

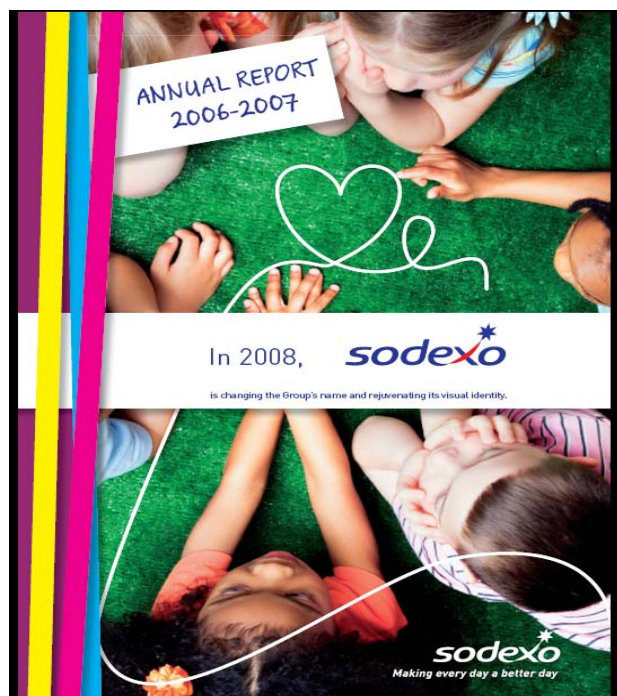
Report of the Month

ReportWatch e.com

February 2008

Sodexo

Issy-Les-Moulineaux, France



Report Facts

Company name: SODEXO S.A.
Fiscal year end: August 31, 2007
Report title: *In 2008, Sodexo is changing the Group's name and rejuvenating its visual identity*
Chairman: Pierre Bellon
Chief Executive Officer: Michel Landel
Number of books: 2
Report length: 102 +250 pages
Auditors: PricewaterhouseCoopers - KPMG
Design agencies: Terre de Sienne (report), Labrador (reference document), Xplicity (coordination)
E-mail: financial.communication@sodexo.com

Report Rating: ★★★★★

(Rating scale below)

Profile-Mission (Excerpts, as from the report)
No. 1 worldwide in Foodservices (health care, seniors, education); No. 2 worldwide in corporate services and remote sites; No. 2 worldwide in service vouchers and cards. (p 1)

(Italics are own company's words)

Clients include: Eiffel Tower, Swedish Armed Forces, KLM, UBS, City of Marseilles, Fundacion Caixa...

Key Figures

Revenues: € 13.4 billion

Employees: 342,380

Operating sites: 28,896

Operating profit: € 640 million

Net profit: € 347 million

Earnings per share: € 2.22

Net dividend: € 1.15 (subject to approval)

Debt to equity: 5%

(Source: figures sourced from the annual report)

Some Competitors

- COMPASS
- ARAMARK
- AUTOGRILL
- ELIOR

Report Rating: ★★★★★

Very good

- > Very well-achieved and explained rebranding exercise, from cover to cover, threaded (literally) through text, data and visual ingredients. That includes a one-page explanation for *What does the star stand for?* The renewed -more than totally new- identity is explained by the Chairman himself who also stresses that *In a world of "over-communication", a strong, single global brand can be immediately identified...* But also that *any failure in performance can have repercussions on the whole Group by tarnishing its image.*
- > A company that sets an *Ambition for 2015* and explains it convincingly: this makes a pleasant change from the prevailing short-termism. Strategic objectives are substantiated across the report, with items such as market trends and influencing factors put out a very communicative way (see Selected Page).
- > Informative and well-structured review of operations.
- > No unbridled creativity but a simple and consistently implemented layout with modern typography, an intensive use of visual ingredients, and, last but not least, a strong read appeal. Quite a feat for a 100-page document. Let us also note that even the usually tedious *Reference Document* (a French equivalent to the Form 10-K) is made very readable, too.

Good

- > A financial summary introduced by the CEO that goes to the (main) point(s).
- > Interview with an independent director. This is not common, and even less in a family-controlled company.

Buts

- > No real in-depth financial analysis.
- > Risk factors and management not much elaborated.

Responsible?

- > Through issues such as *Quality of life, serving patients, support to the elderly, people with disabilities, education*, the report connects business and social responsibility issues briefly yet effectively.

Rating Scale

★★★★★: World-class ★★★★★(★): First-rate ★★★★★: Excellent ★★★(★): Fine ★★*: Average

★★(★): Uneven ★★: Ordinary ★(★): Deficient ★: Unsatisfactory (★): Uncompetitive

The rating is based on ReportWatch internal desk research and does not take into account the independent Rating Panel's judgment. It may therefore differ from ratings (to be) published in the **Annual Report on Annual Reports**.

How does the company report in key areas? What are the main report pluses and minuses?

*The **Report Scan** gives an overview of strengths and weaknesses, and scores each item.*

Contact He.com@reportwatch.net

→ SERVICE VOUCHERS AND CARDS

MARKET TRENDS

Several factors are influencing this market.

- Rapid growth in countries such as India, Argentina, Brazil and Venezuela is generating significant development opportunities.
- Employee motivation and retention problems are also beginning to affect Small and Medium-sized Enterprises, which are calling for solutions adapted to their organizations to help their employees achieve a better balance between career demands and home life.
- At the same time, governments and local authorities are seeking a specialized service provider to manage and monitor their social aid programs. They expect aid traceability and the shortest possible delay between the decision to allocate funds and their actual distribution to target populations.

→ Source: Sodexo

OVER **70** BILLION EURO
GLOBAL ISSUE VOLUME IN THE MARKET

20.2 MILLION BENEFICIARIES:

- 15.5 MILLION EMPLOYEES ENJOY DAILY LIFE SOLUTIONS.
- 3.6 MILLION EMPLOYEES USE MOTIVATION AND LOYALTY SOLUTIONS.
- 1.1 MILLION CITIZENS BENEFIT FROM PUBLIC AID THROUGH SODEXO SOLUTIONS.

→ Source: Sodexo

1 MILLION SODEXO AFFILIATED PARTNERS.

→ Sodexo estimate



SODEXO EXPERIENCE

France: Synergies in "gift vouchers" with Tir Groupé

In October 2007, Sodexo finalized the acquisition of "Tir Groupé", a pioneer and France's leading issuer of gift vouchers to businesses and local communities, an alliance offering promising prospects for both parties. Tir Groupé will accelerate its growth through access to Sodexo's client portfolio. Sodexo will strengthen its international presence by entering this high-potential French market segment. The takeover will also open up a new distribution channel for Sodexo's Meal Vouchers.

TIR GROUPÉ:

- **35,000** CLIENTS
- **200** EMPLOYEES
- **7** REGIONAL AGENCIES
- **325** FRENCH TRADE NAMES
(5,000 local stores and 180 e-commerce websites)

 See page 44 for our client references.

