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EXHIBIT LIST

Exhibit	Description
99.1	Annual Report

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

SODEXHO ALLIANCE SA

By: /s/ Sian Herbert-Jones

Name: Sian Herbert-Jones

Title: Chief Financial Officer

Date: February 13, 2004

This document contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These include, but are not limited to, statements regarding anticipated future events and financial performance with respect to our operations. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like "believe," "expect," "anticipate," "estimated," "project," "plan," "pro forma," and "intend" or future or conditional verbs, such as "will," "would," and "may." Factors that could cause actual results to differ materially from expected results include, but are not limited to, those set forth in our Registration Statement on Form 20-F, as filed with the Securities and Exchange Commission (SEC), the competitive environment in which we operate, changes in general economic conditions and changes in the French, American and/or global financial and/or capital markets. Forward-looking statements represent management's views as of the date they are made, and we assume no obligation to update any forward-looking statements for actual events occurring after that date. You are cautioned not to place undue reliance on our forward-looking statements.

Sodexho Alliance

Reference Document
2002 - 2003

All
you need..

..to be the best

This annual report is a translation of the Document de Reference filed with the French Autorite des Marches Financiers (AMF), on November, 28, 2003, under the number D.03-1493, in accordance with the COB regulation number 98/01. It may be used for a financial operation, if an operation notice approved by the AMF is attached to it.

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Financial highlights

11.7 billion euro in revenues
 308,000 employees at 23,900 sites
 Present in 76 host countries

CONSOLIDATED REVENUES

	EUR billion	US \$ billion
1998-1999:	9.032	9.549
1999-2000:	10.505	10.235
2000-2001:	11.943	10.554
2001-2002:	12.612	11.488
2002-2003:	11.687	12.490

For fiscal 2003, consolidated revenues of 11.7 billion euro were 7.3% lower than in the prior year. The appreciation of the euro against other currencies had a negative impact on revenues of 10%.

REVENUES BY REGION

North America	46%
Continental Europe	32%
United Kingdom and Ireland	13%
Africa, Asia and Pacific Rim	6%
Latin America	3%

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REVENUES BY BUSINESS

Food and Management Services	98%
<hr/>	
o Business and Industry	41%
o Defense	3%
o Correctional Services	1%
o Healthcare	19%
o Seniors	5%
o Education	24%
o Remote Sites	5%
Service Vouchers and Cards	2%

The Service Vouchers and Cards activity represents 2 percent of consolidated revenues. However, issue volume (i.e. the aggregate face value of the vouchers) totaled 4.6 billion euro

NUMBER OF EMPLOYEES

1998-1999: 269,973
1999-2000: 285,986
2000-2001: 313,469
2001-2002: 315,141
2002-2003: 308,385

NUMBER OF OPERATING SITES

1998-1999: 21,103
1999-2000: 22,172
2000-2001: 24,325
2001-2002: 24,681
2002-2003: 23,873

EMPLOYEES BY REGION

North America	38%
Continental Europe	26%
United Kingdom and Ireland	17%
Africa, Asia and Pacific Rim	10%
Latin America	9%

EARNINGS BEFORE INTEREST, TAX AND AMORTIZATION (EBITA)

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	EUR million	US \$ million
1998-1999	453	479
1999-2000	539	525
2000-2001	586	518
2001-2002	528	481
2002-2003	514	549

Consolidated EBITA reached 514 million euros. The operating margin increased from 4.2% to 4.4%.

NET FINANCIAL DEBT TO SHAREHOLDERS' EQUITY

(includes minority interests)

1998-1999	80%
1999-2000	57%
2000-2001	62%
2001-2002	56%
2002-2003	52%

Net financial debt of 1.201 billion euro decreased by 162 million euro as compared to the prior year.

CASH FLOW PROVIDED BY OPERATING ACTIVITIES

	EUR million	US \$ million
1998-1999	301	318
1999-2000	375	365
2000-2001	410	362
2001-2002	391	356
2002-2003	390	418

Cash flow provided by operating activities of 390 million euro was consistent with the prior year.

GROUP NET INCOME

	EUR million	US \$ million
1998-1999	132	139
1999-2000	85	82
2000-2001	138	122
2001-2002	183	167
2002-2003	162	174

Group net income of 162 million euro was comparable to that of the prior year calculated at the average fiscal 2003 exchange rates.

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DIVIDENDS PAID

	EUR million	US \$ million
1998-1999	60	63
1999-2000	75	73
2000-2001	89	79
2001-2002	97	88
2002-2003	97*	104*

*Subject to shareholder approval at the Annual Shareholders' Meeting, February 3, 2004

In view of the fact that net income was comparable to that of the prior year if currency effects are excluded, the Board of Directors has recommended that the dividend per share of 0.61euro be maintained. Including the associated tax credit of 0.305 euro, the net dividend is 0.915 euro.

EARNINGS PER SHARE (in euro)

1998-1999	0.98
1999-2000	0.63
2000-2001	1.00
2001-2002	1.15
2002-2003	1.02

Earnings per share of 1.02 euro declined by 11% from the prior year due to currency effects.

The foundation
of our commitment_____

How can the company create sustainable quality of life without an intentional, ongoing effort on everyone's part? Sodexho establishes firm guidelines to support its long-term strategy and its daily business. These guidelines are simply stated in our philosophy. They are in the values and the ethical principles that underpin our corporate culture.

Our Philosophy

Our purpose

Our company is a community that includes clients, customers, employees and shareholders. Our purpose is to exceed their expectations.

Our choice: organic growth

To achieve this, we focus on organic growth in earnings and revenues, while contributing to the economic health of the countries where we provide our

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services. When all of our employees are committed to growth, then growth happens.

Our mission

Improve the Quality of Daily Life.

Our objective

Sodexho aims to be, for all of our clients, the benchmark wherever we offer our services, in every country, in every region, in every city.

Our Core Values

We do the utmost to ensure that all of the group's employees share our three core values:

Service spirit

"True dignity lies in being of service to others," says Pierre Bellon. Service spirit is an attitude to daily life, a way of being. It is listening, paying attention to details. It is also being available, responsive, welcoming and efficient, so that what we say is what we do. Sodexho managers are entrepreneurs who know their customers and who make their own decisions. Service is their business.

Team spirit

In a team, everyone has their qualities, personalities and particular skills. The winning team is the one whose members respect and appreciate each other. They decide their strategy and tactics together, and then put their ideas into practice without anyone seeking more credit than anyone else.. The team manager's job is to combine all this talent, and channel the energy into a single direction. Winning is the objective, putting the group's interest before individual ambition. Team spirit is as essential at our sites as it is in the boardroom.

Spirit of progress

Every day, Sodexho team members strive to give their best. This means going the extra mile, continuously improving performance and daring to take the initiative. The company encourages them to question accepted routines, because not only success but also clear analysis of failures is what leads to sustainable progress. For Sodexho, each achievement is a step towards greater performance. That is why we are so committed to innovation, improvement and anticipating the needs of clients and customers. The group's progress comes directly from the collective and personal progress of all of its people.

Our Ethical Principles

Our ethical principles are loyalty, respect for people, transparency and business integrity.

Loyalty

Means mutual trust

Sodexho shares with its clients, employees, shareholders and suppliers a number of common objectives based on mutual trust, which supports fair, loyal relationships among its various stakeholders. This loyalty is one of the foundations of our organization and our business processes.

Respect for people

The heart of Sodexho

Sodexho is committed to equal opportunity for all equally-qualified employees regardless of their race, national origin, creed, opinions, gender, lifestyle or age. Because respect is an inalienable part of our commitment to Quality of Life, Sodexho is extremely attentive to personal dignity. We cannot conceive of life in society without the consideration that every individual deserves

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regardless of the type of relationship that binds us.

Transparency

More than just the right to useful information, for Sodexho, transparency is a constant attitude and an important part of our culture:

- We are committed to ensuring that every employee is informed in clear, practical terms, both of his or her objectives, rights and duties, and of important corporate news and events. Employees are expected to be completely transparent in the information they provide.
- We provide all shareholders with equal access to the same accurate, clear, information about our company and our business.
- We supply clients with high-quality products and services and always seek to create value for them. - We offer suppliers clear, understandable contracts, while demanding that they comply with the same ethical principles.

Business integrity

An absolute commitment to the highest standard of integrity and ethical business practices Wherever we do business, we condemn any actions or business practices that are not based on our core principles of trust, integrity and fairness. Corruption and unfair competition do not help to create or sustain long-term, peaceful partnerships. All of our partners are aware of this commitment and are strongly encouraged to maintain the same high standards of business ethics that have been a hallmark of our company.

Executive Committee_____

ELISABETH CARPENTIER
Senior Vice President, Human Resources
Sodexho Alliance

JEAN-MICHEL DHENAIN
Group Chief Operating Officer
Executive Committee Vice President
Sodexho Alliance

SIAN HERBERT-JONES
Chief Financial Officer
Sodexho Alliance

VINCENT HilleNmeyer
Senior Vice President, Strategic Planning and Control
Sodexho Alliance

MICHEL LANDEL
Group Chief Operating Officer
Executive Committee Vice President
Sodexho Alliance

RICHARD Macedonia
Chief Operating Officer
Sodexho
North America

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CLODINE PINCEMIN
Senior Vice President, Corporate Communications
Sodexo Alliance

SUSTAINABLE DEVELOPMENT

For you,

we commit ourselves...

For our clients_____

....to create strong, long-term partnerships

Sodexo commits itself to create value for its clients over the long term,
thereby forging strong partnerships.

Client satisfaction is the center of all our actions. We help to improve the
appeal, reputation and efficiency of each client's organization by constantly

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looking for ways to improve the quality of our services in a shared quest for innovation.

> Strong partnerships are built when we understand and respond to the needs of our customers every day.

With a view to adapting our offering, we rely on a battery of tools, to better understand client needs. Fresh Eyes Reviews, an interview process involving upper management, is one such action, initiated by the Sodexho Healthcare segment in the United States. Sodexho in France has also launched this initiative in long-stay healthcare establishments. Also in France, Sodexho has developed for the Ford Motor Company a flexible, food service offering, adapted to production scheduling at the client's Bordeaux factory. In addition, we are helping our client to show good corporate citizenship by participating, for instance, in the cleanup of beaches, polluted by the Prestige tanker disaster.

> Long-term commitment shared with clients, enhances their value.

Sodexho School Services in the U.S. is proud to co-sponsor several national awards that honor initiatives to advance student learning, including the Magna Awards, which honor bold, innovative school board leadership. The Civic Star Award recognizes the value of school/community partnerships, the National Teachers Hall of Fame salutes the career performances of K-12 educators, and the National School Public Relation Association recognizes their commitment to their establishment.

(See "Our Activities" and the sections "Better together")

Loyalty

[Canada] 97% client retention rate!

This impressive measure of client loyalty came on the heels of a very broad-based survey, carried out in 2002 throughout our different business segments, the better to understand changing client expectations and prepare our response to their emerging needs. It is also thanks to these policies of listening and local presence with clients that our Canadian subsidiary proudly celebrated 35 years of service to Acadia University (Nova Scotia) and Canadian National Railways, in Montreal, plus 30 years of service to Luther Home and Investors Group (Manitoba), and to Brock University (Ontario). Brock University President and Vice Chancellor, Dr. David Atkinson, commented, "The relationship between Sodexho and Brock University is a remarkable one from which Brock has benefited enormously over the years."

Key Performance Indicator

> A client retention rate objective of 95% for all countries in which we operate
Retention rate in 2002-2003: 93%

The client retention rate is calculated on the previous financial year revenues for contracts lost to a competitor or to self-operation, divided by the total previous financial year revenues. Contracts terminated at Sodexho's initiative, and site closures resulting from businesses moving abroad are also included. Our retention rate is calculated exhaustively. Other companies may use another approach.

It obviously varies by country. In the UK, following our decision to terminate contracts, our retention rate was nearly 90 percent. In other countries, such as Canada and the U.S., it is greater than our objective of 95 percent.

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For our customers_____

....to improve the Quality of Daily Life, safely.

Sodexho commits itself to developing a portfolio of services that help improve the quality of life for everyone who has entrusted us with their well-being.

Learning what makes a difference...

The needs of a growing child, an athletic adult, or a dependant senior are quite different, and quality of life criteria vary greatly depending on each customer's age, living environment and nationality. The Sodexho Research Institute on the Quality of Daily Life, the Conviv'styles(R) customer research program in Europe, and other specific national studies demonstrate our commitment to understanding socio-cultural trends and to analyzing the behavior and expectations of our clients and customers in order to expand and improve our portfolio of customized solutions.

....and tailoring our response

Sodexho aims to keep cooking simple, while partnering with celebrated chefs, like Marc Veyrat, Michel Bras and Antoine Edelman, to provide enjoyment and health in equal measure and, thus, satisfy customer aspirations. The goal is to add a pinch of happiness in the everyday lives of the people who frequent our serving locations -- children, students, workers, healthcare patients and seniors. The service portfolio continually expands, from food carts for office buildings and dry cleaning on the premises, to stretcher bearers and television repairs in hospitals, to tutorial events in schools, to uniform cleaning for the military, to gray-water treatment on remote sites...the list goes on.

Multiservice offering

[France]

Global Hospitality

In a healthcare establishment, such as the Saint-Louis Clinic in Poissy, Sodexho works to improve not only quality of life for patients, but also for visitors and medical and administrative staff. Our multiservice offering, Global Hospitality, speaks to both their respective desires and constraints: main hall reception, food service, convenience shopping and vending machines, newspaper delivery to your room, general housekeeping and specialized cleaning of operating theaters, and maintenance... It all contributes to freeing medical staff to devote more time to care for their patients, and to offering patients as much choice as possible in occupying their free time.

Key Performance Indicators

> Percentage of revenues from non-food services

In 2002-2003: 19%

> Publication of studies on consumer behavior

- 2002: The Seventh School Meals Survey, conducted every two years in the UK, to

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track the evolving eating habits of schoolchildren (ages 5 to 16) and the expectations of their parents. Adapted versions were launched in the U.S. in 2001 (Kids and School Meals Study at www.sodexhousa.com) and in Finland in 2002. - 2003: the Patient Experience Survey, launched in the UK, is in the same spirit, and provides insight into hospital patient opinions, especially concerning non-medical services.

- Since June 2002, www.convivstyles.com is an online tool for customer research and analysis of specific serving locations.

Sodexho commits itself to reduce food safety risks.

As the world's leading food service provider, Sodexho has a critical obligation to maintain the highest food safety standards for customers, particularly since we serve some of the most vulnerable segments of the population, including children, hospital patients and the elderly. It therefore needs to understand and evaluate risks, implement preventive procedures, and communicate. Risk prevention begins with quality assurance and traceability of provisions (see Suppliers). In France, Sodexho has taken the further step of constituting a Scientific Council that, together with the Pasteur Institute in Lille, has a mission of assessing and alerting the public in the event of a food safety issue. In each country, a task force manages alerts, immediately informs clients and customers, and when appropriate, blocks suspect products. This conforms to the main components of the HACCP system (Hazard Analysis and Critical Control Points), and underlines our policies of transparency in information, in which our employees have been trained.

Food safety

[Brazil]

A "gateway" to food quality assurance

In order to encourage site managers to bone up on food safety, a "food quality assurance" diploma was added to the new manual of procedures. This included a closed-doors exam that was held the same day throughout the country. The test took three hours during which time the candidates had to demonstrate their knowledge of food norms and processes. Those with the six highest scores were awarded two-year university scholarships, to pursue the subjects of their choice at night school.

Key Performance Indicators

> Annual publication, by major region, of the number of bacteriological tests conducted at Sodexho-managed establishments

For example, during the fiscal year, 3,000 tests were conducted in France.

> Application of safety standards on Sodexho sites

In the U.S., every Sodexho account is audited each year for compliance with food and safety regulations, and the Gold 100 Award was created to recognize locations that achieve 100% compliance with HACCP standards. To ensure that all managers remain trained in the most up-to-date food safety procedures, Sodexho in the U.S. offers supplemental training programs via its corporate intranet site.

Sodexho is committed to educating children and young people about the importance of eating right and to teaching them good nutritional habits.

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At Sodexho we believe we have a special responsibility to educate people about good nutrition. We have a role to play, partnering with experts, educators and doctors to impart information to customers that will have a beneficial impact on their future growth and development. In France, Sodexho participated in Semaine du Gout (Flavor Week), promoting the theme "Eat well for health" at all of its serving locations, which featured fish and vegetables. Sodexho in the U.S. has Develop School Stars, so teachers and parents can demonstrate to children the principles of healthy, balanced diets. And our subsidiary in Hong Kong has its program, Healthwise, to help corporate employees to choose meals, adapted to sedentary lifestyles.

Nutrition and health

[France] Blending food and health

Sodexho promotes research into the relationship between diet and health. It therefore has supported, from the start, the program SU.VI.MAX, one of the broadest-based epidemiological studies ever undertaken to understand this complex phenomenon. SU.VI.MAX spanned a period of eight years and involved more than 13,000 subjects, representative of the French population. The findings, presented in June 2003, offer scientific evidence that the intake of antioxidant vitamins and minerals reduces, in men, the incidence of cancer by 31 percent, and the risk of mortality by 37 percent. So we encourage the eating of vegetables by making them appetizing, tasty, and -- why not? -- fun! Just try some of the excellent fare prepared by Michel Bras or Marc Veyrat, during one of their famous cooking events.

Key Performance Indicator

> Publication of nutritional information for customers

- France - two new booklets in the series L'Appetit de Savoir, about fruits and vegetables, available at many serving locations.
- USA - Top Ten Tips for Fighting the Freshman 15, a popular program designed to help college students avoid gaining excessive weight during their first year away from home.
- Belgium - an illustrated album, called Arthur et Zoe, helps educate children (ages 8 to 10) about healthy lifestyle and nutrition choices.

For our employees_____

....to encourage a fulfilling professional life

Sodexho commits itself to provide its employees with a powerful "social elevator."

Sodexho offers employees of all backgrounds genuine opportunities to move up within the company, whatever his or her duties, or place of work are at the time of hiring. Sodexho favors the advancement of its best performers, which is a key element in employee motivation and group identity, plus a lever for our development as a company.

For instance, at Sodexho in France each manager has the possibility of changing jobs every 5 years. As a result, nearly two-thirds of all managerial jobs posted each year are filled by internal candidates. At Sodexho in Argentina, 40 percent of employees that follow a training program are promoted.

> Recruitment and training of young people is an important component of our internal promotion policies. Indeed, 75 percent of managers recruited by Sodexho in France and 65 percent of Sodexho employees in Peru are less than 30 years

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old. On-the-job training is the favorite mode of advancement, and all of our subsidiaries offer a wide variety of carefully designed solutions for acquiring new skills. At Sodexho in France, 5,000 people each year take at least one training course. Many training programs are also conducted in partnership with universities and schools, such as the Victorian University of Technology in Australia and the School of Business in Argentina, ranked 17th among the world's best schools.

> Sodexho is also attentive to each employee's personal growth objectives, and to knowledge sharing at all levels. The Sodexho University in North America offers employees both traditional and online training, associating the acquisition of trade skills with personal development. As for the Sodexho Management Institute, it welcomes the group's senior managers to seminars for the exchange of know-how and fosters sharing a common managerial culture and vision.

Internal promotion

[China]

Growth shared with the group's young managers

Hired in May 1996 by our Shanghai subsidiary, Xiao Feng (age 33) moved up through the ranks, from her first job as accountant to the position of finance director for Sodexho in China. Promoted to head accountant, then deputy controller, then controller, Xiao Feng is today one of our youngest directors, after only 6 years with the group.

Key Performance Indicator

> Number of internal promotions as a percentage of total job vacancies During the 2003 fiscal year in France and in Argentina, this rate reached 60 percent.

Sodexho commits itself to promote and respect diversity.

Our ability to integrate the skills and experiences of people from countries with different cultures, and at vastly different stages of economic development, drives our growth and success.

> Equal opportunity and cultural diversity are Sodexho priorities. More than 50 nationalities are represented in our Belgian workforce -- in Norway, our people come from more than 40 different countries from around the world. At Sodexho in the U.S., four employee network groups support professional development for women, Latino-American, African-American and Pan-Asian team members.

> Equal representation of men and women is a group reality, although the mix varies by subsidiary. Women make up 58 percent of our global workforce, and also hold 42 percent of managerial positions. At Sodexho in Venezuela led by Ana Maria Sierra, 73 percent of site managers are women; at Sodexho in Colombia, Australia and the UK, the rate surpasses 50 percent. At Sodexho in the U.S., the newly created WiNG (the Sodexho Women's Network Group) promotes the enhancement of women's individual and professional growth.

> Different initiatives also favor the hiring of disabled individuals. In France, where the Group is partnering with Entraide Universitaire (a social service organization), Sodexho created Cafe Signes, a site managed by and designed for deaf-mutes. In the U.S., Sodexho has been recognized for its employment of the disabled by Montgomery County (Maryland) and by the Governor of Nevada.

Diversity

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[North America]

Best practice

Sodexho in North America values and promotes equal opportunity and diversity in the company. In October 2003, Michel Landel received the Diversity Best Practices CEO Leadership Award for this effort. In 2002, Sodexho in the U.S. implemented a performance evaluation and bonus system based on measurable diversity goals, and the Office of Diversity, led by the company's Senior Vice President and Chief Diversity Officer now oversees Sodexho's diversity strategy for employees, suppliers, customers and the communities in which Sodexho lives and works. Sodexho in Canada launched a Diversity Council, to support diversity throughout the organization. The Council's mission encompasses recruiting, retention, training, promotion, mentoring, customer service and leadership. These initiatives are in harmony with the group's strategic imperative that diversity is both an ethical responsibility and a key success factor.

Key Performance Indicator

> Employee satisfaction survey, to be conducted every two years

In 2002-03, an employee survey was conducted in Italy, with 909 people polled:

73% say they are proud and very satisfied to work for Sodexho.

72% think their supervisors listen to them.

73% consider they benefit from a good balance between their professional and private lives.

60% believe that Sodexho personnel benefits from equal consideration, regardless of age, race, sex or physical aptitude.

For our suppliers_____

...to build balanced long-term relationships

Sodexho commits itself to pursue procurement policies that guarantee the origins of the products it uses.

Sodexho believes in forging balanced long-term business relationships with suppliers, choosing them both for providing high-quality products in the quantities needed, and for committing to ethical standards. For instance, Sodexho in France contractually specifies Total Quality and traceability for each agro-industrial sector. This way, it knows the exact composition of products, checks on their manufacture, inspects their delivery, and can track them no matter where their serving location is. For Sodexho in Finland, food suppliers commit themselves to food safety and traceability of products, too, and have ISO 9001 and ISO 14001 certifications.

Transparency

[France]

What do fish have in common with cows?

Sodexho adheres to the Transparency Guidelines of the National Syndicate of Corporate Caterers, concerning traceability of supplies of beef and fish products. Therefore, all of its suppliers must meet the same strict requirements as to the origins, breeding and rearing of these animals. An independent organization audits respect for these guidelines.

Key Performance Indicator

> Purchases of approved products as a percentage of total products

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Subsequent to recent changes in our key performance indicators with regard to purchasing, we will present these results in next year's annual report.

Sodexho commits itself strongly to encouraging suppliers to respect its sustainable development values.

Sodexho asks its suppliers to pledge their support for its sustainable development process, in particular by embracing principles defined by the International Labor Organization. Sodexho in the U.S. met with its 40 largest vendors to confirm their commitments and actions, especially in the area of respect for human rights. Its program in favor of diversity in the workplace also benefited, as there has been a 50-percent increase in the number of Sodexho's supplier companies that are owned by women and minorities.

Values

[USA]

Fostering harmony

Sodexho interceded in a dispute between one of its suppliers and local farm workers, who felt their wages were too low and were concerned about poor working conditions. Sodexho asked the supplier to resolve the crisis quickly or risk losing the contract. Within weeks, both sides began negotiations to resolve the dispute.

Key Performance Indicator

> Percentage of purchases sourced from approved suppliers

Subsequent to recent changes in our key performance indicators with regard to purchasing, we will present these results in next year's annual report.

For our shareholders _____

...to insure that all shareholders receive the same information at the same time

Sodexho commits itself to provide all shareholders with the same simultaneous accurate, clear, transparent information, on a regular basis.

Sodexho's independence and long-term sustainability are integral parts of our corporate culture. Thanks to our business model, we maintain a healthy balance sheet, and thus, without capital increases, we reimburse our debt, finance growth, and ensure the regular payment of dividends to our shareholders.

Sodexho respects the principles of good corporate governance (see page 90). We are particularly vigilant as to the accuracy and relevance of our financial communications. To provide complete transparency, Sodexho Alliance and all stakeholders in the investor relations process commit themselves to respect principles guaranteeing fair treatment for all shareholders (see page 104).

Sodexho is attentive to the concerns of shareholders and the financial community, seeking to improve constantly the efficiency of its investor relations process. Every year, we survey shareholders concerning the quality of our investor information. In addition, they receive, after each annual shareholders' meeting, an information packet that summarizes responses to their

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questions, and presents the survey's findings.

In sum, we make sure that our shareholders have the information they need to understand our strategic choices and objectives. This information is also available on the Sodexho Alliance Web site (go to www.sodexho.com), which additionally enables users to check on our share price in real time, plus participate in meetings and constructive dialog with financial analysts.

In 2003 for the second year in a row, the French magazine "Enjeux-Les Echos" placed Sodexho Alliance at the top of its list of CAC 40 non-financial companies, cited for their transparency. What is more, another French magazine, "Le Journal des Finances," noted that Sodexho Alliance ranks number 6 among companies with the best long-term stock market performance.

Financial communications

[International] What our shareholders think
Main 2003 shareholder survey findings:

- >> A growing number of shareholders hold their shares for 5 years or more : 31% compared to 26% in 2002.
- >> An overwhelming majority of shareholders are happy with Sodexho's financial standing: 49% believe it is satisfactory, and 24% believe it is very satisfactory.
- >> 7 shareholders out of 10 consider Sodexho to be fairly responsive to economic change, and 42% note its strong market position.
- >> A majority of shareholders judge the transparency and regularity of information to be sufficient, but do not agree it is sufficiently instructive.

Key Performance Indicator

> Yearly shareholder survey concerning the quality of information they receive
For the 2003 fiscal year, 24,868 shareholders were polled, each holding at least 80 shares. 1,371 responded, for a response rate of 5.5 percent, compared to 5.4 percent for the previous year.

For our host countries
in which we operate _____

...to contribute to their economic and social development

Sodexho commits itself to support the development of local economies by promoting local hiring, the purchase of local products and, in the most disadvantaged countries, creating local initiatives to stimulate economic growth.

Our commitment to improving quality of life involves us in the economic and social development of our host countries. We help people build their future. To do so, we commit ourselves to involving local communities in our contracts by hiring from the local workforce, creating and operating training centers, purchasing local products, and promoting the creation of micro-enterprises.
>For instance, Sodexho in Australia participates in the Corporate Leaders for Indigenous Employment Project. This confirms our commitment to increase the number of employment and training opportunities for indigenous Australians, with

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a view not just to job creation, but also to secure permanent jobs and careers with Sodexho.

> In 1999, Sodexho in Peru created a training center near the Antamina mine site, both to cover its own needs for serving staff, and also those of other sub-contractors. In two years, over 400 local residents were trained and some 20,000 hours of instruction dispensed. In a project with the local parish, the training center is still operational, today. In addition, Sodexho fostered the development of vegetable farming, trout breeding, and the manufacture of yogurts.

> Sodexho in New Caledonia and in Nigeria has assisted in the founding of micro-enterprises for public transportation, and for waste collection.

Local partnering

[Canada]

Sodexho puts progress into practice

In February 2003, Sodexho's Canadian subsidiary was cited for Gold Level Achievement in the Progressive Aboriginal Relations Program (PAR). Successful participation in PAR signals that Sodexho is establishing fair, balanced business relationships with native communities, opening many doors for their future progress. In a further development, Garry C. Knox, President of Sodexho in Canada, is co-chairing the Canadian Council of Aboriginal Business (CCAB). These efforts and this recent appointment speak to our strategic commitment to diversity and inclusion throughout the company.

Key Performance Indicators

> Percentage of employees hired locally

In 2002-2003: 97%

> Percentage of local purchasing in emerging countries

Subsequent to recent changes in our key performance indicators with regard to purchasing, we will present these results in next year's annual report.

Sodexho commits itself to expand its program to fight malnutrition to the main countries in which it operates.

We refuse to accept that 800 million people worldwide suffer from malnutrition and consider it our duty to fight hunger. The Sodexho Foundation takes up this challenge through its program, S.T.O.P. Hunger. Initially only in North America, the Sodexho group has decided to extend S.T.O.P. Hunger to all of its major host countries.

We envisage numerous actions, giving particular attention to hunger among children. For example, thanks to one program, Feeding Our Future, tens of thousands of meals are supplied to children, in eleven cities in the U.S. and four in Canada, during summer vacation, when school cafeterias are closed. In another annual initiative, Campus Kitchens brings together student volunteers, who collect, prepare and serve over 2.6 million meals to the underprivileged. In January 2003, Sodexho in France was cited for its S.T.O.P. Hunger program, and received the Prize for Ethics and Governance, jointly awarded by a local trade school (Ecole des Cadres et Createurs d'Entreprises) and the French publication, "Le Figaro."

S.T.O.P. Hunger

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[USA]

Weighing in against obesity

Malnutrition can also lead to obesity. One American child out of four is grossly overweight, and poor families are often the most affected. This situation pushed one employee of our American subsidiary, in association with a humanitarian organization, to offer to teach parents how they could prepare healthy, balanced meals on a tight budget. In 2002, this courageous action resulted in Sodexho voting this person one of eight employees, elected Heroes in Daily Life.

Key Performance Indicator

> Number of group programs and initiatives in the fight against malnutrition

The Sodexho Foundation in the U.S. operates five major programs: Servathon, Feeding Our Future, food donations, the Campus Kitchens project, and Heroes in Daily Life. Since 1999, the Sodexho Foundation has donated over \$1.2 million, and has received various national and international citations.

Sodexho in Canada has also adopted these five programs. In 2003, the Sodexho Foundation in Canada announced its first Heroes of Daily Life winners, while adding the city of Vancouver to the Feeding Our Future program.

During the past year, Sodexho in France, the UK, Belgium and Australia began to study ways they could participate in the fight against malnutrition, and what might be done to help needy children.

For details, go to www.helpstophunger.org.

Sodexho commits itself to help protect the environment in its host countries.

While considered as a non-polluting business, Sodexho has always paid careful attention to the environment as a way of creating the conditions for better quality of life. Thus, we want to take action in four areas: pollution prevention, waste treatment, energy control, and water consumption.

For example, Sodexho in the U.S. works with its clients to increase the percentage of waste recycled, implementing its training program, Recycling 101, a site manager's guide to starting a recycling program. What is more, Sodexho is exploring composting as a way to manage the waste stream.

Sodexho in Finland is the first player in the Finnish food service marketplace to receive both Year 2000 ISO 9001 and ISO 14001 certification for all its operational and administrative activities on 84 sites.

And Sodexho in the UK innovates with its Earth's Nectar Package, with the mission to offer a lifestyle choice that focuses on overlapping issues, facing clients and customers: the environment, nature and food, on the one hand, and on the other, fair trade/direct trade, detergents and disposables.

Environmental protection

[France] An example worth following

Sodexho manages 10 restaurants and clubs at the Technocentre, the R&D pole of the Renault group, employing 10,000 people. As a partner in earning ISO 14001 certification with its client, Sodexho implemented an exemplary program for environmental protection: selective waste sorting and collection, composting vegetable waste, biological treatment of cooking oil vats, reduced water and

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electricity consumption, and reduced pollution of effluents, such as detergents.

Key Performance Indicator

> Number of assistance packages offered to local initiatives

In November 2001, Sodexho in France signed an environmental charter with the city of Grasse. For the first time in France, a city and a food service company committed themselves to such a shared overall effort. Intended to inform young customers about respect for the environment, to communicate with families, and to train municipal personnel, this charter comprises a plan for managing energy and fluid consumption. The charter also calls for annual self-diagnosis with key performance indicators, which enabled Sodexho to earn, in June 2003, a Sustainable Development label for this action, awarded by the Provence-Alps-Cote d'Azur region.

A continuous improvement process

In 2003, Sodexho formalized its sustainable development strategy, which is set for gradual deployment in all its host countries.

The process, which involved discussions and consensus-building with a working group comprising representatives from all our businesses and regions, has resulted in a document entitled Ethical Principles and Sustainable Development Contract, which can be consulted on our Web site at www.sodexho.com.

Sodexho's sustainable development strategy has always been based on everyday practices that demonstrate our social, economic and environmental commitment. These practices reflect a continuous improvement process that is tailored to the specific cultural, economic and social features of each country in which we operate. To measure our progress, we have developed key performance indicators for all of our stakeholders.

Adherence that confirms our unwavering commitment

Global Compact

The Sodexho group demonstrates its shared commitment through adherence to the Global Compact between the United Nations (UN) and the worldwide business community. This "contract" was drawn up to incite businesses, both large and small, to uphold and promulgate a set of core values in the areas of human rights, labor standards and environmental practice. It also aims to publicize international agreements and to encourage their application.

For further information, go to:

Sodexho and its commitments	www.sodexho.com www.sodexhousa.com www.sodexhodiversity.com www.helpstophunger.org
Global Compact	www.unglobalcompact.org
Global Sullivan Principles	www.globalsullivanprinciples.org
Study Centre of Corporate Social Responsibility	www.orse.org

Sodexho Alliance is listed in the FTSE4Good and ASPI euro zone socially responsible indices.

ACTIVITIES

For you...

...our teams
innovate daily

Innovation

To improve quality of life every day for each client and customer, throughout the world, Sodexho has made innovation one of its priorities and one of the pillars of its development.

Sodexho, true to the spirit of innovation, motivates its teams to anticipate the needs and aspirations of everyone it serves each day. What is more, 51 percent of its innovations emerge as a direct result of listening to its clients and customers, 28 percent come from analyzing its professional environment, and 21 percent are the fruit of in-house synergies.

On average, every two years, some 1,500 innovators from all countries present 800 innovations; roughly 100 are selected from this international pool, and around 20, those with the strongest track record of creating value for clients, customers and the group, are developed worldwide.

Food and
Management Services_____

Number 1 worldwide

98% of group revenues
11.439 billion euro in consolidated revenues
12.225 billion US\$ in consolidated revenues

Business and Industry
Prestige
Defense
Correctional Services
Healthcare
Seniors
Education
Remote Sites

Service Vouchers and Cards_____

Number 2 worldwide

2% of group revenues

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4.6 billion euro in issue volume
248 million euro in consolidated revenues
265 million US\$ in consolidated revenues
285,000 clients
11.5 million consumers
825,000 affiliates
1.6 billion vouchers issued

Operational Committee_____

ROD BOND

President, School Services
Food and Management Services
USA

RICK Brockland

President, Campus Services
Food and Management Services
USA

ELISABETH CARPENTIER

Senior Vice President, Human Resources
Sodexo Alliance

GEORGE Chavel

President, Health Care Services
Food and Management Services
USA

YANN Coleou

President
Food and Management Services
France

Jean-Michel DHENAIN

Group Chief Operating Officer, Sodexo Alliance,
Responsible for Continental Europe, South America, Asia and Australia

RICK FLOORE

Internal Audit Director
Sodexo Alliance

SIAN HERBERT-JONES

Chief Financial Officer
Sodexo Alliance

VINCENT HilleNmeyer

Senior Vice President, Strategic Planning and Control
Sodexo Alliance

NICOLAS JAPY

President
Universal Sodexo

MICHEL LANDEL

Group Chief Executive Officer, Sodexo Alliance,
Responsible for North America, United-Kingdom and Ireland, and Remote Site
activity

RICHARD Macedonia

Chief Operating Officer
Sodexo

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North America

TOM M. Mulligan
 President, Corporate Services
 Food and Management Services
 USA

CLODINE PINCEMIN
 Senior Vice President, Corporate Communications
 Sodexho Alliance

PATRICK POIREAU
 President
 Food and Management Services
 Asia and Australia

IVAN SEMENOFF
 President
 Sodexho Pass
 Service Vouchers and Cards

MARK Shipman
 Chief Executive
 Food and Management Services
 United Kingdom and Ireland

DAMIEN VERDIER
 President Strategic Planning and Control
 Food and Management Services
 Continental Europe

PHILIPPE VORAZ
 President
 Food and Management Services
 South America and Turkey

Business and Industry
 Number 2 worldwide

4.682	5.004	40%	126,300	12,224
Revenues (euro in billions)	Revenues (US\$ in billions)	Share of group	Number of employees*	Number of sites

*estimated

The food service market in figures
 Estimated market value: 90 billion euro
 Current outsourcing rate: 75%
 Market share: we estimate that our share of the outsourced market, as well as that of our main competitors worldwide, has not varied more than 1% during the fiscal year.

Market trends

The food service market for business and industry remains sensitive to swings in the economy. Today, clients focus on improving their competitiveness and are looking for productivity gains. Nevertheless, this highly outsourced market

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continues to present multiple opportunities for development.

Source: Sodexho

Michel Landel

Sodexho Worldwide Market Champion, Business and Industry

"Our goal is to be an exceptional partner for our clients every day, able to contribute through our services to improving their competitiveness."

"Every day, we help our clients to improve the quality of life for their employees, because an improved job environment contributes to higher levels of worker satisfaction, greater team motivation, and ultimately to enhanced productivity and an overall better corporate image. It has always been our policy for our teams to focus on their core contribution, which is to nurture a spirit of partnership with our clients everywhere.

"This strong focus on quality of life issues is evident in our food offering, where we constantly promote the value of cultural differences, and differences in tastes and dietary preferences. In the U.S., our customers and clients reflect the incredible ethnic and international diversity found in offices, schools, hospitals and campuses throughout the country. Yet, there is something to satisfy everyone at each of our dining sites. Balanced meals are another important focus at Sodexho. We not only provide a wide array of healthy food choices, but we also provide nutrition facts about our fare, and advice on healthy eating.

"It is through expanding on this partnering spirit that we realize our greatest opportunities for organic growth. This translates directly into client retention. The more clients remain loyal, the more solid a base we have on which to build. Organic growth comes from stimulating sales at each serving location. Our challenge is to convince everyone at each site that they would really rather be eating with us. Finally, our third vector for organic growth is the expansion of our range of services. Dry cleaning, concierge services, and home meal replacement - these are just a few of our services that improve quality of life for our customers. Front desk management, office cleaning, mailroom management, and maintenance services are just a few that contribute to the productivity of our clients."

Client retention, as demonstrated by our 30-year partnership with Hewlett-Packard, is the benchmark of our commitment.

Achievements

Belgium

ISO 14001 certification for the site at the Theatre Royal de la Monnaie in Brussels.

France

Year 2000 ISO 9001 certification for the Large Accounts division and three regional business units; ISO 14001 certification for sites managed by Altys for national jet engine manufacturer, SNECMA.

Hungary and the Netherlands

Year 2000 ISO 9001 certification for head offices and all sites.

UK

Sodexho Prestige, working for the 2002 Commonwealth Games, is cited as the Event Caterer of the Year at the Cost Sector National Awards.

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UK

The Sodexho facilities management team at the Ford Technical Centre in Dunton is awarded ISO 14001 certification.

Better together

[UK]

GlaxoSmithKline

"The GSK-Sodexho business relationship has grown significantly during the past 3 years. GSK regards Sodexho as a key business partner and a company that has demonstrated added value to business operations." Donna Myerthall, Stevenage Site Director, GSK (and the Sodexho client for GSK R&D)

Singular success: more service for less

GlaxoSmithKline (GSK), the result of the merger of UK drug giants Glaxo Wellcome and SmithKline Beecham at the end of the year 2000, is a world-leading research-based pharmaceutical company, engaged in the discovery, development, manufacture and marketing of pharmaceutical health-related products. GSK has an annual research and development budget of 3.5 billion US\$, the largest in the world.

One of the key issues in the pharmaceutical industry is to shorten the time to develop new molecules. Ideally, the process needs to be reduced by half. With this sense of urgency, the research structure had to reallocate its resources to accelerate its development process.

Following this move, the client wanted to rationalize the management of General Services. Objectives were to deliver a more consistent and higher level of service, plus reinforce team spirit among its people. GSK was not just looking for a competent service provider, but for a business partner that shared the same corporate values, spoke the same corporate language, and offered innovative ideas continually to improve service delivery and effectiveness.

Sodexho responded with 'change management,' plus multiple support services. It put forward its organizational skills - optimizing HR management, mobilizing staff and account management teams, identifying best practice, defining procedures, and promoting innovation.

Sodexho was awarded a yearly (pound)11 million multiservice contract for all GSK R&D sites in the UK. Reasons for choosing Sodexho were its ability to: >> integrate, manage and 'grow' people, >> deliver an innovative service suite, >> guarantee cost reductions. Its culture and vision for the future were also deciding factors.

Sodexho took over a very broad range of responsibilities, offering the client a true 'one-stop shop' for the provision of support services. Significant operational efficiencies were achieved together with an increase in the scope of managed services. Sodexho was awarded the GSK R&D business in June 2002 and successfully mobilized all operations with the smooth transfer, by September 2002, of approximately 700 people, previously managed by 25 contractors.

Sodexho is currently developing an expansion program. It wishes to encompass both specialist and generalist activities within its 28 service categories, and in turn allow GSK fully to concentrate on its core activities, i.e. researching and developing new drugs. Sodexho has started this process within GSK R&D, taking over the servicing of laboratory equipment with a team of specialist engineers, and creating an administration helpdesk to monitor and record actions.

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With a view to reinforcing their already exemplary partnership, Sodexo initiated a search for new sources of progress over the next 12 months, including the ongoing development of innovations and the continuing transfer of best working practices across all sites. What is more, the open, honest relationship, which GSK and Sodexo share, has enabled the two companies to expand their teamwork to include operations in North America, continental Europe and Asia.

In the first year of operation, Sodexo reduced costs by 10%, savings that were ploughed back into the core business of GSK Research & Development.

In brief

[Sweden and Poland]

Sodexo, Company of the Year

Sodexo in Sweden has become a major multiservice player that is present across the country and continues to progress through organic growth. Thanks to this performance, the French Chamber of Commerce in Sweden named the subsidiary "French Company of the Year." The Intelligent Building Association named Sodexo in Poland "Best Facilities Management Company of the Year 2003" for its management of 37 conference centers, many of which boast ultra-modern communication systems that require specialist maintenance.

[France]

Nutriguide for balanced nutrition online

Nutriguide is a value-added online service, which helps customers define the best nutritional balance that corresponds to their personal habits. Intuitive to use, the software and nutrition facts have been extensively qualified by Sodexo teams and experts from the Pasteur Institute in Lille. Simply key in your personal data (age, height, sex, weight and lifestyle), your alimentary habits, based on the meal options that Sodexo offers... and you get your guide to healthy eating for a day, a week or a month. Insurance giant, AXA is the first client to use the service on its intranet and encourages its employees to log on in the interest of improving their health. Indeed, as a leading underwriter of life insurance, AXA was bound to set a good example.

[France]

Orion outsources property and facilities management to Altys

Orion Capital Managers is an international real estate firm. Recognizing investor demand for modern, quality office buildings in the Paris market, Orion acquired and leased an entirely renovated 32,000 m2 building, and then a second prominent 20,000 m2 building. For these high-end operations, Sodexo's specialized subsidiary, Altys, provided the top-quality service Orion needed to fulfill its objectives. Altys guaranteed property management supervision by a senior member of staff. It also provided multitechnical and multiservice facilities management with the utmost care. Thanks to strong partnering relationships like this, Orion continues to pursue major investment opportunities.

Among our clients...

Companies

ABB, Camacari (Brazil), Brighthouse (UK)

Akzo Nobel, 1 site (Canada), 2 sites (Germany), Malmo (Sweden), 6 sites (UK)

Alcatel, Vienna (Austria), Zaventem (Belgium), 15 sites (France)

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Alcoa, Recife (Brazil)
AXA Group, 18 sites (France), Bristol (UK), 11 sites (Germany)
BAA, Gatwick and Stansted (UK)
Bentley Motor Cars, Crewe (UK)
Bristol Myers Squibb, 11 sites (USA)
Cadence Software, Delhi (India)
Cap Gemini Ernst & Young, 4 sites (Netherlands), 1 site (Spain), 6 sites (UK),
New York (USA)
Capital One, national account (USA)
Cisco Systems, 2 sites (Belgium), 3 sites (France), 9 sites (Germany),
3 sites (India), 3 sites (UK)
Citigroup, 5 sites (Poland)
CSC (Computer Services Corp.), Delhi (India)
Danone Group, Buenos Aires (Argentina), Danone Vitapole, Palaiseau (France),
Warsaw (Poland)
Dell, Bratislava (Slovakia)
Dior, Orleans (France)
Disney Studios, 7 sites (USA)
EADS, 7 sites (France), 1 site (UK), 2 sites (Germany)
Ericsson, Brussels (Belgium), 1 site (Canada), 4 sites (Netherlands), Warsaw
(Poland)
ExxonMobil, 8 sites (USA)
Fidelity Investments, Boston, MA (USA)
Fleet Financial, national account (USA)
Ford Motor Company (Volvo), 4 sites (Australia), 1 site (Brazil), Boras
(Sweden), national account (USA), Valencia (Venezuela)
Franklin Templeton, San Francisco, CA (USA)
General Electric, 10 sites (USA) General Mills, 1 site (Canada), 4 sites (USA)
General Motors, 3 sites (Brazil), Sliedrecht (Netherlands), Luton (UK), 6 sites
(USA)
Gillette, Buenos Aires (Argentina), Chennai (India), 1 site (UK), national
account (USA)
GlaxoSmithKline, 2 sites (Canada), Tianjin (China), 12 sites (UK)
Hermes, Pantin (France)
Hewlett-Packard, Rome (Italy), Houston, TX (USA) and 42 sites in North America
Honda, AL (USA)
Household Finance, national account (USA)
HSBC, Pune (India), 21 sites (UK)
Hughes Software, Delhi (India) Ing Group, 32
sites (Netherlands), London (UK), 2 sites (Poland)
Inter-American Development Bank, Washington DC (USA)
JC Penney, 2 sites (USA)
JP Morgan Chase, London (UK), Arlington, VA (USA)
KLM, Rijswijk (Netherlands)
London Underground, 20 sites (UK)
Massmutual, national account (USA)
MBNA America, 1 site (Canada), 8 sites (USA)
Merck, 6 sites (USA)
Merrill Lynch, Mumbai (India), national account (USA)
Motorola, Beijing (China), Singapore
Museum of Science and Industry, Chicago, IL (USA)
Nestle, Buenos Aires (Argentina), Goinia (Brazil), Marseilles (France), New
Malden (UK), 2 sites (USA)
Nokia, Beijing (China), 7 sites (Finland)
Pepsico, 3 sites (China), 3 sites (Venezuela), 2 sites (UK), 2 sites (USA)
Nortel Networks, 3 sites (Canada), national account (USA)
Perot Systems, Dallas, TX (USA)
Pfizer, Guarulhos (Brazil), Oslo (Norway), Madrid (Spain), Sandwich (UK),
New York (USA)
Philips Electronics, Bogota (Colombia), Mumbai (India), Albuquerque, NM (USA)
PricewaterhouseCoopers, Brisbane (Australia), London (UK), Tampa, FL (USA)
PSA Peugeot Citroen, Buenos Aires (Argentina), Charleville (France), Berlin

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(Germany)
Reebok, Canton, OH (USA)
Rhodia, Mulhouse (France)
Robert Bosch, Jihlava (Czech Republic), 2 sites (France), Mirkow (Poland),
Milton Keynes (UK)
RTL Group, (Luxembourg)
Sanofi-Synthelabo, Maasluis (Netherlands)
Schering Plough, 4 sites (USA)
Siemens, Toulouse (France), Munich (Germany), Beijing and Shanghai (China)
Solectron, Jaguariuna (Brazil)
Sony, Diegem (Belgium), 2 sites (USA)
State Street Bank, Boston, MA (USA)
Toyota, Santiago (Chile), 2 sites (UK), Torrance, CA (USA) Unilever, Buenos
Aires (Argentina), Cali, (Colombia), 3 sites (Netherlands), 2 sites (UK)
Volkswagen, Poznan (Poland), Crewe (UK)
Wal-Mart, all sites (Brazil), 19 sites (Germany)

Administrations

Driving Standards Agency, Bedford (UK)
European Parliament, Belgium
Government Centers, IN and MN (USA)
Local Government III District, Budapest (Hungary)
Parliament, Helsinki (Finland)
Senate, Rome (Italy)

Prestige_____

Sodexho Prestige operates in three major lines of business

Private Clubs, Associations and Conference Centers

Conventions, seminars, business get-togethers and receptions - for its corporate clients, Sodexho Prestige provides fine dining and personalized service. For every kind of business event, clients benefit from the refined atmosphere and distinctive style that are typical of Sodexho Prestige.

Directors Tables and Executive Dining Rooms

Sodexho Prestige caters to the busy business executive's every whim. It offers inventive cuisine, adapted to individual tastes, in discreet, elegant surroundings, plus, of course, impeccable service. The atmosphere is always tasteful yet relaxed, and conducive to high-level discussions.

Prestige Restaurants and Events

Sodexho Prestige operates in association with celebrated restaurants, such as Les Arts, L'Atelier Renault, Le Roland-Garros and the Zyriab in Paris (France), and the Swedish Parliament Restaurant, in Sweden. Internationally acclaimed for their exquisite cuisine, these restaurants are also home to distinguished chefs.

Better together

[UK]

Royal Botanic Gardens at Kew

"Sodexho Prestige has provided proactive sales and marketing, which has offered our clients greater flexibility and choice. This joint initiative has resulted in greater opportunities to sell the entire Kew Gardens portfolio of venues." Jill Preston, Director of Communications and Commercial Activities, Kew Enterprises

A spectacular, magical event venue in London

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The Royal Botanic Gardens at Kew is one of the most spectacular attractions in Europe. The Gardens represent more than 250 years of historical landscape. The site houses over 40 listed buildings and other structures. Sodexho Prestige provides day catering for the over 1 million visitors per year. It also organizes dinners and receptions in these exceptional event venues: from the Victorian glasshouse to the Gallery in a former Royal Residence to a marquee overlooking a water garden.

In addition, Sodexho Prestige participated in the development and renovation of the 18th century Orangery, a Grade I listed building. Following its refurbishment as a restaurant and function venue, the range of high-end operations handled by Sodexho Prestige increased to include venue sales, venue management, and conference and banqueting services.

RBG Kew Enterprises was founded in 1993 to consolidate commercial activities for Kew Gardens. The partnership between RBG Kew Enterprises and Sodexho Prestige has expanded and flourished over the years. The RBG Kew Enterprises and Sodexho Prestige teams have also grown in response to a surge in the venue hire business, where enquiries and sales continue to increase.

Among our clients...

Prestige restaurants and events

Ascot Racecourse, Berkshire (UK)
Blenheim Palace, Oxfordshire (UK)
Children's Museum of Indianapolis, IN (USA)
Detroit Institute of Arts, Detroit, MI (USA)
Dundas Castle, Edinburgh (UK)
Government Center of Indiana, Indianapolis (USA)
Hampden Park, Glasgow (UK)
Hampton Court Palace, Surrey (UK)
Huntington Library, Gardens-Cafe, Pasadena, CA (USA)
Kew Gardens (UK)
L'Atelier Renault, Paris (France)
Le Lido, Paris (France)
Le Roland-Garros, Paris (France)
Le Zyriab, Paris (France)
Lord's Cricket Ground, London (UK)
Los Angeles Music Center, CA, (USA)
Murrayfield stadium, Edinburgh (UK)
Museum of Life and Science, Durham, NC (USA)
Museum of Science, Boston, MA (USA)
Museum of Television and Radio, Beverly Hills, CA (USA)
Racecourses of Auteuil - Paris, Chantilly, Enghien, Longchamp - Paris, Vincennes - Paris (France)
Racing Club de France, Pre Catelan, Paris (France)
Roland-Garros, Championship, ATP Tour, Paris (France)
Royal Horticultural Halls, London (UK)
Sandown Park Racecourse, Surrey (UK)
The Cabinet War Rooms, London (UK)
US Merchant Marine Academy, Kings Point, NY (USA)

Private Clubs, Associations and Conference Centers

Etoile Saint-Honore Business Center, Paris (France)
La Maison de la Recherche, Paris (France)
La Maison des Polytechniciens, Paris (France)
Les Etangs de Corot, Ville-d'Avray (France)
Les Salons de l'Aero-Club de France, Paris (France)
Les Salons de la Maison des Arts et Metiers, Paris (France)

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Directors Tables and Executive Dining Rooms

Alcatel, Paris (France)
 Alcatel CIT, Velizy (France)
 Alcatel Hotel, Annecy (France)
 A.O.N., Levallois-Perret (France)
 Bank of Montreal (Canada)
 Banque de Neuflyze, Schlumberger, Mallet, Demachy, Paris (France)
 BNP PARIBAS, Paris (France)
 Bollore, Puteaux (France)
 Bred, Paris (France)
 Caisse Nationale des Caisses d'Epargne, Paris (France)
 Canadian Imperial Bank of Commerce (Canada)
 Chateau de Tremblay, Credit Agricole (France)
 Christian Dior Parfums, Paris (France)
 Credit Agricole Indosuez, Paris-La-Defense (France)
 Dell Computer, Montpellier (France)
 Ford France, Rueil-Malmaison (France)
 IBM, La Defense (France)
 La Poste, Paris (France)
 MEDEF, Paris (France) Natexis, 2 sites, Paris (France)
 Pechiney, Paris (France)
 TF1, Boulogne (France)

Defense_____

376	402	3%	9,200	794
Revenues (euro in millions)	Revenues (US\$ in millions)	Share of group revenues	Number of employees*	Number of sites

*estimated

The food service market in figures
 Estimated market value: 10 billion euro

Market trends

Outsourced service provision to the defense establishment continues to show strong growth, with a definite move towards retail/branded-style service through initiatives to modernize military messes. Moreover, for other activities, such as cleaning, property maintenance, and recreation site management, larger numbers of decision makers are considering private contractors.

At the other end of the scale, massive deployment capability is provided to the military by civilian contractors, who provide engineering, maintenance, turnkey camps, etc., as well as project management for large construction projects. Sodexho supports these contracts.

Source: Sodexho

Andrew Leach
 Managing Director, Sodexho Defence Services, UK and Ireland

"There will be large-scale investment in the wake of the international fight against terrorism. Sodexho's opportunity to get involved will be immense."

"Over the next ten years, the pattern of military operations will be more mobile than static, with large numbers of troops and associated support groups on the

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move, deploying outside of their national borders. The opportunities for contractors to provide services are sure to be immense with billions spent by nations willing to participate in a global environment of peace and prosperity. In addition to military operations, there are likely to be large building programs for hospitals, schools and other infrastructure projects that will require support for their construction workers. These projects will be varied across all segments and will give Sodexho numerous opportunities to help.

"Military requirements are often very changeable and in a fast moving and fluid environment, it is essential to have contractor support represented by managers empowered to make decisions on-the-spot. These situations are the ultimate logistics challenge.

"A more specific growth scenario concerns the British forces that are scheduled to return to the UK from permanent bases in Germany. Sodexho is negotiating a contract as part of a consortium to build and operate army barracks across the south of England. This decision was motivated in part by the need to retain seasoned soldiers and manpower by providing them with new, hotel-style accommodations and services; this is particularly important in a post-war situation.

"The difficulty is that there is very little new money in defense budgets. Most military budgets around the world have had so many cuts that the lifestyle services, provided to someone living in the armed forces, are pretty poor in terms of accommodation, dining and recreation facilities. As a result, procurement authorities are always looking for ways to make efficiencies and savings so that they can actually spend more on lifestyle services and help to retain personnel. The new barracks that are being built provide first class, en suite accommodation for soldiers. We are making a very real contribution to improving their quality of life.

"In sum, Sodexho enables military commanders to provide a better standard of non-core service more cost effectively. Certainly, the Americans, the British and the Australians are now all contracting out services so that they can procure a better quality of life for their personnel."

What Sodexho enables the armed forces to do is to have cutting-edge support services at value-for-money prices.

Achievements

Afghanistan

In synergy, Sodexho in the U.S. and Universal Sodexho win a contract to provide catering and support services to NATO forces in Kabul.

UK

In May 2003, Investors in People recognizes Sodexho Defence Services for matching British standards that set a level of good practice for training and development of people to achieve business goals.

USA

The Department of Defense's Employer Support of Guards and Reservists (ESGR) honors Sodexho as an "Outstanding Company" for the benefits it is providing to its employees, who have been called up to active duty.

Better together

[Europe] US Army

In five locations in Germany (Grafenwohr, Wiesbaden, Mannheim, Seckenheim and

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Hanau), Sodexho Defence Services successfully supplied rapid response in support of pre-operational deployment.

Sodexho Defence Services (UK) feeds US troops as they stage through Germany

US Forces in Europe use in-theater contractors to supply catering and support services on an ad hoc, as required basis. The support is short notice, requiring immediate solutions to unexpected deployments. The recent conflict in the Middle East massively increased the volume of support required. Sodexho Defence Services (SDS) used its deployment with the Allied Rapid Reaction Corps (ARRC), in Germany, as a reference for capability and performance.

In recognition, the US Army Contracting Branches in Europe awarded SDS a contract to supply:

- Rapid response in support of pre-operational deployment - this involved feeding US troops as they staged through Germany to undertake live firing and field training exercises prior to Gulf deployment.

- Backfill of staff to cover for deployed military personnel - this concerned manpower substitution as military chefs deployed to the Gulf. Initially, SDS was to supply one-for-one support, but this quickly evolved into full dining facility management with the deployment of a Sodexho Operations Manager and supporting Catering Managers.

Sodexho showed it is an extremely efficient company with the capability to distance-manage employees in-theatre, or directly from the UK on smaller deployments. Employees are screened prior to appointment and only highly motivated individuals are deployed.

Having the capability and willingness to flex with continuous operational changes has given SDS a first-class reputation as a service provider. Consequently, SDS is now a preferred supplier for all military deployment and exercise scenarios, thus capitalizing on SDS's understanding of military ethos and operational requirements.

[USA]

Catering to our client's first choice

Through its partnership with the US Marine Corps, Sodexho is creating significant opportunities for minorities, women and the disabled. Nearly 30 percent of Sodexho's two contracts with the Corps are serviced through teaming agreements with small, minority, disadvantaged, and women-owned businesses, and with organizations that represent the interests of individuals with disabilities.

[UK]

Quality of Life front and center

The UK Ministry of Defence is experimenting with Sodexho's innovative Lifestyle Services at the Hyde Park Barracks, Central London, which is the home of the Household Cavalry. Lifestyle Services include the Pay-As-You-Dine initiative. A customer survey allows Sodexho to determine the lifestyle expectations of military personnel, using the trial facilities. Payment is by cash or debit card, or by smart card, which provides profiling data. Military and civilian staff can purchase food, beverages and retail items in one location, thus reducing time away from their station. Personnel stationed at the barracks have had an excellent reaction to the concept.

Among our clients...

Australia Defense Force, 6 sites (Australia)
Aldershot, Catterick, Colchester and York Garrison (UK)

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Cercle National des Armees, Paris (France)
Fortifikationsverket, 40 mess halls (Sweden)
MSB Yurtlar, Adana and Ankara (Turkey)
NATO Headquarters (Afghanistan)
US Marine Corps, 55 mess halls (USA)
US Merchant Marine Academy, Kings Point, NY (USA)

Armed forces in operations

French Army, Kosovo
KFOR, Kosovo
UK Ministry of Defence, Saudi Arabia
US Army, Qatar, South Korea
US Army Corps of Engineers, Qatar, USA (Alaska)
US Defense Logistics, South Korea

Correctional Services

Revenues (euro in millions)	Revenues (US\$ in millions)	Share of group revenues	Number of employees	Number of sites
145	155	1%	1,600	95

Market trends

Each country has its own history and approach to the governance of prisons, and its own view on the private sector's contribution. Even though the needs of the criminal justice system are clear, most countries are suffering severe budgetary pressures that are forcing them to make choices. The private sector with its increasingly positive record is providing that choice.

Source: Sodexho

Herb Nahapiet
Sodexho Worldwide Market Champion, Correctional Services

"Independent sources continue to show that the private sector has raised standards of service in the Corrections sector, whilst at the same time reducing costs."

"Many countries have not even begun to consider the advantages that the private sector brings, but as they do, we are seeing more countries expressing keen interest. For the prisoners, there is a greater range of services and opportunities for education, training, employment and accommodation upon release. The prisoners get an improved quality of life during imprisonment and better chances of a fresh start. For Prison Services it brings choice, an alternative to the public sector, and competition, which in turn forces up standards and delivers lower costs, which in turn benefits the taxpayer. It has been estimated that the private sector in England and Wales has made savings to the tax payer of 60 to 90 million euro per year. This is beginning to have an effect. Whilst market estimates are misleading, this segment does appear set to grow significantly, because of the obvious and tangible benefits.

"Martin Narey, Commissioner for Correction in England and Wales, has said, 'The experience of private sector involvement in the provision and operation of prisons has been a great success. Not only have the private-sector providers demonstrated they can run prisons, which are among the best in this country, but the introduction of competition has been a key catalyst for change in the publicly run prisons.' This is true at Forest Bank in England, and Acacia in

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Western Australia, where treatment, standards of delivery and the corresponding lower costs of that delivery are allowing the government to put pressure on public spending. The price advantage that the private sector procures is often between 15 and 20 percent. This combination of better services at a lower cost, 'more for less,' is a crucial benefit to governments, national prison services, staff and prisoners.

"Ours is a 'social business.' So we need to ground our private sector practices of efficiency and effectiveness in strong ethical values. Where governments are showing an interest, we try to demonstrate, through visits to our operations and independent reports, the benefits of this philosophy, as practiced by the private sector in general and Sodexho in particular.

"So for example in the UK, where we already have full responsibility for some facilities, we envisage making a further contribution, by going outside the prison walls, in a project to speed ex-prisoners in their return to society. This is the case for hostels, where we plan to receive ex-prisoners just after their release. We thus hope to help government reduce the incidence of these people re-offending. The British Home Office will evaluate the program, and if it is successful it will be extended to other locations."

Opportunities for organic growth in countries, which satisfy our 'social business' criteria, are increasing.

Achievements

Australia

Two awards for the smartcard used at Acacia Prison:

- Asia Pacific Smartcard Forum Award for Excellence in Design and Innovation
- International Corrections and Prisons Association Technology Award

France

Year 2000 ISO 9001 certification for SIGES service provision at sites in the North of France.

Netherlands

Year 2000 ISO 9001 certification for all sites managed by Sodexho.

UK

Year 2000 ISO 9001 certification for IRC Harmondsworth maintenance services.

Better together

A prisoner - who lives in a safe, secure environment, maintains family ties, improves his reading and writing skills, begins to learn a work ethic and gets job training - has more of a chance of returning to a normal life and not re-offending again. All the evidence shows that providing prisoners with employment upon release and a home to go to cuts the rate of re-offending by 50 percent.

Sodexho fosters education, a work ethic, rehabilitation and reinsertion

Sodexho provides all these services, in democratic countries that have abolished the death penalty and hold rehabilitation to be a priority.

In France, Sodexho subsidiary SIGES participates in prisoner social reinsertion as part of its mission. SIGES offers professional training programs, open to prisoners who want to earn their Certificate of Professional Qualification during detention. This is chiefly for prisoners who are interested in food service skills and work in kitchens. SIGES prepares these prisoners for release,

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giving them realistic prospects of finding employment. Moreover, SIGES proposes candidates to Sodexho's different entities, which in turn commit to hiring twenty ex-prisoners each year. In June 2003, out of seven candidates from the Saint-Mihiel detention center, all received job training certificates, with two candidates cited for having made the highest marks in the public school district.

In Britain, Sodexho subsidiary UKDS has two contracts with the National Probation Directorate to develop post-release hostels, for men and for women, in Bristol. These hostels will focus on a holistic program for prisoners who volunteer, and who have a history of drug use, but are 'clean' at the time of release. The program has three phases. In prison, UKDS staff will assess applicants and prepare them for release to a hostel. Phase two takes place at the hostel, and includes a 12-week intensive support program. In addition, there is training in life skills, to prepare participants for independent living. Training for work is also a key feature. The third phase involves UKDS finding suitable move-on housing for those completing the program, and then supporting them in this for at least six months.

When successful, these projects arguably reduce street crime and minor theft by significant amounts, and reduce the number of offenders who frequently return to prison.

In brief

[UK]

Training centered on professionalism

UKDS has established a training center for prisoners at HM Prison and Young Offender Institution Forest Bank, which offers educational and vocational programs at all levels of achievement. In recognition, it has been awarded the Basic Skills Quality Mark. This training center is one more component in a policy of fostering employment upon release. The Chief Inspector of Prisons in England and Wales, an independent body reporting to the Home Secretary, inspecting the penitentiary establishment at Forest Bank, declared, "Forest Bank is a very good local prison." Three examples of good practice for rehabilitation were recommended in the report.

[France]

BIZNESS RESTO: prison enterprise

Role playing takes a new twist in the detention center at Bapaume. In this prison for women, SIGES created an EEP (Entreprise d'Entrainement Pedagogique, or structured training enterprise), named Bizness Resto. Participants are treated like employees, and are placed in 'realistic' situations, which help them learn to act responsibly at work. In total, 12 trades are taught, covering the administrative skills one needs in a company. These include bookkeeping, secretarial skills, purchasing, and sales. Successful employment is of course the goal, such as for one prisoner, who secured a secretarial position in a maintenance company, following her release.

[Australia]

Prisoner peer support

Peer support is for the welfare of prisoners within Acacia Prison. The Indigenous Support Team administers this function, as its role is welfare-focused. While peer support is multicultural, it is the Indigenous prisoners who frequently require additional support from a member of their own culture. This is a trusted position, showing confidence and respect for indigenous prisoners, operated under the parameters of monitoring and surveillance by custodial staff.

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Among our clients...

Australia

Department of Justice

1 prison in the state of Western Australia: Acacia Prison

Chile

3 detention centers (under construction): La Serena, Alto Hospicio, and Rancagua

France

Ministry of Justice

5 detention centers in the south: Avignon, Grasse, Tarascon, Salon-de-Provence and Aix-en-Provence

4 detention centers in the north: Bapaume, Longuenesse, Maubeuge and Saint-Mihiel

Italy

36 detention centers

Netherlands

Ministry of Justice

28 detention centers

Portugal

11 detention centers

Spain

Catalonia

8 detention centers

UK

Home Office

1 prison: Forest Bank Prison

1 detention centre: Harmondsworth

2 more prisons are under construction at Ashford and Peterborough

Healthcare_____

Number 1 worldwide

2.206	2.358	19%	56,100	3,468
Revenues (euro in billions)	Revenues (US\$ in billions)	Share of group revenues	Number of employees*	Number of sites

*estimated

The food service market in figures

Estimated market value: 40 billion euro

Current outsourcing rate: 32%

Market share: during the financial year, we have noted a significant change in the volume of the outsourced market, as well as in the market shares of Sodexo and its main competitors worldwide. This change can be explained both by the

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impact of exchange rates and by our increased understanding of the marketplace.

Market trends

Shorter stays and capital expenditure redirected more and more towards technological upgrades have led to the downsizing or closing of establishments. Hospital groups want better cost control and therefore, expanded partnering with players who help them reinforce their positions in increasingly competitive markets.

Source: Sodexho

Jean-Michel Dhenain
Sodexho Worldwide Market Champion, Healthcare

"Global Hospitality is our name for the job we do that contributes 70 percent to what makes up quality of life in healthcare establishments."

"Sodexho has led this market for a decade. Together with our clients, we have seen the sector change. The job is more complex, the environment more competitive. Clients know how to succeed in their mission, but now need a special partnering relationship, someone who can back them in their development strategy, help daily to get the job done.

"Global Hospitality is our answer. It bundles listening, analyzing, expertise and taking account of everyone's expectations: medical and administrative teams, patients, their families and visitors. It meets establishment-critical needs five ways: reception and information, food service, equipment maintenance, hygiene, and environmental. What's more, it adds quality to leisure time. Global Hospitality is the opposite of predefined solutions; it is a targeted, proactive approach that fosters peace of mind for patients, reassures their friends and families, plus motivates client staff.

"A clinic specialized in heart surgery needs different services than a maternity ward. As soon as you walk through the door, we would like you to feel the difference "It's about synergies and optimized budgets. Global Hospitality also contributes to an establishment's reputation - because reputation depends on the quality of therapy, but also on the feeling of well-being each establishment embodies.

"This approach creates value for our clients, and is a main source of leverage for our organic growth. Through sales growth and client retention, we become quality-of-life specialists, which is essential to our clients' development, too. Management of non-medical services consumes on average 25 percent of an establishment's total budget, and impacts its reputation for 30 percent... That is 70 percent of its Quality of Life proposition. Seen from that angle, and in spite of an essentially stable market, the outlook is great!"

For most patients in hospital, 95% of their time is free to do what they want. That's immense potential for developing our 'people services.'

Achievements

France

Year 2000 ISO 9001 certification for Sodexho Global Hospitality services at all client sites.

Netherlands

Year 2000 ISO 9001 certification for head offices and all of the subsidiary's sites.

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UK

Citation for Britain's cleanest hospital for the Haslar Military Hospital in Gosport at the 2002 presentation of the Golden Service Awards.

Better together

[USA]

Johns Hopkins Hospital

"In the highly stressful hospital environment, quality of life at work is more than a luxury, or even a comfort, it is a vital need."
Kenneth Grant, Vice President General Services, Johns Hopkins Hospital, Baltimore, MD.

Service worthy of scientific achievement, recognized worldwide

Johns Hopkins Hospital has earned a reputation for being the premier hospital in the world for science, research and patient care. Since 1979, Sodexho has accompanied this client in its quest for progress. We analyze the changing needs and expectations of all participants in hospital life: doctors, nurses, patients, and support and administrative staff. One workgroup recently identified an ambitious goal: Raise service to the level of science. Because Johns Hopkins Hospital is the benchmark of medical science, this is a huge challenge. To start with, we strive to make the atmosphere and hospital experience more pleasant, with four objectives in mind.

Service on the level of science, an experience of excellence:

- Labor and Delivery Unit

Sodexho is set to manage all non-clinical functions in maternity wards, to enable nursing staff to concentrate on more care for their patients.

- Employees

Sodexho aims at reinforcing employee recognition, to develop confidence, loyalty and motivation among personnel, who can then deliver world-class service.

- Retail Project

Sodexho is to modernize commercial and leisure spaces, to boost satisfaction among the entire hospital community.

- Facilities Project

With nine separate retail venues operating in the hospital complex, the idea is to upgrade and provide for technologically-advanced production in support of everything from high-end waited food service to freshly-made sushi.

"Sodexho shares our commitment in the fight against disease and suffering, and we are confident in their contribution," said a hospital spokesperson. Create a warm, reassuring atmosphere, unburden hospital staff, and develop shared values - today, the vision of improving quality of life is a priority for all.

[USA]

Dine at any time, day or night

In hospital, patients want more say when it comes to what they eat -- and when they eat it. That's the idea behind At Your Request(TM) Room Service Dining from Sodexho. Simply pick up the phone, and enjoy breakfast, lunch or dinner - day or night! This is hotel-style a la carte dining at its best (well, at least as far as doctor's orders will allow). With patient satisfaction top-of-mind, Mercy Medical Center (Ohio) enjoyed watching its satisfaction rates jump from 50 to 92 percent thanks to Sodexho's brand of room service. Another benefit -- savings from less wasted food.

[USA]

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Add-on expertise in medical equipment

If hospitals need it, Sodexho gets it. That's why the group acquired the American firm, Patriot Medical Technologies, Incorporated (renamed Clinical Technology Management Services). This puts Sodexho a step ahead for managing, maintaining, and repairing medical equipment of all kinds. With service excellence a core concern of its healthcare clients, Sodexho in the U.S. shows itself to be 100% professional.

[France]

Free time, happy time

Therapy takes up just 5 percent of most patients' hospital stays. With so much free time on their hands, the one thing they don't want is to get bored. Sodexho says "Stand Up!" That's our name for commercial space tastefully arranged for leisure and relaxation. Vending machines, or if you prefer, a friendly smile at our boutique, all add a touch of convenience to daily life in hospital. Busy staff at the Saint-Louis clinic in Poissy (France) benefit, too, thanks to a smart Residence Card (developed in synergy with Sodexho Pass), a chip-enabled badge for ID, access control and e-purse all rolled into one. When you need time to care, Sodexho is there.

Among our clients...

12 de Octubre Hospital, Madrid (Spain)
Ambroise Pare Hospital, Marseille (France)
Aatakklinik Wunnenberg, Bad Wunnenberg (Germany)
Academic Hospital of Middelheim, Antwerp (Belgium)
Aid-Equipment, Stockholm
County Council (Sweden)
Albert Einstein Hospital, Sao Paulo (Brazil)
Alemana Clinic, Santiago, Temuco (Chile)
Allergiatalo, Helsinki (Finland)
American Hospital, Neuilly-sur-Seine (France)
Antwerp University Hospital (Belgium)
APH Marseilles, 4 sites (France)
Austral University Hospital, Buenos Aires (Argentina)
Baptist Hospital, Hong Kong
Bjorken Hospital, Umea (Sweden)
Bordeaux-Nord Aquitaine Medical Centers (France)
Calgary Regional Health Authority (Canada)
Clinico Hospital, Valencia (Spain)
Danderyds Sjukhus, Stockholm (Sweden)
Davila Clinic, Santiago (Chile)
Detroit Medical Center, MI (USA)
Erasmus University Hospital, Brussels (Belgium)
Fondazione Medica Maugeri, 5 sites (Italy)
Fundacion Hospital de Alcorcon, Madrid (Spain)
Glasgow Royal Infirmary, North Glasgow
University Hospital NHS Trust (UK)
Henry Ford Hospital, Detroit, MI (USA)
Hereford Hospital NHS Trust (UK)
Hofpoort Ziekenhuis, Woerden (Netherlands)
Hospital of the Catholic University of Chile, Santiago (Chile)
Instituto Argentino de Diagnostico y Tratamiento, Buenos Aires (Argentina)
International Peace and Maternity Hospital, Shanghai (China)
Invalid Foundation Orton, Helsinki (Finland)
Jin Shan Hospital, Shanghai (China)
Johns Hopkins Hospital, Baltimore, MD (USA)
Karolinska Sjukhuset, Stockholm (Sweden)
Kreiskliniken Aschersleben-Sta(beta)furth, Aschersleben (Germany)
Lahey Clinics Medical Center, Burlington, MA (USA)

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Las Americas Clinic, Medellin (Colombia)
 London Hospitals NHS Trust (UK)
 Longjumeau Medical Center (France)
 Marly Clinic, Bogota (Colombia)
 Mary Washington Hospital, Fredricksburg, VA (USA)
 McGill University Health Centre (Canada)
 Menorah Medical Center, Overland Park, KS (USA)
 Misericordia Hospital, Bogota (Colombia)
 Morby Hospital, Stockholm (Sweden)
 Municipality of Kisko (Finland)
 NLPO, County Council of Stockholm (Sweden)
 Northwick Park Hospital, North West London Hospitals NHS Trust (UK)
 Nove de Julho Hospital, Sao Paulo (Brazil)
 Oncology European Institute, Milan (Italy)
 Ospedale Evangelico Internazionale, Genoa (Italy)
 Policlinico Gemelli, Rome (Italy)
 Queens Medical Center, Honolulu, HI (USA)
 Richmond Hospital (Canada)
 Saint-Vincent-de-Paul Hospital, Medellin (Colombia)
 Saint-Louis Clinic, Poissy (France)
 San Donato Group, Milano, 6 sites (Italy)
 Sart Tilman University Hospital, Liege (Belgium)
 Service & Healthcare Center, Punkaharju (Finland)
 Shanghai Hospital (China)
 Siemens Medical Circulatory Center, Eschenlohe (Germany)
 Soma Clinic, Medellin (Colombia)
 Southern Hospital, Malacca (Malaysia)
 Stanford University Hospital & Lucille Packard, CA (USA)
 Thunderbay Regional Hospital (Canada)
 Tivoli Hospital, La Louviere (Belgium)
 Tournai Medical Center (Belgium)
 Union Clinic, Toulouse (France)
 University Clinics, Darmstadt, Regensburg (Germany)
 Vastra Nylands Hospital District Area, Ekenas (Finland)
 Westmead Clinic, Sydney (Australia)

Seniors _____

Number 1 worldwide

651	695	5%	17,800	1,540
Revenues (euro in millions)	Revenues (US\$ in millions)	Share of group revenues	Number of employees*	Number of sites

*estimated

The food service market in figures

Estimated market value: 30 billion euro

Current outsourcing rate: 16%

Market share: during the financial year, we have noted a significant change in the volume of the outsourced market, as well as in the market shares of Sodexho and its main competitors worldwide. This change can be explained both by the impact of exchange rates and by our increased understanding of the marketplace.

Market trends

Longer life expectancy is pressuring long-term care infrastructures, as well as

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driving the shift to alternative solutions, such as day care centers for seniors and home care. These solutions imply a need for the development of new services.

Source: Sodexho

Jean-Michel Dhenain
Sodexho Worldwide Market Champion, Seniors

"Creating the conditions that allow people to age gracefully is a challenge for modern society. Our global offering in response reflects this responsibility."

"This group of customers is particularly heterogeneous. Everyday life for active seniors is dramatically different from that of dependent persons. Active people want to remain independent and appreciate having numerous leisure options. Dependent individuals need constant care and attention, but still want to feel like they have a place in society.

"As for our clients, their problems are threefold: how to overcome malnutrition (often physiological in origin), how to treat physical dependency, and what to do about social isolation and loneliness among their residents. Sodexho offers to help clients meet these challenges, and to make a creative contribution to life in their establishments.

"We rely on dietetic expertise in defining our food service, and offer fare that is high in protein, plus easy to swallow and digest. We have also expanded our skills in nursing, to provide dependent seniors with daily assistance for their personal hygiene, getting dressed, moving about and dining. At the same time, we make ample use of our imaginations, when it comes to organizing their social lives.

"The trend to longer life expectancy leverages the opportunities for organic growth. This concerns efficiency gains that we bring to establishments, to help them fulfill their mission. We create value all around: for seniors, who benefit from a richer, more secure lifestyle, and for their families, who like to see loved ones in the hands of competent, motivated caregivers, and in pleasant, professional surroundings.

"Today, our thinking focuses on 'aging gracefully,' in order to define, over the midterm, an offering, of course, adapted to the specific needs and expectations of each establishment in each country. The objective is to brand our practices, in the same way that we have branded our healthcare services (i.e. Global Hospitality). With 'open life spaces,' offering many activities and services to residents as well as to visitors, we hope this offering will contribute to meeting the challenge of better integrating residences and seniors into the urban environment and into society."

- In France:

- Active seniors devote six and a half hours each day of their time and 20% of their spending to leisure activities.

- Half of all people admitted to hospitals suffer from malnutrition.

- One out of three deaths among people over age 65 is the result of a fall.

Achievements

Belgium
Sodexho chefs receive the 1st and 2nd prizes for Best Chef in retirement homes.

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France

Renewed ISO 9001 certification for the subsidiary's support functions and all sites.

USA

Shannondell, a home for active seniors, located in Audubon, Pennsylvania, is one of only 70 establishments in the U.S. to receive Retirement Resort certification from the Senior Hospitality Institute.

Better together

[Spain]

Fundacion Sociosanitaria de Barcelona

"Sodexho's experience and commitment have enabled us to improve the perceived quality of food service. Further, our partnering relationship is sure to accelerate a growth strategy that is beneficial for both parties." Jesus Garcia Lago, Vice President, Fundacion Sociosanitaria de Barcelona

Private foundation applauds Sodexho partnering spirit

The Fundacion Sociosanitaria is a socio-medical foundation, which manages nine healthcare establishments in Catalonia and Galicia: Sant Gervasi Hospital in Barcelona, plus private short- and long-term healthcare residences, from convalescence homes to assisted-living facilities for seniors. It is imperative to offer impeccable well-adapted food service. When Fundacion Sociosanitaria consulted Sodexho, food service was in fact its main concern.

Sodexho's presentation was for flexible, coordinated food service, and the mobilization of a dedicated skills network. It was enthusiastically received. The client accepted the creation of a modern kitchen, on the Sant Gervasi hospital site, which would allow the client to provide its patients with meals adapted to their pathologies: for instance, special menus for patients suffering from Alzheimer's and psychiatric disorders. A dietary specialist joined the team and makes the rounds among patients at each meal. Furthermore, an applied nutrition Hazard Analysis and Critical Control Point program (HACCP) strongly reinforces food safety.

Expertise, quality and flexibility of our offering, Global Hospitality - these factors led the client to delegate additional responsibilities to Sodexho. After three months, the client asked Sodexho to study the integration of a housekeeping reporting platform into its management information system, as well as a cleaning offering. Sodexho also helped formalize a tender for new buildings in Sant Gervasi, with capacity for 400 residents.

For the client, the dedication of the Sodexho team is a major contribution. Sodexho's Healthcare Director works closely with the client's management team, and the account director coordinates the actions of eight resident managers. Transparency is the keyword at monthly checkpoint and quarterly progress meetings. This organization eases management, speeds communication among sites, and improves the responsiveness of staff. Today, the plan is for accelerated development, thanks to the partnership with Sodexho, which has allowed this client to enhance its offering and to win new business, notably responsibility for the residence, Ancianos Gran Canaria.

[Belgium, France, and the UK]

Good eating for everyone

What tastes good, looks good and smells good, when you have trouble swallowing? That was the challenge facing Sodexho chefs, when they created reconstituted meals for seniors, called Mixes Gourmands (Tasty Mixes). Healthy foods, monitored for nutritional value, are blended, and then molded back into their

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original shapes. Good to eat and easy to swallow, these dishes stimulate appetites, a key factor in combating malnutrition. Like Sodexho's line of soft desserts, Sodelicious, an innovation launched last year, these foods are also real palate pleasers.

[Belgium, Canada, France, Italy, and the USA]

Letters home

For the third consecutive year, Sodexho and the Fondation Nationale de Gerontologie organized the event, Letter to..., across all of France. Participating seniors were asked to write a letter to an imaginary or real correspondent, drawing on their creativity and their memories. Often lighthearted, always full of emotion, the letters sometimes also served to bring together relatives, children and friends. The letters were presented to a jury, who chose the best ones for publication. Diplomas were also awarded, which was a thrill for contestants. As part of Sodexho's innovation policy, the event is being transferred to other operations abroad, where it can contribute to reducing social isolation and loneliness among older residents.

Disabled persons

"Working with the disabled demands both professional and human competencies; this cannot be improvised."

Encourage the disabled to take part in life, contribute to them gaining a skill and finding a job, and help raise awareness among the general public as to the need to improve the quality of their lives - Sodexho is involved daily in lifestyle projects in socio-medical establishments. Every effort is made to promote the dignity and rehabilitation of people, regardless of their disabilities, including mental health.

In brief

[France]

Pass the dessert, please...

For the fifth time, Sodexho organized the annual event, Un Pour Tous, Tous Pour Un (one for all, all for one). This year's theme was, "What if all the desserts in the world could hold hands?" Some 90 establishments sent a team, comprised of a Sodexho manager, a social worker and a disabled person. The idea was to imagine or cook a dessert, inspired by the cuisine from a foreign land. This was a memorable day! It was animated and convivial, with plenty of conversation, sharing, and overachieving, plus a diploma for each participant! The best recipes went home with the contestants and are now on their establishments' menus.

Passport to health

Sometimes, disabled customers have a sweet tooth, neglect to eat a balanced diet, and put on too much weight. One remedy involves using the colors in stop lights - a method developed and tested in a French socio-medical institution. The color red signals rich foods, yellow means foods that are only good in small amounts, and green indicates you can eat all you want. The trick is to have on your tray only one "red" item, two "yellow" dishes, and at least two "green" ones. A "Passport to health" is handed out at the same time as the system is explained. And it works. Customers discuss their choices at each meal and over 75 percent of them lose weight.

Among our clients...

Am Burgerplatz Retirement Home, Rodental (Germany)
Augustines Home, Meaux (France)
Avondale Retirement Village, Sydney (Australia)

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Beckomberga Sjukhus, Stockholm (Sweden)
Beverly Gallen Seniors Suites, Santiago (Chile)
Brethren Village, Lancaster, PA (USA)
Caisses d'Epargne Foundation for Solidarity, 28 sites (France)
Carroll Lutheran Village, Westminster, MD (USA)
Casa Cardinal Maffi, Cecina (Italy)
Cerino Zegna Rest Home, Occhieppo (Italy)
Church of Scotland, The Elms, Edinburg (UK)
Club Neuilly Retirement Home, Neuilly-sur-Seine (France)
Copeland Oaks Retirement Center, Sebring, OH (USA)
CPAS, Antwerp, Dendermonde, Etterbeek, Halle, Nieuwpoort, Waterloo, Wervick (Belgium)
Eichenhohe Retirement Home (German Red Cross), Hamburg (Germany)
Filen, Stockholm (Sweden)
Franz Ludwig Retirement Home, Bamberg (Germany)
Fundacion Sociosanitaria of Barcelona, 8 sites in Catalonia, 1 site in Galicia (Spain)
GGz Friesland, Leeuwarden (Netherlands)
Goodwin House, Alexandria, VA (USA)
Hebrew Home, Rockville, MD (USA)
Hesperides Centre, Neuilly-sur-Seine (France)
Institut National des Invalides, Brussels (Belgium)
Istituto Geriatrico e di assistenza, Udine (Italy)
Istituto Guttmann II, Barcelona (Spain)
Jewish Care, Inc., Melbourne, Victoria (Australia)
Koca, Antwerp (Belgium)
La Bonanova Centre, Palma de Mallorca (Spain)
La Posada, Los Angeles, CA (USA)
Luther Manor, Milwaukee, WI (USA)
Maria-Gamla Stan, Stockholm (Sweden)
Marie Immaculee Home, 5 sites (Belgium)
Meadow Lakes, Hightstown, NJ (USA)
MEDIDEP Group, 68 sites (France)
Melbourne Nursing Room, 4 sites (Australia)
Montefiore Hospital Teresian House, Albany, NY (USA)
Municipalities of Varmdo, Vasteras (Sweden)
Municipality of Kisko (Finland)
Nonnenbrucke Retirement Home, Bamberg (Germany)
O'Conner Woods, Stockton, CA (USA)
Opera Pia Richiedei, Brescia (Italy)
Opera Pia Sant'Anna, Fossano (Italy)
Piltradet, Stockholm (Sweden)
Protegida Pflegeheim Service Centre, Santiago (Chile)
Re Carlo Alberto Valdesi Retirement Home, Turin (Italy)
Rockwood Retirement Communities, Spokane, WA (USA)
Roselius Foundation, 3 sites in Tuusula (Finland)
Sankt Irmgardisstift (Caritas), Viersen-Suchteln (Germany)
Sankt Nicolai Retirement Home, Neustadt Rubenberge (Germany)
Sant'Andrea, Monza (Italy)
Santa Catarina Service Centre, Sao Paulo (Brazil)
Service Center Aurinkomaki, Pornainen (Finland)
Service Center Hanna-koti, Helsinki (Finland)
Service Center Pyoro, Kuopio (Finland)
Service Center Vaskikoti, Tampere (Finland)
Shannondell, Audubon, PA (USA)
Stichting Continu, Utrecht (Netherlands)
Stichting de Jutter, Den Haag (Netherlands)
Stichting de Waalboog, Nijmegen (Netherlands)
Tanto, Stockholm (Sweden)
The Highlands, Wyomissing, PA (USA)
The Samarkand, Santa Barbara, CA (USA)
Vaderkvarnen, Stockholm (Sweden)

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Vitalis Zorg Group, Eindhoven (Netherlands)
 Winchester Gardens, Maplewood, NJ (USA)
 Zuflucht Retirement Home, Soltau (Germany)

Education_____

Number 1 worldwide

2.829	3.023	24%	71,400	4,703
Revenues (euro in billions)	Revenues (US\$ in billions)	Share of group revenues	Number of employees*	Number of sites

*estimated

The food service market in figures

Estimated market value: 45 billion euro

Current outsourcing rate: 35%

Market share: we estimate that our share of the outsourced market, as well as that of our main competitors worldwide, has not varied more than 1.5% during the financial year.

Market trends

Education indisputably constitutes a thriving business sector in Western economies, particularly universities in North America. Many schools are now judged based on the way they manage their budgets and the value they get for them. Consequently, administrators are benchmarking food and other service delivery, often with a view to outsourcing.

Source: Sodexho

Rick Brockland

Sodexho Worldwide Market Champion, Education

"Our focus is to help make clients successful in their marketplaces. If we are making our clients successful, Sodexho will be successful."

"From a client perspective, the only reason to outsource services starts from an assumption that a company like Sodexho can do a better job of providing those services than clients historically have done for themselves. The only question then to be asked is, 'What products and services do individual clients need?'

"The university segment, the kindergarten-to-12th grade segment and the private, independent school segment are the main education markets worldwide. Each segment has very different dynamics. Our challenge is to understand the unique needs of each individual client as well as the unique needs of clients and customers within each segment and each country. Then, and only then, do we tailor services that help those clients meet the needs of their customers in ways that help them to be unique in what they do.

"When a client asks Sodexho to become a partner, we very much become a part of that institution. Our success is and should be measured by the client's success in attracting and serving its students and support staff. When the client is healthy and grows, we are healthy and grow, as well.

"Our goal is to gain clients and keep those clients. Within the concept of offering multiple services to those clients, our potential for growth is very large.

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"Today, one of the most significant issues worldwide is childhood obesity. We are taking an industry-wide leadership approach on providing healthy food offerings, and on educating students about proper nutrition and lifelong healthy eating habits. We are also in the forefront of challenging our supplier partners to join with us in this healthy food and educational effort.

"Sodexho's prospects for long-term growth within the education marketplace will be measured by our ability to respond to the ever-changing needs of our clients. Our culture is built around our being focused on our clients and their customers. As we live our mission, focusing on the quality of daily life whenever and wherever people come together, we will continue to create value for our clients. In doing so, we will grow and prosper."

Achievements

Netherlands and Hungary

All local Sodexho Education sites are awarded Year 2000 ISO 9001 certification.

UK

Sodexho receives the Heartbeat Award for its delivered-meals service to 230 primary schools in West Sussex.

Better together

[Figeac, France]

Jeanne d'Arc Private Lycee and Middle School

"Boarding school is a social experience, which can be highly educational. It is a natural extension of the academic values of the establishment."
Francois Demptos, Principal, Jeanne d'Arc

Make boarding school a very special place, where one learns the benefits and joys of living in a community.

Boarding education: a new opportunity for Sodexho to improve Quality of Life. In 2001, Sodexho's experience in the Education segment led it to identify boarding school client and customer needs - from breakfast to bedtime. Since February 2003, Jeanne d'Arc private school is among the first to benefit from this effort. At first, the school administration only consulted Sodexho for food service. Yet, it finally granted it complete boarding responsibility, including housekeeping and management.

The families and students, who choose this institution versus a public school, are looking for something much more intimate in terms of the importance of conviviality and chances for sharing ideas. Therefore, the focus in this environment is to spend a lot of time with the resident dining portion of the offering, such that it creates a community feel. Starting in 2004, there will be special common spaces (called Compli'cite), plus a lot of academic and social programming wrapped around the food experience.

One major innovation will also be to create the position of 'house master.' This is more than someone responsible for logistics (although the house master will manage rentals to summer groups, which in non-academic times of the year maximizes the client's use of facilities to make them more efficient). The house master will strive to develop community spirit as a wellspring of self-worth. This means the house master may also be cast in the role of confidant, or mediate between students, the administration and the academic staff.

In sum, Sodexho is set to make many contributions to the core business of the school. Its management mode reinforces the educational mission of the establishment, strengthening its reputation. What is more, Sodexho simplifies life for the administration, notably by improving the financial return on school

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facilities during summer vacations.

Sodexho teams can be present year round in establishments, where they manage boarding facilities.

[France]

Nutricom: a program for children

A balanced diet enables children to enjoy good health, an asset for life. That's why Sodexho designed especially for them a program based on healthy eating, adapted to different age groups and lifestyles. It includes four modules: learn about yourself, know what you need, understand nutrition facts, and find out how to choose what to eat. The Nutricom method offers clear answers about oneself and one's nutritional needs, for instance, referring to the various food groups, instead of using scientific terms. The Sodexho cafeteria tray shows you what's good to eat....

[UK]

Nutri-jig, puzzling out good nutrition

In over 200 locations in West Sussex, children are discovering a large, circular jigsaw puzzle, which reveals a picture of the balance of food groups. Teachers also play a part and receive a comprehensive educational pack. This unique learning aid for nutrition contains teacher's notes together with games and exercises for the children to do. The Nutri-jig puzzle and teacher pack promote good nutrition in primary schools and are instrumental in Sodexho's response to this issue. School authorities agree, and have renewed Sodexho's contract for another four years.

[Belgium, Chile, China, France, Italy, Spain, Sweden, UK and USA]

Go online with Sodexhoeducation.com

E-smarts: when it comes to innovation, Sodexhoeducation.com does it best. This novel Web site is available in nine different countries and languages. Some 5,000 schools benefit, for more than 450 clients. There are Net advantages for parents and students alike, who get up-to-the-minute information, or for example, pay online, then communicate with a Sodexho dietician. Schools report both simpler management and a boost to their image. Today, Sodexho teams are standing by to connect you to Sodexhoeducation.com, fully adapting their service to your establishment, no matter what language you speak.

[USA]

At the forefront of green design

Sodexho partners with national brand Herb n' Farm to deliver healthy, natural, delicious food to 1,900 undergraduates at Colorado College, a four-year liberal arts & sciences school in Colorado Springs. As a socially responsible company, Herb n' Farm supports sustainable agriculture, fair trade and alternative resource development. Sodexho is committed to providing high-quality good-tasting meals to our customers at each of our 6,900 serving locations nationwide, and plans to open numerous Herb n' Farm cafes in campus and other types of Sodexho accounts. Like Herb n' Farm, Sodexho also supports sustainable development practices, and is the only contract management company that is authorized to open Herb n' Farm locations.

[UK and USA]

Managing client employees

Partnering spirit begins with people, when managing staff as an outsourced service. How does Sodexho contribute to the careers of non-academic workers? The

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answer is innovation. At the University of Bradford, School of Management (UK), Sodexho's site supervisor gets support service staff more involved in the business plan. And at Tulsa Public Schools (Oklahoma, USA), Sodexho helps employees become better communicators, problem solvers and team players. "Partnering with us, since 1994, Sodexho delivers consistently high quality results," said Dr. David E. Sawyer, Tulsa Public Schools Superintendent.

Among our clients...

Alvstranden Gymnasium and University of Gothenburg (Sweden)
Arizona State University, Tempe (USA)
Atlanta Public Schools, (USA)
Beaufort County School District, NC (USA)
Brock University (Canada)
Canford School (UK)
Pontificia Universidad Catolica de Chile - Catholic University, Santiago (Chile)
Cardinal Mercier middle school (Belgium)
Central kitchen, Anderlecht (Belgium)
Chinese International School, Hong Kong (China)
Claude Bernard University, Lyon (France)
Downe House, Newbury (UK)
ENAC, Toulouse (France)
Fine Arts University, Beijing (China)
Fordham University, New York (USA)
French Lycee Jean Mermoz, Buenos Aires (Argentina)
French Lycees of: Budapest (Hungary), Madrid (Spain), Riyadh (Saudi Arabia),
Seoul (South Korea), Bathesda, MD (USA)
Georgia Institute of Technology (USA)
Gimnasio Moderno, Bogota (Colombia)
Granite School District, UT (USA) Griffith
Bribane (Australia)
Haagse Hogeschool, The Hague (Netherlands)
Helsinki School of Economics (Finland)
Hobart & William Smith College, Geneva (USA)
Huddersfield University (UK)
INSEAD (France and Singapore)
International School, Sotogrande, Cadiz (Spain)
International School, Dusseldorf (Germany)
International School, Helsinki (Finland)
International School, Perth (Australia)
Juilly middle school (France)
Kingswood Group, Norfolk and Isle of Wight (UK)
Lubbock Independent School District, TX (USA)
Massachusetts Institute of Technology, Cambridge, MA (USA)
Mosborough Primary School and Owlter Brook Infant School, Sheffield (UK)
Passy Buzenval College, Rueil-Malmaison (France)
Providence School District, RI (USA)
Saddleback Valley Unified School District, CA (USA)
Saint Mary's College of California, Moraga (USA)
Saint Nicolas, Issy-les-Moulineaux (France)
Sainte Therese Campus, Ozoir-la-Ferriere (France)
Salem-Keizer School District, OR (USA)
Santa Rosa County School District, FL (USA)
School districts of Chalon-sur-Saone, Nice, Noisy-le-Grand and Rueil-Malmaison
(France)
School districts of Aosta, Cesano Maderno, Collegno and Pietrasanta (Italy)
Shanghai International School (China)
Stockholm University, Stockholm (Sweden)
Suzhou Singapore School (China)
The University of Technology, Helsinki (Finland)
Trinity School (UK)
Tulsa Public Schools, OK (USA)

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United World College of South East Asia (Singapore)
United World College : Hong Kong (China), Montezuma, MO (USA), Vale of Glamorgan (UK)
University Andres Bello, Santiago (Chile)
University Hospital (Argentina)
University of Cagliari (Italy)
University of South Carolina, Columbia (USA)
University of Tampa, FL (USA)
University of Technology, Eindhoven (Netherlands)
University of Toronto (Canada)
Western Kentucky University (USA)
Wiltshire County Council (UK)
Yau Ma Tei Catholic Primary School, Hong Kong (China)
York University (Canada)

Remote Sites

Number 1 worldwide

Revenues (euro in millions)	Revenues (US\$ in millions)	Share of group revenues	Number of employees	Number of sites
550	588	5%	22,650	1,049

The food service market in figures
Estimated market value: 10 billion euro

Market trends

The market for remote site services strongly depends on mining, oil & gas, and construction investment. With new projects and exploration moving into harsher environments, this is where Sodexho now naturally finds opportunity. Furthermore, clients continue to favor service providers, who commit to sustainable development.

Source: Sodexho

Nicolas Japy
Sodexho Worldwide Market Champion, Remote Sites

"Our strategy of focusing on large accounts is beginning to pay off, since by partnering with these clients, we have the greatest opportunity to grow organically."

"Design, build and operate camps on remote sites is a special kind of business, because many contracts only last for a very limited time, their duration directly depending on that of our clients' worksites. For another thing, the most accessible oil and gas fields are already being exploited, which means the market is moving farther afield, to places that are even more difficult to reach. For these reasons, our strategy is to concentrate on those new projects, which are larger and last longer - even if those contracts can take years to come together, and hinge on deep knowledge of local conditions, plus the ability to nurture a partnering culture with indigenous companies, institutions, organizations, et cetera. Recent contract wins confirm the validity of this choice.

"Large accounts generate the most opportunity for organic growth in two ways. First, the farther away the project is, the more likely it is for clients to outsource their whole challenge of non-core services. This way, they can focus

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on their core business. Second, once your team is on the ground, there is a strong need for proactive partnering 'on the fly:' add-on services can amount to an average of 20 to 30 percent of the initial value of a contract.

"Sodexho's experience under extreme conditions (taking into account geographic, cultural and organizational constraints) and its multiservice offering - which extends from the supply of turnkey camps to securing provisions of water and fuel to providing maintenance and security on remote sites - this all contributes to ensuring successful client operations. However, the most important value-added of our know-how is that clients don't have to manage unfamiliar skills, in unfamiliar geographical locations.

"In the same sense, the ties we establish with local partners enable us to back our clients in a constructive process of sustainable development. We hire among the indigenous workforce, offer training dedicated to our mission, and define purchasing policies in favor of local suppliers. Today, the federating role we play is a decisive factor in contract negotiations, and is a key to success on each project."

A well-designed camp can mean several million dollars in savings during the construction phase, and greater savings, when the camp is operational.

Through training the indigenous workforce and by cooperating with regional contractors, we act as a focus for local interests and help federate development.

Achievements

Australia

In October 2002, Sodexho affiliate, Minesite Catering, receives the National Site Caterers Award at the National Awards for Excellence ceremony in Sydney.

Canada

The Canadian Council for Aboriginal Business (CCAB) cites our Remote Sites activity as one of only five companies to receive an award for Gold Level Achievement in the Progressive Aboriginal Relations Program (PAR).

Iceland

Sodexho starts up operations in a new country, as part of a project to build an aluminum processing plant.

Better together

[Papua, New Guinea]

BP Indonesia

"We chose Sodexho because of its ability to understand our needs, while respecting BP's commitment to no accidents, no risks for people, and no damage to the environment." David Clarkson, Senior Vice President, Tangguh Project, BP

3,200 km east of Jakarta

Papua occupies the western half of New Guinea, the world's largest tropical island. BP is set to develop the site of the Tangguh natural gas fields, which is in the Berau-Bintuni Bay region of Papua. BP intends the Tangguh Project to set high standards in socially and environmentally responsible resource development.

From the outset, the Tangguh Project has been designed and implemented according to an integrated, holistic approach, emphasizing community, partnership,

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consultation and corporate responsibility. In addition to generating substantial government revenues, the project works with diverse partners and local communities to attain sustainable development, cultural preservation and biodiversity conservation.

To get started, BP Indonesia looked for a partner to supply, install, maintain and operate a 150-man base camp and accommodation facility. It chose Sodexho. "This is not the first multiservice contract for our Indonesian team," recalled a Sodexho Sales Manager in Asia. "We won because our experience and understanding of the client's requirements made us more competitive."

The immediate challenge of this site was access. The site had no regular transportation networks, no jetty, and no roads. Sodexho procured the camp buildings from Brisbane, Australia, chartered a ship, and recruited professional installation engineers, purchased vehicles, tools and equipment, plus arranged for customs clearance. In line with its sustainable development policy, 60 percent of the Sodexho team were hired and trained on the site, and a program for the protection of the environment was started up, which called for sorting trash, and a waste-water treatment station.

Sodexho focused on satisfying BP Indonesia's requirements for a high standard of safety management from its contractor as well as delivering the camp on schedule and at a good price. In just 68 days, the fully-functional camp was commissioned, two days ahead of schedule, to the total satisfaction of the client, who then asked Sodexho to provide additional services.

[Worldwide]

Xchange contributes to local development

How to optimize the immediate and long-term benefits of each worksite for local economies? Sodexho strives to add value in terms of sustainable development. Xchange is Sodexho's name for its proactive approach. An additional advantage is fostering good relations and mutual understanding between indigenous populations and our clients. For instance in practice this means that, in Peru, it provides hospitality training to local staff, in Tanzania, it supplies aid for the production of fruits and vegetables, and in New Caledonia and in Nigeria, it offers consulting services for the creation of small businesses.

[Russia]

A first on Sakhalin Island

The Liquefied Natural Gas (LNG) plant at Korsakov, south Sakhalin, is the first LNG plant in Russia. The Sakhalin LNG plant is the world's first in a severely cold climate, too. Chiyoda, our client, had several reasons to justify its choice of Sodexho: a long-standing relationship with its company in Qatar and Oman, and our capacity to handle large projects in extreme environments and under difficult conditions. Sodexho has worked on Sakhalin for 10 years, gaining an understanding of the difficult terrain. Sodexho also provides services to Sakhalin Energy, and to Shell, the managers of the LNG project. Sodexho provided advice to Chiyoda on how camp services could be structured for maximum value. On a tight schedule, we are set to develop partnerships with local entities, hiring and training both international and local personnel as part of a multiservice contract, which is scheduled to begin in April 2004, serving up to 5,000 people. Chiyoda has also awarded Sodexho the responsibility for additional services, such as security (using the access control system, Sokeez), vehicle fleet management, snow clearance and waste treatment. Multiservice activity represents approximately 40 percent of the contract value. This success has made Sodexho a key partner for Sakhalin Island's development over the next 2 to 3 years.

[North America]

A high-security pipeline

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The TransAlaska pipeline transports 30 percent of North America's oil for domestic consumption, making it one of the continent's most strategic sites. It is 1,200 km long, traverses extremely rugged terrain, and requires constant surveillance. Sorexho's subsidiary, Doyon Universal Services, a joint venture with local native populations, has managed this contract for 10 years, working for Alyeska Pipeline. Drawing from local workforces, 170 security professionals have been specially trained to ensure the safety of the pipeline all along its route.

Among our clients...

Oil & Gas

Agip, Norway, UK, USA
Alyeska Pipeline Company, USA (Alaska)
Apache Energy, USA
Bouygues Offshore, Nigeria, Western Africa
BP, Algeria, Argentina, Azerbaijan, Gulf of Mexico, Indonesia, Netherlands, Norway, UK, USA (Alaska)
Clyde Petroleum, Netherlands
ConocoPhillips, Indonesia, Syria, UK, USA (Alaska)
Diamond Offshore, Singapore, UK
ENAP, Chile
EnCana, Canada
Ensco, Indonesia, Thailand, India
ExxonMobil, Canada, Gulf of Mexico, Norway, Russia (Sakhalin), Saudi Arabia, UK, USA (California)
Global Industries, Gulf of Mexico
Global Santa Fe, Equatorial Guinea, Qatar, Thailand
Halliburton, Angola, Nigeria
Helmerich & Payne, Gulf of Mexico
Japan Drilling Company, Angola, Congo
KNPC, Kuwait
Maersk Contractors, Venezuela
Marathon Oil, Gabon, Gulf of Mexico, UK
Nabors Industries, Gulf of Mexico, Saudi Arabia, USA (Alaska)
NAM, Netherlands
Noble Drilling, Brazil, Gulf of Mexico, Netherlands, Nigeria, Qatar, UAE, UK
OBD Drilling, Indonesia
Occidental Petroleum, Qatar
Ocean Energy, Ivory Coast
Oceaneering, Angola, UK
Parker Drilling, Gulf of Mexico, Indonesia
Patra Drilling, Indonesia
PDO, Sultanate of Oman
PDVSA, Venezuela
Pemex, Mexico
Pluspetrol, Peru
Pride International, Angola, Gabon, Gulf of Mexico, India, Indonesia, Ivory Coast
QGPC, Qatar
Rowan Companies, Gulf of Mexico
Saipem, Congo, Nigeria, Norway
Sakhalin Energy Consortium, Russia SBM, Congo Schlumberger, Algeria, Gabon, Qatar, Sultanate of Oman, UAE, Venezuela Shell, Cameroon, Gabon, Gulf of Mexico, Netherlands, Norway, Russia (Sakhalin), Sultanate of Oman, UK
Smedvig Offshore, Norway, UK
Smit International, Singapore
Stolt Offshore, Western Africa
TotalFinaElf, Argentina, Cameroon, Congo, Gabon, Gulf of Mexico, Nigeria, Netherlands, Norway, UK
Transocean, Inc., Brazil, Cameroon, Congo, Gulf of Mexico, Ivory Coast, Nigeria,

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Norway, Thailand, UK

Construction/Power

ABB, Saudi Arabia, Russia
 Cosapi, Peru
 Fluor Daniel, Bahamas, USA (Alaska)
 Hydro-Quebec, Canada
 Hyundai, Sultanate of Oman, UAE
 JGC, Nigeria
 Kellogg Brown & Root, Nigeria
 Snamprogetti, Nigeria
 Techint, Peru
 Willbros, Nigeria

Mining

Anglo America, Chile
 BHP Billiton, Canada, Chile
 Barrick Gold, Australia, Canada, Tanzania
 Cambior, Guyana, Surinam
 Codelco, Chile
 Croesus Mining, Australia
 De Beers, Canada
 Glencore, Kazakhstan
 Kinross Gold Corporation, Russia
 Lionore Mining International, Australia
 MIM Holdings, Australia Noranda, Canada, Peru, Chile
 North American Tungsten, Canada Rio Tinto, Australia, Chile Sons of Gwalia,
 Australia Teck, Peru, USA (Alaska) Western Mining, Australia

Service Vouchers and Cards _____
 Number 2 worldwide

Revenues (euro in million)	Revenues (US\$ in million)	Share of group revenues	Number of employees	Number of clients
248	265	2%	2,700	285,000

The market in figures

Estimated issue volume: 30 billion euro, not including the impact of new services.

Market trends

From employee fringe benefits to innovative new services, which did not exist only two years ago, the market undergoes rapid change, revealing new prospects for considerable business development. Key factors are the political landscape that governs corporate social policies, and the importance of motivation and loyalty within retail distribution channels.

Source: Sodexho

Ivan Semenoff
 President, Sodexho Pass

"No matter what the media (voucher, card or Internet), there are still plenty of services to be imagined and networks to be built, which enhance relations between companies and employees, or administrations and constituencies."

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"Sodexo Pass has twenty years experience, one of the first to issue restaurant vouchers. The value for companies - simple to manage, tax advantages, and enthusiastic employee acceptance - led them to expand their use to managing other kinds of fringe benefits. Gradually, vacation, healthcare, training and other vouchers fleshed out our offering. Our partner networks diversified, too. Some 825,000 affiliates worldwide now benefit from sales growth and stronger consumer loyalty, thanks to our system.

"At the same time, administrations found Sodexo Pass a good partner to leverage their social policies, such as for food stamps, vaccinations, cultural programs, or refugee benefits. Our system and channels ensure complete accountability. Administrations gain different sources of value-added: simplified management and a way to combat fraud or illicit use of benefits. This all bolsters public health, employment, education, and more.

"For the past four years, we have been growing on average 20 percent per annum, but there is still plenty of upside potential. There isn't any cap on the number of services possible. Sodexo Pass defines three service categories: Daily Life, Incentive, Assistance.

"Recently, our focus shifted. Sodexo Pass is more and more present in incentive and loyalty schemes, serving distribution channels, as well as in promoting social policies.

"The marketplace is global. Our objective is to open up two new countries each year. Our geographic expansion is also an important source of organic growth, plus it contributes to hedging against currency exchange risks.

"Furthermore, it is by optimizing synergies with other Sodexo activities - for instance, leveraging the multiapplication smart card as an integrator of offerings in other markets - that we strengthen the potential for organic growth across the entire company."

Better together

[Belgium]
Finance Ministry

"We're giving entrepreneurial spirit a boost, just like we did with training vouchers." Jaak Gabriels, former Flemish, finance minister

Give Flemish small- and mid-sized enterprises (SMEs) a better chance to be informed before deciding

Flemish authorities are looking at many ways to develop regional economies. Better informed management at SMEs is one such scheme. These managers have twin preoccupations: decision-making that requires outside consulting, and protecting reserves by avoiding excessive capital expenditure.

Already last year, Sodexo Pass introduced training vouchers, 50-percent financed by local Flemish government, to boost job-skills development for employees of SMEs. The success of these vouchers led the Flemish, finance minister at the time, Jaak Gabriels, to ask Sodexo Pass to adapt that program to a new service concept - consultant vouchers - and to ensure the subsequent operations. These new vouchers would enable SMEs to get expertise in enterprise-critical areas, while also reigning in outlays for consulting services.

Each year, an enterprise can receive up to 820 vouchers, with an issue value of 30 euro apiece. The Flemish government contributes half. Vouchers are on a Web

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site, and grant access to an affiliate network of consultants. These meet certain Quality requirements, for instance, ISO or Q*for certification. Other experts can also be consulted, provided they are first vetted by a qualifying government agency.

As enablers of better SME strategic decision-making, Sodexho Pass contributes to two main objectives of Flemish authorities:

- >> enhance entrepreneurial spirit,
- >> reinforce the financial strength of enterprises.

On a macro-economic level, subsidies work towards their true purpose. They profit enterprises and consultants alike, plus foster progress across the entire region. The total budget for this operation is 5 million euro.

"UNIZO, representing small and independent Flemish enterprises, applauds this measure, which it has lobbied for," stated Pieter Vanhecke, Economics Consultant to UNIZO.

Flemish SMEs have access to 330,000 consultant vouchers, starting March 4, 2003.

[Spain]

What restaurant? Check your cell phone

Users of Sodexho Pass restaurant vouchers gain new mobility, when their cell phones become restaurant guides. If your phone can send a text message, Sodexho Pass can discover in less than 15 seconds where you are and send back a list of the closest affiliated eateries. That includes addresses, culinary offering, and approximate travel distances. It's all in real time, so you can even know the daily special. Aficionados of the Sodexho Pass Spanish Web site know to avoid peak periods, like between 1 p.m. and 3 p.m., and appreciate the choice of 16,000 participating restaurants.

[France]

Multiservice in a single, personalized card

Local issuers can now offer certain cardholders different services on a single smart card. A Sodexho Pass chip card, initially intended to pay for textbooks, is now enabled to provide three separate functions: textbook payment, plus access to sports and cultural events. At first reserved to 244,000 students in the Rhone-Alps region, there are currently 300,000 cardholders, since more services have meant more beneficiaries: job seekers, the handicapped, and members of local associations. The first multiapplication card in France, it is set for adoption in seven other regions.

[Argentina]

SoEasy, more value for affiliates

Sodexho Pass affiliates make more and more calls to client service centers, to know where their accounts stand. The SoEasy extranet platform provides this information in real time, saving money. Piloted in Belgium, Sodexho Pass rolled out the service in just three months in Argentina. A new application is set to allow each affiliate to download a monthly statement, concerning their operations.

Among our clients...

ABN Amro Bank, Argentina, Belgium, Brazil, Chile, Colombia, France, India, Luxembourg, Spain, Turkey

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Adecco, Argentina, Belgium, Brazil, Colombia, Czech Republic, France, Italy, Luxembourg, Mexico, Romania, Spain, Turkey
AKZO Nobel, Belgium, Brazil, Hungary, Mexico
Alcatel, Brazil, China, Colombia, Hungary, India, Spain, Tunisia, Turkey
Allianz, Czech Republic, Germany, Italy, Mexico, Tunisia
Alstom, Argentina, Austria, Chile, Czech Republic, Germany, Hungary, India, Mexico, Spain, Tunisia, Turkey
Aventis, Argentina, Belgium, Chile, Colombia, Czech Republic, France, India, Italy, Mexico, Turkey
Axa Assurances, Chile, Colombia, Germany, Italy, Spain
Banco Bradesco, Brazil
BASF, Argentina, Belgium, China, Colombia, Turkey
BNP Paribas, Czech Republic, France, Germany, Luxembourg, Spain, Tunisia, Turkey
Carso Global Telecom, Mexico
Cisco Systems, Belgium, India, Luxembourg, Spain, Turkey
Citigroup, Brazil, Czech Republic, Slovakia
Coca-Cola, Argentina, Belgium, China, Colombia, India, Italy, Luxembourg, Czech Republic, Slovakia, Tunisia
County Councils, Essex, Kent, Northampton, Norfolk (UK)
Credit Lyonnais, Czech Republic, France, India, Luxembourg, Slovakia, Spain, Turkey
Department of Defense, Caracas (Venezuela)
Department of Health and Safety, Caracas (Venezuela)
Deutsche Bank, Argentina, Austria, Germany, India, Luxembourg, Spain
Deutsche Telekom, Austria, Czech Republic, Germany
Federal Province of Styria, Salzburg (Austria)
France Telecom, Argentina, France, Italy
French National Employment Agency, Paris (France)
Government of Rioja and Salta Counties (Argentina)
Government of Sardinia (Italy)
Hewlett-Packard, Austria, Belgium, Colombia, Czech Republic, Germany, India, Italy, Mexico, Turkey
Home Office police, Vienna (Austria)
ING Group, Argentina, Belgium, Chile, Spain, Slovakia, Turkey
Itausa-Investmentos Itau, Brazil La Poste, Belgium, Hungary Manpower, Argentina, Belgium, Colombia, Germany, Mexico, Tunisia
Ministry of Flemish Affairs, Belgium
Municipality of Lyon, (France)
Nokia, Colombia, India, Turkey
Nortel Networks, Colombia, Italy, Spain, Turkey
ONEM - Ministry of Employment, Brussels (Belgium)
Pepsi-Cola, Argentina, Brazil, Czech Republic, Hungary, Mexico, Pfizer, Austria, Colombia, Czech Republic, India, Spain, Tunisia, Turkey, Pharmacia, Argentina, China, Colombia, Czech Republic
Renault, Argentina, Austria, Belgium, Italy, Mexico, Romania
Royal Ahold, Argentina, Czech Republic, Slovakia
Samsung Electronics, Argentina, Austria, Belgium, Colombia, Germany, Mexico, Slovakia, Tunisia
Siemens, Austria, Belgium, Brazil, Colombia, Czech Republic, France, Germany, India, Mexico, Romania, Slovakia, Turkey
Sony, Austria, Belgium, Colombia, Czech Republic, Germany, France, India, Italy, Spain
Total, Belgium, Brazil, Spain, Czech Republic, Tunisia, Turkey
Unilever, Argentina, Belgium, Colombia, Spain, Tunisia, Turkey
Volkswagen, Belgium, Mexico, Romania

INVESTOR INFORMATION

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For you...

...transparency is our priority

Financial summary

Consolidated Financial Highlights

- o Consolidated revenues during the fiscal year amounted to EUR 11,687 million, with 3.1 % organic growth and a negative currency impact of 10%.
- o Consolidated EBITA amounted to EUR 514 million.
- o Group net income amounted to EUR 162 million in fiscal 2003, compared with EUR 183 million in the prior fiscal year.
- o Earnings per share amounted to EUR 1.02.

Five-Year Consolidated Financial Summary (in millions of euro)

	2002-2003	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999
	(in millions of USD, except per share amounts) (4)	(in millions of euro, except per share amounts)				
Revenues	12,490	11,687	12,612	11,943	10,505	9,032
Percentage change						
- at current exchange rates	8.7 %	(7.3) %	5.6 %	13.7 %	16.3 %	44.2 %
- at constant exchange rates	3.2 %	2.7 %	8.1 %	8.6 %	10.7 %	42.9 %
Percentage of revenues generated outside France	-	85.2 %	86.7 %	88.7 %	88.5 %	88 %
Net income before minority interests :	184	171	196	205	154	188
- Group net						

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income	174	162	183	138	85	132
- Minority interests	10	9	13	67	69	56
Cash provided by operating activities (3)	418	390	391	410	375	302
Dividends distributed	104	97	97	89	75	60
Number of employees at August 31	-	308,385	315,141	313,469	285,986	269,973
Number of sites	-	23,873	24,681	24,325	22,172	21,103
Average number of shares outstanding (1)	-	159,021,546	158,814,504	138,180,536	134,262,484	133,873,969
Earnings per share (2)	1.09	1.02	1.15	1.00	0.63	0.98
Dividends per share (2)	0.65	0.61	0.61	0.56	0.56	0.45
Share price at August 31 (in euro) (2)	31.34	26.68	29.90	53.00	44.10	38.88

(1) Based on the average number of shares outstanding per month. Figures for 1998-1999 and 1999-2000 have been restated for the March 7, 2001 four-for-one stock split.

(2) Restated for note (1).

(3) Includes dividends received from subsidiaries accounted for using the equity method.

(4) Euro have been translated into US dollars at the rate of USD 1 = EUR 0.93565, which is the average rate for fiscal 2003, excepted for the share price which is calculated at the closing rate as of August, 31, 2003, USD 1 = EUR 0.915164.

Consolidated income statement

	Fiscal 2002-2003 (in millions of USD, except per share amounts)	Fiscal 2002-2003	Fiscal 2001-2002	Fiscal 2000-2001
		(in millions of euro, except per share amounts)		
Revenues	12,490	11,687	12,612	11,943
Other income	40	37	54	113

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Purchases	(4,227)	(3,955)	(4,559)	(4,416)
Employee costs	(5,898)	(5,519)	(5,868)	(5,437)
Other external charges	(1,584)	(1,482)	(1,464)	(1,430)
Taxes, other than income taxes	(84)	(79)	(74)	(75)
Depreciation and increase in provisions	(188)	(175)	(173)	(112)
Earnings before interest, exceptional items, income taxes, income from equity method investees, goodwill amortization and minority interests (EBITA)	549	514	528	586
Financial expense, net	(162)	(152)	(166)	(122)
Income before exceptional items, income taxes, income from equity method investees, goodwill amortization and minority interests	387	362	362	464
Exceptional income (expense), net	1	1	23	(51)
Income taxes	(143)	(134)	(126)	(162)
Net income before income from equity method investees, goodwill amortization and minority interests	245	229	259	251
Net income (loss) from equity method				

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investees	5	4	4	(2)
Goodwill amortization	(66)	(62)	(67)	(44)
Net income before minority interests	184	171	196	205
Minority interests	10	9	13	67
GROUP NET INCOME	174	162	183	138
Earnings per share	1.09	1.02	1.15	1.00
Diluted earnings per share	1.07	1.00	1.13	0.99

Euro have been translated into US dollars at the rate of USD 1 = EUR 0.93565, which is the average rate for fiscal 2003.

Although revenues declined by 7.3 % due to exchange rate differences, organic growth rose to 3.1%.

EBITA declined by 2.6%. Excluding the negative currency effect, EBITA amounted to 9.8%. Group net income declined by 11.3%.

Consolidated balance sheet

	Aug. 31, 2003 (in millions of USD)	Aug. 31, 2003 (in millions of euro)	Aug. 31, 2002 (in millions of euro)	Aug. 31, 2001 (in millions of euro)	Aug. 31, 2003 (in millions of USD)
Fixed and intangible assets, net					Group shareholders' equity
Goodwill	1,630	1,492	1,616	1,710	Common stock
Intangible assets	2,935	2,686	2,940	3,021	Additional paid in capital
Property, plant and equipment	414	379	371	371	Consolidated reserves
Financial investments	70	64	67	68	Total Group shareholders' equity
Equity method investees	21	19	11	6	2,457
Total fixed and intangible assets, net	5,070	4,640	5,005	5,176	Minority interests
Current and other					Provisions for contingencies
					73

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assets				and losses		98
Inventories	186	170	170	193	Liabilities	
Accounts receivable, net	1,511	1,383	1,456	1,518	Borrowings	2,718
Prepaid expenses, other receivables and other assets	696	637	606	567	Accounts payable	1,232
Marketable securities	592	542	553	357	Vouchers payable	868
Restricted cash	182	166	165	152	Other liabilities	1,414
Cash	623	570	589	704		
	-----	-----	-----	-----		
Total current and other assets	3,790	3,468	3,539	3,491	Total liabilities	6,232
	-----	-----	-----	-----		
Total assets	8,860	8,108	8,544	8,667	Total liabilities	8,860
	=====	=====	=====	=====		

Euro have been translated into US dollars at the rate of USD 1 = EUR 0.915164, which is the closing rate as of August 31, 2003.

Permanent capital covered 88% of fixed assets.

Borrowings, net of marketable securities, restricted cash and cash, amounted to 52% of shareholders' equity.

Cash flow statement

	Fiscal 2002-2003 (in millions of USD)	Fiscal 2002-2003 (in mi (in mi
Cash provided by operating activities (1)	418	390
Change in working capital from operating activities	106	100
	-----	-----
Net cash flow from operating activities	524	490
Tangible fixed assets, net of disposals	(257)	(241)
Fixed asset disposals	16	15
Financial investments, net of disposals	(36)	(33)
Changes in other financial assets and working capital from investing activities	(20)	(19)
	-----	-----
Net cash used in investing activities	(297)	(278)
Dividends paid	(112)	(105)
Increase in shareholders' equity	-	-
Proceeds from borrowings	111	104
Repayment of borrowings	(190)	(178)

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Change in working capital from financing activities	(25)	(23)
	-----	-----
Net cash provided by (used in) financing activities	(216)	(202)
	-----	-----
INCREASE IN NET CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES	11	10
	=====	=====

Euro have been translated into US dollars at the rate of USD 1 = EUR 0.93565, which is the average rate for fiscal 2003.

(1) Includes dividends received from subsidiaries accounted for using the equity method.

Corporate Governance _____

The Board of Directors

The Board of Directors comprises twelve members, including one Canadian and one British Director. At the present time, the term "independent director" does not have a legal definition in French law. In the Bouton report " for the sake of simplicity, the definition of independent director is set forth as follows: `a director is independent when he or she has no relationship of any nature with the Company, the Group or its management, which could compromise the exercise of his or her free judgment.'"

In the spirit of this definition, the Board of Directors considers that all of Sodexho Alliance's directors are independent.

Nonetheless, in order to conform to other definitions and with the advice of the Selection Committee, the Board of Directors considers the following individuals are independent directors: Mr. Paul Jeanbart, Mr. Edouard de Royere, Mr. Francois Perigot, and Mr. Mark Tompkins.

Our Board of Directors is a cohesive authority which collectively represents all of our shareholders and requires each Director to act in all circumstances in the interests of all of our shareholders and in the interests of the business.

Directors are chosen for their ability to act in the interests of all shareholders, in addition to their expertise, experience and understanding of strategic challenges in markets where the Group operates, thus contributing to an in-depth knowledge of our businesses.

To support its decision-making process, the Board has created three specialized committees:

- o The Selection Committee for Board members and corporate officers, comprising Francois Perigot* (Committee Chairman), Pierre Bellon, Edouard de Royere* and Remi Baudin, examines the Chairman's proposals, prepares recommendations to present to the Board, and keeps an up-to-date, confidential list of potential replacements in case a position becomes vacant. During the fiscal year, the Selection Committee met three times to review matters such as Mr. Pierre Bellon's succession, the replacement of Albert George, President and Chief Operating Officer, for health reasons, the assessment of directors' independence and the replacement of an outgoing director whose term was expiring.
- o The Compensation Committee, comprising Remi Baudin (Committee Chairman), Pierre Bellon, Edouard de Royere* and Francois Perigot*, proposes

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compensation packages for corporate officers and senior executives, and recommends executive compensation and incentive policies. The committee met three times during the fiscal year to provide the Board of Directors with recommendations concerning the following: the feasibility of a new Employee Savings Plan, new stock option plans and revised rules, management retirement benefit plans and related comparisons between France, the United Kingdom and the United States, and compensation packages for the Chairman and Chief Executive Officer and the President and Chief Operating Officer.

- o The Audit Committee is comprised of Edouard de Royere* (Committee Chairman and Finance Expert), Paul Jeanbart* and Mark Tompkins*. Sophie Clamens and Remi Baudin are invited to attend all of the meetings, but are not members.

As defined in its Charter, the Audit Committee is responsible for preparing Board resolutions related to accounts and accounting procedures, relations with the outside auditors and Group internal control procedures.

During fiscal 2003, the Audit Committee met three times to discuss various issues which included the recruitment of a senior executive to head the internal audit department, the company's accounting for retirement plan obligations, the impact of International Financial Reporting Standards (IFRS) on the consolidated financial statements and management's initiative to evaluate internal control procedures for the President's Report in order to comply with the recent French "Loi sur la Securite Financiere" and section 404 of the Sarbanes-Oxley Act in the United States.

The Audit Committee also approved the Internal Audit Plan for fiscal 2004 and implemented a procedure for its pre-approval of audit and non-audit engagements of the company's external auditors and their affiliates.

*Independent director

Members of the Board of Directors as of August 31, 2003

Pierre Bellon	Chairman	Nov.
Remi Baudin	Vice Chairman	Feb.
Astrid Bellon	Member of the Executive Board, Bellon SA	July
Bernard Bellon	Chief Executive Officer, Finadvance	Feb.
Francois-Xavier Bellon	Member of the Executive Board, Bellon SA	July
Sophie Clamens	Chairman of the Executive Board, Bellon SA	July
Paul Jeanbart*	Chief Executive Officer, Rolaco	Feb.
Charles Milhaud	Chairman of the Executive Board, CNCE	Feb.
Francois Perigot *	Chairman of MEDEF International	Feb.
Edouard de Royere *	Honorary Chairman, L'Air Liquide	Feb.
Nathalie Szabo	Member of the Executive Board, Bellon SA	July
Mark Tompkins *	Corporate Director	Feb.

* Independent director

Together, Board members directly own less than an aggregate 0.5% of the Company's issued capital.

Operating Procedures of the Board of Directors

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The Board of Directors is governed by the Board's Internal Rules that establish its mission, set the number of Board members, define the Director's responsibilities, and determine the number of Board meetings and the allocation of Directors' fees. In addition, these rules also establish the policy for issuing guarantees, set evaluation criteria for the Board's operating procedures and define the authority of general management.

Mission of the Board of Directors

The Board of Directors is responsible for defining the company's strategy and designating corporate officers who will manage the company in accordance with this strategy, controlling its management, evaluating internal control procedures and monitoring the quality of information provided to shareholders and financial markets.

As required by law, the Board finalizes the Group's financial statements, proposes dividends, determines investments and establishes financial policy.

Senior executives regularly inform the Board of the resources used in their respective businesses and action plans introduced to meet objectives.

Financial statements are reviewed during in-depth meetings attended by the entire Board, with the participation, when necessary, of the Group's operations and finance managers, internal auditors and the statutory auditors. Lastly, the Board is regularly informed of questions, comments and criticism expressed by shareholders, whether in meetings organized by Sodexho or via letter, e-mail or phone.

The Board met nine times during fiscal year 2003, in line with Sodexho guidelines and procedures calling for a minimum of four meetings a year. The average attendance rate was 82%.

The Director's Charter

o In addition to requirements stated in the by-laws, all Directors must personally own at least 400 Sodexho Alliance shares.

o All unreleased information that Directors receive in the course of their duties is considered confidential. In addition, Directors are forbidden from trading in Sodexho Alliance securities during the three months immediately preceding the Board meeting scheduled to close the accounts for the year.

o Except in case of force majeure, all Directors must attend the Annual Meeting of Sodexho Alliance Shareholders

Allocation of Directors' Fees

Directors' fees, whose amount is determined at the Annual Meeting of Shareholders, are allocated according to the following criteria:

- 70% for regular attendance at Board meetings.
- 5% for the additional portion allocated to the Chairman.
- 25% for participation in specialized committees.

For fiscal year 2003, an aggregate EUR 118,400 in Directors' fees was allocated to members of the Board, out of a total EUR 150,000 approved by shareholders.

Evaluation of the Board of Directors' Operating Procedures

The Board of Directors appointed one of its members to evaluate its own operating procedures based on individual survey questionnaires. The results of this survey will be presented to the Chairman for discussion among the Board

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members in order to evaluate the need, if any, for a review of the Board's Internal Rules.

Information about Members of the Board of Directors

o Pierre Bellon

Born January 24, 1930
Married, four children
Graduate of Ecole des Hautes Etudes Commerciales

Background

Mr. Bellon joined Societe d'Exploitations Hotelieres, Aeriennes, Maritimes et Terrestres in 1958 as Assistant Manager. He later served as Managing Director and then Chairman and Chief Executive Officer.

- In 1966, he founded Sodexho SA, which became Sodexho Alliance SA in 1997. Mr. Bellon is currently Chairman and Chief Executive Officer.

- Since 1988, he has served as Chairman and Chief Executive Officer of Bellon SA, the family holding company that controls Sodexho, and also served as Chairman of the Executive Board from 1996 to 2002. He became Chairman of the Supervisory Board in February 2002.

Mr. Bellon was also:

- o National President of the Center for Young Company Managers (formerly the Center for Young Employers) from 1968 to 1970.
- o President of the National Federation of Hotel and Restaurant Chains from 1972 to 1975.
- o Member of the Economic and Social Council from 1969 to 1979.

He has also been:

- o Vice-President of the MEDEF (formerly CNPF) since 1981.
- o President/Founder of the Management Improvement Association.
- o Member of the Board of the National Association of Joint-Stock Companies (ANSA).

Other corporate offices held:

- o L'Air Liquide (Member of the Supervisory Board until May 15, 2003)
- o Pinault-Printemps-Redoute (Member of the Supervisory Board)
- o Director of a number of companies within the Sodexho Group.

Number of Sodexho Alliance shares held: 12,900

With his children, Mr. Bellon holds 54.9% of shares in Bellon SA, which owns a 38.63% interest in Sodexho Alliance.

o Remi Baudin

Born October 19, 1930
Married, four children
Graduate of Ecole des Hautes Etudes Commerciales

Background

Before helping Pierre Bellon to create Sodexho, Mr. Baudin took part in a number of foreign projects for management consultancy SEMA, from 1957 to 1965.

He reorganized and managed the ship refueling business (1965-1969), then created a joint venture with Sonatrach in remote site management and headed the two companies' joint subsidiary in Algeria (1969-1970). He

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successively managed the Food Services France division and started up operations in Belgium (1971-1976); the France and Africa division, overseeing start-ups in Cameroon, Nigeria, Ivory Coast, Angola, Benin, Equatorial Guinea, Algeria and Libya (1977-1982); and the Food Services France and Europe division (1982-1992).

Mr. Baudin is also Founding Chairman of FERCO, the European food services confederation.

- o Bellon SA (Chairman of the Supervisory Board from 1996 to 2002 and currently serves as Vice Chairman)
- o Sodexho Alliance (Vice Chairman of the Board of Directors)

Number of Sodexho Alliance shares held: 2,941

o Astrid Bellon

Born April 16, 1969
Graduate of ESLSCA
Earned a Master of Arts in film studies in New York.

Background

Ms. Bellon has worked in the television and movie industry since 1999. She is a shareholder of Les Films d'a Cote, a company she created in 2000.

- o Bellon SA (Member of the Executive Board)

Number of Sodexho Alliance shares held: 37,683

o Bernard Bellon

Born August 11, 1935
Married, three children
Degree in French Literature from IAE Aix - Marseille

Background

Mr. Bellon was Director of Compagnie Hoteliere du Midi (a member of the Compagnie de Navigation Mixte Group) from 1962 to 1970 and then held various managerial positions in banking at CIC-Banque de Union Europeenne Group from 1970 to 1988. In 1988, he founded Finadvance SA, a venture capital company, and has served as its Chairman since then.

- o Bellon SA (Member of the Supervisory Board)

Other corporate offices held:

- o Perfin SA (Managing Director)
- o CIC France
- o Allios Industrie

Number of Sodexho Alliance shares held: 376,732

o Francois-Xavier Bellon

Born September 10, 1965
Married, three children
Graduate of the European Business School

Background

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Mr. Bellon began his career in the temporary employment industry as an agency manager for Adia France (1990-1991), then for Ecco in Barcelona, Spain (1992-1995), where he was promoted to Sales and Marketing Director and Regional Director for Catalonia (1993-1995). He joined the Group in 1995 as Regional Manager followed by Development Manager in the healthcare segment in France. Since 1999, he has held the position of Managing Director of Sodexho in Mexico.

o Bellon SA (Member of the Executive Board)

Number of Sodexho Alliance shares held: 37,343

o Sophie Clamens

Born August 19, 1961
Married, four children
Graduate of Ecole des Hautes Etudes Commerciales du Nord

Background

From 1985 to 1987, Mrs. Clamens was employed by Credit Lyonnais in New York as a mergers and acquisitions advisor for the bank's French clientele. She later worked as a sales agent for a number of leading European fashion houses, including Chanel, Valentino, Ungaro and Armani, from 1987 to 1992.

Mrs. Clamens joined the Group's Finance Department in 1994, initially as a development analyst and was later responsible for strategic financial planning.

Since 2002, she has been manager of Strategic and Management Control.

o Bellon SA (Chairman of the Executive Board since 2002)
o Sodexho Alliance (Secretary of the Audit Committee)

Number of Sodexho Alliance shares held: 7,964

o Paul Jeanbart

Born August 23, 1939
Married, three children
Civil engineer

Background

Co-founder, partner and Chief Executive Officer of the Rolaco Group since 1967

Other corporate offices held:

o Oryx Finance Limited, Grand Cayman (Chairman)
o Intercontinental Hotels Geneva (Chairman of the Board of Directors)
o Rolaco Holding SA (Managing Director)
o Semiramis Hotel Co., Delta International Bank, XL Capital Limited, and Nasco Insurance Group (Member of the Boards of Directors)
o Club Mediterranee SA (Member of the Supervisory Board)

Number of Sodexho Alliance shares held: 400

o Charles Milhaud

Born February 20, 1943

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Married, 2 children
Advanced degrees in Mathematics, Physics and Chemistry

Background

In 1964 Mr. Milhaud joined the Caisse d'Epargne and was appointed Chief Executive Officer of the Bouches du Rhone and Corsica region in 1983. He was also a member of the Supervisory Board of the Centre National des Caisses d'Epargne (CENCEP) and in 1995 became Vice President of the Board of Directors for Caisse Centrale des Caisses d'Epargne. In 1999, these two institutions merged to create the Caisse Nationale des Caisses d'Epargne (CNCE) of which Mr. Milhaud was appointed Chairman of the Executive Board.

Other corporate offices held:

- o Eulia Compagnie Financiere (Chairman of the Board of Directors and Chief Executive Officer)
- o Credit Foncier de France (Chairman of the Supervisory Board)
- o Financiere Oceor (Chairman of the Supervisory Board)
- o CNP Assurance (Member of the Supervisory Board)
- o Sopassure and Banque internationale des Mascareignes (Member of the Boards of Directors)
- o Banque de Tahiti, Holassure, Banque des Iles Saint-Pierre-et-Miquelon, Banque des Antilles Francaises, Credit Saint-Pierrais, Banque de la Reunion and Banque de Nouvelle-Caledonie (Permanent representative of CNCE on the Boards of Directors)
- o CM Investissements Sarl (Manager)

Number of Sodexho Alliance shares held: 400

o Francois Perigot

Born May 12, 1926
Married
Advanced law degree and graduate of Institut d'Etudes Politiques in Paris

Background

After serving as Chairman and Chief Executive Officer of Thibaud Gibbs et Compagnie from 1968 to 1970, Mr. Perigot successively held the positions of Chairman and Chief Executive Officer Unilever Spain and Chairman and Chief Executive Officer Unilever France (1971-1986). From 1986 to 1998, he was Chairman of Compagnie du Platre, and from 1988 to 1998 he served as Vice Chairman, and later Chairman, of UNICE, the European union of employer and industry confederations.

Mr. Perigot has also been:

- o President of the Enterprise Institute (1983-1986).
 - o President of the National Council of French Employers (1986-1994).
 - o Member of the Executive Committee of the International Chamber of Commerce (1987-1989).
 - o Member of the Economic and Social Council (1989-1999).
- He is currently serving as:
- o President of the Franco-Dutch Chamber of Commerce, since 1996.
 - o President of MEDEF International, since 1997.
 - o Chairman of the International Employers' Organization, since June 2001

Other corporate offices held:

- o Astra Calve
- o Lever
 - CDC Participations
 - Sabate-Diosos

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Number of Sodexho Alliance shares held: 400

o Edouard de Royere

Born June 26, 1932

Married, three children

Graduate of Ecole Superieure de Commerce in Paris

Background

After working as an authorized representative with power of attorney for Credit Lyonnais and as Director of Union Immobiliere et Financiere, Mr. de Royere joined L'Air Liquide in 1966. He successively held the positions of General Secretary to senior management and Investor Relations Manager, and, in 1967, was appointed Company Secretary. After having served as a member of the Board of L'Air Liquide from 1971 to 2001, Assistant Managing Director of the Company in 1979, Vice Chairman in 1982 and Chairman and Chief Executive Officer from 1985 to 1995. He has been a member of the Supervisory Board since 2001.

He was named Honorary Chairman of L'Air Liquide in 1997.

He is also President of the National Association of Joint-Stock Companies (ANSA).

Other corporate offices held:

o Danone (until April 2003)

o L'Oreal (until May 2003)

o Michelin (Member of the Supervisory Board)

Number of Sodexho Alliance shares held: 3,587

o Nathalie Szabo

Born January 26, 1964

Married, three children, legal guardian for two nephews

Graduate of the European Business School

Background

Mrs. Szabo began her career in the food services industry in 1987. From 1989 to 1992, she served as an account manager for Scott Traiteur, and Sales Manager of "Le Pavillon Royal".

She joined Sodexho in March 1996 as Sales Director for Sodexho Prestige in France. In 1999, she became Regional Manager and in September 2003 she was appointed Managing Director for Sodexho Prestige.

o Bellon SA (Member of the Executive Board)

Number of Sodexho Alliance shares held: 1,147

o H.J. Mark Tompkins

Born November 2, 1940

Married, three children

Masters degree in Natural Sciences and Economy from the University of Cambridge and an MBA from Institut Europeen d'Administration des Affaires (INSEAD)

Background

Mr. Tompkins began his career in investment banking in 1964 with Samuel

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Montagu & Company (now HSBC). From 1965 to 1971, he was a management consultant with Booz Allen & Hamilton working on assignments in the UK, continental Europe and the US. He joined the Slater Walker Securities group in 1972 and was named Chief Executive Officer of Compagnie Financiere Haussmann, a publicly traded company in France. From 1975 through 1987, he was active in residential and commercial property investment in the Middle East, Germany, Spain, France and the United States. In 1987 and subsequent years, his focus moved to private equity and capital development in publicly traded entities, notably in the healthcare, biopharmaceutical, wholesale and distribution, tourism and leisure, and manufacturing sectors.

Other corporate offices held:

Mr. Tompkins is or was on the Board of Directors of:

- o Baobaz S.A. (until October, 22, 2003)
- o Bio Projects International Plc. (until September 1, 2003)
- o Calcitech Ltd.
- o Healthcare Enterprise Group Plc.
- o Partners Holdings Plc. (until October 31, 2002)
- o Kingkaroo (Pty) Ltd.

Number of Sodexho Alliance shares held: 400

Executive Compensation and Incentive Policies for Fiscal 2003

Compensation allocated to members of the Board of Directors in accordance with article : L. 225-102-1 (French Commercial Code)

In euro	Total (2)	Sodexho Alliance Directors' Fees	Bellon SA (3)
Pierre Bellon	646,372	12,800	330,480
Remi Baudin	14,300	12,800	1,500
Astrid Bellon	59,800	6,400	53,400
Bernard Bellon	7,900	6,400	1,500
Francois-Xavier Bellon	256,773	6,400	112,900
Sophie Clamens	134,800	12,800	122,000
Patrice Douce (1)	35,460	3,200	
Paul Jeanbart	12,800	12,800	
Charles Milhaud	3,200	3,200	
Francois Perigot	12,800	12,800	
Edouard de Royere	12,800	12,800	
Nathalie Szabo	106,608	6,400	67,900
Mark Tompkins	9,600	9,600	

(1) Director until February 4, 2003

(2) Total amount which includes Directors' fees paid by Sodexho Alliance and compensation of any kind allocated for responsibilities in Bellon SA and Sodexho Alliance

(3) Compensation of any kind allocated for responsibilities in Bellon S.A.

Compensation allocated to the Presidents and Chief Operating Officers in accordance with article : L. 225-102-1 (French Commercial Code)

Compensation comprises base salary, performance bonus and fringe benefits. The bonus, which represents a substantial proportion of total compensation, varies depending on the degree to which annual objectives are met.

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President and COO	Base (1)	Variable (2)	Total
Jean Michel Dhenain (3)	284,564	149,732	EUR 434,296
Albert George (4)	252,671	158,795	EUR 411,466
Michel Landel (3)	538,598	309,075	EUR 847,673

- (1) Base salary, fringe benefits, additional retirement
(2) Performance bonus and Restricted Share Units exercised in December 2002
(3) President and Chief Operating Officers for Sodexho Alliance as of June 12, 2003
(4) President and Chief Operating Officer for Sodexho Alliance until June 12, 2003, on leave of absence for health reasons since January 2003

Compensation allocated to members of the Executive Committee by Sodexho Alliance

In fiscal year 2003, the Group allocated total compensation of EUR 2,682,582 to the seven people who were members of the Executive Committee as of August 31, 2003. Total compensation was comprised of a base amount of EUR 1,848,557 and a variable amount of EUR 834,025.

Stock Option Policy

Stock options for Group executives are designed to meet two objectives:

- o To link the financial interests of executives to those of our shareholders.
- o To attract and retain the entrepreneurs we need to expand and strengthen our market leadership.

Stock options granted to employees

Until 1999, thirteen plans granted stock options to a limited number of employees. In 2000, the Board decided to broaden the stock option program to a much larger number of executives. As a result, stock options deepen the community of interests shared by executives and shareholders.

Date of Board Meeting Description	Potential total number of shares to be subscribed (6)	Number of options attributed to Group senior executives (5)	Exercise period begins	Options expire	Subscription price
Dec. 11, 1997 (2) Options to subscribe new shares	103,066(1)	16,359	Dec. 11, 2001	Dec. 10, 2003	EUR 2
Dec. 10, 1998 (2) Options to subscribe new shares	25,766(1)	19,631	Dec. 10, 2002	Dec. 9, 2003	EUR 3
Feb. 23, 1999 (2) Options to subscribe new shares	16,359(1)	0	Feb. 23, 2003	Feb. 22, 2004	EUR 3

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Jan. 25, 2000 (2) Options to purchase existing shares	274,709 (1)	22,578	Mar. 1, 2004	Jan. 24, 2005	EUR 3
Apr. 4, 2000 (2) Options to purchase existing shares	14,117 (1)	0	Mar. 1, 2004	Jan. 24, 2005	EUR 3
Jan. 24, 2001 (3) Options to purchase existing shares	356,392 (1)	25,767	Mar. 1, 2005	Jan. 23, 2006	EUR 4
Jan. 11, 2002 (3) Options to purchase existing shares (A)	470,740	46,500	Jan. 11, 2006	Jan. 10, 2007	EUR 4
Jan. 11, 2002 (3) Options to purchase existing shares (B)	1,186,542	60,000	Jan. 11, 2006	Jan. 10, 2008	EUR 4
Sep. 17, 2002 (3) Options to purchase existing shares	12,000	0	Apr. 1, 2006	Mar. 31, 2008	EUR 4
Oct. 10, 2002 (3) Options to purchase existing shares (A)	1,820	0	Oct. 10, 2006	Oct. 9, 2007	EUR 2
Oct. 10, 2002 (3) Options to purchase existing shares (B)	1,186,542	60,000	Jan. 11, 2006	Jan. 10, 2008	EUR 4
Jan. 27, 2003 (3) Options to purchase existing shares (A)	1,147,100	214,000	Jan. 27, 2004	Jan. 26, 2009	EUR 2
Jan. 27, 2003 (3) Options to purchase existing shares (B)	1,713,950	40,000	Jan. 27, 2004	Jan. 26, 2009	EUR
Jan. 27, 2003 (3) Options to purchase existing shares (C)	56,750	0	Jan. 27, 2004	Jan. 26, 2009	EUR
Jun. 12, 2003 (3) Options to purchase existing shares (B)	84,660	0	Jan. 27, 2004	Jan. 26, 2009	EUR

(1) Adjusted for the April 1998 and July 2001 share issues and for the March 2001 four-for-one stock split, and after conversion of French-franc subscription prices into euro

(2) Acting on the authorization approved by shareholders in Extraordinary Meeting on Feb. 13, 1996

(3) Acting on the authorization approved by shareholders in Extraordinary

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Meeting on Feb. 21, 2000

- (4) Excluding departures of grantees.
- (5) Options granted to current members of the Executive Committee.
- (6) Options on Sodexho Alliance shares
- (A) Plan reserved for non-US employees
- (B) Plan reserved for US employees
- (C) Plan reserved for US employees not residing in the United States

Attributed and exercised options for fiscal 2003

Attributed and exercised options for corporate officers

Corporate officers	Number of shares attributed during the fiscal year (1)	Subscription price	Date of exercise	Corresponding Option Plan
Jean-Michel Dhenain	43,000	EUR 24	From Jan. 27, 2004 to Jan. 26, 2009(2)	Jan. 27, 2003 (A)
Michel Landel	60,000	EUR 24	From Jan. 27, 2004 to Jan. 26, 2009(2)	Jan. 27, 2003 (A)
Albert George	80,000	EUR 24	From Jan. 27, 2004 to Jan. 26, 2009(2)	Jan. 27, 2003 (A)

(1) Options on Sodexho Alliance shares

(2) 25 % of the options may be exercised on January 27th of each year of the plan. All options may be exercised on January 27th of the fourth year of the plan

Attributed and exercised options for the 10 employees who hold the largest number of options

Number of shares attributed during the fiscal year (1)	Subscription price	Date of exercise	Corresponding Option Plan	Number of options exercised during the fiscal year
361, 000	EUR 24	From Jan. 27, 2004 to Jan. 26, 2009(2)	Jan. 27, 2003	0

(1) Options on Sodexho Alliance shares.

(2) 25 % of the options may be exercised on January 27th of each year of the plan. All options may be exercised on January 27th of the fourth year of the plan.

Financial communications

Listening to shareholders and the financial community

To respond more effectively to the expectations of individual and institutional shareholders, Sodexho Alliance sets out to continuously improve its investor relations programs by developing new information channels and organizing regular

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meetings with shareholders.

Principles guiding our investor relations policy

Sodexo Alliance is committed to transparency in its investor relations and to full compliance with the regulatory requirements of the two markets where its shares are traded, Euronext Paris and the New York Stock Exchange. All participants in the preparation of financial information are committed to abiding by the principles that ensure fair and equitable treatment for all shareholders.

Group spokespersons

Only members of the Executive Committee are authorized to provide financial information. In addition, the Chairman and Chief Executive Officer has appointed the Investor Relations Officer to act as Group spokesperson, with carefully defined responsibilities.

Reviewing financial information

Financial information is reviewed prior to release to the investing public by a Disclosure Committee composed of members from the Finance, Communications and Human Resources Departments.

Publishing financial information

Usually any information that may have an impact on the share price is released before the market opens in Paris.

Financial information is approved by the Chairman and Chief Executive Officer, the Chief Financial Officer or the Board of Directors, depending on its nature. A news release is then sent simultaneously to all members of the financial community. The market authorities are also kept informed simultaneously. Financial information is available on our website www.sodexo.com. Sodexo Alliance does not release any financial information during the month before the publication of its interim and full-year financial statements.

Code of Conduct for senior managers

In 2003, the Board of Directors adopted a written Code of Conduct for senior managers, in order to emphasize the company's commitment to promoting transparency and compliance with rules and regulations. Each of Sodexo Alliance's Group's Executive Committee and senior financial managers, , signed a statement acknowledging his or her compliance with the code.

Regular, transparent information

A primary source of investor information is the Sodexo Alliance website, which enables shareholders not only to track the share price, but also to participate in Annual Meetings and financial analyst meetings with the possibility of asking questions online. Shareholders also have access to a wide variety of printed documents, including the Annual Report, the abridged Annual Report, the Code of Conduct for Senior Managers, presentations to analysts, news releases, press kits, and Best Of, the Group's international magazine.

Periodic meetings and continuous contact

To create and nurture meaningful dialogue, Sodexo Alliance leverages a variety of opportunities to meet with shareholders and other members of the financial community. Major events are organized for the Annual Meeting, the presentation of interim earnings, and the presentation of full-year earnings. The Group also organizes quarterly telephonic conferences for financial analysts, which are

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conducted by Sodexho Alliance's Chief Operating Officers and Chief Financial Officer. In addition, investors are regularly invited to attend meetings in various European countries and in the United States, during which they can discuss issues with Group management. Other meetings on more specific topics are prepared for financial analysts, to help enhance their understanding of our business and operations. Sodexho Alliance also takes part in industry presentations organized by stockbrokers.

INVESTOR CALENDAR

Presentation of first-quarter revenues:	January 7, 2004
Annual Meeting of Sodexho Alliance Shareholders:	February 3, 2004
Presentation of interim revenues:	April 7, 2004
Presentation of interim earnings:	May 6, 2004
Presentation of nine-month revenues:	July 7, 2004
Presentation of full-year revenues:	October 6, 2004
Presentation of full-year earnings:	November 18, 2004
Annual Meeting of Sodexho Alliance Shareholders:	February 8, 2005

This calendar is regularly updated on our website:
www.sodexho.com

Advantages of being a registered shareholder

Shareholders who register their shares are exempt from paying custody fees, are automatically invited to the Annual Meeting, and are kept regularly and directly informed about developments affecting our Group. Their accounts are managed by Societe Generale, the bank that also acts as transfer agent for all Sodexho Alliance shares.

SHAREHOLDER CONTACTS

Societe Generale Nantes : + 33 2 51 85 52 47
Sodexho Alliance : + 33 1 30 85 72 03

INVESTOR INFORMATION IS AVAILABLE:

On the Sodexho Alliance website
www.sodexho.com

*

Via a voice server, if you are calling from France
08 91 67 19 66

(in French only, charged to your phone bill at 22.5 euro cents a minute)

*

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The Sodexho Alliance Share

The Sodexho Alliance share is traded on the Euronext Paris First Market (Euroclear code FR 0000121220), where it has been part of the benchmark CAC 40 index since May 22, 1998. The share has also been traded on the New York Stock Exchange (SDX) since April 3, 2002.

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The share was first listed in Paris on March 2, 1983 at an adjusted price of EUR 1.55. Since then, its value has been multiplied by 17, with the share closing at EUR 26.7 on August 31, 2003 (session on August 29, 2003). This was 2 times better than the CAC 40 index, which increased 9 times during the same period.

Excluding dividends, the share has gained an average of 15% a year.

In a highly unstable stock market environment, the share decreased by 10% during fiscal 2003 compared with a 1% increase in the CAC 40 index. Revenues generated from our Business and Industry segment were particularly affected by the economic slowdown and a depreciation of the US dollar had a penalizing effect on the share price of companies who have significant presence in the United States.

Adjusted price of the Sodexho Alliance share
Sept. 1, 2002 - Aug. 31, 2003 (in euro)

Source: Sodexho

Adjusted price of the Sodexho Alliance share
Since the initial public offering to Aug. 31, 2003 (in euro)

Source: Sodexho

Price on Sept. 1, 2002	29.55
Low for the year	17.95
High for the year	30.83
 Price on August 31, 2003	 26.68

Average daily trading volume

Volume	761,423
Value (in euro)	17,151,638

Source: Euronext

Volumes traded on the New York Stock Exchange since the April 3, 2002 listing were not significant, with an average of fewer than 2,000 shares traded a day.

Dividend per share performance (in euro)
Aug. 31, 1999 - Aug. 31, 2003

	Aug.31, 2003	Aug. 31, 2002	Aug. 31, 2001	Aug. 31, 2000
Total payout	97,003,155	97,003,064	89,009,481	75,236,065
Number of shares in issue carrying dividend rights	159,021,565	159,021,416	158,945,502	134,350,116
Dividends per share	0.61	0.61	0.56	0.56

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(1) The number of shares in issue and the dividend have been restated for the March 7, 2001 four-for-one stock split.

Earnings per share (1)
Dividends per share (2)

In euro	2002-2003	2001-2002	2000-2001	1999-2000 (3)
Earnings per share	1.02	1.15	1.00	0.63
Dividend before tax credit per share	0.61	0.61	0.56	0.56

- (1) Based on the average number of shares outstanding per month.
 (2) Dividend before tax credit per share based on the number of shares in issue at August 31 of each year.
 (3) Figures have been restated for the March 7, 2001 four-for-one stock split.

Dividend and yield for fiscal 2003

Dividend before tax credit	EUR 0.610
Tax credit	EUR 0.305
Dividend including tax credit	EUR 0.915
Yield including tax credit based on the August 31, 2003 share price	3.4 %

Dividends not claimed within five years of the date they were payable to shareholders are forfeited and remitted by the Company to the Caisse des Depots et Consignations.

The 1996 equity warrant

The 1996 warrant has been traded on the Euronext Paris Cash Market since June 11, 1996. Until November 6, 1997, each warrant entitled the bearer to purchase one new Sodexho Alliance share at a price of FRF 2,700 (EUR 411.61). Following the adjustment resulting from the capital increase that month, each warrant gave the right to purchase 1.02 Sodexho Alliance shares at a price of FRF 2,700 (EUR 411.61). As a result of the four-for-one stock split on March 7, 2001 and the capital increase on July 4, 2001, each warrant now gives the right to purchase 16.66 new Sodexho Alliance shares at a price of EUR 411.61 until June 7, 2004.

o Number of warrants issued:	400,000
o Warrants outstanding as of August 31, 2003:	374,773
o Warrants outstanding as of November 15, 2003:	374,773

1996 warrant price
 Sept. 1, 2002 - Aug. 31, 2003 (in euro)
 Source: Sodexho

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Price on Sept. 1, 2002	140
Low for the year	32
High for the year	146
Price on August 31, 2003	63

Average daily trading volume

Volume	454
Value	EUR 25,004

Source: Euronext

Capital

Change in issued capital
As of September 1, 2002 and November 15, 2003

Type of transaction	Number of shares created	Capital (in euro)
Capital at September 1, 2003	159,021,416	636,085,664
Exercise of warrants (9)	149	596
Capital at August 31, 2003	159,021,565	636,086,260
Capital at November 15, 2003	159,021,565	636,086,260

An independent company

Sodexho remains an independent company, with 78,153 shareholders as of August 31, 2003. Of these, 34,599 were employees participating in the Employee Stock Ownership Plan.

Major shareholders include:

- o Societe Bellon SA38.63 %
- o Employees1.67 %
- o Sodexho Alliance treasury shares.....1.59 %
- o French investors.....36.88 %
 - Individuals.....7.67 %
 - Institutions.....29.21 %
- o Non-French shareholders.....21.23 %

To our knowledge, no shareholder other than Bellon SA and Caisse des Depots et Consignations owns more than 5% of outstanding shares or voting rights.

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Shareholder structure
At August 31, 2003

SODEXHO IN THE WORLD

For you...

...we are present in
76 countries

Trademark policy _____

The Sodexho name leverages the group's solid reputation

In today's service industries, brand management plays a vital role in competitive differentiation, client retention and employee motivation. It highlights corporate identity and communicates a company's values to its different audiences. In addition, trademarks offer major advantages for future alliances. That is why the group has set as a strategic objective that the Sodexho name rank among the world's leading trademarks, widely recognized and acknowledged as references in their marketplaces. The group is therefore capitalizing on a single worldwide identity: Sodexho. This policy extends to each business and each market segment. The group's brand name is Sodexho, while Sodexho Alliance uniquely refers to the holding company listed on the Paris Bourse and New York Stock Exchange.

Steps in growth _____

1966 Pierre Bellon launches Sodexho, in Marseille, founded on the Bellon family's experience of more than 60 years in maritime catering for luxury liners and cruise ships. Operations initially serve staff restaurants, schools and hospitals.

1968 Operations commence in the Paris area.

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- 1971-1978 International expansion begins with a contract in Belgium. Development of the Remote Site Management business, first in Africa, then in the Middle East. Sodexho's Service Voucher business enters Belgium and Germany.
- 1983 Initial public offering of Sodexho shares on the Paris Bourse.
- 1985-1993 Sodexho establishes activities in the Americas, Japan, South Africa and Russia, and reinforces its presence in the rest of Eastern Europe.
- 1995 Sodexho forms alliances with Gardner Merchant in the UK and Partena in Sweden, and becomes the world market leader in food service.
- 1996 The group's Service Voucher business establishes its presence in Brazil, with the acquisition of Cardapio.
- 1997 The group's holding company changes its name to Sodexho Alliance. Sodexho Alliance joins forces with Universal Ogden Services, the leading remote site service provider in the United States.
- 1998 Founding of Sodexho Marriott Services, with Sodexho holding 48.4 percent of the outstanding shares. The new company is the North American market leader for food and management services. Sodexho acquires a stake in Luncheon Tickets, Argentina's second largest issuer of service vouchers. Sodexho Alliance shares are accepted into the CAC40 index of the Paris Bourse.
- 1999 With the acquisition of Refeicheque, Sodexho becomes Brazil's second largest service voucher issuer.
- 2000 Albert George is appointed President of Sodexho Alliance. Sodexho Alliance and Universal Services merge to form Universal Sodexho, becoming the North American and world market leader in remote site management.
- 2001 In April, Sogeres (France) and Wood Dining Services (USA) join Sodexho Alliance. In May, the group disposes of its 8-percent shareholding in Corrections Corporation of America (CCA). Sodexho acquires 53 percent of the share capital of Sodexho Marriott Services, which changes its name to Sodexho, Incorporated, in June.
- 2002 On April 3, 2002, Sodexho Alliance shares are listed on the New York Stock Exchange. Two new subsidiaries begin operations in Portugal and Greece.
- 2003 In June, Jean-Michel Dhenain and Michel Landel are appointed Group Chief Operating Officers, succeeding Albert George.

Corporate directory

SODEXHO

Food and Management Services

ARGENTINA

SODEXHO

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COSTA RICA

SODEXHO
SAN JOSE

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EDUCATION
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ALTYS
NANTERRE

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Fax (33) (0)1 55 69 32 40
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SODEXHO PRESTIGE
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Fax (33) (0)1 46 99 35 48
www.sodexho-prestige.fr

SOGERES
BOULOGNE
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Fax (33) (0)1 46 05 55 59
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L'AFFICHE
BOULOGNE
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GUADELOUPE

SODEXHO ANTILLES

BAIE MAHAULT

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Fax (33) (0)5 90 25 08 87

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[Fiscal 2003]

FINANCIAL REVIEW

Financial statements for the year ended August 31, 2003

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Auditors

Statutory	PRICEWATERHOUSECOOPERS AUDIT KPMG AUDIT
Alternates	Patrick FROTIEE Didier THIBAUT DE MENONVILLE

Investor relations

Jean-Jacques VIRONDA, Investor Relations

Board of Directors' Report to the Shareholders' Meeting on February 3, 2004

----- 1- SODEXHO Group -----

For Fiscal 2003, Sodexho Alliance reported consolidated revenues of EUR 11.7 billion and Group net income of EUR 162 million. The Board of Directors has determined that with this performance, Sodexho's teams succeeded in overcoming unfavorable economic conditions in a difficult political climate.

As a result of the appreciation of the euro against other currencies, currency conversion had a negative effect on all income statement line items. However, these exchange rate variations do not result in operating risk because both the receipts and expenses of each of our subsidiaries are in the same currency, unlike exporting businesses.

Organic growth in revenues amounted to 3.1%, representing an improvement over growth of 1.9% reported in the previous fiscal year. Group net income, calculated using the average exchange rate for fiscal 2003, was nearly the same as in fiscal 2002, when calculated at the same rate.

Fiscal 2003 highlights:

- Albert George, who had been appointed President and Chief Operating Officer of Sodexho Alliance on February 20, 2000, resigned from his position for health reasons early in the year. In response, on June 12, 2003, the Board of Directors, acting on a motion by Pierre Bellon and with the approval of the Selection Committee, appointed:

- o Jean-Michel Dhenain as President and Chief Operating Officer, responsible for the Food and Management Services activity in

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Continental Europe, South America and Asia/Australia.

o Michel Landel as President and Chief Operating Officer, responsible for the Food and Management Services activity in North America, the United Kingdom and Ireland, as well as for Remote Site Management.

- To improve earnings and continue to internationalize the organization, Sodexho strengthened its senior management team during the year. Richard Macedonia was appointed Chief Operating Officer of Sodexho Inc. in North America. He also joined the Group's Executive Committee, as did Vincent Hillenmeyer, Senior Vice President, Strategic Planning and Control.

- The Operational Committee added two new members: George Chavel, the new President of the Health Care Services Division in the United States, and Rick Floore, Internal Audit Director. The Committee now has 19 members.

- In October 2002, Sodexho, Inc. commenced the management of 55 US Marine Corps facilities on both the East and West Coasts of the United States. Launching a contract of this size in a new segment in the United States was even more daunting given that the departure of US troops for Iraq required the ability to respond immediately. As a result of the partnering relationship forged with the Marine Corps and the wholehearted involvement of our teams, we were able to effectively respond to the challenge.

1.1 Financial Highlights

Our 23,873 sites are as follows:

- 13,113 businesses and government agencies
- 4,703 schools, colleges and universities
- 3,468 healthcare institutions
- 1,540 senior residences
- 1,049 remote sites

Sodexho currently operates in 76 countries, and as of August 31, 2003, had 308,385 employees.

For the year, consolidated revenues totaled EUR 11.7 billion, a 7.3% decline, as follows:

Organic growth.....	+3.1%
Acquisitions net of disposals.....	-0.4%
Currency effect.....	-10.0%
Total.....	-7.3%

The currency effect resulted mainly from the 14.8% increase in the euro against the US dollar. More than half of our revenues are denominated in dollars or in currencies with strong links to the dollar.

The Business and Industry segment reported organic growth of 3.1% for the year, compared with a decline of 2% in fiscal 2002. This performance was

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led by the development of the Defense business in the United States and Sweden and by a number of important new contracts. The Education and Healthcare segments continued their expansion, reporting organic growth of 2.9% and 2.6% respectively.

- Condensed consolidated income statement

(in millions of euro)	Fiscal year ended Aug. 31, 2003	Fiscal year ended Aug. 31, 2002	% change at current exchange rates	% change at constant exchange rates
Revenues	11,687	12,612	(7.3%)	2.7%
Gross profit	1,723	1,828	(5.7%)	5.6%
Overheads	(1,209)	(1,301)	7.0%	(3.8%)
EBITA	514	528	(2.6%)	9.8%
Net financial expense	(152)	(166)	8.2%	(1.2%)
Net exceptional income	1	23		
Group net income	162	183	(11.3%)	(2.2%)
Earnings per share (in euro)	1.02	1.15	(11.4%)	(2.3%)
Average number of shares outstanding (in millions)	159.0	158.8	0.1%	-

- EBITA

EBITA declined by 2.6% to EUR 514 million. At constant exchange rates, however, it rose by 9.8%.

EBITA margin was 4.4%, versus 4.2% in fiscal 2002. The improvement resulted from the initial positive effects of action plans designed to restore profitability in our UK subsidiary and from an improvement in margins in Continental Europe and North America.

- Group net income

Excluding the currency effect, Group net income after exceptional items totaled EUR 162 million. This was nearly the same as in fiscal 2002, calculated at the average fiscal 2003 exchange rate.

1.2 Revenues and EBITA by activity_____

Revenues by activity (in millions of euro)	Fiscal year ended August 31, 2003	Fiscal year ended August 31, 2002	% change at current exchange rates	% change at constant exchange rates
---	---	---	--	---

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Food and Management Services				
North America	5,427	6,039	(10.1%)	4.6%
Continental Europe	3,585	3,491	2.7%	2.8%
United Kingdom and Ireland	1,453	1,684	(13.7%)	(6.9%)
Rest of the World	974	1,119	(12.9%)	3.9%
	-----	-----	-----	-----
Total	11,439	12,333	(7.3%)	2.5%
Service Vouchers and Cards	248	279	(11.3%)	11.4%
	-----	-----	-----	-----
Total	11,687	12,612	(7.3%)	2.7%
	=====	=====	=====	=====

EBITA by activity (in millions of euro)	Fiscal year ended August 31, 2003	Fiscal year ended August 31, 2002	% change at current exchange rates	% change at constant exchange rates
Food and Management Services				
North America	268	293	(8.3%)	5.8%
Continental Europe	167	150	11.1%	11.2%
United Kingdom and Ireland	21	12	71.7%	72.0%
Rest of the World	18	31	(41.5%)	(30.2%)
	-----	-----	-----	-----
Total	474	486	2.5%	6.8%
Service Vouchers and Cards	68	77	(11.6%)	14.9%
Corporate Expenses	(28)	(35)	19.6%	19.5%
	-----	-----	-----	-----
Total	514	528	2.6%	9.8%
	=====	=====	=====	=====

For fiscal 2003, operations outside the euro zone accounted for 72% of revenues (of which 48% were in US dollars) and 65% of EBITA (of which 49% were in US dollars).

To reflect changes in our operational organization, the presentation of our results by activity has been modified beginning in fiscal 2003. The Remote Site Management business is now included under Food and Management Services in the Rest of the World, while our River and Harbor Cruises operations are included in Food and Management Services in the appropriate region.

1.2.1. Food and Management Services

The Food and Management Services activity represented 98% of consolidated revenues and 87% of consolidated EBITA, before corporate

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expenses. Revenues totaled EUR 11.4 billion. Organic growth in revenues amounted to 2.9%, a significant improvement over the 1.6% growth reported in fiscal 2002.

- Analysis by region

o North America

In North America, revenues totaled EUR 5.4 billion, with organic growth of 4.3%.

The Business and Industry segment reported organic growth in revenues of 5.8%. The fiscal year was highlighted by the creation of the Defense segment, which contributed EUR 133 million to revenues. Excluding Defense, Business and Industry revenues declined by only 0.6%.

The negative impact of industrial delocalizations and workforce cutbacks were offset by the gradual start-up during the year of contracts with Sony, General Electric Medical Systems and General Mills, as well as a national contract with Hewlett Packard.

Organic growth in the Healthcare and Seniors segment amounted to 3.5%. This growth reflects good results on existing sites and the signing of multi-service contracts late in the fiscal year. Other recent contracts--such as those signed with the Spring Valley Hospital Center, the North Colorado Medical Center and the Medical Center of Louisiana--will have a positive impact on our fiscal 2004 results.

The Education segment recorded organic growth of 3.7%. Major contracts were signed late in the year with public schools in Atlanta, with Rowan University (New Jersey), with the University of Connecticut and with Morehouse College (Georgia).

EBITA totaled EUR 268 million and the EBITA margin rose to 4.9%, from 4.8% in the previous fiscal year. The improvement was due to higher revenues from existing sites in Healthcare and Education, as well as to ongoing programs to optimize purchasing and labor costs in all segments. It was partially offset by start-up expenses in the Defense segment and by the cost of implementing new information systems.

o Continental Europe

Revenues totaled EUR 3.6 billion, with organic growth amounting to 3.6%. By segment, organic growth was 4.0% in Business and Industry, 3.7% in Healthcare and 2.1% in Education.

In France, the Healthcare segment continued to enjoy steady growth, notably through Global Hospitality contracts such as those signed with the Chenieux clinics in Limoges and the Clinique Saint Louis in Poissy, near Paris. Strikes in May and June weighed on growth, particularly in the Education segment. In Business and Industry, growth was maintained, despite a depressed economic environment.

In Northern Europe, organic growth was strong, due to the

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start-up of contracts with the Swedish Army and the City of Stockholm in Healthcare, as well as new contracts in Business and Industry, including Nokia and Vattenfall in Sweden.

In other countries, a number of major contracts were signed both in food services and multi-services, including with Banco Santander in Spain, Euroforum in the Netherlands and Wal-Mart in Germany.

The Prestige activity continues to develop steadily, notably with renowned restaurants such as Le Roland Garros in France and the Parliament Restaurant in Sweden.

EBITA in Continental Europe rose by 11.3%, while the EBITA margin increased to 4.7% from 4.3% in fiscal 2002. These solid results were led by a strong improvement in gross profit due mainly to our ongoing Five-Step Approach to optimize purchasing and, to a lesser extent, to the implementation of a selective strategy that has sometimes resulted in our non-renewal of insufficiently profitable contracts.

In addition, overheads were effectively brought under control and are now increasing in line with revenue growth.

o United Kingdom and Ireland

Revenues totaled EUR 1.5 billion, a decline of 13.7% of which 6.8% is the result of a negative currency effect. Revenues were also impacted by the third-quarter fiscal 2002 sale of Lockhart.

On a constant consolidation basis and excluding the currency effect, revenues were down 3.9%. This decline was due to a decision by the new management team to cancel a number of unprofitable contracts, notably in the Hotels sub-segment; a drop-off in the retention rate as a few clients, notably in the Healthcare segment, decided to return to self-operated services; and the impact of site closings and spending cuts by clients in the Business and Industry segment.

A number of new contracts were obtained during the fiscal year, notably for a multi-service package with GlaxoSmithKline, two detention centers currently under construction, and the British Army's Deep Cut Garrison.

EBITA amounted to EUR 21 million for a margin of 1.4%, compared with 0.7% in fiscal 2002. The action plan to improve profitability in our UK and Ireland subsidiary is well underway. As announced early in the year, the priority is to turn the business around, and the plan calls for diligent management of food and labor costs on site and for renegotiating or terminating certain contracts. Gross margin improved by 0.8%, despite disappointing operating results at the Land Technology subsidiary.

The action plan also includes training and incentive programs for local teams, as well as strict control of overheads. Important training initiatives were launched, including the Sodexho Way to tighten site management practices, and another initiative to support the wider use

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of contract policies. Substantial investments were also made in human resources, with the hiring of senior managers from outside the organization to strengthen, for example, the sales department, the marketing department and the Healthcare division management team.

Despite an additional EUR 4.7 million in depreciation for new information systems, overheads were reduced by more than (pound)7 million (EUR 10 million) for the fiscal year.

The objective for the next two or three years is to restore profitability to generate EBITA margins in the United Kingdom and Ireland comparable to those of the Group.

o Rest of the World

In Sodexho's other regions, revenues totaled EUR 974 million, with organic growth of 3.9%.

In Latin America, despite an unfavorable economic environment for manufacturers, Sodexho continued to grow and was awarded a large number of multi-service contracts, notably with Coca-Cola, Codelco Norte and Carrefour in Chile, PepsiCo and Clariant in Venezuela, Grupo Techint in Peru, and Exito in Colombia.

In China, growth remained strong during the year, thanks to major successes in all segments. Contracts were signed with Motorola, Shanghai Container Terminals Limited and Richina in Business and Industry, and with the Yew Chung Shanghai International School and the Central Academy of Fine Arts in Education. The Healthcare segment continued to develop, as contracts were signed with hospitals in Jinshan and Dachang.

In Australia, strong growth was reported, notably by our subsidiary Minesite, which signed a contract to provide services for Golden Valley Mines.

The Remote Site Management segment recorded good results in the North Sea and in Alaska for the year, although the slowdown in drilling operations in the Gulf of Mexico persisted. Sales teams were strengthened and our strategy of following clients as they develop their onshore and offshore projects began to produce results, such as the three-year contract signed with Chiyoda for its site on Sakhalin Island, Russia.

Overall, EBITA in the Rest of the World totaled EUR 18 million, compared with EUR 32 million in the previous fiscal year. The EBITA margin decreased to 1.9% for the year, from 2.8% in fiscal 2002. A challenging economic environment and stiffer competition in Latin America impacted on results. The Remote Site EBITA margin was also adversely affected by start-up costs for a number of contracts, by investments to strengthen the sales force, and by the allocation of certain development expenses previously borne by the Group.

1.2.2. Service Vouchers and Cards

In fiscal 2003, Sodexho Pass reported EUR 248 million in revenues from operations in 26 countries.

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Organic growth was 11.3%, mainly due to strong sales in our core meal and food voucher businesses. Among the year's significant contracts were Telecom Argentina SA and Grupo Techint in Argentina, the Belgian national railway (SNCB), the Venezuelan Ministry of Health, and General Motors in Mexico. Growth was also driven by new services provided to existing clients. Examples include the culture card in France, which was extended to 199,000 high school students in the Center and Burgundy regions, an Education voucher in Hungary for 15,000 postal service beneficiaries, and the Adviescheque voucher in Belgium, which facilitates access to consulting services for small businesses.

Issue volume amounted to EUR 4.6 billion. Issue volume is total face value, calculated at average exchange rates for fiscal 2003, multiplied by the number of vouchers and cards.

EBITA totaled EUR 68 million, versus EUR 77 million in fiscal 2002. Of this total, 74% was denominated in currencies other than the euro, resulting in a more significant currency effect than for Sodexho's other businesses. The EBITA margin of 27.5% is comparable to that of the prior year.

1.2.3. Corporate expenses

For the year, corporate expenses of EUR 28 million were down by 19.6% from the prior year. This was the result of the allocation of corporate expenses to each operating entity.

1.2.4. Net financial expense

Net financial expense totaled EUR 152 million, as compared to EUR 166 million in fiscal 2002. The improvement resulted from a reduction in interest expense due to the reduction in debt and exchange rate variances and from the impact of items that affected the prior year, notably the provision of EUR 19 million on Sodexho Alliance shares held and the non repetition of foreign currency exchange gains realized in the prior year in the Service Vouchers and Cards business, when funds were converted into strong currencies.

1.2.5. Net exceptional income

Net exceptional income totaled EUR 1 million. It included a purchase price complement received in connection with the sale of Corrections Corporation of America shares in fiscal 2001, offset by provisions for stock options, losses on shares held as treasury shares, restructuring costs in the United Kingdom and the United States, and exceptional expense for litigation.

1.2.6. Income tax

Income tax of EUR 134 million represented an effective tax rate of 36.9%. Excluding tax-exempt items, the effective rate was comparable to the prior-year rate.

1.3 Financial position as of August 31, 2003_____

The following table shows cash flow items for fiscal 2002 and fiscal 2003.

Fiscal year ended
August 31,

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	2003	2002
	(in millions of euro)	
Cash provided by operating activities.....	390	391
Cash flow from changes in working capital.....	100	228
	-----	-----
Net cash flow from operating activities.....	490	619
Net tangible and intangible fixed assets.....	(225)	(268)
Financial investments.....	(53)	(47)
	-----	-----
Net cash used in investing activities.....	(278)	(315)
Net cash used in financing activities.....	(202)	(70)
	-----	-----
Net increase in cash and cash equivalents.....	10	234
	=====	=====

Cash provided by operating activities totaled EUR 390 million, nearly the same as in fiscal 2002 despite the negative 13% currency effect, thereby confirming Sodexho's capacity to generate cash flow. Cash flows from changes in working capital came to EUR 100 million, of which approximately 40% came from the Service Vouchers and Cards business. The remainder came from organic growth and measures initiated by operational teams in Food and Management Services to improve client receivables, which is one of the Group's strategic priorities. Net cash flow from operating activities thus amounted to EUR 490 million.

Net capital expenditures of EUR 225 million represented 1.9% of consolidated revenues. During the year, significant investments in information systems were made in the principal countries where the Group operates.

Acquisition expenditures of EUR 34 million mainly comprised:

- The purchase of the remaining 23% stake in Sodexho Pass do Brasil held by minority shareholders.
- The purchase of 91.4% of the outstanding shares of Patriot Medical Technologies, Inc., a US company based in Tennessee, which specializes in providing engineering services to the medical sector.

Net cash used in financing activities totaled EUR 202 million, half of which to pay down debt by EUR 97 million, with the remaining EUR 105 million paid out as dividends.

Net debt decreased by EUR 162 million (EUR 82 million of which is due to the currency effect at August 31, 2003), to EUR 1,201 million. This represents 52% of shareholders' equity including minority interests.

As of August 31, 2003, financial debt totaled EUR 2,488 million, comprised mainly of three euro bond issues totaling EUR 1,605 million, and US dollar credit facilities totaling \$718 million. The remaining debt consists of capital leases and other credit lines.

As in prior years, the Group's policy continues to be to finance acquisitions through borrowings in the acquired company's currency, to reduce currency exchange risks and generally at fixed interest rates depending on market conditions. As of August 31, 2003, 91% of our borrowings are at fixed rates, and our average interest rate was 5.5%.

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As of August 31, 2003, Sodexho had available credit facilities totaling EUR 119 million and off balance sheet commitments of EUR 150 million, representing 7% of consolidated shareholders' equity (see note VII-21 to the consolidated financial statements).

The Board of Directors will request authorization at the next Shareholders' Meeting to issue bonds for a maximum of EUR 1,200 million, for a duration of 5 years, and to increase the Group's long-term capital.

1.4 Principal accounting policies_____

The Group's consolidated financial statements are prepared in accordance with the CRC Regulation 99-02. The principal rules are as follows:

1.4.1 Revenues

In the Food and Management Services activity, revenue is recognized in the period in which services are provided pursuant to the terms of the contractual relationships with clients.

Revenues for the Service Vouchers and Cards activity include commissions received from customers, commissions received from affiliates, and investment income realized on the nominal value of the vouchers during the period from their issuance through redemption.

1.4.2 Currency translation

For subsidiaries located in foreign countries, assets and liabilities are translated using the end of period exchange rate.

Income statement and cash flow statement line items are translated using the average exchange rate for the year, calculated using monthly averages which are based on the current and previous month-end rates. Exchange rates used are obtained from Euronext Paris and other international financial markets.

The difference between the translation of the income statement at average and period end rates, as well as the difference between the opening balance sheet accounts as translated at beginning and end of period rates is recorded in shareholders' equity.

Foreign exchange gains and losses resulting from intragroup transactions in foreign currencies during the year are recorded in the income statement.

Translation differences on monetary assets and liabilities denominated in foreign currencies are recorded in the income statement.

For countries considered highly inflationary, the difference between the translation of the income statement at average and end of period exchange rates is recorded in the income statement. As of August 31, 2003, no countries are considered highly inflationary.

1.4.3 Market shares

The initial inclusion of the companies Sodexho, Inc., Wood Dining Services, Sogeres, Sodexho Services Group, Sodexho Scandinavian Holding AB and Universal Services in the consolidation scope at their fair value led us to record intangible assets which represent the

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value attributed to the significant market shares held by these six companies in their principal geographic markets (the United States, France, the United Kingdom and Ireland, Netherlands, Australia and Sweden).

Market share is principally determined based on an average of multiples of revenues and EBITA achieved by the acquired companies in the applicable countries and is reviewed annually for diminution in value.

Market share intangible assets are not amortized in the consolidated financial statements. If there is a significant diminution in the market share value for more than two consecutive years, as recomputed based on actual results of the applicable subsidiary as compared to the original calculation, it is written down.

The impairment evaluation for market shares and goodwill is further supported by a calculation of the fair value of the assets as of August 31, 2003 as determined based on the discounted future cash flows.

1.4.4 Goodwill

Goodwill represents the excess of acquisition cost over the identified assets and liabilities assumed, as of the initial inclusion of an acquired company in the consolidation scope. Due to the long-term nature of the Group's business, goodwill is generally amortized over thirty years (on a pro rata basis in the year of acquisition).

1.4.5 Retirement benefits

For funded plans to which the subsidiary makes a contribution, the amount of the contribution is recorded as the annual expense of the plan. In the other cases, the group's benefit obligation relating to defined benefit pension and retirement indemnity are recorded as a liability in the balance sheet.

1.4.6 Stock options

Sodexo Alliance has acquired treasury shares (which are recorded in deposits and marketable securities) in connection with its stock option plans. A liability is recorded if at the closing date of the period, the market price of the shares acquired is superior to the exercise price of the options awarded. If the number of treasury shares acquired is less than the number of "in the money" options awarded, a liability is recorded for the difference between the market price at August 31 and the exercise price, multiplied by the number of remaining shares to be acquired for the applicable tranche of stock options.

2 - Sodexo Alliance S.A.

2.1 Social and Environmental Information

During the fiscal year, the Board of Directors, as well as members of the Executive and Operational Committees, committed themselves to respecting a

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Group Ethical Principles and Sustainable Development Contract.

In accordance with commercial law article L 225-102-1, information on how Sodexho Alliance addresses the consequences of environmental and social issues within Sodexho Alliance's activities in France is presented below.

Social and environmental definitions and regulations vary significantly throughout the 76 countries where the Group operates. It is for this reason that the Board of Directors has chosen to illustrate its commitment to sustainable development as shown through examples contained elsewhere in this document.

2.1.1 Employment

On August 31, 2003, Sodexho Alliance employed 167 employees, as follows:

	Managers	Supervisors	Other staff	Total
Men	37	6	9	52
Women	38	30	47	115
	-----	-----	-----	-----
Total	75	36	56	167
	=====	=====	=====	=====

Furthermore, 25 % of the employees are younger than 30 years of age, 35 % are between 30 and 40 years of age and 18 % are over 50 years of age. This reflects the Group's policy of recruiting additional entrepreneurs to facilitate their integration into the workforce and rapidly offering them responsibility.

During the year, 148 people were recruited by Sodexho Alliance and among them 12 benefited from indeterminate length contracts (6 managers, 3 supervisors and 3 staff members). In order to keep up with additional growth, Sodexho Alliance recruited 136 people on fixed-term contracts (133 staff members, 2 supervisors and 1 manager) and 3 apprentice contracts.

Sodexho Alliance dismissed 9 people, none for economic reasons.

In terms of work schedules, managers work 216 days per year and supervisors and other staff work 1,596 hours per year. 6 people work part-time (3 staff members, 1 supervisor and 2 managers). There was a total of 1,752 hours in over-time.

During the year, the absentee rate was as follows:

	Managers	Supervisors	Other staff	Total
--	----------	-------------	-------------	-------

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Number of days due to a work-related accident	0	13	7	20
Number of days due to sick leave	288	376	464	1,128
Number of days due to maternity leave	265	52	130	447
	-----	-----	-----	-----
Total	553	441	601	1,595
	=====	=====	=====	=====

In terms of remuneration, average annual salaries were as follows:

Average annual salary in euro	Managers	Supervisors	Other staff
Men	86,435	30,004	21,422
Women	58,673	31,942	22,457

Salary negotiations were based on collective agreements. There was no employee profit sharing for fiscal 2003.

The hygiene, security and working conditions committee (CHSCT) met four times during the year and declared three work related accidents which resulted in a total of 20 days sick leave.

Sodexho Alliance devoted 3.31% of its payroll to training as follows:

	Managers	Supervisors	Other staff
Number of training hours	1,427	812	1,255
Number of trainees	58	36	90
Men (in %)	50	14	18
Women (in %)	50	86	82

Sodexho Alliance devoted a total of EUR 24,000 to integrating the disabled into the workforce and currently employs two disabled people. The company also contributed EUR 70,000 to the workers council.

2.1.2 Environmental information

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Energy consumption during the year was 1,598,431 KWH, corresponding to the corporate office's needs.

The amount of water used during the same fiscal year amounted to 1,822 cubic meters and is supplied by the local water department.

2.2 Issued Capital

As of August 31, 2003, the issued capital of Sodexho Alliance totaled EUR 636,086,260, comprising 159,021,565 shares at 4 euro per share. As of August 31, 2002, issued capital totaled EUR 636,085,664.

2.2.1. Changes in capital

During fiscal 2003, the exercise of equity warrants created 149 shares.

(1) Management stock options

As of August 31, 2003, 93,248 management stock subscription options were outstanding, representing an aggregate amount of EUR 2,954,879.

As of the same date, 5,085,838 management stock purchase options were outstanding, representing an aggregate amount of EUR 169,342,272.

(2) Significant equity interests

As of August 31, 2003, Bellon S.A. held 38.63% of the issued capital of Sodexho Alliance in comparison to 38.69% held on August 31, 2002 and Sofinsod, a wholly-owned subsidiary of Sodexho Alliance, held an 18.5% direct and indirect interest in Bellon S.A. Employee share ownership, at the end of the fiscal year, represented 1.67% of the Group's capital.

(3) Company share repurchase program

The Annual Meeting of Shareholders of February 4, 2003 authorized the Board of Directors to effect a stock repurchase program, based on the prospectus issued on January 14, 2003 and approved by the Commission des Operations de Bourse under number 03-007.

Pursuant to this authorization, during fiscal 2003, 969,740 shares were repurchased at the average price of EUR 24.63. The total number of these shares represent 0.6% of issued capital as of August 31, 2003. During the year, the company sold 937,740 shares.

Shareholders will be asked to give the Board an 18-month authorization to repurchase Group shares on the open market subject to compliance with the law and the following specific limits:

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Maximum purchase price: 40 euro
 Maximum number of shares: 10 % of issued capital

Shares purchased under the authorization may be:

- Used to optimize management of the Company's assets and finances.
- Used to stabilize the price of the Company's shares.
- Transferred to employees of the Company exercising their stock purchase options.
- Granted to senior managers, as compensation, based on their performance.
- Exchanged for other securities, in particular in conjunction with acquisitions or the issue of share equivalents.
- Canceled, held, sold, contributed or transferred.

2.2.2. Acquisition of equity interests

There were no significant acquisitions of equity interests during fiscal 2003.

2.2.3. Dividends

As a result of the exercise of equity warrants and stock options, a total of 159,021,565 shares carry dividend rights.

Following the closing of the accounts resulting in net income excluding the currency effect equal to the previous year and based on the Group's excellent financial model which allows us to generate cash, the Board of Directors has recommended paying a net dividend of EUR 0.61 per share, unchanged from last year. Including the tax credit of EUR 0.305, the total distribution comes to EUR 0.915 per share. This represents a total distribution of EUR 97,003,155.

Pursuant to article L 223-16 of the Commercial Code, the table below shows dividend payments for the last four years, as well as the recommended dividend for fiscal 2003 (1).

	(1)Fiscal 2003	Fiscal 2002	Fiscal 2001	(2)Fiscal
Number of shares outstanding	159,021,565	159,021,416	158,945,502	134,350
Dividend per share, before tax credit (in euro)	0.61	0.61	0.56	
Tax credit (in euro)	0.305	0.305	0.28	
Dividend per share including tax credit (in euro)	0.915	0.915	0.84	
Closing share price on the last trading day in November following the fiscal year-end (in euro)	24.04	26.00	45.70	5

(1) Dividend subject to shareholder approval at the Annual Meeting on February

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3, 2004

(2) Adjusted for the March 7, 2001 four-for-one stock-split.

2.2.4. Sodexho Alliance S.A. financial results

For the year ended August 31, 2003, Sodexho Alliance S.A. had net income of EUR 79,261,607.

Income appropriation

Net income for the year..... EUR 79,261,607

plus retained earnings brought

forward from prior year..... UR 702,506,930

Total to be appropriated..... EUR 781,768,537

Recommended appropriations:

* Transfer to the legal reserve..... EUR 59

* Net dividend..... EUR 97,003,155

(to be paid on the 159,021,565 shares outstanding, representing a dividend per share of EUR 0.61 giving rise to a tax credit of EUR 0.305)

* Retained earnings..... EUR 684,765,323

2.2.5. Re-election of members of the Board of Directors

The Board of Directors will ask shareholders to re-elect Mrs. Sophie Clamens, Mrs. Nathalie Szabo and Miss Astrid Bellon, as well as Mr. Pierre Bellon, Mr. Remi Baudin and Mr. Francois-Xavier Bellon, whose terms are expiring, for a term of three years ending at the Annual Meeting for the fiscal year ending August 31, 2006.

2.2.6. Renewal of the authorization to increase long-term capital

The Board of Directors will also ask shareholders to renew the authorization given at the February 4, 2003 Annual Meeting to increase the Company's long-term capital. This authorization was not used in fiscal 2003. The renewed authorization will allow the Board of Directors, on one or several occasions, to issue shares, equity warrants or other share equivalents or to issue bonus shares to be funded through earnings, additional paid-in capital, retained earnings or other amounts. Shareholders will be given either a preferential right to subscribe to the issues or the right to subscribe to the issues on a priority basis. The authorization will be subject to the following limits:

- The aggregate par value of shares issued under the authorization may not exceed EUR 63 million.

- The aggregate face value of debt securities issued under the authorization may not exceed EUR 570 million.

Any bonus share issues paid up by capitalizing retained earnings,

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additional paid-in capital or earnings will not be taken into account in the EUR 63 million ceiling referred to above.

This blanket authorization is designed to allow the Board of Directors to act in the Company's best interests by deciding on the most appropriate method of raising long-term capital when the need arises, taking into account market opportunities.

Any issues to be carried out under this authorization have not yet been decided and it is impossible to predict future changes in conditions on the domestic and international financial markets. Therefore, at this time, it is not possible to provide detailed information about the dilutive impact of any such issues for individual shareholders.

In addition, for reasons of the increases in issued capital as proposed above and in consideration of the legal requirements of Law no. 2001-152 of February 19, 2001 pertaining to employee savings plans, shareholders are asked to vote to authorize one or more capital issuances reserved for the benefit of employees participating in a company savings plan or a voluntary partner savings plan, should the case arise.

3 - Outlook

The outlook is good. The potential market to conquer is large in all of our activities and in the countries where Sodexho does business. This growth potential is estimated at more than EUR 380 billion.

Sodexho is number one worldwide in the segments with the greatest potential : Healthcare, Seniors, Education and Defense.

In addition, Sodexho's financial model is excellent. Our activities are not capital intensive ; for fiscal 2003, net capital expenditures represented only 1.9% of revenues. Operating cash flow was EUR 390 million. This allows us to finance growth, reimburse debt and reward our shareholders.

Based on current information and today's economic climate, at the November 12, 2003 meeting, the Board of Directors fixed and confirmed the following minimum objectives for fiscal 2004 :

- Organic growth in revenues equal to that of fiscal 2003
- EBITA of EUR 550 million, which corresponds to an EBITA margin of 4.6%
- Growth in Group Net Income, excluding exceptional items, of 5%

These objectives are based on the exchange rates used in the fiscal 2003 income statement.

In order to attain or exceed these objectives, our strategy is confirmed. It rests upon six strategic objectives :

1. Accelerate organic growth
2. Improve our human resources planning
3. Improve operational management
4. Improve cash flow
5. Reinforce control
6. Encourage transparency and communication

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3.1. Accelerate organic growth

Our organic growth is the result of three priorities:

o Retain existing clients:

Our objective to improve client retention from 93% to 95% is one of the Group's priorities for the next three years. Methods will need to be developed to focus on current clients and action plans will also support this priority. The Operational Committee is addressing this on a global level by using existing best practices in the Group. In particular, we plan to develop a common and standardized method throughout the Group drawing upon expertise from Sodexho in North America and their experience, having developed a client retention philosophy which has been successful for the past several years.

o Develop our revenues with existing clients:

- By enlarging our food offering: we estimate that we only feed half of the employees in a client company in Continental Europe and less than half in North America. To counteract this, we have developed a "Full potential" approach in several countries with innovative implementation plans and adapted merchandising, such as Plaza Express in the Business and Industry segment in France. In the Education segment in North America, we have increased the number of meals served on existing sites by 5.5%.

- By offering multi-services: we are global specialists for the Business and Industry segment, the Education segment, the Healthcare segment and the Defense segment. Our multi-service strategy is determined and developed by client segment and sub-segment, as their needs and expectations are different. Today, for the Group, services other than food services represent 19% of our revenues.

o Win new contracts:

In our existing segments, we have had numerous important contract wins. We are also developing new client segments or sub-segments. For example, our experience and leading position in the United Kingdom for Defense, has helped us to develop the segment in Australia, North America, Sweden and Turkey, and we are currently responding to a number of requests for tender.

3.2. Improve our human resources planning

We plan to address the following five priorities:

1. Support internal promotion such as the nomination of the two Presidents and Chief Operating Officers. The Selection Committee, seconded by the Board of Directors, confirmed this priority which has been, since its creation, a key element of the Group's human resources policy;

2. Encourage the use of employee evaluations to identify managers with significant potential and future entrepreneurs;

3. Reinforce our workforce by externally recruiting senior managers. Seven recruitments are currently in progress;

4. Facilitate manager mobility from one entity to another in order to

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benefit from their skills and knowledge as much as possible;

5. Systematically create succession plans for the Group's principal managers in order to accelerate the rejuvenation of our teams.

3.3. Improve operational management

Improving our EBITA and our margin:

o The first improvement driver gross profit:

We are constantly improving this key performance indicator for our units. The two main items of focus are labor costs and purchasing. Thanks to our advanced planning management methods, manpower is optimized onsite to meet fluctuating needs.

As for purchasing, our volumes by continent allow us to be competitive throughout the world. Our "Five Step Approach", which includes menu management and information systems will help us to continually improve our productivity. The "Five Step Approach" allows us to create a recipe and menu catalog by client segment and determine, in advance, the appropriate ingredients. These are then negotiated directly with food industry manufacturers, with logistic costs negotiated separately. We also seek to keep food waste to a minimum.

o The second improvement driver is to decrease overheads:

This translates to overheads. In the past, we increased our overheads without questioning whether it was in the client's best interests, which often happens in large companies. We are committed to resolving this drift, however, without sacrificing our investments in development. At constant exchange rates, in fiscal 2003, our overheads changed by 3.8%, which is proof that we are on the right path.

3.4. Improve cash flow

Since its creation, Sodexho has been able to generate cash to ensure the Group's growth.

Operational and finance teams are responsible for generating cash and a portion of their annual bonus depends on it.

We have decided to maintain this strategy as it ensures the financial independence of the Group.

3.5. Reinforce control

A mapping of risks and commitments was presented to the Audit Committee. We are currently in the process of reviewing and updating, when necessary, procedures and delegations for all of the Group's geographical areas and activities. This assessment is particularly focused on the delegation policy for contracts with clients.

We are continuing to improve our reporting - both with the use of key performance indicators or simple "scorecards" at each level of the organization - and with our recent investments in information systems for Group reporting, which allow the hierarchy to maintain appropriate control and managers to monitor their income statements, balance sheets and cash flow and report to Group management on a monthly basis.

An Internal Audit Director was recruited in March 2003 who regularly

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reports to the Audit Committee.

During fiscal 2003, the Audit Committee met three times to discuss various issues which included the company's accounting for retirement plan obligations, the impact of International Financial Reporting Standards (IFRS) on the consolidated financial statements and management's initiative to evaluate internal control procedures for the President's Report in order to comply with the recent French "Loi de Securite Financiere" and section 404 of the Sarbanes-Oxley Act in the United States

The Audit Committee also approved the Internal Audit Plan for fiscal 2004 and implemented a procedure for its pre-approval of audit and non-audit engagements of the company's external auditors and their affiliates.

Finally, the Board of Directors appointed one of its members to evaluate its own operating procedures based on individual survey questionnaires. The results of this survey will be presented to the Chairman for discussion among the Board members in order to evaluate the need, if any, for a review of the Board's Internal Rules.

3.6. Encourage transparency and communication

In a decentralized company like ours, the development of internal communication is essential and new technologies for information and communication will help us.

Transparency is an integral part of our core values and we are proud to have been ranked among the most transparent non-financial services companies for the CAC 40 (ranked by the magazine les Enjeux - les Echos and Development Institute International).

Since its creation, the company has always been attentive to ethical issues. But, due to our size, we have decided to formalize our approach in a document that identifies the four principal ethics upheld by the Group.

Respect for people

Transparency

Refusal to engage in corrupt practices and unfair competition

Loyalty

This document, which also specifies our commitments to sustainable development on behalf of our clients, customers, employees, suppliers, shareholders and the countries where Sodexho is present, was distributed in September 2003. The members of the Operational Committee have committed themselves to these principles and have signed the document.

In addition, the Board would like to congratulate Sodexho, Inc. in North America for its actions in favor of minorities which earned them, among others, the following awards:

- In 2002, Sodexho, Inc. was ranked 20th among the top 100 employers by the Black Collegian, a committee for the promotion and education of African American minorities in the United States,

- Sodexho, Inc. was selected for the second time among the top fifty "Latin Style" companies. "Latin Style" is an annual, special report that recognizes companies who offer significant opportunities to Hispanic women,

- In October, Michel Landel, President and Chief Executive Officer of

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Sodexho in North America, was honored with the "Diversity Best Practices' CEO Leadership Award" which is awarded to the top ten Presidents and CEOs of American companies for their ongoing commitment to creating an environment of diversity and inclusion within their companies.

Group management will focus energies within the Group to improve Sodexho's performance as compared to that of its competitors.

The Board of Directors has expressed its confidence in the Group's future because Sodexho's strengths are numerous :

- Sodexho's values: service spirit , team spirit, and the spirit of progress.
- Sodexho's mission : "Improve the quality of daily life," which gives meaning to all of our team members.
- Sodexho's worldwide network and its presence in 76 countries.
- Sodexho's strong competitive positions.
- Sodexho's excellent financial model.

The Board of Directors would like to thank our clients for their continued trust, our people who maintain their professionalism and efficiency every day to ensure our success around the world, and our shareholders for their loyalty.

The Board of Directors

Presentation of the activities

1 ACTIVITES

1.1. Food and Management Services

Business and Industry

- Corporations and public organizations that outsource services choose Sodexho as a partner who listens. Always innovative, Sodexho delivers a full suite of services that enable clients to focus on their core business while reducing their costs.

- To meet a variety of customer expectations and improve their quality of life, Sodexho customizes its food service concepts and constantly expands its multi-service offering, which ranges from reception and janitorial services to conference room management, building maintenance, and more.

- With a dedicated organization, Sodexho ensures that its international clients benefit from transfers of best practices and purchasing synergies.

- From World Youth Days to the Olympics, Sodexho is also the natural partner for major events.

Prestige

- Refinement, distinction, talent and creativity: for major business clients and executive diners alike, our promise is a touch of the delightful, as well as savoir-faire in the art of everyday living.

- Business meetings, seminars and receptions: Sodexho Prestige meets expectations with the discreet elegance of respect for enduring traditions

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in today's busy world.

- Sodexo Prestige works with master chefs to ensure its cuisine truly delivers not just fine dining, but passion, on every occasion, for every customer, on every site.

Defense

- In the Defense segment, Sodexo offers a range of complex, innovative multi-service solutions, thereby satisfying the military's need to focus human and financial resources on its core mission.

Correctional Services

- Safety and security are the main priorities in a prison. Nonetheless, as in all its activities, Sodexo strives to enhance the quality of daily life, which for inmates means improving their living conditions. To help them successfully return to society, inmates receive high-quality services and take part in behavioral training and apprenticeship programs, in an atmosphere of fairness and respect for themselves and others.

- This is why Sodexo operates only with unarmed personnel in democratic countries that do not allow the death penalty and where rehabilitation and reintegration of inmates into society are a priority.

Healthcare

- Healthcare is a sensitive area, requiring extensive expertise and the ability to anticipate. Sodexo serves healthcare institutions worldwide, constantly innovating in a myriad of ways, and is expanding its range of services.

- By carefully listening to patients, their families and caregivers, Sodexo responds to each client's needs with an integrated portfolio of services, including housekeeping, systems maintenance and sterilization of surgical instruments.

- By providing appetizing meals and attentive service, Sodexo offers comfort and reassurance to patients and their families, for a better quality of daily life and a sense of security.

Seniors

- Findings of the Sodexo Research Institute point to the needs and expectations of seniors in terms of quality of daily life, and Sodexo adapts its offering to their lifestyles.

- Because nursing and residential homes are central to daily life for these customers, Sodexo serves tasty meals in comfortable, pleasant surroundings. Through personalized catering, an expanded range of specialized services, and 24/7 availability, Sodexo puts the zest back into life.

- Sodexo also provides home services, in answer to the desire of many seniors to maintain their independence and to benefit from personalized assistance.

Education

- From nursery schools to universities: public- and private-sector clients want to satisfy varying expectations, depending on the age group, while optimizing costs.

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- What do children want? Recognition and freedom. What do parents want? Nutrition education and food safety.

- Creative food service concepts, healthy meals, imaginative environments, fun and games, plus multi-service management: Sodexho does it best.

Remote Sites

- Clients in oil and gas, mining, construction and public works want a service provider capable of handling all their requirements, often under extreme conditions.

- In addition to providing food and hotel services, Universal Sodexho leverages over 20 years of experience in providing a range of more than 40 services at remote sites on land and offshore to make quality of life a day-to-day reality.

- Sodexho supports local economic and social development by creating jobs, providing training programs, introducing regional purchasing policies and forging local partnerships.

1.2. Service Vouchers and Cards

Sodexho Pass

- Today, employers are looking for new ways to manage fringe benefits, while public services seek ways to manage and better monitor social benefits. Everyone wants practical, reliable and secure systems.

- Sodexho Pass sets the pace with operations in 26 countries, 825,000 affiliates, and 11.5 million users each year, who use Sodexho Pass service vouchers and cards to pay for everything from lunch to medicines to home care.

- Sodexho Pass innovates and constantly expands the range of its payment solutions, to simplify and improve the quality of daily life for its clients, affiliates and users.

2- Condensed Group Organizational Chart

Consolidated Financial Statements

I Consolidated Income Statement

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(in millions of euro)	Year ended August 31, 2003	% revenues	Change	Year ended August 31, 2002	Y A
REVENUES	11,687	100%	(7.3%)	12,612	
Other income	37			54	
Purchases	(3,955)	(33.8%)		(4,559)	
Employee costs	(5,519)	(47.2%)		(5,868)	
Other external charges	(1,482)	(12.7%)		(1,464)	
Taxes, other than income taxes	(79)	(0.7%)		(74)	
Depreciation and increase in provisions	(175)	(1.5%)		(173)	
	-----	-----	-----	-----	
EARNINGS BEFORE INTEREST, EXCEPTIONAL ITEMS, INCOME TAXES, INCOME FROM EQUITY METHOD INVESTEES, GOODWILL AMORTIZATION AND MINORITY INTERESTS (EBITA)	514	4.4%	(2.6%)	528	
Financial expense, net	(152)	(1.3%)	(8.2%)	(166)	
	-----	-----	-----	-----	
INCOME BEFORE EXCEPTIONAL ITEMS, INCOME TAXES, INCOME FROM EQUITY METHOD INVESTEES, GOODWILL AMORTIZATION AND MINORITY INTERESTS	362	3.1%	(0.1%)	362	
Exceptional (expense) income, net	1	0.0%		23	
Income taxes	(134)	(1.1%)	(6.8%)	(126)	
	-----	-----	-----	-----	
INCOME BEFORE INCOME FROM EQUITY METHOD INVESTEES, GOODWILL AMORTIZATION AND MINORITY INTERESTS	229	2.0%	(11.7%)	259	
Net income (loss) from equity method investees	4			4	
Goodwill amortization	(62)	(0.5%)	8.2%	(67)	
	-----	-----	-----	-----	
GROUP NET INCOME BEFORE MINORITY INTERESTS	171	1.5%	(12.4%)	196	
Minority interests in net income of consolidated subsidiaries	9	0.1%	(28.3%)	13	
	-----	-----	-----	-----	
GROUP NET INCOME	162	1.4%	(11.3%)	183	
	=====	=====	=====	=====	
EARNINGS PER SHARE (in euro)	1.02		(11.4%)	1.15	
DILUTED EARNINGS PER SHARE (in euro)	1.00		(11.6%)	1.13	

II Consolidated Balance Sheet

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ASSETS (in millions of euro)	August 31, 2003	August 31, 2002	August 31, 2001
FIXED AND INTANGIBLE ASSETS, NET			
Goodwill	1,492	1,616	1,710
Intangible assets	2,686	2,940	3,021
Property, plant and equipment	379	371	371
Financial investments	64	67	68
Equity method investees	19	11	6
	-----	-----	-----
o Total fixed and intangible assets, net	4,640	5,005	5,176
CURRENT AND OTHER ASSETS			
Inventories	170	170	193
Accounts receivable, net	1,383	1,456	1,518
Prepaid expenses, other receivables and other assets	637	606	567
Marketable securities	542	553	357
Restricted cash	166	165	152
Cash	570	589	704
	-----	-----	-----
o Total current and other assets	3,468	3,539	3,491
	-----	-----	-----
TOTAL ASSETS	8,108	8,544	8,667
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY (in millions of euro)			
SHAREHOLDERS' EQUITY			
Common stock	636	636	630
Additional paid in capital	1,186	1,191	1,141
Consolidated reserves	427	571	634
	-----	-----	-----
o Total Shareholders' Equity	2,249	2,398	2,405
MINORITY INTERESTS	66	73	131
PROVISIONS FOR CONTINGENCIES AND LOSSES	89	99	93
LIABILITIES			
Borrowings	2,488	2,693	2,781
Accounts payable	1,128	1,251	1,268
Vouchers payable	794	732	729
Other liabilities	1,294	1,298	1,260
	-----	-----	-----
o Total Liabilities	5,704	5,974	6,038
	-----	-----	-----
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	8,108	8,544	8,667
	=====	=====	=====

III Consolidated Cash Flow Statement

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(in millions of euro)	Year ended August 31, 2003	Year ended August 31, 2002	Year ended August 31,
OPERATING ACTIVITIES			
Consolidated net income before income (loss) from equity method investees and minority interests	167	192	207
o Non cash items			
Depreciation and provisions	215	254	157
Deferred taxes	(9)	5	20
Losses (gains) on disposal and other, net of tax	14	(61)	26
	-----	-----	-----
o Cash provided by operating activities	387	390	410
Dividends received from equity method investees	3	1	0
Change in working capital from operating activities	100	228	144
o Net cash provided by operating activities	490	619	554
INVESTING ACTIVITIES			
Tangible and intangible fixed assets	(241)	(297)	(238)
Fixed asset disposals	15	33	31
Acquisitions, net of dispositions, of consolidated subsidiaries	(33)	(48)	(1,739)
Change in working capital from investing activities	(19)	(3)	(13)
	-----	-----	-----
o Net cash used in investing activities	(278)	(315)	(1,959)
FINANCING ACTIVITIES			
Dividends paid to parent company shareholders	(94)	(87)	(74)
Dividends paid to minority shareholders of consolidated companies	(11)	(15)	(9)
Increase in shareholders' equity	0	59	1,020
Proceeds from borrowings	104	1,120	1,977
Repayment of borrowings	(178)	(1,146)	(1,142)
Change in working capital from financing activities	(23)	(1)	(9)

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o Net cash provided by (used in) financing activities	----- (202)	----- (70)	----- 1,763
INCREASE IN NET CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES	----- 10 =====	----- 234 =====	----- 358 =====
Cash, cash equivalents, and marketable securities, as of beginning of period	1,307	1,213	896
Add: provisions as of beginning of period	23	1	0
Cash, cash equivalents, and marketable securities, as of end of period	1,278	1,307	1,213
Add: provisions as of end of period	8	23	1
Net effect of exchange rates on cash	54	118	40
INCREASE IN NET CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES	----- 10 =====	----- 234 =====	----- 358 =====

Notes to the consolidated Financial Statements

IV SIGNIFICANT EVENTS

The Group, through its U.S. subsidiary, Sodexho, Inc., acquired 91.4% of Patriot Medical Technologies, Inc., a U.S. company based in Tennessee, for U.S.\$ 3.1 million (EUR 2.9 million). This company, formed in 1997 and specialized in engineering services in the medical sector, has annual revenues of U.S. \$ 25 million. Goodwill recorded in connection with the transaction of EUR 9.4 million will be amortized over 30 years. This entity contributed an EBITA loss of EUR 0.2 million to Sodexho Alliance's consolidated income statement for the year.

Sodexho Pass International acquired an additional 23% of Sodexho Pass do Brazil, in which it already held 77% of the outstanding shares, for EUR 27.6 million. Goodwill of EUR 25.6 million recorded in connection with the transaction will be amortized over 30 years.

In May 2003, Sodexho Alliance received a purchase price complement of EUR 28.6 million in connection with the sale of its shares in Corrections Corporation of America in fiscal 2001.

V SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, VALUATION AND CONSOLIDATION

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METHODS, AND PRIOR YEAR COMPARATIVES

The Group financial statements have been prepared in accordance with accounting principles established by the Comite de la Reglementation Comptable No 99-02 ("CRC Regulation 99-02") in France.

The financial statements have been prepared on a basis consistent with the prior year, except with respect to the provision of EUR 19 million recorded in financial expense in fiscal 2002 on Sodexho Alliance shares in connection with employee stock option programs in order to reflect the lower of cost or market. In accordance with the CNC opinion, such provisions and the release thereof are now included in exceptional items, where losses pertaining to stock compensation are also recorded.

Amounts in tables are expressed in millions of euro, unless indicated otherwise.

1 Fiscal year

The majority of fully-consolidated companies have a year ending August 31.

All fully consolidated companies that do not have an August 31 year-end are consolidated on the basis of financial statements prepared on August 31, 2003 and for the twelve month period then ended.

2 Revenue recognition

In the Food and Management Services, revenue is recognized in the period in which services are provided pursuant to the terms of the contractual relationships with clients.

Revenues for the service voucher segment include commissions received from customers, commissions received from affiliates and investment income realized on the nominal value of the vouchers during the period from their issuance through redemption.

3 Retirement benefits

For funded plans to which the subsidiary makes a contribution, the amount of the contribution is recorded as the expense of the plan. Otherwise the Group's benefit obligations relating to defined benefit pension and retirement indemnity plans are recorded in the balance sheet.

4 Stock options

Sodexho Alliance has acquired treasury shares in connection with its stock option plans which are recorded in marketable securities. A liability (and corresponding expense) is recorded if at the closing date of the period, the acquisition cost of the shares acquired is superior to the exercise price of the options awarded. If the number of treasury shares acquired is less than the number of options awarded, a liability (and corresponding expense) is recorded for the difference between the market price at the end of the period and the exercise price, multiplied by the number of remaining shares to be acquired for the applicable tranche of stock options.

5 Exceptional Items

Exceptional income and expenses are recorded for significant items which, due to their unusual character and non-recurring nature, are

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not considered to be inherent to the operating activities of the Group. In general, such costs relate to gains or losses on asset dispositions, restructuring costs, exceptional depreciation of fixed and intangible assets, or provisions or expenses recorded in connection with stock option plans.

6 Earnings per share

Earnings per share and diluted earnings per share are calculated using methods recommended by Advice No. 27 of the Ordre des Experts Comptables. Earnings per share is calculated by dividing group net income by the average number of shares outstanding during the year. In the calculation of diluted earnings per share, the denominator is increased by the number of potential shares outstanding, and the numerator is increased by the net-of-tax interest income (calculated at the Taux Moyen Mensuel du Marche Monetaire Euro) on the proceeds which would have resulted from the issuance of these shares. The potential shares included in diluted earnings per share relate to stock options awarded but not yet exercised and warrants outstanding from the 1996 bond issuance, which are exercisable prior to June 2004.

7 Foreign currency transactions and translation

For subsidiaries located in countries with stable currencies, assets and liabilities are translated using the end of period exchange rate. Income statement and cash flow statement line items are translated using the average exchange rate for the year, calculated using monthly averages. The monthly average exchange rates are calculated as the average of the end of month rate and the rate for the prior month. Exchange rates used are obtained from Euronext Paris and other international financial markets. The difference between the translation of the income statement at average and period end rates, as well as the difference between the opening balance sheet accounts as translated at beginning and end of period rates is recorded in shareholders' equity. Foreign exchange gains and losses resulting from intragroup transactions in foreign currencies during the year are recorded in the income statement.

The financial statements of the following subsidiaries reflect currency devaluations as required by local regulations:

- Sodexho Chile (sub-consolidation)
- Siges Chile
- Sodexho Pass Chile
- BAS (Chile)
- Sodexho Colombia
- Sodexho Peru
- Sodexho Pass de Colombia
- Prestaciones Mexicanas SA de CV
- Promocupon (Mexico)
- Sodexho Servicios de Personal (Mexico)
- Sodexho Sitios Remotos de Peru
- Sodexho Mexico
- Sodexho Servicios Operativos (Mexico)
- Sodexho Restoran Servisleri (Turkey)
- Sodexho Mantenimiento y Servicios (Mexico)
- Sodexho Argentina
- Sodexho Toplu Yemek (Turkey)
- Sodexho Venezuela Alimentacion y Servicios
- Luncheon Tickets (Argentina)
- Sodexho Pass Venezuela
- Universal Sodexho Services de Venezuela

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- Universal Sodexho Empresa Servicios y Campamentos (Venezuela)

The inclusion of monetary corrections imposed by local regulators on these subsidiaries in the consolidated financial statements had no impact on the income statement. Foreign currency translation differences for these subsidiaries are recorded in the currency translation adjustment account in shareholders' equity in the same manner as for the subsidiaries in countries with stable currencies.

For subsidiaries located in highly inflationary countries, differences between net income translated at average and period-end rates are included in net financial expense. The impact of these differences on the consolidated income statement was not significant in any of the periods presented. As of August 31, 2003, none of the countries in which the Group operates was considered to be highly inflationary.

Translation differences on monetary assets and liabilities denominated in foreign currencies are recorded in the income statement. Translation differences related to a monetary component of a net investment in a company within a consolidated foreign subsidiary are recorded in consolidated shareholders' equity until the sale or liquidation of the net investment.

8 Valuation of assets and liabilities

Assets and liabilities of acquired companies have been recorded at their respective fair values effective September 1, 2000.

8.1 Intangible assets

The inclusion in the consolidation scope of the fair value of the following companies Sodexho, Inc., Wood Dining Services, Sogeres, Sodexho Services Group Ltd, Sodexho Scandinavian Holding AB and Universal Services, resulted in the recording of an intangible asset which represents the value attributed to the significant market shares held by these six companies in their principal geographic markets (the Great Britain and Ireland, the United States, the Netherlands, France, Australia and Sweden).

Market share is principally determined based on an average of multiples of revenues and EBITA achieved by the acquired companies in the applicable countries and is reviewed annually for diminution in value. Market shares are not amortized in the consolidated financial statements. If there is a significant diminution in the market share value for more than two consecutive years, as recomputed based on actual results of the applicable subsidiary as compared to the original calculation, it is written down.

The impairment evaluation for market shares and goodwill is further supported by a calculation of the fair value of the assets as of August 31, 2003 as determined based on the discounted future cash flows.

No deferred taxes are recorded on market shares.

8.2 Goodwill

Goodwill represents the excess of acquisition cost over the fair value of the identified assets and liabilities assumed, as of the initial inclusion of an acquired company in the consolidation scope. Due to the long-term nature of the Group's business,

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goodwill is generally amortized over thirty years (calculated on a pro rata basis in the year of acquisition).

8.3 Property, plant and equipment

Leased assets are recorded on the balance sheet as capital leases in instances where a Group company is deemed to bear substantially all of the risks and rewards of the leased asset. A corresponding obligation is recorded as a liability, and the related rental cost is allocated between depreciation and interest expense in the income statement.

Depreciation of property, plant and equipment is calculated on a straight-line basis over the estimated useful lives of the respective assets giving consideration to the local economic conditions and climate.

The following useful lives are generally used by Group companies:

- Software	25%
- Enterprise resource planning (ERP) systems	20%
- Buildings	3, 33% - 5%
- Facilities and fixtures	10%
- Plant and machinery	10% - 50%
- Vehicles	25%
- Office and computer equipment	20% - 25%
- Other fixed assets	10%

Organization costs are amortized over a maximum duration of five years.

9 Accounts Receivables

Client receivables are recorded at their nominal values.

The allowance for doubtful accounts is estimated based on the risk of the non-recoverability of certain client receivables.

10 Deferred income taxes

Deferred income taxes are recorded on temporary differences between the tax basis of assets and liabilities and their carrying values for financial reporting purposes as well as on consolidation adjustments.

As the pattern of temporary difference reversals is not fixed, deferred taxes recorded on the balance sheet have not been present valued. In addition, deferred tax assets pertaining to net operating loss carry-forwards (net of deferred tax liabilities), are only recorded in cases where recovery is deemed probable.

11 Vouchers payable

Vouchers payable represents the face value of vouchers in circulation or presented to Sodexho Alliance but not yet reimbursed to the affiliate.

12 Financial instruments

Group policy is to finance acquisitions through borrowings in the acquired company's currency generally at fixed rates of interest. In

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most cases where variable rate debt has been negotiated, the variable rate interest is swapped into fixed rates through the use of interest-rate swap agreements. Similarly, in most cases where acquisition financing has been negotiated in a currency other than that of the acquired company, a currency swap agreement is negotiated.

All such agreements are designated as hedges at contract inception. The Group does not engage in speculative transactions.

The accounting for swaps is as follows:

- For swaps negotiated on inter-company debt, the difference between the amount of the debt at the originally negotiated rates and at the swapped rates is recorded as debt.
- For other swap agreements, the related loans and borrowings are recorded at the swapped interest rate and currency.

13 Deferred financing charges

Deferred financing costs incurred in connection with bond issuances are amortized over the maturity of the related debt.

14 Provisions for contingencies and losses

A provision for contingencies and losses is recorded when it is probable that there exists a legal, equitable, or constructive obligation to sacrifice economic benefits to a third party in the future without an expectation of receiving proceeds of a similar amount from the third party. Provisions for contingencies and losses primarily include payroll and other taxes, client and supplier litigation, and employee litigation.

VI ANALYSIS OF OPERATING ACTIVITIES AND GEOGRAPHIC INFORMATION

In fiscal 2003 the Group changed the manner in which it reports its operating segments to remain in line with the operating organization of the Group. Accordingly, the Remote Sites activity is now included in the Food and Management Services activity in the Rest of the World geographical region, and the River and Harbour Cruise activity is now reported in the relevant geographic area within the Food and Management Services activity.

(In millions of Euro)	Year ended August 31, 2003	Change	Year e August
REVENUES			
o By Operating Activity :			
Food and Management Services			
North America	5,427	(10.1%)	6
Continental Europe	3,585	2.7%	3
Great Britain and Ireland	1,453	(13.7%)	1
Rest of the World	974	(12.9%)	1

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Service Vouchers and Cards	248	(11.3%)	
	-----	-----	---
TOTAL	11,687	(7.3%)	12
	=====	=====	====
o by Geographic Zone:			
North America	5,427	(10.1%)	6
France	1,734	1.1 %	1
Great Britain and Ireland	1,465	(13.5 %)	1
Rest of Europe	1,978	4.1 %	1
Rest of the World	1,083	(14.3 %)	1
	-----	-----	---
TOTAL	11,687	(7.3 %)	12
	=====	=====	====

	Year ended August 31, 2003	Change	Year en August 3
Net Fixed Assets			
o By Operating Activity :			
Food and Management Services			
North America	2,720	(9.8%)	3
Continental Europe	715	0.4%	
Great Britain and Ireland	876	(8.1%)	
Rest of the World	148	(6.1%)	
Service Vouchers and Cards	147	11.1%	
Holding Companies	34	(0.8%)	
	-----	-----	---
TOTAL	4,640	(7.3%)	5
	=====	=====	====
o by Geographic Zone:			
North America	2,720	(9.8%)	3,
France	364	0.3%	
Great Britain and Ireland	876	(8.5%)	
Rest of Europe	418	1.2%	
Rest of the World	262	3.2%	
	-----	-----	---
TOTAL	4,640	(7.3%)	5,
	=====	=====	====

EBITA (before corporate expenses):

o By Operating Activity :			
Food and Management Services			

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North America	268	(8.3%)	29
Continental Europe	167	11.1%	15
Great Britain and Ireland	21	71.7%	1
Rest of the World	18	(41.5%)	3
 Service Vouchers and Cards	 68	 (11.6%)	 7
 Holding Companies	 (28)	 19.6%	 (3
	-----	-----	-----
TOTAL	514	(2.6%)	52
	=====	=====	=====

Group Employees	Year ended August 31, 2003	Change	Year ended August 31,
o by Geographic Zone:			
North America	119,009	1.1%	117,68
Great Britain and Ireland	51,843	(16.2%)	61,83
France	30,465	0.0%	30,47
Rest of Europe	49,897	0.9%	49,43
Rest of the World	57,171	2.6%	55,70
	-----	-----	-----
TOTAL	308,385	(2.1%)	315,14

The tables below show the Revenue and EBITA (before corporate expenses) by activity under the prior presentation:

(In millions of euro)	Year ended August 31, 2003	Change	Year ended August 31,
Revenue			
o By Operating Activity :			
Food and Management Services			
North America	5,387	(10.1%)	5,99
Great Britain and Ireland	1,444	(13.7%)	1,67
Continental Europe	3,501	2.6%	3,41
Rest of the World	477	(15.8%)	56
 Remote Sites	 543	 (8.0%)	 59
 Service Vouchers and Cards	 248	 (11.3%)	 27
 River and Harbor Cruises	 87	 (8.3%)	 9
	-----	-----	-----
TOTAL	11,687	(7.3%)	12,61

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	Year ended August 31, 2003	Change	Year end August 31,
EBITA (before corporate expenses)			
o By Operating Activity :			
Food and Management Services			
North America	270	(9.2%)	29
Great Britain and Ireland	22	56.5%	1
Continental Europe	158	13.1%	14
Rest of the World	6	(17.9%)	
Remote Sites	22	(13.4%)	2
Service Vouchers and Cards	68	(11.6%)	7
River and Harbor Cruises	7	N/A	
Holding Companies	(39)	(10.8%)	(3
	-----	-----	-----
TOTAL	514	(2.6%)	52
	=====	=====	=====

VII ANALYSIS OF THE INCOME STATEMENT, BALANCE SHEET AND STATEMENT OF CASH FLOWS

Note 1) - Financial Expense, Net

	Year ended August 31, 2003	Year ended August 31, 2002
o Interest income	24	39
o Net variation in financial provisions	(3)	(26)
o Net exchange (loss) / gain	(8)	1
o Interest expense	(165)	(180)
	-----	-----
TOTAL	(152)	(166)

The improvement in net financial expense of EUR 14 million in fiscal 2003 was mainly the result of the prior year reflecting a EUR 19 million provision. Exchange losses increased by EUR 9 million from the prior year when significant exchange gains were realized by our Luncheon Ticket subsidiary on its investments in strong currencies prior to the devaluation of the Argentine peso. Interest expense for fiscal 2003 primarily included EUR 38 million of interest expense on the credit facility arranged in April 2001 at the Sodexho, Inc. subsidiary, and interest of EUR 91 million on the 1996, 1999 and 2002 bond issuances. Reimbursements of borrowings of EUR 74

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million and the decline of the US dollar against the euro reduced our interest expense by EUR 15 million over the prior year.

Note 2) - Exceptional Items

Net exceptional income of EUR 1 million in fiscal 2003 included EUR 28.6 million received as a purchase price complement in connection with the sale of the shares in Corrections Corporation of America in fiscal 2001. This income was offset by EUR 13.6 million in losses and provisions pertaining to Sodexho Alliance shares held in connection with stock option plans, EUR 7.6 million in restructuring costs in our U.S. and U.K. subsidiaries and litigation expenses of EUR 5 million.

Note 3) - Income Tax Provision

Following is a reconciliation of income taxes computed at Sodexho Alliance's statutory rate to the actual income tax provision for the year ended August 31, 2003.

Income before exceptional items, income taxes, income from equity method investees and goodwill amortization	362	
Exceptional income	1	-----
Income before taxes	363	
Sodexho Alliance tax rate	35.43 %	-----
Theoretical tax provision	(129)	
Effect of differing jurisdictional tax rates	(2)	
Permanent differences	7	
Other taxes	(4)	
Net operating loss carryforwards utilized in the current year but generated in prior years and not previously recognized	2	
Current year non-recognition of net operating loss carryforwards	(5)	-----
Actual tax provision	(131)	
Current income taxes	(140)	
Deferred income taxes	9	-----
Sub-total	(131)	
Withholding taxes	(3)	-----
Total Income taxes	(134)	=====

Note 4) - Goodwill

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		August 31, 2002	Additions during the year	Decreases during the year
Sodexho Inc. (including Wood Dining Services)	Gross Amort	1,039.8 (61.2)	9.5 (32.9)	2.3
Sodexho Services Group	Gross Amort	272.1 (68.8)	(8.6)	
Sodexho Pass do Brazil	Gross Amort	63.4 (9.7)	25.6 (2.9)	
Sodexho Management Services	Gross Amort	56.0 (9.0)	(1.8)	
Sogeres	Gross Amort	56.0 (2.1)	0.5 (1.9)	
Sodexho Scandinavian Holding AB	Gross Amort	53.7 (9.0)	2.3 (1.8)	
Sodexho Espana	Gross Amort	28.5 (7.4)	(0.9)	
Sodexho Belgique	Gross Amort	22.9 (8.0)	(0.7)	
Tillery Valley Foods	Gross Amort	22.7 (4.5)	(0.7)	
Luncheon Tickets	Gross Amort	22.5 (3.0)	(0.7)	
Sodexho Italia	Gross Amort	17.9 (2.4)	(0.7)	0.2
Universal Services	Gross Amort	17.2 (1.6)	(0.5)	
Other goodwill (gross amounts less than EUR 15 million)	Gross Amort	172.4 (42.7)	2.7 (7.5)	3.3 (2.7)
		-----	-----	-----
Total	Gross Amort Net	1,845.1 (229.4) 1,615.7	40.6 (61.6) (21)	5.8 (2.7) 3.1
		=====	=====	=====

Note 5) - Intangible Assets

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	August 31, 2002	Additions during the year	Decreases during the year	Change in consolidated scope
Market Shares:				
North America (FMS)	1,851.0			
North America (RS)	44.4			
United Kingdom, Ireland	589.3			
Netherlands	86.1			
Sweden	77.9			
Australia	10.2			
France	137.0			
o Total Cost	<u>2,795.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Diminutions in value (Australia)	(1.2)		(0.3)	
o Net book value	<u>2,794.7</u>	<u>0.0</u>	<u>(0.3)</u>	<u>0.0</u>
Other Intangible Assets:				
Cost	190.6	57.6	24.8	(0.3)
Accumulated amortization and diminutions in value	(45.2)	(26.9)	(4.9)	
o Net book value	<u>145.4</u>	<u>30.7</u>	<u>19.9</u>	<u>(0.3)</u>
TOTAL:				
Cost	2,986.5	57.6	24.8	(0.3)
Accumulated amortization and diminutions in value	(46.4)	(26.9)	(5.2)	
o Net book value	<u>2,940.1</u>	<u>30.7</u>	<u>19.6</u>	<u>(0.3)</u>
FMS : Food and Management Services				
RS : Remote Sites				

Note 6) - Property, Plant and Equipment

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	August 31, 2002	Additions during the year	Decreases during the year	Changes in consolidation scope
LAND				
Cost	8,3			
Accumulated depreciation.	(0,4)			
o Net book value	7,9	0,0	0,0	0,0
buildings				
Cost	74,8	3,7	2,1	0,0
Accumulated depreciation.	(32,9)	(3,9)	(1,0)	
o Net book value	41,9	(0,2)	1,1	0,0
Facilities and fixtures				
Cost	121,4	15,5	9,0	
Accumulated depreciation	(70,8)	(15,5)	(6,6)	0,0
o Net book value	50,6	0,0	2,4	0,0
Plant and machinery				
Cost	360,1	44,9	16,1	0,8
Accumulated depreciation.	(224,4)	(50,2)	(25,6)	0,1
o Net book value	135,7	(5,3)	(9,5)	0,9
Vehicles				
Cost	87,0	4,4	6,4	0,1
Accumulated depreciation.	(67,2)	(7,6)	(5,8)	
o Net book value	19,8	(3,2)	0,6	0,1
Office and computer equipment				
Cost	178,3	22,8	12,6	0,2
Accumulated depreciation.	(126,3)	(27,8)	(13,7)	(0,1)
o Net book value	52,0	(5,0)	(1,1)	0,1
Other fixed assets				
Cost	94,3	30,9	5,1	0,0
Accumulated depreciation.	(31,6)	(10,8)	(3,6)	0,0
o Net book value	62,7	20,1	1,5	0,0
TOTAL				
Cost	924,2	122,2	51,3	1,1
Accumulated depreciation.	(553,6)	(115,8)	(56,3)	0,0
o Net book value	370,6	6,4	(5,0)	1,1

- Capital Leases

Assets recorded under capital lease arrangements totaled EUR 48 million as of August 31, 2003 (EUR 44 million as of August 31, 2002) which was net of accumulated amortization of EUR 72

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million.

Note 7) - Financial investments

	August 31, 2002	Increases/ (decreases) during the year	Changes in consolidatio scope
Investment securities			
Cost	19,5	1,8	(0,2)
Diminutions in value	(8,6)	(1,4)	
Net book value	10,9	0,4	(0,2)
Other investments			
Cost	23,3	(1,0)	
Diminutions in value	(1,3)		
Net book value	22,0	(1,0)	0,0
Receivables from investees			
Cost	14,2	0,5	(0,2)
Diminutions in value	0,0		
Net book value	14,2	0,5	(0,2)
Loans receivable (*)			
Cost	7,5	(1,3)	
Diminutions in value	(0,1)		
Net book value	7,4	(1,3)	0,0
Deposits and other (*)			
Cost	12,9	(0,8)	0,4
Diminutions in value	0,0		
Net book value	12,9	(0,8)	0,4
Total financial investments			
Cost	77,4	(0,8)	0,0
Diminutions in value	(10,0)	(1,4)	0,0
Net book value	67,4	(2,2)	0,0

(*)These items are included in working capital in the cash flow statement.

Principal Investment Securities

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As of August 31, 2003, investment securities principally include a EUR 3 million investment in Stadium Australia Management, in which the Group owns 15.8% of the shares, a EUR 3 million investment in Leoc Japan Co (previously, Sodex Japan Company Ltd), of which it owns 9.3%, and a EUR 1 million investment in Societe Privee de Gestion, in which the Group owns 10.7% of the shares.

Note 8) - Equity Method Investees

Companies accounted for under the equity method are listed in chapter 5 - Consolidation scope.

	August 31, 2002	Current year net income (loss)	Current year distribution	Changes in consolidation scope	Translation adjustments and other (*)	Gross balance, August 31, 2003
Equity method investees	10.9	4.3	(3.3)	1.0	6.4	19.3

(*) EUR 7.6 million was classified as provisions as of August 31, 2003 with respect to our negative investment in three equity method investees.

Note 9) - Inventories and work in progress

Inventories principally comprise food and other consumable items with a high turnover rate and are valued on a first in first out basis. As of August 31, 2003, the gross value of inventories amounted to EUR 172 million.

Note 10) - Prepaid Expenses, Other Receivables and Other Assets

	Gross value, August 31, 2003	Diminutions in value, August 31, 2003
Advances	8	
Other operating receivables	265	(1)
Investment receivables	3	
Financing receivables	2	
Total other receivables	278	(1)

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Prepaid expenses	70	
Deferred financing charges	22	
Other deferred charges (*)	170	
Deferred tax asset	98	
Total	638	(1)

(*) This item is classified as fixed assets in the cash flow statement.

Note 10-1) - Accounts and Other Receivables

	Gross values, August 31, 2003	Diminutions in value, August 31, 2003	Net book value, August 31, 2003	Due within one year	Due from one to five years
Accounts receivable	1,447	(64)	1,383	1,378	5
Other receivables..	278	(1)	277	248	29
Prepaid expenses...	70	0	70	68	1

The allowance for doubtful accounts represents 4.4% of accounts receivable as of August 31, 2003.

Concentration of credit risk within accounts receivable is limited because of the large customer base. The Group generally does not require collateral or specific guarantees.

Note 10-2) - Deferred Charges

	August 31, 2003	Due within one year	Due from one to five years	Due aft five ye
Deferred financing costs	22	6	15	1
Deferred charges	170	40	86	44

Deferred financing costs are amortized over the maturity period of the

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related debt.

Included in deferred charges are investments in client facilities in the U.S., which are amortized over the related contract term, totaling EUR 124 million as of August 31, 2003 as well as EUR 20 million of bid costs on long term contracts, which are amortized over the shorter of their estimated useful life and 10 years.

Note 11) - Deferred taxes

	August 31, 2003	August 31, 2002
Deferred tax assets	98	110
Deferred tax liabilities	(17)	(18)
Net deferred tax assets	81	92

As of August 31, 2003, deferred tax assets which were not recorded because their realization was not considered probable totaled EUR 25 million.

Breakdown of deferred taxes:

Deductible temporary differences

- Employee benefits liabilities	94
- Other temporary differences	(22)

Net operating loss carry forwards 9

TOTAL 81

Note 12) - Deposits and marketable securities

Deposits and marketable securities include 2,528,062 shares in Sodexho Alliance purchased for a total amount of EUR 89 million. These shares are to be used to fulfill our obligation with respect to several stock option plans within the Group.

Deposits and marketable securities represent short-term cash investments and are stated at the lower of cost or net realizable value.

The fair values of deposits and marketable securities are shown in note VII 18.

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Note 13) - Restricted cash

Restricted cash consists of funds set aside in order to comply with regulations governing the issuance of restaurant vouchers in France (EUR 154 million) and as a guarantee for certain commitments entered into by Mexican affiliates (EUR 12 million).

Note 14) - Shareholders' Equity

(in millions of euros except for number of shares)	Shares outstanding	Common stock	Additional paid-in capital	Retained earnings	Foreign currency translation	Treasury shares
Shareholders' equity, August 31, 2001	157,559,654	630	1,141	441	86	(31)
Share capital increase	1,461,762	6	50			
Dividend payments by the holding company (net of dividends on treasury shares)				51		
Net income for the period						
Foreign currency translation adjustment				3	(162)	
Shareholders' equity, August 31, 2002	159,021,416	636	1,191	495	(76)	(31)
Share capital increase	149					
Reclassification (deferred tax on the charges for an increase in share capital)			(5)	5		
Dividend payments by the holding company (net of dividends on treasury shares)				88		
Net income for the period						
Foreign currency translation					(215)	(1)

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adjustment and other
changes

Shareholders'
equity, August 31,
2003

159,021,565	636	1,186	588	(291)	(32)
-------------	-----	-------	-----	-------	------

Indirectly Held Treasury shares:

As of August 31, 2003, Sofinsod had a 5.56% indirect interest in Sodexho Alliance through its 14.4% interest in the capital of Bellon SA, which in turn holds 38.63% of Sodexho Alliance.

As of August 31, 2003, Sofinsod had a 1.58% indirect interest in Sodexho Alliance, through its 100% interest in La Societe Financiere De La Porte Verte, which in turn owns 4.1% of Bellon S.A., which in turn holds 38.63% of Sodexho Alliance.

Note 15) - Minority Interests

Changes in minority interests are as follows:

	August 31, 2003	August 31, 2002
Minority interests, beginning of year	73	131
Share capital increase	0	0
Dividends paid	(11)	(15)
Net income for the period	9	13
Change in consolidation scope	(2)	(54)
Currency translation and other	(3)	(2)
Minority interests, end of year	66	73

Note 16) - Provisions for Contingencies and Losses

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	August 31, 2002	Increase	Release	Release without corresponding charge	Translation Differences and other	Change consolidated scope
Sodexo Inc. acquisition provisions	5				(1)	
Payroll and other taxes	39	7	(4)	(4)	(2)	1
Contract termination costs	22	3	(10)		(5)	1
Client and supplier litigation	5	3	(3)			
Employee litigation	18	8	(7)	(1)	(2)	
Large repairs	6	3	(3)		(1)	
Equity method investees					8	
Other	4	3	(1)	(1)	(1)	(1)
	-----	-----	-----	-----	-----	-----
	99	27	(28)	(6)	(4)	1
	=====	=====	=====	=====	=====	=====

The following table summarizes the net impact to the income statement line items of the increases and releases to provisions for contingencies and losses as of August 31, 2003:

	Increase	Release
Operating	14	(21)
Financial	0	0
Exceptional	13	(13)
	-----	-----
	27	(34)
	=====	=====

Note 17) - Borrowings and Financial Debt

	Less than one year	One to five years	More than five years	Year ended August 31, 2003	Year ended August 31, 2002
Bonds					
Euro	341		1 300	1,641	1,642

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	341	0	1 300	1,641	1,642
Bank borrowings (1)					
US dollars	157	795	1	953	1,175
Euro	(126)	(324)	62	(388)	(501)
Pounds Sterling	86	(1)		85	224
Other currencies	31	14		45	41
	148	484	63	695	939
Capital lease obligations					
US dollars	3	4		7	12
Euro	15	19	4	38	36
Other currencies		3		3	4
	18	26	4	48	52
Other borrowings					
Euro		3	1	4	5
Other currencies	1			1	
	1	3	1	5	5
Bank overdraft balances					
Eur	25			25	18
Pound Sterling	70			70	31
Other currencies	4			4	6
	99	0	0	99	55
Total	607	513	1 368	2,488	2,693

(1) Includes Impact of swaps; see note 18 for further information.

Note 17-1) - Bond Issues

	August 31, 2002	Increase differences	Repayments	Translati
1996 bond issue - FRF 2,000,000,000				
Principal	305			
Accrued interest	4	4	4	
Total	309	4	4	0
Number of securities	400,000			
1999 bond issue - EUR 300,000,000				
Principal	300			
Accrued interest	7	6	7	
Total	307	6	7	0
Number of securities	300,000			

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2002 bond issue - EUR 1,000,000,000				
Principal	1,000			
Accrued interest	26	26	26	
	1,026	26	26	0
Total	1,642	36	37	0
Total	1,642	36	37	0

EUR 305 million bond issue

On May 22, 1996, Sodexho Alliance issued 400,000 bonds with a nominal value of FRF 5,000 each (EUR 762.25) representing a total of FRF 2 billion (EUR 305 million). The bonds are redeemable at par on June 7, 2004 and bear interest at 6 percent per annum, which is payable on June 7 annually. Each bond carried a warrant, entitling the bearer to purchase one Sodexho Alliance share prior to June 7, 2004 for FRF 2,700, with a current exercise price of EUR 24.71 per share. There were 374 773 warrants and 400,000 bonds outstanding as of August 31, 2003.

EUR 300 million bond issue

On March 16, 1999, Sodexho Alliance issued 300,000 bonds of EUR 1,000 each for total proceeds of EUR 300 million. The bonds will be fully redeemable at par on March 16, 2009. The bonds carry interest at 4.625 percent per annum, which is payable on March 16 annually. There were 300,000 bonds outstanding at August 31, 2003.

EUR 1 billion bond issue

On March 25, 2002, Sodexho issued bonds totaling EUR 1 billion, maturing on March 25, 2009, and carrying interest of 5.875 percent payable on March 25 annually.

Note 17-2) - Other Borrowings

As of August 31, 2003, portions of the three tranches of the April 2001 credit facility negotiated with a syndicate of banks and guaranteed by Sodexho Alliance have been reimbursed as follows:

- Tranche A totaling EUR 1,932 million, was fully reimbursed as at August 31, 2002;

- Tranche B totaling US dollars 930 million, with quarterly repayments over the next five years, was reimbursed for an amount of US dollars 232 million (pursuant to the swap agreement described in note 18 below the US dollar variable LIBOR-based rate on this debt has largely been swapped for a fixed rate) ; and

- Tranche C totaling US dollars 150 million, to be utilized for short-term financing, working capital needs and for bank guarantees and reimbursable in full in five years, of which U.S. \$ 20 million was utilized as of August 31, 2003.

Covenants

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The EUR 305 million and EUR 300 million bond issues, redeemable on June 7, 2004 and March 16, 2009, respectively, are not subject to any financial covenants.

The credit facilities arranged in April 2001 with a syndicate of banks amounted to US dollars 718 million as of August 31, 2003 and include accelerated repayment conditions typical of this type of arrangement. Also included in the terms are various specific covenants related to the level of ownership in Sodexho Alliance by Bellon S.A., which is not permitted to be lower than 33.3%, as well as to ratios pertaining to the Group's consolidated net debt, its EBITA, and its net financial expense. These ratios, which are evaluated at each half-year point and calculated based on a rolling 12 months, are as follows:

August 31, 2003

Net debt / EBITDA*	<2,25
EBITA / financial expense*	> 3,5

* These four items are defined in the credit agreement. These definitions differ in several respects from accounting definitions. For example, in the definition provided in the covenants, net debt does not include restricted cash. As such, the financial covenants cannot be recalculated from the published financial statements.

The Group was in compliance with the above requirements as of August 31, 2003. Should a covenant requirement not be met, the credit facilities agent or the banks representing more than two thirds of the credit facilities are authorized to require accelerated repayment of the balance of the credit facilities. Accelerated repayment of the credit facilities gives the holders of the EUR 1 billion bond issue the right to demand repayment of the bonds.

Interest rates

As of August 31, 2003, 91% of borrowings were at fixed rates and the average interest rate for fiscal 2003 year was 5.50%.

In accordance with Group policy, the majority of variable rate borrowings are swapped to fixed interest rates. If borrowings are arranged other than in local currency, a currency swap agreement is negotiated.

Note 18) - Financial Instruments

The table below summarizes the impact on the financial statements of the financial instruments described in note 17:

in millions of euro	Note	Borrowings in euro	Borrowings in USD	Borrowings in GBP	Borrowings in other currencies
---------------------	------	-----------------------	----------------------	----------------------	--------------------------------------

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a) Borrowings subject
to cross currency agreements:

UK borrowings - GBP 60 million	(1)		
Due to the bank			
GBP 60 million*1,44383			86
Due from the bank			
EUR 93,26 million			(93)
- Sxo Scandinavia swaps (150 millions sek)	(2)		
Due to the bank			
SEK 150 million*0,108342			
Due from the bank EUR			
16,7 million		(17)	
- Sodexho Inc. swaps (US dollar 300 million)	(3)		
Due to the bank			
US \$300 million*0,915174		275	
Due from the bank			
EUR 338,5 million		(339)	
- other subsidiaries swaps :			
Due to the banks			
Due from the banks		(7)	(1)
b) Borrowings subject to interest rate swap agreements	68	593	0
c) Borrowings not subject to hedging arrangements	0	85	0
Total borrowings	(388)	953	85

a) Cross currency swaps

1) In order to match the cash flows on debt repayments with the currency of an operating subsidiary in Great Britain (the acquisition of the Gardner Merchant Group in 1995 was made in pounds sterling), in October 1999, the Group negotiated a cross currency swap (capped LIBOR in pounds sterling against 5.25% in pounds sterling against euro) on an intercompany loan of EUR 93 million. The decrease in the value of the pound sterling against the euro decreased borrowings as converted to euro by EUR 7 million related to this instruments as of August 31, 2003.

2) In June 1999, a cross currency swap was negotiated on a loan of EUR 50.1 million (EUR 39 million as of August 31, 2002) to Sodexho

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Scandinavia Holding AB (4.15% against a variable interest rate in Swedish crowns). The related debt at the swapped rate totaled EUR 16.7 million. The swap terminates in August 2004.

3) In March 2002, a cross currency swap was negotiated on an inter-company loan of US dollar 309 million to Sodexho, Inc. (6.325% against 6.5775% and in euro against US dollars) reimbursable on March 25, 2007. As of August 31, 2003, the debt at the swapped rate totaled EUR 339 million. The decrease in the dollar against the euro led to a decrease in the debt as converted to euro of EUR 64 million.

b) Interest Rate Swaps

Several interest rate swaps (2.1% to 5.9% against US dollar LIBOR) with the following maturities were negotiated in order to convert variable rate interest to fixed on US dollar 698 million (equivalent to EUR 639 million) drawn on Tranche B of the credit facility described above. Following are the maturities of the underlying notional amounts.

Fiscal year	2003-2004	2004-2005
Interest rate swaps (in millions of US\$)	328	370
Interest rate swaps (in millions of EUR)	300	339

In October 1999, the Group negotiated an interest rate swap maturing in 2004 on a notional amount of EUR 68 million, which converted fixed rate debt at 5.2% to EURIBOR.

Fair Values of Financial Instruments

In Millions of Euro	August 31, 2003		
ASSETS	Net book value	Fair value	Difference
Financial fixed assets			
Investments	11	11	0
Receivables from investees	14	14	0
Loans receivables	6	6	0
Other long-term investments	21	21	0
Other financial fixed assets	12	12	0
o Total financial fixed assets	64	64	0
o Equity method investees	19	19	0
Marketable securities and other			
Cash	45	45	0
Term deposits	133	133	0
Debt securities	114	114	0
Mutual funds -SICAV	149	149	0
Listed securities	0	0	0
Mutual funds - other	12	12	0
	-----	-----	-----
o Total	453	453	

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Sodexho Alliance shares (*)	89	65	(24)
o Total marketable securities and other	542	518	(24)
o Restricted cash	166	166	0
	-----	-----	-----
Total assets	791	767	(24)
	=====	=====	=====

LIABILITIES

Bonds			
2002 EUR 1 billion bond issuance	1,026	1,096	70
1999 EUR 300 million bond issuance	306	304	