

Paris, December 11, 2014

FY 2013-2014 results: A solid performance in line with the Group's forecasts

- Annual financial targets met or exceeded
 - 6.5% revenue growth (of which 3.9% organic)
 - EBITDA margin of 8.4%
 - Leverage ratio of 3.1 x EBITDA at September 30, 2014
- Value creation and shareholder return
 - Strong cash generation
 - €0.20 dividend per share¹
- Growth perspectives confirmed

Elior (Euronext Paris – ISIN: FR 0011950732), one of the world's leading operators in the contracted food and support services industry, today announced its results for FY 2013-2014, corresponding to the twelve months ended September 30, 2014.

<i>(in € million)</i>	FY 2013-2014	FY 2012-2013	Change
Revenue	5,341	5,017	+6.5%
EBITDA	447	424	+5.5%
<i>As a % of revenue</i>	<i>8.4%</i>	<i>8.5%</i>	<i>-0.1pt</i>
EBIT	308	287	+7.6%
<i>As a % of revenue</i>	<i>5.8%</i>	<i>5.7%</i>	<i>+0.1pt</i>
Net result Group share	48	9	+ €39 million
Operating cash flow	301	219	+37.4%
Net debt (at Sept. 30)	1,380	2,181	- €801 million
Leverage ratio (at Sept. 30)	3.1x	4.9x²	NM

¹ Will be proposed at the Annual Shareholders' Meeting

² Calculated according to SFA provision : consolidated net debt / LTM EBITDA proforma for acquisitions / divestments

Commenting on these results, Gilles Petit, Elior's Chief Executive Officer, stated:

"This is our first fiscal year-end since our IPO in June and I am delighted to announce that we have met – and in some cases exceeded – all of the objectives we set ourselves at that time. Revenue was on target, up 6.5% year on year driven by a robust organic growth of nearly 4% as well as external growth, and our EBITDA margin was in line with forecasts at 8.4% – broadly stable compared with FY 2012-2013. We ended the fiscal year with a much better leverage ratio than targeted thanks to the strong cash flow generated by our operations. Going forward, we are confident in our growth prospects and therefore at the next Annual Shareholders' Meeting the Board of Directors intends to recommend a dividend payment of €0.20 per share".

Business development

FY 2013-2014 was a very good year in terms of business development. With a client retention rate of approximately 93% in the Contract Catering & Support Services segment (excluding the Tesco contract in the United Kingdom) and a significant increase in new contract wins compared with FY 2012-2013, Elior has strengthened its positions in its target markets. New business won during the year included contracts signed with EDF, the Conseil Général des Hauts de Seine and the Parly 2 shopping mall in France, as well as Nottingham University Hospitals NHS Trust and Banca d'Italia in our international operations. The Group also won or extended a number of major contracts in the Concession Catering & Travel Retail segment, with clients such as APRR and Shell in France and Aeroporti di Roma and Adif (state owned entity in charge of administrating the Railway Infrastructures in Spain) in international markets.

Revenue

Consolidated revenue totaled €5,341 million in FY 2013-2014, up 6.5% year on year. This increase was in line with the Group's targets and was achieved despite a lackluster economic environment in Europe. It was driven by solid organic growth of 3.9%, or 3.7% after the negative impact of the difference in the number of working days in the Contract Catering business in France (the calendar effect). The 2013 acquisition of THS in the United States contributed an additional 3.1% to revenue growth during the year, net of the effect of the disposal of non-strategic businesses (Hold & Co UK and Honoré James in France and the Group's Concession Catering subsidiaries in Argentina and Morocco). Changes in exchange rates had a 0.3% negative impact on revenue, mainly due to the US dollar, Mexican peso and Chilean peso (see the press release issued on November 14, 2014).

EBITDA

Consolidated EBITDA rose by €23 million in FY 2013-2014 to €447 million. As a percentage of revenue, it represented 8.4%, broadly stable compared with FY 2012-2013 and in line with the Group's target for the year.

EBITDA for the **Contract Catering & Support Services** segment amounted to €293 million (versus €288 million in FY 2012-2013) and represented 7.8% of revenue:

- **In France**, EBITDA narrowed by €5 million to €185 million (8.7% of revenue), mainly reflecting the calendar effect in the Business & Industry and Education markets as well as the impact of start-up costs incurred as a result of major new contracts coming on stream, notably in Business & Industry.
- **On international markets**, Contract Catering & Support Services EBITDA was up €10 million on FY 2012-2013, at €108 million, representing 6.6% of revenue.

Decline in profitability in Italy was largely compensated by a higher contribution from the United States and strong business momentum in the United Kingdom.

For the **Concession Catering & Travel Retail** segment, EBITDA amounted to €159 million (versus €143 million in FY 2012-2013) and represented 10.1% of revenue, up 80 bps year on year:

- **In France, Germany, Belgium and Italy**, the EBITDA figure was €105 million (compared with €102 million for the previous year) and represented 11.0% of revenue. The impact of the slowdown in business in the Motorways market in France was more than offset by additional EBITDA contributions resulting from new motorway service areas in Germany and Italy and higher margins achieved in the leisure and railway stations sectors. Performance in the Airports market in France was weighed down during the year by the Air France pilot strike that took place in September.
- **In Spain, Portugal and the Americas**, EBITDA rose by €14 million to €54 million and as a percentage of revenue represented 8.7%, well up on the 6.7% reported for FY 2012-2013. This strong performance was attributable to the ramp-up of operations in the Motorways and Airports markets in the United States, additional EBITDA generated as a result of the Group's new contract at Madrid Barajas airport in Spain, and streamlining measures put in place within the Spanish Motorways market.

Recurring operating profit (EBIT)

Consolidated EBIT totaled €308 million for FY 2013-2014, up €22 million on the previous year. At 5.8%, EBIT margin was 10 basis points higher than in FY 2012-2013 (see breakdown by business in Appendix 2).

Net result attributable to owners of the parent

The Group recorded **net result Group share** of €48 million, up from €9 million in FY 2012-2013. Reported earnings per share stood at €0.38 for FY 2013-2014, compared with €0.08 for the previous year. On the basis of the number of shares outstanding at September 30, 2014, it would have amounted to €0.29.

Non-recurring items represented a net charge of €73 million and primarily included:

- non-recurring charges related to Elior's IPO in June 2014 and the subsequent early repayment of a portion of the Group's debt;
- provisions for restructuring costs related to the implementation of a performance improvement plan in Europe aimed at enhancing productivity and adapting operating organizational structures to the region's ongoing difficult economic environment.

Net financial charge was lower than in FY 2012-2013, totaling €137 million and reflecting the early repayment of a portion of the Group's debt during the year.

Income tax amounted to €41 million in FY 2013-2014, representing a 6% year on year increase due to the impact of the acquisition of THS and a higher tax charge in Italy, where one-off tax credits were recognized in FY 2012-2013. However, these unfavorable effects were partially offset by a lower income tax expense recorded in France.

Operating cash flow and net debt

Operating cash flow (before interest and tax) rose €82 million, or +37%, in FY 2013-2014 to €301 million. This corresponds to an EBITDA conversion ratio of 67% (versus 52% in FY 2012-2013).

Net debt stood at €1,380 million at September 30, 2014, down €801 million compared with one year earlier. This resulted in a leverage ratio of 3.1x EBITDA at the fiscal year-end versus 4.9x³ at September 30, 2013.

Dividend

The Board of Directors is confident in the Group's growth prospects and therefore at the Annual Shareholders' Meeting and will propose the payment of a €0.20 per share dividend for FY 2013-2014, to be paid in 2015. This corresponds to a payout ratio of around 40% of net result excluding the provisions for non-recurring charges recognized during the year. The Group's policy is to maintain the same normative payout ratio of about 40% for the coming years.

Refinancing

Elior signed on December 3rd, 2014 with a group of banks refinancing agreements for €1,250 million, of which:

- €800 million 5-year maturity senior debt,
- €150 million 8-year maturity senior debt,
- €300 million 5-year maturity revolving credit facility.

The favorable conditions of these refinancing agreements will allow the Group to significantly reduce financing costs as from December 10, 2014.

Outlook

For FY 2014-2015, in a difficult macro-economic environment in continental Europe and with a lack of inflation, the Group expects:

- Revenue growth of over 4% (with at least 2% organic growth). This objective does not take into account the upcoming acquisitions in the fiscal year,
- A stable EBITDA margin. The performance improvement plan implemented during FY 2013-2014 will contribute to meet this target,
- An increase in operating cash flow (before interest and tax),
- A sharp rise in earnings per share, thanks to a strong decrease in financing costs as a result of scaling back the Group's debt following the capital increase carried out in June 2014 and to the senior debt refinancing that took place in December 2014. This in turn will lead to a significant increase in the dividend per share.

For FY 2015-2016 and FY 2016-2017, the Group confirms its targets, namely:

- An average annual organic revenue growth of 3.5%,
- An EBITDA margin of 9% of revenue in 2017.

The Group also intends to continue its multi-year acquisition program with a €450 million envelope to be invested over FY 2014-2015, FY 2015-2016, FY 2016-2017.

³ Calculated according to SFA provision : consolidated net debt / LTM EBITDA proforma for acquisitions / divestments

Upcoming financial communications:

- First-quarter FY 2014-2015 revenue: February 10, 2015 – issue of press release before the start of trading.
- First-quarter FY 2014-2015 results: March 10, 2015 – issue of press release before the start of trading plus conference call.
- Annual Shareholders' Meeting: March 10, 2015 at 3:00 p.m.

Appendix 1: Operating profitability
Appendix 2: Consolidated financial statements

About Elior

Founded in 1991, Elior has grown into one of the world's leading operators in the contracted food and support services industry, generating revenue of €5,341 million in FY 2013-2014 through 17,500 restaurants and points of sale in 13 countries. Driven by an unwavering commitment to excellence, our 105,000 passionately professional employees provide personalized catering and service solutions on a daily basis to 3.7 million customers in the business & industry, education, healthcare, leisure and travel markets, taking genuine care of each and every person they serve. We place particular importance on corporate social responsibility and have been a member of the United Nations Global Compact since 2004. Our corporate philosophy - which is centered on quality and innovation as well as relations with others and the community at large - is clearly reflected in our motto: "Because the whole experience matters".

For further information please visit our website (www.elior.com) or follow us on Twitter (http://twitter.com/Elior_France)

Press contacts

Jacques Suart – jacques.suart@elior.com / +33 (0) 1 40 19 50 96
Anne-Isabelle Gros – anne-isabelle.gros@elior.com / +33 (0) 1 40 19 47 37

Investor relations

Marie de Scorbiac – marie.descorbiac@elior.com / +33 (0) 1 40 19 51 09

www.elior.com

APPENDIX 1: FY 2013-2014 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(in € million)	2013-2014	2012-2013
Revenue	5 341	5 017
Purchase of raw materials and consumables	-1 602	-1 497
Personnel costs	-2 430	-2 331
Other operating expenses	-800	-709
Taxes other than on income	-64	-57
Depreciation, amortization and provisions for recurring operating items	-139	-137
Recurring operating profit	306	285
Share of profit of associates	2	2
Recurring operating profit including share of profit of associates	308	286
Other income and expenses, net	-73	-106
Operating profit including share of profit of associates	235	180
Financial expenses	-143	-146
Financial income	6	7
Profit before income tax	98	41
Income tax	-41	-39
Profit for the period	57	2
Attributable to owners of the parent	48	9
Attributable to non-controlling interests	9	-6
Earnings per share (€)	0,38	0,08
Diluted earnings per share (€)	0,37	0,08

Consolidated balance sheet – assets

(in € million)	2013-2014	2012-2013
Goodwill	2 360	2 412
Intangible assets	260	143
Property, plant and equipment	498	489
Non-current financial assets	32	39
Investments in associates	2	7
Fair value of derivative financial instruments	0	1
Deferred tax assets	249	228
Non-current assets	3 402	3 319
Inventories	95	94
Trade and other receivables	908	905
Current income tax assets	16	19
Other current assets	49	46
Short-term financial receivables	6	9
Cash and cash equivalents	220	210
Current assets	1 293	1 284
Total assets	4 695	4 602

Consolidated balance sheet – liabilities

(in € million)	2013-2014	2012-2013
Share capital	2	1
Reserves and retained earnings	1 277	582
Non-controlling interests	44	68
Total equity	1 323	651
Long-term debt	1 499	2 241
Fair value of derivative financial instruments	27	26
Non-current liabilities relating to the share acquisitions	178	40
Deferred tax liabilities	48	23
Provisions for pension and other post-employment benefit obligations	106	98
Other long-term provisions	10	13
Non current liabilities	1 869	2 441
Trade and other payables	687	667
Due to suppliers of non-current assets	25	30
Accrued taxes and payroll costs	560	525
Current income tax liabilities	27	3
Short term debt	90	136
Current liabilities relating to share acquisitions	8	26
Short-term provisions	85	101
Other current liabilities	23	21
Current liabilities	1 504	1 511
Total liabilities	3 372	3 952
Total equity and liabilities	4 695	4 602

Consolidated cash flow statement

(in € million)	2013-2014	2012-2013
Cash flows from operating activities		
Recurring operating profit including share of profit of associates	308	287
Amortization and depreciation	140	132
Provisions	-1	5
EBITDA	447	424
Dividends received from associates	2	1
Change in working capital	35	-29
Interest paid	-130	-133
Tax paid	-43	-39
Other cash movements	-69	-63
Net cash from operating activities	241	161
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	-194	-185
Proceeds from sale of property, plant and equipment and intangible assets	12	9
Purchases of non-current financial assets	-7	-6
Proceeds from sale of non-current financial assets	4	10
Acquisition/sale of shares in other consolidated companies	10	-235
Net cash used in investing activities	-174	-406
Cash flows from financing activities		
Movements in share capital of the parent and in shareholder loans	771	0
Dividends paid to non-controlling interests in consolidated subsidiaries	-1	-3
Proceeds from borrowings	15	1 028
Repayments of borrowings	-770	-706
Net cash from financing activities	15	318
Effect of exchange rate and other changes	-24	2
Net increase/(decrease) in cash and cash equivalents	59	75
Cash and cash equivalents at beginning of period	130	55
Cash and cash equivalents at end of period	189	130

APPENDIX 2: FY 2013-2014 OPERATIONAL PROFITABILITY

EBITDA

(In € million)	2013-2014	2012-2013	Change €m	Change %
France	185	190	-5	-2,7%
International	108	99	10	9,8%
Contract catering & Support Services	293	288	4	1,7%
France, Germany, Belgium, Italy	105	102	3	2,7%
Spain, Portugal and the Americas	54	41	14	33,5%
Concessions Catering & Travel Retail	159	143	16	11,4%
Corporate	-4	-7	3	-36,5%
TOTAL	447	424	23	5,5%

EBIT

(In € million)	2013-2014	2012-2013	Change €m	Change %
France	148	156	-9	-5,4%
International	85	69	16	22,6%
Contract catering & Support Services	233	226	7	3,2%
France, Germany, Belgium, Italy	61	62	-1	-2,0%
Spain, Portugal and the Americas	21	8	13	172,4%
Concessions Catering & Travel Retail	82	70	12	17,2%
Corporate	-6	-9	3	-29,1%
TOTAL	308	287	22	7,6%