

➤ 15. BOND ISSUES AND OTHER BORROWINGS

15.1 BOND ISSUES

15.1.1 Bond issue for 500 million euro

On March 30, 2007, Sodexo SA issued bonds for 500 million euro redeemable at par on March 28, 2014 and carrying annual interest of 4.50%. Interest is payable annually on March 28.

15.1.2 Bond issue for 880 million euro

On January 30, 2009, Sodexo SA issued bonds for 650 million euro maturing on January 30, 2015 and carrying annual interest of 6.25%. On June 24, 2009, additional bonds for 230 million euro were issued bringing the face value to 880 million euro. Including the additional bonds, the average effective interest rate is 5.97%.

Neither of these two bond issues is subject to financial covenants.

15.2 OTHER BORROWINGS

15.2.1 Multicurrency confirmed facility, July 2011

On July 18, 2011, Sodexo SA contracted a multicurrency credit facility for a maximum of 600 million euro plus 800 million U.S. dollars. This facility originally matured on July 18, 2016, but was extendable to July 2017 and July 2018 at Sodexo SA's discretion subject to lenders' consent. In July 2013, all of the lenders agreed to extend the maturity to July 18, 2018. Amounts drawn on this facility carry floating interest indexed to the LIBOR and EURIBOR rates. This credit facility is not subject to financial covenants.

As of August 31, 2013, the amount of 250 million euro was used on the euro tranche (235 million euro as of August 31, 2012).

15.2.2 500 and 600 million U.S. dollar bond issues

On September 29, 2008 Sodexo SA issued 500 million U.S. dollars in fixed interest bonds with U.S. investors, in three tranches:

- 140 million U.S. dollars – fixed interest at 5.69% and repayable in September 2013;
- 290 million U.S. dollars – fixed interest at 5.99% and repayable in September 2015;
- 70 million U.S. dollars – fixed interest at 6.43% and repayable in September 2018.

On March 29, 2011, Sodexo SA issued fixed interest bonds for 600 million U.S. dollars in a private placement with U.S. investors.

This new borrowing is structured in three tranches:

- 250 million U.S. dollars – fixed interest at 4.24% and repayable in March 2018;
- 225 million U.S. dollars – fixed interest at 4.85% and repayable in March 2021;
- 125 million U.S. dollars – fixed interest at 4.95% and repayable in March 2023.

These two bond issues carry two financial covenants calculated with reference to the Group's consolidated financial statements:

- net debt (excluding restricted cash) no higher than 3.5 times EBITDA (operating profit plus amortization and depreciation) for the past 12 months;
- net assets adjusted for cumulative currency translation effects since August 31, 2007 not lower than 1.3 billion euro.

The Group was in compliance with these covenants as of August 31, 2013 and 2012.