



**KPMG Audit**  
1, cours Valmy  
92923 Paris La Défense Cedex  
France

Olivier Belnet

19, boulevard Arthur Michaud  
13015 Marseille  
France

**Bellon S.A.**

**Statutory auditor's report on  
the financial statements**

Year ended December 31, 2011  
Bellon S.A.  
Espace Gaymard - 2, place d'Arvieux - 13002 Marseille  
*This report contains 13 pages*  
Reference : JCR/122-2



**KPMG Audit**  
1, cours Valmy  
92923 Paris La Défense Cedex  
France

Olivier Belnet

19, boulevard Arthur Michaud  
13015 Marseille  
France

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

*This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.*

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

## **Bellon S.A.**

Registered office: Espace Gaymard - 2, place d'Arvieux - 13002 Marseille  
Share capital: €411,360

## **Statutory auditor's report on the financial statements**

Year ended December 31, 2011

To the shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2011, on:

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

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

## **1 Opinion on the financial statements**

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

the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

## **2 Justification of our assessments**

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you that the assessments made by us focused on the appropriateness of the accounting principles used relating particularly to the valuation of shares in companies.

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

## **3 Specific verifications and information**

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

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

The statutory auditors

Paris La Défense, May 4, 2012

Marseille, May 4, 2012

French original signed by

French original signed by

KPMG Audit  
*Department of KPMG S.A.*  
Jean-Claude Reydel  
*Partner*

Olivier Belnet

**Financial statements**  
**BELLON SA**  
**as of December 31, 2011**

**I. INCOME STATEMENT**

<i>In thousands of euro</i>	<b>Year ended December 31</b>	
	<b>2011</b>	<b>2010</b>
<b>REVENUES</b>	<b>5 696</b>	<b>4 961</b>
Other income	-	-
Employee costs	<b>(6 559)</b>	(6 098)
Other external charges	<b>(3 579)</b>	(829)
Taxes other than income taxes	<b>(193)</b>	(175)
Amortization, impairment and provisions	-	-
<b>OPERATING PROFIT</b>	<b>(4 635)</b>	<b>(2 141)</b>
Financial income	<b>80 641</b>	75 532
Financial expense	<b>(32 873)</b>	(37 112)
Amortization, impairment and provisions	-	-
<b>FINANCIAL RESULT</b>	<b>47 768</b>	<b>38 420</b>
Exceptional income/expense net	-	-
Profit sharing	<b>(1)</b>	<b>(1)</b>
Income taxes	-	-
<b>NET INCOME</b>	<b>43 132</b>	<b>36 278</b>

## II BALANCE SHEET

<b>ASSETS</b>	<b>As of December 31</b>	
<i>In thousands of euro</i>	<b>2011</b>	<b>2010</b>
<b>NON-CURRENT ASSETS, NET</b>		
Property, plant and equipment	-	-
Financial investments	1 567 048	1 567 122
• <b>Total non-current assets</b>	<b>1 567 048</b>	<b>1 567 122</b>
<b>CURRENT ASSETS</b>		
Accounts receivable	-	-
Other receivables	60	31
Marketable securities	1 767	28 624
Cash	12 416	37 241
• <b>Total current assets</b>	<b>14 243</b>	<b>65 896</b>
<b>TOTAL ASSETS</b>	<b>1 581 291</b>	<b>1 633 018</b>

<b>LIABILITIES AND EQUITY</b>	<b>As of December 31</b>	
<i>In thousands of euro</i>	<b>2011</b>	<b>2010</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	411	411
Additional paid in capital	396 706	396 706
Reserves and retained earnings	495 592	460 437
• <b>Total Shareholders' equity</b>	<b>892 709</b>	<b>857 554</b>
• <b>Provisions for contingencies and losses</b>	<b>139</b>	<b>164</b>
<b>LIABILITIES</b>		
<b>Borrowings</b>	<b>683 233</b>	<b>770 402</b>
Accounts payable	258	139
Other liabilities	4 952	4 759
• <b>Total liabilities</b>	<b>688 443</b>	<b>775 300</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1 581 291</b>	<b>1 633 018</b>

## NOTES TO THE FINANCIAL STATEMENTS

### I SIGNIFICANT EVENTS

#### 1.1 Borrowings

On April 12, 2011, Bellon SA reimbursed a loan with CALYON for 160 million euros which had matured. In order to finance this transaction, the Company used its available cash and entered into an Equity Linked Swap (ELS) transaction (forward sale of Sodexo shares with interest rate conditions linked to the variation in Sodexo's share price) with CACIB, in the amount of 40 million euros maturing on June 30, 2011, increasing to 70 million euros maturing on December 31, 2011. On December 23, 2011, the maturity of this ELS was extended to February 15, 2012.

Financial borrowings expected to be reimbursed during 2012 are as follows:

- Loan contracted with the CNCEP (*Caisse Nationale des Caisses d'Epargne Populaires*) in the amount of 413 million euros plus capitalized interest of 54 million euros maturing on July 4, 2012;
- Equity Linked Swap signed with Société Générale in the amount of 70 million euros maturing on August 29, 2012.

Accordingly, the Company pursued refinancing alternatives including the potential issuance of bonds on the Luxembourg stock exchange, which was not realized.

On November 15, 2011, Bellon SA signed two ELS agreements with Natixis, for an amount of 150 million euros each, and for which the start date is anticipated for July 4, 2012. One of the agreements matures on July 4, 2015 and carries interest at 3.875%; the other agreement matures on July 4, 2017 and carries interest at 4.89%. Commission fees for these transactions were paid at the conclusion of these contracts for a total amount of 2.4 million euros and are presented in the line item "Other operating charges" in the income statement, for the year ended December 31, 2011.

## **1.2 Capital**

As of December 31, 2011, Bellon SA held 37.71% of the issued capital of Sodexo and 49.40% of theoretical voting rights.

## **II POST-BALANCE SHEET EVENTS**

The Company turned to the U.S. market where a private placement transaction was identified at the beginning of March 2012. Eleven investors responded to the financing for an amount of 165 million US dollars plus the euro equivalent of 50 million US dollars.

## **III ACCOUNTING PRINCIPLES, RULES AND METHODS**

The annual financial statements were prepared and presented in conformity with the principles, standards and accounting methods required by the general accounting plan of 1999 in compliance with Rule 99-03 of the Accounting Regulation Committee (CRC).

The accounting principles used in the preparation of the statutory financial statements for 2011 are the same as those used for 2010. The historical cost method was used in the preparation of these financial statements.

Amounts included in tables in the footnotes are expressed in thousands of euro.

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

### **3.1 Financial assets**

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

### **3.2 Marketable securities**

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

### **3.3 Borrowings**

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

#### **IV NON-CURRENT ASSETS**

	<b>Amounts as of January 1, 2011</b>	<b>Increase</b>	<b>Decrease</b>	<b>Amounts as of December 31, 2011</b>
<b>Property, plant and equipment</b>	-	-	-	-
<b>Financial investments</b>				
Sodexo	1 567 048	-	-	1 567 048
Other investments	-	-	-	-
<b>Total financial investments</b>	<b>1 567 048</b>	-	-	<b>1 567 048</b>
<b>Other financial assets</b>	73	-	73	-
<b>Total non-current assets (gross amount)</b>	<b>1 567 122</b>	-	73	<b>1 567 048</b>
Amortization and impairment write-down	-	-	-	-
<b>Total non-current assets (net)</b>	<b>1 567 122</b>	-	73	<b>1 567 048</b>

Sodexo shares are valued at historical cost. Market price as of the end of the year would have been 3 286 712 thousand euros.

## V CHANGES IN SHAREHOLDERS' EQUITY

	Number of shares	Capital	Additional paid in capital	Legal reserve	Ordinary reserve	Retained earnings	Net income for the fiscal year	Shareholders equity
<b>Shareholders' equity as of December 31, 2009</b>	25 710	411	396 706	<b>41</b>	<b>380 718</b>	<b>7 151</b>	<b>42 701</b>	<b>827 729</b>
Dividends paid					36 500	(252)	(42 701)	(6 453)
Net income for the year							36 278	36 278
<b>Shareholders' equity as of December 31, 2010</b>	25 710	411	396 706	<b>41</b>	<b>417 218</b>	<b>6 899</b>	<b>36 278</b>	<b>857 554</b>
Dividends paid			-		28 000	301	(36 278)	(7 977)
Net income for the year							43 132	43 132
<b>Shareholders' equity as of December 31, 2011</b>	25 710	411	396 706	<b>41</b>	<b>445 218</b>	<b>7 200</b>	<b>43 132</b>	<b>892 709</b>

## VI PROVISIONS FOR CONTINGENCIES AND LOSSES

	Provisions as of January 1, 2011	Increase	Decrease	Provisions as of December 31, 2011
Other provisions	25	-	25	-
Provision carry back 1995	139	-	-	139
<b>Total</b>	<b>164</b>	<b>-</b>	<b>25</b>	<b>139</b>

## VII BORROWINGS

	Amounts as of January 1, 2011	Increase	Decrease	Amounts as of December 31, 2011
<b>Bank borrowings</b>	770 401	78 875	166 043	683 233
<b>Overdraft</b>	1	-	1	-

<b>Total borrowings</b>	<b>770 402</b>	78 875	166 044	683 233
-------------------------	----------------	--------	---------	---------

The credit agreement signed in 2004 with the Caisse Nationale des Caisses d'Epargne et de Prévoyance (CNCEP), the loan agreements and the loan signed in 2005 with Calyon, as well as the loan agreement signed in 2007 with Calyon, and the Equity Linked Swap agreement signed with Société Générale in 2007 all contain terms that are customary for loans of this nature made to a holding company. These conditions mainly include the following:

- control of the company Bellon SA by Mr. Pierre Bellon and his children, who must hold more than half the capital and voting rights of the company (agreements with CNCEP, Société Générale and Calyon)
- the level of Bellon SA's investment in Sodexo should not be less than 33.34% of voting rights (all bank agreements)
- Bellon SA's assets must be made up of:
  - . Sodexo shares or shares of subsidiaries controlled by Sodexo or jointly by Sodexo and Bellon SA, for at least 80% (CNCEP agreement)
  - . Sodexo shares, for at least 90% (Calyon agreement)
- the ratio of net financial debt to total assets (excluding cash) should not exceed 90% (CNCEP)
- the ratio of revaluated assets to net financial debt must be higher than 1.25 as of August 31 and December 31 of each year (Calyon contract)
- the ratio "dividends to net financial expenses" should be higher than 1 each year (Calyon contract)
- total borrowings should be lower than 1.1 billion euros at any point in time (Société Générale and Calyon contracts)
- Bellon SA must not propose a tender offer on all or part of its Sodexo shares without exercising its voluntary reimbursement right (CNCEP)
- the Sodexo rating should not be lower than BBB-

As of December 31, 2011, Bellon SA met its commitments.

## **VIII MATURITIES OF RECEIVABLES AND PAYABLES**

<b>RECEIVABLES</b>		<b>Amounts</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>
	<b>Accounts receivable</b>	-	-	
	Other receivables	60	60	
<b>TOTAL RECEIVABLES (NET)</b>		<b>60</b>	<b>60</b>	

<b>LIABILITIES</b>		<b>Amounts</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>
	—Bank borrowings	683 233	611 600	71 633	
	<b>Total Borrowings</b>		<b>611 600</b>	<b>71 633</b>	
	<b>Accounts payable</b>	<b>258</b>	<b>258</b>		
	Employee related liabilities	3 368	2 451	917	

	Social and fiscal liabilities	1 578	1 327	251	
	Other	6	6		
	<b>Total other liabilities</b>	<b>4 952</b>	<b>3 784</b>	<b>1 168</b>	
	<b>TOTAL LIABILITIES</b>	<b>688 443</b>	<b>615 642</b>	<b>72 801</b>	

## **IX RELATED PARTY INFORMATION**

		<b>Amount</b>	<b>Related companies and associates</b>	<b>Companies with related investments</b>
<b>ASSETS</b>				
	Financial investments (gross amount)	<b>1 567 048</b>	1 567 048	
	Loans			
<b>LIABILITIES</b>				
	Accounts payable	-	-	
<b>INCOME STATEMENT</b>				
	Operating revenues	<b>5 696</b>	5 696	
	Operating expenses	<b>84</b>	84	
	Financial income	<b>79 990</b>	79 990	
	Financial charges	<b>0</b>	0	

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

Related parties	Nature of transaction	Amount of transaction
Sodexo S.A.	Assistance and advisory services agreement between Bellon S.A. and Sodexo S.A.	The invoice issued by Bellon S.A. amounts to 5 696 thousand euros excl. taxes for the year ended December 31, 2011

## **X ACCRUED EXPENSES**

Accounts payable	90
Employee related liabilities	3 368
Social and fiscal liabilities	972
<b>Total</b>	<b>4 430</b>

## **XI ISSUED CAPITAL**

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

## **XII ANALYSIS OF REVENUES**

Revenues are related to services rendered in France and amount to 5 696 thousand euros.

## **XIII AUDIT FEES**

The statutory auditors' fee for the year ended December 31, 2011 amounts to 246 thousand euros for the statutory audit of the financial statements.

## **XIV FINANCIAL RESULT**

The financial result of 47 768 thousand euros comprises the following:

- Dividends from Sodexo for 79 990 thousand euros.
- Gains on sale of marketable securities and interest income from Caisse d'Epargne for 625 thousand euros.
- Interest expense amounting to 32 873 thousand euros related to the interest on the company's debt.

## **XV INCOME TAXES**

No income tax is due from the company due to its tax loss position.

## **XVI UNREALISED TAX GAINS AND LOSSES**

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

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

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

As of December 31 2011, Bellon SA has accumulated tax losses of 412 810 thousand euros which can be carried forward indefinitely, representing a decrease in future taxes payable of 137 603 thousand euros, based on the current rate of 33.33%.

## **XVII LEASES**

As of December 31, 2011, Bellon SA has no finance leases.

## **XVIII PLEDGED SHARES**

9 090 258 Sodexo shares are pledged to the benefit of Caisse Nationale des Caisses d'Epargne et de Prévoyance.

3 749 745 Sodexo shares are pledged to the benefit of Calyon.

1 976 404 Sodexo shares are pledged to the benefit of Société Générale.

## **XIX RETIREMENT BENEFIT COMMITMENTS**

Bellon SA has no commitment to its employees related to pensions, complementary retirement plan or similar payments.

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

The commitment, which is not recognized as a liability in the balance sheet, is estimated at 1 281 thousand euros.

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

• Total compensation paid to the members of the Board and non executive directors for year 2011	576 thousand euros
• Advances and loans	None
• Amount paid to a defined benefit pension plan during year 2011	None

## **XXI NUMBER OF EMPLOYEES**

As of December 31, 2011, 8 executives were employed by the company.

## **XXII LIST OF SUBSIDIARIES**

	<b>% interest in Capital</b>	<b>Capital</b>	<b>Shareholders' equity</b>	<b>Book value of investment</b>	<b>Revenues</b>	<b>Net income for recent fiscal year</b>	<b>Date</b>	<b>Dividends</b>
Sodexo	37.71 %	628 528	2 833 678	1 567 048	80 470	301 668	31/08/2011	79 990

## **XXIII CONSOLIDATION**

The annual accounts of Bellon SA are integrated in the consolidated accounts of Bellon SA.