CAC 40 and DJSI indices.

Key figures (as of August 31, 2017)

20.7 billion euro in consolidated revenues

427,000 employees

19th largest employer worldwide

80 countries

100 million consumers served daily

17 billion euro in market capitalization (as of January 10, 2018)

Forward-looking information:

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

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2018 Q1 REVENUE ACTIVITY REPORT

2018 Q1 REVENUE ACTIVITY REPORT

Revenue Analysis

Revenues by Segment *(In millions of euro)*	Q1 FY18	Q1 FY17	Organic growth	External growth	Currency effect	Total growth
Business & Administrations	2,665	2,620	+5.2%	-0.1%	-3.4%	+1.7%
Health Care and Seniors	1,200	1,229	+1.0%	+1.2%	-4.6%	-2.4%
Education	1,254	1,387	-4.0%	-0.7%	-4.9%	-9.6%
On-site Services	**5,119**	**5,236**	**+1.8%**	**+0.1%**	**-4.1%**	**-2.2%**
Benefits & Rewards Services	**194**	**216**	**+3.8%**	**-9.3%**	**-5.0%**	**-10.4%**
Elimination of intra-group revenues	**(1)**	**(1)**				
GROUP TOTAL	**5 312**	**5 451**	**+1.9%**	**-0.3%**	**-4.1%**	**-2.6%**

Fiscal 2018 first quarter consolidated revenues totaled 5,312 million euro, down -2.6% on the previous year period. The currency impact weighed on this performance by -4.1% due to the weakness of all currencies against the euro, and in particular, the US dollar and the Brazilian Real. The net contribution of acquisitions and disposals was -0.3%, with the impact of the deconsolidation of *Vivabox*, the Group's subsidiary in New Caledonia and some other activities in the Middle East and Africa region last year, offsetting the ongoing contribution from the acquisitions signed last year as well as the first contributions from *The Good Eating Company* in October Fiscal 2018 and *Morris Corporation* in November Fiscal 2018. *Centerplate* and *Kim Yew* will be consolidated from January 2018.

Organic revenue growth was +1.9%. On-site services were up +1.8%, resulting from a solid performance in Business & Administrations and modest growth in Health Care, despite a soft start to the year in Education due to a calendar shift of one and a half day and lower prior Fiscal year retention in North America. Benefits & Rewards services were up +3.8% with a strong performance in Europe compensating a tough quarter in Brazil as interest rates and inflation fell, not yet compensated by rising volumes.

Analysis of organic revenue growth in On-site Services

Business & Administrations

Revenues by Region *(In millions of euro)*	Q1 FY18	Q1 FY17	Organic growth
North America	618	609	+5.9%
Europe	1,347	1,332	+1.3%
Africa, Asia, Australia, Latin America, Middle East	700	679	+12.2%
Business & Administrations	**2,665**	**2,620**	**+5.2%**

First quarter Fiscal 2018 **Business & Administrations** revenues totaled 2.7 billion euro, up +5.2% compared with the first quarter of Fiscal 2017. This performance reflects robust growth in the airport lounges business, a very strong performance in Energy & Resources and a pick-up in activity in France. Government & Agencies grew in all regions as well this quarter.

Organic growth in **North America** was **+5.9%.** New airline lounge contracts and strong demand for additional facilities management services among corporate clients continued to drive growth, helped this quarter by some project-work.

Europe was up +**1.3%.** On the one hand, in France, the tourism activities continued to perform better and new business wins were significant. On the other hand, Energy & Resources continued to remain very weak, down -19% during the period. Government & Agencies saw strong growth despite some significant contract losses in the UK which will affect revenues progressively during the year.

In **Africa, Asia, Australia, Latin America and the Middle East**, organic growth remained strong at **+12.2%**, reflecting the recovery in Energy & Resources and the last quarter of the ramp-up of the large *Rio Tinto* contract. Corporate Services growth also remained extremely robust due to both the extension of contracts with existing clients and a high level of start-ups for new clients.

Health Care & Seniors

Revenues by Region *(In millions of euro)*	Q1 FY18	Q1 FY17	Organic growth
North America	757	810	-0.5%
Europe	375	363	+0.5%
Africa, Asia, Australia, Latin America, Middle East	68	56	+17.7%[1]
Health Care & Seniors	**1,200**	**1,229**	**+1.0%**

In **Health Care & Seniors**, revenues totaled 1.2 billion euro, with organic growth at +1.0%.

Organic growth in **North America** was **-0.5%**, consistent with the last few quarters' performance, due to a lack of new signatures in prior quarters. The recent proposed tax legislation on healthcare reimbursements is accelerating hospital group mergers, productivity efforts and the development of out-patient service alternatives. This is creating a tough operating environment in the short-term although it should provide medium term opportunity.

In **Europe,** organic growth was up **+0.5%** reflecting the lack of new business over the last 18 months because of much greater selectivity in bidding for hospital contracts, particularly in the UK and France. Nevertheless, retention remains high, same site sales have been good and, in the last months, a couple of hospital contracts have been signed in the UK.

In **Africa, Asia, Australia, Latin America and the Middle East**, growth is particularly strong at **+17.7[1]%** due to many contract start-ups in Brazil and strong same site sales in all regions.

[1] *Restated for internal transfers between segments*

Education

Revenues by Region *(In millions of euro)*	Q1 FY18	Q1 FY17	Organic growth
North America	980	1,104	-5.1%
Europe	255	262	+0.9%
Africa, Asia, Australia, Latin America, Middle East	18	21	+18.0%[1]
Education	**1,254**	**1,387**	**-4.0%**

In **Education**, revenues for the first quarter of Fiscal 2018 amounted to 1.3 billion euro, down -4.0% on an organic basis, due mainly to poor prior year retention but also a negative calendar impact in Q1 in North America.

The organic decline in sales in **North America** of **-5.1%** is the result of lower prior year retention in Universities and a negative calendar impact of 1.5 days in both Schools and Universities during the quarter. This calendar impact should be partially reversed in Q2, with an extra half day.

In **Europe**, organic growth was **+0.9%** with the UK benefitting from strong new business signed last year and solid same site sales growth across the region, particularly in the Med region, offset somewhat by the impact of some strike days in France.

In **Africa, Asia, Australia, Latin America, and the Middle East**, organic growth remained strong with the ramp-up of several new School contracts in China, Singapore and India, at **+18.0[1]%**.

On-site Services Revenues by region

Revenues by Region *(In millions of euro)*	Q1 FY18	Q1 FY17	Organic growth
North America	2,356	2,523	-1.0%
Europe	1,977	1,957	+1.1%
Africa, Asia, Australia, Latin America, Middle East	787	756	+12.8%
On-site Services	**5,119**	**5,236**	**+1.8%**

Benefits & Rewards Services

Benefits & Rewards Services revenue amounted to 194 million euro, down -10.4%. Currencies contributed -5.0% to this decline, due principally to the weakness of the Brazilian real. The sale of *Vivabox* in the USA (last quarter of Fiscal 2017) also weighed on sales growth, with net disposals at - 9.3%. Organic growth was +3.8%, compared to growth in total issue volume of +5.9%.

Issue volume

Issue Volume by Region *(In millions of euro)*	Q1 FY18	Q1 FY17	Organic growth	External growth	Currency effect	Total growth
Europe, USA and Asia	2,685	2,523	+6.9%			
Latin America	1,842	1,919	+4.5%			
Benefits & Rewards services	**4,527**	**4,442**	**+5.9%**	**+0.4%**	**-4.4%**	**+1.9%**

[1] *Restated for internal transfers between segments*

Revenues

Revenues by Region *(In millions of euro)*	**Q1 FY18**	**Q1 FY17**	**Organic growth**	**External growth**	**Currency effect**	**Total growth**
Europe, USA and Asia	101	113	+8.6%			
Latin America	93	103	-1.5%			
Benefits & Rewards services	**194**	**216**	**+3.8%**	**-9.3%**	**-5.0%**	**-10.4%**

In **Europe, Asia and USA,** organic growth in issue volume and revenues remains strong this quarter at **+6.9%** and **+8.6%** respectively. This performance is due to solid growth in issue volume in Europe in many countries, particularly boosted by double digit growth in Romania, the Czech Republic and Turkey. This was slightly offset by weakness in India ahead of the mandatory transfer from paper to card from January 2018. Revenue growth was even stronger, amplified by the continued growth in the Incentive and Recognition activities, particularly in the UK. These activities do not generate issue volume.

Organic growth in **Latin America** was slower than in recent quarters, with issue volume at **+4.5%** and revenues turning negative at **-1.5%.** This reflects the combination in Brazil of lower inflation currently running at around 2.8%, and the continued decline in interest rates, as well as an environment which remains very competitive, not yet compensated by the expected pick up in the number of beneficiaries. On the other hand, growth remains strong in Chile and Mexico.

Financial position

There were no material changes in the Group's financial position as of November 30, 2017, relative to that presented in the Fiscal 2017 Registration Document published on November 20, 2017.

The acquisition of Centerplate, announced on November 15, closed on 27 December. Thus, the committed acquisition spend of 650 million euro, as reported in November is effective.

Principal risks and uncertainties

There were no significant changes to the principal risks and uncertainties identified by the Group in the Risk Factors section of the Fiscal 2017 Registration Document filed with the AMF on November 20, 2017.

Exchange rates and currency effect

Exchange rate fluctuations do not generate operational risks, because each subsidiary bills its revenues and incurs its expenses in the same currency.

1€=	**Average rate Q1 Fiscal 18**	**Reference rate Fiscal 17**	**Change average rates Q1 Fiscal 18 vs. Reference Fiscal 17**	**Closing rate Q1 Fiscal 18 at 30/11/2017**	**Change 30/11/17 vs. 31/08/17**
U.S. Dollar	**1.176**	1.099	-6.5%	**1.185**	-0.2%
Pound Sterling	**0.886**	0.867	-2.2%	**0.880**	+4.5%
Brazilian Real	**3.791**	3.526	-7.0%	**3.867**	-3.3%

Note: Reference rate Fiscal 2017 is the average rate for Fiscal year 2017.

Alternative Performance measure definitions

Issue volume

Issue volume corresponds to the total face value of service vouchers, cards and digitally-delivered services issued by the Group (Benefits and Rewards Services activity) for beneficiaries on behalf of clients.

Underlying Operating profit

Operating profit excluding other operating income and other operating expenses. Other operating income and expenses will include gains or losses related to perimeter changes and on changes of post-employment benefits, restructuring and rationalization costs, M&A costs, amortization of client relationships and trademarks and impairment of non-current assets.

Underlying Operating margin

Underlying Operating profit divided by Revenues.

Organic growth

Organic growth corresponds to the increase in revenue for a given period (the “current period”) compared to the revenue reported for the same period of the prior fiscal year, calculated using the exchange rate for the prior fiscal year; and excluding the impact of business acquisitions (or gain of control) and divestments, as follows:

- For businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- For businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- For businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- For businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.

For countries with hyperinflationary economies all figures are converted at the latest closing rate for both periods. As a result, for the calculation of organic growth, Benefits & Rewards figures for Fiscal 2017 and Fiscal 2018 in Venezuelan Bolivar have been converted at the exchange rate of USD 1 = 3,345 VEF (vs. VEF 3.250 for Fiscal 2017).