

PROSPECTUS DATED 28 MARCH 2007



*(a société anonyme incorporated in the Republic of France)*

## **Euro 500,000,000 4.50 per cent. Bonds due 2014**

### **Issue Price: 99.889 per cent.**

This prospectus constitutes a prospectus (the "**Prospectus**") for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**") and the relevant implementing measures in the Grand Duchy of Luxembourg. This Prospectus contains information relating to the issue by Sodexo Alliance (the "**Issuer**") of its Euro 500,000,000 4.50 per cent. Bonds due 2014 (the "**Bonds**").

The Bonds will be issued outside the Republic of France on 30 March 2007 and will bear interest at a rate of 4.50 per cent. per annum from, and including, 30 March 2007 to, but excluding, 28 March 2014, payable annually in arrear on 28 March in each year, commencing on 28 March 2008, as more fully described in "Terms and Conditions of the Bonds – Interest" herein. Payments of principal and interest on the Bonds will be made without deduction for or on account of French taxes as more fully described in "Terms and Conditions of the Bonds – Taxation".

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed in full at their principal amount on 28 March 2014. The Bonds may, in certain circumstances, be redeemed, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (See "Terms and Conditions of the Bonds – Redemption and Purchase" herein).

Bondholders will be entitled, following a Change of Control, to request the Issuer to redeem or procure the purchase of their Bonds at their principal amount together with any accrued interest as more fully described under "Terms and Conditions of the Bonds - Change of Control".

The Bonds will be in bearer form. The Bonds will initially be represented on issue by a temporary global bond (the "Temporary Global Bond"), without interest coupons, which will be deposited on or about 30 March 2007 (the "Closing Date") with a common depository for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg"). Interests in the Temporary Global Bond will be exchangeable for interests in a permanent global bond (the "Permanent Global Bond" and, together with the Temporary Global Bond, the "Global Bonds"), without interest coupons, on or after 10 May 2007, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Bond will be exchangeable for Bonds in definitive form with interest coupons attached only in certain limited circumstances - see "Summary of Provisions relating to the Bonds while represented by the Global Bonds".

Application has been made for the Bonds to be admitted to the official list and traded on the Regulated Market (regulated by Directive 2004/39/EC) of the Luxembourg Stock Exchange in accordance with the Prospectus Directive. This Prospectus (together with any documents incorporated by reference therein) is available on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)).

The Bonds have been assigned a rating of BBB+ by Standard & Poor's Ratings Services. A rating is not a recommendation to buy, sell or hold Bonds and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

**See "Risk Factors" on page 4 of this Prospectus for certain information relevant to an investment in the Bonds.**

### **JOINT LEAD MANAGERS**

**CITIGROUP**

**HSBC**

**NATIXIS**

**SOCIETE GENERALE CORPORATE &  
INVESTMENT BANKING**

### **CO-MANAGERS**

**BNP PARIBAS**

**CALYON Crédit Agricole CIB**

**Deutsche Bank**

**The Royal Bank of Scotland**

This Prospectus has been prepared for the purpose of giving information with regard to the Issuer and the Bonds. The Issuer (whose registered office is located at 3 avenue Newton, Montigny-le-Bretonneux (Yvelines) 78180 France), having taken all reasonable care to ensure that such is the case, confirms that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility accordingly.

The delivery of this Prospectus at any time does not imply that any information contained or incorporated herein is correct at any time subsequent to the date hereof.

In connection with the issue and sale of the Bonds, no person is authorised to give any information or to make any representation not contained (or incorporated by reference in) in this Prospectus, and neither the Issuer nor any of the Managers (as defined in "Subscription and Sale" below) accepts responsibility for any information or representation so given that is not contained (or incorporated by reference in) in this Prospectus. This Prospectus does not constitute an offer of Bonds, nor may it be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Bonds or the distribution of this Prospectus in any jurisdiction where any such action is required except as specified herein.

The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about, and to observe, any such restrictions.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**").

A further description of certain restrictions on offers and sales of the Bonds in the United States, and in certain other jurisdictions, is set forth below under "Subscription and Sale".

In this Prospectus, references to "**euro**", "**EURO**", "**Euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam.

In connection with the issue of the Bonds, Citigroup Global Markets Limited will act as stabilising manager (the "**Stabilising Manager**"). The Stabilising Manager may over-allot Bonds (provided that the aggregate principal amount of Bonds allotted does not exceed 105 per cent. of the aggregate nominal amount of the Bonds) or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Such stabilisation shall be made in accordance with applicable laws and regulations.

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## **RISK FACTORS**

*The following are certain risk factors of the offering of the Bonds of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the risk factors detailed below and the further risk factors relating to the Issuer and its activities contained in the 2006 Reference Document, which are incorporated by reference herein. Prospective investors should make their own independent evaluations of all investment considerations. Terms defined in "Terms and Conditions of the Bonds" below shall have the same meaning where used below.*

### **No Prior Market for the Bonds; Resale Restrictions**

There is no existing market for the Bonds, and there can be no assurance that any market will develop and/or be maintained for the Bonds, or that holders of the Bonds will be able to sell their Bonds in the secondary market in which case the market or trading price and liquidity of the Bonds may be adversely affected.

### **Fixed Rate Interest**

Subsequent changes in interest rates may adversely affect the value of the Bonds.

### **The Bonds may be redeemed prior to maturity**

In the event that the Issuer would be obliged to pay additional amounts in respect of any Bonds due to any withholding as provided in Condition 5(b) of the Terms and Conditions of the Bonds, the Issuer may and, in certain circumstances, shall redeem all of the Bonds then outstanding in accordance with such Condition. As a consequence, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Bonds.

### **Credit ratings may not reflect all risks**

The ratings assigned by the credit rating agencies to the Bonds may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### **Exercise of Put Option in respect of certain Bonds may affect the liquidity of the Bonds in respect of which such Put Option is not exercised**

Depending on the number of Bonds in respect of which the Put Option provided in Condition 5 is exercised, any trading market in respect of those Bonds in respect of which such Put Option is not exercised may become illiquid.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which are incorporated by reference in this Prospectus and which the Issuer has filed with the *Commission de Surveillance du Secteur Financier* in Luxembourg:

- (i) the reference document of the Issuer in the French language dated 24 November 2006 (the “**2006 Reference Document**”); and
- (ii) the reference document of the Issuer in the French language dated 12 December 2005 (the “**2005 Reference Document**”).

The Documents Incorporated by Reference will be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). So long as any of the Bonds are outstanding, this Prospectus and the documents incorporated by reference in this Prospectus will also be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection and collection free of charge, at the specified offices of the Paying Agents.

The 2006 Reference Document contains, *inter alia*, the Annual Report of the Issuer (including the Audited Consolidated Financial Statements and related Notes and Audit Report) for the financial year ended 31 August 2006.

The 2005 Reference Document contains, *inter alia*, the Annual Report of the Issuer (including the Audited Consolidated Financial Statements and related Notes and Audit Report) for the financial year ended 31 August 2005.

For the purposes of the Prospectus Directive, information can be found in such documents incorporated by reference in accordance with the following cross-reference table (in which the numbering refers to the relevant Sections of Annex IX of Regulation EC 809/2004):

<b>CROSS REFERENCE TABLE OF INFORMATION INCORPORATED BY REFERENCE</b>	
<b>Annex IX Section Number</b>	<b>Page Reference in Relevant Document Incorporated by Reference</b>
<b>2. STATUTORY AUDITORS</b>	
2.1. Names and addresses of the issuer's auditors (together with their membership in a professional body)	See page 206 of the <b>2006 Reference Document</b>
<b>3. RISK FACTORS RELATING TO THE ISSUER</b>	See pages 70 to 72 and 140 to 142 of the <b>2006 Reference Document</b>
<b>4. INFORMATION ABOUT THE ISSUER</b>	
4.1. History and development of the Issuer	See page 82 of the <b>2006 Reference Document</b>
4.1.1 legal and commercial name of the Issuer	See page 188 of the <b>2006 Reference Document</b>
4.1.2 place of registration of the Issuer and its registration number	See page 188 of the <b>2006 Reference Document</b>
4.1.3 date of incorporation and length of life of the Issuer	See page 188 of the <b>2006 Reference Document</b>
4.1.4 domicile and legal form of the Issuer, legislation under which the Issuer operates, country of incorporation, address and telephone number of its registered office (or principal place of business if different)	See page 188 of the <b>2006 Reference Document</b>

<b>CROSS REFERENCE TABLE OF INFORMATION INCORPORATED BY REFERENCE</b>	
<b>5. BUSINESS OVERVIEW</b>	
5.1. Principal activities:	
5.1.1. brief description of the Issuer's principal activities stating main categories of products sold and/or services performed	<i>See pages 19 to 38 of the 2006 Reference Document</i>
5.1.2. the basis for any statements made regarding the issuer's competitive position	<i>See pages 21, 28, 30, 33, 35 and 37 of the 2006 Reference Document</i>
<b>6. ORGANISATIONAL STRUCTURE</b>	
6.1. description of the Group and the Issuer's position within it	<i>See pages 81 and 83 to 86 of the 2006 Reference Document</i>
<b>9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
9.1. names, business addresses and functions in the issuer of members of the administrative, management and supervisory bodies of the Issuer, and principal activities performed by them outside the Issuer where significant	<i>See pages 41 to 53 of the 2006 Reference Document</i>
<b>10. MAJOR SHAREHOLDERS</b>	
10.1. direct or indirect ownership or control of the Issuer, nature of such control, measures in place to ensure such control is not abused	<i>See pages 58 to 59 of the 2006 Reference Document</i>
<b>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	
11.1. Historical Financial Information	
Audited consolidated financial statements of the Issuer for the financial year ended 31 August 2005:	
(i) consolidated balance sheet:	<i>See page 109 of the 2005 Reference Document</i>
(ii) consolidated income statement:	<i>See page 108 of the 2005 Reference Document</i>
(iii) accounting policies and explanatory notes:	<i>See pages 111 to 143 of the 2005 Reference Document</i>
(iv) audit report:	<i>See page 144 of the 2005 Reference Document</i>
Audited consolidated financial statements of the Issuer for the financial year ended 31 August 2006:	
(i) consolidated balance sheet:	<i>See page 97 of the Sodexho 2006 Reference Document</i>
(ii) consolidated income statement:	<i>See page 96 of the Sodexho 2006 Reference Document</i>
(iii) accounting policies and explanatory notes:	<i>See pages 99 to 152 of the Sodexho 2006 Reference Document</i>
(iv) audit report:	<i>See page 153 of the Sodexho 2006 Reference Document</i>

<b>CROSS REFERENCE TABLE OF INFORMATION INCORPORATED BY REFERENCE</b>	
11.5. Legal and Arbitration Proceedings	<i>See page 140 of the <b>Sodexo 2006 Reference Document</b></i>

For the avoidance of doubt, the information incorporated by reference in this Prospectus but not listed in the cross-reference table above is given for information purposes only and the information contained in such documents which is not so cross-referenced does not form part of this Prospectus.

## TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the terms and conditions which, subject to completion and amendment, will be reproduced on each definitive Bond (if issued).*

The issue outside the Republic of France of the Euro 500,000,000 4.50 per cent. Bonds due 2014 (the “**Bonds**”) (which expression shall in these terms and conditions, unless the context otherwise requires, include any further Bonds issued pursuant to Condition 12 and forming a single series with the Bonds) of Sodexho Alliance (the “**Issuer**”) was authorised by a decision of the Board of Directors (*conseil d’administration*) of the Issuer passed on 14 March 2007. A fiscal agency agreement dated 30 March, 2007 (the “**Fiscal Agency Agreement**”) has been entered into in relation to the Bonds between the Issuer, Citibank N.A. as fiscal agent and principal paying agent and the paying agents named in it. The fiscal agent and the paying agents for the time being are referred to below respectively as the “**Fiscal Agent**” and the “**Paying Agents**” (which expression shall include the Fiscal Agent). The expressions “**Fiscal Agent**” and “**Paying Agents**” shall include, as the case may be, any substitute fiscal agent or substitute or additional paying agent(s) appointed pursuant to the Fiscal Agency Agreement. The Fiscal Agency Agreement includes the form of the Bonds and the coupons relating to them (the “**Coupons**”). Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the specified offices of the Paying Agents. The holders of the Bonds (the “**Bondholders**”) and the holders of the Coupons (whether or not attached to them) (the “**Couponholders**”) are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them. References to the “**Conditions**” shall be to the numbered paragraphs below.

### 1 Form, Denomination and Title

- (a) **Form and denomination:** The Bonds are serially numbered and in bearer form in the denominations of Euro 50,000 and integral multiples of Euro 1,000 in excess thereof, up to and including Euro 99,000 each with Coupons attached on issue. No definitive Bonds will be issued with a denomination above Euro 99,000.
- (b) **Title:** Title to the Bonds and Coupons passes by delivery. The holder of any Bond or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

### 2 Status

The Bonds and Coupons constitute direct, unconditional and (subject to Condition 3) unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds and Coupons shall, save for such exceptions as may be provided by applicable legislation (and subject to Condition 3), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

### 3 Negative Pledge

So long as any of the Bonds remains outstanding (as defined in the Fiscal Agency Agreement), the Issuer will not create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Debt (as defined below) of the Issuer or any guarantee or indemnity assumed or granted by the Issuer in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Bonds and the Coupons are equally and rateably secured therewith.

For the purposes of this Condition:

“**Relevant Debt**” means any present or future indebtedness for borrowed money, which is originally and solely in the form of, or represented by, bonds or notes (*obligations*) which are for the time being, or are

likely to be quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.

#### **4 Interest**

The Bonds bear interest from and including 30 March 2007 at the rate of 4.50 per cent. per annum, payable annually (except in respect of the first interest payment which shall be paid after 363 days) in arrear on 28 March in each year (each an “**Interest Payment Date**”), commencing on 28 March 2008.

Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Fiscal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Where interest is to be calculated in respect of a period which is shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last). The period beginning on, and including, 30 March 2007 and ending on, but excluding, the first Interest Payment Date and each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is called an “**Interest Period**”.

Interest in respect of any Bond shall be calculated per Euro 1,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of 4.50 per cent., the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards), which is expected to be equivalent to Euro 45.00 per Calculation Amount for each Interest Period, except for the first Interest Period where interest is expected to be equivalent to Euro 44.75 per calculation amount.

#### **5 Redemption and Purchase**

The Bonds may not be redeemed otherwise than in accordance with this Condition 5.

- (a) **Final redemption:** Unless previously redeemed, or purchased and cancelled as provided below, the Bonds will be redeemed at their principal amount on 28 March 2014.
- (b) **Redemption for taxation reasons:**
  - (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after 30 March 2007, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Bonds or the Coupons not be able to make such payment without having to pay additional amounts as specified under Condition 7 below, the Issuer may, at any time, subject to having given not more than 60 nor less than 30 days’ prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 13, redeem all, but not some only, of the Bonds at their principal amount together with accrued interest to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or, if such date has passed, as soon as practicable thereafter.
  - (ii) If the Issuer would on the occasion of the next payment of principal or interest in respect of the Bonds be prevented by French law from making payment to the Bondholders or the Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 below, then the Issuer shall forthwith give

notice of such fact to the Fiscal Agent and the Issuer shall forthwith redeem all, but not some only, of the Bonds then outstanding at their principal amount plus any accrued interest thereon to the date set for redemption, upon giving not less than seven, nor more than 30 days' irrevocable notice to the Bondholders in accordance with Condition 13, provided that the due date for redemption of which notice hereunder shall be given, shall be the latest practicable date on which the Issuer could make payment without withholding for French taxes or, if such date is past, as soon as practicable thereafter.

(c) **Redemption upon a Change of Control:**

- (i) If at any time while any Bond remains outstanding there occurs a Change of Control (as defined below) and (i) within the Change of Control Period a Rating Downgrade (as defined below) occurs as a result of such Change of Control or (ii) within the Potential Change of Control Period (as defined below) a Rating Downgrade occurs as a result of a Potential Change of Control or a Change of Control (each of (i) and (ii) a "**Put Event**"), the holder of each Bond will have the option (the "**Put Option**") (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice to redeem the Bonds under Condition 5(b) (*Redemption for taxation reasons*)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Bond on the Optional Redemption Date (as defined below) at its principal amount together with (or where purchased, together with an amount equal to) interest accrued to but excluding the Optional Redemption Date.

A "**Change of Control**" shall be deemed to have occurred at each time that any person or persons acting in concert (other than a Permitted Holding Company (as defined below) acting alone or in concert) comes(s) to own or acquire(s) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer.

"**Change of Control Period**" means the period commencing on the date of the first public announcement of the result (*avis de résultat*) by the *Autorité des marchés financiers* ("**AMF**") of the relevant Change of Control and ending on the date which is 90 days thereafter (inclusive)

"**Potential Change of Control Period**" means the period commencing 120 days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control and ending on the date of such announcement (inclusive).

"**Permitted Holding Company**" means each and any company or other legal entity whose share capital (or equivalent) and associated voting rights are controlled (within the meaning of article L 233-3 of the French *Code de Commerce*) by Pierre Bellon and his children and/or any of his heirs, successors and/or beneficiaries through which any or all such persons at any time hold directly or indirectly shares in the capital of the Issuer.

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control or Potential Change of Control if within the Change of Control Period or Potential Change of Control Period, as the case may be, the rating previously assigned to the Bonds by any rating agency solicited by the issuer is (x) withdrawn or (y) changed from an investment grade rating (BBB-, or its equivalent for the time being, or better) to a non-investment grade rating (BB+, or its equivalent for the time being, or worse) or (z) if the rating previously assigned to the Bonds by any rating agency solicited by the issuer was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB; or their respective equivalents), provided that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control or Potential Change of Control, as the case may be, if the rating agency does not publicly announce or publicly confirm that the reduction was the result of the Change of Control or Potential Change of Control, as the case may be, and (ii) any Rating Downgrade must have been

confirmed in a letter or other form of written communication sent to the Issuer and publicly disclosed.

**"Potential Change of Control"** means any public announcement or statement by the Issuer or any actual or potential bidder relating to any potential Change of Control of the Issuer.

- (ii) Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **"Put Event Notice"**) to the Bondholders in accordance with Condition 13 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 5(c).
- (iii) To exercise the Put Option to require redemption or, as the case may be, purchase of the Bonds under this Condition 5(c), a Bondholder must deliver such Bonds together with all Coupons relating thereto which mature after the date fixed for redemption within the period (the **"Put Period"**) of 45 days after a Put Event Notice is given, to any Paying Agent together with a duly completed redemption notice in the form obtainable from any Paying Agent (a **"Put Option Notice"**) and in which the holder may specify a bank account to which payment is to be made under this Condition 5(c).

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer procure the purchase of, the Bonds in respect of which the Put Option has been validly exercised as provided above and subject to the delivery of the Bonds to any Paying Agent as described above on the date which is the fifth Business Day following the end of the Put Period (the **"Optional Redemption Date"**). Payment in respect of such Bonds will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 6.

- (d) **Purchase:** The Issuer and any Subsidiary of the Issuer may at any time purchase Bonds in the open market or otherwise at any price.
- (e) **Cancellation:** All Bonds so redeemed or purchased by or on behalf of the Issuer, and any unmatured Coupons attached to or surrendered with them, will be cancelled and may not be re-issued or resold. However, any Bonds (including any unmatured Coupons attached thereto) purchased by a Subsidiary of the Issuer acting for its own account and not on the Issuer's behalf shall not be required to be cancelled.

## 6 Payments

- (a) **Method of Payment:** Payments of principal and interest will be made in euro against presentation and surrender (or, in the case of a partial payment, endorsement) of Bonds or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by a cheque payable in euro drawn on, or, at the option of the payee, by transfer to a euro-denominated account maintained by the payee with, a bank in a city in which banks have access to the TARGET System (as defined below). Payments of interest due in respect of any Bond other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.
- (b) **Payments subject to laws:** All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.
- (c) **Surrender of Unmatured Coupons:** Each Bond should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the

manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 7) for the relevant payment of principal.

- (d) **Payments on business days:** If any due date for payment of principal or interest or any other amount in respect of any Bond is not a Business Day, then the holder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the holder shall not be entitled to any interest or other sums in respect of such postponed payment. In addition, a Bond or Coupon may only be presented for payment on a day on which commercial banks and foreign exchange markets are open in the place of presentation. No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this paragraph falling after the due date.

For the purpose of this Condition 6:

“**Business Day**” means a day on which (i) Euroclear and Clearstream, Luxembourg are open for business, (ii) commercial banks and foreign exchange markets are open for general business in Paris, London and Luxembourg, and (iii) on which the TARGET System is operating, and

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

- (e) **Paying Agents:** The names of the initial Fiscal Agent and initial Paying Agents and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and appoint another Fiscal Agent and additional or other Paying Agents or agree to any change in the office through which the Fiscal Agent or any Paying Agent acts, provided that, so long as any of the Bonds or Coupons are outstanding, it will maintain (i) a Fiscal Agent, (ii) Paying Agents having specified offices in at least two major European cities (including Luxembourg, so long as the Bonds are listed on the Luxembourg Stock Exchange’s EEA Regulated Market) and (iii) to the extent possible, a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000. Notice of any change in the Paying Agents or their specified offices will be given promptly to the Bondholders in accordance with Condition 13.

Names and specified offices of Fiscal Agent and Paying Agents:

Fiscal Agent: Citibank, N.A., Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB

Paying Agents: Citibank, N.A., Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and Dexia Banque Internationale à Luxembourg, société anonyme, 69, route d’Esch, L-2953 Luxembourg.

In this Condition, “**EEA Regulated Market**” means a market as defined by Article 1(13) of the Investment Services Directive 93/22/EEC.

## 7 Taxation

- (a) **Tax exemption:**

The Bonds constituting *obligations* and being denominated in euro are deemed to be issued outside the Republic of France for the purposes of Article 131 *quater* of the French *Code général des impôts* (French general tax code). Consequently, interest and other revenues in respect of the Bonds and the Coupons benefit under present law from the exemption from deduction of the withholding tax set out under Article 125 A III of the French *Code général des impôts*, as provided for in Article 131 *quater* of the French *Code général des impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

(b) **Additional amounts:**

If French law should require that payments of principal or interest by or on behalf of the Issuer in respect of any Bond or Coupon be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Bond or Coupon, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond or Coupon presented for payment:

- (i) **Other connection:** by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Bond or Coupon; or
- (ii) **Presentation more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days; or
- (iii) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) **Payment by another Paying Agent:** by or on behalf of a Bondholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union.

“**Relevant Date**” means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders in accordance with Condition 13. Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition.

## 8 Events of Default

If any of the following events (each an “**Event of Default**”) occurs and is continuing:

- (a) **Non-Payment:** any amount of principal of, or interest on any Bond is not paid on the due date thereof and such default is not remedied within a period of 15 days from such due date; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Bonds, which default:
  - (i) is incapable of remedy; or
  - (ii) in the case where it is capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Fiscal Agent at its specified office by any Bondholder; or
- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries (as defined below) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual default or event of default, or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii)

the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds Euro 50,000,000 or its equivalent in any other currency; or

- (d) **Insolvency:** if the Issuer makes any proposal for a general moratorium in relation to its debt or enters into an amicable procedure (*procédure de conciliation*) with its creditors or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of its business (*cession totale de l'entreprise*) or, to the extent permitted by applicable law, if it is subject to any other insolvency or bankruptcy proceedings or if it makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (e) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Bondholders; or
- (f) **Adverse Rating Action:** if there shall be an adverse rating action (such as a downgrading or placing on "creditwatch" or placing on "negative outlook") in respect of the Bonds by Standard & Poor's Rating Services, as the sole result of the Guarantee being revoked, terminated or no longer in force in each case solely by agreement between the Issuer and Sodexho Inc., parties to the Guarantee, and not as a result of the operation of law,

then any Bond may, by notice in writing given to the Fiscal Agent at its specified office by the holder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further formality unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent.

For the purpose of this Condition 8, "**Material Subsidiary**" means, at any time, a Subsidiary of the Issuer:

- (a) whose revenues (excluding intra-Group items) then accounts for at least 10 per cent. of the consolidated revenues of the Group; or
- (b) whose Operating Profit (excluding intra-Group items) then accounts for at least 10 per cent. of the consolidated Operating Profit of the Group; or
- (c) whose gross assets (excluding intra-Group items) then accounts for at least 10 per cent. of the consolidated gross assets of the Group.

For this purpose:

- (i) the revenues, Operating Profit or gross assets of a Subsidiary of the Issuer will be determined from its financial statements (on an unconsolidated basis) upon which the latest audited financial statements of the Group have been based;
- (ii) if a Subsidiary of the Issuer becomes a member of the Group after the date on which the latest audited financial statements of the Group have been prepared, the revenues, Operating Profit or gross assets of that Subsidiary will be determined from its latest financial statements;
- (iii) the revenues, Operating Profit or gross assets of the Group will be determined from its latest audited or half yearly financial statements; and
- (iv) if a Material Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Issuer, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent financial statements (audited or half yearly) of those Subsidiaries and the Group will be used to determine whether those Subsidiaries are Material Subsidiaries or not.

If there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the Issuer will be, in the absence of manifest error, conclusive.

For the purpose of these Conditions:

“**Subsidiary**” means any company or corporation:

- (a) which is controlled, directly or indirectly, by the first-mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
- (c) which is a subsidiary of another subsidiary of the first-mentioned company or corporation.

“**Operating Profit**” means the «*résultat opérationnel consolidé*» (as determined in accordance with IFRS) as shown in the consolidated accounts of the Group for that period excluding for the avoidance of doubt any charge for amortisation of goodwill (*amortissement d'écarts d'acquisition*).

“**Group**” means, at any time, the Issuer and its subsidiaries taken as a whole.

“**IFRS**” means the International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (“**IASB**”) and interpretations issued by the International Financial Reporting Interpretations Committee (as amended, supplemented or re-issued from time to time).

“**Guarantee**” means the agreement dated 5 March 2002 as amended on 23 March 2007 between the Issuer and Sodexho Inc., a U.S. subsidiary of the Issuer, pursuant to which Sodexho Inc. has agreed, for the sole benefit of the Issuer, that if the Issuer fails to pay amounts due by it under, *inter alia*, the Bonds, Sodexho Inc. will pay such amounts.

## 9 Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 6 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

## 10 Replacement of Bonds and Coupons

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

## 11 Meetings of Bondholders and Modification

- (a) **Meetings of Bondholders:** The Fiscal Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on the Bonds, (iii) to change the currency of payment of the Bonds or the Coupons, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent, or at

any adjourned meeting not less than 25 per cent, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

- (b) **Modification of Fiscal Agency Agreement and Conditions:** The Fiscal Agency Agreement and/or the Conditions may be amended by the parties to the Fiscal Agency Agreement, without the consent of the Bondholders or the Couponholders, for the purpose of curing any ambiguity or which is of a formal, minor or technical nature or is made to correct a manifest error provided that to do so would not reasonably be expected to be prejudicial to the interests of the Bondholders and/or Couponholders. Any such amendment shall be notified to the Bondholders as soon as reasonably practicable thereafter.

## 12 Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further issues shall be issued pursuant to an agreement supplemental to the Fiscal Agency Agreement.

## 13 Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in Paris (which is expected to be *Les Echos*) and (so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require) published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort*) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition.

## 14 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

## 15 Governing Law

- (a) **Governing Law:** The Fiscal Agency Agreement, the Bonds and the Coupons are governed by and shall be construed in accordance with English law.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Bonds or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Bonds or the Coupons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Bondholders and Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Agent for Service of Process:** The Issuer irrevocably appoints Sodexho Holdings Ltd., Solar House, Stevenage Leisure Park, Kings Way, SG1 2UA, as its agent in England to receive service of process in any Proceedings in England based on any of the Bonds or the Coupons. If for any reason the

Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Bondholders and Couponholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

## **USE OF PROCEEDS**

The net proceeds of the issue of Bonds amount to Euro 498,871,000 and will be used for refinancing part of the debt existing in the Group and for the Issuer's general corporate purposes.

## SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE REPRESENTED BY THE GLOBAL BONDS

*The following is an overview of the provisions to be contained in the Temporary Global Bond and the Permanent Global Bond (together the "Global Bonds") which will apply to, and in some cases modify, the Terms and Conditions of the Bonds while the Bonds are represented by the Global Bonds.*

### Exchange

Interests in the Temporary Global Bond will be exchangeable for interests in the Permanent Global Bond on or after 10 May 2007, upon certification as to non-U.S. beneficial ownership.

The Permanent Global Bond will be exchangeable in whole but not in part (free of charge to the holder) for definitive Bonds only if any of the following events occurs (each an "Exchange Event"):

- (a) if the Permanent Global Bond is held on behalf of Euroclear or Clearstream, Luxembourg or on behalf of or the Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) if principal in respect of any Bonds is not paid when due and payable.

The Issuer will promptly give notice to Bondholders if an Exchange Event occurs. The holder of the Permanent Global Bond, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent of its intention to exchange the Permanent Global Bond for definitive Bonds on or after the Exchange Date (as defined below).

On or after the Exchange Date, the holder of the Permanent Global Bond may or, in the case of (c) above, shall, surrender the Permanent Global Bond to, or to the order of, the Fiscal Agent. In exchange for the Permanent Global Bond the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Bond), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Bond, the Issuer will procure that it is cancelled and the relevant definitive Bonds delivered to, or to the order of, the Fiscal Agent.

For these purposes, "Exchange Date" means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

### Payments

On and after 10 May 2007, no payment will be made on the Temporary Global Bond unless exchange for an interest in the Permanent Global Bond is improperly withheld or refused. Payments of principal and interest in respect of Bonds represented by a Global Bond will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of such Global Bond to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Bond by or on behalf of the Fiscal Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Bonds. Payments of interest on the Temporary Global Bond (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

## **Notices**

For so long as all of the Bonds are represented by a Global Bond and such Global Bond is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 13, provided that, if and for so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of such stock exchange so require, notice will also be given by publication in a daily newspaper of general circulation in Luxembourg (which is expected to be the *d'Wort*) and/or the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). Any such notice shall be deemed to have been given to the Bondholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

## **Accountholders**

For so long as all of the Bonds are represented by a Global Bond and such Global Bond is held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Bonds (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Bondholders) other than with respect to the payment of principal and interest on the principal amount of such Bonds, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Bond in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Bond.

## **Prescription**

Claims against the Issuer in respect of principal and interest on the Bonds represented by a Global Bond will be prescribed (in accordance with Condition 9) after 10 years (in the case of principal) and 5 years (in the case of interest) from the Relevant Date (as defined in Condition 7).

## **Cancellation**

Cancellation of any Bond represented by a Global Bond and required by the Terms and Conditions of the Bonds to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Bond on the relevant part of the schedule thereto.

## **Euroclear and Clearstream, Luxembourg**

Bonds represented by a Global Bond are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Bonds and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Bonds are held.

## RECENT DEVELOPMENTS

The financial information appearing in this section has not been audited by the statutory auditors of the Issuer.

### Revenues for First Quarter 2007 (ended 30 November 2006)

#### Revenues for first quarter Fiscal 2007:

**+9.0 % organic growth**

**+5.8 % overall growth after negative currency impact**

- Strong level of activity across all geographies in Food and Facilities Management services: + 8.7 %
- Continuing rapid growth in Service Vouchers and Cards: + 20.3 %
- Currency impact: - 3.3 %

#### Revenue by activity

In millions of euro (in IFRS)	Q1 Fiscal 2006	Q1 Fiscal 2007	Organic growth <sup>(1)</sup>	Currency impact <sup>(2)</sup>	Acquisitions	Total change
<b>Food and Facilities Management Services:</b>	3,277	<b>3,455</b>	<b>8.7 %</b>	- 3.3 %	-	5.4 %
• North America	1,527	<b>1,541</b>	<b>7.8 %</b>	- 6.3 %	- 0.6 %	0.9 %
• Continental Europe	1,077	<b>1,151</b>	<b>6.0 %</b>	-	0.9 %	6.9 %
• United Kingdom and Ireland	333	<b>366</b>	<b>8.8 %</b>	1.0 %	-	9.8 %
• Rest of the World	340	<b>397</b>	<b>22.0%</b>	- 5.4 %	-	16.6%
<b>Service Vouchers and Cards</b>	83	<b>98</b>	<b>20.3 %</b>	- 3.8 %	2.6 %	19.1%
Elimination of intragroup revenues	-2	<b>-2</b>				
<b>TOTAL</b>	3,358	<b>3,551</b>	<b>9.0 %</b>	- 3.3 %	0.1 %	5.8 %

(1) Organic growth : increase in revenues at constant consolidation scope and exchange rates

(2) The currency impact is - 3.3 %, however, Sodexo subsidiaries' income and expenses are expressed in the same currency ; hence, contrary to exporting companies, currency variations carry no operating risk.

#### Organic Revenue Growth Analysis

##### Food and Facilities Management Services

- North America: organic growth of 7.8 % driven by continuing dynamism in Healthcare, Seniors and Education and by renewed activity in Business and Industry
- Continental Europe: continuing momentum (+ 6.0 %), in particular in Healthcare and Seniors
- United Kingdom and Ireland: return to growth confirmed (+ 8.8 %)

- Rest of the World: sustained double digit growth across all geographies (+ 22.0 %)

In **North America**, the growth in revenue in Business and Industry benefited from good comparable unit growth, continued demand for catering services and from a recovery in business development, including in Facilities Management.

With organic growth at +8.4%, the performance in Healthcare and Seniors continues to be particularly solid, boosted especially by:

- the expansion of service offerings on existing sites
- application of contractual indexation clauses

Three principal factors explain the 8.7% organic growth in Education:

- improved client retention in the prior fiscal year
- strong demand in Facilities Management, particularly for project work (for example, existing facilities renovations)
- strong comparable unit sales, notably with an expanded food offering in schools.

In **Continental Europe**, client retention efforts during the previous year as well as strong comparable unit sales growth, drove an increase in revenue in Business and Industry.

In Healthcare and Seniors, the growth momentum was sustained as result of Sodexho's broad Facilities Management offering and its successful commercial efforts.

Growth in Education can be attributed to improved client retention rates and ongoing selectivity in public markets.

In the **United Kingdom and Ireland**, new contracts start-ups, notably in Defense, together with strong comparable unit sales growth and development in leisure-related activities, were the primary drivers in the 10% increase in Business and Industry.

In Healthcare and Seniors, the ramp up of Private Finance Initiative ("PFI") contracts contributed to the 13.8% growth.

This substantial improvement in the first quarter confirms that the action plans implemented over the past three years are proving effective in bringing Sodexho's subsidiary back to growth.

In the **Rest of the World**, organic growth in Food and Facilities Management services remained buoyant at 22%.

In Latin America, the Group holds a significant position in the mining sector thanks to the strength of its sales efforts.

The strength of raw materials prices continues to benefit activity levels in Remote Sites. This helped lead to new contract awards in the Middle East and Africa and higher demand in the construction of new camps.

In China and in India, Sodexho's expansion continues at a rapid pace.

### **Service Vouchers and Cards**

*Organic growth: +20.3 %*

The issue volume totalled 1.9 billion euros, up 24.7% (at constant consolidation scope and exchange rates), fuelled, particularly, by activity in Latin America.

This strong progression can be primarily attributed to:

- solid growth in traditional services
- a successful campaign for year-end holiday season vouchers, and

- to a lesser extent, the increase in voucher face values in a number of countries.

Revenue organic growth is slightly below that of issue volume mainly because of the timing of several large orders at the very end of the quarter which remain to be reimbursed.

## TAXATION

*The statements herein regarding taxation are based on the laws in force in France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Bonds. Each prospective holder or beneficial owner of Bonds should consult its tax advisor as to the French or, as the case may be, the Luxembourg tax consequences of any investment in or ownership and disposition of the Bonds.*

### EU Directive on the Taxation of Savings Income

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income (the "**Directive**"). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the "**Disclosure of Information Method**").

For these purposes, the term "paying agent" is widely defined and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interests payments. The rate of such withholding tax equals 15% during the first three years, 20% during the subsequent three years and 35% until the end of the transitional period. Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of several jurisdictions (Switzerland, Liechtenstein, San Marino, Monaco and Andorra), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the "**OECD Model Agreement**") with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same jurisdictions of a withholding tax on such payments at the rates defined for the corresponding periods and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The Directive was implemented into French law under article 242 *ter* of the French *Code Général des Impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

The Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union were implemented in Luxembourg by the Laws of 21 June 2005 (the "**Laws**").

### French Taxation

The Bonds constituting *obligations* issued in euros by a French legal entity are deemed to be issued outside the Republic of France for the purposes of Article 131 *quater* of the French *Code Général des Impôts*.

Consequently, interest and other revenues with respect to the Bonds paid to non-French residents benefit from the exemption of withholding tax provided for in Article 125 A III of the French *Code général des impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

### **Luxembourg Withholding Taxation**

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Bondholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Bondholders, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Bonds.

#### *Luxembourg non-resident individuals*

Under the Laws, a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income (including reimbursement premium received at maturity) paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals resident in certain EU dependent territories.

The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. and to 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

#### *Luxembourg resident individuals*

A 10% withholding tax has been introduced, as from 1 January 2006 on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents. Only interest accrued after 1 July 2005 falls within the scope of this withholding tax. This withholding tax represents the final tax liability for the individual resident taxpayers.

**All prospective Bondholders should seek independent advice as to their tax positions.**

## SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated 28 March 2007 (the "**Subscription Agreement**"), Citigroup Global Markets Limited, HSBC Bank plc, Natixis Banques Populaires, Société Générale, BNP Paribas, CALYON, Deutsche Bank AG, London Branch and The Royal Bank of Scotland plc (the "**Managers**") have jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions contained therein, to subscribe and pay for the Bonds at an issue price of 99.889 per cent. of the aggregate principal amount of the Bonds less a combined, selling management and underwriting commission and less certain other fees and expenses relating to the offering of the Bonds. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

### General

No action has been or will be taken by the Managers that would permit a public offering of the Bonds or possession or distribution of any offering material in relation to the Bonds in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of the Bonds, or distribution of any offering material relating to the Bonds, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer.

Each Manager has represented and agreed that, in making any offers or sales of Bonds or distributing any offering materials relating thereto in any country or jurisdiction, it has complied and will comply with all applicable laws in such country or jurisdiction.

### United States

The Bonds have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bonds are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### Republic of France

Each of the Managers and the Issuer has acknowledged that the Bonds are being issued outside the Republic of France and, accordingly each of the Managers and the Issuer has represented and agreed that, in connection with their initial distribution, (i) it has not offered or sold or caused to be offered or sold and will not offer or sell or cause to be offered or sold, directly or indirectly, any Bonds to the public (*appel public à l'épargne*) in the Republic of France and (ii) offers and sales of Bonds in the Republic of France will be made

to qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

This Prospectus has not been admitted to the clearance procedures of the *Autorité des marchés financiers*.

In addition, each of the Managers and the Issuer has represented and agreed that, it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, this Prospectus or any other offering material relating to the Bonds other than to those investors (if any) to whom offers and sales of the Bonds in the Republic of France may be made as described above.

## United Kingdom

Each of the Managers has represented and agreed that:

- (a) it has only communicated or caused to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

## Republic of Italy

The offering of the Bonds has not been registered with the *Commissione Nazionale per la Società e la Borsa* (the "**CONSOB**") (the Italian securities and exchange commission) pursuant to the Italian securities legislation and, accordingly the Bonds cannot be offered, sold or distributed nor any copies of the Prospectus or any other document relating to the Bonds can be distributed in the Republic of Italy ("**Italy**") in a solicitation to the public at large (*sollecitazione all'investimento*) within the meaning of Article 1, paragraph 1, letter (t) of Legislative Decree no. 58 of 24 February 1998, unless an exemption applies. Accordingly, the Bonds in Italy:

- (i) shall only be offered or sold to professional investors (*operatori qualificati*), as defined in Article 31, second paragraph of CONSOB Regulation No 11522 of 1 July 1998, as amended (the "**Regulation No 11522**"), and effected in compliance with the terms and procedures provided therein; or
- (ii) shall only be offered or sold in circumstances which are exempted from the rules of solicitation of investments pursuant to Article 100 of Legislative Decree No 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 33, first paragraph, of CONSOB Regulation No 11971 of 14 May 1999, as amended; and
- (iii) cannot be offered, sold and/or delivered in any case, either in the primary or in the secondary market, to individuals in Italy.

In any event, the offer or sale of the Bonds in Italy shall be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations.

Moreover and subject to the foregoing, the Bonds may not be offered, sold or delivered and neither the Prospectus nor any other material relating to the Bonds may be distributed or made available in Italy unless such offer, sale or delivery of Bonds or distribution or availability of copies of the Prospectus or any other material relating to the Bonds in the Italy is:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No 385 of 1 September, 1993, as amended (the "**Italian Banking Act**"), the Regulation No 11522 and any other applicable laws and regulations; and

- (b) in compliance with Article 129 of the Italian Banking Act and the implementing instructions of the Bank of Italy, pursuant to which the issue or placement of securities (e.g., Bonds) in Italy is subject to prior and subsequent notification to the Bank of Italy, unless an exemption, depending inter alia on the amount of the issue and the characteristics of the securities, applies, and
- (c) in compliance with any other applicable requirement or limitation which may be imposed from time to time by CONSOB or the Bank of Italy.

Insofar as the requirements above are based on laws which are superseded at any time pursuant to the implementation of the Prospectus Directive in Italy, such requirements shall be replaced by the applicable requirements under the implementing measures of the Prospectus Directive in Italy.

## GENERAL INFORMATION

1. The estimated costs for the admission to trading are Euro 8,900.
2. The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The International Securities Identification Number ("**ISIN**") for this issue is XS0292924775 and the Common Code is 029292477.  

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1885 Luxembourg.
3. The issue of the Bonds has been authorised pursuant to a decision of the Board of Directors (*conseil d'administration*) of the Issuer passed on 14 March 2007.
4. The Issuer publishes (i) audited annual consolidated and non-consolidated accounts and (ii) semi-annual unaudited consolidated and non-consolidated accounts. The Issuer's statutory auditors carry out a limited review of such semi-annual accounts.
5. In accordance with French law, the Issuer is required to have a minimum of two statutory auditors (*commissaires aux comptes*) and two substitute statutory auditors. The statutory auditors are currently KPMG Audit (represented by Mr Patrick-Hubert Petit) and PricewaterhouseCoopers Audit (represented by Mr Louis-Pierre Schneider). The consolidated financial statements of the Issuer have been audited without qualification by KPMG Audit and PricewaterhouseCoopers Audit for the years ended 31 August 2005 and 2006. KPMG Audit and PricewaterhouseCoopers Audit are regulated by the *Haut Conseil du Commissariat aux Comptes* and are duly authorised as *Commissaires aux comptes*. The latest audited financial information is the 31 August 2006 audited financial statements. The Issuer's accounts are audited in accordance with International Financial Reporting Standards.
6. Except as disclosed on pages 21-23 of this Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 August 2006 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 August 2006.
7. Except as disclosed on page 140 of the 2006 Reference Document, incorporated by reference in this Prospectus, neither the Issuer nor any other member of the Group is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.
8. Sodexo Inc, a U.S. subsidiary of Sodexo, has, pursuant to and subject to the terms of the Guarantee (as defined in Condition 8(f) of the terms and conditions of the Bonds), agreed to unconditionally and irrevocably guarantee the payment of amounts due by Sodexo under certain specified borrowings, including under the Bonds and the Coupons. The Guarantee, which is governed by the laws of New York, is for the sole benefit of Sodexo and is enforceable by Sodexo only. Accordingly, no holder of the Bonds or Coupons has or will have any right to enforce the Guarantee. In addition, the Guarantee may be terminated, or any provision thereof may be amended or waived, by the parties thereto.
9. So long as any of the Bonds are outstanding, the following documents will be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection and, in the case of documents listed at (ii) and (iii) collection free of charge, at the specified office each of the Paying Agents:
  - (i) the Fiscal Agency Agreement; and
  - (ii) the documents incorporated by reference in this Prospectus.

10. So long as any of the Bonds are outstanding, the following documents will be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection at the head office of the Issuer at 3, avenue Newton, 78180 Montigny le Bretonneux, France:
  - (i) the *statuts* of the Issuer; and
  - (ii) the audited consolidated financial statements of the Issuer for the two most recent financial years.
11. The phone number of the Issuer at its registered office is +33 1 30 85 75 00.
12. The yield of the Bonds is 4.519 per cent. per annum and is calculated at the issue date on the basis of the issue price. It is not an indication of future yield.
13. The Issuer certifies that, to the best of its knowledge, there are no potential conflicts of interests between any duties owed to the Issuer by members of its administrative, management and supervisory bodies and their private interests or other duties.

**REGISTERED OFFICE OF THE ISSUER**

**SODEXHO ALLIANCE**

3, avenue Newton  
78180 Montigny le Bretonneux  
France

**FISCAL AGENT AND PRINCIPAL PAYING AGENT**

**CITIBANK N.A.**

Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
United Kingdom

**PAYING AGENT**

**Dexia Banque Internationale à Luxembourg, *société anonyme***

69, route d'Esch  
L-2953 Luxembourg  
Grand-Duchy of Luxembourg

**LISTING AGENT IN LUXEMBOURG**

**Dexia Banque Internationale à Luxembourg, *société anonyme***

69, route d'Esch  
L-2953 Luxembourg  
Grand-Duchy of Luxembourg

**AUDITORS OF THE ISSUER**

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**PricewaterhouseCoopers Audit**

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***To the Issuer***

*(as to English and French law)*

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***To the Managers***

*(as to English law)*

**Linklaters**

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