

Making a successful start in Madagascar

QIT Madagascar Minerals (QMM), a partnership between the Government of Madagascar (20%) and **Rio Tinto** (80%), was given the green light in 2005 to develop an ilmenite (titanium dioxide) mine near Fort-Dauphin in South East Madagascar. Mine production is due to start in 2009, with an initial capacity of 750,000 tons per year. And it has the potential to ultimately yield 10% of production across the globe. At a cost of 850 million U.S. dollars, the project was the biggest ever recorded in Madagascan history when work began.

In 2006, QMM appointed Sodexo to kick start operations with the island's first large scale Pioneer Village. Getting a Pioneer Village up and running always presents challenges. Achieving this in a country with no existing infrastructure and in one of the most inaccessible areas of the island demonstrates Sodexo's exceptional expertise and dedication in delivering for its clients, solutions that go beyond their expectations.

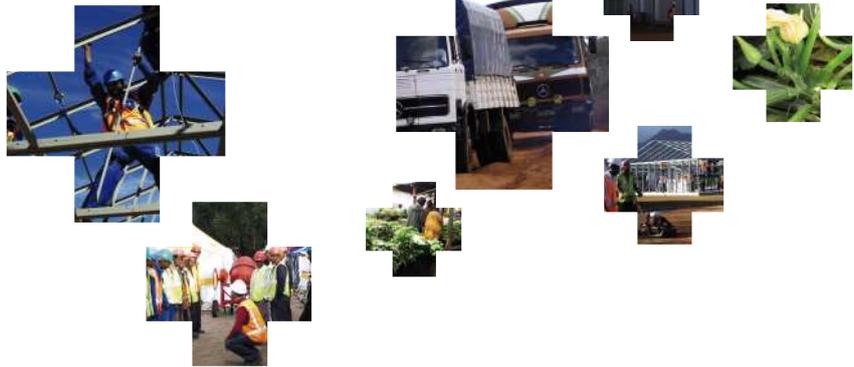
sodexo
REMOTE SITES

Making every day a better day





Understanding the environment and doing it right, our recipe for success



STARTING FROM SCRATCH – ASSESSING THE NEEDS

When Rio Tinto / QMM needed their first Pioneer Village at Fort-Dauphin, it soon became clear that it wouldn't be easy. It would be a first for them in Madagascar for just about everything. From purchasing to transport, to recruiting and training of a culturally diverse and unskilled labor force, or navigating the complex administrative, legal and fiscal requirements... the list of challenges to overcome seemed endless. But a Pioneer Village didn't get its name without reason – it takes pioneering and innovative solutions to set up! We were chosen for our extensive proven experience setting up in new countries with our clients while meeting their standards, from Laos, Kazakhstan and Russia to Yemen and the Republic of Guinea.



THE KEY TO SUCCESS – SETTING UP AN UNPARALLELED LOGISTICS NETWORK

Following a detailed preliminary local audit by our teams, we knew what we could find locally and what we would have to bring in, who we could train locally and who we needed to hire from other regions of the island. We knew prefabricated units would have to be brought in from our South African hub, but that the nearest harbor could not handle 40ft containers; that supplies would have to travel up to 3 weeks over 600km of inexistent roads, during which the drivers would be unreachable for a large part of the journey. But most importantly, we understood that this knowledge would be useless if we were unable to get everything to the site, on time and in an organized way. Key to the project's success had to be the creation of a flawless logistics network. Using our logistics experts, we established such a network within just a few weeks along with the recruitment and training of a local workforce with a full QHSE plan on- and off-site.



OUTSTANDING RESULTS – WITH A COMMITMENT TO SAFETY AND SUSTAINABLE DEVELOPMENT

From the very outset of the project, we have worked hand in hand with QMM in order to ensure we have a positive social and economic impact on the local community. Our local team and logistics network achievements speak for themselves. With the exception of camp construction materials that were unavailable in Madagascar, 100% of purchases have been made locally or nationally.

At the end of 2007, 80% of employees were Malagasy, with 51% of them being female workers, and the majority were directly employed from the local community. In addition, innovative HIV/AIDS awareness campaigns and road safety programs were established in accordance with Sodexo's policy to protect local populations.

From day one of our operations in Fort-Dauphin, we have been committed to working safely, always striving to respect Rio Tinto's safety standards. As a result, in June 2008, Sodexo had worked 2 million hours without any Lost Time Incident (LTI).

Services Provided by Sodexo

Camp design - Procurement - Prefabrication - Offloading and transportation to site - Construction - Power supply - Handover and commissioning - Catering - Laundry - Housekeeping - Entertainment - Maintenance of buildings and utilities - Gardening - Waste management

