



Message
of Pierre Bellon
Chairman of the Board of Directors

Message of Pierre Bellon,

Chairman of the Board of Directors,
to the Annual Shareholders' Meeting
January 23, 2012.

Ladies and Gentlemen, Dear Shareholders,

In a highly uncertain economic environment :

- > our results are good,
- > our three year plan is ambitious,
- > our long-term financing is very strong, with Standard & Poor's recently reaffirming our BBB + rating,
- > despite the stock market crisis, between January 1 and December 31, 2011, Sodexo's share price increased by 6.1% while the CAC 40 fell by 19%,
- > today we employ more than 413,000 people in 80 countries,
- > we are the world leader in most of our markets and, in particular, No. 1 in the four 'BRIC' countries: Brazil, Russia, India and China.

This is a result of the efforts of our CEO, Michel Landel, the members of the Executive Committee, our best leaders, country directors, regional directors, district managers, site managers and employees.

On behalf of the Board of Directors, I congratulate them and thank them and ask you to join me in applauding their efforts!

That being said:

- > globalization continues,
- > competition is increasing,
- > budget deficits and debt levels of the U.S. and European countries have reached unsustainable levels,
- > the financial, economic and social crisis continues and affects all of the most developed countries.

Despite these enormous challenges, Sodexo confirms its ambitions:

- > to ultimately be a **global leader in EBIT and revenues in our three business activities**, in each client segment and sub-segment and in each country where we operate,
- > to be a **springboard** for our employees' development,
- > to be **among the global companies most appreciated** by its employees,

- > to make Sodexo a **globally known, chosen and beloved brand**,
- > to sustain **average annual revenue growth above 7%** and reach an operating margin over 6%,
- > to achieve **Return on Capital Employed (ROCE) above 15%**.

Over the past year, the Board of Directors and the Group Executive Committee conducted an inventory of Sodexo's strengths and an objective analysis of our weaknesses compared to our competitors that was courageous, lucid and thorough.

Achieving our ambitions requires a dual approach:

- > first, reaffirm and share the fundamental principles responsible for our development to date,
- > second, deploy the actions that will enable us to continue to succeed in the future.

I. The fundamental principles for Sodexo's development

There are four:

1. Our concept of the company

Sodexo is the community:

- > of its clients and consumers,
- > of its employees and managers,
- > of its shareholders.

How can we meet simultaneously and sustainably the expectations of our clients, our consumers, our employees and our shareholders?

There is only one possible choice: to achieve organic growth in our profits and revenues.

Because, organic growth:

- > guarantees that we are able to retain our clients and consumers and therefore satisfy their current and future needs, and also to attract new clients and consumers,
- > enables us to meet the expectations of our employees for jobs and possibilities for career advancement,
- > ensures return on investment for our shareholders.

2. This growth needs to be meaningful

We therefore defined at the time of Sodexo's creation in 1966:

- > a Mission,
- > Values,
- > Ethical Principles.

Our mission is twofold:

- > **Improve the quality of life** of our employees and all whom we serve: employees in the workplace, patients in hospitals, students at schools and universities, prisoners in correctional facilities, soldiers in their barracks, teams working on on-shore and off-shore remote sites, etc.

- > **Contribute to the economic, social and environmental development** of the communities, regions and countries in which we operate.

Our values

The values shared by Sodexo's 413,000 employees are:

- > Service Spirit,
- > Team Spirit,
- > Spirit of Progress.

The nobility of our profession: Serving others.

Our ethical principles

- > Loyalty,
- > Respect for People,
- > Transparency,
- > Business Integrity.

Our mission, our values and our ethical principles provide a common vision and sense of purpose for the work of each of us.

45 years after the creation of Sodexo, they are the foundation of our commitment, uniting us and providing a common bond for our teams throughout the world.

This is what sets us apart from our competitors.

3. Sodexo is and will remain a services company

To define a strategy is to make a choice. It is to decide what we will do and, especially, what we will not do.

We excluded the primary sector: agriculture, livestock, fisheries, all production of unprocessed raw materials, and also the secondary sector which involves the processing of raw materials from the primary sector and the production of industrial goods.

Why services?

The conclusion was simple: in the early 19th century in France, 65% of employment was in agriculture. We understood that the service sector would grow much faster than the primary and secondary sectors. Today this sector accounts for 78% of jobs in France, compared to 19% for industry and 3% in agriculture.

The same holds true for all major economies, in the United States, the UK and China, services account for 75% of the jobs created.

Which services?

In such a vast industry sector, we would not be bankers or insurers or property developers or distributors or transporters or vessel owners, etc.

Consistent with our mission, defined at the time of our creation in 1966, "*To improve the quality of life of our employees, our clients' employees and our consumers*", **we focus our efforts on quality of life services.**

This is why we chose **three activities:**

- > **Sodexo On-site Services**,
with its many client segments and sub-segments,
- > **Sodexo Motivation Solutions**,
providing benefits to employees,
- > **Sodexo Personal and Home Services**,
with its four areas:
 - > home care for dependent persons,
 - > childcare,
 - > concierge services,
 - > tutoring and adult education.

4. Sodexo is and will remain an independent company

Since Sodexo's creation in 1966, independence has been one of its fundamental principles as it enables the Group to:

- > maintain its values,
- > focus on a long-term strategy,
- > maintain management continuity,
- > ensure its durability.

Being independent means:

- > independent **with regard to our clients** (our largest client in the world accounts for less than 2% of our total revenues),
- > independent **with regard to suppliers** (our largest supplier accounts for less than 3% of our overall purchasing),
- > independent **with regard to our financing partners**,
- > independent **with regard to any external organization** that would limit the company's proper functioning,
- > independent **with regard to public authorities**,
- > **financially** independent through a family shareholding, which prevents Sodexo from falling into the hands of a financial or industrial group: as of December 31, 2011, our holding company Bellon SA held 37.7% shares of Sodexo and 49.4% voting rights.

Our financial independence is based on two simple principles:

- > choose activities with low capital intensity, with an average of tangible investments (excluding acquisitions) of approximately 2% of revenues,
- > always maintain sufficient liquidity to fund development, repay medium-term loans and pay dividends to shareholders.

We reaffirm the basic principles through which we have developed to date. At the same time, we must implement the actions that will enable us to continue to succeed in the future.

II. Deploy the actions that will enable us to continue to succeed in the future

Following a review conducted by the Board of Directors and the Group Executive Committee conducted over the past year, Michel Landel, as CEO, and me, as Chairman, continued our efforts on four major subjects:

- > development of our human resources,
- > the transformation of our organization,
- > improving our management,
- > the establishment of a major global brand and communications strategy.

1. Developing our human resources

Since Sodexo's creation in 1966, my main concern has been job creation, thus the constant search for growth markets. It is the reason for the significant potential revenue growth in our three activities in the 80 countries where we operate: we estimate this potential at around 790 billion euros, or about 50 times our current revenues.

What is the obstacle to the development of our results and our revenues?

Financial resources? No, because our average tangible investments excluding acquisitions amounted to 2% of our annual revenues.

As is true for most service companies whose development is through organic growth, the brake on our development is human resources. Our employees have been, are and will be responsible for Sodexo's continued development. In the past 10 years, 80% of our growth has been organic growth and 20% has been by acquisition; our investments are essentially immaterial.

We therefore are reinforcing our ongoing actions:

- > **help our existing employees to adapt** to new challenges that we have to face, to improve,

to promote the best, to foster diversity and encourage mobility, to improve their rate of engagement and their quality of life in the workplace,

- > we also must **increase our human resources**, in other words, recruit new people,
- > **develop our human resources management planning.**

Globalization is growing and we have become **a global company**. To seize every opportunity, we need more leaders who are "global citizens."

Finally, human resource development can only be achieved in **a good social climate**. On December 12, an international agreement was signed by Michel Landel and Ron Oswald, General Secretary of the International Union of Food Workers (IUF), one of the world's leading voices on behalf of workers' rights.

This agreement confirms Sodexo's commitments regarding rights at work and specifically the rights of association and collective bargaining; it provides for the establishment of an ongoing, regular dialogue between senior management, Sodexo employee representatives and IUF.

As Michel Landel said:

" We are pleased to have reached this agreement with the IUF because we believe that a constructive social dialogue is one of the primary means of progress for our employees and also because it represents a first for our industry. "

2. The transformation of our organization

Our group has grown significantly. It is often said that size creates complexity. This is not our opinion; complexity is not inevitable. Our future organization will be made clearer, simpler and more understandable to our employees, clients, consumers, suppliers and governments:

- > **leaders must be close to our clients** and our consumers on our sites; we need to reinforce our actions in this area,
- > **the organization should be more oriented toward our clients**: segmentation and sub-segmentation of clients – corporate, health care, education, etc., in France, the UK, the U.S. and elsewhere – has accelerated our growth,
- > **our organization will promote entrepreneurialism**, while reinforcing standardization, which helps each of us to be more effective,
- > our past success proves that we are innovators: to develop research and innovation that will be the source of our future development, we must **use the wealth of creativity and ideas of our teams**.

3. Improving management controls

We have made much progress in developing our Management Controls and will continue our efforts, particularly through the appropriate use of new information and communications technologies, which will be crucial to gather, share and disseminate our knowledge.

4. Establishment of a major global brand and a communications strategy

We must make our brand and our communications effective drivers to accelerate Sodexo's development. We have become a major international company and our communications must **make Sodexo a great global brand that is known, loved and chosen**.

Our brand is an important intangible asset for the Group in which we must invest to make it grow. The growth of Sodexo's brand value will now be an indicator for evaluating our managers.

The Sodexo brand should be a reference in all countries and client segments where we operate. Our brand also must be a source of preference. It is this preference that will give us a competitive advantage and protect our margins. A brand serving over 50 million people each day is, of course, a consumer brand. Therefore, we need to speak directly to everyone: shareholders, employees, clients and consumers, in order to make Sodexo their favorite brand for quality of life services.

It must be understood by the widest number possible; its expression must be stronger, clearer, simpler, and more coherent. It must also be warm to reflect our mission to improve quality of life.

With Sodexo, **we have chosen to have a single brand**. It is this single Sodexo brand that expresses the relevance of our business and social model, which embodies our common mission and provides substance to our role as an integrator of services. This single brand is also a source of power and trust for our clients and our consumers. In the months and years to come, the role of communications will be to consolidate the Sodexo brand, to allow it to be extended to the company's new businesses, as well as strengthening recognition of our added value.

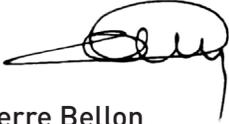
In order that Sodexo can communicate effectively with all of these audiences, we must make an effort to simplify, clarify and prioritize our messages.

As part of the transformation of our organization, we will also be attentive to a strengthened and more effective governance of the communications function at the Group level, of our three activities and in the main countries where we operate.

In conclusion, I remind you that we began from nothing in 1966; today, we employ more than 413,000 people in 80 countries and are the world leader in most of our markets.

To respond to the challenges before us and to continue our success in the future, the Board of Directors has full confidence in Michel Landel and his teams.

To our clients, consumers, end-users, employees and shareholders, we invite you to join us in experiencing together this exciting adventure that is Sodexo. ■

A handwritten signature in black ink, appearing to read 'Pierre Bellon', with a long horizontal stroke extending to the left.

Pierre Bellon

Chairman of the Board of Directors

