REGISTRATION DOCUMENT
ANNUAL FINANCIAL REPORT FISCAL 2014-2015

eliorGroup
Time savored

This document is a free translation of the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein, the original language version in French takes precedence over this translation.

Registration Document and Annual Financial Report Fiscal 2014-2015

Société anonyme

(French joint-stock corporation)

Share capital: €1,723,541.44

Registered office:

61-69, rue de Bercy

75012 Paris, France

Registered with the Paris Trade and Companies Registry under no. 408 168 003

The French *Document de Référence* was filed with the Autorité des Marchés Financiers (AMF) in accordance with the AMF's General Regulations (notably Article 212-3) and was registered by the AMF on January 28, 2016 under number R16-003. The *Document de Référence* has been prepared by the issuer and its signatories are liable for its contents. It may only be used in connection with a financial transaction if it is accompanied by a securities note (*note d'opération*) approved by the AMF.

In accordance with Article L. 621-8-1-I of the French Monetary and Financial Code (*Code monétaire et financier*) the AMF registered the *Document de Référence* after verifying the document for completeness, clarity and consistency. Such registration should not be construed as an approval by the AMF of the accounting and financial information presented therein.

Copies of the *Document de Référence* in French and the English translation thereof (the "Registration Document") may be obtained free of charge from the Company's registered office or may be downloaded from the websites of the Company (www.elior.com) and the AMF (www.amf-france.org).

NOTE

General Information

This registration document (hereinafter referred to as the "Registration Document") also constitutes:

- the annual financial report that must be drawn up and published by all listed companies within four months of their fiscal year-end, in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulations of the AMF; and
- the annual management report issued by Elior SA's Board of Directors that must be presented at the Annual General Meeting held to approve the financial statements for the past fiscal year, in accordance with Articles L. 225--100 *et seq.* of the French Commercial Code.

In the Registration Document the term "Company" refers to Elior SA, and the terms "Group", "the Elior Group" and "Elior" refer to the Company and its consolidated subsidiaries as a whole.

Forward-Looking Statements

This Registration Document contains various forward-looking statements regarding the Group's outlook and growth prospects. Words such as "expect", "anticipate," "assume," "believe," "contemplate," "continue," "estimate," "aim", "forecast," "intend," "likely," "plan," "positioned," "potential," "predict," "project," "remain" and other similar expressions, or future or conditional verbs such as "will", 'should", "would" "could", "may", or "might", or their negative equivalents identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. These statements do not reflect historical or present facts or circumstances. They are not guarantees of future performance and they involve uncertainties and assumptions on matters that are difficult to predict. These forward-looking statements are based on information, assumptions and estimates considered reasonable by Group management. They may change or be amended due to uncertainties related to, among other things, the economic, financial, competitive and/or regulatory environment. Forward-looking statements are included in a number of places in this Registration Document, and consist of statements related to the Group's intentions, estimates and objectives concerning, among other things, its markets, strategy, growth, results, financial situation and cash position. The forward-looking statements in this Registration Document are to be understood as at its registration date, and the Group does not accept any obligation to update forward-looking statements to reflect subsequent changes affecting its objectives or any events, conditions or circumstances on which the forward-looking statements are based, except to the extent required by the applicable laws and regulations. The Group operates in a highly competitive and rapidly-changing environment. It is therefore not possible for it to predict all of the risks, uncertainties or other factors that could impact its business or the extent to which any risks, or combination of risks, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors and prospective investors should not place undue reliance on forward-looking statements as a prediction of actual results.

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AFR: The sections of this document that constitute the Annual Financial Report are identified by the letters AFR in the contents table (see also cross-reference table in Section 6.8).

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1. THE ELIOR GROUP

1.1 MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Develop, innovate, accelerate

How would you sum up your first few months at the helm of the Elior Group?

I joined Elior with great ambitions for the Group, and now a few months on I am even more convinced of its potential. We have laid the foundations for our future with a new strategic vision and a corresponding organizational structure, and as we move forward we will need to focus on accelerating our development and constantly innovating. In terms of our financial performance we delivered a robust and on-target showing in FY 2014-2015. Consolidated revenue came to €5.674 billion, up by more than 6% (with 3% organic growth), primarily fueled by the concession catering business whose revenue rose at a slightly faster pace than that of contract catering. Our EBITDA margin remained stable year on year, in line with the guidance announced to the market a few months ago. Operating cash flow rose by 10% compared with FY 2013-2014, and earnings per share excluding non-recurring items was 50% higher.

What were the highlights of 2014-2015?

In 2014-2015 we entered into a number of new partnerships that will help drive our future growth, including a strategic and culinary alliance with the Michelin-starred chef, Alain Ducasse. We also won numerous new contracts during the year, in both concession catering and contract catering. In the concession catering business we increased our ownership interest in Areas to 100%, which has strengthened our position as a worldwide concession catering player. One example of our successes in this business during the year was the major contract we won with Los Angeles International Airport which is scheduled to start up in 2017. Major new contracts were also signed in the contract catering business, including a large-scale agreement entered into with La Poste in France. 2014-2015 also saw us relaunch our acquisition drive, first in the United Kingdom in late 2014 and then in the United States, where we carried out three acquisitions in 2015. And lastly, in September 2015 we launched our strategic plan for 2016-2020 which maps out where we want to be in five years' time and how we intend to get there.

The Group's strategic plan for 2016-2020 includes a transformation plan called "Tsubaki", which comprises eight main projects. Are any of these projects already under way?

Out of the total eight projects presented, three have already been launched. The first two concern the Group's growth, both in terms of BtoB – for which the focus is on sales effectiveness – and BtoC, where the main aim will be to work on marketing for new contracts. The third project – related to our purchasing policy, which directly impacts costs – began in October 2015. All of the other projects will start up in the course of 2016 as the requisite key-level teams and organizational structures are now in place.

What role will innovation play in this transformation process?

I firmly believe that we can't just decide to be a leader – we need to prove our credentials, notably by launching new offerings and exploring new ground. It is essential for the Elior Group as a whole to adopt this philosophy and intensify its efforts in this direction, particularly with regard to digital technologies. Digital is set to play an increasingly important role in the overall customer experience and in the future will affect all aspects of running a business, from issues such as purchasing and resources management through to combatting food waste. In order to step up the Group's digitalization, we have drawn up an investment program that targets food tech start-ups, whose work will add to and complement the innovations we have already developed in-house.

Has the balance shifted between the proportion of the Group's revenue generated in France and internationally?

The proportion of revenue derived from our French operations – which represented 50% of the consolidated total in 2014-2015 – has started to decrease. Most of our acquisitions are now being made outside France, and organic growth is currently higher for our international business – particularly in the United Kingdom, the United States and Spain – than for France. This trend is likely to continue in 2015-2016, which will be positive for the Group going forward.

What is your analysis of the changes in the Company's share price and ownership structure over the past nine months?

Since the beginning of 2015, Elior's share price has performed extremely well as it has increased by around 50%. This probably reflects a slight catch-up on 2014, when the market was somewhat disappointed in view of the forecasts that had been announced. The main change in the company's ownership structure since the beginning of 2015 has been the decrease in the percentage interest held by private equity funds, from around 40% to approximately 10%.

What are your priorities for FY 2015-2016?

We intend to pursue our trajectory of both organic and acquisition-led growth with a view to accelerating the Group's development. We expect internal growth to remain sustained in the United Kingdom and the United States – which are strategic markets for the Group – and business in our long-standing markets in Continental Europe to hold firm. We carried out three acquisitions in the United States in 2015 and we are currently looking into other opportunities, again in North America, but also in Europe and in Asia, which represents a potential future market for the Group. In FY 2015-2016, the Elior Group will, more than ever, be the caterer of choice, driven by quality and innovative customer experience.

Philippe Salle, Chairman and Chief Executive Officer

1.2 SELECTED FINANCIAL INFORMATION

Key figures

**€5,674 MILLION
IN CONSOLIDATED REVENUE**

€3,995 MILLION GENERATED BY CONTRACT CATERING & SERVICES	€1,679 MILLION GENERATED BY CONCESSION CATERING
18,600 RESTAURANTS AND POINTS OF SALE	4 MILLION CUSTOMERS EACH DAY
108,000 EMPLOYEES	13 COUNTRIES WORLDWIDE

Income Statement Data

(in € millions)	Year ended September 30	
	2015	2014
Revenue	**5,674**	**5,341**
Contract catering & services	3,995	3,774
– France	2,136	2,122
– International	1,859	1,652
Concession catering	1,679	1,567
– France, Germany, Belgium, Italy	1,006	948
– Spain, Portugal and the Americas	673	619
Revenue growth	6.2%	6.5%
Organic revenue growth	3.1%	3.7%
Recurring operating profit	**317.0**	**308.3**
Recurring operating profit margin [2]	**5.6%**	**5.8%**
Profit attributable to owners of the parent	**107.2**	**47.8**

(1) Recurring operating profit margin corresponds to recurring operating profit as a percentage of revenue.

(2) Adjusted earnings per share is calculated based on profit for the period attributable to owners of the parent excluding "Other income and expenses, net" and net of the income tax effect calculated at the Group's standard rate of 34%.

Revenue by Geographic Region

(in € millions)	Year ended September 30	
	2015	2014
France	2,852	2,829
Other European countries	2,111	1,933
Rest of the world	712	579
GROUP TOTAL	**5,674**	**5,341**

Revenue by Market

(in € millions)	Year ended September 30	
	2015	2014
- Business & industry	1,862	1,723
- Education	1,069	1,050
- Healthcare	1,065	1,001
Total contract catering & services	3,995	3,774
- Motorways	615	575
- Airports	688	623
- City sites & leisure	376	368
Total concession catering	1,679	1,567
GROUP TOTAL	**5,674**	**5,341**

Balance Sheet Data

(in € millions)	At September 30	
	2015	2014
Goodwill	2,371.7	2,360.2
Cash and cash equivalents	210.4	220.2
Equity [(1)]	1,485.5	1,326.8
Gross debt	1,654.0	1,588.5
Net debt [(2)]	1,452.2	1,380.4

(1) The difference between the reported figure of €1,322.6 million for equity at September 30, 2014 and the €1,326.8 million presented in the table above is due to the retrospective application of the IFRIC 12.
(2) Based on the definition and covenants in the Senior Facility Agreement, as described in Section 4.3.2, "Senior Facility Agreement" of this Registration Document, i.e. excluding unamortized issuance costs and the fair value of derivative instruments.

Consolidated Cash Flow Data

(in € millions)	Year ended September 30	
	2015	2014
Net cash from operating activities	293.8	241.4
Net cash used in investing activities	(285.6)	(174.1)
Net cash from financing activities	24.4	15.0
Effect of exchange rate and other changes	(23.9)	(23.6)
Net increase in cash and cash equivalents	**8.8**	**58.7**

Other Financial Data

(in € millions)	Year ended September 30	
	2015	2014
EBITDA	**475.0**	**447.3**
Contract catering & services	303.8	293.0
Concession catering	179.1	158.8
Headquarters, holding companies and purchasing entities	(7.8)	(4.5)
EBITDA margin[(1)(2)(3)]	8.4%	8.4%
Net capital expenditure	(177.9)	(181.4)
Change in working capital	32.7	34.8
Non-recurring cash items	(84.9)	(74.3)
Tax paid	(56.2)	(43.0)
FREE CASH FLOW (FCF)	**188.7**	**183.4**
FCF/EBITDA conversion rate	39.7%	41.0%

(1) EBITDA is defined as recurring operating profit, including share of profit of equity-accounted investees, before depreciation, amortization and provisions for recurring operating items.

(2) EBITDA and free cash flow are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of the Group's operating performance, cash flows or any other measure of performance derived in accordance with IFRS. EBITDA and free cash flow as presented in this Registration Document may differ from and may not be comparable to similarly titled measures used by other companies. The Group presents EBITDA and free cash flow for information purposes only. The calculations of EBITDA and free cash flow are based on various assumptions. These amounts have not been, and, in certain cases, cannot be, audited, reviewed or verified by an independent auditor. This information is inherently subject to risks and uncertainties and may not give an accurate or complete picture of the financial position or results of operations of acquired businesses. The Group presents EBITDA and free cash flow because it believes they are helpful to investors and prospective investors for understanding its operating performance. EBITDA and free cash flow have limitations as analytical tools and should not be considered as a substitute for an analysis of the Group's operating results as reported under IFRS.

(3) EBITDA margin corresponds to EBITDA as a percentage of revenue.

(4) The FCF/EBITDA conversion rate corresponds to free cash flow as a percentage of EBITDA.

1.3 INFORMATION ABOUT THE GROUP

Company Name

Elior.

Registration Particulars

The Company is registered with the Paris Companies Registry under number 408 168 003.

Date of Incorporation and Term

The Company was incorporated on July 8, 1996 for a term of ninety-nine years from the date of its registration with the Companies Registry, expiring on July 8, 2095 unless said term is extended or the Company is wound up in advance.

Registered Office, Legal Form and Governing Law

The Company's registered office is located at 61-69 rue de Bercy, 75012 Paris, France. The telephone number of the registered office is +33 (0)1 40 19 50 00. Elior is a French joint-stock corporation (*société anonyme*) with a Board of Directors, and is governed by the laws of France (notably Book II of the French Commercial Code), as well as by the Company's Bylaws (hereinafter the "Bylaws").

History and Development

Since it was founded in 1991, the Group has grown from a contract caterer with operations only in France to an international group providing a wide range of services in both its traditional businesses of contract catering and concession catering and its more recent businesses of services and retail. The Group currently operates in 13 countries worldwide.

The Group was co-founded by Francis Markus and Robert Zolade who, together with 300 managers, acquired a 35% stake in Générale de Restauration, the contract catering subsidiary of the Accor group.

In 1993 the Group entered the French concession catering market by acquiring a stake in Elitair, and by 1997 achieved a leading position in the market through its acquisition of a majority stake in Holding de Restauration Concédée. In 1998 the Group adopted the name "Elior", and in 1999 it began accelerating its development in the European contract catering market through acquisitions in the United Kingdom, Spain and Italy.

In 2000 the Group was listed on the Premier Marché of Euronext Paris and shortly afterwards it expanded its concession catering business in Spain and Italy through partnerships with MyChef and Areas and built up its presence in contract catering in Spain through an alliance with Serunión. The Group further diversified its business by entering the services industry in France in 2004 through the acquisition of Hôpital Service, a company that provides services for healthcare establishments (specialized cleaning and hospitality).

In 2006, the Group delisted from Euronext and was taken private by Charterhouse, Chequers and Robert Zolade.

In recent years, the Group has engaged in a number of acquisitions in various markets and industries. In 2010, it acquired Copra, an Italian contract caterer, as well as Sin&Stes, one of France's leading professional cleaning services firms, which pushed it up to the position of sixth-leading contract cleaning company in France. In 2011, the Group expanded its contract catering business in Spain through its acquisition of the Alessa Catering group. In early 2012, the Group consolidated its operations under the "Elior" brand name, which also became its trade name in France, the United Kingdom and Italy. Also in 2012, the Group acquired two contract catering companies: Gemeaz in Italy (which made it the country's leading contract caterer), and Ansamble in France (which placed it as France's joint leader in the contract catering market). In 2013 the Group entered the U.S. contract catering market by acquiring TrustHouse Services (THS), a leading player in the education and healthcare sectors in the United States. In October 2014, the Group acquired Lexington, a UK-based contract caterer specialized in providing high-end catering services in the City of London.

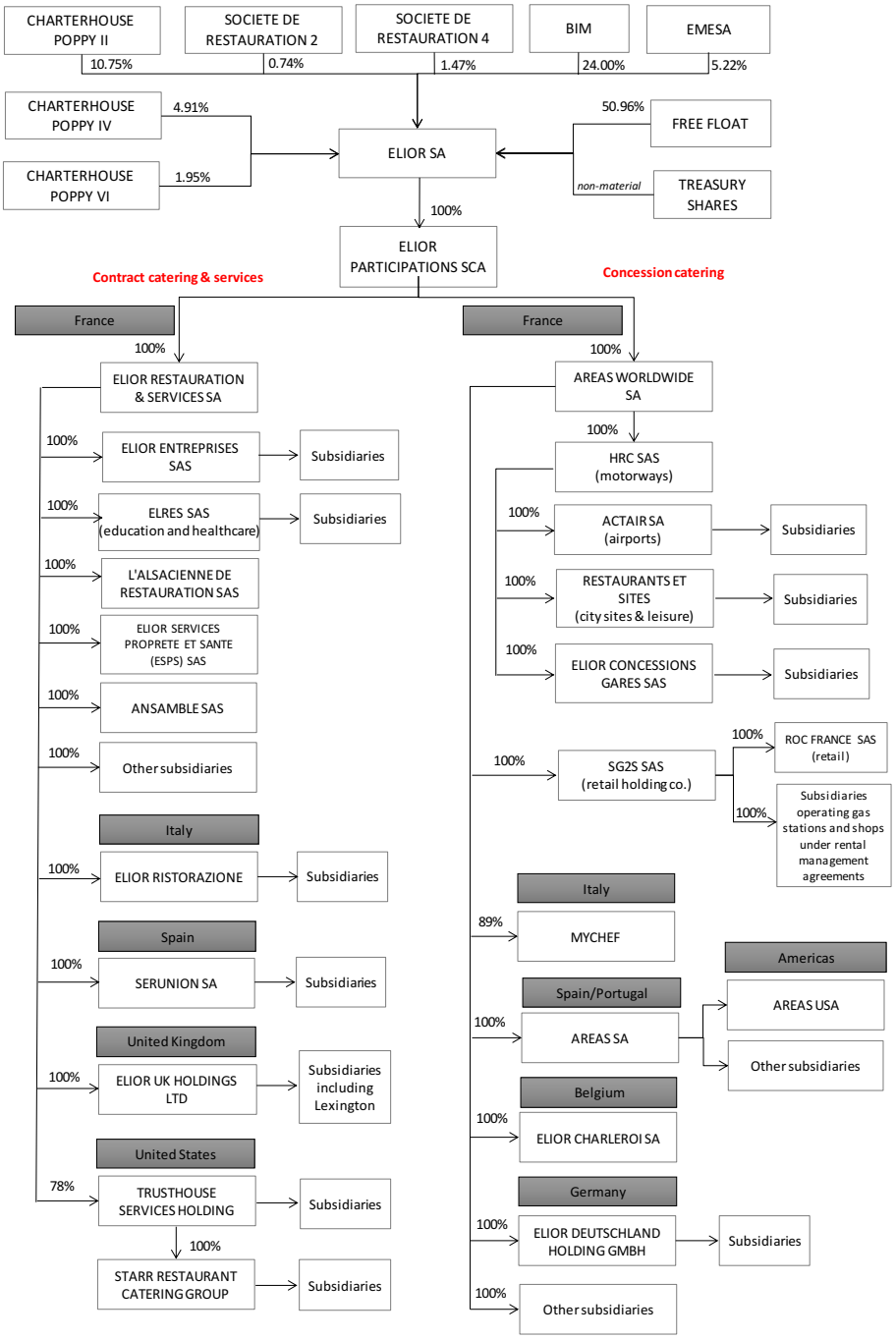
On June 11, 2014, Elior was relisted on the Premier Marché of Euronext Paris.

In 2015, the Group reinforced its position as a global player in the concession catering market by raising its stake in Areas to 100%. It also increased its contract catering presence in the United States by acquiring Starr Restaurant Catering Group (SRCG), a U.S. market leader that offers a full range of high-end catering services.

Since its first year of operations after its founding in 1991, the Group's annual revenue has increased more than ten-fold, reaching €5.674 billion for the year ended September 30, 2015.

1.4 ORGANIZATIONAL STRUCTURE

The organization chart below presents the Group's legal organizational structure at the registration date of this Registration Document.



1.5 THE GROUP'S BUSINESSES AND STRATEGIES

1.5.1 BUSINESSES

The Group is an international contract catering and concession catering operator, with some 4 million customers served every day at approximately 18,600 restaurants and points of sale worldwide. The Group also proposes soft facilities management services and has around 108,000 employees in 13 countries across Europe, North America and Latin America. The Group is the only European player with leadership positions in both contract and concession catering.

The Group's contract catering business offers a broad array of catering services targeted at three key customer markets: corporate entities and government agencies (business & industry), educational establishments (education), and healthcare facilities (healthcare). The Group primarily operates this business in its traditional markets in Europe and, since 2013, in the United States. Based on revenue generated in 2015, the Group estimates that it is the third-leading contract caterer in Europe and the fourth-leading contract caterer in the world.

The concession catering business consists of designing and operating food and beverage points of sale as well as convenience stores and some non-food retail outlets (primarily in travel and leisure settings), under concession agreements. This business is closely related to the travel industry and operates in three key markets: airports, motorway service areas and city and leisure sites (which include railway stations, exhibition centers, museums, leisure parks and vacation villages). It represents a strategic fit with the non-food offerings that the Group provides in travel-related settings. The Group principally operates its concession catering business in four countries: France, Italy, Spain and the United States. It estimates that it is the third-leading concession catering operator in the world.

The majority of the Group's services business is conducted in France and involves the provision of soft facilities management solutions, notably cleaning, reception, concierge, light maintenance and grounds maintenance services. Through this business, the Group provides public and private-sector institutional customers with a wide array of outsourced services ranging from cleaning, reception and office management services through to the management of hotels, shopping malls, leisure parks and office and apartment buildings. The Group estimates that it is the sixth-leading cleaning services provider in France and the largest provider of outsourced cleaning services in the French healthcare market.

The Group has experienced significant growth in recent years, both organically and through acquisitions, expanding its offerings and entering new geographic markets. Despite a difficult economic environment, particularly in Southern Europe, since 2010 the Group has been able to maintain organic growth in all of its geographic markets and most of its business segments. It has also made a number of significant acquisitions since 2010 – a year in which it acquired Sin&Stes, a major player in the French services market. In April 2012, the Group acquired Gemeaz Cusin – a leading player in the Italian contract catering market – followed by the Ansamble Group in France Then in April 2013, the Group purchased a 78% stake in TrustHouse Services group (THS), an established contract caterer in the United States with a major presence in the education, healthcare and corrections sectors. This significant acquisition enabled the Group to access the North American market and to further diversify its revenue sources and business model. In October 2014, the Group acquired Lexington, a UK-based company with a major presence in the business & industry catering market in the City of London. In July 2015, the Group raised its interest in its Spanish subsidiary, Areas, to 100%, which enabled it to combine its European concession assets and teams in order to create a global player in the market and to extract significant operational, commercial and cost synergies. In August 2015, the Group strengthened its position in the U.S. contract catering market by acquiring Starr Restaurant Catering Group, a high-end group serving a clientele that includes corporations, non-profit organizations and cultural institutions. It then pursued its U.S. expansion strategy through its acquisition in early October 2015 of Cura Hospitality, which specializes in dining services for senior living communities and hospitals.

In the year ended September 30, 2015, the Group generated total consolidated revenue of €5,674 million and EBITDA of €475.0 million. The contract catering & services business line reported €3,995 million in revenue and €303.8 million in EBITDA, and concession catering posted figures of €1,679 million and €179.1 million respectively.

1.5.1.1 The Group's Contract Catering & Services Business Line

FY 2014-2015 key figures

- **Revenue: €3,995 million** (70 % of total consolidated revenue)
- An operating presence in six countries: France, Italy, Spain, Portugal, the United Kingdom and the United States
- 16,400 restaurants and points of sale in six countries
- 3.1 million customers per day
- 86,400 employees worldwide

The Group operates its contract catering business in four geographic markets in Europe (France, Italy, Spain/Portugal and the United Kingdom), and since the acquisition of THS in 2013, in the United States. Through this business, the Group provides dining services and other catering-related services, such as meal delivery, vending operations and technical support for food-related issues. The contract catering business addresses three different customer markets: business & industry (private sector companies and government agencies), education (private and public educational establishments), and healthcare (private and public healthcare providers and care home operators).

The Group's business & industry contract catering customers include private companies in both the manufacturing and services sectors, as well as public institutions such as state-owned enterprises, government agencies, military installations and correctional facilities. In Italy, the Group has a particularly strong position in catering to the armed forces and local and national government offices, and is developing its business of on-board catering services for high-speed trains. In the United Kingdom, the Group's business & industry contract catering customers also include stadiums, museums and other major venues. The Group generates a significant proportion of its business in the United Kingdom from a contract it has with the U.K. Ministry of Defence, for which the Group provides food services and retail and other services at military bases. Following the acquisition of Lexington in October 2014, the brand has been successfully deployed and its business development pursued without losing any contracts.

The Group's contract catering customers in the education market include public and private educational institutions for children and students across a broad spectrum of ages. They range from nursery schools and public and private elementary and secondary schools through to public and private universities and other higher education institutions. The Group estimates that it is the leading contract caterer in the education market in Spain and the joint leader in France.

The Group's contract catering customers in the healthcare market are mainly hospitals, clinics, care homes and rehabilitation and long-term care facilities for elderly people and people with disabilities.

The Group serves the business & industry, education and healthcare markets in each of the countries in which it operates. In the United States and France the Group is also present in the corrections market.

Contract catering brands

The Group provides its contract catering services under several different brands and trade names which vary depending on the sector, customer or country concerned.

France

Elior Entreprises

Arpège

Elior Enseignement

Elior Santé

Ansamble

L'Alsacienne de Restauration

Spain

Serunión

Alessa

Singularis

Italy

Elior Ristorazione

Gemeaz

Copra

United Kingdom

Elior

Lexington

Azur

United States

Valley

A'viands

Lindley

Aladdin

Cura

Starr

1.5.1.1.1 The Business & Industry Market

a) FY 2014-2015 key figures

- **€1,861 million in revenue** (46% of total contract catering & services revenue)
- 5,200 restaurants
- 1 million customers per day

In an economic environment marked by strong price pressure the Group has developed segmented offerings (based on its various markets) and fast-food solutions that meet its guests' changing requirements. The Group's formats successfully mirror commercial catering offerings (such as salad bars, theme-based international cuisine, and on-trend desserts) and offer excellent value for money.

b) Highlights of FY 2014-2015

Spain - Serunión won the catering contract for the Spanish state-owned television broadcaster in Madrid.

United States - Starr's contract with the Duane Morris law firm based in Philadelphia (Pennsylvania) was renewed.

France - Elior won contracts with three new office towers – Carpe Diem and D2 in Paris' La Défense business district, and Incity in Lyon

France - La Poste selected Elior as the catering provider for all of its outsourced sites in France.

Italy - Elior Italy won the contract catering bid for the Vatican museums.

United Kingdom - Elior UK won new contracts with the international law firm, Baker & McKenzie, and the prestigious automaker, Rolls-Royce.

During 2014-2015, Elior pursued its growth in the business & industry catering market thanks to the start-up and renewal of numerous contracts.

c) Strengthened leadership

Drawing on its diversified expertise, in 2014-2015 the Group continued to strengthen its leadership position in the business & industry market. Its performance in France was outstanding, with over 100 contracts signed with customers in both the tertiary and manufacturing sectors. As a result, Elior is now the number one contract caterer for office buildings in the Greater Paris area, notably providing a range of differentiated offerings to four office towers in the La Défense business district thanks to a diverse brand portfolio. In Spain, Serunion's market share gains have cemented its position as a benchmark player in the business & industry sector, which is feeling the full benefits of the country's economic recovery. In the United Kingdom, the Group's acquisition of Lexington has enabled it to consolidate and further develop its position in the white-collar sector, particularly in London's City business district. Similarly, in the United States, by acquiring Starr Restaurant Catering Group, Elior has broadened and strengthened its offering in the high-end segment.

d) A multiple-offering strategy

In all of its markets, the Group's overall aim is to provide solutions that best meet the needs of its customers. In the business & industry market, it meets this objective by developing and deploying bespoke offerings, with services, menus and dining experiences tailored to differing needs, populations and settings. In order to provide these offerings the Group draws on its own brands that have clearly identified positions, such as Arpège (premium offering), Elior (core offering) and Ansamble (local coverage) in France. It also has a portfolio of franchised brands that it uses to differentiate offerings at sites that are sometimes located very close to one another geographically, such as the office towers in the La Défense business district.

In the United Kingdom, the Beak Street Chicken concept has proved just as successful with rugby fans as with workers in the City of London. As part of the bid to renew its contract with Baker & McKenzie, the Group proposed a range of new offerings adapted to the customer's specific requirement of having a continuous dining service from breakfast through to dinner. In Italy, the catering offering for the conference center in Vicenza has been entirely revisited in order to provide a wider choice of food and beverage options and make them more clearly recognizable for customers thanks to specifically-themed banners. Lastly, in Spain, in 2014-2015 the Group devised a food offering specifically dedicated to a single customer, the Office for Harmonization in the Internal Market (OHIM) in Alicante.

e) Constant innovation

Corporate catering has long since lost its old-fashioned "canteen" image, but the Group still sees innovation as key to staying one step ahead of its competitors and providing its customers with cutting-edge services. As a result, digital capabilities have become a major focus for development, notably in France where, for example, tablets are used at the entrance to Bon Sens restaurants to provide information on 14 allergens, and guests at a hundred or so sites can recharge their accounts via a mobile phone application (Easy Pass) or online. A "Click'n'collect" service is also currently being tested at two French sites. In Italy, the Group has an online customer platform called Clicca&Gusta, which guests can use to view the day's menu, find out the calorie content of different dishes, give feedback, and place orders for food

to be delivered to their desk. At the same time, the recent development of small structures and co-working spaces has led the Group to adapt its solutions to the requirements of a population that has an ever-wider choice of catering offerings.

An example of the Group's recent innovation efforts is Boutik 2.0 – an experimental area for Euronews' 750 employees in Lyon, France. Boutik 2.0 is a veritable living space, comprising a meeting area, a relaxation area and a dining and café space, all laid out so as to encourage interaction and the free flow of visitors and to provide optimal comfort, with food and beverages available from 7.30 a.m. to 9.30 p.m. to meet the needs of news reporters working round the clock. In the United Kingdom, the Group has also developed numerous new concepts targeted at specific needs, including Purple Pepper, Shimmy Shakes, Umami Ramen, Beak Street Chicken and Go'SASA Deli. And in the United States, the focus in 2014-2015 was on culinary innovation, with the aim of giving guests an original and highly positive dining experience.

f) Fast food – an increasingly popular choice

One of the main underlying trends in catering for the business & industry market in recent years has been the increasing popularity of fast food, a segment in which the Group is very well positioned. In France, we are continuing to deploy our portfolio of alternative catering brands – both directly-owned and franchised – in order to meet the growing demand for more modern and mobile offerings. "Twenty" – a format that proposes made-to-order sandwiches – is a prime example of this approach as it can be provided in a restaurant setting or via a food truck/pop-up container, depending on the possibilities available at each different site. We also work with other more well-known fast-food banners, such as Boco, Dailymonop and Starbucks (corners), which are sometimes integrated into a food court with other Elior concepts such as Bon Sens. In Spain, the Group has made the Bites take-away concept an integral part of its offering and has also developed a turnkey food truck project which covers everything, from finding the right truck and the necessary equipment through to designing the actual food offering. In the United Kingdom, the wide range of concepts made available to guests is often inspired by street food. In addition, these concepts are always in line with, and sometimes even ahead of, the latest food trends (such as Mexican and South-East Asian).

g) Avenues for growth

We draw on the leading positions we enjoy in many markets in our core operating countries to find new avenues for growth for our businesses. For example, in France, our contract for delivering 3,000 meals a day to the Fleury-Mérogis corrections facility has just been renewed. In the United States, the corrections sector is one of THS' areas of specialization, and the Group intends to leverage this expertise in order to further develop in the corrections market, which is a fragmented sector. The armed and police forces also represent growth opportunities for contract catering, and major contracts in these sectors have been recently renewed in the United Kingdom and Italy.

The leisure market is another more recent area in which the Group has made strides, as illustrated by the contract signed in Spain with FC Barcelona for providing catering services under the Singularis brand in the VIP stands at Camp Nou and then to operate the stadium's first restaurant. The catering offering for this restaurant – which is due to open in 2016 – has been designed in conjunction with the renowned Spanish chefs, the "Iglesias brothers". At the same time, the on-board catering services that we provide on high-speed trains in Italy under the Itinere brand have proved extremely successful. Thanks to this offering, business and premium class passengers travelling on the Frecciarossa 1000 between Rome and Milan can now be served in their seats and can choose from three menus made up of authentic recipes using fresh ingredients.

1.5.1.1.2 The Education Market

a) FY 2014-2015 key figures

- **€1,069 million in revenue** (27% of total contract catering & services revenue)
- 8,000 school restaurants
- 1.6 million children and students catered for each day in Europe and the United States.

School catering is one of Elior's long-standing markets. Thanks to our large number of central kitchens, experience in managing small sites, and technological expertise, we enjoy a solid leadership position in both the public and private education sector in Europe.

b) Highlights of FY 2014-2015

France - the municipality of Berre-l'Etang chose the Group to cater for all of the town's nurseries and primary schools and to prepare and deliver meals to elderly people's homes.

France - the Group made its return to the education market in Paris, winning the catering contract for the state-run primary schools in the 3rd *arrondissement.*

Italy - Elior Italy now manages the catering services for the primary schools in Bologna in the Emilia Romagna region.

Spain - we opened a new central kitchen in Madrid (primarily serving the region's middle schools), and our catering contract for Andalusia's state-run schools was renewed.

United States - THS won the catering services bid process launched by the Rutland Central and South Supervisory Unions in Vermont.

United Kingdom - Elior UK signed a contract renewal with Charterhouse (Surrey), one of the leading independent schools in the world.

The school catering market has been shaped in recent years by demographic growth. At the same time, measures put in place to halt increases in local authorities' costs, combined with difficult economic conditions, have resulted in cost-saving programs and ensuing price pressure. Against this backdrop, the large number of central kitchens operated by the Group in France, Italy and Spain is a real asset for expanding and consolidating its leadership in these countries. In addition, the growing weight of regulations is beginning to be felt more or less everywhere, but especially in Spain and Italy, which makes it more difficult to retain market share.

c) Encouraging feedback from our guests

The best way to satisfy our customers is to give them the opportunity to tell us about their requirements and expectations. In France, as part of our culinary innovation process, we ask children to test the meals we create for them. In 2014-2015 over 150 tasty, straightforward and innovative recipes were tested by children in twenty different sessions. The feedback obtained from these innovative tests is used to help our chefs further enhance their culinary prowess in their creation of seasonings, pastries, vegetarian dishes and combinations of different flavors. After the tastings, the young jury's comments and scores are carefully analyzed and recipes are only re-used if over 70% of the children say they like them. This unique approach has gone down very well with our customers and is an important factor in building up their loyalty as it reduces food waste by adapting menus to children's tastes.

d) A local player

Providing catering services in the education market requires a large degree of local involvement by the service provider concerned. In Italy, following the signature of a new contract with the municipality in Bologna (in partnership with another operator), Elior Italy took particular care to build up a relationship of trust with the local community, which is very involved in the management of schools in the area. This was achieved through extensive communications via social networks and interaction with parents as well as by creating a mascot to give a more personal touch to the changes being made. The result of this approach was a successful contract start-up, to the general satisfaction of all of the parties concerned. In Spain, measures to give regions more decision-making powers have increased demand for local offerings and more environmentally-friendly food services (e.g. in Madrid and Barcelona) and in some areas have resulted in municipalities choosing local companies as their preferred suppliers (e.g. in the Basque Country, Andalusia and Catalonia). The Group has developed new commercial strategies to respond to these changes.

In the United States, where customer relations are a key element for contracts in the education market, THS draws on its global expertise to ensure that the services it provides locally live up to its reputation. This strategy has clearly paid off, as shown by the contract wins with St. Johnsbury Academy and the Lyndon Institute in Vermont. In France, we have positioned ourselves as a local player, notably thanks to local sourcing policies. For example, between December 2014 and March 2015, children at state-run infant and elementary schools in the Greater Paris region were able to enjoy 25 tonnes of seasonal and locally-produced apples. A similar initiative was carried out in the Rhône-Alpes region.

e) Standing out through innovation

Digital technology is omnipresent in modern society and we believe that one of its uses should be to help families run their busy lives. With this in mind, in France we have launched "Bon'App", the country's first mobile application dedicated to school meals. This innovative move is intended to help parents by giving them access to information about their children's lunch menus and the quality of the produce used, and also to pay for meals online. The application can be directly accessed from a smartphone or tablet and is the perfect answer for connected families looking for a more modern school meal service. User-friendly, clear and straightforward, and with a print function, it helps parents to save time and plan in advance, and we are sure it will quickly become an indispensable tool in their daily lives. It is the local authorities who decide whether or not to adopt this new Elior service for their school restaurants, and in 2014-2015 some sixty municipal and regional councils (covering around 1,000 schools) made "Bon'App" available to parents.

f) Higher education – a promising outlook for contract catering

Although the mainstays for contract catering in the education market are infant, elementary, middle and high schools, higher education institutions also represent strong growth opportunities. In the United States, THS won a contract with Summit University in Pennsylvania by proposing a broad offering that includes international menus and cooking demonstrations. The Group also saw its contract renewed with Greenfield Community College in Massachusetts after a very fierce bidding process. At the same time, we have demonstrated our commitment to the higher education sector in the United States by investing in new equipment for our sites at Rochester College in Michigan and Southern Oregon University. Similarly, in Italy, the dining areas at the IULM University of Milan have been refurbished, with the introduction of several new concepts.

In France, our work with the Institut des Métiers de Grenoble has done much to boost the image of our catering offering for higher education establishments. In order to better understand and meet the needs of students we carried out a qualitative survey using an extremely innovative approach. This entailed setting up an online community platform through which 15 students, originating from all parts of France, could give their views on the catering provided at their place of study and outline their ideal foodservices offering. This interactive approach enabled students to share photos in real time and reply to comments posted by other participants.

g) Acting for sustainability

As a good corporate citizen we are acutely aware of the role we play in preserving the environment and helping educate young people about sustainability issues. In France, for instance, we combat food waste by raising children's awareness about sorting waste. We have designed specific sorting and clearing tables for elementary and middle schools so that pupils can sort their own food waste and clear their trays. These tables are ergonomic for staff, adapted to the school children's height, and designed to facilitate rapid clearing and cleaning. The underlying aim is to show children how much food is actually wasted and encourage them to become more environmentally-responsible. Schools that wish to are also given the opportunity to recycle their food waste using several different techniques (methanization, composting or dehydration).

For the last 14 years the Group has been committed to reducing its ecological footprint, notably by cutting down on its use of plastic. After seven years of research, we have identified food-contact organic materials that have a low environmental impact. These materials can be used to make containers that biodegrade in 90 days, which will ultimately enable us to reduce our use of plastic by around 2,000 tonnes per year. We are also putting our environmental commitments into practice in the vehicle fleet we use in the education market, with 95% of our light vehicles now emitting less than 130g CO_2/km and qualifying for green vehicle discounts or classified as carbon neutral (including six hybrid vehicles). Green vehicles (running on electricity or natural gas or vehicles with EEV diesel engines) now make up 10% of the education market delivery fleet.

1.5.1.1.3 The Healthcare Market

a) FY 2014-2015 key figures

- **€1,065 million in revenue** (27% of total contract catering & services revenue)
- 2,500 restaurants
- 500,000 customers per day

In healthcare facilities, elder care homes and extra care housing, good food contributes to the health and well-being of patients and residents and forms an integral part of the overall care process. The Group designs catering formats for these establishments that combine nutritional value with the pleasure of eating. Our teams also help customers adapt their business models to market changes, such as a higher amount of outpatient surgery and price pressure from the public health authorities.

b) Highlights of FY 2014-2015

France - the Group now manages catering services for 58 elder care homes for the Colisée Patrimoine group.

United States - THS signed contracts for two care homes for elderly dependent people in Minnesota's Great Lakes region.

United Kingdom- Elior UK won an outsourced catering contract for 45 Four Seasons Health Care homes – a first for a player of Elior UK's size.

Spain - Vigo's new private hospital awarded Serunión a contract to manage all of its catering services.

France - the Group's major contract with the Gustave Roussy Institute of Oncology was renewed.

United States - in Sacramento (California), Meals on Wheels now relies on the Group to serve over 2,000 elderly people a day.

c) Taking care of seniors

Longer life expectancy has led to growth in the market for catering services for seniors, whether provided in their own homes or in specialized care homes. As part of its strategy to strengthen its business activities in this market, in 2014-2015 the Group acquired Cura Hospitality, a U.S. provider of dining services in the senior living and healthcare sectors, representing an additional 20,000 patients and residents served by the Group each day in the north-east of the United States. In Sacramento, California, a new central kitchen has been built to serve 2,000 daily meals to elderly people via the Meals on Wheels program – a contract that we won from a competitor and which opens up new opportunities for us in this region. The Group also delivers Meals on Wheels through THS in Alabama and Mississippi, the only states to have signed up to such large contracts, which have both recently been renewed. In New Orleans (Louisiana), the kitchen dedicated to preparing meals for seniors has been fully refurbished and re-equipped.

In the United Kingdom, in 2014-2015 the Group was awarded a contract by Four Seasons Health Care, which covers 45 care homes in the north-west of England and is the first outsourced catering contract ever signed by a large national care home chain. In France, working in conjunction with Professor Jeandel, a geriatrician and nutritionist, the Group has devised an offering called "Servi Chez Vous" which is designed to give elderly people much more than just a meal. As well as meeting their needs for home-delivered food this concept forms part of the overall social care program put in place by the local authorities. Delivered by staff who are specially trained in relations with elderly people, the meals are based on varied and tasty menus tailored to seniors' requirements as well as themed dishes aimed at dispelling monotony. The overall offering also includes attractive packaging for the delivered meals in order to whet the appetite, an e-service to enable local authorities to more easily manage the service and track deliveries, and tools to facilitate communication and information for both the local authorities and the service's users.

d) Culinary innovation contributing to the care process

The nutritional requirements and culinary desires of residents and patients vary widely depending on their individual tastes, diets and pathologies. In the United States, THS offers diverse menus, including dishes of the day, which come with pictograms showing for example, meals that are gluten free or vegetarian. All of our staff are trained on an ongoing basis about specific dietary requirements and dysphagia and our dieticians regularly provide care home residents with nutrition-related advice and information. In addition, some residents are given special cutlery and crockery to make it easier for them to feed themselves and therefore retain their dignity, and a finger food menu is available for those who can no longer use knives and forks. Many care homes have vegetable plots in their gardens and the products grown, such as tomatoes, basil, coriander, parsley, lemon grass and tarragon, are used by our chefs in preparing their meals. In general, our chefs use as much local and seasonal produce as they can.

In France, working with our managing chefs from care homes and dieticians specialized in nutrition for seniors, we have designed a range of menus called "Esprit Douceurs", which are specifically tailored to older people's eating preferences. These menus are adapted to age-related physiological changes and the nutritional requirements of elderly people in care homes but at the

same time factor in different culinary heritages (by offering regional specialties, fresh and seasonal produce, home-made recipes, etc.). The offering proposes meals that are shared by several residents and laid out on the table just like a family dinner, creating a "homely" feel. It also includes a sweet-based supper which appeals to the palettes of seniors as well as special extras on Sundays and holidays, which are important landmarks for older people. In addition, the Group contributes to combating malnutrition, notably through its exclusive concept "Energies Saveurs", which offers fortified meals adapted to specific levels of malnutrition. In tandem, the chefs at the Paul Bocuse Institute have reworked the presentation of the puréed meals offered by the Group, using simple techniques to revolutionize how the plates are dressed in order to stimulate residents' appetites.

Also in France, working in conjunction with its partner Générale de Santé, the Group has launched a pilot catering offering for cancer patients in after-care programs. The overriding aims of this offering are to facilitate food intake, help people get their appetites back, reduce the side-effects of cancer treatment, and ensure that each patient is treated with particular care. It has been specifically designed with patients' physiological constraints in mind and comprises varied dishes that meet nutritional needs while satisfying individual food preferences. The structure of the meals proposed has also been revisited, giving more emphasis to breakfast. All of the dishes have been rigorously selected and some are protein- and/or calorie-enriched. And lastly, the offering is rounded out by a range of wholesome soups as well as smoothies and cold meals.

e) Culinary delights from top chefs

Why shouldn't hospital patients and care home residents be entitled to gourmet meals? In France, for the past several years, Michel Sarran (a two Michelin-starred chef and a judge on the French TV program, Top Chef) has taken part in four recipe-creation workshops a year alongside the Group's chefs, during which he reinterprets the daily menus of seniors by adding his own creative, gourmet touch. The new recipes are then tested by care home residents and are incorporated into their menus if they meet their approval. As well as being highly creative, the chefs taking part in these workshops have to factor in all of the constraints of the contract catering industry in terms of the raw materials used, cooking equipment, preparation time and product prices. In 2014-2015, during the French national food festival, the Group worked with another Michelin-starred chef, Denis France, who concocted a unique menu for the residents of the Aimé Césaire care home in Bordeaux (part of the Colisée Patrimoine group) and their families. This menu offered gourmet dishes made from seasonal market produce while also taking into account the specific requirements of catering for care home diners.

Again in France, the Group has teamed up with the expert and emblematic French cuisine brand, Gault & Millau, for the testing and labeling of its "Repas Plaisir" meals included in the "Solo" offering proposed to patients at Générale de Santé's healthcare establishments. A similar approach has been adopted in the United States, where high-end catering concepts used for the business & industry or education markets are being incorporated into offerings for the healthcare market.

f) Changing business models

New social trends, regulatory developments and technological progress are all powerful drivers of change in the healthcare sector, particularly with respect to catering services. In Spain, the investors in a recently-opened private hospital in Vigo (which replaces several public hospitals in Galicia) have selected the Group to be the new establishment's caterer, as they were already familiar with our working ethos in view of the fact that they also previously awarded us the contract for a hospital complex in Burgos. Under the Vigo contract we have been entrusted with catering for 1,200 people a day (patients, visitors and staff). The ultramodern equipment installed at the hospital means that meals can be automatically delivered to the various departments before being individually served. In parallel, Serunion has developed specific software to automate the order and production processes with a view to reducing costs and minimizing errors.

In France, the Group has introduced the "Itinéraire du Patient Optimum" ("IDP Optimum") offering at the Turin clinic in Paris. Specially designed for medical, surgical and obstetrics clinics, IDP Optimum is intended to simplify processes, optimize organizational structures and spaces, and ensure quality and hygiene levels. It covers the requirements of all pathologies and satisfies patients' different tastes. A new menu was devised for the IDP Optimum offering in April 2015, with new starters and hot dishes that fully meet patients' expectations. In addition, the menus for the traditional IDP format were revisited in September 2015 and for the first time, the Group trialed the new dishes with clinic patients before definitively adopting them.

1.5.1.1.4 The Services business

a) FY 2014-2015 key figures

- No. 1 for cleaning services in the French healthcare market
- 2,300 sites

Elior Services proposes a comprehensive range of value-added services that meet the exacting requirements of healthcare establishments, industrial environments and retail spaces where cleanliness is essential to brand image.

b) Highlights of FY 2014-2015

France – Elior Services was selected by Coca Cola to provide cleaning and facilities management services for its new premises at Issy-les-Moulineaux.

France – Safran awarded Elior Services cleaning and facilities management contracts for 15 of its French sites, in partnership with assistance-through-work organizations.

France – The Stade de France renewed its contract with the Group for cleaning services and also entrusted it to provide facilities management services.

c) Driven by innovation

Firm in its belief that a market leader must pave the way forward in its industry, in 2014-2015 the Group pursued its innovation drive within Elior Services, especially for the healthcare market. The French National Health Authorities have made the development of outpatient services a priority and healthcare establishments need to meet the challenges that this policy brings with it. It means that more than ever, the focus is on optimizing patients' movements between hospital departments and improving room turnover, while keeping up service quality levels. In response to these needs, Elior Services has designed a "connected trolley" which enables information to be shared in real time between hospitality teams, the admissions department and technical units, thanks to an integrated touchscreen application. The application can be used by staff to consult both their work schedule and the applicable protocols with a view to enhancing efficiency. Information can also be entered about when facilities such as a bed or an operating theater is free once specialized cleaning services have been performed, and any technical problems that may arise can be immediately signaled. Above and beyond the technical advantages that the connected trolley offers, it also helps to create a modern image for hospitals and clinics, and adds value to the work performed by the cleaning agent, from the perspective of both hospital staff and patients. Elior Services also uses another cutting-edge technology – Near Field Communication (NFC) – to indicate in real time when particular facilities have been cleaned and therefore to optimize their availability. These new technologies have already been successfully used with the Vedici group, the Institut Mutualiste Montsouris and the La Casamance clinic.

Additionally, we propose our healthcare market customers an innovative hospitality coaching offering as well as a waste management tool (also available for other business segments) that tracks and traces waste so as to improve the waste-sorting process. Another innovation that Elior Services has introduced is a stand-alone system that produces water-based detergents and disinfectants with a view to reducing the use of chemicals in the cleaning process. It is a stand-alone system in the sense that the process is based on the electrolysis of water, which means that an alkaline detergent and a disinfectant detergent can be produced in situ.

The automation of certain tasks and our use of innovative machines were key contributing factors for our contract win with the Stade de France.

Lastly, the increasingly technical nature of the Services business has led the Group to more tightly structure its innovation work in this segment, by launching Novacio – a platform dedicating to marketing new concepts.

d) Consolidated leadership in the healthcare market

The healthcare market, and notably private hospitals and clinics, makes up 50% of Elior Services' business. In 2014-2015, many healthcare establishments demonstrated their trust in the company's expertise, either by awarding it new contracts or renewing existing ones. During the year, Elior Services added another Générale de Santé hospital to its customer portfolio (La Louvière) and the Vedici group awarded it a number of new contracts. Likewise, the non-profit organization Isatis renewed its contracts with Elior Services for eight care homes, thanks to the revamped Alegio hospitality offering, and Institut Mutualiste Montsouris was another satisfied customer, renewing its contract for specialized cleaning of facilities and spaces that require the highest level of hygiene, as well as for meal distribution services (in-room and table service) and in-hospital waste collection. In addition, after 15 years of successful collaboration, the La Casamance clinic once again selected Elior Services for its specialized cleaning, meal distribution and porter services and entrusted it with additional services such as providing night watchmen and laundry and waste management services. Lastly, having worked with the Group since 1985, Bégin (a military hospital) also decided to renew its contract with Elior Services.

e) An increasing number of key accounts

Due to the weak growth experienced by all industries in recent years, cleaning budgets have either remained flat or have been reduced, and the growing trend towards mass purchasing (in both the public and private sectors) has also weighed on prices. In line with its strategy of always keeping abreast of the deep-seated trends in its fragmented market, Elior Services decided to strengthen its sales teams in order to better serve its clientele, and notably key accounts. This strategy has paid off, with a number of major groups including Coca Cola, Société Générale, Airbus and Galéries Lafayette now featuring in Elior Services' customer portfolio. In 2014-2015, the Group's major contract with SNCF for cleaning services in all the Frequent Traveler Lounges (*Salons Grands Voyageurs*) at France's railway stations was renewed, and Safran was won over by our offering which comprises a close-knit partnership between the Group and assistance-through-work organizations as well as centralized oversight by our facilities management subsidiary.

f) Specialized offerings

Behind the term cleaning services lies a whole range of needs that require tailored offerings and dedicated expertise. For example, customers in the healthcare market need various different types of cleaning including general cleaning of rest rooms, specialized cleaning and different services for short and long-stay patients, etc., while in the tertiary sector (which covers the majority of Elior Services' key accounts) offices are not cleaned in the same way as the rooms in the hotels at Disneyland Paris (Hotel Santa Fé, the Sequoia Lodge and the Davy Crockett Ranch) which are also Elior Services customers. All of these types of contracts are based on high-quality customer relations, like those we enjoy with the famous coffee brand, Nespresso, with which we have worked for several years. Our contract with this customer now covers 20 Nespresso boutiques for which we not only provide cleaning services but are also responsible for managing inventories of coffee capsules for their vending machines, from when the capsules are removed from the delivery pallets right up to their labeling. Elior Services has also been entrusted with providing cleaning services at Nespresso's headquarters and control units, as well as at the Nespresso Academy training center. Our other customers in the (mass-market) retail sector include Monoprix, Kiabi and H&M.

Another of our specific areas of expertise is white-room cleaning, where the requirements are particularly exacting because the tiniest fleck of dust can stop production. It was this savoir faire that persuaded the semi-conductor manufacturer, STMicroelectronics, to sign a contract with the Group.

g) Leveraging synergies

Thanks to our diverse business activities we can effectively meet our customers' needs by leveraging the synergies between contract catering, cleaning services and facilities management. For instance, after three years of partnership with Elior Services under a facilities management contract (for logistics and multi-services), in December 2014 the Stade de France stadium renewed this contract and extended it to include cleaning services. The new contracts signed with Coca Cola and Safran also offer synergies between different business activities. And in the hospital sector, successful synergies with the healthcare contract catering segment have already been generated and there are promising opportunities for more.

1.5.1.2 The Group's Concession Catering Business Line

FY 2014-2015 key figures

- **€1,679 million in revenue** (30% of total consolidated revenue)
- No. 3 worldwide
- An operating presence in 12 countries
- 2,200 restaurants and points of sale
- 900,000 customers per day
- 21,600 employees worldwide

In its concession catering business line, the Group operates food and beverage and retail concessions, mainly at travel- and leisure-related locations. This business encompasses three key markets: airport terminals, motorway service areas and city sites, including railway stations.

The Group is the third-leading concession catering operator globally. It has concession sites in 12 countries in Europe and the Americas. Its main geographic markets are France, Italy, Spain and the United States but it also has concession catering operations in Mexico and Germany, and, on a lesser scale, in Portugal, Chile, Belgium, Luxembourg, Saint Martin and the Dominican Republic. In the United States it operates concessions mainly at airports and service areas on toll motorways. As part of its concession catering business, the Group proposes varied offerings – including table-service dining, takeaway options, and shops and services for travelers and visitors – at airports, motorway service areas, railway stations and other sites such as museums and leisure parks.

Concession catering brands

The Group operates food and beverage concessions under directly-owned brands, such as L'Arche and Philéas in France, Ars, Medas and Deli&Cia in Spain, MyChef in Italy and Axxe in Germany, as well as under main-street brands through franchise agreements, including Paul, Quick, Courtepaille and Costa Coffee in France, Burger King and Starbucks Coffee in Spain, McDonald's in Italy and Wendy's and Dunkin' Donuts in the United States.

The Group also operates duty free retail concessions through franchise agreements or through directly-owned retail brands such as Divers and News & Books in Spain. Lastly, the Group has retail operations on motorways and in airports, using franchised brands such as Carrefour Express, Franprix and Dailymonop'.

1.5.1.2.1 The Airports Market

a) FY 2014-2015 key figures

€687 million in revenue (41% of total concession catering revenue)

No. 1 in France, Spain and Italy

85 airports worldwide

690 points of sale

The Group is a long-standing partner of many European airports, with over 39% market share in France, Spain and Portugal, and we are expanding rapidly in this market in Italy and the United States. Our overall strategy is underpinned by a deep understanding of travelers' needs – particularly those of frequent flyers – as well as by an in-depth knowledge of consumer trends and popular brands. This enables us to offer airports the best combination of international and regional brands as well as innovative theme-based formats, resulting in a high-quality and varied services offering for a multi-cultural clientele.

b) Highlights of FY 2014-2015

France - in association with the Michelin-starred chef Guy Martin, the Group inaugurated the gourmet restaurant "I Love Paris" in Terminal 2E at Paris-Charles-de-Gaulle airport.

Italy - MyChef added six new airports to its portfolio: Rome, Alghero, Genoa, Pisa, Lamezia and Turin.

Portugal - Areas' portfolio now includes the country's three main airports: Lisbon, Porto and Faro.

United States - Areas stepped up its presence at Los Angeles and Chicago airports and paved the way for the future by winning a number of contract renewals and opening new points of sale.

Spain - the Group now provides catering services for the VIP areas at Tenerife airport and Palma de Mallorca airport.

Mexico - Mexico City airport renewed its contract with Areas for 23 points of sale (food, beverages and retail).

In 2014-2015, air passenger traffic once again rose at a faster pace than global growth. The increase in the Group's revenue in the airports market during the year was driven by strong business development in Italy and the United States as well as by robust performances recorded by the new points of sale opened at Madrid

Barajas and Barcelona airports in Spain and at Basel-Mulhouse-Freiburg EuroAirport.

c) Providing gourmet airport dining

The number of air passengers is increasing every year and so is the amount of time people spend at the airport, mainly for security reasons. Such factors need to be taken into consideration when devising offers that are best suited to these "captive" customers, some of whom are happy to spend the time they have to spare on a local gourmet meal. In parallel, having prestigious restaurants run by well-known chefs is a real plus for an airport's image. Located in the passenger area of Terminal 2E at Charles de Gaulle airport, the "I Love Paris" restaurant is a veritable declaration of love for the city of Paris by Guy Martin, the world-famous French Michelin-starred chef. Guy Martin and the Group together decided to commission the architect and designer, India Mahdavi, to create the right backdrop for this love story. A Ruinart champagne bar takes pride of place in the center of the restaurant and to its left there is a gourmet dining area, which is open from lunch through to dinner and offers all the charm of Parisian gastronomy. And to the right there is a Miyou sandwich bar offering high-end sandwiches and other lighter fare for passengers with less time on their hands. At Basel-Mulhouse-Freiburg EuroAirport, the Group has opened the 3 Länder Restaurant in the airport's public area, with a menu devised by three chefs who are all Michelin-starred and who each represent one of the airport's three border countries (Switzerland, France and Germany). This restaurant offers gourmet dishes based on traditional specialties, served in a modern and elegant setting. In Spain, Areas completed the rollout of its offering at Adolfo Suárez Madrid-Barajas airport in 2014-2015, by opening Gastrohub, a gourmet dining option whose menu was designed in collaboration with the Spanish chef Paco Roncero. The contract for Madrid Barajas airport was won by Areas in 2013 after the largest bid process in the history of Spanish airport catering.

d) Offering local brands

Whether on a world tour or on business, travelers view airports as in-between places characterized by a mix of the exotic and the familiar. This mix is reflected in the selection of brands proposed by the Group in airports around the world. For example, in Portugal, the O Mercado concept – which is offered at Lisbon airport –consists of displaying fresh produce outside the point of sale, which attracts customers, as well as making and selling on site *pastel de nata* (traditional Portuguese flans). At Porto airport, the Francesinha banner proposes traditional everyday products, with cases of wine piled up to the ceiling, Portuguese tiles for decoration, a display of beer bottles, photos of Porto and so on. In Chile, the new points of sale opened at Santiago airport have created a judicious balance between local brands (Danés and Gatsby) and international names (Heineken and Lavazza). In Spain, in 2014-2015 Areas opened its seventh Deli&Cia in the country, and its third at Palma de Mallorca airport. Deli&Cia is a directly-owned brand that brings together worldwide best practices for grab & go offerings, proposing a selection of international products that all types of passengers can take away and eat at any time of the day. Other examples of local brands that are currently being rolled out in Spain are Divers and La Pausa.

In the United States, the invitation to tender for the concession contract at Terminal 1 at LAX (Los Angeles airport) stipulated that passengers should be offered an original customer experience with a taste of California. The Group won the contract by designing an offering inspired by the inimitable mindset and way of life of this West Coast State. Three of the four brands introduced at LAX are well-known locally, such as California Pizza Kitchen, and all of them use fresh, locally-sourced ingredients and offer vegetarian/vegan and gluten-free options. In Italy, the Group completely revamped its offering at Milan-Malpensa airport for Expo Milano 2015, with a view to showcasing the country's culinary and gourmet heritage. This included opening a 1,000 sq.m. food court, which is split into dining areas, kitchens and market spaces. Seven stands offer different types of raw produce, set out in the style of a market stall, in partnership with leading Italian brands (Mutti, Barilla and Ferrarini). The Group also made sure to add a local touch, with the Davide Oldani Café – opened in association with the eponymous Michelin-starred chef – as well as a Rossopomodoro restaurant. In France, the Group won contract renewals with Strasbourg-Entzheim and Biarritz Pays Basque airports in 2014-2015, notably thanks to its bespoke offerings made up of concepts that meet the concession grantors' requirement for food and beverage solutions with a regional identity. Meanwhile, the regional identity of Toulouse-Blagnac airport was strengthened in 2014-2015 with the opening of Le Comptoir du Sud-Ouest to add to the rugby-themed Café Stade Toulousain. At Basel-Mulhouse-Freiburg EuroAirport, the Group's recently-opened 3 Länder Restaurant offers a menu that is totally dedicated to local cuisine. And at all of our sites, each fast-food point of sale operating under one of our own brands has now included a regional specialty option in their sandwich offering.

e) Fully understanding needs and requirements

In order to win and then extend or renew contracts, it is essential to fully understand the needs and expectations of both concession grantors and guests. In Spain, Areas uses online satisfaction surveys for all of its points of sale. These can be accessed using a personalized URL or via a QR code shown on the till receipt. A unique code is generated with each transaction, which enables

satisfaction rates to be matched with average customer spend, the products purchased, and even the employee who served the customer, with a view to obtaining accurate data and ensuring that useful lessons can be learned. Alerts are automatically generated if any customer is dissatisfied. These are sent by e-mail to the customer service managers, as well as to the direct managers of the restaurant or point of sale concerned, who immediately contact the customer to apologize and find out the exact cause of his or her dissatisfaction. This procedure has gone down very well with customers and employees, judging by the reactions of customers after they have been called.

In Portugal, the Group has built up a real relationship of trust with ANA (which operates the country's main airports), and with a view to best meeting the needs of its customers and passengers, Areas has reintroduced local brands to round out its offering of international banners. The Group launched the same initiative in Chile, which met with similar success with the concession grantor and has paved the way for winning new contracts and contract extensions. In the United States, the strong Californian focus of the Group's offering for Terminal 1 at LAX – which covers the entire business process from the choice of brands proposed to the supply chains used (even the beer is local) as well as the provision of lactose-free, GMO-free and gluten-free menus – perfectly met the customer's requirements and has proved very popular with passengers. Lastly, in Italy, the Group was quick off the mark to revisit all of its points of sale at Milan-Malpensa airport as part of the general rally by the region's business players to help make Expo Milano 2015 a great success. And our efforts in this area definitely did not go unnoticed.

1.5.1.2.2 The Motorways Market

a) FY 2014-2015 key figures

- **€615 million in revenue** (37% of total concession catering revenue)
- No. 1 in France and Spain
- 259 motorway service areas worldwide

Motorway service areas are another of the Group's long-standing markets and the Group is the market leader in France and Spain. Its diversified catering and services offerings have established it as a benchmark player in Europe. Building on this base, the Group has now exported its expertise to the United States where it operates service areas on major motorways in Maryland and Florida.

In order to meet the needs of an extremely varied clientele (families, business travelers, truck drivers etc.), the Group has developed a diversified catering, retail and services offering, including cafeterias operating under the L'Arche name –a long-standing brand which is now deployed in several different formats – as well as food courts, corners and mini-markets so that customers can either eat on site or buy something to take away. Thanks to the Group's combination of directly-owned concepts and partnerships developed with a wide range of main-street brands it is able to adapt its offerings to the specific characteristics of each service area.

b) Well-known brands

On motorways, as in railway stations and airports, travelers like to have landmarks in the form of well-known and popular brands that respect all the codes of commercial catering. In Spain, the recession was the perfect time to streamline our offerings by closing certain points of sale and refurbishing others in order to enhance the customer experience. The refurbishments were much more than just a lick of paint and required substantial capital outlay, with special attention paid to details that in fact are not really details at all, such as the product mix, Wi-Fi connection and rest rooms. As part of this streamlining project, Areas continued to deploy its Airea brand, which is transforming motorway service areas through a new concept that combines the use of regional produce with other value-added services. In 2014-2015 the Group also pursued its partnership with well-known catering brands, some of which have proved extremely popular, such as Burger King and Il Caffè di Roma at the La Selva and El Vallès service areas. Meanwhile in Italy, the bars at the Lambro and Turchino service areas have been given a complete facelift and now sport the local banner, Briciole.

The same trend has been observed in France, together with a move by concession grantors to go beyond the traditional self-service and cafeteria concepts. In early 2016, the Bourges Ste-Thorette service area will see the opening of a Francesca restaurant and a Franprix shop under a contract awarded to the Group by the motorway operator, Cofiroute, in 2014-2015. Cofiroute has also renewed and extended other contracts with the Group, as a result of which we will be setting up new outlets, including a Courtepaille restaurant (at the Poitiers Est and Orléans service areas), Paul outlets (at Limours, Le Mans Sud and Orléans), a Pizza Hut and McDonald's (at Limours), a Subway (at Orléans), and a Boîte à Pizza (at Le Mans Sud). The inclusion in our offerings of these brands, as well as others such as Columbus Café, Costa Coffee and La Croissanterie, played a key role in winning a number of contracts.

c) Ever faster food

In France, the Group now works with the country's three leading burger brands: Quick, McDonald's and Burger King. Having returned to the French market in 2013, Burger King has become extremely popular with diners in

France who have been won over by the "made to order" concept and the "have it your way" offering. Meanwhile, the "L'Original McDonald's" banner offers a new urban concept for motorway service areas that has been specially designed for busy sites, where customers are on the move and in a hurry. The sales areas at these sites are smaller and more user-friendly and the concept is focused on Web 2.0 services which facilitate take-away ordering, with the use of touch-screen kiosks, on-line solutions and mobile apps. This concept has been introduced at the Limours service area in France.

Also at Limours, we have opened a Pizza Hut Express, which is a concept thought up by the world's leading pizza brand to meet the needs of customers in transport hubs. This outlet offers rapid service of not only pizzas (whole pizzas or individual slices), but also pasta and salads, with both takeaway and eat-in options available. We are sure that its value-for-money menus and modern design will satisfy the expectations of motorway customers. At the same time, Courtepaille has devised a similar type of new format – Courtepaille Comptoir – which is designed for business travelers and families on the move and allies table service for grilled meats with self-service for starters, desserts and beverages.

d) Evolving brands

Even the best-known brands need to evolve in order to better meet the specific needs of motorway customers. For example, during the year the Paul brand opened up its first table-service restaurant in partnership with the Group at the Gevrey Est Chambertin service area, near Dijon in Burgundy. This hybrid concept proposes takeaway solutions throughout the day, but also has a separate sit-down dining area. In the same vein, the Group has developed Philéas Grill – a new format that rounds out the motorway offering already proposed by Philéas. This brand's watchword is quality, which is apparent from the moment customers walk in as they can see a charter specifying the brand's commitment to on-site food preparation and balanced meals. The menus proposed include a core range of popular dishes (such as steak and cheeseburgers) and dishes of the day (e.g. macaroni cheese or hake fillet) as well as traditional dishes, grilled meats and hot snacks. The food offering is renewed twice a year, and Philéas Grill also proposes three menus that appeal to all tastes and budgets ("Petit Prix", "Tradition" and "Burger"). Customers are given pagers once they have placed their orders, which is an interactive and innovative way of enhancing the service process.

e) Rental-management agreements – a new business model

With a view to developing its business model and reducing its capital expenditure levels, the Group decided to enter into partnership agreements with leading oil companies for managing all of the services at certain motorway service areas. These oil companies (Total and Esso) know that having the Group as a partner is a real asset when taking part in competitive bidding processes. The agreements generally entail shared participation in the management of the service area's shop and restaurant in order to ensure that both parties have a stake in their operation. Thanks to the quality of our offerings and the solidity of these partnerships, our operation of shops and restaurants under rental-management agreements has been very successful and we expect further such agreements to be signed in the future.

1.5.1.2.3 Railway Stations, City Sites and Leisure

a) FY 2014-2015 key figures

- **€376 million in revenue** (22% of total concession catering revenue)
- No. 1 in the French railway station catering market
- 73 railway stations in Europe

b) Railway stations

Railway stations are currently undergoing a transformation process driven by an overall strategy of turning them into bright and welcoming spaces which are appealing to passengers while also helping them make good use of their time. Elior is playing a key role in this transformation through its new concepts for eat-in and takeaway catering with rapid service and a focus on modern, people-friendly settings.

Highlights of FY 2014-2015

Spain - Areas refurbished its points of sale in 13 stations, introducing a number of new banners.

France - the Group signed a public-private partnership agreement with SNCF for 14 stations in its portfolio.

The rail transport sector has held up well in these difficult economic times, with traffic volumes continuing to rise, led by growing urbanization and the extension of public transport networks. The current main strategic objectives for stations is to make them safe, welcoming and people-friendly places, and the Group is closely partnering its concession grantors in helping them achieve these aims. At the same time, we have recently entered the on-board train catering market in Europe, putting our expertise to the service of even more consumers on the move.

A strong presence in Paris

According to the Boston Consulting Group, France has the third best-performing railway system in Europe, just

behind Switzerland and Sweden, and on an equal footing with Denmark. Its network is, however, larger than that of the three other countries, both in terms of number of stations and kilometers of tracks. In Paris alone, the Group has a significant operating presence at six major stations – Gare du Nord, Gare de l'Est, Gare de Lyon, Gare d'Austerlitz, Gare Montparnasse and Gare Saint-Lazare. The numerous new points of sale we opened in 2014-2015 – especially at Gare du Nord – have cemented the Group's leadership position in the Paris region's railway stations market. Our commercial relations with the French national railways operator were further strengthened during the year through the signature of a multi-site framework agreement with one of the operator's subsidiaries, SNCF Gares & Connexions. The outlook is promising for our business in this market as a number of stations (including Gare Saint-Lazare) have undergone extensive renovation work and certain contracts still held by our competitors are due to expire in the near future. In late 2015, we won a second multi-site agreement with SNCF Gares & Connexions, for a ten-year period and covering 34 food and beverage outlets, 14 of which are located in Gare du Nord station in Paris.

The era of food retail

Just as airports have become luxury shopping centers, railway stations are also undergoing a revolution – particularly those located in city centers – and are gradually unveiling new attributes and a broader offering that goes well beyond catering. In Spain, the Group took advantage of the renovation works carried out at 13 stations (including Madrid's main stations) to renew the range of brands included in its offerings, introducing banners such as La Pausa, Café Café and Burger King, and also opening convenience stores under the Eureka brand. As a result we now offer a new more modern range of products targeted at daily urban commuters. At Barcelona Sants station, a Divers outlet has been opened based on the shop in shop principle, with dedicated corners for both food and retail and combining directly-owned brands (e.g. Deli&Cia) with internationally- renowned names such as Samsonite.

In France, while the Monop'Lab at Gare Montparnasse is currently still in the test phase for various offers and configurations, our rollout of Dailymonop' outlets is now an established success which we intend to pursue, while seeking out similar opportunities in this segment. For example, based on the same principle of providing convenience shopping, the Group has designed the Easy Drugstore concept – a combistore that meets the needs of both concession grantors and customers by proposing a combined retail and newspaper/magazine offering in partnership with Carrefour Express. These combistores – which round out our existing savoir faire in catering – will be installed in six stations, four of which are new to the Group's portfolio. The fact that we work with powerful food retail brands was key to our winning the public-private partnership agreement with SNCF.

c) City Sites & Leisure

For museums and other prestigious cultural sites we have developed exceptional expertise to bring out the best in each of these unique locations, which provide an excellent showcase for the Group. And our ability to offer best-in-class catering for events that attract large numbers of people to exhibition centers and sports stadiums is a key contributing factor to the success of the shows, trade fairs and sporting matches held at these venues.

Highlights of FY 2014-2015

Italy -During Expo Milano 2015, MyChef managed three points-of-sale specifically designed for the event.

France

- During the four-day long International Paris Air Show at Le Bourget, the Group mobilized large-scale resources (600 people) and put its expertise into action (pop-up concepts).
- The new Bois aux Daims Center Parcs village was opened and other Center Parcs sites were refurbished.
- After six years of working with the Group, the Grand Palais museum in Paris extended its partnership with us by awarding the Group a four-year contract to manage the catering areas located in the Galeries Nationales.

Gourmet dining at the forefront of our offerings

As a specialist in both contract and concession catering, we have always placed the utmost importance on the quality of our offerings and their culinary attributes, and we now operate a large number of gourmet restaurants headed by famous chefs. A prime example is the Verde restaurant managed by THS at the Perez Art Museum Miami (PAMM) in the United States, whose menu – created by the chef Kaytlin Brakefield – has been lauded by the local press. The quality of the cuisine – served either in the restaurant itself or on the large waterfront terrace during special events – is second to none, and is in perfect harmony with Miami's healthy living culture. In France, we have carried out major works at La Petite Venise – the prestigious and historic restaurant located in the grounds of Versailles Palace – with a view to restoring its luster. The French origins of the Group help give legitimacy to its positioning as a standard-setting caterer, including in gourmet dining. In Italy, as part of Expo Milano 2015, whose theme was "Feeding the Planet, Energy for Life", the Group teamed up with partners including Lavazza, Ferrarini and a two Michelin-starred chef who acted as our ambassador at the event, in order to propose a high-end

gourmet offering. We had three points of sale at the expo: Casa Ferrarini, Piazzetta del Caffè Lavazza and Zafferano e Riso – Chiosco Davide Oldani, for which the eponymous Italian chef concocted a special risotto recipe.

Green procurement

The Group's CSR strategy obviously covers all of its business activities and therefore takes many different forms. For the city sites & leisure market, the main aim is to optimize supplies in order to make them as sustainable as possible. In Italy, our participation in Expo Milano 2015 was conditional on us signing a green procurement agreement. This concerned not only perishable goods but also all of the equipment used on site which had to be recyclable, including the furniture. In France, the 2015 Paris Climate Conference (COP21) held in December at Le Bourget also required service providers to comply with a number of environmental criteria, e.g. using local supplies and combatting waste.

d) Center Parcs – a constantly evolving offering

Adding to its existing operating presence in several Center Parcs villages in France and Germany, on June 29, 2015 the Group celebrated the public opening of the new Bois Aux Daims Center Parcs village – the fifth in France – which is located in the Vienne region. This village comprises 800 cottages and eight tree houses as well as a ten-hectare farm and a 35-hectare animal sanctuary with 150 deer. The offering we devised for Bois Aux Daims is structured around three main formats: (i) sit-down dining – Jungle Circus (buffet), Il Giardino (pizzeria), Cocoon (café/restaurant), a pancake house, a fast-food option/bar, a Quick burger restaurant, and a bowling alley bar; (ii) retail outlets (Carrefour Express and a bakery); and (iii) a deli/meal delivery service. This structure factors in the lower numbers of people wanting table-service and the success of fast-food options such as Quick and Paul, as well as popular demand for retail solutions such as Carrefour, and the in-cottage meal delivery service developed by the Group. For the other Center Parcs villages in which we operate, we constantly develop our offerings to remain in tune with customer requirements and changes in consumer behavior, notably by integrating well-known brands such as Quick and Carrefour Express, as well as directly-own brands (e.g. Cocoon) and pop-up points of sale during peak periods.

1.5.2 STRATEGY

The Group has a clear strategy focused on its core business of catering, with two main business lines – contract catering and concession catering – which form a strategic fit, combined with services for which it applies a selective approach. The main aims of this strategy are to consolidate the Group's leadership positions in Continental Europe, increase its foothold and market share in the United States and the UK, and break into the airports market in Northern Europe, the Middle East and Asia.

The Group intends to pursue its external growth strategy announced at the time of its IPO (see the Registration Document dated April 15, 2014, registered under number I.14-015 – the "*Document de Base*"), particularly in the contract catering market in the United States and the UK.

The Group's ambition is to be the contract caterer of choice thanks to a differentiation strategy that is underpinned by an innovative digital and marketing approach centered on customer experience. Our in-depth consumer knowledge combined with our technological prowess and innovative mindset will all be major assets for achieving this objective.

In order to implement this strategy we have put in place a new organizational structure and strengthened our top management teams. We have also launched a transformation plan (which we have called "Tsubaki") comprising three pillars and eight main projects aimed at accelerating growth, reducing costs and supporting our operational excellence.

The Group plans to seize significant opportunities in high-growth markets. The worldwide contract catering market is currently estimated to represent €430 billion and the average outsourcing rate is only 35%. The Group's strategic positioning in this market offers significant growth opportunities. The worldwide concession catering market currently represents €26 billion and is expected to grow by 4% a year between now and 2018, driven notably by an increase in airport passenger traffic.

In addition, the Group has set itself ambitious financial targets for 2020, namely to generate revenue of between €7 billion and €8 billion, to achieve an EBITDA margin representing 9% to 10% of revenue, to have a free cash flow/EBITDA ratio of between 45% and 50%, and to pursue its dividend payment policy.

1.5.2.1 Strategy for the Contract Catering & Services Business Line

The Group's strategy for the contract catering & services business line is focused on pursuing organic growth by proposing value-creating solutions in order to continue to win market share and capitalize on the gradual move towards outsourcing that is under way in its main markets. The Group aims to consolidate our positions in Continental Europe and grow in both the United Kingdom and United States, notably through targeted acquisitions. Lastly, we are seeking to break into the Asian market, which offers considerable growth opportunities.

In order to pursue our ambitious development strategy, we intend to leverage the following strengths: the critical mass we have achieved in each of our operating countries, our reputation as a benchmark caterer, the partnerships of trust we have forged with our customers, our innovation capabilities and our expert production systems. We also intend to pay particular attention to analyzing customer needs in order to deliver an innovative user experience, notably through digital solutions.

1.5.2.1.1 Business & Industry

In the business & industry market, our objective is to consolidate our leading positions in the countries where we operate by developing qualitative segmented offerings adapted to each type of customer and different sizes of customer site. We are therefore strengthening our sales teams in new, high-growth segments within this market.

As part of this strategy we have developed a range of snack and takeaway concepts for the fast-food segment, which is the most dynamic segment in the business & industry market and is a good strategic fit with our traditional offerings. The Group was a pioneer in working with powerful franchised brands and is continuing to foster such partnerships with a view to meeting changing consumer demand.

Our innovation strategy is aimed at developing tailored formats that meet very specific requirements for markets where there is still a lot of potential to tap, such as for small and medium-sized companies, using concepts that reduce customers' capital expenditure and personnel costs.

Lastly, we have put in place a market-winning strategy for sectors that are opening up to outsourcing, such as providing catering services to the defense and corrections sectors in France and the United States, and on-board train catering services in Europe.

1.5.2.1.2 Education

In the segments of the education market where outsourcing rates are low, such as in state-run secondary schools and universities in France, the Group focuses on developing highly contemporary concepts that appeal to teenagers and students. Sales and marketing initiatives are geared to encouraging municipalities to move towards outsourcing in view of their need to rein in spending.

In segments where outsourcing rates are already high – such as state-run primary schools and private schools in France – the Group uses its network of central kitchens as an asset for consolidating its leadership. It also constantly innovates by inventing and renewing concepts tailored to each age group with a view to fostering customer loyalty, and at the same time favors local sourcing, which is particularly appreciated by municipalities.

1.5.2.1.3 Healthcare

One of the Group's key objectives is to accelerate its expansion in the health and social care sector (elder care facilities and centers for people with disabilities), which is undergoing significant changes as a result of longer life expectancy. To that end, it designs solutions that stand out from the competition as they are closely adapted to the pathologies that vulnerable people often suffer from, such as the risk of malnutrition.

The Group is strengthening its key accounts strategy in order to grow its positions by capitalizing on the consolidation currently taking place among healthcare market operators in France. At the same time, it intends to further affirm its role as the ideal partner for helping customers who are seeking to optimize costs and to offer innovative, value-added services that generate extra revenue. It is also positioning itself to leverage the anticipated growth in contract catering services in public hospitals in France, which currently have a low outsourcing rate.

Lastly, we are implementing a market-winning strategy within the "silver economy" to tap the growth opportunities that have arisen as a result of the aging population. This strategy is underpinned by our network of central kitchens and in-depth knowledge of municipalities' needs which will enable us to expand in new, high-growth segments, such as home meal deliveries for the elderly in Europe and the United States (fresh and frozen meals).

Consolidate contract catering market positions through targeted acquisitions

The Group plans to draw on its successful experience in terms of acquisitions and integration in order to:

- implement an external growth strategy in the United States that gives priority to markets where THS is already present, notably the education and healthcare markets, the corrections segment and high-end corporate catering;
- pursue its external growth strategy in key European markets, particularly the United Kingdom, and in other high potential markets, by carrying out targeted acquisitions that can quickly generate synergies, while maintaining strict financial and legal discipline in terms of implementing the acquisition policy.

1.5.2.2 Services

As France's market leader for healthcare hospitality and specialized cleaning services, the Group focuses its Services strategy on providing offerings based on state-of-the-art technologies and flexible organizational structures, which deliver best-in-class service while at the same time achieving productivity gains. The objective is to consolidate the Group's strong commercial positions in the healthcare hospitality segment in France by drawing on its renowned expertise in specialized cleaning services for hospitals.

Industrial environments that are sensitive to contamination risks as well as commercial spaces where cleanliness is important for brand image are value-added segments for the Group. Consequently we plan to continue to strengthen our sales structures in order to remain the most rapidly-expanding operator within these segments.

We also intend to capitalize on our dual expertise in contracting catering/services and facilities management to respond to global tenders, improve customer retention, optimize our cost structure and increase our revenues, particularly with key accounts.

1.5.2.3 Strategy for the Concession Catering Business Line

In the concession catering business line the Group's worldwide operations are now grouped under the Areas brand name. This means that we are now in a position to fully leverage the current growth in air traffic and the increasingly important role that commercial services now play in the perceived quality of airports, railway stations and motorway service areas.

Strengthen the Group's leadership positions in its historical markets in Europe

In its historical markets, the Group's strategy for its concession catering business line consists of (i) increasing

organic growth, by improving footfall and raising the average customer spend; and (ii) pursuing business expansion in markets that are less capital intensive.

To this end, we have adopted a holistic approach for customers on the move, which goes beyond simply providing catering services and offers a comprehensive range of products and services with a view to increasing footfall at our sites and growing revenue. We also plan to continue to create new proposals that combine several catering and retail offerings, to help travelers make the most of their time.

The Group's brand policy is centered on four main objectives: pursuing partnerships with international banners, developing co-branding in association with mass retail brands, seeking out targeted local brands, and strengthening directly-owned brands.

Taking advantage of our long-standing, solid relations with franchise networks, going forward we will continue to enter into franchise agreements with well-known brands in the aim of attracting more people to our sites. Consequently, we have added a number of new urban brands to our portfolio, which are particularly attractive and meet the changing behaviors and demands of travelers, especially frequent travelers.

We are currently taking measures to reinforce our customer-centric focus by putting in place organizational structures and measurement and monitoring systems which help to ensure that the customer experience is the overriding priority for all of our teams.

In France and Northern Europe the Group intends to capitalize on both the competitive edge it gained by becoming the first contract caterer to penetrate the leisure market and the experience it has acquired with Center Parcs in order to step up its growth in this high-potential market. In tandem, drawing on its experience in the rental-management market and the renewal of its contract for Esso's motorway service areas, the Group is aiming to build on the business it has developed with oil companies to continue its growth in this area.

In Spain, the market recovery and the innovations we have put in place at Madrid Barajas and other Spanish airports should enable us to reignite our business development in the airports market. In addition, by optimizing our presence on the motorways network we will be able to improve our profitability in the motorways market.

In Germany, Italy and the United States, we intend to pursue our growth strategy in our new target markets.

In Italy, we plan to continue to take advantage of the changes in the regulatory and competitive environment that already enabled us to win market share in 2014.

In Germany, our positive experience with Tank & Rast and the positions we have built up are expected to help drive business development in the motorways market as well as in other concession catering sectors.

In the United States – where in less than 10 years we have developed a significant operating presence at several key airports and on two major motorways – the plan is now to capitalize on the strong positions and reputation we have built up in order to win new contracts through bid processes that will be taking place in the near future, particularly in the airports market.

Capitalize on the Group's new international scale and operating presence in numerous markets to pool the strengths of the various components that make up the concession catering business line

The Group considers that it is important to remain close to the realities of each market in which it operates and as a result it positions itself as a "multilocal" player. This means building up a local presence in each of our host countries while enabling local teams to benefit from the Group's experience and international scale.

In line with its aim of capitalizing on its international scale and operations in numerous markets, the Group plans to implement a targeted business development strategy by selectively entering new geographic markets, particularly in Northern Europe and the Middle East and in the Asian airports market which offers significant growth opportunities.

Optimize the use of capital and the business models of concession catering operations

We will be reinforcing our internal procedures in order to develop a more selective approach to invitations to tender and therefore enhance the quality of our bids. All bids should take into account the project's return on capital and should include a detailed analysis of the levels of capital expenditure required.

Improving the conditions of concession renewals is another of our priorities, in order to secure more favorable commercial conditions.

Lastly, the Group intends to ensure that it has the resources to provide for leeway in the business model used for each concession, so that financial, legal and commercial conditions can be adapted to each specific situation in the best way possible.

1.5.3 THE GROUP'S COMPETITIVE STRENGTHS

As a leading player in the contract catering, services and concession catering markets, the Group considers that it has the following main competitive strengths:

1.5.3.1 An international leader in catering and services, operating in growing markets with attractive fundamentals

1.5.3.1.1 Solid competitive positions built in its historical markets in Europe, complemented by an operating presence in the highly attractive U.S. market

In the six main countries where the Group operates, contract catering is characterized by a highly competitive environment, with a large number of small and mid-size regional operators competing with a few national or international players. In the Group's markets, size represents a key competitive factor, as it allows large players to offer competitive prices and enhance their profitability. In addition, large operators such as Elior are better equipped to compete for the largest contracts.

In the concession catering business, a limited number of large operators compete for the largest concessions in the main sectors and geographic markets. However, most markets are still significantly fragmented, with a large number of smaller regional and national operators.

a) In Europe

In most of the countries and sectors in which the Group operates in Europe, it has been able to reach critical mass and position itself as a leading market participant. These leading positions and the Group's ability to operate on both a local and national level in almost all of its business sectors and host countries in Europe have been made possible due to a decentralized organizational structure and a resolutely entrepreneurial corporate culture, drawing on its strength as a large international player.

Based on revenue for 2014, the Group estimates that:

- in France, it is a co-leader in contract catering, the leader in concession catering, and the leader in cleaning services for the healthcare market;
- in Spain, it is the leader in both contract and concession catering;
- in Italy it is the leader in contract catering and number one in airport concession catering; and
- In the United Kingdom it is the fifth-leading player in the contract catering industry.

b) In the United States

The Group has a solid presence in the United States, where it first entered the concession catering market in 2006 and then expanded into contract catering in 2013 through its acquisition of TrustHouse Services. The U.S. market represents a major growth driver, notably due to (i) the Group's concession catering business, which has recently won a number of large contracts in the motorways market, and (ii) its strong positions in the most attractive market segments of the contract catering industry. Based on 2012 revenue, the Group estimates that it is the second-leading operator in the motorways concession catering market in the United States, and based on 2014 revenue, the fifth-leading operator in the education and healthcare sectors of the contract catering market.

1.5.3.1.2 Strong potential in Contract Catering & Services

The Group is present in markets and sectors that have high growth potential. In Europe, the Group estimates that the addressable outsourced catering market in which it operates is worth €19 billion. In the United States, the addressable catering market is estimated at $81 billion, of which the outsourced market currently represents only $33 billion. Lastly, in France, the addressable outsourced cleaning services market is valued at €12 billion, over twice the size of the French addressable contract catering market.

Each of the contract catering and services markets in which the Group operates enjoys solid growth opportunities. For example, the Group believes that:

- In the private sector of the business & industry market, the development of fast food and "grab & go" formats will lead to higher attendance in contract catering restaurants.
- In the education market, the move towards outsourcing will accelerate, in particular for secondary schools and universities, which still have relatively low outsourcing rates, especially in Italy and France.
- The healthcare market will continue to grow, notably in France and the United States, due to general population aging, the market's still relatively low outsourcing rates, and the further development of value-added sub-segments, such as home meal deliveries as part of hospital after-care services, and new services related to an expected trend towards higher-end offerings in elder care facilities.
- The services business will continue to grow, driven by the combined effect of (i) an increase

in outsourcing, as customers seek ways to reduce costs, and (ii) constraints related to an ever-stricter and more complex regulatory framework in this sector.

1.5.3.1.3 Solid market fundamentals in concession catering

The size of the addressable concession catering markets in the various countries in which the Group operates is significant, as these markets are currently only partially covered by the Group and they have strong growth potential. For example, the Group believes that:

- In the airports market, growth will be led by an overall increase in passenger volumes in the coming years, as well as by the reduction and gradual erosion in quality of in-flight catering services.
- In the motorways market, the increasing size of sites (notably due to the grouping of catering and retail facilities in one building) will enable concession caterers to offer retail and gasoline distribution services in addition to their food and beverage services. At the same time, the expected economic recovery in Southern Europe – in particular Spain – will probably go hand in hand with a gradual rise in motorway traffic and an increase in average customer spend.
- Market trends for railway station concessions are holding firm, notably due to growing suburbanization in the countries where the Group operates, which pushes up the volume of commuters. Traditional restaurants will gradually be replaced by fast-food and snack formats, which are more in phase with consumer demand and generate higher volumes of customers. Lastly, business in railway stations is moving beyond services purely related to rail travel, with full-scale shopping centers being created in station precincts.

1.5.3.2 A strong strategic fit between the Group's two business lines of contract catering & services and concession catering, offering numerous growth opportunities

1.5.3.2.1 The Group is built on two complementary pillars

The Group has two highly complementary business lines – contract catering & services on the one hand and concession catering on the other.

The strategic fit between these two business lines is first and foremost illustrated by the significant and increasing transfer of skills between them. In particular, the Group draws on its experience and its relations with the catering brands that it uses under franchise agreements in the concession catering business in order to introduce snack and takeaway formats marketed under these brands in its contract catering operations. This is particularly the case for the brands the Group uses under exclusive franchise agreements, such as Paul and Exki. These branded offerings enable the Group to energize its contract catering services, which in turn pushes up restaurant attendance and the average customer spend, as has been seen in the business & industry market at the Airbus Helicopters site in Marignane (Paul) and the BNP Paribas site at Issy-les-Moulineaux (Bonsens). In November 2013, the Group also won the contract for the Majunga building at La Défense, due to a very attractive multi-branded offer. Similarly, the Group draws on its contract catering know-how for its concession catering operations in the city sites and leisure market, as illustrated by its contract with Center Parcs.

Another demonstration of this strategic fit is the synergies the Group can leverage along the supply chain. The Group's size, combined with its knowledge of its local and national markets, enable it to achieve considerable economies of scale by putting in place cross-business procurement structures.

The complementary nature of the contract and concession catering businesses also helps the Group to manage seasonality impacts as the busiest time of the year for contract catering is the winter, whereas for concession catering it is the summer vacation period.

The two businesses are also financially complementary, particularly in terms of their capital expenditure requirements and cash generation profiles. Contract catering operations require little capital outlay and have low working capital requirements, but costs and margins need to be very tightly controlled. On the other hand, concession catering operations are more capital intensive but generate higher cash inflows due to a negative working capital requirement under multi-year contracts that offer financial and legal security for the concession operator.

Lastly, all of the Group's businesses and markets are now benefiting from the fact that its brand names (Elior, Areas and Elior Services) are becoming increasingly powerful, which means that they can capitalize on the reputation for quality and excellence the Group has built up over many years.

1.5.3.2.2 Contract catering, services and concession catering present numerous organic growth prospects, notably as a result of the Group's innovation capabilities

The Group is ideally positioned to leverage the increasing trend towards outsourcing and fully tap the anticipated organic growth opportunities for its contract catering and services operations. For example, having built up leading positions in the defense and corrections sub-sectors in France, the Group is ideally positioned to capitalize on the potential generated by their rising outsourcing rates, as in 2014 only around 25% of services in these two sub-sectors were outsourced. The Group is also well positioned to seize growth opportunities in new markets, due to its proven catering expertise and its innovation capabilities. To cite three examples, the Group intends to expand in the markets for home meal deliveries, catering services for SMEs (fewer than 150 meals a day), and other outsourced services such as on-board train catering (as demonstrated in its successful contract with Trenitalia). Lastly, its extensive experience means that the Group can propose highly competitive offerings combining catering and support services, which are particularly appreciated by customers (especially in the healthcare market).

In its concession catering business, the Group believes it can leverage the ramp-up of its major U.S. motorways concessions, as it has only just recently and gradually taken over the operation of the service plazas in Florida and Maryland.

1.5.3.3 A resilient and attractive business model with a good level of visibility due to a loyal customer base and long-lasting contractual relations

The Group believes that it has a resilient and attractive business model, underpinned by diverse revenue streams and stable and long-lasting commercial and contractual relations in both its contract catering and concession catering operations.

The resilience of the Group's business model is mainly due to the wide diversity of its operations, in terms of both business sectors and geographies. Although the Group has focused its growth efforts in recent years on the least cyclical markets, such as healthcare and education in contract catering, its activities cover a wide range of business areas. The Group has also increased its geographic diversity over the years, and now has operations in 13 countries, with France – its main and legacy geographic market – only representing 50% of total consolidated revenue for the fiscal year ended September 30, 2015. One example of its extended geographic reach is its presence in the U.S. contract catering market, which it further developed in 2015 through its acquisition of Cura Hospitality and Starr Restaurant Catering Group (following on from the acquisition of THS in April 2013).

Elior's business model is also strengthened by the fact that it has a wide and diverse customer portfolio. In fiscal 2014-2015, its five largest contract catering customers accounted for approximately 6% of total revenue for the contract catering & services business line. During the same period, its five largest concession catering contracts represented approximately 20% of total concession catering revenue.

Other factors that contribute to the strength and stability of the Group's business model include an efficient and dynamic management of the business contracts underlying its contract catering operations, as well as the existence of stable and long-lasting relations with a large number of major contract catering customers. Many of the Group's contracts include automatic renewal clauses and indexation clauses based on the prices of certain raw materials and labor costs. The Group also has very long-standing relations with a number of large international corporations, such as Airbus, Renault and L'Oréal. Its customer retention and satisfaction rates for its contract catering operations are very high. For example the average retention rate for the past three fiscal years in the contract catering & services business line was approximately 90.9%, with an estimated 91.5% for THS in the United States. One of the contributors to the high retention rate in France is the Elior Proximity loyalty program which offers bespoke solutions tailored to each customer's needs.

In its concession catering business, the Group operates mainly through long-term contracts, with durations that typically range between 5 and 15 years in Europe and can reach up to 35 years for U.S. motorway concessions. The Group's ability to renew key concession contracts also contributes to the stability of the concession catering business and to the overall resilience of our business model.

1.5.3.4 A proven ability to create value through a combination of organic growth, acquisition-led growth and a recognized ability to effectively integrate acquired companies

The Group has a strong track record in terms of acquisitions. Since 2006, it has carried out a total of 15 acquisitions, nine of which were structural, representing additional revenue of €1.3 billion. These acquisitions have enabled the Group to move into different business sectors as well as new geographic

regions, including the United States through the acquisition of THS in 2013.

The Group was only able to successfully carry out these acquisitions thanks to the tried and tested procedures it has put in place to identify, assess, negotiate, acquire and integrate its targets, with the overriding aim of extracting synergies. Drawing on these procedures and the Group's in-depth acquisitions experience, its highly-qualified management teams prepare and implement action plans that are specifically adapted to each situation in order to optimize the effects of acquisitions, notably in the areas of purchasing, reporting and control systems and sales and marketing policies, and are also aimed at eliminating operational inefficiencies, streamlining the customer portfolio, and optimizing operating costs and capital expenditure projects. The final steps in an acquisition include integrating the acquiree's brands into the Group's brand ecosystem. In most cases the Group keeps the existing management teams in place, in order to ensure continuity and encourage an entrepreneurial culture.

The Group's acquisitions have enabled it to create powerful national players in each of its three main host countries. One illustration of the effectiveness of this strategy is the ramp-up of its contract catering operations in Italy. Having first entered the Italian contract catering market in 1999 through the acquisition of the country's fifth-leading contract caterer at the time, the Group has now built up a market leading position, partly as a result of the significant synergies achieved through a succession of acquisitions.

1.5.3.5 A solid financial performance, combining growth, cash flow generation and margin increases

Since 2010, the Group has demonstrated its ability to consistently grow its revenue, increase its margins and generate operating cash flow, despite a difficult economic environment, particularly in Europe.

1.5.3.5.1 Operating excellence resulting from a tightly-controlled supply chain and cost base

a) A tightly-controlled supply chain

Because of its size and geographic reach, the Group is generally able to obtain favorable purchasing conditions – including significant rebates – which lead to large economies of scale. In addition, some of its acquisitions have enabled it to further improve and optimize its supply chain thanks to significant purchasing synergies achieved across its businesses, end-markets and geographic areas.

The Group's principle centralized purchasing structure is based in France – its main and legacy geographic market – and covers both the contract catering & Services and concession catering business lines. In its other operating countries, the Group has put in place dedicated purchasing departments that work closely with the centralized purchasing structure based in France.

Finally, the Group has long-lasting and stable relationships with key suppliers of raw materials, products and logistics services, which generally means that it enjoys favorable pricing conditions. The Group strictly monitors the quality of its supplies, notably by performing quality audits when selecting new suppliers and periodic audits on existing suppliers and by carrying out regular controls on the raw materials and products that it procures.

b) A strong focus on cost management

The Group regards its ability to control its cost base and improve its overall operational efficiency as a priority focal point and a key factor for the success of its management, particularly for contract catering & services.

The Group's cost base mainly comprises purchases of food products and raw materials, personnel costs and overhead. In each of the countries where it operates, a centralized purchasing department ensures that purchases are optimized and that each site strictly complies with the purchasing policy that is applicable throughout the Group. The Group has also implemented processes to optimize the use of food on site in order to minimize waste. In addition, as staff represent the largest portion of its cost base, the Group closely monitors personnel costs through key performance indicators adapted to each type of business and through the use of standardized management software aimed at maximizing workforce productivity. The Group has demonstrated its ability to successfully implement restructuring plans, notably in Spain and Italy, which have enabled it to maintain its EBITDA margins despite the challenging economic conditions in those countries and the overall decrease in business volumes and restaurant attendance rates. It has also streamlined its production processes, reducing the cost per meal, which means it can now offer meals from its central kitchens in Spain at very competitive prices.

c) Strong financial performance

The Group's efficient business model, which is characterized by good profitability levels, modest working capital requirements and contained capital expenditure as a percentage of revenue, has resulted in robust operating cash flow generation.

1.5.3.6 Experienced management teams with an entrepreneurial mindset and in-depth knowledge of their markets

The Group is privileged to have managers who have proven expertise, long experience in their business and a resolutely entrepreneurial mindset, and whose constant watchwords are innovation, pragmatism, efficiency and financial performance. The Human Resources Department has put in place talent identification programs with a view to maintaining the Group's operating performance and encouraging employee empowerment. It has also drawn up and regularly updates a succession plan for top managers in order to be able to swiftly propose succession solutions.

The Group believes that its decentralized organizational structure, which is based on local and autonomous management teams, complies with the "subsidiarity" principle and constitutes a key factor in its pro-activeness and operational responsiveness.

The Group believes that it is on account of its entrepreneurial culture and decentralized structure that it has been able to take a number of key structural decisions in its recent history (notably moving into rental-management of gasoline stations in France, Pierre & Vacances vacation villages and Center Park leisure parks and on-board train catering services in Italy), which have enabled it to stand out from its main competitors.

1.5.4 THE GROUP'S MAIN OPERATING MARKETS AND COMPETITIVE ENVIRONMENT

1.5.4.1 Contract Catering

The Group estimates that the overall outsourced catering market in the countries in which it operates excluding the United States (i.e. France, Spain, Italy, the United Kingdom and Portugal) represented total revenue of approximately €19 billion in 2014 compared with around €17 billion in 2008 (data source: GIRA). France, the United Kingdom, Italy and Spain together account for some 60% of the total European outsourced catering market. Despite the challenging economic environment in Europe over the past few years, the Group believes that the outsourced catering market (in its four main host countries) has maintained a steady pace of growth, estimated at an annual rate of 2.4% from 2008 to 2014 (data source: GIRA).

The U.S. outsourced catering market – which the Group entered more recently through its acquisition of THS – was worth approximately €23 billion in 2014 (excluding the defense and corrections sectors), representing around 42% of the overall in-house and outsourced catering market (data source: THS/Technomic).

1.5.4.1.1 Business & Industry

On the basis of research carried out by external agencies at the Group's request, the Group estimates that in France the public sector represented 22% and the private sector 78% of the total revenue generated in the outsourced catering sector of the business & industry market in 2014. The business & industry market also includes customers in the defense and corrections sectors. In Europe, the Group estimates that in 2014 the business & industry market represented approximately 41% of the aggregate outsourced catering market in the European countries in which it operates (data source: GIRA). And in the United States, the Group estimates that in 2014 the business & industry market, excluding the defense and corrections sectors, generated approximately 35% of the country's aggregate outsourced catering sales[1], and that catering for the defense and corrections sectors represented 6% of total U.S. outsourced catering sales (data source: THS/Technomic).

1.5.4.1.2 Education

On the basis of research carried out by external agencies at the Group's request, the Group estimates that in France the public sector (state-run educational establishments) represented 55% and the private sector 45% of the overall revenue generated in the outsourced catering sector of the education market in 2014. In Europe, the Group estimates that in 2014 the education market generated approximately 26% of the aggregate outsourced catering sales in the European countries in which it operates (data source: GIRA). And in the United States, the Group estimates that in 2014 the education market generated approximately 39% of the country's aggregate outsourced catering sales (data source: THS/Technomic).

1.5.4.1.3 Healthcare

On the basis of research carried out by external agencies at the Group's request, the Group estimates that in France

[1] Excluding the "recreation & concessions" segments (vending and sport)

the healthcare sector represented 11.4% and the social care sector 20% of the total revenue generated in the outsourced catering market in 2014. Meals are generally prepared on-site by contract caterers or, less commonly, off-site at central kitchens. In Europe, the Group estimates that in 2014 the healthcare market generated approximately 28% of the aggregate outsourced catering sales in the European countries in which the Group operates (data source: GIRA). And in the United States, the Group estimates that in 2014 the healthcare market generated approximately 21% of the country's aggregate outsourced catering sales (data source: THS/Technomic).

1.5.4.1.4 Geographic Markets

Unless otherwise specified, market data presented in this section is derived from reports issued by GIRA (for Spain, France and Italy), Peter Roberts (the United Kingdom) and Technomic (the United States).

a) France

The Group estimates that the French outsourced catering market was worth approximately €6.7 billion in 2014, representing some 38% of the country's overall in-house and outsourced catering market, which the Group estimates was worth approximately €17.6 billion in 2014. As a whole, the Group considers that the outsourced catering market has experienced sustained growth in France in recent years, representing around 2.5% per year since 2008. The Group believes there remains significant potential for organic growth in the French outsourced catering market, especially in catering for public hospitals, the defense sector, some self-managed government agencies, schools, universities and correctional facilities. On the basis of research carried out by external agencies at the Group's request, the Group estimates that the overall French outsourced catering market will grow at an annual average rate of between 2% and 3% between 2014 and -2018. The French business & industry catering market is well developed, with approximately 82% of sales outsourced in 2014 and an outsourced sector worth around €2.6 billion. The outsourcing catering rate in the defense sector increased sharply from 14% to 25% between 2008 and 2014. However, the Group believes that outsourcing rates in the French education and healthcare catering markets are still low (31% and 29% respectively in 2014). The outsourced sectors of the education and healthcare catering markets were worth €1.7 billion and €2.1 billion respectively in 2014. On the basis of research carried out by external agencies at the Group's request, the Group estimates that the annual average growth rate for the outsourced catering sector from 2014 to 2018 will be 3% for the education market and between 3% and 4% for the healthcare market.

b) Spain

The Group estimates that the Spanish outsourced catering market was worth approximately €1.8 billion in 2014, representing some 46% of the overall in-house and outsourced catering market, which the Group estimates was worth approximately €4 billion in 2014. Despite the severe economic downturn in Spain since 2008, the overall contract catering market has remained robust. On the basis of research carried out by external agencies at the Group's request, the Group estimates that the Spanish outsourced catering market will grow at an annual average rate of approximately 2.5% between 2014 and 2018. The main markets for outsourced catering in Spain are business & industry, education, and healthcare, representing respectively 26%, 36% and 38% of the total revenue of the country's contract catering sector. In 2012, outsourced catering rates in Spain were mixed, with rates of around 66% for the education market, 50% for the business & industry market (including the defense and corrections sectors, or 82.5% without these two sectors), and only 34% for the healthcare market. The Group believes that the low outsourcing rates for certain sectors in Spain represent opportunities for growth.

c) Italy

The Group estimates that the Italian outsourced catering market was worth approximately €4.1 billion in 2014, representing some 63% of the overall in-house and outsourced catering market, which the Group estimates was worth approximately €6.6 billion in 2014. The Group estimates that the Italian contract catering market has remained stable since 2008. On the basis of research carried out by external agencies at the Group's request, the Group estimates that the Italian outsourced catering market will grow at an annual average rate of around 1% from 2014 to 2018. The main markets for contract catering in Italy are business & industry, education and healthcare, representing respectively 31%, 29% and 40% of the total revenue of the overall contract catering market in Italy in 2014. The Group believes that a distinguishing characteristic of the Italian catering market is that while there are high levels of outsourcing in workplaces (approximately 77% of business & industry sales) and in the education market (approximately 70% of education sales), there remains room for growth in the healthcare market, where the Group estimates that only 47% of catering sales were outsourced in 2014.

d) United Kingdom

The Group estimates that the outsourced catering market in the United Kingdom was worth approximately £5.3 billion in 2014, representing around 54% of the overall in-house and outsourced catering market. The Group estimates that the outsourced catering market in the United Kingdom grew at an annual rate of

approximately 2.9% between 2008 and 2014. The Group believes the outsourced catering market in the United Kingdom is very well developed in the business & industry sector, with an outsourcing rate of approximately 90%. However outsourcing is still less developed in education (with an approximate 34% outsourcing rate) and healthcare (with an approximate 35% outsourcing rate), therefore representing growth opportunities for the Group.

e) United States

The Group estimates that the U.S. outsourced catering market, excluding defense and corrections, was worth approximately €23 billion in 2014, representing 42% of the country's overall in-house and outsourced catering market. On the basis of in-house research, the Group estimates that the U.S. outsourced catering market will grow at an annual average rate of around 3% from 2014 to 2018. The Group believes that the U.S. outsourced catering market is very well developed in the business & industry sector, with an outsourcing rate of approximately 82%, but that outsourcing is still less developed in education (with an approximate 37% outsourcing rate), healthcare (with an approximate 29% outsourcing rate) and corrections (with an approximate 24% outsourcing rate).

1.5.4.1.5 Competitive Environment

a) France

The Group believes that it is a co-leader, with Sodexo, in the French contract catering market, with an estimated 27.5% market share, based on outsourced catering sales in 2014. The Group considers that the French market is relatively consolidated, with the top three contract caterers accounting for approximately 74% (including services) of total outsourced catering sales in 2013. The Group faces competition in the French contract catering market from large, multinational companies, such as Sodexo and Compass, as well as smaller, national caterers, such as Api Restauration, Dupont and RestAlliance. With a market share of around 34.1% (including the services market), the Group believes it is the leader in the business & industry market in France. The Group is also the leader in the education market, with market share of approximately 32% in 2014. The Group believes it is the second-leading player in the healthcare market, with around 15% market share in 2014.

b) Spain

The Group believes that it is the leading contract caterer in Spain based on 2014 revenue, with an estimated 21% market share. The Group considers that the Spanish contract catering market is still fragmented, with the top three contract caterers accounting for approximately 47% of outsourced catering sales in 2012. In Spain, as in France, the Group faces competition in each of its markets from large companies such as Compass, Sodexo and Aramark. The Group also competes with ISS in the Spanish healthcare market.

c) Italy

The Group believes that it is the leading contract caterer in Italy based on 2014 revenue, with an estimated 15% market share. The Italian contract catering market is still highly fragmented and the Group estimates that the country's top three contract caterers accounted for approximately 35% of outsourced catering sales in 2014. In Italy, although the Group faces competition from large players such as Sodexo and Compass, it also competes with large domestic Italian cooperatives including CAMST and CIR and numerous smaller national groups such as Pellegrini and Serist. The contract catering market in Italy was worth €6.6 billion in 2014, with an outsourcing rate of 63%, and based on research carried out by external agencies at the Group's request it is expected to grow at an annual rate of around 1.0% between 2014 and 2018.

d) United Kingdom

The Group believes that it is the fifth-leading contract caterer in the United Kingdom based on 2014 revenue, with an estimated 5% market share. It considers that the U.K. market is less concentrated than the French market, with the top five contract caterers accounting for approximately 55% of outsourced catering sales in 2012. As in its other geographic markets, the Group's main competitors in the United Kingdom are large companies such as Compass, Sodexo and Aramark. It also faces competition from national catering companies such as BaxterStorey, from smaller, local catering companies or companies with niche markets, and from support services companies that also provide catering services.

e) United States

The Group believes that THS is the sixth-leading contract caterer in the United States based on 2014 revenue, with an estimated 1.5% market share (excluding the impact of the acquisitions of Starr Restaurant Catering Group and Cura Hospitality). The U.S. contract catering market is largely concentrated, with the top three contract caterers accounting for over 75% of outsourced catering sales in 2014. THS faces competition from large, multinational competitors in the United States, including Compass, Aramark and Sodexo, but also from smaller U.S.-based competitors such as Thompson Hospitality and from many local catering companies.

1.5.4.1.6 Market Trends

a) Increase in Outsourcing

Based on third-party market research, the Group expects that outsourcing rates will continue to grow, resulting in a further expansion of the outsourced catering market. It believes that, as companies and other private institutions seek to maximize savings in the current uncertain economic environment, and as public entities continue to experience political pressure to reduce spending, they will focus on their core business and competencies, which will incentivize them to outsource non-core activities, including catering services. Once an entity chooses to outsource its catering or support services, it very rarely decides to bring those services back in-house. Consequently, the Group expects that the outsourcing trend will continue.

b) Market Concentration

The Group believes that the current market concentration trends in Europe's contract catering market will continue, and that there is also scope for further market concentration in the United States. Although certain sectors in its geographic markets have already undergone considerable concentration in recent years, fragmentation persists in Italy, Spain and the United Kingdom. Fragmented markets present an opportunity for larger players, as they are able to achieve significant economies of scale and improve the attractiveness of their offers, in particular in terms of price. Larger companies are also better equipped to pursue opportunities for acquisitions of smaller market participants, increasing market share and allowing further economies of scale.

1.5.4.2 Services

On the basis of research carried out by external agencies at the Group's request, the Group considers that specialized cleaning services and standard cleaning services represented 21% and 79% respectively of the overall revenues of the cleaning services market in France in 2012.

1.5.4.2.1 Principal Geographic Market

France is the Group's principal geographic market for its Services business. The Group estimates that the French cleaning services market generated around €20 billion of revenue in 2012, around €12 billion of which derived from the outsourced segment of the market, representing an outsourcing rate of 60% (data source: INSEE/ESAN). It also estimates that sales generated by the outsourced cleaning services market in France grew at an annual rate of approximately 3.8% between 2008 and 2011. On the basis of research carried out by external agencies at the Group's request, the market's average annual growth rate from 2013 to 2019 is expected to be around 2.0%.

1.5.4.2.2 Competitive Environment

The Group believes that the French cleaning services market is highly fragmented. According to market research, based on 2013 revenue, the ten leading contract cleaning companies account for approximately 40% of the outsourced cleaning services market in France.

The Group believes that it is the sixth-leading cleaning services provider in France based on 2013 revenue – largely due to the acquisition of Sin&Stes in 2010 – and it has an estimated 3% market share. The healthcare market represents 7% of the overall outsourced cleaning services market in France (data source: MSI). The Group believes that it is the main provider of outsourced cleaning services in the French healthcare market, with an estimated market share of around 23% based on 2013 revenue. Its main competitors in the cleaning services market are Onet, Samsic, Atalian, GSF and ISS. All of these companies are large entities with dense customer networks and, apart from GSF, offer an array of other support services besides cleaning.

The Group's Services business also faces competition internationally from large, multinational providers such as Sodexo and ISS, as well as from smaller, regionally-based service providers.

1.5.4.2.3 Market Trends

a) Increase in Outsourcing

The Group expects that the trend towards greater outsourcing of support services will continue. In particular, it believes that public and private sector entities are increasingly looking to streamline their operations to focus on their core businesses, which means that the offerings of larger support services providers who are able to provide quality services at low costs will increasingly prove attractive to potential customers.

b) Market Concentration

The Group believes that, as in the contract catering industry, there is a trend towards further concentration in the services industry, particularly in France where the market is still highly fragmented. Because larger specialized companies can operate with lower overhead costs due to economies of scale, they are able to pass cost savings on to customers and therefore offer more competitive pricing. As companies and public institutions remain sensitive to budgetary concerns, they will likely favor larger specialized companies when seeking to outsource their support services needs.

c) Emergence of Multiservice Contracts

The Group believes that there is currently a trend for large services providers to expand their offerings to propose multiple types of outsourced services to customers. Such offerings range from the bundling of so-called "soft" services such as cleaning, light maintenance and office support to the joint sale of support services and catering services. As the services market continues to become more concentrated, large providers will increasingly be able to offer a wide range of services to customers at attractive prices.

d) Professionalization of the Outsourced Services Industry

Historically, outsourced services, especially cleaning, have been provided by small, locally-based businesses. As a result, the market for such services is highly fragmented, particularly in France. The Group believes that larger companies such as itself will be able to leverage brand recognition and their reputation for professional reliability to grow market share more rapidly than smaller companies, resulting in further market concentration.

1.5.4.3 Concession Catering

Unless stated otherwise, all of the market data presented below is derived from reports issued by GIRA.

City sites consist mainly of inter-city railway stations and, to a lesser extent, other non-travel specific areas such as exhibition centers, museums, leisure parks and vacation villages. City sites, other than railway stations, are distinct from both airports and motorways in that the general level of capital expenditure required from the concession operator is low. Another distinguishing characteristic is that railway station concession customers are less captive than at airports and motorway service areas. Customers may come and go as they please and have a wider choice of catering options than, for example, airline passengers who only have the options available to them in the airport terminal.

The Group's primary city site & leisure concession catering markets are France and Spain.

1.5.4.3.1 Market Size

a) Airports

France

The Group estimates that revenue generated by the French airport concession catering market grew at an annual rate of 2.9% between 2008 and 2014, from approximately €245 million to around €291 million. The Group believes this was due to the combined effect of an increase in passenger volumes and higher average customer spend. On the basis of research carried out by external agencies at the Group's request, the Group estimates that the French airport concession catering market will grow at an annual average rate of around 6.0% between 2014 and 2018.

Italy

Despite challenging economic conditions, the Group estimates that the Italian airport concession catering market has managed to maintain a sustained level of growth over recent years, with revenue rising at an annual rate of 8.5% between 2006 and 2013, from approximately €170 million in 2006 to around €287 million in 2011 and €287.7 million in 2013. This reflects both an increase in passenger volumes and significantly higher average customer spend. The Group believes that this growth was largely the result of expansions in commercial areas as well as improvements in concession offerings at the airports in Milan and Rome.

Spain

The Group believes that the Spanish airport concession catering market has suffered a decline in recent years due to a decrease in business and domestic air travel (partially offset by consistent levels of international tourism travel) which was compounded by a sharp contraction in the average customer spend. It estimates that revenue for the Spanish airport concession catering market as a whole increased from €272 million in 2012 to €279 million in 2014. On the basis of research carried out by external agencies at the Group's request, the Group estimates that the Spanish airport concession catering market will grow at an annual average rate of around 1.0% from 2014 to 2018.

United States

The Group believes that the U.S. airport concession catering market has maintained growth despite the challenging economic conditions experienced since 2008. It estimates that in 2014, overall revenue generated by the U.S. airport concession catering market totaled €3.6 billion. On the basis of research carried out by external agencies at the Group's request, the Group estimates that the U.S. airport concession catering market will grow at an annual average rate of between 6.0% and 6.5% from 2014 to 2020.

b) Motorways

France

The Group believes that in 2014 the French motorway concession catering market slipped back to its revenue level of 2008, amounting to €408 million having

previously reached €430 million. On the basis of research carried out by external agencies at the Group's request, the Group estimates that the French motorway concession catering market will grow at an annual average rate of around 2.0% from 2014 to 2018.

Italy

The Group estimates that the Italian motorway concession catering market generated overall revenue of €1.1 billion in 2014. However, the market has experienced difficulties – especially in 2012 – due to poor economic conditions (leading to decreases in traveler volumes and average customer spend).

Spain

Since 2007, the Spanish motorway concession catering market has contracted due to unfavorable economic conditions. The Group estimates that in 2014, revenue generated by the overall Spanish motorway concession catering market represented €154 million compared with €206 million in 2012, representing an average annual decrease of 13.5%. Based on its own estimations, the Group considers the Spanish motorway concession catering market could grow at an average annual rate of around 1%.

United States

The Group estimates that the U.S. motorway concession catering market was worth around €600 million in 2014 and believes that this market should continue to grow in the future at an average annual rate of around 3%.

c) Railway Stations, City Sites & Leisure

France

As in other sectors of the French concession catering market, the Group believes that the French city sites & leisure market has held firm in recent years. It estimates that revenue generated by food and beverage concessions at railway stations in France increased at an annual rate of 2.4% between 2008 and 2014, from approximately €299 million in 2008 to around €327 million in 2012 and €345 million in 2014. This rise reflects the effect of both increased customer volumes and higher prices, although these positive impacts were partially offset by a slight decrease in average customer spend, caused largely by a shift in concession offerings toward fast food and grab & go sites which offer lower-cost meals. At the same time, revenue generated by food and beverage concessions at vacation villages and leisure parks represented an overall €660 million in 2014. On the basis of research carried out by external agencies at the Group's request, the Group estimates that the concession catering market will grow at an annual average rate of around 3% for French railway stations from 2014 to 2018.

Spain

Spanish railway station concessions have been adversely affected by the difficult economic situation in the country, with the market's overall revenue contracting from around €82 million in 2012 to approximately €67 million in 2014. This was due to a 1.7% annual decrease in meals served between 2008 and 2014 (resulting from a 1% per year decrease in passenger volumes), whose effect was not fully offset by a 0.5% annual increase in average customer spend. On the basis of research carried out by external agencies at the Group's request, the Group estimates that the Spanish concession catering market for railway stations, city sites and leisure venues will grow at an annual average rate of between 2.0% and 3.0% from 2014 to 2018.

1.5.4.3.2 Competitive Environment

The Group believes it is the third-leading concession catering operator globally, with a market leadership position in certain of the markets in which it operates. It faces competition from a variety of companies ranging from large, multinational concession operators, such as Autogrill and SSP, to smaller, locally-based companies.

a) France

The Group believes that it is the leading concession catering operator in France based on 2014 revenue, with an estimated market share of approximately 60% in the French airports sector, around 70% in the French motorways sector and approximately 34% in the French railway station concession catering market. It considers that the overall French concession catering market is highly concentrated, with the top three concession operators in airports, motorways and railway stations accounting for an estimated 91%, 97% and 77% of revenue, respectively. The Group's main competitors in each of these markets are Autogrill and SSP. In addition, a new player has recently arrived in the market for airport and railway station contract catering due to the business repositioning carried out by Relay.

b) Spain

In Spain, the Group operates in 17 airports and 43 motorway service areas. It estimates that it is the leading concession catering operator in Spain based on 2014 revenue, with approximate market share of 68% in airport concessions, 60% in motorway concessions and 39% in railway station concessions. The Spanish market is highly concentrated. Based on its own estimates, the Group believes that in the Spanish airports, railways and motorways concession catering markets, the top two

players accounted for approximately 77%, 77% and 88% of total revenue in 2014, respectively. The Group's main competitors are Eat Out (railway stations), SSP (airports), Autogrill (railway stations and motorways), and Cafestore (motorways).

c) Italy

The Italian motorway concession catering market is highly concentrated, with Autogrill holding a 71% market share in 2014 based on the Group's estimates. However, the market has become increasingly open to other participants in the past several years due to market liberalization measures. In the airports market, the Group believes that it is the leading operator of food and beverage concessions in Italy based on 2013 revenue, with an estimated 31% market share. Its main competitors are Autogrill (particularly in the motorways market) and smaller companies such as Cremonini, Airrest and Sarni. In the motorways market, the Group believes that it is the third-leading player in food and beverage concessions in Italy based on 2013 revenue, with an estimated market share of 4%.

d) United States

In the United States, the Group mainly faces competition from large, multinational companies, such as Autogrill and SSP, and from regional companies, such as Delaware North Companies (primarily for airports, stadiums and leisure parks) and Aramark (stadiums and leisure parks). In the United States, the Group believes it ranks number six in the airports concession catering market, and number two in motorways.

1.5.4.3.3 Market Trends

a) Continued Barriers to Entry

The Group believes that the structure of the concession catering industry will continue to favor large, incumbent operators.

Concession agreements tend to be medium- to long-term, lasting for up to 35 years, which limits turnover of operators. The length of contracts is typically the result of the intensive capital expenditure required to operate a concession.

A further barrier to entry is the need to enter into franchising agreements with brand owners. Consumers are attracted to national and international main-street brands, and concession grantors look closely at a concession operator's brand portfolio when considering bids. Franchisors tend to prefer more experienced concession operators in order to limit the risk of any reputational damage to their brands.

Lastly, the successful operation of a concession requires the management of complex and expensive information technology systems to track sales and link to accounting systems, as well as oversight of vendors and of the entire supply and logistic chain. The management of such systems can be an advantage for large players in this market.

b) Economic Recovery and Increased Travel and Leisure Time

The Group believes that the nascent global economic recovery will result in an increase in consumer discretionary spending, boosting concession catering sales. Because the concession catering industry is closely linked to business and personal travel, it is particularly sensitive to changes in businesses' and consumers' confidence and their ability and willingness to spend. In poor economic conditions, concession catering businesses tend to be impacted by business and consumer spending cutbacks. However, as the global economy continues its slow recovery, the Group expects that spending on travel and leisure will increase, driving up both volumes and revenue. For example, the Group estimates that motorway traffic increased by 4% in Spain between January 2013 and January 2014 (data source: Abertis), and passenger traffic in airports rose by 3% over the same period (data source: ACI). The trend that began in 2013 toward a levelling off – or even decrease – in gasoline prices in the United States should lead to an increase in motorway travel. In addition, rail travel should continue to be boosted by the expansion of high-speed rail links.

1.5.5 LAWS AND REGULATIONS APPLICABLE TO THE GROUP

The Group is subject to various laws and regulations issued by local, national and other government entities in each of the countries in which it operates, as well as at European Union level. Its contract catering and concession catering businesses are particularly subject to laws and regulations regarding food safety and hygiene and food labeling requirements. Additionally, the Group is subject to labor and employment laws and regulations in each of its business segments and countries.

1.5.5.1 Food Regulations

Food safety is a fundamental aspect of the Group's business as a food services provider. Serving food that is safe and has been prepared and distributed in accordance

with the applicable regulations is an underlying prerequisite for customers, and is the foundation for the trust they place in the Group. In its contract and concession catering operations, the Group is subject to extensive local, regional and national laws and other requirements relating to food safety, hygiene and nutrition standards in each of the countries in which it operates, as well as at EU level for its operations in the European Union. The Group has implemented numerous measures in order to ensure compliance with applicable food regulations, such as providing certified training to employees in a number of relevant areas, including food safety, preventing contamination, preparation and storage, and facilities maintenance.

1.5.5.1.1 Food Safety and Hygiene

a) European Union

A set of rules known as the "Hygiene Package" has been applicable in the European Union since January 1, 2006. The introduction of this legislation was aimed at creating a single, transparent hygiene policy applicable to all food and all food operators right through the food chain "from the farm to the fork", together with effective instruments to manage food safety and any future food crises throughout the food chain.

For its catering operations the Group is subject to four of the Hygiene Package's regulations: Regulation (EC) No. 178/2002, Regulation (EC) No. 852/2004, Regulation (EC) No. 853/2004 and Regulation (EC) No. 2073/2005 (implementing regulation).

Regulation (EC) No. 178/2002 (also called the "General Food Law") lays down the general principles of food safety and covers foodstuffs intended for human consumption and animal feed. This Regulation also established the European Food Safety Authority (EFSA) and the Rapid Alert System for Food and Feed (RASFF) in the European Union.

The EFSA assesses and communicates risks associated with the food chain in order to inform the policies and decisions of food safety risk managers. A large part of the EFSA's work entails issuing scientific opinions on matters that affect food safety. The EFSA uses its expertise in playing an advisory role for European legislation on food safety, deciding whether to approve regulated substances such as pesticides and food additives and developing regulatory frameworks and policies in the field of nutrition.

The General Food Law establishes general principles (e.g. use of risk analyses by the relevant authorities, the precautionary principle, the principle of transparency and the protection of consumers' interests) and sets out specific obligations for professionals, including traceability, recalling any products that may present a public health risk, and informing the relevant inspection authorities.

In particular, the General Food Law requires food business operators to ensure that businesses under their control satisfy the relevant requirements and to verify that such requirements are met at all stages of production, processing and distribution. It also imposes a mandatory traceability requirement along the entire food chain that applies to all food and all types of operators in the processing, transportation, storage, distribution and retail stages. Each food operator is required to register and retain for a period of five years detailed product information (including the name and address of the producer, the nature of the product and the transaction date) and make such records immediately available to the competent authorities upon request.

Regulation (EC) No 852/2004 of April 29, 2004 on the hygiene of foodstuffs applies to all food businesses (including caterers, primary producers, manufacturers, distributors and retailers). This Regulation requires, among other things, that food chain players set up procedures based on the principles of Hazard Analysis Critical Control Points (HACCP) which should take account of the seven Codex Alimentarius principles (a program set up jointly by the United Nations Food and Agriculture Organization (FAO) and the World Health Organization). HACCP is a is a process control system which is used to identify potential food safety hazards and take action to reduce or eliminate the risks related to the various stages of the product manufacturing process, from ensuring the safety of raw materials, to validating processes (e.g., cooking and washing), to shelf life and finally end-consumer usage. The Regulation also requires that employees undergo training on food hygiene matters and the application of HACCP principles. In addition it sets out obligations for meal-delivery firms in terms of declaring and registering food information with the food control authorities and requesting authorizations.

Regulation (EC) No. 853/2004 includes more stringent requirements for food products of animal origin, such as meat, fish and dairy products, and foods containing such products. European legislation regulates the temperature settings at which these products must be kept (below 8° Celsius) as well as the length of time for which they can be displayed.

Regulation (EC) No. 2073/2005 is an implementing regulation covering microbiological criteria for foodstuffs.

b) France

In France, the main food safety regulator is the Agency for Food, the Environment and Occupational Health and Safety (*Agence Nationale de Sécurité Sanitaire de l'Alimentation, de l'Environnement et du Travail*, or the "ANSES"). The ANSES is a governmental agency that is overseen by the Ministries of Health, Agriculture, the Environment, Labor and Consumer Protection. It acts as a watchdog and advisory specialist for a wide range of issues related to human and plant health and animal health and welfare, and also carries out research activities in these areas. It applies a holistic approach to health issues by analyzing all of the related risks and benefits. It assesses all of the risks (chemical, biological, physical) to which an individual may be exposed – voluntarily or involuntarily – at all ages and times of their life, whether at work, when traveling, during leisure time, or through the food they eat.

French food safety regulations incorporate the standards provided for in E.U. legislation on food safety. They also include the requirements of (i) the governmental decree dated December 21, 2009 concerning the temperature settings at which food products of animal origin must be kept, and containing specific provisions applicable to contract catering establishments (such as the requirement to prepare sample dishes for controls, the obligation to report to the authorities any suspected cases of food poisoning and procedures for managing unsold food), and (ii) the governmental decree dated October 8, 2013, which covers similar issues to the December 21, 2009 decree but applies to food products that are not of animal origin.

The Group is also subject to certain provisions of the French Rural Code (*Code rural*) dealing with food safety, epidemiology concerns related to products of animal origin, animal feed, and animal health.

c) Italy

In Italy, the main advisory authority for food safety is the National Committee for Food Safety (*Comitato nazionale per la sicurezza alimentare*, or the "CNSA"). The CNSA acts as a technical advisory body for safety issues concerning all food products and additives along the entire food chain, from primary production to processing, storage, transportation and sale. Italian food safety regulations incorporate the standards provided for in E.U. legislation on food safety. In addition to national-level food safety and hygiene regulations, the Group is also subject to regional and provincial food safety obligations in Italy.

The main food safety supervisory bodies in Italy, which have inspection powers, are the Local Healthcare Authorities (*Aziende Sanitarie Locali*).

d) Spain

In Spain, the main food safety regulator is the Consumer Protection, Food Safety and Nutrition Agency (*Agencia Española de Consumo, Seguridad Alimentaria y Nutrición*, or the "AECOSAN"). The Group is subject to food safety regulations promulgated and enforced by the AECOSAN at national level, such as the General Health Act 14/1986, the Consumers and Users Protection Act 1/2007 and the Food Safety and Nutrition Act 17/2011. While the Group is no longer required to hold specific authorizations to conduct business as a food operator in Spain since the promulgation of Royal Decree 3484/2000 in December 2000, it is subject to specific hygiene rules for preparing pre-cooked meals as well as requirements to ensure that food handlers are supervised and instructed in food hygiene matters in a way that is commensurate with their professional activities. In addition to national food safety laws and regulations, the Group is also subject to specific obligations under local regulations applicable in the Spanish autonomous regions in which it operates.

e) United Kingdom

The main food safety regulators in the United Kingdom are the Food Standards Agency (the "FSA") for England, Wales and Northern Ireland and the Food Standards Scotland (the FSS) for Scotland. The FSA and FSS are responsible for food safety and food hygiene across the United Kingdom. They work with local authorities to enforce food safety regulations and inspect meat plants to check compliance with the applicable regulations. The FSA also commissions research related to food safety. Key UK laws applying to food safety and hygiene include the General Food Law Regulation (EC) 178/2002 and amendments to the Food Safety Act 1990 to bring it in line with E.U. General Food Law.

The four countries within the United Kingdom have their own statutory rules which are detailed in The Food Safety and Hygiene (England) Regulations 2013, The Food Safety and Hygiene (Scotland) Amendment Regulations 2012, the Food Hygiene (Wales) (Amendment) (No.2) Regulations 2012 and the Food Hygiene (Northern Ireland) Regulations 2006.

In conjunction with the legislation the FSA writes guidance when there is a significant risk to food safety within the UK.

In the United Kingdom the FSA, FSS and local authorities work in partnership to operate two food safety rating schemes: The Food Hygiene Rating System (FHRS) in England, Wales and Northern Ireland, and The Food Hygiene Information Scheme (FHIS) in Scotland. Primary Authority is a statutory scheme, established by the Regulatory Enforcement and Sanctions Act 2008. It allows an eligible business to form a legally recognized

partnership with a single local authority in relation to regulatory compliance. Elior UK has entered into direct partnership with Cheshire East Council, achieving Primary Authority for Food Safety and Health & Safety.

f) Germany

In Germany, the Federal States are responsible for food safety. Official control is coordinated by the respective state ministries and random inspections of foodstuffs are carried out at municipal or provincial level.

The overarching supervisory body is the Federal Ministry of Food and Agriculture. At federal level, the food safety process is divided into two areas of responsibility: (i) scientific assessment of risks and risk reporting, which are performed by the Federal Institute for Risk Assessment (the BfR), and (ii) risk management, which is overseen jointly by the Federal States, the European Community and the Federal Office of Consumer Protection and Food Safety (the BVL). The application of the HACCP system provided for in E.U. Regulation (EC) No. 852/2004 is compulsory under German food safety legislation.

Certification bodies such as DOS and TÜV carry out audits to verify that food producers respect the requirements of the International Featured Standards and that they are capable of producing legally-compliant, safe and high-quality foods. Almost all of the producers of retail branded foodstuffs in Germany have these certifications.

g) United States

In the United States, food safety regulations are promulgated at the federal and state level. At federal level, the main food safety regulator is the Food and Drug Administration (the "FDA"). The FDA regulates all foods and food ingredients introduced into or offered for sale in interstate commerce, with the exception of meat, poultry and certain processed egg products, which are regulated by the U.S. Department of Agriculture. The Group's regulatory compliance efforts include commissioning an independent sanitation auditing company to perform audits at its sites. In addition, all operators are required to receive certified food safety training. The Group has also engaged a national independent company to perform pest control prevention and inspection services.

1.5.5.1.2 Food Labeling

Prepacked food that the Group sells must comply with provisions on labeling at European Union level, and notably European Directive 2000/13/EC of March 20, 2000, which addresses the labeling, presentation and advertising of foodstuffs. The products the Group sells are also subject to European Union regulations on nutrition labeling under the European Council Directive 90/496/EEC, which aims to help consumers choose an appropriate diet and encourage public nutrition education.

The applicable E.U. law on the provision of food information to consumers was consolidated and updated by E.U. Regulation 1169/2011 of October 25, 2011, which has been effective since December 13, 2014. This Regulation makes a distinction between the information that must be given for prepacked food and non-prepacked food, and provides for harmonized and compulsory nutritional information labeling for prepacked food as from December 2016.

In its catering activities the Group is required to provide information on whether its food contains any of the 14 major allergens set out in Annex II of this Regulation.

Other recent E.U. regulations affecting food labeling include Regulation (EC) No. 1379/2013 which amends the labeling requirements for fishery and aquaculture products, and Regulation (EC) No. 1337/2013 which amends the labeling requirements for meat from pigs, sheep, poultry and goats.

Local and national authorities may also introduce specific regulations or decrees clarifying particular points in the European regulations. For example, in France, the implementing decree 2015/447 dated April 17, 2015 – which has been effective since July 1, 2015 – clarifies the procedures for applying Regulation (EC) No. 1169/2011, and Decree no. 2002-1465 has regulated the labeling of beef in catering establishments since December 17, 2002.

1.5.5.1.3 Other Food Service-Related Regulations

In recent years, a number of national and local authorities have introduced specific regulations motivated by concerns about public health and environmental protection. These new regulations cover, among other things, enhanced nutritional information for foodstuffs, requirements to use recyclable packaging, and additional taxes on food and beverages with high sugar content.

In addition, the Group's operations in the French education sector are subject to specific regulations concerning the nutritional quality of meals served in school restaurants (Decree 2011-1227 of September 30, 2011). Accordingly, the Group has a number of obligations it is required to respect in relation to drawing up menus for restaurants in public and private schools, in accordance with the recommendations set out in the French National Nutrition and Health Program (*Programme National Nutrition Santé*) and issued by the GEMRCEN (a French governmental think-tank specialized in nutritional issues in the contract catering industry).

Restaurant facilities are also subject to regulations promulgated by national, regional and local authorities covering a range of matters such as the utilization and maintenance of restaurant sites and equipment and waste storage and disposal. In addition, for catering sites or concession points of sale at which the Group serves alcohol, it is required to obtain liquor licenses and is subject to ongoing alcoholic beverage control obligations. The Group is also required to comply with anti-smoking laws restricting smoking at dining establishments, such as the law applicable in France since January 1, 2008.

1.5.5.2 Labor and Employment Laws and Regulations

Labor and employment laws and regulations have a significant impact on the Group's operations because of its large headcount, which, at September 30, 2015, comprised approximately 108,000 employees. The majority of the Group's workforce is based in France, Italy and Spain and its French employees alone account for just under half of the workforce. As a result, the Group is particularly affected by labor and employment laws and regulations in France, Italy and Spain.

A description of the general types of labor and employment laws and regulations that affect the Group's operations is provided below.

1.5.5.2.1 Laws and Regulations Governing Employment Contracts

In the majority of the countries in which the Group operates, the traditional model of employment law is based on an employment contract signed between an employer and an employee before or at the time the employee is hired. Fundamentally, the employment contract defines the employee's responsibilities, sets out the wage to be paid to the employee in return for his or her services, establishes the employee's working time and is entered into for an indefinite or pre-determined duration. Many features of employment contracts are subject to mandatory provisions of labor laws and regulations as well as by the provisions of collective bargaining agreements.

1.5.5.2.2 Collective Bargaining Agreements

Under French, Spanish and Italian law, the employer-employee relationship is not only regulated by applicable legislation and the employment contract executed between both parties, but also by relevant industry-wide collective bargaining agreements ("CBAs"). CBAs may exist at national, regional or local level or be specific to a particular company. CBAs are agreements entered into between one or several trade union organizations representing employees, on the one hand, and an employer, or group of employers, on the other hand. National labor laws and CBAs constitute important sources of obligations relating to working conditions and govern the individual and collective relationships between employers and employees for the relevant industry. CBAs typically address (with respect to individual employees) matters such as working conditions and employment-related benefits, pay scales (with an industry specific minimum wage), working time, sickness and maternity leave, vacation, social security and retirement fund contributions, year-end bonuses and financial terms of dismissals or retirement.

The scope of each national CBA is defined by reference to a given industry or type of business. Therefore, the applicable CBA for a company depends on the company's principal business activity. Owing to the broad range of the Group's services, from various catering services to facilities management services, it is subject to several different CBAs. As the terms of CBAs can vary significantly from one activity to another, within the same country the Group may have different responsibilities to different groups of employees based on the business in which they operate.

All CBAs provide for a minimum wage that varies according to the classification of employees and within the applicable pay scale. However, the wage of an employee cannot be below a statutory minimum wage that is set for all employees, regardless of classification, at the national level. Trade unions renegotiate the terms of the industry-wide CBAs almost every year, including the terms of any increase in the minimum wage for each specified level of employee. Companies to which the CBAs apply have an obligation to comply with these provisions by granting at least a corresponding salary increase every year, failing which employees may make legal claims for the enforcement of the industry-wide CBAs, back pay and damages.

In France, employers may also enter into company-wide CBAs to address specific matters such as working time, salary levels, and compensation and benefits.

1.5.5.2.3 Part-Time and Temporary Work

At September 30, 2015, just under half of the Group's staff were employed on a part-time basis. The employment of part-time employees is subject to specific laws and regulations in some of the countries where the Group operates. For example, under French law, part-time employment contracts must include certain mandatory provisions, such as the number of hours worked per week or per month, the arrangements for communicating the scheduling of hours worked per week or per month and the maximum number of overtime hours that the

employee can work per month. If a company is found not to be in compliance with regulations on part-time employment, the part-time employee concerned may seek to reclassify his or her part-time employment contract as a full-time employment contract, and may also claim back pay and damages.

The Group is likewise restricted in the manner in which it may hire temporary workers. For example, under French law, an employer wishing to resort to non-permanent workers may either: (i) hire an employee under a fixed-term employment contract or (ii) engage a temporary worker through an agency. The use of fixed-term employment contracts/temporary workers must be restricted to the performance of clearly defined and temporary tasks in specific circumstances provided by law (e.g., to replace an employee on a temporary leave of absence or whose employment contract is suspended, to temporarily fill a position before an employee can be hired under a permanent employment contract or, after a permanent employee has left, before the position is eliminated, or for a temporary increase in the company's business). In particular, the Group may not use fixed-term employment contracts/temporary workers to fill a job position on a long-term basis in connection with its ordinary and ongoing business.

1.5.5.2.4 Employee Representation

a) Right to Representation and Trade Unions

In the majority of the countries in which the Group operates, its employees have the legal right to elect representatives from among their ranks to act as a liaison between the workforce and management. Such representatives are responsible for presenting to the employer all requests and grievances from employees, notably regarding compensation and compliance with applicable labor laws and CBAs. The employer is required to regularly provide the employee representatives with information regarding various matters such as working conditions and the company's financial situation. Depending on the country, employee representatives may also be responsible for notifying the relevant labor regulation enforcement authority of any claims or grievances from employees related to a breach of labor laws or regulations. Employers may also be exposed to the risk of strikes and work stoppages.

In addition, employees may choose to join a trade union to represent their interests. Depending on the country concerned and the size of any given worksite, the Group may be obliged to recognize the trade union and allow employees to unionize. In certain countries, such as France, there is a limited number of nationally-recognized trade unions that are given the legal authority to negotiate national and company-specific CBAs.

b) Works Councils

In accordance with E.U. law, the Group has a European works council in place that serves as a forum for employee representatives to engage in direct discussions with members of Group management. E.U. law requires any company that (i) has subsidiaries in at least two different E.U. member states, (ii) employs at least 1,000 employees in E.U. or E.E.A. member states, and (iii) employs a minimum of 150 employees in at least two E.U. member states, to set up a European works council (an "EWC"). EWCs bring together employee representatives from the different European countries in which a multinational company has operations. During EWC meetings, employee representatives are informed and/or consulted by Group management on transnational issues that concern the Group's employees.

National labor laws in most of the countries in which the Group operates also require the establishment of local works councils. The frequency of works council meetings, the degree of information that must be provided to employee representatives in works council meetings, and the extent to which opinions issued by a works council must be taken into account in management decisions vary on a country-by-country basis. In France, certain employer decisions relating to issues such as workforce reductions or changes in the legal and/or financial organization of the company (in particular in the case of a merger or a sale of assets or shares) require a prior information and/or consultation process to be carried out with the relevant works council(s) (local and/or central and/or European). In such cases, no final decision may be taken before the relevant employee representative body has delivered its formal opinion (whether negative or positive) on the proposed decision.

c) Employee Representation on Corporate Boards

In France, employees may be represented on their company's Board of Directors (or Supervisory Board where applicable). Companies that for the past two consecutive fiscal years have had either (i) 1,000 permanent employees or more on their payroll who work for the company or its direct or indirect subsidiaries with registered offices located in France, or (ii) 5,000 permanent employees or more worldwide who work for the company or its direct or indirect subsidiaries with registered offices located in France and abroad, must appoint at least one – and in certain cases – two Board members representing employees.

Prior to 2015 an exemption existed pursuant to which these provisions did not apply to companies that were not required to have a works council (such as Elior S.A.), but this exemption was removed by way of French Act 2015-994 dated August 17, 2015. However, holding companies whose principal activity is to acquire and manage

subsidiaries and affiliates and which are not required to have a works council will not be obliged to appoint employee representatives to their corporate boards if the governance bodies of their subsidiaries include employee representatives (Articles L 225-27-1, I and L 225-79-2, I of the French Commercial Code, as amended).

Employee directors or employee Supervisory Board members must take up office within six months following the Annual General Meeting at which the shareholders approve the amendments to the Company's Bylaws necessary for them to be elected or appointed.

In accordance with Article 11, II of French Act 2015-994, this Annual General Meeting must be held within six months of:

- the 2016 fiscal year-end for companies and their subsidiaries that have over 5,000 employees in France or over 10,000 employees worldwide;
- the 2017 fiscal year-end for companies and subsidiaries that have over 1,000 employees in France or over 5,000 employees worldwide.

Consequently, if the conditions set out in Articles L 225-27-1, I and L 225-79-2, I of the French Commercial Code are not met, the Company will be required to propose the election of employee representative directors at the Annual General Meeting to be held in 2017.

In addition, for companies whose shares are traded on a regulated market, if at the close of the last fiscal year employees held more than the statutory threshold of 3% of the share capital, the company's shareholders must appoint one or more employees to the Board to represent employee shareholders.

d) Workplace Health and Safety

The Group is also subject to regulations related to employees' health and safety in the workplace. Such regulations may require companies to put in place operational procedures to ensure that their working practices are safe and to reduce potential workplace hazards. Occupational health and safety matters are regulated and enforced by a variety of authorities, including the European Agency for Safety and Health at Work, the French *Directions régionales des entreprises, de la concurrence, de la consommation, du travail et de l'emploi* (Regional Directorates of Companies, Competition, Consumption, Labor and Employment) and the U.S. Occupational Safety and Health Agency.

1.6 ELIOR ON THE STOCK MARKET

1.6.1 FINANCIAL COMMUNICATIONS AND SHAREHOLDER RELATIONS

1.6.1.1 Preparation of Financial Communications

The Chairman and Chief Executive Officer and the Chief Financial Officer are responsible for the Group's financial communications.

In application of the Board of Directors' rules of procedure, any key data due to be released to the market and any major press releases must be approved in advance by the Board of Directors.

1.6.1.2 Financial Communications Policy

The Chairman and Chief Executive Officer and the Chief Financial Officer are the Company's sole spokespeople for financial communications.

Information is released either before the opening or after the close of trading on Euronext Paris so as not to impact the share price.

In order to respect the principle of fair access to information, press releases are issued simultaneously to the whole of the financial community and the market authorities.

Additionally, for the purpose of transparency and in accordance with the applicable regulations, Elior has drawn up a directors' charter as well as a code of conduct applicable to its executive and non-executive directors and employees. These documents notably address the use of inside information in order to prevent conflicts of interest and avoid risks related to insider trading.

All of the Group's executive and non-executive directors and employees have a duty of confidentiality and discretion.

The Group's risk prevention measures related to financial information are described in Section 3.2 of this Registration Document.

1.6.1.3 Regular Contacts with Shareholders and Investors

In order to ensure that communication channels remain open at all times with both shareholders and the financial community at large, Elior holds regular meetings during the year. For example, on September 24, 2015 Elior's Chairman and Chief Executive Officer presented the Group's strategic plan for 2016-2020.

On December 11, 2015 the Chairman and Chief Executive Officer and the Chief Financial Officer held a conference call during which they presented the Group's results for FY 2014-2015 and answered questions from the financial community. In order to meet the applicable requirements for equal access to information, an audio webcast of this conference call was posted on the Elior website.

The Annual General Meeting is an excellent forum for the Company to exchange information with its shareholders. Official notice of the meetings is published in the press and in the French official legal journal (BALO). The Annual General Meeting pack is available on the Elior website at least 21 days before the Meeting takes place and is sent to shareholders on request.

1.6.1.4 A Steady Flow of Information

In line with the Group's objective of offering a high level of transparency, a "Finance" section has been created on the Elior website, which enables shareholders, analysts and investors to access at any time all the information required under the applicable regulations. The website serves as a database of the Group's main financial news and allows investors to keep up to date in real time. The documents available on the website include the Company's Bylaws, the directors' rules of procedure, the financial publications calendar, revenue and earnings releases, and financial reports. The Elior share price is also shown in real time.

All of the Group's statutory documents are also available at Elior's headquarters.

The Registration Document as filed with the AMF is posted on both the Elior and AMF websites, in French and English.

In addition, financial news flashes are regularly issued in the economic and financial press when the Group releases its results or carries out significant transactions.

Provisional financial calendar for fiscal 2015-2016

December 11, 2015	Release of full-year FY 2014-2015 results
February 26, 2016	Release of 1st quarter FY 2015-2016 results
March 11, 2016	2016 Annual General Meeting
May 27, 2016	Release of 1st half FY 2015-2016 results
August 31, 2016	Release of 3rd quarter FY 2015-2016 results
December 9, 2016	Release of full-year FY 2015-2016 results

Any changes to this provisional calendar will be posted on Elior's website.

Head of Investor Relations

Marie de Scorbiac

Tel: +33 (0)1 40 19 51 09

E-mail: marie.descorbiac@elior.com

Registered Shares

Elior's shares are managed by BNP Paribas Securities Services, which can be contacted at the following address:

BNP Paribas Securities Services

Grands Moulins de Pantin

9 rue du Débarcadère

93761 Pantin Cedex, France

Tel: +33 (0)1 57 43 02 30 – open Monday through Friday from 8:45 a.m. to 6:00 p.m. (CET)

1.6.2 THE ELIOR SHARE

Elior's shares have been listed on Euronext Paris (Compartment A) since June 11, 2014 under ISIN code FR0011950732. Their initial listing price on June 11, 2014 was €14.75 per share. On March 6, 2015, Elior announced that the authority responsible for the various indices of Euronext Paris – the *Conseil Scientifique des Indices Euronext Paris* – had decided to include Elior in the SBF 120 index as from the close of trading on March 20, 2015. At December 31, 2015, Elior's closing share price was €19.30, representing a 30.8% increase excluding the dividend. At the same date, the Company's market capitalization was €3.33 billion, compared with €2.02 billion at December 31, 2014.

Elior's share performance since the IPO

	Trading volume	End-of-month share price (in €)	Monthly high (in €)	Monthly low (in €)
June 2014[1]	16,959,901	14.83	15.90	14.35
July 2014	3,385,985	14.25	15.30	13.82
August 2014	1,556,537	12.90	14.48	12.41
September 2014	1,943,224	12.92	14.00	12.30
October 2014	2,097,232	12.20	13.13	11.54
November 2014	2,662,405	12.60	13.23	12.26
December 2014	3,225,981	12.30	13.60	11.80
January 2015	3,110,181	13.99	14.50	11.99
February 2015	1,659,455	14.84	14.85	14.04
March 2015	4,038,437	15.99	17.24	14.53
April 2015	3,727,468	16.75	16.92	15.63
May 2015	5,143,079	16.61	17.58	15.48
June 2015	4,907,967	17.97	19.04	16.83
July 2015	3,219,321	17.92	19.84	17.55
August 2015	2,185,856	18.11	18.98	16.52
September 2015	3,328,863	17.10	18.48	16.55
October 2015	4,659,420	17.27	18.03	16.40
November 2015	3,559,746	18.30	18.38	16.55
December 2015	4,960,716	19.30	19.45	17.26

(1) From June 11, 2014 (the initial listing date of Elior's shares)

The above information has been extracted from the Finance section of Elior's website at www.eliorgroup.com

Per-share data

	Year ended September 30, 2015
Weighted average number of shares (in millions)	165.9
Profit for the period attributable to owners of the parent (in € millions)	107.2
Earnings per share (in €)	0.65
Net dividend per share (in €)	0.32

At the Annual General Meeting to be held on March 11, 2016 the Board will recommend the payment of a cash dividend of €0.32 per share.

2

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2. CORPORATE SOCIAL RESPONSIBILITY

2.1 CONTEXT AND OVERALL OBJECTIVES

2.1.1 THE GROUP'S CSR STRATEGIES AND PRIORITIES

Ever since Elior was founded, the Group's corporate social responsibility ("CSR") has been rooted in our daily commitment to quality, innovation, and responsible relations with others and the community at large. Respecting this commitment lies at the heart of the relationships of trust we have built up, not only with our customers and guests, but also with our teams, our suppliers and more generally all of our partners.

Our CSR strategy is focused on three main areas of responsibility. First, being a responsible company in our daily operations, which means we have a duty to act responsibly in all of our commercial relations with our customers. It also means designing a responsible offer that strictly complies with health and safety standards, helps our customers maintain a healthy lifestyle and reduces our ecological footprint. Second, being a committed employer. This entails taking care of each and every one of our employees – through our group-wide HR strategy of promoting equal opportunities, developing skills and building career paths – so that they in turn will take care of our customers on a daily basis. And third, being an active partner, by putting our expertise to the service of our suppliers and the community at large and contributing to social and economic development in the regions where we operate.

We have drawn up a group-wide CSR roadmap which is adapted to the specific aims and characteristics of our core business and sets the objectives for all of the Group's operations. The roadmap focuses on:

- the quality of our nutritional offering;
- the use of local and seasonal products;
- reducing food waste and CO_2 emissions; and
- ensuring the health and safety of our people, developing their careers and promoting equal opportunities.

Network France
WE SUPPORT

In line with the particular importance we place on corporate social responsibility, we have been a member of the United Nations Global Compact since 2004. Each year, we renew our commitment to embracing the Global Compact's principles across all of our operations and in all of our decision-making processes. These principles form one of the cornerstones of our CSR approach. By signing the Global Compact we joined a movement of players who are committed to promoting corporate social responsibility both within their own businesses and with their partners (customers and suppliers). The yearly Communications on Progress (COPs) that we issue enable us to raise awareness among our stakeholders about what we have achieved in our long-term CSR projects.

Since 2011, our CSR policy has also been strengthened by our membership of Comité 21, a French sustainable development network made up of decision-makers from diverse sectors of activity. As part of this network we can share our ideas, experience and initiatives with other players committed to corporate social responsibility, and make headway by accessing tried-and-tested methods and systems, attending training courses and high-level conferences, or simply by meeting up with our customers, partners and suppliers in an environment conducive to discussion and the exchange of ideas.

2.1.2 A VALUE-CREATING BUSINESS MODEL

Creating value within the Group: illustration of our operating cycle

The Group operates in a rich, diverse and dynamic ecosystem and has multiple stakeholders, ranging from food producers through to the end-consumer. Through our operations we create a virtual link between all of these various stakeholders. The value chain shown in the diagram above is cyclical rather than linear because the Group has chosen to adopt a continuous improvement approach aimed at constantly adapting its catering and services offerings to customers' needs and expectations.

Our suppliers, customers and employees are all direct stakeholders in our business and play a key role in each stage of our value chain. At the same time, our operations have an impact on many other players whose interests are affected by our decisions and projects, either directly (such as for investors and shareholders) or indirectly (for example through our community outreach initiatives, the measures we take to promote regional economic development, our contribution to regional employment, and our environmental footprint).

The CSR commitments we make are to all of our stakeholders. They take various forms and concern each stage of the value-creation process, notably:

- selecting products based on their quality and safety;
- factoring in CSR criteria when selecting suppliers (responsible production methods, local suppliers, etc.);
- building long-term relations with suppliers;
- optimizing logistics so as to reduce polluting emissions;
- devising healthy, balanced and tasty menus for guests;
- saving resources in our processing operations and the services we provide;
- sorting, recycling and reclaiming the waste produced at our sites;
- being constantly attuned to the needs of our customers and creating relationships of trust;
- becoming involved in the development of the regions where we operate;

- taking care over the health, safety and personal development of our people, who play an important role in each stage of the value-creation process.

In 2015, the Group performed a materiality analysis based on a stakeholder consultation process conducted according to standard methodologies in order to rank the CSR issues that are most relevant to the Group in view of its business activities. The results of the analysis are presented in Section 2.2.3 below

2.2 CSR GOVERNANCE

In order to firmly embed responsibility and accountability in our performance and operational excellence, we have put in place an internal CSR governance system. The aim of this system is to enable the Group to define and formulate its CSR commitments in line with its overall corporate strategy and with the best interests of both the Group and its stakeholders. These strategic commitments are then translated into operational procedures and are tracked for each market.

2.2.1 THE GROUP'S MAIN CSR PLAYERS

The Group has put in place a specific CSR organizational structure to ensure that its ten CSR commitments are respected in its three key areas of responsibility: being a responsible company, a committed employer and an active partner.

The Group's CSR policy is shared with the Board of Directors via the Strategy, Investments and CSR Committee. In 2014-2015, the practical application of the Group's overall CSR approach was placed under the responsibility of a dedicated team reporting to the Group Human Resources and CSR Department. This team leads a network of specialist sustainable development correspondents who help draw up and coordinate the CSR strategy and ensure that it is implemented across the Group. Open to external experience and initiatives, the HR/CSR team acts as a center of expertise for the Group with respect to CSR issues.

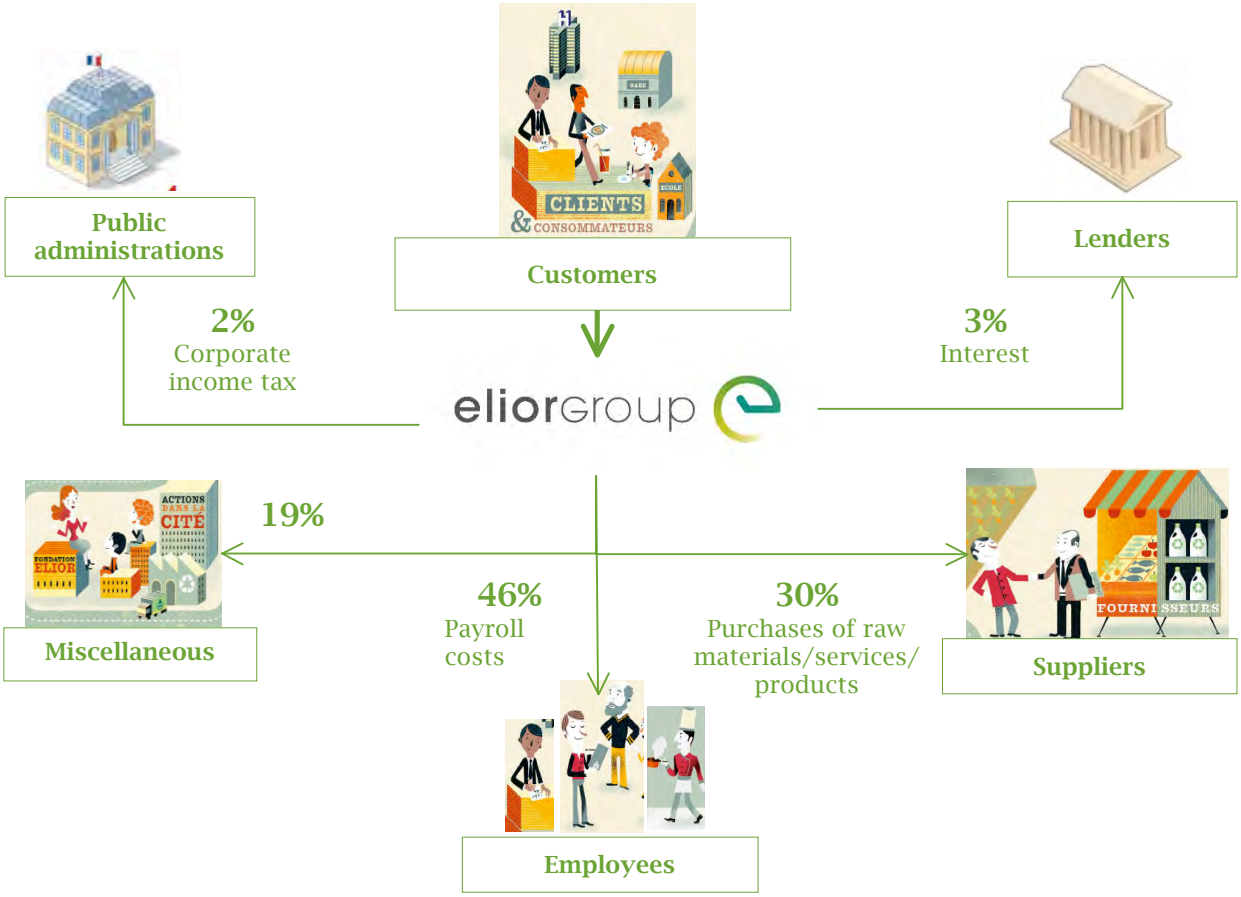
All of the Group's HR teams – and particularly the Head of Sustainable Development and Head of Diversity – play a role in ensuring that the CSR strategy is applied consistently across the Group and that synergies are achieved between the subsidiaries.

Spread across the Group's various entities and subsidiaries, the sustainable development correspondents define and implement CSR initiatives adapted to their respective markets and businesses, in line with the Group's overall CSR strategy. Appointed by the CEOs of their entities, their role is to translate the Group's major CSR objectives into practical actions and to share best practices. The sustainable development correspondents are supported by around sixty sustainable development contacts who hold other operational positions within the Group. These contacts help roll out measures drawn up for their particular business area and participate in implementing actions resulting from discussions with customers, suppliers and other partners.

This network responsible for the operational implementation of the Group's CSR strategy is backed up in France by the Environment Committee, which comprises sustainable development correspondents, technical directors from the Group's various markets, and representatives from the corporate departments. It meets every two months and is tasked with drawing up environmental measures and ensuring that they are properly implemented, as well as maintaining a regulatory watch and drafting environmental procedures to be applied at all sites (restaurants, central kitchens, motorway service areas, etc.).

2.2.2 FLOWCHART OF STAKEHOLDERS AND SHARED VALUE

The Group's €5,674 million in revenue for fiscal 2014-2015 was derived from resources contributed by its customers. The value represented by the annual revenue figure is shared between the Group's various stakeholders as follows: just under half is allocated to remunerating employees and paying social security contributions, one third is allocated to purchases (i.e. paid to suppliers), and the remaining fifth is divided between various taxes and costs and paying interest to the Group's lenders..



2.2.3 CSR ISSUES MATERIALITY ANALYSIS

The Group is sensitive to its stakeholders' concerns and expectations. Reflecting our awareness of our responsibilities, in 2015 we conducted a materiality analysis of the Group's CSR issues in order to rank them by order of priority and adjust our CSR strategy. The results of this analysis will be used to define CSR targets and indicators and to set priorities. These targets and indicators will be published as from 2016.

Four main stakeholder groups have been identified:

- **Our employees**, who are in daily contact with our customers and guests and as such are central to our business. Day after day, they demonstrate their commitment to delivering superior service quality. As a responsible employer, we have developed an ambitious policy designed to offer professional development and personal fulfillment opportunities to all of our employees.
- **Our customers and guests**, whose satisfaction is the focus of our entire business. The Group's long-term success depends on our ability to offer our customers and guests innovative and competitive services that are closely aligned with their needs and expectations.
- **Our suppliers,** who enable us to propose high quality offerings to all of our customers by providing us with healthy, high quality products at competitive prices with a limited social and environmental cost.
- **Civil society:** our financial partners support the development of our businesses, and we also talk regularly to municipalities and other public authorities, both as customers and as supervisors, in order to maintain a constructive dialog and positive relations with our host communities.

The materiality analysis was organized in three phases:

1. Analysis of the Group's CSR universe

The CSR universe was analyzed by reviewing relevant industry publications and the results of the Group's internal risk analysis. In all, 25 CSR issues were identified.

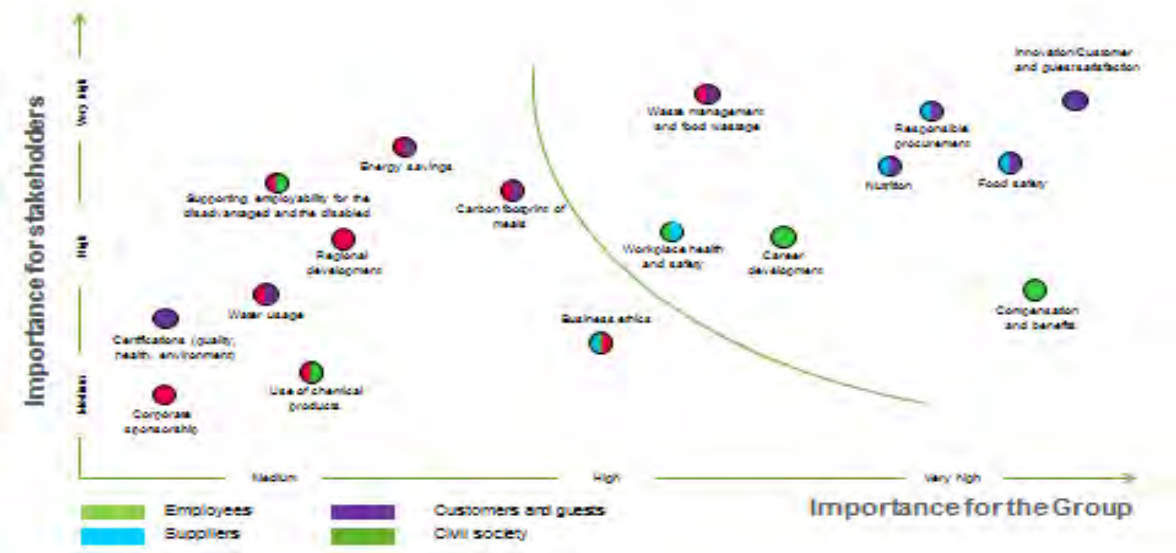
2. Assessment of the CSR issues' relative importance by internal and external stakeholders

Interviews were conducted with CSR correspondents from the Group's various markets and with external stakeholders such as customers, representatives of civil society and financial analysts. The financial challenges were also analyzed, in order to obtain a comprehensive assessment of each CSR issue's importance for the organization and for stakeholders.

3. Assessment summary

Based on the analyses performed in phase 2, we prepared a matrix showing the main issues and the stakeholders most directly concerned by each one, which gave us a graphic representation of the main sources of CSR risks and opportunities for the Group. Of the 25 CSR issues identified in phase 1, 17 were selected as focal points following the phase 2 analyses.

Elior Materiality Matrix



2.3 A RESPONSIBLE COMPANY

As a group operating in the contract catering and services industry, being a responsible company above all means ensuring a maximum level of food safety for the millions of customers who place their trust in us every day. Beyond that fundamental requirement, it also means meeting the needs of customers who are keen to eat healthily. Consequently, we offer balanced meals that make healthy eating an enjoyable experience, as well as taking into account public health issues such as obesity and allergies.

At the same time, we contribute to safeguarding natural resources and the environment by reducing our waste production, water usage and CO_2 emissions and we are committed to protecting fishery resources and encouraging sustainable agriculture.

In 2014-2015, 85.7% of the Group's revenue was generated in markets that have at least one certification.

2.3.1 WE TAKE GREAT CARE OVER THE QUALITY AND SAFETY OF OUR PRODUCTS AND SERVICES

2.3.1.1 Using Strict Organizational Procedures and Regular Controls to Ensure Product Safety

Guaranteeing the highest safety levels for our customers is our daily priority, and to this end we have put in place organizational procedures that enable us to continuously manage and monitor the quality and safety of our food products.

We have long-standing systems and processes in place to ensure the safety of the food we serve (such as for selecting and assessing products and suppliers, managing food safety alerts, and drawing up hygiene rules for our central kitchens). A total of 39 Group entities worldwide have received ISO 22000 certification – the industry's internationally recognized standard for food safety management – which clearly demonstrates the effectiveness of our food safety processes. In France, for example, we have centralized quality and hygiene issues within a single department, enabling us to manage product quality standards and risk prevention in an integrated way, which constitutes a real asset for meeting the challenges of safety compliance in today's constantly changing world.

The risk prevention measures we have set up are structured around a group-wide framework and strict oversight procedures. All of the Group's European sites apply the HACCP (Hazard Analysis Critical Control Point) method of identifying, analyzing and controlling risks. The HACCP manuals constitute veritable knowledge bases as they contain the Group's expertise and experience, including guidance from both operations teams and control units, as well as recommendations from professional bodies such as the SNRC (French national union of contract caterers). In 2014-2015, they were replaced by an on-line version, the "Food Safety Management Plan", which was rolled out to all of the Group's French sites in October 2015. The hygiene rules in the manuals are adapted as closely as possible to the constraints of each particular business and factor in the changes caused by constant innovation in the design of our concepts. In addition, several Group sites have received ISO 9001 certification for their quality management systems.

As part of its quality and Health, Safety and Environment (HSE) management processes, our services business has set up mobile teams of hygienists who deliver hands-on technical training to its employees, tailored to each particular site and job as well as to the operating context and specific customer needs.

All of our restaurants and facilities are subject to regular controls carried out by both internal and external auditors.

Lastly, our food quality and safety teams monitor scientific, technological and regulatory developments on an ongoing basis. Our protocols are continually tested and validated, and are regularly updated to ensure the safety of our most innovative new concepts.

The Group has also set up a Scientific Committee in France which comprises independent experts (nutritionists, pediatricians, toxicologists, microbiologists, etc.) who work with our food quality and safety teams and help to anticipate risks and regulatory developments. For example, based on the recommendations of the Scientific Committee, the Group has drawn up nutritional specifications aimed at reducing the levels of trans fats in the food served in its restaurants. And in 2015, on the

Committee's recommendation, the Group banned the use of detergents containing e-series glycol ethers. In the event of a food safety crisis, the Scientific Committee can be called into action on an emergency basis.

In 2014-2015:

- 21,305 hygiene audits were performed at Group sites, and
- 109,350 product quality and hygiene analyses were carried out.

2.3.1.2 Rigorously Selecting Suppliers and Products

To ensure food safety we need to work in conjunction with all of our stakeholders. As a result we apply rigorous procedures when selecting our suppliers, and regularly update them in line with both regulatory and scientific developments. Suppliers are audited using specific scoring charts that vary depending on the type of product and supplier concerned. The charts focus on the key food safety issues affecting each particular profession (distributor, manufacturer, artisan, abattoir, milk-producer, importer, etc.) and the audits are performed based on a full traceability test, starting from when the raw materials are received through to Elior's distribution of the final product. In France, a written post-audit report describes the recommended improvements and the undertakings given by the supplier. Implementation of the recommendations is checked during the next audit.

In 2014-2015, 437 supplier audits were carried out which enabled us to ensure the quality of the products delivered to us and verify the effectiveness of the corresponding supply chain processes.

The Group also has a responsible purchasing policy with strict requirements concerning the provenance of raw materials and the composition of products. We favor the use of products that carry the eco-label and are concentrated, and all of our customer sites are supplied with detergents that do not contain any substances classified as CMR (carcinogenic, mutagenic or toxic for reproduction). In all, responsible detergents (i.e. eco-labeled, concentrated and unclassified detergents) account for around 90% of our chemical product purchases.

In the United States, THS has stepped up its commitment in favor of animal protection and well-being in partnership with the Humane Society of the United States, an international animal protection organization. By 2020, all of the 500 tonnes of liquid egg used each year in its contract catering business (representing the equivalent of 10 million whole eggs) will come from free-range hens.

2.3.2 WE TAKE ACTION TO IMPROVE NUTRITIONAL PRACTICES

2.3.2.1 Proposing Healthy, Balanced and Tasty Food Offerings Adapted To All Types of Customer

Nutritional values form the cornerstone of our catering services. This focus on constant nutritional quality is in strong demand from customers in all of our markets and at the same time squarely meets the needs of modern-day consumers. We make rigorous nutritional choices on a daily basis, in line with the main recommendations issued by public health bodies, such as the National Nutrition and Health Program (PNNS) in France.

In order to satisfy our guests' broad spectrum of requirements, we work with our dietitians and nutritionists on developing balanced menus tailored to each different customer profile. For example, under the "Balance" format developed for the business & industry market, a "Balanced Menu" is offered, which is devised based on our dietitians' recommendations. The menus are designed using varied recipes that are selected based on criteria issued by GEMRCN (a French governmental think-tank specialized in nutritional issues in the contract catering industry) and which contain controlled quantities of fat and sugar. Similarly, in Italy we have developed two new catering concepts – Elior Più and Smart Food – which both propose a high-quality food offering served in relaxing surroundings. This approach is based on providing balanced, varied and original food formats as well as innovative and interactive technological solutions that help create the ideal conditions for service quality.

In 2014-2015, 71.9% of the Group's revenue was generated in markets that have put in place ambitious nutritional strategies.

We also place great importance on training our employees and raising our guests' awareness about particular health issues, such as the risks of high salt intake and managing allergies (e.g. gluten intolerance). We work towards reducing salt consumption in a number of ways, including through our product selection processes, the training we give our chefs, and the awareness-raising initiatives we organize at our customer sites.

Elior Italy educates school children in the benefits of the Mediterranean diet and raises adult guests' awareness about the health risks of high salt intake.

Additionally, the Group applies very strict rules about the sourcing of its food products. For example, we have prohibited the use of GM-labeled products and irradiated foods in our restaurants. At the same time, we have put in place a policy aimed at reducing the levels of trans fats in the food served in our restaurants as these give rise to cardiovascular risks. And in France we have prohibited the use of palm oil since 2004, as it is rich in saturated fat and its plantations have been the source of massive deforestation in the main countries in which it is produced.

Also in France, after an initial partnership with Bleu Blanc Coeur set up with its subsidiary, Ansamble, on April 4, 2015 Elior stepped up its commitment by becoming a member of this organization, which promotes feeding animals a healthy and balanced diet that is rich in Omega 3 (found in plants such as grass, flax, alfalfa and lupin) in order to enhance the nutritional value of food products and encourage biodiversity on animal farms. We now have more than 80 Bleu Blanc Coeur-labeled products on our procurement list, representing over 260 tonnes of products offered to guests in 2014-2015.

In the healthcare market, we work alongside specialists such as the professor of geriatric medicine, Claude Jeandel, in France and the University of Navarra in Spain in order to create innovative catering solutions that are compatible with pathologies which affect people's ability to absorb nutrients. We draw on our pooled expertise and knowledge to devise formats that are tailored to the specific requirements of each different pathology, such as "Energie Saveurs" to combat malnutrition, "Faciles à Manger" for people suffering from illnesses related to old age, "Bouchées Saveurs" for people with Alzheimer's disease, and "Faciles à Manger Texture Pommade" and "Faciles à boire" for people with multiple disabilities.

Lastly, in order to bring out the taste and nutritional qualities of ingredients, we use different cooking techniques – such as steaming, stir frying and *plancha* grilling – to make low-fat meals that are full of flavor. Our objective is to ensure that mealtimes are always an enjoyable experience and we use a variety of different ways to achieve this aim, including entering into partnerships with well-known chefs.

We work with a total of 483 nutritionists.

2.3.2.2 Providing Customers with Educational Information about Food and Nutrition

In Europe, we comply with EU Regulation 1169/2011 ("INCO regulation") on the provision of food information to consumers, which consolidates and updates existing legislation in this area and has been applicable since December 13, 2014. In line with this regulation, customers are informed when the meals prepared and served in our restaurants are known to contain one or more of 14 major allergens.

We produce numerous different types of educational material and organize awareness-raising events for all customer profiles as part of our overall drive to relay healthy eating habits to our guests though our catering offerings.

In the education market in France, we raise our guests' awareness about healthy eating habits by undertaking numerous initiatives to improve their knowledge about different foods and their properties, to provide them with information about the food supply chain and the provenance of products and to enable them to take responsibility for choosing and putting together their own menus.

A breakfast club concept, "Petit-déjeunons ensemble", has been created to raise school children's awareness of the importance of starting the day with a balanced meal. The buffet breakfast is an ideal format for encouraging participants to chat to each other and discover new food options.

We provide user-friendly signage systems to make it easier for our guests to understand the nutritional value of the food items they select, and in schools we offer educational concepts adapted to each age group, such as the self-service concept for elementary schools called "Le self qui fait grandir".

2.3.3 WE PARTNER OUR CUSTOMERS OVER THE LONG-TERM

Ensuring the satisfaction of our customers is another of our key priorities. To that end we put in place quality-based approaches designed to offer best-in-class services that always meet expectations.

2.3.3.1 Being Attuned to Customer Needs to Deliver a Quality Service

Our teams firmly believe that building up relationships of trust is essential to providing a quality service and for that reason they are constantly attuned to their customers' needs. Customer proximity forms part of the overall Elior brand vision, which is centered on professionalism, listening and taking action. By being close to our customers, we can guarantee a personalized service that is adapted to their specific business.

A prime illustration of our commitment to customer proximity is the Elior Proximity program which aims to instill a relationship of mutual trust by guaranteeing that we will respect our commitments and provide consistently high-quality services under our contractual agreements, and by pledging to be ever more proactive in our role of partnering and advising our customers.

In 2015 a project was launched to comprehensively upgrade our customer relationship management (CRM) systems. The aim of this project is to equip all of our sales, marketing and operations teams with a new, more effective CRM solution for managing sales, tracking contract execution and proactively anticipating customer needs, in order to enhance our marketing performance and customer retention rates worldwide. The new solution will enable us to store information about current and potential future customers in a single database.

Elior Proximity - Rolled out in 2013, the underlying objective of the Elior Proximity program is to build customer loyalty based on a proactive approach and a pledge that we will respect our commitments. Under this program we set up a specific project for partnering each customer, structured around the customer's needs and situation, having analyzed and discussed these together. Throughout the course of our work with a customer (i.e. before a contract starts, and then at the contract start-up, during the contract and at the renewal phase) we hold regular meetings and discussions to ensure that our offerings and services are constantly in line with our customers' expectations. The meetings are backed by a detailed reporting process and enable us to fine-tune our services to each specified need. The program also allows us to anticipate and manage high-risk situations, as our customers can use our monitoring and alert system and we help them manage any crisis situations that may actually arise.

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2.3.3.2 Designing Environments to Achieve Optimal Customer Comfort and Satisfaction

In order to welcome and serve our customers in optimal conditions, we strive to provide the best possible environment in our restaurants and motorway service areas, with the overall objective of making them warm and friendly places where visitors can feel happy and relaxed.

In the first quarter of 2015, Elior UK launched "The millennial eater" survey to obtain information about Generation Y eating habits in the United Kingdom. The survey results indicated that there are five major eating trends among people in the 18-30 age group. By providing an insight into the tastes of these young workers, the survey results should encourage catering professionals to come up to date and offer new concepts that meet the demands of Generation Y guests, who are hyper-connected, expect the best and keep pace with social trends. Elior UK has adapted its offerings in line with these new expectations by developing healthier, quick-to-eat menus such as the new "Purple Pepper" offering for vegetarians and vegans.

In 2014-2015, a total of 2,558 restaurants and points of sale were subject to at least one customer satisfaction survey in the contract catering business. This was 20% more than the previous year, underscoring our commitment to gradually extending the survey process to all of our catering entities.

Reducing noise levels in school restaurants so that children can enjoy their lunch break to the full is an example of how we strive to create harmonious spaces. With our “Resto Zen” concept, we have reduced decibel levels by introducing less noisy furniture and cutlery as well as sound-absorbing wall panels.

In the Group's concession operations in France, the Customer Care and Operational Marketing Department has introduced a closely tracked quality policy which incorporates “mystery customer” on-site audits carried out by an independent firm. There are four rounds of these visits a year and they cover all points of sale operated under concessions (at railway stations, airports, museums, city sites, exhibition centers and motorway service areas). They are used as a means for measuring and monitoring quality commitments and they enable us to check that quality standards are being applied in practice. The standards encompass various different criteria, including customer care, product quality, the quality of advice and information given to customers, and speed of service. A score is given at each stage of the customer service process and a global score is attributed for the overall service quality, providing information about the customer experience. A cross-evaluation is also carried out, enabling the service to be scored based on two criteria: organization and customer relations. If the quality of the service provided by a restaurant or point of sale is below the thresholds required in the compliance indicators set by the Quality Department, an action plan is drawn up to ensure that it is brought back up to the Group’s quality standards.

As well as the mystery customer visits, the concession catering business’s Customer Care and Operational Marketing Department uses two other methods to raise the operations teams' awareness about service quality issues – a “quality challenge”, which rewards employees who obtain an overall score of 100 following two "mystery customer" audits, and a “quality contest” which rewards all of the employees from the three points of sale that obtain the highest average scores in the four "mystery customer" audit rounds carried out each year.

At our motorway service areas, we adapt our continuous improvement process to customers’ own objectives by making numerous innovative changes to the interior and external fittings of buildings using leading-edge sustainability technologies. An apt illustration of this strategy is the Chaponne service area on the A6 motorway in France, located 213 km south of Paris, which offers a radically new design approach to motorway service areas. The main structure – which groups together sales outlets and services under one roof – is the first motorway building in France to have been awarded HQE (“High Environmental Quality”) certification. Everything has been thought through from a sustainable development perspective, including the installation of special systems to save on drinking water, recover rain water for watering greenery and process waste water. In addition, the building’s interior and external fittings have a nature-based design theme which helps create an overall atmosphere of peace and calm.

In March 2015, the teams responsible for the Group's concession operations at Roissy airport were awarded "DD" (sustainable development) certification by the customer, Aéroports de Paris, for all of their on-site initiatives which included campaigns to collect toys and bottle caps, the Share a Coffee operation, the replacement of plastic cups with cups made from recycled materials, the sale of old furniture and fittings to waste reclamation specialists, and programs to encourage everyone to "think green".

We are also committed to innovation in our services business, as demonstrated by the ongoing development of the business’s Valogic paper sorting and recycling

offering, which is provided in partnership with companies from the social economy sector.

2.3.4 REDUCING OUR ECOLOGICAL FOOTPRINT

The many practical measures and initiatives we undertake in this area form part of an overarching process implemented and overseen using an environmental management procedure which is applied across the Group. This procedure includes setting up compliance programs for environmental assessment and certification, such as ISO 14001 (Environmental Management System standard), which so far has been awarded to over 1,500 Group sites worldwide, most of them in Italy. It also encompasses in-house training and awareness-raising measures on topics such as measuring carbon emissions, managing waste, incorporating changes in environmental regulations and adopting eco-friendly behavior. We encourage everyone to play a role in reducing our ecological footprint, as illustrated by the "Sustainable Development Awards" introduced in the Group's concession catering business in France, which give all of the business's employees the opportunity to put forward ideas and share sustainability best practices.

2.3.4.1 Respecting Natural Resources

In its role as a caterer, the Group's business is entirely structured around the food chain. Upstream, farmers are currently having to deal with a range of different environmental issues, such as the erosion of biodiversity, which have arisen as a result of intensified agricultural production. We are staunchly committed to addressing these issues and with this in mind seek to limit our environmental impact by rigorously selecting the products we use.

2.3.4.1.1 Local and Seasonal Products and Responsible Farming

As part of our pledge to help reduce the impact of agriculture on the planet's ecosystems, since 2004 we have stopped using palm oil, whose plantations have been the source of massive deforestation in the two main countries in which it is produced. For example, in the United Kingdom Elior UK supports the government's drive to ensure that all palm oil imports come from sustainably managed plantations by the end of 2015. Elior UK's sustainable palm oil policy has been shared with all of its suppliers.

Additionally, for almost 15 years now, we have developed a purchasing policy in France based on the use of organic and local products. For example, Elior is one of France's leading users of organic ingredients for school meals, with over 1,200 organic product references.

Along with responsible farming, local sourcing has also become an increasingly important criterion for our customers in all of our operating countries. Consequently, the Group Purchasing and Logistics Department in France has put in place a local sourcing policy backed by its distributors' own local policies.

Local sourcing is also a way for the Group to reduce its carbon footprint, which is one of the key commitments in its responsible purchasing strategy.

In 2014-2015, the Group had 2,597 organic product references.

The Alpes-Maritimes region's Climate and Energy Awards: on November 14, 2014, Elior's education and healthcare catering operations won an "Innovation Award" for the development and use of bio-degradable food containers.

2.3.4.1.2 Responsible Fishery Resources

As part of our overall responsible purchasing strategy we have a long-standing commitment to protecting endangered fish species and we were one of the founding members of the Responsible Fishing Alliance. In France we have banned purchases of a number of overfished species (including grenadier since 2006, red tuna since 2008, blue ling, black scabbard fish and the majority of shark species). In the United Kingdom we only serve fish that is on the Marine Conservation Society's "fish to eat" list and have removed 19 fish species from our menus, while in France, our Scientific Committee has drawn up a guide in conjunction with a fishery resources expert that lists endangered species and is distributed to restaurant managers.

2.3.4.1.3 Saving Water, Energy and Non-Food Raw Materials

We have also put in place a continuous improvement approach concerning the use of water, energy and consumables, by adopting specific purchasing procedures, operational processes and responsible behavior guidelines.

For instance, in order to save water we install faucets with sensors or automatic shut off at our motorway service areas, and we take particular care to share best practices, such as the water-saving awareness-raising measures implemented at ISO 14001-certified sites. At most motorway service areas operated under concession agreements, water use tracking systems have been

installed in order to detect any leaks or other problems and swiftly implement corrective action. In all, 272,799 cu.m. of water were used at these sites in 2014-2015.

We also work towards reducing our energy consumption by installing energy-saving equipment such as low energy lighting and machinery and timer switches, as well as by developing the production of renewable energy (e.g. from bio-waste generated during catering operations) and by using solutions such as videoconferencing to avoid unnecessary travel.

In 2015, we launched our first energy audits (electricity, heating oil, gas, petrol and diesel for the vehicle fleet) in all French markets, in compliance with a European directive. The results of the audits and the related action plans will be presented in 2016. Following a review of electricity use at sites where the Group pays the bills directly, power adjustments were made. During the European Sustainable Development Week, the French markets prepared an energy use awareness-raising kit for restaurant managers, comprising a good practice guide, a lighting plan, and stickers encouraging eco-friendly behaviors.

Most of the time, our operations are carried out on our customers' premises. This means that we can reliably track energy use only on some of our sites. In 2015, we set up a system to track our electricity use in France on the sites where we manage a contract directly with a supplier. This system showed that approximately 4% of our sites in France together used 115,036,406 kWh of electricity between November 2014 and October 2015. We also performed energy audits (covering energy use in kitchens and points of sale as well as by the vehicle fleet) in our markets in France.

Our efforts to cut down our use of non-agricultural raw materials and accordingly limit the overall environmental impact of products or equipment are underpinned by two key principles – eco-design and respecting environmental standards issued by recognized certifying bodies. For example we work closely with our suppliers on ways to reduce product packaging and we favor the use of recyclable and recycled materials as well as paper and cardboard certified as deriving from sustainably managed forests. We also raise awareness among our employees about how to use fewer materials and how to use them in a more efficient way. All of these measures and initiatives enable us to reduce our consumption of non-renewable natural resources, the amount of waste we produce, and our transport-related CO_2 emissions.

In France, our list of approved equipment includes 10 types of oven that are manufactured in accordance with the NF E 01-005 eco-design standard. These ovens have several eco-friendly features, such as 20% to 40% lower energy consumption and a steam production process that prevents unnecessary water use.

Other examples of our initiatives in this area are the design features we have devised for motorway service areas, such as Chaponne in France which is HQE®-certified, and the Pompano Service Plaza in the United States, which was renovated by Areas in 2013 and has been awarded LEED certification (Leadership in Energy and Environmental Design). Thanks to its design concept, the Pompano Service Plaza now fits seamlessly into its environment, with its use of natural light, indigenous drought-resistant plants, and structures made of recyclable materials. At the same time as seeking to reduce our own consumption of natural resources we partner our customers in projects aimed at achieving the same objective. For instance, Arpège helps its customers obtain and/or renew environmental certifications (such as HQE®) by involving its teams in the customers' environmental data compilation and reporting processes.

2.3.4.2 Reducing Discharges into the Environment

In order to reduce the Group's ecological footprint, we act both upstream – by rigorously selecting products – and downstream, by limiting our waste production, greenhouse gas emissions, and other potentially polluting discharges.

2.3.4.2.1 Optimized Waste Management

The Group's waste management policy is based on three main stages: prevention, sorting and recycling/reuse.

Reducing packaging waste at source cuts not only the volume of waste produced but also the costs related to its management. That is why we work actively with suppliers on seeking ways of reducing the use of packaging. For example, Elior UK has initiated a project involving the use of eco-designed consumables.

The Alpes-Maritimes region's Climate and Energy Awards: on November 14, 2014, Elior's education and healthcare catering operations won an "Innovation Award" for the development and use of bio-degradable food containers. These bio-degradable containers are now used by 23 central kitchens serving the education and healthcare markets, representing over 4.2 million containers in 2014-2015.

Managing the organic waste generated at our sites is another key focus. In anticipation of expected future regulatory changes, we are gradually introducing at-source sorting systems at our sites that produce a large volume of bio waste with a view to recycling or reusing it.

Given that the results of our drive to promote the recycling and reuse of waste largely depend on the effectiveness of our at-source sorting systems, we focus throughout the Group on raising our guests' awareness about waste sorting. For example, we undertake numerous initiatives in schools to teach children how to correctly sort waste, such as by using a special food waste sorting table called Eco Plats Net. This concept is ergonomic both for the children and restaurant staff as it is modular and can be adapted to the space available in each dining area.

We have also developed several other concepts to encourage waste sorting in our various markets and operating countries. For instance, in France we have introduced waste sorting modules under the Green Office concept, comprising containers sporting the Elior logo that we install so that guests can sort their waste into different categories, including plastic bottles, aluminum cans, bottle caps and other packaging.

Waste collection and recycling/reuse is organized in line with the type of site and waste concerned. A service provider collects and processes the sorted waste but in some cases pre-processing equipment (such as dehydrators) is installed on site. The main methods used by Elior and its partners to recycle and reuse bio waste are composting and anaerobic digestion, which enable organic waste to be returned to the soil in the form of fertilizer.

Following a review of food waste at La Poste's Rennes-Colombier site in France, our business & industry catering teams and La Poste's management decided to support the activities of a local farmer who owns an anaerobic digestion facility. The recovered energy is used to heat the farm's pigsty and the digestate is used as a soil conditioner for the farmer's land or that of other local farmers. A contract has been signed with the local farmer to collect and locally manage bio waste generated by our restaurants in Rennes, including those forming part of our education and healthcare catering operations and those operated by Ansamble.

Our used cooking oils are utilized as a renewable energy source – they are collected and recycled into bio-fuel and we ensure their traceability. In the United Kingdom, they are used by our logistics service provider once they have been converted into bio-fuel.

In 2014-2015, 83.6% of the used cooking oil collected was recycled.

Non-fermentable waste produced by our sites is also recycled/reused. For example pre-sorted packaging waste is recycled into new materials and office supplies such as ink cartridges and paper are recycled and used either for new materials or for energy. A total of 33 tonnes of waste paper from our headquarters in France, Italy, the United Kingdom and Spain were collected and recycled by companies from the social economy sector.

2.3.4.2.2 Reducing Pollutant Emissions

Recognizing that climate change is causing exceptional weather events that may have an impact on raw material prices, we work hard to mitigate environmental risks and prevent pollution, notably by reducing the emissions we discharge into the air, water and soil through our operations.

We have made a specific commitment to reduce our emissions of greenhouse gases (GHGs). In particular, we have designed a GHG measurement system based on the Bilan Carbon® method (devised by the French National Agency for the Environment and Energy Management – ADEME). Through this system – which has been specially tailored to our contract catering, concession catering and services businesses – each site manager can identify the main sources of GHG emissions and can partner customers in their emission reduction efforts by proposing joint action plans. Specific user training was provided throughout the Group's various markets when the system was initially rolled out.

In addition, a network of some forty in-house specialists has been set up in France in order to implement and monitor action plans at Group sites. As a result of all of these initiatives, we have now identified the main sources of GHG emissions in our different businesses and have rolled out measures to reduce their impacts. These actions were stepped up in 2014 when we were awarded a "Bilan Carbone® Service Provider" license by the Bilan Carbone Association.

In 2014-2015, carbon emissions were measured at 15 services business sites, focusing mainly on employees' daily commute. An analysis of the results showed that the services business's average GHG emissions in the healthcare market represented around 1 metric tonne of CO_2e per full-time equivalent employee. The business is gradually switching to electric vehicles to reduce these emissions.

At Elior UK, GHG emissions from corporate activities have been measured since 2009. Carbon emissions from the various headquarters were reduced by 59% between 2008 and 2014 through home-working, video-conferencing and the resulting major transport-related impact.

A number of the actions taken as part of the Group's responsible purchasing policy – such as installing energy-saving equipment and developing local sourcing – also help reduce our carbon footprint. Other key emissions-reducing measures we have adopted include introducing

an ecological vehicle fleet (95% of our employees' company cars and service vehicles in France emit less than 130g CO_2/km) and optimizing the delivery loads and rounds of these vehicles.

In 2014-2015, 56.1% of the Group's vehicles were eco-efficient.

We also take care to minimize any pollution caused by our discharges into water, as can be seen in the wastewater emissions management techniques utilized by Elior Services which optimize the use of both water and chemicals. These include impregnation, steam cleaning, microfiber and special dilution systems for cleaning products. In tandem, our concession catering operations are gradually replacing detergents by electrolyzed water for cleaning surfaces and rest rooms. This ecological process is already in use at the Francheville service area on the A10 motorway in France. Twenty-nine water purification plants have been installed at motorway service areas operated under concession agreements in France, all of which comply with the applicable laws related to water treatment. Elior Entreprises and Elior Services followed suit this year by deploying the system at several of their sites.

Every two years, Elior organizes a sustainable development competition to maintain the level of commitment in its concession catering business. The aim is to share employees' experience and ideas. The selected projects must be suitable for roll-out to at least one other site.

In 2014, there were two winning projects:

· **A project to recycle materials** from trade fairs to create promotional objects presented by Elior Evénements' teams won the prize for the best execution.

· **A project for the use of reconditioned digital tablets to train teams on site**, presented by the Training Department, won the prize for best project. The tablets will be gradually deployed within the internal trainer network.

2.3.5 COMMITTED TO REDUCING WASTE

Throughout the value chain, we act at source by ensuring that we use high quality products and recipes, from day-to-day by efficiently managing quantities and training employees to "think green", and at the end of the chain by redistributing unsold food, recycling waste and encouraging guests to adopt eco-friendly behaviors.

The Group has reaffirmed its commitment to sustainably managing resources at each stage in the value chain:

- At source:
  - Based on the principle that "if the food is good there won't be any leftovers", we ask our chefs in nursing homes and school canteens to test their new recipes on guests. Any recipes that don't obtain an approval rate of at least 70% are rejected.
  - We develop our offers based on the likes and dislikes of our guests. After conducting a participative survey of 11,000 guests in its restaurants, Arpège completely redesigned the presentation of its offer and adjusted portion sizes. Guests were asked to comment on three solutions to reduce sources of waste: reducing the size of bread portions, replacing the presentation table by a written menu and offering a smaller selection of starters, main courses and desserts. The results have helped Arpège and its customers to jointly develop appropriate action plans.
- From day-to-day:
  - We carefully manage our purchases to limit inventories and endeavor to serve the right-sized portions.
  - In the kitchens, we train employees to adopt eco-friendly behaviors in order to reduce water use and store food properly so that it doesn't deteriorate.
- At the end of the chain:
  - We distribute unsold food through our partnership with the La Tablée des Chefs organization. For example, the central kitchens in Noisy-le-Grand and Rosny in the Paris region regularly distribute unsold food to food banks, as does the Agen central kitchen. For its part, Elior Italy has been partnering the SITICIBO food bank since 2010. Staff at the exhibition centers run by the Group in France also distribute food not sold during trade fairs and other events to charities operating in the region.

- We support innovative waste recycling/reuse initiatives, such as the recycling of used cooking oil to make bio-fuels and the weighing of organic waste in our restaurants.
- To promote widespread adoption of best practices, we raise guests' awareness of our efforts to reduce food waste. Through the "Chasse au Gaspi" ("Stop wastage") campaign that we have used in the education market since 2010 we have raised children's awareness of how much food is wasted every day and how to consume "smartly". This campaign – which uses "Stop Wastage" kits and special waste collection bins for bread and/or water – achieves excellent results. In all, this campaign has addressed 600,000 children since it began.

2.4 A COMMITTED EMPLOYER

Being a committed employer means giving our employees the resources they need to exercise their profession and to take care of each of our customers and partners.

It demands that we give opportunities to everyone and ensure that the teams we recruit reflect the diversity of the countries in which we operate.

And it means we must always be focused on ensuring health and safety, developing skills, building career paths and nurturing talent, as well as fostering motivation and excellence in our people so that they are happy in their jobs and can fully contribute to the Group's growth.

This year, we are reaffirming our commitments through practical initiatives.

2.4.1 WE ARE COMMITTED TO EQUAL OPPORTUNITIES

2.4.1.1 By Giving Everyone the Possibility of Joining the Group

2.4.1.1.1 A Global Commitment

Being a committed employer means ensuring that the teams we recruit reflect the diversity of the countries in which we operate.

Our international expansion has made the Group a global player, particularly following our entry into the United States market in 2013 with the acquisition of THS, a company that now has over 6,863 employees on the payroll[2].

In 2014-2015 a new company joined the Group following its acquisition of Lexington Catering in the United Kingdom in 2014. This company currently has over 650 employees on the payroll.

In addition, the Group's interest in Areas was raised to 100% in 2014-2015, in line with its globalization strategy.

Elior UK featured on the Sunday Times list of the 25 Best Companies to Work For in 2015, confirming the Group's commitment to its employees and to nurturing their skills. Since it was first nominated in 2013, Elior UK has continued to invest in staff development, improving its score in all categories: employee well-being, leadership, equal opportunities and personal growth.

[2] Employees on the payroll = Number of employees at the month-end, including employees whose contracts have been suspended (due to maternity leave, parental leave, etc.), excluding casual workers, temporary staff and interns.

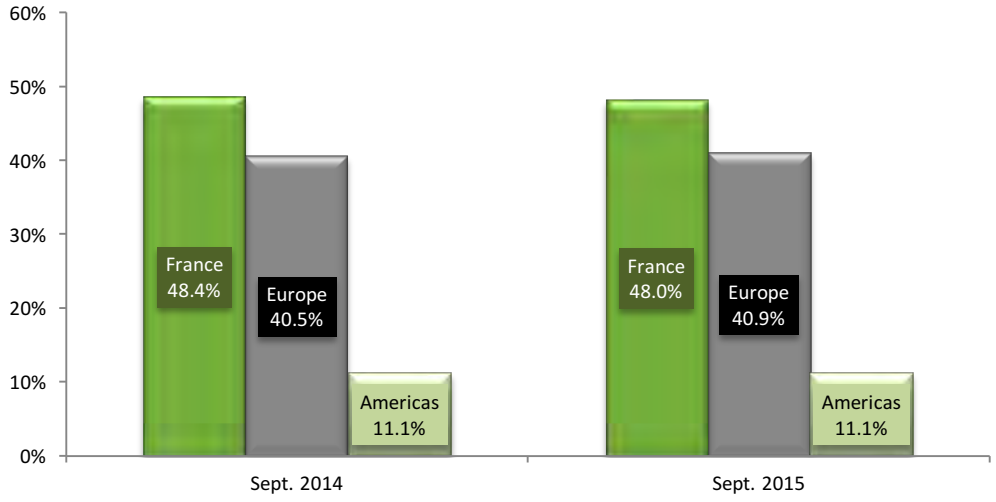
Breakdown of employees by country at September 30, 2015

Change in the breakdown of employees by continent between September 30, 2014 and 2015

At September 30, 2015, 48% of the Group's employees were based in France compared with 48.4% a year earlier.

The proportion of employees based outside France has continued to grow, representing 52% at September 30, 2015 versus 51.6% at the same date in 2014.

The proportion of employees based in Europe (excluding France) increased slowly over the year, from 40.5% to 40.9% while US-based employees remained stable at 11.1%..



2.4.1.1.2 A Commitment to Equal Opportunities

Being a committed employer means giving opportunities to everyone.

Our recruitment processes take into account our commitment to combating discrimination through the different policies and procedures implemented in our various host countries.

A number of measures and initiatives have been launched and are being pursued within the Group to ensure that equal opportunities are respected.

Specific Anti-Discrimination Training and Awareness-Raising Seminars

Specific anti-discrimination training courses and awareness-raising seminars have been organized in France and internationally.

Local Roll-out of the "Elior Recrutement" System

All resumes are posted on this central recruitment system, giving all candidates the same exposure to job openings. The people tasked with processing the applications are given special training, and the Elior Recrutement user charter includes rules to ensure that no candidates are discriminated against.

Elior Recrutement has been used in France since 2005 and last year it was rolled out to Italy. Since 2014, access to the recruitment platform has been made easier with the launch of a mobile app that enables candidates to review vacant positions and post their resume directly on the site via their cell phone or tablet.

Use of Simulation-Based Recruitment in France

When we open new sites, we use a simulation-based recruitment method that allows us to assess candidates objectively, irrespective of their qualifications or previous experience.

The patented method has been used successfully for the past ten years, mainly in the concession catering business and the education and healthcare markets of the contract catering business. The method helps to reveal capabilities or potentials that even the applicant may not be aware of possessing. The resume does not include any details of the applicant's age or qualifications.

In the concession catering business, the content of the assessment exercises was validated in advance and, with the help of Pôle Emploi job center staff, aligned with job descriptions at an existing Center Parcs site for kitchen staff, Carrefour general foodservice employees, Quick team members, dishwashers and inexperienced and experienced waiting staff.

All candidates who obtained a certain score in the assessment exercise were interviewed with a view to being selected to receive theoretical and practical training.

Around 35,000 hours' training were given during these training cycles co-financed by the Poitou-Charentes Region, Pôle Emploi and FAFIH.

In all, some 400 people were interviewed on a one-to-one basis over a period of 25 days by a team of ten people (HR Director/HR Manager/site managers/deputy managers).

This non-discriminatory recruitment method based on a simulation of real-life situations led to 114 candidates taking up positions at the Center Parcs site in the Vienne region when it opened in early June 2015.

In the education and healthcare markets of the contract catering business, 60 people were hired by this method over a six-week period to provide catering services for 55 middle schools in the Hauts-de-Seine region.

Equal Opportunity and Anti-Discrimination Policies Throughout the Group

In the United States, THS's recruitment procedures are governed by equal opportunity and anti-discrimination policies that also underpin the company's annual affirmative action plans.

Job vacancies at THS are published through organizations that have an obligation to comply with anti-discrimination principles and to promote job opportunities for people for whom finding a job may be more difficult (war veterans, people with disabilities, women, ethnic minorities, etc.). These principles are laid down by the US Labor Department's Office of Federal Contract Compliance Programs (OFCCP).

In addition, recruitment practices were reviewed in conjunction with the setting of new targets for management. Managers are being trained in recruitment techniques to help them assess candidates based on their technical skills rather than on subjective criteria.

THS's anti-discrimination practices are described in the Employee Handbook distributed to new hires. At A'Viands, a THS subsidiary, a manager in charge of individual employee relations is responsible for ensuring that these practices are followed and for examining any complaints. At the other subsidiaries, THS's Legal Affairs Director is responsible for these matters.

At Areas in Chile, the United States, Mexico, Saint Martin and the Dominican Republic, human resources staff apply procedures to guarantee the absence of discriminatory practices in the workplace. These include distributing a code of conduct to all new hires and, in the United States, organizing e-learning courses.

At Areas in Spain, an equal opportunities agreement was signed by stakeholders in September 2015.

An Ethics Committee for the Contract Catering Business in Italy

Elior Ristorazione (Elior Ristorazione S.p.A. in 2012 and Gemeaz Elior S.p.A. in October 2014) has obtained SA 8000 social accountability certification attesting that the fundamental human rights of its employees (and those of its subsidiaries and suppliers) are respected throughout the world, in line with ILO conventions.

The two entities have also created an Ethics Committee in compliance with Italian law (decree ARTT. 6-7, DEL D.LGS 231/2001) made up of several members of the management team (representing operational units, legal affairs, internal audit and human resources).

In the area of human resources, the Committee's terms of reference are to:

- ensure the implementation of workplace health and safety rules,
- monitor changes in legal texts governing staff training,
- oversee the procedures implemented by the purchasing department with suppliers to prevent corruption.

2.4.1.2 Employing Apprentices

The Group proactively promotes apprenticeship and work-study programs and in 2014 we took on 1,115 work-study students. These programs help young people learn more about the professions available within the Group, build their skills and gain independence, while at the same time putting them on the first rung of the career ladder. They also enable the Group to recruit trained employees who have chosen to make a career in the catering and services industry and to transfer expertise to them.

Several initiatives have been undertaken in France to structure our policy for promoting apprenticeship and encourage young people to join the Group:

- "Elior Seeds"

The "Elior Seeds" program was launched in connection with the intergenerational action plan agreement signed in 2013. These events are designed to promote recruitment of young people trained by Elior to occupy back- or front-of-house positions in its restaurants or service positions.

In 2015, Elior France organized six one-day events throughout the country to present the Group and its professions to 162 invited young people participating in vocational work-study programs. The students also had an opportunity to apply for jobs during the events.

- "My Elior" Application

"My Elior" also resulted from the intergenerational action plan agreement signed in 2013. Launched in 2015, the app allows young Group employees to discover our businesses, the working environments of our 108,420 employees and a video presenting our six job families.

"My Elior" users contribute to our CSR policy by answering quiz questions about our job families to win points that are converted into euros and paid to the "100 chances 100 emplois" charitable program and the Surfrider Foundation.

- “A Taste of the Future”

Each year in France, we invite higher education students who are on an Elior work-study placement to a day-long event called “A Taste of the Future”, aimed at encouraging them to build their careers with the Group. In 2015, over 130 young people attended this event during which they heard presentations about the jobs available within Elior and were given advice and assistance on how to use the skills developed during their placement and how to prepare for a job interview. At the end of the day a “Resume Book” was sent to 700 Group managers and HR representatives in order to promote the students’ job applications. In 2014, this initiative resulted in us taking on 42% of the students who expressed a wish to stay with Elior (who either pursued their work-study program or obtained their first job).

- Elior Ambassadors

Our network of Elior Ambassadors – which is made up of Group operations staff and HR representatives – was first created in 2002. Its underlying aims are to forge ties with educational establishments and organizations with which Elior wishes to develop links, increase our reach and create close communication channels about the jobs available within the Group. The Elior Ambassadors both increase the Group’s visibility among young people and enhance its recruitment performance thanks to initiatives and events such as job forums, open days, presentations of the Group to specific groups of students, visits to our sites, workshops and theme-based events, and they also

sit on examining boards. As a result of this network, the Group now has a presence in some 60 catering and hospitality colleges, universities and non-profit organizations where young people are trained in the skills required for the catering and hospitality trade.

2.4.1.3 Promoting Gender Equality

A total of 69% of the Group's 107,879 employees worldwide are women, 41% of whom hold managerial positions (versus 39% in 2014). A number of initiatives have been launched in France and at European level to encourage more women to move up to managerial positions or to take on traditionally male-dominated jobs.

In 2015, most Group companies in France renewed their agreements or action plans to promote gender equality. The aim is to pursue a structured approach to increasing the proportion of women holding managerial positions or traditionally male-dominated jobs.

In March 2014, Elior took the opportunity of International Women's Day to create a working group made up of some sixty women employees from across Europe to brainstorm ways of enhancing women's working lives within the Group. A special web documentary called "Un Jour avec Elles" was produced at the same time, which traces a day in the working lives of several women who form part of the Group.

On March 13, 2015, a second gender equality day was organized at Maison des Centraliens in Paris to mark International Women's Rights Day. During the event, seventy women employees from four countries took part in awareness-raising sessions, round-table discussions and three working groups on the introduction of a parental rights, networking and mentoring charter. The event also featured testimonials, many of them filmed at the Gran Teatre del Liceu in Barcelona, in which customers attested to the importance for them to work with a service provider that shares their commitment to gender equality. In addition, participants discussed systems to help more women to take up managerial positions.

2.4.1.4 Breaking Down Barriers to Employment

2.4.1.4.1 Employment Policy for People with Disabilities

With over 3,300 disabled employees, the Group takes action on a daily basis both to promote the recruitment of people with disabilities and to help employees retain their job if they become disabled or an existing disability becomes more serious.

We have put in place diverse initiatives and programs to promote job opportunities for people with disabilities and to partner them in their work.

In Spain, for example, Serunión has launched two projects for the recruitment of people with disabilities, one at the Valladolid central kitchen where employees with disabilities now make up 70% of the workforce, and the other at the Gustauria central kitchen in Igualada (Barcelona). To meet its objectives, Serunión works with job centers that specialize in finding employment for the disabled.

On October 10, 2014, Alsacienne de Restauration was awarded the Economy and Disability prize by the Alsace Chamber of Commerce for its recruitment and integration programs in favor of people with disabilities.

In June 2015, the Group's contract catering business in France signed a three-year partnership agreement with Agefiph, an organization set up to implement government policy by promoting the recruitment of people with disabilities by private sector companies and helping people to keep their job after they become disabled.

Our education and healthcare catering business continued to organize "Toque Chef" workshops in partnership with Grégory Cuilleron, a disabled chef. In September 2015, ten workshops were organized with middle and high school children.

Every year, the Group's regions in France select two-member teams made up of a disabled employee and a site manager to take part in the "win together" challenge and compete for the prize for the best recipe based on a seasonal product organized during European Disability Employment Week. In 2014, seven such teams were formed.

In partnership with the Concession Professions University in Evry, in early 2014 the concession catering business contributed to the creation of a professional catering course specially designed for employees with disabilities.

Throughout 2014, two young people with disabilities worked as apprentices, one at Orly Airport and the other at the Louvre Museum. After successfully completing their apprenticeships, both people were hired to work at their respective sites in December 2014. In recognition of their involvement in integrating these two young workers, Orly Ouest Airport and the Louvre Museum were awarded the "Handi Apprentissage" prize by the Essonne Chamber of Commerce and Industry in November 2014.

2.4.1.4.2 Training Policy for Vulnerable Employees within the Group

The Group's CSR commitments also involve helping employees who are vulnerable in the job market because they have difficulties with reading and/or writing.

We have created specific training programs for these employees with a view to reducing the risk of them being unable to find a new job in the event that the Group loses the commercial contract for which they are employed.

For example, in France we offer programs that teach volunteer employees to relearn how to read, write and count through 1,176 hours of training that they can follow either during or outside working hours and on site or in training centers. The aim is to help the trainees get onto subsequent internal training programs that lead to certificates or diplomas.

2.4.2 WE OFFER REAL CAREER PATHS

2.4.2.1 Proposing Career Development Measures

The Group is undergoing extensive changes, driven by customer demand, developments in its operating environment, and by its own dynamics.

We continually adapt our training programs to these changes. In particular, each new employee needs to learn a number of fundamental principles so they can deliver the service quality expected of them. The training we provide ensures that all of our people, wherever they work, know these fundamental principles, particularly concerning food hygiene and health and safety. Lasting from one hour to two days, our training modules are designed in conjunction with operations managers and use tools and methods that are the most appropriate for each situation (face-to-face learning, e-learning, etc.). 26% of the training hours provided to employees concern job-specific techniques, 21% health and safety and 8% managerial skills.

The main strengths of the Group's training policy are:

- An organizational structure that is both decentralized and coordinated in order to strengthen our shared corporate culture and effectively meet the needs of each business.
- A real contribution to enhancing the Group's overall performance and driving our employees' career development.
- Varied formats including traditional "classroom" teaching but also digital training tools, mentoring systems and co-development.

In France, some 5,500 employees took at least one e-learning course in fiscal 2014-2015 and over 18,300 interns followed the 30 existing modules.

Starting last year, all new hires receive an automatic message on their first day inviting them to follow their on-line training roadmap.

Introduced for the first time in 2014, the Tremplin program was developed jointly with the markets. During the most recent talent reviews, 12 senior managers were identified as "high flyers" by the heads of the business units. After taking part in managerial training courses, these 12 senior managers will be considered for executive positions (based on the Group's internal position map).

The 12-day program is conducted in partnership with the Grenoble Management School.

One of the participants' main challenges is to execute a project chosen by the members of the Executive Team that is aligned with Group strategy. The next contingent of high-flyers is currently being identified.

Also in France, "VAE" work-based qualification courses were offered for the first time last year to employees in certain support positions (accounting and payroll). These courses, which enable employees with low-level initial qualifications to obtain a recognized diploma for the skills they acquire through their jobs, were previously only available to employees in operational positions.

In Europe, the "INCO" regulation on the provision of food information to consumers has been applicable since December 13, 2014. This regulation applies to all foods, whether pre-packaged or unpacked, including foods delivered by caterers. To ensure that the Group is INCO-compliant, we have developed e-learning courses for employees in France and the United Kingdom setting out the new obligations which concern:

- label legibility,
- allergen information (based on the 14 allergens on the regulatory list);
- labeling of product origin (for meat);

- nutritional information.

In the United Kingdom, the Chef School has been created to address the current shortage of experienced chefs and develop a pool of future candidates with this profile. The 9-month program is organized in several modules that take place in the kitchen, in the classroom and also in the field with professionals such as food producers and butchers. Students also work with leading chefs catering for high profile events. On completing the course, they obtain the Professional Cookery Level 2 diploma qualifying them to manage a restaurant. The initial results are promising, with all participants becoming capable of holding a position as junior chef and 80% having already been promoted.

In Italy, two programs were launched for the Itinere high-speed train on-board catering operations:

- A training program specifically designed for on-board catering staff working on the Frecciarossa 1000 high-speed train inaugurated in April 2015. In all, more than 600 people participated in the program during the year.
- A training program for all on-board catering staff, covering selling and customer relations techniques. This program combines classroom teaching, e-learning modules and on-the-job training.

2.4.2.2 Recognizing and Rewarding Talent

As part of its overall human resources strategy, over the past four years the Group has developed and deployed a talent management policy for senior managers and specialists. The policy has been developed in close cooperation with local human resources managers and is being deployed in all of our markets. The aim is to bring our managers together around a shared vision and corporate culture while recognizing and rewarding their talents and enhancing their employability, and also to enable the Group to put in place succession plans.

"Elior Talents" has already been rolled out to over 4,000 employees in France, Spain, Italy, the United Kingdom and the United States and the ultimate goal is to encompass some 9,000 employees.

The Elior Talents talent management cycle is designed to align the practices adopted in the Group's different markets and host countries and ensure that the same attention is given to the career development of each of its employees. The various managerial rendezvous are based on a single information system shared by all concerned employees.

2.4.2.3 Making Career Plans Available to All of our Employees

2.4.2.3.1 Internal Mobility

Firmly convinced that internal mobility and diverse experience are the best ways of training up our future managers and executives, we encourage our employees to build career paths that include working in a number of different markets and/or businesses.

In order to encourage internal mobility, the Human Resources department ensures that employees have clear visibility of the possible career paths that can be followed in the Group. In Europe, a "position map" of the main job categories, grouped by business and level of responsibility, enables employees to see where they are at on the career ladder and plan future moves. As part of the drive to provide information and create a mobility dynamic, a video has been produced in France that offers a simple explanation of the internal mobility process and the interaction between the main players. Local versions of the video are being prepared for the Group's other host countries.

In Spain, the United States and Mexico, Areas managers participated in a training program to learn how to conduct meetings to discuss their team members' career development and to support them in furthering their careers.

Internal mobility programs also help the Group to put in place succession plans at all levels in the organization. To this end, development centers have been set up throughout the Group to better identify the advancement potential of employees singled out as possible successors. In particular, the system was deployed in 2015 for managers in line to take over executive positions. Available in the Group's four languages, it helps senior management and human resources professionals to better prepare and support moves up the career ladder. After going through the development center process, the employee prepares an action plan that will enable him or her to advance by narrowing the gap between his or her current skills and those required by the target position.

Lastly, during the year we aligned our systems for the management of internal and external job applications. In addition, a study was undertaken with a view to deploying the Elior Recrutement on-line job site in Italy and the United Kingdom.

In all, during the past year, 13% of employees changed positions within the Group.

Our seven key beliefs about internal mobility are as follows:

- Each employee should drive his or her development.
- Our management successors will be stronger and more successful if they are largely chosen from within the Group.
- Internal mobility and diverse experience are the best ways of building our employees' skills.
- The diversity of the Group's jobs and markets is an asset that we should share with our employees to build their career paths.
- As team managers, we should encourage the development of our employees' careers in the best interests of the Group.
- Trust, transparency and respecting commitments are prerequisites for a successful internal mobility program.
- Each team manager's role includes overseeing the professional development of each team member.

2.4.2.3.2 Compensation Policy

In view of the fact that personnel costs represent such a large portion of revenue in the Group's business model (44.63%), our compensation policy is a key aspect of our strategy.

The fundamental aims of this policy are to ensure that compensation and benefits packages are fair across the Group and to encourage mobility between our various businesses. We also take care to ensure that our packages and hiring conditions are competitive compared with other market players by carrying out benchmark studies.

For managerial positions, the compensation and benefits packages are structured based on the Group's position map. Bonuses depend on the job concerned and corresponding hierarchical position within the organization, as well as the achievement rate of the objectives set for each manager. All employees have an annual performance review meeting during which the results of the past fiscal year are measured against the year's objectives and new objectives are set for the coming year. This system enables us to ensure that our managers' personal career aims are in line with the Group's overall strategy and performance objectives.

The compensation levels for non-managerial employees are determined based on salary scales and rules defined by each individual industry and in accordance with local legislation.

Whenever a new entity joins the Group, our compensation policies and management processes are gradually extended to cover the new entity.

In 2014-2015, we worked on structuring compensation packages in order to align them more clearly with the Group's short and medium-term financial priorities and also with market practices.

2.4.3 WE RESPECT AND VALUE OUR EMPLOYEES

2.4.3.1 Devoting Significant Resources to Health and Safety

When analyzing the Group's health and safety performance the type of operations it conducts needs to be taken into account as by their nature they tend to result in numerous incidents due to the following reasons:

- Catering and cleaning service jobs have high accident risk potential (e.g. burns, cuts, slips, repetitive strain, carrying heavy loads, working standing up, bending, driving delivery vehicles, etc.).
- The Group's employees work at many different sites with highly varied configurations.

Our responsibility as an employer means that we need to create optimal working conditions to ensure the health, safety and well-being of our teams. Highly aware that this requires significant effort, the Group's executive management team decided to conduct a project to coordinate and strengthen the policies in place within each subsidiary in order to limit the impact of our employees' working conditions on their health and safety.

The first step consisted of identifying the main types of accident and determining where they occurred. The review conducted in France in 2014-2015 can be transposed to other countries. Likewise, the best practices identified in France will serve as inspiration for other countries.

Five projects will be launched in 2015-2016 to:

- instill a workplace health and safety culture;
- develop a health and safety performance management process;
- establish new management systems;
- train managers;
- raise awareness of health and safety issues, notably through communication campaigns.

Most of the Group's entities currently have at least one workplace health and safety specialist who is responsible for ensuring compliance with national regulations, identifying high-risk situations and preventing incidents.

In France for example, each entity has a Safety Department. These departments act as a source of expertise for operations staff and each one has drawn up a specific framework for their health and safety risk assessment document (DUER) required under French law. This framework takes into account the hazards related to each of the Group's various professions and working environments and enables each site to properly assess the risks to which its teams may be exposed.

Examples of the main preventive programs implemented in 2014-2015 are provided below.

In the concession catering business, three e-learning modules were developed for use by 1,900 employees, dealing with the following issues:

- safety procedures at gas stations;
- health and safety risk prevention basics:
- awareness of fire risks, aggression risks and safety rules.

In addition, the employees at 145 motorway sites participated in a safety awareness day during which such issues as the wearing of high-visibility jackets and personal protection equipment were covered.

Lastly, the Group has received an FCo (known supplier) authorization for the delivery of goods within France's seven main airports, a development that helped to avoid foodstore employees having to carry heavy boxes and crates.

In the United Kingdom, all employees and service providers are required to follow an e-learning course on workplace safety. To date, 60% of them have taken the course.

In the United States, A'Viands has set up a Safety Champion program. Each employee is responsible for on-site safety at his or her level and may be named Safety Champion if he or she has set the standard, for example by identifying and eliminating food safety, personal safety and/or environmental risks; teaching others how to implement safety processes and encouraging them to comply with these processes, etc.

In 2014-2015 a total of 47,660 Group employees followed at least one workplace health and safety training course[3].This represents 139,049 training hours and makes health and safety the Group's second largest training area after technical training.

3 The topics covered by these training courses include fire safety/evacuation, chemical and biological risks, movements and postures, preventing risks related to physical activity, road safety, first aid, regulatory authorizations (e.g. authorization to work on electrical equipment), and health and safety management.

2.4.3.2 Encouraging Open Dialog and Real Teamwork

Our labor relations policy is based on respecting and valuing our employees and creating a constructive dialog.

In view of the diversity of the Group's businesses and geographic locations, depending on the countries concerned labor relations are managed at national or regional level and/or at the level of each individual entity.

The Group has set up a European Works Council (EWC) which covers all of its European employees (who account for 88.5% of its total headcount). Once a year, the EWC is provided with information about the Group's financial position, business operations, strategic objectives and HR situation. Meetings are also held with members of the EWC's Bureau to discuss specific topics.

In France, the Group Works Council (GWC) set up in 2000 serves as the primary forum for dialog with representatives of employees and trade unions from its French subsidiaries. It includes a specialist commission which particularly focuses on analyzing HR indicators, determined jointly by the GWC and the Group.

In 2015, the Group redefined the GWC's composition and extended its scope to include new entities. The agreement, which was signed on April 5, 2015, concerns the appointment of Group-level trade union coordinators and the renewal of the appointment of trade union representatives on the GWC, with certain adjustments to reflect changes in trade union representation within the Group and changes in Group structure. At the time, the trade unions appointed 30 representatives on the GWC and 5 coordinators to represent some 65 companies and over 46,000 employees in France.

At the level of its French subsidiaries and/or UES (specific groupings of entities only existing in France) – which employ 48% of the Group's total headcount – depending on the entity concerned the Group manages relations with its employees through:

- central works councils, company-level works councils and site level works councils;
- Health, Safety and Working Conditions committees;
- employee representatives;
- various committees set up to monitor collective bargaining agreements and/or action plans.

This ongoing dialog with our employees leads to the signature of numerous collective agreements on a wide range of issues.

For instance, in France, in addition to the agreements entered into related to gender equality and compulsory annual pay negotiations (NAO), the following significant collective agreements were signed in 2014-2015:

- Agreements covering death/disability insurance for employees in the business & industry and education and healthcare markets:

- Addendum no.11 to the agreement of April 28, 1999 concerning death/disability insurance and medical expense reimbursements for contract catering employees, signed on November 18, 2014. This addendum aligns our death/disability insurance plans with the new regulations (decree dated January 9, 2012 concerning objective categories).
- Addendum no.12 to the agreement of April 28, 1999 concerning death/disability insurance and medical expense reimbursements for contract catering employees, signed on June 12, 2015.

- A gender equality agreement covering employees in the education and healthcare markets, signed on September 28, 2015.

In the United States, the Group's subsidiary, Aladdin renewed its agreement with the United Food & Commercial Workers Union (UCFW), Local 23 (Carlow University). The renewed agreement provides for:

- Wording adjustments to comply with the principles of the Affordable Care Act (ACA), including changes to eligibility criteria and a new set of options for employees.
- An increase in the basic wage.
- Changes to comply with new legislation (Act 34, 151 and 114) requiring criminal record checks to be performed for all employees working in the education sector.

In Italy, Elior Ristorazione signed an agreement in October 2014 implementing the provisions of the national railway workers' mobility agreement in the Itinere Division (Trenitalia). This agreement sets the working conditions for the 500 employees concerned.

In Spain, the main collective agreement signed by Serunión was dated July 2015 and concerned the working conditions of the 800 employees working in the leisure market in Catalonia, including those employed in educational and socio-cultural activities, out-of-school activities, services for the elderly and summer camps for school children. The agreement also lists customers' obligations towards Group employees, in terms of protection, job classifications, skills recognition, transfers, etc., as well as providing for the creation of a

committee made up of employer and employee representatives to guarantee compliance with the agreement's provisions.

2.4.3.3 Respecting the Fundamental Conventions of the International Labour Organization (ILO)

The Group signed up to the United Nations Global Compact in 2004 and in so doing committed to respect the Compact's ten principles which notably cover labor related issues. Accordingly, the Group has undertaken to uphold the freedom of association and the effective recognition of the right to collective bargaining, as well as to support the elimination of all forms of forced and compulsory labor, the effective abolition of child labor and the elimination of discrimination in respect of employment and occupation.

The Group operates in some countries where the economic situation and legal framework give rise to certain risks. This is the case, for example, in Chile, Mexico, the Dominican Republic and Saint Martin. Employees based in these countries represent around 2.26% of the Group's total headcount. We take particular care to ensure that our business practices in these countries comply with the spirit of the fundamental conventions of the International Labour Organization.

2.5 AN ACTIVE PARTNER

Being an active partner means contributing to social and economic development in the regions where our 18,600 restaurants and points of sale are based.

It means using local enterprises in order to be able to offer our customers fresh, seasonal produce, and fostering long-term relations with our suppliers, who we ask to sign the Elior Responsible Purchasing Charter.

In a highly labor-intensive industry such as ours, being an active partner also means giving everyone, everywhere, the opportunity to join our teams, and particularly the long-term unemployed and people with disabilities.

In our role as an active partner we are particularly vigilant about respecting human rights in our daily business and we have committed to conduct responsible relations with our stakeholders and to respect the ten principles of the United Nations Global Compact.

2.5.1 WE BUILD UP LONG-TERM RELATIONS WITH OUR SUPPLIERS

2.5.1.1 Working in Partnership with Committed and Responsible Suppliers and Sub-Contractors

Our corporate social responsibility reaches out beyond the Group to cover our entire sphere of influence. Consequently it is our duty to remain particularly attentive to the business practices of all our partners across the world, notably by developing positive and transparent relations with them at each stage of the service cycle, underpinned by mutual trust and commitment. It is by doing this that we can control the global impact of our operations.

For these reasons we have drawn up the Elior Responsible Purchasing Charter which formally documents the sustainability requirements of our procurement processes, all of which are consistent with the Group's commitments and objectives. Through this Charter – which had been signed by 89.6% of our suppliers in France by end-September 2015 – the Group's suppliers are asked to reduce their environmental footprint, to act both as responsible employers (notably by respecting children's rights and combating clandestine work) and responsible suppliers, and to draw up a CSR progress report. It illustrates the importance that the Group Purchasing Department places on these issues and also strengthens the partnerships that the department forges with its suppliers. In the same vein, we have provided our suppliers with a platform that they can use to carry out self-assessments and controls related to CSR issues. This platform – which was designed by AFNOR (the French national standards agency) and is based on ISO 26000 – not only enables us to check that our suppliers are respecting our CSR requirements but also to exchange views and ideas with them and to ascertain their progress. Self-assessments have been completed to date by suppliers accounting for 50% of our purchases.

The Elior Responsible Purchasing Charter has been signed by 89.6% of our suppliers in France.

As part of our responsible purchasing approach, on Italy's Mafia Victims Remembrance Day we have organized awareness-raising events in schools each year since 2010, with the menus served to the children including ingredients such as "Libera Terra" pasta. Libera Terra products are organic and are grown on land which has been freed from Mafia control and is managed by social cooperatives. Every year, this special menu is served to around 7,000 school children.

In the same way as with its suppliers, the Group takes into account social and environmental responsibility when working with sub-contractors. Consequently we favor not only partners who respect the fundamental commitments they make but also, and above all, partners who have a committed and best-in-class approach to social and environmental issues. This is illustrated by the fact that we purchase services and products from assistance-through-work companies and establishments as part of our commitment to promoting employment and training for people with disabilities. In France we have entered into partnerships with some 139 assistance-through-work establishments covering all of our business sectors. In 2014-2015, €1.7-million worth of our revenue in France was generated through projects with the social economy sector.

On February 25, 2015, during the Paris International Agricultural Show, Group representatives visited the organic food agency stand with representatives from the national organic farming federation (FNAB) and MBIM, a

non-profit organization set up to encourage people to switch to organic food. The three partners signed an agreement to encourage food buyers in France to choose locally-grown organic produce. The agreement is in line with our responsible purchasing policy which consists of favoring products grown using environmentally-sound farming practices and making a sustainable contribution to the economic development of our host regions.

2.5.1.2 Our Responsibility and Commitments Vis-à-Vis our Partners

As we demand significant CSR commitments from our suppliers and sub-contractors we have a duty to set ourselves the highest standards of conduct in return. We are also currently working on a set of ethics principles which will be gradually rolled out to all of the Group's employees in 2016.

Since 2011, Elior UK has had an anti-corruption system comprising awareness-raising measures and an anti-corruption policy which complies with the 2010 Bribery Act.

The Italian contract catering subsidiaries (Elior Ristorazione, Gemeaz Elior, Elior Servizi and Copra Elior up to the demerger on January 1, 2015) have an ethics committee whose members come from both inside and outside the Group. The committee meets every quarter on dates fixed at the beginning of the year. It is responsible for examining ethical issues associated mainly with:

- major contract bids;
- workplace health and safety procedures;
- material consulting or sponsorship contracts;
- training plans.

The subsidiaries' CEOs can submit to the Ethics Committee any issues or cases that they believe may have material implications.

In addition, the Group has given a commitment to its suppliers and sub-contractors to behave in an ethical manner, in particular through the Group Purchasing and Logistics Department's Ethics Charter. The charter describes the four fundamental principles and values that our employees undertake to respect when they join the Group – integrity, equity, respect and responsible purchasing.

In tandem, we have developed specific systems and processes to reduce the risk of errors and fraud by centralizing our dealings with suppliers and increasing the use of paperless supplier communications. We have also designed a centralized process for invoice payments – based on innovative technologies (EDI and scanning) – which ensures that supplier payment times comply with the applicable laws on this issue. Thanks to this process, the payment of some 3.16 million invoices each year is centralized through just two legal entities. Our efforts to promote the use of paperless transactions go beyond merely complying with the legal requirements concerning supplier payments, as we are striving to increase electronic communications with all of our stakeholders. More than 79.6% of purchases in France are now carried out electronically, which enhances traceability, cuts costs for suppliers and reduces the environmental footprint of our procurement process. Our paperless invoicing system enabled us to do away with 15 million paper invoices in France between the system's launch in 2007 and end-September 2015, which represents a pile four times as high as the Eiffel Tower.

437 supplier audits were performed in 2014-2015.

During the year, 86% of the Group's revenue was generated in countries with a low risk of corruption based on the index drawn up by Transparency International (an NGO).

2.5.2 WE PUT OUR EXPERTISE TO THE SERVICE OF THE COMMUNITY

With thousands of restaurants and teams providing services on a local level, the Group plays an important part in weaving and holding together the economic fabric of the regions where it operates. Highly aware of our instrumental role among the populations we serve we have made a stated commitment to promote equitable and sustainable regional development by drawing on our expertise and business activities.

2.5.2.1 Elior's "Agir Pour L'Education" (Acting for Education) Corporate Foundation

As part of our commitment to equal opportunities we provide support to students through our "Agir pour l'Education" ("Acting for Education") foundation. Set up in 1995, the Foundation grants scholarships to help finance the higher education of young people from modest backgrounds who have at least one parent working in the catering or services industry. Students do not have to

necessarily follow a course specifically related to the Group's businesses, as is illustrated by the Foundation's alumni who include doctors, engineers and teachers. Over 1,440 scholarships have already been granted to 1,129 students by the Foundation since its creation.

Lastly, through the Tandem program, we put our expertise to the service of the community at large by giving experienced managers the opportunity to share their expertise with non-profit organizations. This approach has been pursued in partnership with the Frateli non-profit organization which invites managers with between one and ten years' experience and a post-graduate degree to mentor high-potential students from low income families. Fifteen students have been mentored since the program was launched in 2012.

2.5.2.2 Actively Participating in CSR Initiatives Related to Our Business

We play an active part in CSR initiatives related to our various businesses, and are proud to support causes which are of great importance to us and have a direct association with the Group, such as breaking down barriers to employment and combating food waste. We carry out many of these initiatives through partnerships with charities and other non-profit organizations.

In 2014, in Austin (Texas), THS celebrated Thanksgiving by preparing traditional Thanksgiving dinners that were delivered by volunteer families to dependent elderly people. Last year, the 150 volunteers were delighted when the winner of the 2014 Best Actor Oscar, Matthew McConaughey, turned up to lend a hand.

In the United Kingdom, we support the Children's Starlight Foundation which helps seriously ill children and their families. This initiative was proposed by employees and backed by the Management Committee.

Also in the United Kingdom, Elior UK was one of the first companies to sign up to the Recovery Career Services (RCS) program launched by its customer the UK Ministry of Defense. RCS provides employment support opportunities to wounded, injured and sick soldiers, sailors and airmen, and as a partner to the program Elior UK finds opportunities for these ex-servicemen and women to be given training and practical experience in the catering and services field. Elior UK also supports Help for Heroes and BLESMA, two charities that provide support to ex-servicemen and women who were wounded or injured in the line of duty.

Lastly, in Spain, Areas continued to support the Deixalles Foundation by making a gift of work clothes and point-of-sale equipment that it no longer used.

2.5.2.3 Raising Our Stakeholders' Awareness about Sustainable Development and Environmental Protection

We also seek to directly involve our stakeholders in community outreach programs, with the aim of sharing our sustainable development values not only with customers but also with our suppliers and the public in general. To that end we take part in awareness-raising programs for all types of audience, including in partnership with sustainable development players and organizations across the world.

During the 2015 European Sustainable Development Week, we conducted a responsible eating awareness-raising campaign among guests and employees. Several communication campaigns were organized to promote good anti-climate change practices at each stage in a meal, including through local production, organic farming, responsible fishing, eco-friendly behaviors in the kitchens and low carbon menus.

The employees of our services business took part in seminars to encourage them to adopt eco-friendly behaviors and raise awareness of the overall sustainable development strategy. By the end of August 2015, a total of 2,572 employees had taken part in the seminars.

One of the areas we are particularly involved in is creating a diverse range of projects aimed at sowing the seeds of environmentally- and socially-conscious behavior from a young age. This entails working closely with schools to help them devise hands-on projects for their pupils concerning issues such as waste, water, energy, food, biodiversity and voluntary work. In Spain, Serunión – which is the country's leading contract caterer in the education sector – has built up a close working relationship with UNICEF to promote shared values. Through this partnership, in 2015 the company organized a story and drawing competition to raise school children's awareness about the water shortages that exist in many developing countries as well as about the concept and values of solidarity. In the education market in France we work in partnership with Worgamic, a non-profit organization which teaches children about recycling organic waste and, more generally, the life cycle of food products. Worgamic also raises awareness among secondary school students about the importance of not wasting food.

One of the ways in which we promote sustainable development among the wider, general public, is by introducing returnable or reusable cups at the events we cater for. We provide catering services for numerous one-off events during trade fairs and at exhibition centers and stadiums, and in France, our teams now systematically

recommend to our partners the use of systems such as Ecocup. This type of system helps customers to be more eco-friendly and environmentally accountable by avoiding the use of disposable plastic cups that lead to waste and pollution.

2.5.3 WE CONTRIBUTE TO REGIONAL DEVELOPMENT IN THE AREAS WHERE WE OPERATE

As a local service provider, we operate our businesses in many different regions. Consequently, we contribute to regional development by creating jobs and working with local partners.

2.5.3.1 Recruiting Employees with the Help of Regional Partners

In line with our aim of helping develop the regions where we operate, one of our key objectives is to provide job opportunities for people who struggle to find work. To this end we work with local partners when recruiting new employees.

Around one hundred temporary staff agencies in France are now listed as approved suppliers. These agencies play a key role in helping the long-term unemployed to find work in one of our three core businesses in France.

In the same vein, in France we support the “100 chances 100 emplois” charitable program whose aim is to create a network to find sustainable employment solutions for young people with few or no qualifications. In Strasbourg, Elior’s subsidiary L’Alsacienne de Restauration is in charge of overseeing the program, in partnership with the non-profit organization IMS Entreprendre pour la Cité.

On December 9, 2014, the Charte de la Diversité organization presented an award to L'Alsacienne de Restauration for its commitment to helping young people from disadvantaged areas. The award, which was created in 2011, recognizes L’Alsacienne de Restauration's investment in the "100 chances 100 emplois" program alongside the organization’s local branch in Schiltigheim. The program's aim, with the backing of a network of committed companies, is to help young people from disadvantaged areas to find work.

2.5.3.2 Playing a Role in the Local Economy, Particularly by Encouraging SMEs to Bid for our Contracts

As part of our responsible purchasing policy, we are committed to seeking out and promoting the use of local produce (fruit and vegetables, meat and cold cuts, bakery goods, seafood, etc.). As well as being more environmentally friendly, this encourages regional development by helping local producers to find new markets. We work closely with our customers and national producers in order to help build up sustainable supply chains that can meet large-scale catering needs such as ours. These producers are included in approved supplier lists kept by the purchasing departments in each country, which enables us to source products that are actually produced in the countries where we operate our restaurants. For example, in December 2014, we ordered 132 tonnes of PGI (Protected Geographical Indication) certified clementines from two producer cooperatives, and four tonnes of Cantal cheese from a single producer.

During the year, supplier approval procedures were simplified in France to ensure that we could meet customer demand for locally-sourced products. For example, an invoicing portal was developed for regional bakers. This portal makes it easier for SMEs to work with a major group such as Elior by offering simple operating solutions that are aligned with their structures. As of end-September 2015, out of 463 eligible suppliers, 427 were using this system.

Committed to finding sustainable sources of supply that can meet the challenges of the catering business and aware of the impact of our business on society as a whole, it was natural for us to contact Réseau Cocagne, a social enterprise that operates a network of market gardens. Working together, we were able to set up local partnerships between Cocagne's market gardens and our contract catering sites. To determine the produce to be supplied to our kitchens, the local chef and the manager of the garden concerned work closely together to analyze our needs and prepare cultivation plans.

As well as allowing the delivery of fresh, locally-grown organic produce, the partnership also helps to prepare people to re-enter the workplace through their experience with Cocagne. By signing the partnership charter, our local teams and those of Cocagne commit to helping these people turn their objectives into reality. In 2014-2015, six Cocagne market gardens were included on our list of approved suppliers.

Red Tractor

In the United Kingdom, we support the Red Tractor organization and its 78,000 member producers whose products are required to meet extremely high standards in terms of hygiene, animal welfare and environmental protection.

2.6 METHODOLOGY, INDICATOR TABLES, STATUTORY AUDITORS' ASSURANCE REPORT AND CROSS-REFERENCE TABLE

2.6.1 TABLE OF PUBLISHED INDICATORS

Table of environmental and social indicators	Unit	2014-2015 Total	2014-2015 Coverage rate (%)	2013-2014 Total	2013-2014 Coverage rate (%)
Site certifications					
Percentage of revenue generated in markets that have at least one certification	%	85.7	100	85.5	93.9
Nutrition and consumer health and safety					
Number of on-site hygiene audits carried out during the fiscal year	no.	21,305	100	18,512	93.9
Number of product analyses carried out during the fiscal year	no.	109,350	100	111,493	93.9
Number of supplier audits carried out during the fiscal year	no.	437	100	324	93.9
Number of nutritional specialists working for Elior at the fiscal year-end	no.	483	100	430	90.2
Percentage of revenue generated in markets with an ambitious nutritional policy[1]	%	71.9	100	71	90.2
Responsible purchasing					
Number of organic product references available at the fiscal year-end	no.	2,597	100	2582	93.4
Proportion of suppliers who have signed the Elior Responsible Purchasing Charter in France	%	89.6	100	77.1	100
Waste management					
Percentage of used food oils recycled[2]	%	83.6	88.2	83.4	93.9
Vehicles and greenhouse gas emissions					
Proportion of green vehicles out of the total vehicles used by Elior	%	56.1	100	56.2	93.9
Fair practices					
Percentage of revenue generated in countries with a low risk of corruption based on the Transparency International (NGO) rating index	%	86	100	84.5	100

(1) Excluding Elior Services
(2) Excluding THS and Areas USA

	2014-2015		2013-2014	
	% of employees covered		% of employees covered	
Number of employees				
Total workforce [1]	107,879	100%	105,865	100%
Permanent	86%		87%	
Non-permanent	14%		13%	
Breakdown by gender [1]	107,879	100%	104,224	98%
Male	31%		31%	
Female	69%		69%	
Breakdown by business [1]	107,879	100%	105,865	100%
Contract catering	63%		63%	
Concession catering	20%		20%	
Cleaning services	17%		17%	
Subsidiary headquarters	0%		0%	
Breakdown by geographic region [1]	107,879	100%	105,865	100%
Europe				
France	48.0%	51,809	48.4%	51,252
Spain	19.5%	21,024	19.2%	20,364
Italy	12.8%	13,758	13.6%	14,417
United Kingdom	6.4%	6,785	5.5%	5,873
Germany	1.4%	1,564	1.4%	1,503
Portugal	0.7%	805	0.5%	513
Belgium/Luxembourg	0.1%	156	0.1%	160
Other countries				
United States	8.8%	9,535	8.8%	9,335
Mexico	1.4%	1,457	1.4%	1,449
Chile	0.73%	799	0.8%	817
Dominican Republic	0.13%	139	0.12%	131
Saint Martin	0.04%	48	0.05%	51
Breakdown by category [1]	107,879	100%	105,865	100%
Managers [2]	11%		11%	
Non-managers	89%		89%	
Monthly average number of employees by category and gender (permanent employees[1])				
Male managers	7.62%		7.66%	
Male non-managers	23.67%		23.11%	
Female managers	5.13%		4.88%	
Female non-managers	63.58%		64.34%	

	2014-2015		2013-2014	
		% of employees covered		% of employees covered
Breakdown by age (permanent employees[1])		100%		92%
<25	6.1%		5.3%	
25 - 29	8.4%		8.5%	
30- 34	10.0%		10.2%	
35 - 39	11.4%		12.1%	
40 - 44	14.5%		15.2%	
45 - 49	16.3%		17.1%	
50 - 54	15.8%		15.7%	
55 - 60	13.2%		12.6%	
>60	4.3%		3.3%	
Average age (permanent employees[1])		100%		92%
Women				
Managers	43.0		42.8	
Non-managers	43.7		43.2	
Men				
Managers	44.5		44.6	
Non-managers	42.8		41.9	
Average seniority (permanent employees[1])		100%		92%
Managers	10.7		10.7	
Non-managers	8.7		8.6	
Recruitments and departures				
Number of external hires[1]	108,036	100%	94,852	92%
On a permanent contract	16,438		13,296	
Proportion of under-25s within external hires	20%		22%	
Proportion of over-50s within external hires	19%		10%	
Proportion of managers within external hires	8%		8%	
Proportion of women managers within external hires	3%		3%	
On a non-permanent contract	91,598		81,556	
Proportion of under-25s within external hires	27%		28%	
Proportion of over-50s within external hires	12%		11%	
Proportion of managers within external hires	0%		0%	
Proportion of women managers within external hires	0%		0%	
Recruitment rate[1]		100%		92%
Recruitment rate for permanent employees	17.8%		16.0%	
Number of new arrivals due to a transfer or change of operator [1a]	7,671		6,389	

	2014-2015		2013-2014	
		% of employees covered		% of employees covered
Number of departures (excluding transfers or change of operator)[3]	103,243	93.6%	90,695	92%
Permanent employees	13,504		12,996	
At the employee's initiative	52.4%		50%	
At the employer's initiative	35.2%		38%	
By mutual agreement	6.4%		4%	
Other	6.0%		7%	
Non-permanent employees	89,739		77,699	
At the employee's initiative	3.7%		3%	
At the employer's initiative	1.0%		1%	
Contract expiration	95.2%		94%	
Transfer or change of operator	0.3%		0.2%	
Move to another Group entity	0.2%		0.1%	
Other	0.1%		2%	
Number of departures due to a transfer or change of operator (permanent employees)[3]	5,433	93.6%	4,776	92%
Departure rate (permanent employees)[3] excluding transfers or change of operator				
Total departure rate	16%		16%	
Voluntary departure rate (at the employee's initiative)	8%		8%	
Loyalty rate (permanent employees)[1][4]	79%	92%	84%	92%
employees with less than one year's seniority	44%		51%	
employees with one year's seniority or more	84%		88%	
Working time organization[1]		92%		92%
Total workforce[1]	107,879		97,483	
Full time	53%		53%	
Part time with 20 hours/week or more	27%		34%	
Part time with less than 20 hours/week	20%		13%	
Total female workforce[1]	74,436		67,807	
Full time	43%		41%	
Part time with 20 hours/week or more	32%		42%	
Part time with less than 20 hours/week	25%		17%	
Total male workforce[1]	33,443		29,676	
Full time	77%		78%	
Part time with 20 hours/week or more	15%		16%	
Part time with less than 20 hours/week	8%		6%	
Total non-permanent workforce[1]	14,791		13,242	
Full time	37%		37%	
Part time with 20 hours/week or more	30%		43%	
Part time with less than 20 hours/week	34%		19%	
Total non-managerial workforce[1]	95,865		86,722	
Full time	48%		47%	
Part time with 20 hours/week or more	30%		38%	
Part time with less than 20 hours/week	23%		15%	
Amount spent on temporary workers (excl. VAT)[16]	€106,300		€108,600	

	2014-2015		2013-2014	
	% of employees covered		% of employees covered	
Workplace health and safety[3]		93.6%		
Number of employees given health and safety training[7]	24,803		17,134	24,803
Proportion of total employees given at least one health and safety training course during the fiscal year	25%	93.6%	18%	25%
Proportion of over-50s within the total number of employees given health and safety training[21]	20%	82.2%	26%	20%
Frequency rate of workplace accidents with lost time[3][5]		93.6%		92%
Total workforce	38.2		41.5 [18]	38.2
By geographic region				
France	47.6		47.4	47.6
Europe excluding France	31.2		36.1 [18]	31.2
United States[7]	4.3		9.8	4.3
South America	23.1		37.2 [18]	23.1
Severity rate of workplace accidents[3][6]		93.6%		84%
Total workforce	1.66		1.72	1.66
By geographic region				
France	2.56		2.50	2.56
Europe excluding France	0.84		1.21	0.84
United States[3]	0.12		0.29	0.12
South America	0.29		0.55	0.29
Number of new cases of recognized occupational illnesses (France only)	278		306	278
Absentee rate for permanent employees				92%
Absentee rate³ for medical reasons (occupational and other illnesses, workplace accidents)	**6.1%**	**93.6%**	**5.9%**	**6.1%**
Managers	2.7%		3.2%	2.7%
Non-managers	6.9%		6.4%	6.9%
By geographic region				
France	7.6%		7.4%	7.6%
Europe excluding France	4.9%		5.2%	4.9%
United States[3]	0.8%		0.3%	0.8%
South America	2.0%		1.7%	2.0%
Short-term absentee rate (less than one month) for medical reasons (occupational and other illnesses, workplace accidents)[17]	**3.5%**	78.8%	**2.7%**	**3.5%**
Absentee rate for unjustified absences or lateness[3]	**0.6%**	93.6%	**0.5%**	**0.6%**
Compensation[3]		93.6%		92%
Year-on-year change in average salary for full-time employees (permanent employees)				
Managers	1.0%		3.5%	1.0%
Non-managers	2.5%		0.4%	2.5%
Personnel costs[16]	2,532.40		2,429.60	2,532.40
Personnel costs as a percentage of revenue	44.63%		45.50%	44.63%

	2014-2015		2013-2014	
		% of employees covered		% of employees covered
Professional development[7]		93.6%		92%
Number of employees given at least one training course during the fiscal year[7]	47,660		41,277	
Managers	79%		72%	
Non-managers	43%		39%	
Proportion of employees given training who received a professional certificate or diploma[7]	2.3%		2.7%	
Total number of training hours[7]	652,917		542,807	
Average number of training hours per employee[7]	6.5		5.8	
Managers	15.8		13.3	
o/w female managers	15.5		13.7	
Non-managers	5.3		4.3	
o/w female non-managers	3.5		3.8	
Breakdown of training hours by topic[7]				
Technical training	26%		30%	
Workplace health and safety training	21%		23%	
Food hygiene training	20%		20%	
Training leading to a professional certificate or diploma	11%		11%	
Management and leadership training	8%		8%	
Personal efficiency training	3%			
Other	12%		5%	
Number of employees employed under a work-study contract during the fiscal year (France only)	1,090		1,043	
Diversity				
Number of managers who have followed an awareness-raising program or training course during the fiscal year on preventing the risk of discrimination[10]	473	89.6%	602	58%
Proportion of employees with a disability during the fiscal year[8]	3.5%	91.2%	3.4%	81%
France	4.4%		4.3%	
Direct employment rate – 2014 statutory declaration (France only)	6.4%		6.1%	
Number of employees with a disability hired during the fiscal year[8]	315	91.2%	321	81%
Proportion of women employees in the workforce[1]	69%	100%	69%	98%
Proportion of women within the managerial workforce[1]	41%	100%	39%	92%
Proportion of women within workforce given training[1]	65%	100%	62%	92%
Proportion of female managers given training[1]	41%	100%	40%	92%
Talent management				
Internal mobility rate (for permanent employees)[11][12][13]	13%	91.9%	10%	89%
Internal recruitment rate[11][12][14]	54%		48%	
Number of employees on the Elior Talents program[15]	4,075		3,447	
Proportion of Elior Talents employees given a talent review[15]	54%		48%[19]	
Proportion of Elior Talents employees given an annual development meeting[15]	81%		75%	
Labor relations[1]		100%		100%
% of employees covered by a collective bargaining agreement	85.5%		83.2%[20]	

[1] Total workforce at September 30, 2015

(2) Manager: for operations-related positions, one or more of the following criteria must be met for an employee to be classified as a manager, namely he or she:
· is responsible for one or more team members; or
· works in close collaboration with the site manager; or
· is responsible for one or more of the following processes: recruitments, departures, resource planning, managing working hours, pay and annual performance appraisals; or
· is responsible for a budget and/or placing orders.
For example, in France, "*agents de maîtrise*" (supervisors) in operations-related positions are qualified as managers.

(3) Excluding THS

(4) Loyalty rate = 1 - (number of departures divided by average monthly workforce)

(5) Frequency rate = (number of accidents with lost time divided by hours worked) × 1,000,000

(6) Severity rate = (number of days' lost time divided by hours worked) × 1,000

(7) Excluding THS and Saint Martin

(8) Excluding THS and Areas USA

(9) Absentee rate = number of days' absence divided by theoretical total number of hours worked

(10) Excluding Belgium, the USA and Mexico

(11) Managerial population (in France managers = employees classified as "*cadres*")

(12) Excluding THS Belgium and Luxembourg, Serunion Portugal, SMR and SOGECCIR

(13) Internal mobility rate = Number of employees who have changed position and/or duties during the period divided by the total number of employees concerned

(14) Internal recruitment rate = Number of employees who have changed position and/or duties during the period divided by the total number of positions filled during the period, both through internal mobility and external recruitment

(15) Employees who are participating in a specific talent management process.

(16) In millions of euros

(17) Excluding THS, Italia Ristorazione, Areas USA, ROC, SGAR, SG2P and SMR

(18) Adjustments to 2013-2014 data:
- number of workplace accidents in the United Kingdom
- hours worked in Mexico

(19) Adjustment to 2013-2014 data: correction of the denominator (not 61%)

(20) Adjustment to 2013-2014 data: weighted average used for this indicator

(21) Excluding Italia Ristorazione

2.6.2 REPORTING METHODOLOGY: HR, ENVIRONMENTAL AND SOCIAL INDICATORS

The consolidated HR, environmental and social indicators published in this section were prepared by a group of specialists from the Group's operations and corporate departments.

The indicators presented concern fiscal year 2014-2015, and the reporting period used is the fiscal year running from October 1, 2014 to September 30, 2015 unless stated otherwise.

The data set out in this section has been verified by KPMG, one of the Group's Statutory Auditors, in accordance with Article 225 of France's Grenelle II Act, which requires the HR, social and environmental data of French listed companies to be verified by an independent third party.

As a responsible company, Elior closely oversees its HR, environmental and social performance. For this purpose the Group monitors precise indicators that are adapted to its businesses of contract catering, concession catering and services. These indicators have been chosen to meet the following two main objectives:

- to respect legal requirements, such as the French Grenelle II Act; and
- to ensure that the Group's HR, environmental and social reporting process meets the requirements of the United Nations Global Compact.

These indicators also help give employees a greater understanding of the Group's HR, environmental and social commitments, making them more involved in the process, and give Management at both Group and country level good visibility of the progress achieved.

2.6.2.1 Reporting Scope

2.6.2.1.1 HR Indicators for FY 2014-2015

HR indicators are consolidated for all Group entities. Certain additional indicators published in this document only apply to French entities (data concerning occupational illnesses and employees on work-study contracts).

The HR reporting scope covers the whole Elior Group except for THS, a newly consolidated contract catering subsidiary in the United States. Consequently the reporting scope covers 93.6% of the Group's total workforce. However the total workforce figures cover 100% of the Group's employees. The Group is currently putting in place the necessary measures to extend the HR reporting scope to include THS.

2.6.2.1.2 Environmental and Social Indicators for FY 2014-2015

The reporting scope for environmental and social data covers the whole Elior Group, except where stated otherwise in a footnote to the reported indicator. Consequently, a coverage rate is provided for each environmental and social indicator (see table of environmental and social indicators in section 2.6.1 above). For water and electricity use, the reporting scope is presented below (see section 2.6.2.4.b).

2.6.2.1.3 Changes in the Reporting Scope

Fiscal 2014-2015 is the Group's second year of reporting non-financial information in accordance with the Grenelle II Act.

A list of companies included in the reporting scope is provided in an appendix to this Registration Document.

The following general rules apply concerning entities included in the reporting scope (other than the specific points stated in the sections on HR, environmental and social indicators):

- The following are not included in the reporting scope: (i) companies that are deconsolidated for financial reporting purposes during the fiscal year, and (ii) contract catering, concession catering or services sites for which the Group's contract expired or was terminated during the fiscal year.
- Companies that are newly consolidated during the fiscal year (newly-formed or acquired companies) are included in the reporting scope. In such cases, the reporting period used starts from the date on which the company is consolidated for financial reporting purposes. Contract catering, concession catering and services sites for which a contract with Elior is entered into during the fiscal year are also included in the reporting scope. In these cases, the reporting period used starts from the date on which the contract for the site concerned enters into force.

2.6.2.2 Data Collection Methods and Procedures

The HR, environmental and social indicators published in this document are obtained from several different data collection systems within the Group, each of which is placed under the responsibility of a specific department.

2.6.2.2.1 HR Indicators

The main participants in the HR reporting process are:

- the Group Human Resources Department;
- the person responsible for validating data at the level of each entity;
- the person responsible for issuing the reporting packages of each entity.

In France, the reported data is compiled through a single reporting system via information extracted from a shared payroll system called PLEIADES, which is used by the majority of the Group's French subsidiaries. For international entities and subsidiaries that do not use PLEIADES, HR data is collected based on a standard reporting template. The Group Human Resources Department carries out consistency controls on the HR data reported by French and international entities before it is consolidated.

2.6.2.2.2 Environmental and Social Indicators

The main participants in the environmental and social reporting process are:

- the CSR network, which compiles and validates the data and subsequently reports it to the Group Sustainable Development Department;
- the Group Sustainable Development Department, which is responsible for consolidating the data for the Group as a whole.

2.6.2.3 Materiality Analysis

The analysis concerns all Group entities except for THS.

2.6.2.3.1 Specific Methodology for Certain Indicators

Elior has some 108,000 employees and operations in 13 countries which all have different laws and regulations, and serves customers at over 18,600 sites which vary in both size and type of business activity. Consequently, certain data can be complex to consolidate, and the calculation methods have to be adapted accordingly.

The definitions of the Group's HR, environmental and social data as well as the applicable calculation methods are set out in the reporting guidelines and system which are available to all of the contributors to the reporting process.

Definitions and explanations are provided in this document in order to give readers a clearer understanding of the indicators presented.

a) HR Indicators

MANAGERS

For operations-related posts, one or more of the following criteria must be met for an employee to be classified as a manager, namely he or she:

- is responsible for one or more team members; or
- works in close collaboration with the site manager; or
- is responsible for one or more of the following processes: recruitment, departures, resource planning, managing working hours and pay and annual performance appraisals; or
- is responsible for a budget and/or placing orders.

For example, in France, "*agents de maîtrise*" (supervisors) in operations-related posts are qualified as managers.

LOYALTY RATE

The loyalty rate is calculated by subtracting from 1 the number of departures divided by the average monthly workforce.

TRAINING

Consolidated training indicators correspond to the number of employees who received training and the number of hours' training given.

Employees are considered as having received training if they have participated in one or more training initiatives during the fiscal year. Training initiatives correspond to:

- synchronous or asynchronous classroom or online training (except for French entities that use PLEIADES);
- training given by full time or occasional trainers employed by the Group;
- training given by outside service providers using trainers who are not Group employees;
- training meeting the above criteria and:
  - for which written training materials have been prepared;

- is designed to enhance the participants' professional skills and/or adapt the participants' skills to fit their job description.

The reported number of training hours corresponds to the number of hours' training given to the Group's employees during the fiscal year. Commuting time is excluded.

INTERNAL MOBILITY

The reporting period used for this indicator was July 1, 2014 through June 30, 2015.

Internal mobility only concerns the managerial population, which in France includes all employees classified as "*cadres*".

The internal mobility rate is calculated by dividing the number of employees who have changed position and/or duties during the period by the total number of employees concerned.

INTERNAL RECRUITMENTS

The reporting period used for this indicator was July 1, 2014 through June 30, 2015.

Internal mobility only concerns the managerial population, which in France includes all employees classified as "*cadres*".

The internal recruitment rate is calculated by dividing the number of employees who have changed position and/or duties during the period by the total number of positions filled during the period, both through internal mobility and external recruitment.

ELIOR TALENTS EMPLOYEES

The reporting period used for this indicator was July 1, 2014 through June 30, 2015. Elior Talents employees correspond to employees who are participating in a specific talent management process. They represented 34.6% of total managerial employees at September 30, 2015. The Group's aim is to ultimately extend this process to all of its managerial staff.

ABSENTEEISM

The absentee rate corresponds to the number of days' absence for medical reasons (occupational or other illnesses and workplace accidents) divided by the theoretical total number of hours worked.

WORK-STUDY CONTRACTS

This indicator includes work-study contracts (apprenticeships and placements) signed during the period in France.

WORKPLACE ACCIDENTS

The published indicators related to workplace accidents do not include THS or Elior UK.

The workplace accident frequency rate corresponds to the number of accidents with at least one day's lost time divided by the number of hours worked and then multiplied by one million.

The severity rate corresponds to the number of days' lost time due to workplace accidents divided by the number of hours worked and then multiplied by one thousand.

Once data on workplace accidents have been entered into our systems they are not systematically corrected if the social security authorities refuse to recognize the incident as a workplace accident.

b) Environmental and Social Indicators

Unless stated otherwise, the reporting period used for these indicators was October 1, 2014 through September 30, 2015.

DEFINITION OF GREEN VEHICLES

The following vehicles are considered to be "green", as defined in the Elior reporting guidelines: electric vehicles, hybrid vehicles, natural gas vehicles (NGV) and vehicles that meet the Euro 5 and Euro 6 standards.

WATER AND ENERGY USE

The Group operates at a large number of different customer sites in France and abroad, where it is often impossible to obtain data on water and energy use.

Consequently we are not currently in a position to reliably measure our water and energy consumption at these sites.

Water use

Reported water use data concern motorway service areas in France, representing 5% of revenue.

Energy use

Reported kWh for France correspond to electricity use at sites where the Group manages a direct contract with the electricity supplier (EDF), representing 4% of sites in France.

We have launched a project to start monitoring our use of water and energy at customer sites, notably through energy audits.

EXCLUSIONS

Due to the nature of its business, the following indicators are not considered relevant to the Group, based in particular on the materiality analysis performed in 2015 (see 2.2.3):

- indicators concerning the amount of provisions and guarantees in place for environmental risks (provided the disclosure of such information does not cause the Company prejudice);
- land use indicators;

indicators concerning noise and all other types of pollution generated by a specific business activity.

1.1.1 ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED HR, ENVIRONMENTAL AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the appointed independent third party's report issued in French and it is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 30 September 2015

To the Shareholders

In our capacity as independent third party of the company Elior S.A., accredited by the COFRAC registered under number 3-1049[4], and member of the KPMG International network as your statutory auditor, we hereby present to you our report on the consolidated HR, environmental and social information (hereinafter the "CSR Information") for the year ended 30 September 2015, presented in the management report. This report has been prepared in accordance with Article L.225-102-1 of the French Commercial Code.

Responsibility of the company

The Board of directors is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the guidelines used by the company (hereinafter the "Guidelines"), summarized in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulations, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable law and regulations.

Responsibility of the independent third party

On the basis of our work, it is our responsibility to:

- attest that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (Opinion on the fair presentation of the CSR Information).

Our work was performed by a team of six people between September 2015 and January 2016 and took around seven weeks. We called upon our specialists in Corporate Social Responsibility to assist in carrying out our work.

We performed the procedures below in accordance with professional auditing standards applicable in France, with the decree dated 13 May 2013 determining the manner in which the independent third party should carry out their work, and with International Standard ISAE 3000[5] concerning our opinion on the fair presentation of CSR Information.

1. Statement of completeness of CSR Information

On the basis of interviews with the managers of the relevant departments, we reviewed the company's sustainable development strategy with respect to the social and environmental impact of its activities and its social commitments and, where applicable, any initiatives or programmes it has implemented as a result.

[4] Scope available on www.cofrac.fr

[5] ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*

We compared the CSR Information presented in the management report with the list provided in Article R.225-105-1 of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the consolidated scope, i.e. the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code, within the limitations set out in the methodological information presented in Section 2.6.3.1 "Reporting scope" of the management report.

Based on these procedures and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Opinion on the fair presentation of the CSR Information

Nature and scope of the work

We conducted around ten interviews with the people responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practice, where appropriate;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the company, the social and environmental impact of its activities, its sustainable development strategy and industry best practice.

With regard to the CSR Information that we considered to be the most important[6]:

- at the consolidation level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and consolidation of the data. We also verified that the data was consistent by cross-checking it with other information in the management report;
- at the entity level for a representative sample of entities selected[7] on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed

[6] HR indicators: Total workforce at 30 September 2015 (broken down by gender, age, geographic area and type of contract), Amount paid for temporary workers, Number of external hires (permanent/non-permanent), Number of departures broken down by reason (including redundancies), Absentee rate, Number of occupational accidents with lost days, Number of training hours, Number of employees with a disability employed between 1 October 2014 and 30 September 2015 (France).

Environmental indicators: Percentage of revenue generated in client markets that have at least one certification, Number of green vehicles used by personnel at the end of the accounting year, Used cooking oil collected and recovered during the fiscal year.

Social indicators: Number of organic products available at the end of the fiscal year, Number of suppliers who have signed the Responsible Purchasing Charter (France), Number of hygiene audits carried out during the fiscal year.

Qualitative information : Measures implemented to promote gender equality, Occupational health and safety conditions, Policy against discriminations, Promotion and compliance with ILO fundamental conventions, Measures implemented to protect and conserve the biodiversity, The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues, Measures regarding waste prevention, recycling and disposal, Integration of social and environmental issues into the company procurement policy, Measures implemented to promote consumers health and safety, Importance of subcontracting and consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility.

[7] Activities of Elior in France (Contract catering, Concession catering, Services), Elior UK

data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 53% of headcount, between 57% and 100% of quantitative environmental information and between 49% and 97% of quantitative social information.

For the other consolidated CSR information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, were sufficient to enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, we did not identify any material anomaly likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly in accordance with the Guidelines.

French original signed by:

Paris - La Défense, January 19, 2016

KPMG S.A.

François Caubrière
Partner

Anne Garans
Partner
Climate Change and Sustainability Services

3

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3. CORPORATE GOVERNANCE - AFR

Chairman's Report on the Board's Operating Procedures and on Internal Control and Risk Management Procedures

This report describing the membership of the Board of Directors, the preparation and organization of the Board's work and the Group's internal control procedures and risk management procedures, has been prepared in application of Article L. 225-37 of the French Commercial Code. It was drawn up by the Chairman of the Board of Directors – who is also the Company's Chief Executive Officer – after consulting the members of the Executive Team and representatives of the Group's various corporate functions. It was reviewed by the Audit Committee on December 8, 2015 and presented to the Board of Directors on December 10, 2015. It was approved by the Board of Directors on January 19, 2016 and will be presented to shareholders at the Annual General Meeting to be held on March 11, 2016.

For all corporate governance issues, the Company refers to the June 2013 revised AFEP-MEDEF Corporate Governance Code and to the recommendations issued by France's securities regulator, the AMF.

The Company's Bylaws and the Board of Directors' Rules of Procedure are available on Elior's website.

3.1 ADMINISTRATIVE AND MANAGEMENT BODIES

3.1.1 GOVERNANCE STRUCTURE

3.1.1.1 Management Structure

The Company is a *société anonyme* governed by a Board of Directors. At its April 29, 2015 meeting, the Board of Directors resolved to combine the positions of Chairman of the Board of Directors and Chief Executive Officer, therefore leading to a change in the Company's governance structure, and appointed Philippe Salle as Chairman and Chief Executive Officer.

Prior to taking this decision the Board took into account and analyzed numerous factors, including the Group's specific situation at this stage of its development, the advantages and disadvantages of other types of governance structure, and Philippe Salle's successful experience in other major listed corporations. The Board concluded that in the current economic climate, the Group needs to accelerate its development, growth and performance in order to meet the challenges arising as a result of its fast-changing competitive environment. In order to achieve these objectives it felt that the Group should be strengthened by streamlining its organizational structure and creating a leaner governance system. The Board considered that the appointment of Philippe Salle as Chairman and Chief Executive Officer was the best choice for the Company as well as its shareholders and other stakeholders as Mr. Salle has the required qualities to drive the Group's development, growth and performance.

Against this backdrop, combining the positions of Chairman of the Board of Directors and Chief Executive Officer seemed to the Board to be an effective way of achieving the changes it was seeking for the Group.

The Board's April 29, 2015 decision to combine the two positions was taken in full compliance with best corporate governance practices, which is key to ensuring the Group's continued success and maintaining shareholder confidence. These best practices are underpinned by the balanced membership of the Group's Board of Directors in terms both of skills and nationality as well as the following factors:

- Independent directors sit on the Board and each of its committees. In accordance with the recommendations of the AFEP-MEDEF Code the Audit Committee and the Nominations and Compensation Committee are chaired by independent directors. When Philippe Salle was appointed, the membership structure of the Strategy, Investments and CSR Committee was changed so that it now includes an independent director, Gilles Auffret, who is the Committee's Chairman. The Strategy, Investments and CSR Committee also benefits from the experience and knowledge of the Company's founder, Robert Zolade, who sits on the Committee in the capacity of permanent representative of BIM.

- Relations between the Group's executives and the Board of Directors are organized in a balanced way. For example, (i) executives' powers are restricted (as described in Section 3.1.4 below) in relation to significant transactions and operations (particularly regarding the budgets of the Group and its principal activities, and, in excess of certain thresholds, external growth transactions, investments, commitments and guarantees), and (ii) the executives regularly report to the Board on the Group's business activities, significant events and economic and financial indicators.
- An annual review is carried out of the Company's corporate governance practices and the operating procedures of the Board and its committees in order to regularly identify priorities and areas for improvement.

In addition, on the recommendation of the Nominations and Compensation Committee, the Board of Directors intends to take on further independent directors in the short or medium term (see Section 3.1.3 below).

The main provisions contained in the Company's Bylaws and Rules of Procedure concerning the Board of Directors, particularly its procedures and powers, are summarized in Section 5 of this Registration Document, "Information about the Company and its Share Capital".

The Company's governance system, the membership of the Board of Directors and the Board committees, as well as their operating procedures and activities, are described in detail below, in compliance with the requirements of Article L. 225-37 of the French Commercial Code.

3.1.1.2 Chairman and Chief Executive Officer

Philippe Salle, the Group's Chairman and Chief Executive Officer, has the broadest powers to act on behalf of the Company in all circumstances – within the scope of the corporate purpose – except for those matters which by law may only be dealt with in Shareholders' Meetings or by the Board of Directors. In this role, he:

- Represents the Company in its dealings with third parties, and all of his actions are binding on the Company, even when they fall outside the corporate purpose, unless the Company can prove that the third party concerned was aware or, under the circumstances, could not have failed to be aware that the Chairman and Chief Executive Officer was acting outside the corporate purpose. Publication of the Bylaws does not in itself constitute adequate proof thereof.
- Is responsible for determining the Group's strategy based on the opinions and recommendations of the Strategy, Investments and CSR Committee. This strategy is then submitted to the Board of Directors for approval.
- Organizes the work and meetings of the Board of Directors and reports regularly to the Board on the Company's operational management and on significant events in the life of the Group.

The Chairman and Chief Executive Officer's powers are subject to the restrictions provided for in the Board's Rules of Procedure (see Section 3.1.4 below).

3.1.1.3 Vice Chairman

The Vice Chairman of the Board of Directors, Charterhouse Poppy IV represented by Pierre de Sarrau, was appointed by the Board of Directors on June 11, 2014. The Vice Chairman's role is to replace the Chairman of the Board if the latter is temporarily unable to perform his duties or in the event of his death. The Vice Chairman fulfils this role until the Chairman is able to resume his duties or is replaced.

Like the Chairman, the Vice Chairman has the following powers:

- he is informed of major events that occur within the course of the Group's operations, during regular meetings with the Chairman and Chief Executive Officer;
- he may meet with key Group executives and make site visits in order to act on a fully-informed basis; and
- he meets with shareholders at their request, and passes on to the Board any concerns they may have concerning the Company's governance.

3.1.1.4 Honorary Chairman

At its meeting on June 11, 2014, the Board of Directors appointed Robert Zolade as Honorary Chairman.

Mr. Zolade attends Board meetings purely in an advisory, non-voting capacity. This does not affect any voting rights he may have in his capacity as permanent representative of a corporate director.

3.1.1.5 The Group Executive Team

In accordance with the Rules of Procedure, the Chairman and Chief Executive Officer has created an Executive Team, whose membership and terms of reference he determines. Apart from Philippe Salle, none of the members of the Executive Team are on the Board of Directors.

The Executive Team's members are as follows:

- Philippe Salle, Group Chairman and Chief Executive Officer
- Agnès Bureau-Mirat, Group Senior Vice-President, Human Resources
- Olivier Dubois, Group Chief Financial Officer
- Pedro Fontana, CEO of Concession Catering Worldwide

The Executive Team reviews and authorizes material projects concerning:

- major operating contracts under negotiation in France and in international markets, and the related capital projects;
- proposed company acquisitions or divestments, strategic partnerships and acquisitions of contract or business portfolios.

The Executive Team reviews the Group's operational and marketing performance on a monthly basis and discusses the information derived from division-level performance reviews. It initiates and oversees cross-functional programs involving the sales and marketing, human resources, finance, budget control and purchasing functions, as well as programs to optimize productivity and the cost base.

The Executive Team meets at monthly intervals and more frequently when required.

3.1.1.6 The Management Team

The Chairman and Chief Executive Officer has also put in place a Management Team comprising the members of the Executive Team as well as the CEOs of the Group's main operating entities.

The Management Team discusses and exchanges information on events in the life of the Group, its quarterly performance, and the decisions made by the Executive Team.

It assists the Executive Team with its responsibilities, particularly for transactions that have an international dimension, and plays a role in promoting the sharing of best practices and in monitoring cross-functional programs.

The Management Team meets three times per year.

3.1.2 BOARD OF DIRECTORS

3.1.2.1 Members of the Board of Directors

The Board of Directors has nine members – seven men and two women – elected for four-year terms. Seven Board members are French, one is British, and one – who is the representative of a corporate director – is Belgian. In all, foreign nationals make up 22% of the Board. The Company's aim is to ensure that a wide range of skills are represented on the Board and that the gender balance complies with the relevant legal requirements.[8]

[8] At the date this document was prepared, the Board did not have any employee representative directors (see Section 1.6.5.2 (d)).

At the date of this Registration Document, the members of the Board of Directors were as follows:

	Start date of directorship	Expiration date of current term of office
Philippe Salle, Chairman and Chief Executive Officer	March 10, 2015	September 30, 2018[1]
James Arnell, director	June 11, 2014	September 30, 2017[1]
Gilles Auffret, independent director	June 11, 2014	September 30, 2017[1]
Laurence Batlle, independent director	June 11, 2014	September 30, 2017[1]
Sofibim, director, represented by Gilles Cojan	June 11, 2014	September 30, 2017[1]
Société de Restauration 2, director, represented by Denis Metzger	June 11, 2014	September 30, 2017[1]
Charterhouse Poppy IV, director and Vice Chairman of the Board, represented by Pierre de Sarrau	June 11, 2014	September 30, 2017[1]
Charterhouse Poppy II, director, represented by Elisabeth Van Damme	June 11, 2014	September 30, 2017[1]
BIM, director, represented by Robert Zolade, the Group's Honorary Chairman	June 11, 2014	September 30, 2017[1]

(1) At the close of the Annual General Meeting to be held to approve the financial statements of the fiscal year ending on the date indicated.

Following Elior's buyout of Corporacion Empresarial Emesa's 38.45% interest in Areas, Corporacion Empresarial Emesa became a significant Elior shareholder, owning 5.22% of the Company's capital. Corporacion Empresarial Emesa will be put forward for election as a director at the Annual General Meeting to be held on March 11, 2016. If it is elected, the Board will have an additional non-French member, which will further strengthen its international dimension.

3.1.2.1.1 Director Independence

The Company refers to the AFEP-MEDEF Corporate Governance Code for listed companies[9], notably for determining whether directors qualify as independent. A director is independent when he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that may color his or her judgment or create a conflict of interests between the director and the corporation, its group or the management of either.

The independence criteria specified in the Board of Directors' Rules of Procedure correspond exactly to those proposed in the AFEP-MEDEF Corporate Governance Code for listed companies.

When the two independent directors were elected, the following criteria were examined and considered as being fulfilled.

An independent director of the Company is a director who:

- is not, and has not been in any of the past five years, an employee or executive director of the Company or Group, or an employee or director of a shareholder that owns (directly or indirectly) over 10% of the Company's capital or voting rights;
- is not an executive director of an entity in which the Company holds a directorship, directly or indirectly, or in which an employee or executive director of the Company (currently in office or having held such office in the past five years) is a director;
- is not a customer, a supplier, an investment banker or a commercial banker:
  - that is material for the Company or the Group; or
  - for which the Company or the Group represents a substantial proportion of its business.

[9] The exceptions are listed in Section 3.1.3, "Corporate Governance Code".

As stipulated in the AFEP-MEDEF Code, the relationship with the Company or the Group is qualified as material if the director:

- has close family ties with an executive director of the Company or the Group or with a shareholder that owns (directly or indirectly) over 10% of the Company's capital or voting rights;
- has served as a statutory auditor of the Company or another Group entity at any time in the past five years;
- has served as an executive director of the Company or another Group entity at any time in the past five years;
- has served as a director of the Company for more than twelve years;
- receives or has received material compensation from the Company or the Group (other than directors' fees), including all forms of share-based payments and all other forms of performance-related compensation.

The Rules of Procedure stipulate that the decision to qualify a director as independent must be discussed by the Nominations and Compensation Committee, which prepares a report on the issue for the Board of Directors. Each year, prior to the publication of the Annual Report, the Board of Directors assesses each director's situation in relation to the independence criteria, based on the Nominations and Compensation Committee's report. The Board's conclusions are presented to shareholders in the Annual Report.

The situation of each director in relation to the independence criteria set out in the AFEP-MEDEF Code was reviewed by the Nominations and Compensation Committee at its meeting on December 8, 2015, and its findings were then reported to the Board of Directors. At its meeting on December 10, 2015, the Board of Directors qualified two of its members – Laurence Batlle and Gilles Auffret – as independent.

During FY 2014-2015, both of these directors fulfilled the criteria in the AFEP-MEDEF Code and in particular the criteria that they are not significant shareholders of the Company (within the meaning of the Code) and do not have any business relations with the Company or the Group. In addition, the Company does not have any business relations with any entity or group with which these independent directors have ties.

The Board of Directors has also taken into consideration the recommendations issued by the French Corporate Governance Oversight Committee (HCGE) concerning the proportion of independent directors on corporate boards and it intends to increase the number of independent directors in the short or medium term.

3.1.2.1.2 Profiles of the Members of the Board of Directors

a) Philippe Salle, Chairman and Chief Executive Officer

Philippe Salle began his career with Total in Indonesia prior to joining Accenture in 1990. He moved to McKinsey in 1995, where he was promoted to Senior Manager in 1998. He joined the Vedior Group (now Randstad, a company listed on Amsterdam Euronext) in 1999 and was appointed Chairman and Chief Executive Officer of Vedior France in 2002, and President of the Southern Europe zone in 2006 (France, Spain, Italy and Switzerland). He held this position until 2007, when he joined the Geoservices group – a technological company in the oil sector which was acquired by Schlumberger in 2010 – first as Managing Director then as Chairman and Chief Executive Officer up to March 2011. He then took up the post of Chairman and Chief Executive Officer of the Altran group in June 2011.

Philippe Salle is a graduate of the Ecole des Mines de Paris and obtained an MBA from the Kellogg Graduate School of Management, Northwestern University (Chicago, USA).

Date of birth: May 17, 1965

Nationality: French

Number of Elior shares held: 28,217

Business address: 61-69 rue de Bercy, 75012 Paris, France

Other directorships and positions held at September 30, 2015

Chairman and Chief Executive Officer and a director of Areas Worldwide (Elior Group – France)

Chairman and Chief Executive Officer and a director of Areas Worldwide (Elior Group – France)

Director of GTT (Gaztransport & Technigaz) (France)

Director of Banque Transatlantique (France)

Director of Bourbon (France)

Other directorships and positions held during the past five years

Chairman and Chief Executive Officer and a director of Altran Technologies (France)

Chairman of the Supervisory Board of Altran Deutschland Holding GmbH (Germany)

Director of Altran Italia SpA (Italy)

Director of Cambridge Consultants Limited (United Kingdom)

Director of Altran International BV (Netherlands)

Director of Altran (Singapore) Pte Ltd (Singapore)

Director of Altran Malaysia Sdn. Bhd. (Malaysia)

Director of Foliage (United States)

Director of Altran-Beyondsoft (Beijing) Technologies Co., Ltd (China)

Director of Flight Focus Pte Ltd (Singapore)

Chairman of Finellas SAS (France)

Chairman of Altimus SAS (France)

Chairman of the Fondation d'Entreprise Altran pour l'Innovation (France)

Representative of Altran Technologies as Joint Legal Manager of GMTS SNC (France)

Chairman of Arthur D. Little Services (France)

Chairman and Chief Executive Officer and a director of Géoservices (France)

Representative of Altran Technologies as a director of Altran Luxembourg SA

Director of Altran Norge AS (Norway)

Director of Altran AG (Switzerland)

Director of Altran Technologies Sweden AB (Sweden)

Director of Altran Sverige AB (Sweden)

Director of Altran SA (Belgium)

Director of Altran Shanghai Limited (China)

Legal Manager of IndustrieHansa Management GmbH (Germany)

Legal Manager of IndustrieHansa Consulting & Engineering GmbH (Germany)

Legal Manager of IndustrieHansa GmbH (Germany)

Legal Manager of Altran Aviation Engineering GmbH (Germany)

Legal Manager of IndustrieHansa Holding GmbH (Germany)

Legal Manager of Ingenieurbüro Bockholt GmbH (Germany)

Director of Altran UK Holding Limited (United Kingdom)

Director of Altran Technologies India Private Limited (India)

Director of Altran USA Holdings, Inc. (United States)

b) James Arnell, director

James Arnell is a partner at Charterhouse Capital Partners, which he joined in 1997. Prior to that, he worked as a consultant with Bain & Company in Europe, the United States and Australia. James Arnell is an honours graduate in law from the University of Cambridge (Downing College) and is a qualified barrister in the United Kingdom.

Date of birth: October 5, 1969

Nationality: British

Number of Elior shares held: 1,000

Business address: 7th Floor, Warwick Court – Paternoster Square – London ECM4M 7DX (United Kingdom)

Other directorships and positions held at September 30, 2015

Representative of Elior Concessions as a director of Areas (Elior Group – Spain)

Director of Gourmet Acquisition Holdings, Inc. (Elior Group – United States)

Director of 26-30 Brunswick Street East Hove Limited (United Kingdom)

Director of The Pebble Trust (United Kingdom)

Director of Acromas Holdings Limited (United Kingdom)

Director of PHS Group Holdings Limited (United Kingdom)

Director of Charterhouse Capital Limited (England)

Director of Charterhouse Development Capital Limited (England)

Director of Charterhouse Corporate Directors Limited (England)

Director of Charterhouse GP LLP (England)

Director of Charterhouse General Partners (IX) Limited (England)

Director of Charterhouse General Partners (VII) Limited (England)

Director of The Council of Almoners of Christ Hospital (United Kingdom)

Director of Safety International Lux Sarl (Luxembourg)

Director of SAGA PLC (England)

Other directorships and positions held during the past five years

Chairman of the Board of Directors of Elior SA (listed company, Elior Group – France)

Member of the Supervisory Board of Bercy Présidence SAS (Elior Group – France)

Member of the Supervisory Board of HBI SCA (Elior Group – France)

Member of the Nominations and Compensation Committee of Bercy Présidence SAS (Elior Group – France)

Director of AA Limited (England and Wales)

Director of AA PLC (England and Wales)

Director of PHS Group plc (Wales)

Director of PHS Group plc (United Kingdom)

Director of Fives SA (France)

Director of TSL Education Group Limited (United Kingdom)

c) Gilles Auffret, independent director, Chairman of the Nominations and Compensation Committee and Chairman of the Strategy, Investments and CSR Committee

Gilles Auffret is currently Chairman of the Supervisory Board of Azulis, a private equity firm, and Chairman of the Board of Directors of Terreal. Between 1999 and 2013, he held various management positions within the Solvay Rhodia Group, including Chief Operating Officer (2001-2012), Chief Executive Officer (2013) and member of the Rhodia Executive Committee (2013). From September 2011 to the end of 2013, he was also a member of the Solvay Executive Committee. Between 1982 and 1999, he held various executive positions within the Pechiney Group, including Vice President of the Aluminium Metal Division and Chief Executive Officer of Aluminium Pechiney from 1994 to 1999. Prior to that, he served as an auditor with the French national audit office (*Cour des Comptes*) from 1975 to 1978 and as a project manager in the Industry Ministry between 1978 and 1982. Gilles Auffret is a graduate of Ecole Polytechnique, Institut d'Etudes Politiques de Paris, Ecole Nationale de la Statistique et de l'Administration Économique and École Nationale d'Administration.

Date of birth: February 15, 1947

Number of Elior shares held: 15,200

Nationality: French

Other directorships and positions held at September 30, 2015

Chairman of the Supervisory Board of Azulis (France)

Chairman of the Board of Directors of Terreal (France)

Other directorships and positions held during the past five years

None

d) Laurence Batlle, independent director and Chairman of the Audit Committee

Laurence Batlle is a member of the Executive Board of RATP Dev, which she joined in December 2007, serving initially as Chief Financial Officer and, since October 2014, as Director of the Americas, Africa and Sightseeing business unit. Prior to that, she spent two years with Atos Origin, as Vice President, Global Finance Support. She began her career with PricewaterhouseCoopers, where she worked from 1993 to 2005, rising to the position of partner. Laurence Batlle is a graduate of the Harvard Business School Advanced Management Program, holds a Masters in Finance and Accounting from Institut Commercial of Nancy and is a qualified chartered accountant in France.

Date of birth: August 20, 1971

Number of Elior shares held: 1,000

Nationality: French

Business address: 54, Quai de la Rapée-LAC LA 30 – 75012 Paris – France

Other directorships and positions held at September 30, 2015

Member of the Executive Board of RATP Developpement – a joint stock corporation (SA) with an Executive Board and a Supervisory Board (France)

Director of RATP Dev Transdev Asia SAS (France)

Chairman of RATP Dev Participation SAS (France)

Chairman of SELT SAS (France)

Permanent representative of RATP Dev France Services as a director of RATP ElDjazaïr (Algeria)

Permanent representative of RATP Dev France Services as a director of Setram (Algeria)

Director of Bombela Operating Company (South Africa)

Director and Chairman of RDSL Urban (United States)

Director de RATP Dev Global Sightseeing (United Kingdom)

Director of The Original London Sightseeing Tour Ltd (United Kingdom)

Director of RATP Dev Italia (Italy)

Director of Casa Tram (Morocco)

Director of M'DINA (Morocco)

Other directorships and positions held during the past five years

Director of RATP Dev UK (United Kingdom)

Director of Hong Kong Tramways (China)

CEO of RATP Dev USA (United States)

Director of RATP ElDjazaïr (Algeria)

Director of HR Richmond (United Kingdom)

Permanent representative of RATP Développement as a director of SQYBUS – a joint stock corporation with a Board of Directors (France)

Director of Flexcité 94 SAS (France)

Director of Flexcité SA – a joint stock corporation with a Board of Directors (France)

Member and Chairman of the Supervisory Board of Cars Dunois SAS (France)

Chairman of Compagnie de Transport de Charleville-Mezières SAS (France)

Chairman of Société de Transport Interurbain des Lignes Express SAS (France)

Chairman of RD 01 SAS (France)

Chairman of RD 04 SAS (France)

Chairman of RD 06 SAS (France)

Chairman of RD 07 SAS (France)

Chairman of RD 08 SAS (France)

Chairman of RD 09 SAS (France)

e) Sofibim, corporate director

Sofibim is a holding company that exercises exclusive control over BIM.

Number of Elior shares held: 1,000

Other directorships and positions held at September 30, 2015

Chairman of BIM SAS (France)

Director of Sophia Publications (France)

Other directorships and positions held during the past five years

Chairman of the Supervisory Board of Elior Participations SCA (Elior Group – France)

Chairman of the Supervisory Board of Bercy Présidence (Elior Group – France)

Chairman of Octant Partenaires (France)

f) Gilles Cojan, representative of Sofibim (corporate director)

Gilles Cojan is the permanent representative of Sofibim on the Elior Board. From 1978 to 1986, he worked for the Servier pharmaceuticals group as Treasurer, before joining Banque Transatlantique as Chief Executive Officer of the bank's GTI Finance subsidiary. In 1990, he moved to Valeo to take up the position of Financing and Cash Management Director, and in 1992 he was appointed as Valeo's Chief Financial Officer. In 2001, he joined the Elior Group as a member of the Executive Committee and Chief Executive Officer of Elior International, becoming

Executive Vice President, International Operations and Strategy in December 2003. Gilles Cojan is a graduate of École Supérieure des Sciences Économiques et Commerciales (ESSEC).

Date of birth: July 15, 1954

Nationality: French

Business address: 54, avenue Marceau, 75008 Paris, France

Other directorships and positions held at September 30, 2015

Member of the Supervisory Board of Elior Finance SCA (Elior Group – Luxembourg)

Director of Gourmet Acquisition Holdings, Inc. (Elior Group – United States)

Director of Gourmet Acquisition Inc. (Elior Group – United States)

Director of THS Group Inc. (Elior Group – United States)

Manager of THS Holdings LLC (Elior Group – United States)

Chief Executive Officer of Sofibim (France)

Chief Executive Officer of BIM (France)

Director of El Rancho (France)

Director of Afrimarket (France)

Other directorships and positions held during the past five years

Chairman of Elior Gestion (Elior Group – France)

Chairman of Elior FA3C (Elior Group – France)

Member of the Supervisory Board of Bercy Présidence (Elior Group – France)

Member of the Supervisory Board of Elior Finance SCA (Elior Group – Luxembourg)

Director of Elichef Holding (Elior Group – Italy)

Chairman of Grande Vitesse Catering (Elior Group – Italy)

Director of MyChef Ristorazione Commerciale (Elior Group – Italy)

Director of Elior Ristorazione (Elior Group – Italy)

Director of Elior Investimenti (Elior Group – Italy)

Director of Aeroboutiques de Mexico (Elior Group – Mexico)

Director of Areas (Elior Group – Spain)

Director of Operadora Aeroboutiques (Elior Group – Mexico)

Director of Textiles Deor (Elior Group – Mexico)

Director of Aero Boutiques Servicios (Elior Group – Mexico)

Director of Multiservicios Aeroboutiques (Elior Group – Mexico)

Director of Aerocomidas (Elior Group – Mexico)

Director of Servicios Aeropuertarios (Elior Group – Mexico)

Chairman of ORI Investissements (France)

Chief Executive Officer of Octant Partenaires (France)

Director of Medica (France)

g) Société de Restauration 2, corporate director

Société de Restauration 2 is owned by the funds managed by Chequers Partenaires.

Number of Elior shares held: 1,000

Other directorships and positions held at September 30, 2015

None

Other directorships and positions held during the past five years

None

h) Denis Metzger, representative of Société de Restauration 2 (corporate director)

Denis Metzger is Chairman and Chief Executive Officer of the Chequers Capital Group. He previously worked for Sofinnova Partners and then for Morgan Guaranty Trust Company in New York. In 1984, he joined the Charterhouse Group to run the French subsidiary, becoming Chief Executive Officer in 1995 and Chairman and Chief Executive Officer in 2000, when the subsidiary was spun off from the Group and renamed Chequers Capital. Denis Metzger is a graduate of Institut d'Etudes Politiques de Paris. He also holds a PhD in economics from Paris Dauphine University and an MBA from INSEAD.

Date of birth: January 10, 1951

Nationality: French

Business address: 48 bis avenue Montaigne, 75008 Paris, France

Other directorships and positions held at September 30, 2015

Chairman of Chequers & Company (France)

Chairman and Chief Executive Officer of Chequers Partenaires (France)

Chairman and Chief Executive Officer of Chequers SA (France)

Chairman of the Board of Directors of HMF SA (France)

Director and Chief Executive Officer of Equity Finance (France)

Chairman of Société d'Investissement S3 SAS (France)

Director of HRF 18 (France)

Director of HRF 21 (France)

Director of HRF 23 (France)

Director of HRF 24 (France)

Director of HRF 25 (France)

Director of HRF 27 (France)

Member of the Supervisory Board of Société d'Investissement Saliniers (France)

Other directorships and positions held during the past five years

Member of the Supervisory Board of Bercy Présidence (Elior Group – France)

Member of the Supervisory Board of HBI SCA (Elior Group – France)

Chairman of the Audit Committee of HBI SCA (Elior Group – France)

Permanent representative of Equity Finance as Chairman of the Board of Directors of EF Logistique SAS (France)

Permanent representative of Equity Finance on the Supervisory Board of ECF (France)

Chairman and Chief Executive Officer of Chequers Capital Partners SA (France)

Director of Valvitalia Holding S.p.A. (Italy)

Director of Energinvest B.V. (Netherlands)

Director of Société Holding de Reprise Financière 19 SA (France)

i) Charterhouse Poppy IV, corporate director

Charterhouse Poppy IV is owned by the funds managed by Charterhouse Capital Partners LLP.

Number of Elior shares held: 8,452,753

Other directorships and positions held at September 30, 2015

None

Other directorships and positions held during the past five years

None

j) Pierre de Sarrau, permanent representative of Charterhouse Poppy IV (corporate director)

Pierre de Sarrau joined Charterhouse in 2011. Prior to that, he worked for Citigroup then Terra Firma Capital Partners. Pierre de Sarrau is a graduate of Ecole des Hautes Etudes Commerciales (HEC) and King's College, London.

Date of birth: July 27, 1982

Nationality: French

Business address: 16 West Halkin Street, SW1X 8JL, London, United Kingdom

Other directorships and positions held at September 30, 2015

Director of Mirion Technologies (HoldingSub1), Ltd (England)

Director of Mirion Technologies (Topco), Ltd (England)

Director of Cezanne Participations VI SAS (France)

Other directorships and positions held during the past five years

Member of the Supervisory Board of Bercy Présidence SAS (Elior Group – France)

Crown Bidco 123 Limited (England and Wales)

Crown Midco 123 Limited (England and Wales)

Oredon Associated Limited (United Kingdom)

Wheel Bidco Limited (England and Wales)

Wheel Holdco Limited (Jersey)

k) Charterhouse Poppy II, corporate director

Charterhouse Poppy II is owned by the funds managed by Charterhouse Capital Partners LLP.

First elected as a director: June 11, 2014

Current term expires: at the close of the Annual General Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017

Number of Elior shares held: 18,518,581

Other directorships and positions held at September 30, 2015

None

Other directorships and positions held during the past five years

None

l) Elisabeth Van Damme, permanent representative of Charterhouse Poppy II (corporate director)

Elisabeth Van Damme is currently a partner at Redwood Finance, a financial consultancy, where she advises clients such as Air Brussels and Villa Eugénie on financial management issues. She joined Redwood Finance from Bureau Van Dijk where she served as Chief Financial Officer until 2008. Prior to that, she worked for Coca Cola and as an auditor with KPMG (BBKS/Peat Marwick). Elisabeth Van Damme holds an economics degree from the Louvain School of Management (Belgium).

Date of birth: March 17, 1966

Nationality: Belgian

Business address: 8, rue Notre-Dame, L-2240 Luxembourg

Other directorships and positions held at September 30, 2015

None

Other directorships and positions held during the past five years

None

m) BIM, corporate director

Number of Elior shares held: 41,350,965

Other directorships and positions held at September 30, 2015

Chairman of Novetude Santé SAS

Chairman of Cie Hôtelière de Bagatelle SAS ("CHB")

Chairman of Financière de Bel Air SAS ("FBA")

Chairman of Compagnie de Bel Air SAS ("CBA")

Other directorships and positions held during the past five years

Represented by Robert Zolade:

Chairman of Eurelior (Elior Group – France)

Chairman of Fidelior (Elior Group – France)

Chairman of Sofilior (Elior Group – France)

Represented by Gilles Cojan:

Chairman of the Supervisory Board of HBI (Elior Group – France)

n) Robert Zolade, permanent representative of BIM (corporate director)

Robert Zolade is the Chairman and controlling shareholder of Sofibim, which in turn exercises exclusive control over BIM. He is the Elior Group's co-founder and served as its co-chairman or chairman from its creation in 1991 until 2010. Prior to that, he held various senior management positions within the Accor Group, including Chairman and Chief Executive Officer of Société Générale de Restauration in 1990 and Chief Executive Officer of Compagnie Internationale des Wagons-Lits et de Tourisme from 1990 to 1992. Robert Zolade is a graduate of Institut d'Etudes Politiques de Paris and holds a law degree and a postgraduate degree in economics.

Date of birth: September 24, 1940

Nationality: French

Business address: 54, avenue Marceau, 75008 Paris, France

Other directorships and positions held at September 30, 2015

Member of the Supervisory Board of Elior Finance SCA (Elior Group – Luxembourg)

Chairman of Sofibim SA (Luxembourg)

Chairman of Sofibim (France)

Chairman of BIM (Luxembourg)

Legal Manager of Servinvest SARL (France)

Member of the Supervisory Board of Pragma Capital (France)

Other directorships and positions held during the past five years

Director of Áreas IbericoAmericana S.L. (Elior Group – Spain)

Chairman of Bercy Services XII (Elior Group – France)

Chairman of Novelior (Elior Group – France)

Chairman of Bercy Présidence (Elior Group – France)

Chairman and a director of Avenance (Elior Group – France)

Chairman and a director of Eliance (Elior Group – France)

Chairman of Elior Partenaires (Elior Group – France)

Director of Elior UK Ltd (Elior Group – United Kingdom)

Director and Chairman of Avenance UK (Elior Group – United Kingdom)

Director of Serunión (Elior Group – Spain)

Director of Natixis (listed company – France)

Chairman of BIM (France)

3.1.2.1.3 Directors' qualifying shares and prevention of conflicts of interests

The Rules of Procedure stipulate that each director must hold at least 1,000 of the Company's shares. Individuals appointed as permanent representatives of corporate directors on the Company's Board are not required to hold any shares in their own name, as the corporate directors are all significant shareholders of the Company and their permanent representatives are already direct or indirect partners or employees of the companies concerned (see Section 3.1.3, "Corporate Governance Code" below).

As far as the Company is aware, there are no family relationships between the members of the Board of Directors and the corporate officers.

As far as the Company is aware, during the past five years: no director or corporate officer has been (i) found guilty of fraud, (ii) associated with a bankruptcy, sequestration or liquidation, (iii) incriminated by or subject to an official public sanction issued by a statutory or regulatory authority, or (iv) prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer of securities or from taking part in managing or conducting an issuer's business.

To the best of the Company's knowledge, there are no conflicts of interest between directors and corporate officers' duties to the Company and their private interests.

3.1.2.1.4 Service contracts

Other than the contract described below, no director or member of the Company's Executive Team has a service contract with the Company or any of its subsidiaries providing for any personal benefits.

In FY 2014-2015 a service contract dated November 7, 2014 was in place between the Company and Sofibim under which it provided advice and assistance in connection with planned acquisitions and partnerships. Sofibim's assigned tasks under this contract included seeking acquisition opportunities on behalf of the Company and advising it during the various phases of the acquisition process. The contract was entered into for a period of one year, terminating on September 30, 2015. Elior paid Sofibim a lump-sum fee of €160,000 for the advice and assistance provided during the contract's term.

3.1.2.2 Operating Procedures of the Board of Directors

3.1.2.2.1 Powers of the Board of Directors

The Company is governed by a Board of Directors which determines the Company's business strategy and oversees its implementation, examines all issues that concern the efficient operation of the business and makes decisions on all matters concerning the Company.

The Board of Directors is and will remain a collegiate body that collectively represents all shareholders and acts at all times in the Company's best interests.

The Board of Directors examines all issues that fall within its scope of responsibility under the applicable laws and regulations. In particular it examines and approves all decisions concerning the business, human resources, financial and technological strategies of the Company and the Group and oversees their implementation by management. It also:

a) examines and approves the reports of the Board of Directors and the Board committees for inclusion in the Annual Report;

b) examines and approves, based on the recommendation of the Nominations and Compensation Committee, the directors' profiles to be included in the Annual Report, including the list of independent directors and the independence criteria applied;

c) appoints directors, if necessary, and proposes directors for re-election at the Annual General Meeting;

d) sets corporate officers' compensation, based on the recommendation of the Nominations and Compensation Committee, and allocates directors' fees;

e) decides whether to set up stock option and free share plans and determines the Group's policy concerning discretionary profit-sharing plans (for executives and non-executives), based on the recommendation of the Nominations and Compensation Committee;

f) oversees the quality of information disclosed to shareholders and the market in the financial statements and in connection with major transactions;

g) approves the management report and the sections of the Annual Report describing the Company's corporate governance and its compensation policy;

h) examines all issues that concern the efficient operation of the Company and the Group.

The Board of Directors has sole authority to amend the Rules of Procedure.

3.1.2.2.2 Preparation and Organization of the Work of the Board of Directors

a) Work of the Board of Directors

The preparation and organization of the Board's work are governed by the legal and regulatory provisions applicable to *sociétés anonymes*, as well as by the Company's Bylaws and the Rules of Procedure, which also describe the operating procedures of the Board committees.

The Chairman provides the directors with the information and documents needed to allow them to fulfil their duties and prepare the Board's decisions.

Board meetings are called with at least five days' notice, by e-mail and/or via a secure IT platform. The notices of meeting include the meeting agenda. Board members are given an information pack at least five days before the meeting date, and are also provided with any updates to the information prior to the meeting.. All of these Board documents are available for download from the secure IT platform at any time. In addition, for emergency meetings or meetings to discuss extremely confidential matters, directors may be given additional information after the meeting has been called or once it commences.

In addition to documents dealing with specific agenda items, the meeting pack also includes the draft minutes of the previous meeting and selected analyses of the Group's business and financial performance.

Between two Board meetings, information memos on certain issues or on press releases published in France may also be sent to the directors by e-mail.

Directors have an obligation not to disclose any confidential information communicated to them. This non-disclosure rule is set out in Article 3.6 of the Rules of Procedure.

At the time of their appointment, the independent directors received an information pack containing all the documents required to understand the Company, its organization and business, and the accounting, financial and operational issues that are specific to it. These documents are updated regularly and can be consulted by directors at all times via a dedicated, secure IT platform.

b) Board of Directors' Activity Report

The Board of Directors met twenty-one times in FY 2014-2015 and five times between October 1, 2015 and the date this report was prepared. Notices of the meetings along with the related agenda were provided to the directors by e-mail and on a secure IT platform several days ahead of each meeting. In addition, between meetings, the members of the Board were kept regularly informed of significant events and transactions involving the Company and received copies of all press releases published by the Company.

The duration of routine Board meetings averaged three hours and the attendance rate was 90%.

As well as performing the duties assigned to it under French law and the Company's Bylaws, the Board of Directors also regularly received all necessary information about the Group's results, operations and significant projects and transactions. At each meeting, the Chief Executive Officer and the Chief Financial Officer made presentations to the Board concerning the Group's business performance and financial position. The Board was also consulted about transactions and decisions that were material to the Company or required the Board's prior authorization pursuant to the Rules of Procedure.

c) Attendance rates at Board meetings held in 2014-2015

	Number of meetings taken into account	Attendance rate
Philippe Salle	12	100%
James Arnell	21	86%
Gilles Auffret	21	95%
Laurence Batlle	21	90%
Gilles Cojan, representing Sofibim	21	86%
Denis Metzger, representing Société de Restauration 2	21	95%
Pierre de Sarrau, representing Charterhouse Poppy IV	21	95%
Elisabeth Van Damme, representing Charterhouse Poppy II	21	95%
Robert Zolade, representing BIM	21	100%

3.1.2.3 Assessment of the Board's Operating Procedures

In accordance with the Rules of Procedure, an assessment of the Board's operating procedures is included on the agenda of at least one Board meeting per year.

The Board conducted an assessment of its operating procedures and performance at its meeting on December 10, 2014 based on the individual replies to a questionnaire sent to each Board member.

The directors reviewed the Board's operating procedures and the quality of (i) the information given to directors, (ii) the Board's discussions and decisions, and (iii) each director's contribution to the work of the Board of Directors and the Board committees.

The directors rated the Board's operating procedures as satisfactory, praising the quality of the information given to them, the role played by the Board committees and the quality of their opinions, and the constructive nature of the discussions enabling directors to make fully informed decisions.

They identified the following areas for improvement:

- To continue to involve the Board in the Group's major strategic projects (particularly the implementation of Elior's 2020 strategic plan), notably by holding several meetings during the fiscal year with the management teams concerned.
- To continue to standardize the format and content of the information presented to the Board (notably financial information), with a view to streamlining and enhancing the work of the Board and its committees.
- To provide directors with minutes of previous meetings and information for upcoming meetings more ahead of time, so that they can have more time to reflect on and prepare for the matters to be discussed and decided on.

3.1.2.4 Board Committees

The Board of Directors' work and discussions in some areas are prepared by specialized committees made up of directors appointed by the Board for a period corresponding to their term as director.

The Board of Directors uses the work of three Board committees:

- the Audit Committee;
- the Nominations and Compensation Committee; and
- the Strategy, Investments and CSR Committee.

The organization and operating procedures of the Board committees are described in the Bylaws and the Rules of Procedure.

One of the members of each committee is named as its chairman by the Board of Directors, based on the recommendation of the Nominations and Compensation Committee.

3.1.2.4.1 Audit Committee

The Audit Committee has three members including two independent directors – Gilles Auffret and Laurence Batlle – and Charterhouse Poppy II, represented by Elisabeth Van Damme, as well as a non-voting member, Sofibim, represented by Gilles Cojan. The Committee members and non-voting member all have the necessary technical knowledge to fulfil their responsibilities. The Audit Committee is chaired by Laurence Batlle, an independent director.

The Audit Committee assists the Board of Directors in its tasks of overseeing and verifying the preparation of the financial statements of the Company and the Group, and the information to be communicated to shareholders and the market. It obtains assurance concerning the effectiveness of the internal control and risk management systems. It is also responsible for overseeing issues concerning the preparation and verification of accounting and financial information and the statutory audit of the accounts.

The Committee's members all have recognized accounting and finance expertise, as evidenced by their professional background (see Section 3.1.2.1.2 above, "Profiles of the Members of the Board of Directors").

A non-voting member has been appointed to provide a different view-point and share his observations with the Committee.

The Committee's main roles and responsibilities, as defined and described in Article 4.5.3 of the Rules of Procedure, are to:

- oversee the process for the preparation of financial information;
- monitor the effectiveness of the internal control, internal audit and risk management systems covering financial and accounting information;
- oversee the audits of the financial statements of the Company and the Group by the Statutory Auditors; and
- ensure that the Statutory Auditors are independent.

Audit Committee meetings are called by its Chairman, by e-mail, with five days' notice. A meeting information pack is attached to the e-mail.

Audit Committee decisions are adopted by a majority vote of the voting members present at the meeting, with each member having one vote except for the non-voting member who attends meetings in an advisory capacity. The Chairman and Chief Executive Officer does not attend Audit Committee Meetings.

The Committee members were given a copy of the Chairman's report on corporate governance and internal control on December 3, 2015, to enable them to approve the sections falling within the Committee's remit.

At its December 8, 2015 meeting, the Audit Committee met with the Statutory Auditors to discuss their comments on the financial statements.

Other than in exceptional cases, the Audit Committee meets three days before the meeting of the Board of Directors at which it reports to the Board on its work. Its activity reports enable the directors to be fully informed and help to improve the quality of Board decisions.

Activity report

The Audit Committee met three times during FY 2014-2015 and once between October 1, 2015 and the date on which this report was prepared. The attendance rate at these meetings was 100%.

The Statutory Auditors attended all of the meetings. The Group's Chief Financial Officer also attended the meetings, along with the Accounting and Consolidation Director as necessary.

At its meetings, the Committee prepared the Board of Directors' review of the quarterly and annual financial statements, and reviewed the draft financial press releases. It also examined the principles concerning the publication of the financial statements and financial communications, as well as the information contained in the fiscal 2014-2015 Registration Document. At its meeting on December 8, 2015 the Committee reviewed the financial statements of the Company and Group as well as management's discussion and analysis of the financial statements. During the fiscal year, the Committee was also regularly given presentations by representatives from the Group Risk Management and Internal Audit Departments, notably related to the Group's risk map and action plans, together with the risk management and internal control work completed to date and work still under way.

3.1.2.4.2 Nominations and Compensation Committee

The Nominations and Compensation Committee has four members: Gilles Auffret, Laurence Batlle, BIM (represented by Robert Zolade) and Charterhouse Poppy IV (represented by Pierre de Sarrau).

The Committee is chaired by Gilles Auffret, an independent director.

The Nominations and Compensation Committee assists the Board of Directors in its tasks of (i) appointing the members of the management bodies of the Company and Group and (ii) determining and regularly assessing the compensation and benefits packages of corporate officers and senior managers, including all forms of deferred compensation plans and termination benefits.

The Committee's main roles and responsibilities, as defined and described in Article 4.6.3 of the Rules of Procedure, are to:

- propose candidates for election to the Board of Directors or for appointment as members of Board committees or as corporate officers;
- perform annual assessments of directors' independence;
- review and make recommendations to the Board concerning the corporate officers' compensation packages and any related conditions;
- review and make recommendations to the Board of Directors concerning the method of allocating directors' fees.

The Committee is also consulted by the Board of Directors concerning any exceptional compensation that the Board may wish to award to any of its members for undertaking special assignments.

The Nominations and Compensation Committee can validly conduct business, in physical meetings or by conference call or videoconference, in the same way as the Board of Directors, following a call to meeting issued by the Committee Chairman or Secretary, provided that at least half of the members take part. The call to meeting may be given verbally or by any other method and must include details of the agenda.

Decisions by the Nominations and Compensation Committee (corresponding to the opinions and recommendations that it issues) are made by a majority vote of the members taking part in the meeting, with each member having one vote. In the event of a split decision, the Committee Chairman, who is an independent director, does not have a casting vote and the ultimate decision is made by the Board of Directors.

The Nominations and Compensation Committee meets as often as required, but at least once a year prior to the Board meeting held to assess directors' independence based on the independence criteria adopted by the Company. The Committee also meets prior to any Board meeting held to set corporate officers' compensation or to approve the allocation of directors' fees.

Activity report

The Nominations and Compensation Committee met six times during FY 2014-2015 and once between October 1, 2015 and the date on which this report was prepared. The attendance rate at these meetings was 100%.

The Committee recommended to the Board that the Rules of Procedure be amended when Philippe Salle was appointed and the positions of Chairman and Chief Executive Officer were combined. These amendments concerned various changes to the roles and responsibilities of the Strategy and CSR Committee (which was renamed the Strategy, Investments and CSR Committee) as well as to the restrictions on the Chairman and Chief Executive Officer's powers. The Board of Directors approved these recommendations on April 29, 2015.

The Committee's work during its meetings in FY 2014-2015 mainly related to the changes in management structure of the Group's various subsidiaries. It notably reviewed the conditions for recruiting the new managers concerned as well as the components of their compensation and the leaving packages for certain existing managers. It also examined the framework and conditions for changing the membership structure of the Board of Directors to reflect changes in the Company's ownership structure.

In addition, the Committee put forward recommendations to the Board of Directors in relation to the Chairman and Chief Executive Officer's compensation for FY 2014-2015 and FY 2015-2016. Lastly, it issued recommendations to the Board about the allocation of directors' fees for FY 2013-2014 and FY 2014-2015.

3.1.2.4.3 Strategy, Investments and CSR Committee

The Strategy and CSR Committee was renamed the Strategy, Investments and CSR Committee by the Board of Directors on April 29, 2015. The Committee's membership structure was changed at the same time and it now has the following four members: James Arnell, Gilles Auffret (Committee Chairman), Philippe Salle and BIM, represented by Robert Zolade. Gilles Cojan attends all of the Committee meetings as an invited member.

The Strategy, Investments and CSR Committee advises the Board of Directors on the Group's strategy, investments and significant divestment projects. It assesses the Company's values and undertakings in the field of sustainability and corporate social responsibility and helps to ensure that they are reflected in the Board's decisions.

The Committee is particularly responsible for:

- giving its opinion to the Board on the main strategic goals and their economic, financial and social implications, as well as their implications for the Group's development policy;
- advising the Board on which of the Group's operating entities should be classified as strategic;
- reviewing and issuing an opinion to the Board on the Group's annual investment budget and its investment allocation strategy;
- issuing recommendations to the Board on minimum expected returns on investments;
- advising on significant acquisition and divestment projects requiring the Board's approval; and
- examining the Company's social and environmental policies, its sustainability undertakings and the resources allocated to fulfil them.

The Committee's roles and responsibilities are defined and described in Article 4.7.3 of the Rules of Procedure.

The Strategy, Investments and CSR Committee can validly conduct business, in physical meetings or by conference call or videoconference, in the same way as the Board of Directors, following a call to meeting issued by the Committee Chairman or Secretary, provided that at least half of the members take part. The call to meeting may be given verbally or by any other method and must include details of the agenda.

Committee decisions are made by a majority vote of the members taking part in the meeting, with each member having one vote.

The Committee meets as often as required, but at least once a year.

Activity report

The Strategy, Investments and CSR Committee met ten times between January 1 and December 10, 2015. During these meetings, the Committee worked on preparing a roadmap for Group executive management, and drafted recommendations to the Board of Directors on the management of strategic projects, as well as on acquisition projects and significant investments.

3.1.3 CORPORATE GOVERNANCE CODE

The Company refers to the AFEP-MEDEF Corporate Governance Code for listed companies (hereinafter the "Code"), except for the following recommendations:

AFEP-MEDEF Code recommendation	Company practice/Explanations
Article 9.2 of the Code states that, in non-controlled companies, independent directors should account for at least half of the members of the Board.	Two of the nine members of the Board are qualified as independent directors. The Board originally decided not to apply the proportion of independent directors recommended in the Code as a result of its ownership structure and the fact that it wished to keep the size of the Board reasonable. However, the Nominations and Compensation Committee has a begun a review of the Board of Directors' membership structure in order to take into account the changes in the Company's ownership structure that took place in May and October 2015 when certain of its major shareholders (i.e. companies controlled by Charterhouse and Chequers) sold a significant portion of their Elior shares. The Company has set itself the target of independent directors accounting for half of the Board's members by 2018 at the latest.
Articles 17.1 and 18.1 of the Code organize the membership of the nominations and compensation committee, which must comprise a majority of independent directors.	The Company's Nominations and Compensation Committee is made up of two independent directors and two non-independent directors. The fact that there are equal numbers of independent and non-independent directors does not affect the Committee's effectiveness in any way as it is chaired by an independent director. In addition, the Committee benefits from the experience and knowledge of the Company's founder, Robert Zolade, who sits on the Committee in the capacity of permanent representative of BIM.
Article 20 of the Code stipulates that the permanent representative of a corporate shareholder should be a shareholder personally and hold a fairly significant number of shares in relation to the directors' fees.	The shareholders do not wish to impose on permanent representatives of the companies that are directors the obligation to hold shares in the Company. The Company has decided not to apply this recommendation of the Code because the corporate directors are already significant shareholders of the Company and are represented on the Board by individuals who are, directly or indirectly, employees or partners of their company. In addition, while it would be preferable for all directors to participate in the Company's shareholders' meetings, the shareholders do not wish to make this recommendation an absolute rule.
Concerning directors' compensation, Article 21.1 of the Code states that directors' fees should be allocated in such a way that each director's fee includes a significant variable portion that takes into account their actual attendance at meetings.	The compensation paid to independent directors includes a significant variable portion, but the Company has decided not to refer to the Code for non-independent directors as they receive directors' fees only in respect of their fixed compensation.

The AFEP-MEDEF Code to which the Company refers can be downloaded from the Internet[10]. In addition, the Company holds copies of the Code that the members of its governance bodies can obtain at any time on request.

The operating procedures of the Board of Directors are included in the Rules of Procedure. Lastly, the directors adhere to the principles of good conduct defined in a director's charter that describes their duties of diligence, discretion and confidentiality, as well as the rules applicable to any transactions they may carry out in relation to the Company's securities.

3.1.4 RESTRICTIONS ON THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S POWERS

In accordance with the Rules of Procedure, the following decisions are subject to the prior approval of the Board of Directors and may be implemented only with the formal prior consent of a straight majority of the directors[11]:

a. Approval of the consolidated annual budget of the Company and operating entities classified as strategic.
b. Approval of any long-term strategic plans for the Group or its entities as well as any significant amendments to such plans.
c. The acquisition by any method (including through the acquisition of securities or other assets, a merger or a capital contribution) of all or part of an entity, enterprise or business (including through a joint venture agreement or the exercise of a call option on all or part of the entity, enterprise or business) for an amount representing more than €20 million (in terms of enterprise value), except for any acquisitions resulting from an irrevocable purchase commitment (such as put options or purchase contracts) given by the Group prior to April 29, 2015 and executed in accordance with the terms of said commitment.
d. The sale or transfer by any method of any asset (including securities) with a net asset value in excess of €20 million or whose annual revenue exceeds €40 million, except for disposals resulting from irrevocable commitments (such as call options or sale contracts) given by the Group prior to April 29, 2015 and executed in accordance with the terms of said commitment.
e. Any public offering of securities by the Company and the admission to trading on a regulated market or public offer of all or some of the shares of an Elior subsidiary.
f. Any amendments to the shareholders' agreements related to Areas and THS.
g. The settlement of any litigation or dispute resulting in the payment by the Company or a Subsidiary of an amount in excess of €10 million.
h. Any investment (other than acquisitions) representing more than €5 million, and the setting of minimum returns on investments.
i. The signature, amendment or renewal of any contract related to the Group's business (such as service contracts for contract catering operations or concession catering contracts) entered into by the Company or a Subsidiary with a customer when the contract's total revenue (calculated over the remaining term of the contract) exceeds €100 million for contract catering contracts and €150 million for concession catering contracts.
j. The signature, amendment or renewal of any purchase contract or contract other than those referred to in (g) above entered into by the Company or a Subsidiary with a supplier or another party when the value of such contract (calculated by multiplying the purchase volume or revenue concerned by the remaining term of the contract) exceeds €100 million.
k. Guarantees, endorsements and collateral representing a unit value in excess of €10 million and an aggregate annual value in excess of €350 million.
l. Revenue and results press releases and any communications to the market that could have a significant effect on the Company's share price or the Group's overall image.
m. The Group's financing and interest rate and currency hedging policies as well as the signature or amendment of loan agreements representing over 20% of the Group's net debt or the early repayment of borrowings exceeding 20% of the Group's net debt.
n. The amount set for the gross annual compensation (fixed and variable) of the

[10] http://www.ecgi.org/codes/code.php?code_id=393

[11] The terms that are capitalized in this list are defined in the Rules of Procedure.

corporate officers and key senior managers as defined in the Rules of Procedure.

The transactions subject to prior approval do not include any transactions referred to in paragraphs c, d and i above carried out between Subsidiaries that are wholly-owned, directly or indirectly, by Elior, Areas or THS.

3.1.5 OFFICERS' INTERESTS AND COMPENSATION

3.1.5.1 Compensation Policy: Chairman and Chief Executive Officer

The principles and rules applied to determine the Chairman and Chief Executive Officer's compensation and benefits package were approved by the Board of Directors at its meeting on April 29, 2015.

The Chairman and Chief Executive Officer's compensation and benefits are decided by the Board of Directors based on the recommendation of the Nominations and Compensation Committee. Philippe Salle's compensation includes a fixed component, an annual variable component and a long-term variable component.

a) Fixed compensation

Philippe Salle's gross annual fixed compensation for FY 2014-2015 was set at €900,000. As he took up his position on April 29, 2015, i.e. seven months into the fiscal year, the gross compensation actually due and paid to him for FY 2014-2015 amounted to €375,000.

The fixed component of Philippe Salle's compensation for FY 2015-2016 has been set at the same amount as for the full twelve months of FY 2014-2015.

b) Annual variable compensation

Philippe Salle's annual variable compensation – which may represent up to 100% of his gross annual fixed compensation (the "Target Amount") – is contingent on the achievement of annual quantitative targets set in relation to EBITDA and free cash flow as well as qualitative targets. If the targets are exceeded the variable component may be increased to 130% of the Target Amount (i.e. €1,170,000 gross).

The type of quantitative and qualitative targets chosen and the proportions they represent in terms of the overall variable component are determined each year by the Board of Directors after examining the recommendations issued by the Nominations and Compensation Committee.

As Philippe Salle was appointed seven months after the start of FY 2014-2015 it was impossible to fully assess the impact of his work on the Group's operations and results. Consequently, the variable portion of his compensation for FY 2014-2015 was set, on an exceptional basis, at 100% of his fixed compensation calculated pro rata to the actual time he worked for the Company, i.e. a gross amount of €375,000.

This compensation was paid in one lump sum in January 2016.

For FY 2015-2016, 75% of Philippe Salle's variable compensation will be based on the achievement of quantitative targets and 25% will be contingent on meeting specific, pre-defined qualitative targets related to his individual performance rather than on the Group's results.

The applicable quantitative targets and the proportions they represent of the total variable component are as follows:

- EBITDA growth in absolute value terms versus FY 2014-2015, based on a constant Group structure compared with October 1, 2015: 50% weighting.
- EBIDTA to cash conversion ratio[12]: 20% weighting.
- EBITDA growth of acquired companies in absolute value terms: 5% weighting.

Philippe Salle's financial targets and their weighting within his variable compensation for fiscal 2015-2016 are in line with the Company's growth objectives for (i) EBITDA in absolute value terms (based on a constant Group structure) and (ii) the conversion ratio of EBITDA to free cash flow. They also take into account the level of performance that he is expected to achieve in terms of implementing Elior's strategic and transformation plan for 2016-2020.

For the 25% of his variable compensation contingent on qualitative targets, targets related to the membership and performance of the Group's management teams represent 10% and those concerning the performance of the Board of Directors represent 15%. The component related to the

[12] Free cash flow/EBITDA ratio

membership and performance of the Group's management teams will also be assessed based on expected performance levels in terms of implementing Elior's strategic and transformation plan for 2015-2016 as well as on the improvements that, in his capacity as Chairman of the Board of Directors, Philippe Salle makes to the quality of the Board's work.

c) Long-term variable compensation

The amount of Philippe Salle's long-term variable compensation (hereafter "LTVC") is contingent on growth in the Company's earnings per share as adjusted for non-recurring items (hereafter "Adjusted EPS") for the five fiscal years as from October 1, 2014. The amount of the non-recurring items taken into account when calculating Adjusted EPS will be determined at the end of each fiscal year by the Audit Committee.

Philippe Salle will only receive the LTVC if he remains in his position as Chairman and Chief Executive Officer for a specified period following the vesting date of the LTVC.

The amount of the LTVC for a given fiscal year will depend on the level of Adjusted EPS reported for that year. Based on the floor and cap mechanism put in place for Adjusted EPS, gross LTVC may amount to between €1.25 million and €2.5 million per fiscal year. There will be no entitlement to the LTVC if the Adjusted EPS floor required for triggering payment is not reached.

The amount of the LTVC for a given fiscal year ("Year Y") will vest at the end of the second fiscal year following Year Y and will be paid at the end of the fourth fiscal year following Year Y if Philippe Salle is still Elior's Chairman and Chief Executive Officer at that date. For example, the LTVC for FY 2017-2018 will only vest on September 30, 2020 and will only be paid on September 30, 2022 if Philippe Salle is still Elior's Chairman and Chief Executive Officer at that date.

As an exception, the amounts of the LTVC vested for fiscal years 2014-2015, 2015-2016 and 2016-2017 will be paid at the end of the second fiscal year following the fiscal year concerned, subject to a cap of €1.25 million. Any amount in excess of this cap will be paid as explained above, i.e. at the end of the fourth fiscal year following the fiscal year concerned if Philippe Salle is still Elior's Chairman and Chief Executive Officer at that date.

If Philippe Salle's term of office as Chairman and Chief Executive Officer were to be terminated between the vesting date of his LTVC and its payment date as a result of his death, a chronic illness, or removal from his position for any reason other than gross negligence or serious misconduct committed in the course of his duties within the Group, as an exception to the above, the vested LTVC would be paid on the date his term is terminated.

Philippe Salle has the use of a company car, in line with the practice within the Group for persons with the responsibilities of Chairman and Chief Executive Officer.

The growth rate set by the Board of Directors for Adjusted EPS over the period concerned (i.e. the five fiscal years as from October 1, 2014) represents an almost two-fold increase by the end of 2019. This demonstrates how exacting the performance requirements are for Philippe Salle to be entitled to the payment of the LTVC.

d) Termination benefit

If the Company were to terminate Philippe Salle's term of office as Chairman and Chief Executive Officer, he may be entitled to a termination benefit equal to 12 months' compensation calculated on the basis of his average gross monthly compensation received for the previous 12 months (fixed and variable excluding any LTVC). This termination benefit would, however, only be payable if, at the date his position is terminated, at least one of the following two performance conditions is met:

- The Group's adjusted profit and cash flow from operations must equal or exceed two-thirds of the amounts set in the budgets for two consecutive years.
- Elior's share performance, as assessed over two consecutive years, must equal or exceed two-thirds of the average share performance recorded by the three companies with the highest market capitalizations listed on an EU market and operating in the same sector as the Group over that period.

The termination benefit would not be payable if Philippe Salle were removed from office for gross negligence or serious misconduct, which include, but are not limited to, the following types of behavior:

- inappropriate behavior for a senior manager (criticizing the Company and/or its management bodies in front of external parties, etc.);
- repeated failure to take into consideration decisions taken by the Board of Directors and/or behavior that is contrary to such decisions;
- repeated communication errors that seriously and adversely affect the Company's image and/or value (impact on share price).

In addition, Philippe Salle would not be entitled to the termination benefit if he resigns from his position as Chairman and Chief Executive Officer.

All of this information was published on the Company's website in accordance with the applicable legal provisions.

e) Non-compete agreement

The Company has entered into a non-compete agreement with Philippe Salle, pursuant to which, for a period of two years after he ceases his duties as the Company's Chairman and Chief Executive Officer, he is prohibited from:

- carrying out duties for any commercial catering and/or contract catering company (as an employee, officer, consultant, shareholder or other) that are similar to or compete with the duties he performed as the Company's Chairman and Chief Executive Officer; and/or
- directly or indirectly soliciting employees or officers away from the Group; and/or
- having any financial or other interests, either directly or directly, in a commercial catering and/or contract catering company.

As consideration for his non-compete covenant, Philippe Salle would be eligible for a monthly indemnity equal to 50% of his gross monthly fixed and variable compensation (excluding any LTVC) calculated based on his average monthly gross fixed and variable compensation (excluding any LTVC) received for the 12 months preceding the date on which he ceases his duties as Chairman and Chief Executive Officer. This indemnity would be payable from the date his duties as Chairman and Chief Executive Officer cease until the end of the period of validity of the non-compete covenant.

If Philippe Salle were to resign from his position as Chairman and Chief Executive Officer, the Company may decide to exempt him from his non-compete covenant. In such a case the Company would notify him of this exemption within one month of the date on which he ceases his duties and the Company would not be required to pay him the afore-mentioned non-compete indemnity.

If Philippe Salle were to be removed from his position as Chairman and Chief Executive Officer the non-compete indemnity would be payable unless he and the Company jointly agree that the obligations provided for under the non-compete agreement would no longer apply to either party.

Details of the Chairman and Chief Executive Officer's compensation are publicly disclosed and are set out in the next section of this Registration Document ("Compensation and Benefits Awarded to Corporate Officers").

In addition, all of this information was published on the Company's website in accordance with the applicable legal provisions.

Philippe Salle is not entitled to any specific pension benefits.

3.1.5.2 Compensation and Benefits Awarded to Corporate Officers

The compensation and benefits awarded to corporate officers within the meaning of Article L. 225-102-1 of the French Commercial Code are presented below in the standard format recommended by AFEP and MEDEF and the AMF.

None of the Group's directors or officers hold any stock options, free shares or performance shares granted by the Company or any other Group entity.

Compensation, stock options and free shares awarded to each corporate officer

Corporate officer concerned	FY 2014-2015	FY 2013-2014
James Arnell, Chairman of the Board of Directors (1)		
Compensation for the year	None	None
Value of long-term variable compensation awarded during the year	None	None
Value of stock options granted during the year	None	None
Value of free shares	None	None
TOTAL	None	None
Gilles Petit, Chief Executive Officer		
Compensation for the year (2)	€2,302,473.64	€2,109,127.0
Value of long-term variable compensation awarded during the year	None	None
Value of stock options granted during the year	None	None
Value of free shares	None	None
TOTAL	€2,302,473.64	€2,109,127.0
Philippe Salle, Chairman and Chief Executive Officer		
Compensation for the year	€751,067.0	Not applicable
Value of long-term variable compensation awarded during the year (3)	€2,500,000.0 (2)	Not applicable
Value of stock options granted during the year	None	Not applicable
Value of free shares	None	Not applicable
TOTAL	€3,251,067.0	Not applicable

(1) James Arnell – Chairman of the Board of Directors until March 10, 2015 and then acting Chief Executive Officer until April 29, 2015 – decided to waive his directors' fees.

(2) As well as the €2,302,473.64 in compensation due for FY 2014-2015, Gilles Petit was also entitled to a non-compete indemnity. In accordance with the provisions of his employment contract, which terminated on August 31, 2015, Mr. Petit is bound by a non-compete covenant for a period of two years following the termination date of his employment contract (i.e. August 31, 2015). As consideration for this non-compete covenant, for the same two-year period, Mr. Petit is entitled to the payment of a monthly indemnity amounting to 50% of his last gross monthly basic salary. The total non-compete indemnity payable by the Company for the full two-year period represents a gross amount of €703,165.98. On March 10, 2015, on the recommendation of the Nominations and Compensation Committee, the Board of Directors decided not to waive Mr. Petit's non-compete covenant and therefore approved the payment of the non-compete indemnity in accordance with the above-described terms and conditions. The total gross amount of the non-compete indemnity paid to Mr. Petit for FY 2014-2015 was €29,299.

(3) Amount of long-term variable compensation for FY 2014-2015 (cap reached). This amount will only fully vest at the end of the second fiscal year following FY 2014-2015 (i.e. on September 30, 2017). Out of the vested amount €1.25 million will be paid at the end of the second fiscal year following FY 2014-2015 (i.e. on September 30, 2017) and the remaining €1.25 million will be paid at the end of the fourth fiscal year following FY 2014-2015 if Philippe Salle is still Elior's Chairman and Chief Executive Officer at that date (see Section 3.1.5.1 c of this Registration Document).

Compensation awarded to each corporate officer

Corporate officer concerned	FY 2014-2015		FY 2013-2014	
	Amount due	Amount paid (1)	Amount due	Amount paid (1)
James Arnell, Chairman of the Board of Directors				
Fixed compensation	None	None	None	None
Annual variable compensation	None	None	None	None
Long-term variable compensation	None	None	None	None
Special compensation	None	None	None	None
Directors' fees	€0	€0	€0	€0
Benefits in kind	None	None	None	None
Total	None	None	None	None
Gilles Petit, Chief Executive Officer				
Fixed compensation (2)	€676,451 (3)	€676,451 (3)	€692,512	€717,601
Annual variable compensation (2)	€507,843 (4)	€375,286 (4)	€375,286	€499,240
Long-term variable compensation	None	None	None	None
Special compensation (2)	None	None	€1,038,768	€1,038,768
Termination benefit (2)	€1,105,023.64 (5)	€1,105,023.64 (5)	None	None
Directors' fees	None	None	None	None
Benefits in kind (6)	€13,156	€13,156	€2,561	€2,561
Total	€2,302,473.64 (7)	€2,169,916.67 (7)	€2,109,127	€2,258,170
Philippe Salle, Chairman and Chief Executive Officer				
Fixed compensation (2)	€375,000	€375,000 (8)	Not applicable	Not applicable
Annual variable compensation (2)	€375,000 (9)	None	Not applicable	Not applicable
Long-term variable compensation (2)	€2,500,000 (10)	None	Not applicable	Not applicable
Special compensation	None	None	Not applicable	Not applicable
Directors' fees	None	None	Not applicable	Not applicable
Benefits in kind (11)	€1,067	€1,067	Not applicable	Not applicable
Total	€3,251,067	€376,067		

(1) Total compensation paid during the fiscal year to the corporate officer concerned.

(2) Gross (before payroll taxes and income tax).

(3) Including €315,397 in his capacity as Elior's Chief Executive Officer and €374,210 payable pursuant to his employment contract for the period from March 10, 2015 – the date on which his term of office as Chief Executive Officer was terminated – and August 31, 2015, the termination date of his employment contract.

(4) Gilles Petit's variable compensation for FY 2014-2015 was calculated on a pro rata basis by reference to the actual time he worked for the Company during that fiscal year.

At the Board of Directors' meeting of March 10, 2015 – at which Mr. Petit's term of office was terminated – based on the recommendation of the Nominations and Compensation Committee, the Board approved the amount of variable compensation that would be payable to Mr. Petit if his employment contract were terminated. The Board decided that the amount of variable compensation payable would represent 11/12ths of the target amount of his variable compensation for FY 2014-2015, i.e. 11/12ths of 80% of his gross annual fixed compensation which therefore represented gross variable compensation of €507,843.

(5) At its March 10, 2015 meeting, based on the recommendation of the Nominations and Compensation Committee, the Board of Directors decided to authorize a termination benefit representing a total gross amount of

€1,105,023.64 to be paid to Gilles Petit if his employment contract were terminated. The Nominations and Compensation Committee verified that the applicable conditions for the payment of this termination benefit were met.

(6) Company car. Valuation determined on an annual basis.

(7) As well as the €2,302,473.64 in compensation due for FY 2014-2015, Gilles Petit was also entitled to a non-compete indemnity. In accordance with the provisions of his employment contract, which was terminated on August 31, 2015, Mr. Petit is bound by a non-compete covenant for a period of two years following the termination date of his employment contract (i.e. August 31, 2015). As consideration for this non-compete covenant, for the same two-year period he is entitled to the payment of a monthly indemnity amounting to 50% of his last gross monthly basic salary. The total non-compete indemnity payable by the Company for the full two-year validity period represents a gross amount of €703,165.98. On March 10, 2015, on the recommendation of the Nominations and Compensation Committee, the Board of Directors decided not to waive Mr. Petit's non-compete covenant and therefore approved the payment of the non-compete indemnity in accordance with the above-described terms and conditions. The total gross amount of the non-compete indemnity paid to Mr. Petit for FY 2014-2015 was €29,299.

(8) Of which €75,000 paid in October 2015.

(9) Variable compensation paid in October 2015, based on the Company's financial performance. Philippe Salle's compensation as Chairman and Chief Executive Officer of the Company includes a variable component (see Section 3.1.5.1 above). As Philippe Salle was appointed seven months after the start of FY 2014-2015 it was impossible to fully assess the impact of his work on the Group's operations and results. Consequently, the variable portion of his compensation for FY 2014-2015 was set, on an exceptional basis, at 100% of his fixed compensation calculated pro rata to the actual time he worked for the Company, i.e. a gross amount of €375,000. This amount was paid in January 2016.

(10) Amount of long-term variable compensation due for FY 2014-2015 (cap reached), which will only fully vest at the end of the second fiscal year following FY 2014-2015 (i.e. on September 30, 2017). Out of the total amount, €1.25 million will be paid at the end of the second fiscal year following FY 2014-2015 (i.e. on September 30, 2017) and the remaining €1.25 million will be paid at the end of the fourth fiscal year following FY 2014-2015 if Philippe Salle is still Elior's Chairman and Chief Executive Officer at that date (see Section 3.1.5.1 c) of this Registration Document).

(11) Company car. Valuation determined on an annual basis.

Directors' fees and other compensation received by non-executive directors

The directors do not receive any compensation other than that shown in the table below.

Non-executive directors	Amounts paid in FY 2013-2014	Amounts paid in FY 2014-2015
Gilles Auffret (1)		
Directors' fees	€31,333	€122,000
Laurence Batlle (1)		
Directors' fees	€31,333	€118,000
Sofibim (Gilles Cojan)		
Directors' fees	€10,000	€30,000
Société de Restauration 2 (Denis Metzger)		
Directors' fees	€0	€0
Charterhouse Poppy IV (Pierre de Sarrau)		
Directors' fees	€10,000	€30,000
Charterhouse Poppy II (Elisabeth Van Damme)		
Directors' fees	€10,000	€30,000
BIM (Robert Zolade)		
Directors' fees	€10,000	€30,000
TOTAL	**€102,666**	€360,000

(1) Independent directors.

Directors' fees

Fees paid to independent directors

Each independent director receives a set annual amount of directors' fees totaling €40,000, including €30,000 in their capacity as a director and €10,000 for their role as the Chairman of a Board committee. In addition to this fixed amount, they receive variable fees of €3,000 per Board meeting or Audit Committee or Nominations and Compensation Committee meeting attended and €1,000 per Strategy, Investments and CSR Committee meeting attended.

Fees paid to non-independent directors

Each non-independent director receives a set annual amount of directors' fees totaling €30,000.

James Arnell and Denis Metzger (representing Société de Restauration 2) waived their directors' fees for FY 2014-2015.

The amounts presented in the table above are stated gross, before withholding tax.

- FY 2013-2014

The amount and definitive allocation of directors' fees for FY 2013-2014 were determined by the Board of Directors on December 17, 2014. They were paid on April 10, 2015.

Société de Restauration 2, represented by Denis Metzger, decided to waive its directors' fees.

- FY 2014-2015

The amount and definitive allocation of directors' fees for FY 2014-2015 were determined by the Board of Directors on December 10, 2015.

Stock option plans

At the Extraordinary General Meetings held on February 12, 2010 and January 18, 2011, the Company's Managing Partner was authorized to grant stock options to Group employees under plans set up in accordance with Articles L. 225-177 *et seq.* of the French Commercial Code. The Managing Partner used these authorizations to set up two stock option plans, whose main characteristics are described in the table below.

No further options may be granted under either of the two plans.

No other stock option plans had been set up by the Company as of the date of this Registration Document.

Information on stock options	Plan no. 1	Plan no. 2
Date of Managing Partners' decision to grant the stock options	April 15, 2010	April 15, 2011
Total number of stock options granted, including number of stock options granted to:	514,300	561,280
Corporate officers		
James Arnell	None	None
Gilles Petit	None	None
Philippe Salle	None	None
Non-executive directors		
Gilles Auffret	None	None
Laurence Batlle	None	None
Sofibim (Gilles Cojan)	None	None
Société de Restauration 2 (Denis Metzger)	None	None
Charterhouse Poppy IV (Pierre de Sarrau)	None	None
Charterhouse Poppy II (Elisabeth Van Damme)	None	None
BIM (Robert Zolade)	None	None
Start date of exercise period	April 15, 2014	April 15, 2015
End of exercise period	Dec. 31, 2016	Dec. 31, 2016
Exercise price	€5.71	€5.72
Exercise process (plans with several tranches)	Not applicable	Not applicable
Number of options exercised at December 31, 2015		
Cumulative number of cancelled and expired options	0	0
Stock options outstanding at the fiscal year-end	148,911	308,020

In 2010, when the first stock option plan was set up, the Company (then named HBI) was organized as a *société en commandite par actions* (partnership limited by shares).

The option exercise price was set at €7.33 for the options granted on April 15, 2010 and €7.34 for those granted on April 15, 2011. The exercise price was adjusted by the Managing Partner following the capital reduction carried out in February 2012 (see Section 5.2.7, "Significant Changes in Share Capital").

Stock options granted to and exercised by the ten employees other than corporate officers who received the greatest number of options[1]

Stock options granted to and exercised by the ten employees other than corporate officers who received the greatest number of options	Total number of options granted/ exercised	Weighted average exercise price	Plan no. 1	Plan no. 2
Options granted during the year by the Company or any other qualifying member of the Group to the ten employees of the Company and any other qualifying member of the Group who received the greatest number of options (aggregate information)	None	None	None	None
Options granted by the Company or any other qualifying member of the Group that were exercised during the year by the ten employees of the Company and any other qualifying member of the Group who exercised the greatest number of options (aggregate information)	83,319	€16.55	39,148	44,171

(1) No other stock option plans had been set up by the Company as of the date of this Registration Document.

Information disclosed in accordance with AFEP-MEDEF recommendations

Corporate officer	Employment contract	Supplementary pension plan	Compensation for loss of office or change in duties	Non-compete indemnity
James Arnell (term of office from June 11, 2014 through March 10, 2015)	No	No	No	No
Gilles Petit (term of office from June 11, 2014 through March 10, 2015)	Yes	No	Yes	Yes
Philippe Salle (term of office began on April 29, 2015)	No	No	Yes[1]	Yes[2]

(1) If the Company were to terminate Philippe Salle's term of office as Chairman and Chief Executive Officer, he may be entitled to a termination benefit equal to 12 months' compensation calculated on the basis of his average gross monthly compensation received for the previous 12 months (fixed and variable excluding any LTVC). This termination benefit entitlement was approved by the Nominations and Compensation Committee on February 24, 2014 and by the Board of Directors on April 29, 2015. Its payment would be subject to certain performance criteria being met, based on adjusted profit and cash flows for two consecutive years, and on the Company's stock market performance compared to that of a composite index (see Section 3.1.5.1.d above).

(2) The Company has entered into a non-compete agreement with Philippe Salle, pursuant to which, for a period of at least two years after he ceases his duties as the Company's Chairman and Chief Executive Officer, he is prohibited from:

- Carrying out duties for a commercial catering and/or contract catering company (as an employee, officer, consultant, shareholder or other) that are similar to or compete with the duties he performed as the Company's Chairman and Chief Executive Officer. However, this prohibition only applies to certain companies.
- Directly or indirectly soliciting employees or officers away from the Group.
- Having any financial or other interests, either directly or directly, in a commercial catering and/or contract catering company.

As consideration for his non-compete covenant, Philippe Salle would be eligible for a monthly indemnity equal to 50% of his gross monthly fixed and variable compensation (excluding any LTVC) calculated based on his average monthly gross fixed and variable compensation (excluding any LTVC) received for the 12 months preceding the date on which he ceases his duties as Chairman and Chief Executive Officer. This indemnity would be payable from the date his duties as Chairman and Chief Executive Officer cease until the end of the period of validity of the non-compete covenant.

If Philippe Salle were to resign from his position as Chairman and Chief Executive Officer, the Company may decide to exempt him from his non-compete covenant. In such a case the Company would notify him of this exemption within one month of the date on which his duties cease and the Company would not be required to pay him the aforementioned non-compete indemnity (see Sections 3.1.5.1.d and 3.1.5.1.e above)

Transactions in the Company's financial instruments carried out by members of the Board of Directors from October 1, 2014 through December 31, 2015

Name	Position	Financial instrument	Transaction type	Transaction date	Gross unit price	Number of securities	Total gross amount
Société de Restauration 4	Director	Shares	Sale	Dec. 16, 2015	€17.78	2,537,117	€45,121,794
Société de Restauration 2	Director	Shares	Sale	Dec. 16, 2015	€17.78	1,276,367	€22,699,768
Gilles Auffret	Independent director	Shares	Purchase	Oct. 14, 2015	€16.965	3,820	€64,806.3
BIM[13]	Director	Other type of financial instrument	Forward sale of shares and equity swap	Nov. 18, 2015	€15.93	-	€171,701,696
Philippe Salle[14]	Chairman and Chief Executive Officer	Shares	Purchase	Oct. 15, 2015	-	-	€452,900
Charterhouse Poppy II	Director	Shares	Sale	Oct. 9, 2015	€17.15	9,645,535	€160,275,925
Charterhouse Poppy IV	Director	Shares	Sale	Oct. 9, 2015	€17.15	4,265,743	€73,157,492
Charterhouse Poppy VI	Director	Shares	Sale	Oct. 9, 2015	€17.15	1,695,896	€29,084,616
Société de Restauration 4	Director	Shares	Sale	Oct. 9, 2015	€17.15	1,280,374	€21,958,414
Société de Restauration 2	Director	Shares	Sale	Oct. 9, 2015	€17.15	644,632	€11,055,438
BIM	Director	Shares	Purchase	Oct. 7, 2015	€17.13	5,840,000	€100,039,200
Philippe Salle	Chairman and Chief Executive Officer	Shares	Purchase	June 3, 2015	€17.54	28,217	€494,932.50

[13] In FY 2014-2015, BIM repaid the credit facility that had been put in place for it to take up Elior shares when the Company carried out a capital increase at the time of its IPO on June 11, 2014 and which had been amended several times since that date. The amount repaid totaled €171,701,696. Following this repayment, BIM held 41,350,965 Elior shares (see AMF document no. 2015DD401514 dated November 27, 2015 on the AMF website).

[14] In accordance with a commitment given to Philippe Salle before he was appointed as Group Chairman and Chief Executive Officer, Finellas purchased 3,100 preference shares issued by BIM Luxembourg for an aggregate €452,900. BIM Luxembourg holds 0.03% of the shares of Sofibim SA, which in turn holds 88.24% of the capital of BIM, which owns Elior shares (see AMF document no. 2015DD395584 dated November 20, 2015 on the AMF website).

Name	Position	Financial instrument	Transaction type	Transaction date	Gross unit price	Number of securities	Total gross amount
Legal entity related to Philippe Salle[15]	Chairman and Chief Executive Officer	Shares	Purchase	May 27, 2015	-	-	€767 674.81
Charterhouse Poppy II	Director	Shares	Sale	May 12, 2015	€15.5	8,916,324	€138,203,022
Charterhouse Poppy IV	Director	Shares	Sale	May 12, 2015	€15.5	4,069,831	€63,082,380.5
Charterhouse Poppy VI	Director	Shares	Sale	May 12, 2015	€15.5	1,618,009	€25,079,139.5
Société de Restauration 4	Director	Shares	Sale	May 12, 2015	€15.5	1,221,570	€18,934,335
Société de Restauration 2	Director	Shares	Sale	May 12, 2015	€15.5	615,027	€9,532,918.5
BIM	Director	Shares	Purchase	May 12, 2015	€15.5	2,500,000	€38,750,000
Sofibim	Director	Shares	Purchase	March 23, 2015	€16.99	1,000	€16,994.7
Gilles Auffret	Independent director	Shares	Purchase	Jan. 23, 2015	€13.97	6,000	€83,796.6
Person related to Gilles Auffret	Independent director	Shares	Purchase	Jan. 23, 2015	€13.97	4,.398	€61,450.84

[15] In accordance with a commitment given to Philippe Salle before he was appointed as Group Chairman and Chief Executive Officer, Finellas acquired 15% of the capital of Charterhouse Poppy VI, which owns Elior shares. Finellas also purchased 1,555 ordinary shares and 778 preference shares in Charterhouse Poppy V SARL for an aggregate price of €767,674.81 (see AMF document no. 2015DD371833 dated June 5, 2015 on the AMF website).

3.2 RISK MANAGEMENT

3.2.1 RISK FACTORS

3.2.1.1 Risks Related to the Group's Industry

3.2.1.1.1 Risks related to food safety

The Group is exposed to risks associated with food safety and the food supply chain, which may subject it to liability claims, harm its reputation or negatively affect its relationship with customers.

The Group's main business activity is the preparation and service of meals as well as the sale of food products in connection with the provision of outsourced services (contract catering) or the operation of sales outlets (concession catering). As a result, it is particularly exposed to damage resulting from actual or perceived issues regarding the safety or quality of the food it provides. Claims of illness or injury relating to contaminated, spoiled, mislabeled or adulterated food can require costly measures to investigate and remediate, such as withdrawing products from sale or destroying supplies and inventory that are unfit for consumption.

The Group's contract catering and concession catering businesses rely on strict adherence by employees to standards for food handling and restaurant operations. Claims related to food quality or food handling are common in the food service industry and a number of these claims affecting the Group's contract catering or concession catering businesses may exist at any given time. If the Group is found negligent in its food safety, it may be exposed to significant liability, which could have an adverse impact on its results of operations. Even if any such claims are without merit, any negative publicity as a result of allegations of unsafe food services can have a significant impact on the Group's reputation and could negatively impact its contract catering and concession catering revenues.

Furthermore, the contract catering and concession catering businesses expose the Group to risks related to the food industry in general, such as widespread contamination, nutritional concerns and other health-related issues. From time to time, food suppliers are forced to recall products and as a result the Group may have to remove certain products from its inventory and source inventory from other providers. Such events can be highly disruptive to its business.

If any of the above were to occur, it could have a material adverse effect on the Group's business, reputation, results of operations and financial position.

For these reasons, Group-wide risk management processes and procedures have been put in place to mitigate food safety risks, which include, as a minimum:

- Supplier approval procedures.
- Certification of procurement procedures and points of sale.
- Hygiene control measures (HACCP).
- Bacteriological analyses.
- Training provided to new hires and other employees.
- Procedure manuals.

See Section 3.2.2.3.1 below for further information on these processes and procedures.

3.2.1.1.2 Risks related to unfavorable economic conditions

Unfavorable economic conditions have affected, and in the future could adversely affect, the Group's results of operations and financial position.

Each of the Group's businesses may be impacted to a different extent by the effects of general economic conditions. Growth in demand for services generally correlates with economic conditions in each of the countries in which it operates, and as a result, the Group is exposed to fluctuations in revenue correlated to economic cyclicality.

The Group provides contract catering and other services to both public and private entities. Public entities facing budgetary pressures due to declining tax revenues and concerns over deficit spending, and private companies facing declining revenues, may reduce their demand for the Group's services (including, for example, with respect to hours, types of services or service scope and cost). The Group's contract catering business in particular may suffer if its customers reduce their workforce, resulting in a smaller pool of guests to serve. In addition, the guests themselves may decide to consume differently as they are not obliged to dine in the corporate restaurant provided by their employer.

The Group's concession catering business is based on a business-to-consumer model and is therefore particularly sensitive to weaker consumer confidence and reduced

spending. It is also closely linked to the travel industry and is affected by factors that may cause a decline in that industry. Lower disposable income, increased unemployment, a rise in oil prices, higher interest rates, inflation, deflation and increased consumer debt levels can all incite individuals to spend less, particularly on discretionary purchases associated with light retail in concessions areas. Travel is also largely a discretionary expense, and traditionally experiences a downturn when economic conditions are poor. Moreover, opportunities to expand the Group's concession catering business may be reduced due to scaled-back development of travel facilities during a downturn in the economy.

The Group's financial and operating performance, in particular in the concession catering business, has been adversely affected by these trends in the past and could be further adversely affected by a worsening of general economic conditions in the markets in which it operates, as well as by international trading market conditions and/or related factors. The Group is especially sensitive to economic conditions in Europe, particularly in France, Spain, Italy and Portugal, where it derives a significant portion of its revenue, and to a lesser extent in the United Kingdom, where its concession catering operations are not extensive. The Group generates 50% of its revenue in France, 14% in Spain and Portugal and 14% in Italy. Its European operations have been affected by the region's weak economic performance since 2008. In Spain, for instance, the concession catering market experienced a severe contraction directly linked to a decrease in traffic on toll motorways, reduced passenger volumes in railway stations and airports and generally lower average customer spend. As a result of these unfavorable economic conditions the Group wrote down goodwill relating to Areas by €25.0 million at September 30, 2013 and €63.0 million at September 30, 2012 (for further details on risks related to goodwill, see Section 3.2.1.2.15 below). The Group's ability to maintain growth in the countries in which it operates will depend on the capacity of these countries to recover from the recession in Europe and the global economic slowdown, and also on increases in demand for the Group's services in these markets. The economies of the countries in which it operates may not experience growth in the future, demand for the Group's services in these markets may not increase and further expansion into new markets outside of the Group's primary markets may not be successful. For example, while the International Monetary Fund has revised its world growth forecasts downwards, the Eurozone's growth figures have remained relatively stable. The Group may not be able to sustain its current revenue or profit levels if adverse economic events or circumstances occur or continue to occur in the countries in which it operates.

Despite these conditions, the Group believes that measures implemented by the Spanish and Italian governments have had a positive impact on these countries' economies, which in turn has resulted in an improvement in the Group's average days' sales outstanding ratios, which have decreased by 11 days in Italy, going from 98 days to 87, and by 9 days in Spain, from 99 days to 90. The Group has taken assertive measures in Southern Europe and also in France in order to lessen the effects of the economic slump on its results of operations in these countries. These measures have aimed at significantly reducing the Group' labor costs, by actively right-sizing employee numbers and working hours, and negotiating reductions in labor costs with employee representatives in Spain and Italy.

Lastly, the Group has put in place a number of processes and procedures with a view to managing and/or analyzing these risks, such as defining acceptable minimum returns on investment, harmonized procedures for drawing up bids (adapted to the Group's various businesses), internal approval processes prior to lodging bids, and processes for identifying the risks accepted in validated bids. In addition, *a posteriori* checks are carried out between the commercial proposal and the actual situation during the performance of the corresponding contract.

The Group has also set up "business watch" teams that monitor economic conditions on an ongoing basis in order to anticipate changes in the macro-economic environment wherever possible.

3.2.1.1.3 The Group faces a dynamic competitive landscape marked by intense competition from a variety of players. If it is unable to compete successfully with its competitors and adapt to changing market conditions, this could result in a loss of market share, decreased revenue and/or lower profitability.

The Group faces significant competition from a variety of companies across both of its business lines, and its success is dependent upon its ability to demonstrate the quality and cost value of its services. In the contract catering & services business line, competitors range from small, local businesses to multinationals with substantial financial resources. In each market in which the contract catering & services businesses are operated, the Group competes based on several factors, including the depth and scope of its services, the skills and training of its personnel, its ability to tailor services to a customer's particular needs and its ability to manage costs effectively. The concession catering business competes with national and international operators of food,

beverage and retail concessions, where distinguishing factors include the ability to undertake significant capital expenditure necessary for starting up a concession site, marketing expertise and the scope of a concession operator's brand offering. If the Group's customers do not perceive the quality and cost value of its services, or if there is insufficient demand for new services, this could have a material adverse effect on its business, results of operations and financial position.

In addition, some of the markets in which the Group operates its businesses remain highly fragmented despite some degree of consolidation. Over time, competitors could consolidate, and the diversified service offerings or increased synergies of those consolidated businesses could intensify the competition faced by the Group. Any failure to adapt successfully to these or other changes in the competitive landscape could result in a loss of market share, decreased revenue and/or a decline in profitability, and could thus have a material adverse effect on the Group's business, results of operations, financial position or outlook.

The majority of the Group's business units have "business watch" teams that monitor market trends on an ongoing basis. This helps the Group to develop innovative offerings, which are underpinned by a portfolio of directly-owned and franchised brands that are constantly evolving.

Customer satisfaction surveys are regularly launched and their results carefully analyzed, and the contract catering business units have a specific CRM (Customer Relationship Management) system.

Lastly, the Group is currently focusing in particular on integrating into its businesses the systems and possibilities offered by new media.

3.2.1.1.4 Events beyond the Group's control that cause a reduction in travel, including terrorist attacks, pandemics and natural disasters, could have a material adverse effect on the Group's concession catering business.

The Group's concession catering business is largely dependent on sales to travelers. Consequently, it is likely to be adversely affected by any event or series of events that disrupts travel or causes a reduction in travel.

The travel and leisure sector is particularly sensitive to economic factors beyond the Group's control. See Section 3.2.1.1.2 above, "Risks related to unfavorable economic conditions". For example, high or rising oil prices may inhibit sales growth due to higher airline ticket prices caused by fuel surcharges. Similarly, higher gas prices for motorway travelers and a generally increased cost of living may restrict the disposable income of the Group's concession catering customers or reduce consumer confidence.

The travel sector is also subject to risks related to travelers' perception of safety. The occurrence of any one of a number of events beyond the Group's control such as armed conflicts, terrorist attacks, pandemics, severe weather conditions, natural disasters or accidents could lead to a reduction in the number of air, railway or motorway travelers on a global, regional or local level.

Further, any disruption to or suspension of services provided by airlines or train operators as a result of financial difficulties, labor disputes, construction work, increased security or otherwise, could have a material adverse effect on the number of air and rail passengers.

Any of the events described above, were they to cause a reduction in travel, would be likely to result in a decrease in concession catering sales and could have a material adverse effect on the Group's business, financial position and results of operations.

3.2.1.2 Risks related to the Group's Business

3.2.1.2.1 The Group's contract catering business is reliant on key suppliers and a disruption of the supply chain could have a material adverse effect on its results of operations.

The Group relies on its relationships with suppliers of both food and non-food items in the operation of its businesses.

Except in Spain and Italy, where the contract catering and concession catering businesses each have their own purchasing organization, the Group has put in place central purchasing structures in the countries in which it operates which manage the needs of each of its businesses. For around 60% of the Group's purchases, master agreements have been signed with the main distribution platforms that serve as warehouses between suppliers and the Group's central kitchens or concession catering sites.

Although supplies are obtained from a range of sources, the Group is particularly reliant on a handful of key suppliers in certain of the markets in which it operates. In France, in 2014-2015, the top supplier represented 22% of

the Group's purchases. The Group's top five suppliers represent 44% of purchases in France and the top ten account for 58%. If the Group were to lose the ability to purchase from a key supplier, it would be more difficult for it to meet its supply needs unless it rapidly found a substitute supplier. Consolidation among suppliers, if it were to occur, would further reduce the number of supply sources for the Group. In addition, in the event of a dispute with any supplier or if a supplier were to experience financial difficulties, delivery of a significant quantity of supplies could be delayed or cancelled, or the Group could be forced to purchase supplies at a higher price from other suppliers. Such events could cause a decrease in revenue and an increase in costs, thereby adversely affecting the Group's business, results of operations and financial position.

In addition, a number of factors beyond the Group's control and the control of its suppliers may harm or disrupt its supply chain. Such factors include unfavorable weather conditions or natural disasters (notably in certain regions of the United States that are prone to earthquakes or hurricanes), government action, fire, terrorism, the outbreak or escalation of armed conflicts, pandemics, workplace accidents or other occupational health and safety issues, labor actions or customs or import restrictions. Any failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, could have a material adverse effect on the Group's business, results of operations and financial position, as well as requiring additional resources to restore the Group's supply chain.

3.2.1.2.2 Ability to attract, retain and motivate key personnel

The Group is reliant on site, regional, divisional and senior management teams and other key personnel for the successful operation of its businesses.

The success of the Group's operations depends on the skills, experience, efforts and policies of its corporate officers and the continued active participation of a relatively small group of senior management personnel. If the services of all or some of these executives were to be lost, this could harm the Group's operations and impair efforts to expand its business. If one or more key executives leaves the Group, a replacement will have to be hired with the necessary qualifications to carry out the Group's strategy, if such a replacement is not available within the Group. Because competition for skilled employees is intense, and the process of finding qualified individuals can be lengthy and expensive, the Group believes that the loss of the services of key executives and employees could have a material adverse effect on its business, results of operations and financial position. The Group cannot provide assurance that it will continue to retain such key executives and employees.

The Group relies on skilled and experienced managerial personnel at each level of the organization to ensure that its operations are carried out in an effective, cost-efficient manner. Site managers are the first point of contact with customers in both the contract catering and concession catering businesses and are key to maintaining good customer relations. They also have primary responsibility for evaluating and managing costs at each of the Group's restaurants and points of sale and for guaranteeing service quality and compliance with customer specifications. District, regional and national managers coordinate restaurants and retail outlets and ensure that large-scale operational plans and/or capital expenditure projects are carried out efficiently, in line with Group instructions and policies. Finally, the Group depends on its senior management's skills and experience in coordinating its businesses, implementing large capital expenditure programs and formulating, evaluating and implementing new strategies.

In order for its management model to operate successfully, the Group relies on its ability to attract, train and retain qualified personnel. If one or more executives are unable or unwilling to continue in their current positions, the Group may not be able to replace them easily or provide their potential replacements with the training necessary to carry out their missions. If the Group is unable to hire or retain personnel with the requisite expertise or train such individuals effectively, it may be unable to operate its business and this would have a material adverse effect on its results of operations and financial position.

In order to attract and retain high quality personnel the Group has set up a career management system called "Elior Talent" as well as numerous training programs adapted to its various professions and countries. Job descriptions have also been drawn up and are regularly updated.

The Group's compensation policy is regularly benchmarked against other market players and salaries generally include a variable portion based on the achievement of targets.

The employment contracts of managerial staff often include a non-compete clause.

3.2.1.2.3 The Group faces risks associated with entry into new markets or any acquisition of businesses or divestment of business units that the Group may undertake as part of its strategy.

The Group has engaged in the past in strategic and targeted acquisitions as part of its growth strategy in each of its contract catering & services and concession catering business lines. It intends to continue to develop and expand its businesses through further acquisitions, notably in the United States, and to seek new growth opportunities in Northern Europe, the Middle East and Asia. The Group has uncommitted revolving credit facilities amounting to €300 million and US$ 250 million to finance its future acquisitions. Any inability by the Group to complete acquisitions or integrate acquired companies successfully may render it less competitive. The preparation and completion of acquisitions may require significant input from the Group's management teams and divert management and financial resources away from the day-to-day running of the business. Among the risks associated with acquisitions that could have a material adverse effect on the Group's business, results of operations and financial position, are the following related to acquisition opportunities:

- the Group may not find suitable acquisition targets;
- the Group may not plan or manage a particular acquisition effectively;
- the Group may be unable to arrange financing for an acquisition, or to obtain financing on satisfactory terms;
- the Group may face increased competition for acquisitions as markets in which it operates undergo continuing consolidation; and
- the Group may overpay for the acquisition target.

The Group is also exposed to the following risks related to the acquisitions themselves:

- it may not be able to retain the acquired business's key personnel or key customer contracts (which, in the case of such contracts, can be due to a "change of control" clause);
- it may encounter unanticipated events, circumstances or legal liabilities related to the acquired businesses for which it may be liable as the successor owner, controlling entity or operator in spite of any due diligence it conducted prior to the acquisition;
- labor laws in certain countries may require the Group to retain more employees than would otherwise be optimal from entities it acquires;
- future acquisitions could result in the Group incurring additional debt and related interest expense or contingent liabilities and amortization expenses related to intangible assets, which could have a material adverse effect on its financial position, results of operations and/or cash flow;
- future acquisitions could result in the assumption of liabilities in excess of those valued during the due diligence phase, notably relating to disputes and litigation;
- future acquisitions may be subject to approval by antitrust or competition authorities, which may seriously delay or even prevent completion of the transaction;
- an acquisition may not achieve anticipated synergies or other expected benefits, or may give rise to higher risks than identified during the acquisition process;
- it may incur substantial costs, delays or other operational or financial problems in integrating acquired businesses, such as costs and issues relating to managing, hiring and training new personnel, the integration of information technology and reporting, accounting and internal control systems or problems coordinating supply chain arrangements; in some cases the costs incurred may not be offset by the profit generated by the acquired businesses;
- it may incur costs associated with developing appropriate risk management and internal control structures for acquisitions in a new market, or understanding and complying with a new regulatory environment;
- additional investments may be needed in order to understand new markets and follow trends in those markets in order to compete effectively;
- it may have a reduced ability to predict the future performance of an acquired business in the event it has less experience in the acquired business's market than in its existing markets, particularly if it underestimates the level and extent of market competition; and
- acquisitions may divert management's attention from running existing businesses.

The Group may also face risks in relation to any divestments it may undertake. Divestments could result in losses and write-downs of goodwill and other intangible assets. The Group may encounter unanticipated events or delays and retain or incur legal liabilities related to the divested business with respect to employees, customers,

suppliers, subcontractors, public authorities or other parties. Any of these events could have a material adverse effect on the Group's business, results of operations and financial position.

In order to mitigate acquisition-related risk, the Group systematically performs due diligences on target companies. These due diligences are performed either by in-house teams or external consultants.

The first stage of any acquisition involves analyzing the target's business plan. These analyses systematically include a review of issues such as earnings growth, potential synergies, action plans and the target's image (brand image, corporate culture, repeat business, etc.).

3.2.1.2.4 The Group may be held liable for the actions of its employees.

As a provider of outsourced services through its contract catering & services business line and as an operator of food and beverage and retail outlets through its concession catering business line, the Group is reliant on a large workforce whose actions have a direct impact on consumers and/or who provide services at its customers' premises. In addition, in all of its businesses the Group provides facilities that are accessible to the public either at its own or its customers' premises. As a result, the Group may be subject to claims in connection with damage to a customer's property, interruptions of a customer's business, the spread of infections at healthcare facilities, food contamination, violations of environmental and/or occupational health and safety regulations, unauthorized use of a customer's property, willful misconduct or other tortious acts by its employees or people who have gained unauthorized access to premises through it. Such claims may be substantial and may result in adverse publicity for the Group. Moreover, such claims may not be fully covered by insurance policies. These claims could have a material adverse effect on the Group's business, results of operations and financial position.

3.2.1.2.5 Some of the Group's concession catering contracts provide for minimum guaranteed payments to concession grantors; if the Group was unable to generate sufficient revenue at a concession site to meet such guaranteed payments, its results of operations could be adversely affected.

Pursuant to the terms of its concession catering contracts, the Group pays to the concession grantor a fee for the right to operate points of sale at the concession site. This fee is typically determined based on the revenue generated by the Group at its retail outlets. Revenue or profits at concession catering outlets may be lower than forecast due to higher-than-expected operating costs, lower passenger traffic, changes in passenger flows or a decrease in travelers' purchasing power. For this reason, some concession grantors negotiate a minimum amount that must be paid by the concession holder, regardless of the actual revenue generated. This could result in the expenses associated with a concession site being disproportionate to the Group's revenue at the site. If such a situation were to occur and the Group were unable to renegotiate the terms of the contract, its results of operations could be adversely affected.

3.2.1.2.6 Risk of revenue growth not keeping up with increases in the Group's main operating costs (labor and raw materials, including oil)

If the Group were unable to manage and control its food costs, information systems costs or labor costs (notably as a result of any labor actions), this could have a material adverse effect on its businesses.

Outsourcing is a key trend underpinning the demand for services provided by the Group. Maintaining low costs while being able to provide a wide array of services is essential for the successful operation of any outsourced business. Customers will choose this solution only if they perceive that outsourcing will enable them to obtain higher quality services at a lower overall cost and permit them to focus on their core business activities.

Food costs are a key element of the Group's operating expenses. Its contract catering business and, to a lesser extent, its concession catering business rely on its ability to purchase food supplies and prepare meals on a cost-efficient basis. Food costs are variable and prices are subject to the risk of inflation. Food price inflation can be driven by several factors, such as scarcity due to poor weather conditions, increased oil and transport prices and overall population growth.

In addition, because its businesses also require that the Group maintain a large workforce, it is particularly sensitive to labor costs. In order to operate efficiently, it is important that staffing levels are predicted accurately and properly managed. The Group's labor costs can also depend on political decisions taken by the relevant authorities to increase or reduce payroll taxes. Staffing needs are determined by studying a number of factors, including the extent of the services to be provided for a customer and the expected attendance at a particular catering site or concession. If the Group overestimates its staffing needs for a particular customer, its operating

margins may be eroded. Labor laws applicable to the Group's business in certain countries are relatively strict. For example, the vast majority of its employees are covered by collective bargaining agreements that set wages and benefits. These agreements are periodically renegotiated and any increases in wages or benefits that could result from these renegotiations would have a material adverse effect on operating costs that the Group may be unable to pass on to any significant extent to its customers or end-consumers.

Because approximately half of its workforce is located in France, the Group's payroll costs are particularly affected by increases in French payroll taxes. However, the Group's exposure to the risk of an increase in the statutory minimum wage is limited, because only around 2,000 employees in France were paid the minimum wage at September 30, 2015, such that the effect of a 1% increase would not be material at Group level. In addition, the risk is often lessened by the application of annual price escalation clauses contained in the Group's contracts that are based notably on increases in labor cost indexes. Moreover, in many cases, labor laws provide for other strong protections of employees' interests, requiring that the Group consult with unions, works councils or other bodies in developing or restructuring certain aspects of its business. These labor laws and consultation procedures could restrict the Group's flexibility with respect to its employment policy or reorganization plans, and could limit its ability to respond effectively to market changes; furthermore, they are not a guarantee against negative reactions from employees and employees' representative bodies. Although the Group believes its relations with its employees are generally good, it runs the risk of labor disputes potentially leading to strikes and other forms of labor action that may cause serious disruption to its operations and may require costly settlements. Additionally, the Group may be affected by work stoppages at its customers' facilities or at concession sites. Any prolonged strikes or other labor actions could have a material adverse effect on the Group's business, results of operations and financial position.

Another contributing factor to the Group's costs is the implementation and maintenance of systems necessary to run its worldwide operations in an orderly fashion. For example, the Group maintains complex group-wide information technology systems in order to monitor sales at contract catering and concession catering restaurants and points of sale, as well as to track customer accounts and implement accounting controls and procedures. The Group relies on its software providers and in-house information technology team to maintain reliable systems at the lowest possible cost and limit overheads that would otherwise have to be passed on to customers or reflected in the pricing of its concession catering and contract catering bids.

The Group's ability to pass on increased costs in its contract catering & services business line is determined by the terms of its contracts. The amount of risk borne by the Group due to changes in costs and probable margins varies depending on the type of contract under which the services are provided. Although many contracts allow the Group to renegotiate pricing terms periodically to reflect increases in the cost of goods, it may be unable to do so in a timely fashion, if at all, exposing it to losses due to higher-than-expected costs during the renegotiation period and possibly for longer. Even if the Group is able to shift the burden of higher costs to its customers, it may lose market share due to a decline in the perceived value of its services. Any failure on its part to control costs or adapt to higher costs could have a material adverse effect on its business, results of operations and financial position.

With a view to managing its margins as closely as possible, the Group carries out an annual budget procedure that requires approvals and validations at several different levels. In the near future it also plans to put in place a rolling forecast system in order to round out this procedure.

Group- performance reviews are carried out on a monthly basis and any necessary corrective measures are subsequently implemented and tracked. A strict purchasing policy has also been put in place (covering issues such as large-scale procurement, prices and product ranges) and employees are required to respect precise instructions set out in technical datasheets at production sites.

Various internal and public indices are regularly tracked and wherever possible indexation clauses are included the Group's contracts with its customers.

In concession catering and retail operations, price changes are generally subject to restrictions that may be set by the concession grantors.

3.2.1.2.7 The Group may not be able to win new contracts and the contracts that the Group does win may not yield the results that it expects.

The success of each of the Group's businesses relies upon its ability to generate organic growth by winning new business from customers who choose to outsource and from concessions grantors.

Most contract catering & services and concession catering business is generated from a competitive bidding process between the Group and several other service providers. In order to be awarded a contract, the Group must be able to demonstrate its value proposition effectively. It devotes significant time and effort and incurs substantial costs in preparing a bid or a proposal for a competitive bidding process. These costs may not be recouped if the Group is not successful in its bid.

Even if a bid is successful, the contract may not yield the expected results. Although the Group thoroughly researches each opportunity to enter into a new contract to ensure that it is aligned with its overall strategic and financial objectives, it may not be able to fully evaluate the contract until operations begin. Ultimately the potential for revenue may not sufficiently outweigh the costs of providing catering or support services or of operating at a particular concession site. While contract terms are negotiated to mitigate exposure to losses, for example by including price escalation clauses based on changes in food and labor costs and capital outlay, the Group may have no choice but to terminate a contract that is unprofitable. However, its ability to terminate its contracts may be limited. For example, its contract catering & services contracts with public entities are difficult to terminate because of certain contractual provisions that are required by law to be included in public sector contracts. Additionally, certain of its concession catering contracts cover long periods and their termination may be difficult or complicated. If the Group underestimates the cost of providing its services under a particular contract and is unable to terminate or renegotiate the contract, it could incur significant losses that could have a material adverse effect on its business, results of operations and financial position.

3.2.1.2.8 The early termination of a significant number of customer contracts or decisions by customers not to renew their contracts may have a material adverse effect on the Group's contract catering & services and concession catering business lines.

The Group conducts business with its contract catering & services customers under contracts that either have a stated term or may be terminated with advance notice. Contracts may be terminated, or not renewed, if one of the Group's competitors offers the same service for a lower price. The Group cannot predict whether a customer will choose to cancel a contract or allow it to lapse. Moreover, even if contracts are renewed, their new terms may be less advantageous than previously or they may require the Group to incur significant capital expenditure. Customers may also decide to insource services previously outsourced to the Group. For example at the end of 2013, a large customer in the United Kingdom announced that it had made a strategic decision to insource the catering services previously outsourced to the Group. Although this termination did not have a material adverse effect on the Group, notwithstanding the Group's general efforts to mitigate its exposure to any single customer in each of its markets, the loss of a large contract or the loss of multiple contracts simultaneously could have a material adverse effect on its results of operations and financial position. Furthermore, customer dissatisfaction with the Group's services could damage its reputation and negatively impact its ability to win new contracts, which could also have a material adverse effect on its business, results of operations and financial position.

In order to reduce the risk of losing major contracts, the Group has put in place procedures aimed at anticipating negotiations with the customer during the course of the contract. As part of this approach a process has been set up to identify "key account" customers, and dedicated teams are assigned to these customers in the various business units. In addition a customer loyalty strategy has been drawn up at Group level and rolled out across all of the businesses.

3.2.1.2.9 The Group may have to write off receivables from customers experiencing financial difficulties.

Across both of its business lines, and notably for contract catering & services, the Group is reliant on customers' ability to pay for its services. If a customer experiences financial difficulties, payments may be significantly delayed and ultimately the Group may not be able to collect the amounts due under its contracts, resulting in bad debt write-offs. Although provisions are set aside for doubtful accounts, there can be no assurance that such provisions adequately cover the Group's credit risks. Significant or recurring bad debts may have a material adverse effect on the Group's financial position and results of operations.

Customer credit risk is closely monitored and controlled via a DSO (Daily Sales Outstanding) reporting system that covers all of the Group's business units. Additionally, securitization and factoring programs have been set up, primarily in the Group's European contract catering entities.

3.2.1.2.10 An inability to enter into or enforce the terms of franchise agreements would adversely affect the Group's concession catering business.

Brands form a key element of the Group's concession catering business strategy. Through franchise agreements, the Group is able to license well-known food, beverage and retail brands for use in concession areas that it operates worldwide. When the Group bids for a concession contract, it assembles a portfolio of brands to match the specifications set by the concession grantor. The Group believes customers are specifically drawn to well-known, main-street brands, thereby making the ability to offer such brands a key factor in generating revenue. As a result, concession grantors look specifically to the brand portfolio proposed by a bidder when considering whether to award a contract. The Group is party to a certain number of franchise agreements that provide an exclusive right to use a brand, making its ability to conclude new franchise agreements a key to its success in forming winning bids for new concessions. If the Group is unable to sign franchise agreements on favorable terms, it could prove difficult to expand the concession catering business. Further, the Group is party to franchise agreements that provide a right of first refusal in the use of a brand for a particular bid for new concessions. This enables the Group to have a preferential right to use these brands and thus have the most attractive offer possible compared to its competitors. If a franchisor were to terminate or breach a franchise agreement and the Group were to lose the right to use that particular brand, it could be at a competitive disadvantage with another concession operator bidding for the same contract. Consequently, if the Group were unable to enter into new franchise agreements or enforce the terms of existing franchise agreements, this could have an unfavorable impact on its concession catering business and, as a consequence, may have a material adverse effect on its results of operations and financial position as a whole. Lastly, as the Group does not own the brands used under franchise agreements, it could be indirectly affected by any negative events arising in relation to franchisors and their brands, most of which are beyond its control.

3.2.1.2.11 The Group's international operations may expose it to additional risks.

The Group currently operates in 13 countries worldwide. Because of the international scope of its activities, it is subject to a number of risks and challenges, most of which are beyond its control. These include the management of a decentralized international group and the complexities associated with complying with the legislative and regulatory requirements, including tax rules and labor and social security legislation, of many different jurisdictions. Thus, where local tax rules are complex or their applicability is uncertain, compliance with such rules may lead to unforeseen tax consequences.

In addition, decision-making processes and compliance with local legislation may be rendered more difficult due to conflicting laws and regulations, including those relating to, among other things:

- employment, social security and collective bargaining;
- immigration;
- health and safety;
- public procurement;
- competition; and
- environmental protection.

The Group may also be subject to political and social uncertainties in some of the countries in which it operates or plans to extend its operations. The political systems in those countries may be vulnerable to the public's dissatisfaction with economic reforms, such as austerity measures, leading to social unrest. Any disruption or volatility in the political or social environment in these countries could have a material adverse effect on the Group's business, financial position and results of operations.

The Group delegates considerable operational responsibility to its subsidiaries. Although Group-wide control procedures, reporting policies and codes of conduct have been adopted and individual country operations are visited and audited at regular intervals, the Group may experience incidents in certain countries or regions of managers not complying with its policies, accounting irregularities, unintended accounting misstatements or intentional or unintentional breaches of local legislation, any of which could, individually or collectively, have a material adverse effect on its business, results of operations and financial position.

3.2.1.2.12 The Group's contract catering business relies to a significant extent on its central kitchen facilities. Disruption in the operations of any of its central kitchens could have a material adverse effect on its contract catering business and results of operations.

At September 30, 2015, the Group operated 114 central kitchens – 63 in France, 34 in Italy 16 in Spain and 1 in the United States – in which meals are prepared for delivery to contract catering customers in the education and

healthcare markets. Its central kitchens are strategically located to serve the needs of customers within a specific geographical area. If, as a result of an incident such as fire or a labor dispute, a central kitchen is put out of operation for an extended period of time, it would be difficult to fulfill contractual obligations to the contract catering customers that particular central kitchen serves, especially in markets where meals are prepared hot for immediate delivery to contract catering sites and cannot therefore be transported over extended distances. Such a disruption in operations, if it were to occur, could have a material adverse effect on the contract catering business and, therefore, on the Group's results of operations as a whole. Similarly, the business could also be adversely affected if the Group were to lose a contract with a public authority that allows it to use a central kitchen for preparing meals for said public authority as well as for other parties in return for a fee.

3.2.1.2.13 The Group may incur liabilities that are not covered by insurance.

Various types of insurance policies have been taken out by the Group, including property damage insurance, general liability coverage and directors and officers liability insurance. The Group may not always be able to accurately foresee all activities and situations in order to ensure that they are fully covered by the terms of its insurance policies and, as a result, it may not be covered by insurance in specific instances. While the Group seeks to maintain appropriate levels of cover, not all risks are insurable and it may experience major incidents of a nature that is not covered by insurance. The Group maintains an amount of insurance protection that it believes is adequate, but there can be no assurance that its insurance coverage will be sufficient or effective under all circumstances and against all liabilities to which it may be subject. It could, for example, be subject to substantial claims for damages upon the occurrence of several events within a calendar year, which could have a material adverse effect on its insurance premiums. In addition, its insurance costs may increase over time in response to any negative development in its claims history or due to significant price increases in the insurance market in general. The Group may not be able to maintain its current insurance coverage or do so at a reasonable cost, which could have an adverse effect on its business, results of operations and financial position.

3.2.1.2.14 A financial crisis in a particular geographic region, industry or economic sector may have a material adverse effect on the Group's ability to borrow from banks or raise funds in the capital markets or otherwise.

The Group's ability to borrow from banks or raise funds in the capital markets or otherwise to meet its financing requirements is dependent on favorable market conditions. Financial crises in particular geographic regions, industries or economic sectors have led, in the recent past, and could lead in the future to sharp declines in currencies, stock markets and other asset prices, in turn threatening affected financial systems and economies.

For instance, during recent years, global credit markets have tightened significantly, initially prompted by concerns over the United States subprime mortgage crisis and the valuation and liquidity of mortgage-backed securities and other financial instruments, such as asset-backed commercial paper, and later spreading to various other areas. In addition, the persistent doubts of the financial community about the ability of some countries to refinance their government debt and reduce their public deficit could trigger a general market slowdown that may have a material adverse effect on the Group's ability to borrow from banks or raise funds in the capital markets and could therefore significantly increase the costs of such borrowing. If sufficient sources of financing are not available in the future for these or other reasons, the Group may be unable to meet its financing needs, which could have a material adverse effect on its business, results of operations and financial position.

3.2.1.2.15 The Group has recorded a significant amount of goodwill and it may never realize the full amount thereof.

The Group has recorded a significant amount of goodwill. Total goodwill, which represents the excess of acquisition cost over the fair value of the net assets of businesses acquired, was €2,376.02 million at September 30, 2015, representing 49.9% of its total assets. Goodwill is recorded on the acquisition date and, in accordance with IFRS, is tested for impairment annually and whenever there is any indication of impairment. Impairment may result from a deterioration in the acquired business's performance, a decline in expected future cash flows, adverse market conditions, adverse changes in applicable laws and regulations and a variety of other factors. The amount of any goodwill impairment is expensed immediately as a charge to the income statement and may not be subsequently reversed. For example, the Group recognized a €25 million goodwill impairment loss in its

financial statements for the year ended September 30, 2013 and it cannot guarantee that it will not have to recognize further impairment losses in the future. Any future impairment of goodwill may result in material reductions of its profit and equity under IFRS. The goodwill impairment loss of €25.0 million for the year ended September 30, 2013 related to Areas' goodwill and was recognized after a similar impairment loss of €63.0 million was recognized in the year ended September 30, 2012 against the goodwill related to Areas Spain and Portugal. After these impairment losses, the residual value of the goodwill related to Areas Spain and Portugal was €116 million at September 30, 2015, unchanged from one year earlier.

3.2.1.2.16 The Group relies on its computer systems to conduct its business. Any instances of systems under-performance or failure could adversely affect the Group's business.

The Group relies on numerous computer systems that allow it to track and bill or record its services and costs, manage payroll and gather information upon which management bases its decisions regarding the Group's business. The administration of its business is increasingly dependent on the use of these systems. Consequently, any system failure or down-time resulting from computer viruses, hackers or other causes, or the Group's dependence on certain IT suppliers, could have an adverse effect on its business, results of operations and financial position.

3.2.1.3 Risks Related to the Group's Financial Structure and Profile

3.2.1.3.1 The Group's leverage may affect its ability to finance its operations and growth, and could have a material adverse effect on its financial position

The Group's leverage may be qualified as reasonable. At September 30, 2015, it had total debt of €1,654.0 million (see Section 4.6.1.2.2, "Financial Liabilities" of this Registration Document). However, its indebtedness could have negative consequences. In particular:

- the Group could be required to dedicate a substantial portion of its cash flow from operations to servicing its debt, thus reducing the availability of free cash flow to fund organic growth and capital expenditure and for other general corporate purposes;
- the Group's vulnerability to a downturn in its business or economic conditions may be increased;
- the Group may be put at a competitive disadvantage compared to other market players that have less debt in relation to cash flow;
- the Group may have less flexibility in planning for or reacting to changes in its business and industry;
- the Group may have a reduced ability to invest in expanding its business, notably with a view to modernizing and extending its network;
- the Group's ability to exploit certain business opportunities may be restricted; and
- the Group and its subsidiaries may have a reduced ability to borrow additional funds or raise equity capital in the future and the costs of such additional financing may be higher.

These risks could have a material adverse effect on the Group's business, results of operations and financial position. The Group is exposed to the risk of fluctuations in interest rates because the majority of its debt is indexed to the Euro Interbank Offered Rate ("Euribor") plus an applicable margin. See Section 3.2.1.5.2 "Interest Rate Risk" below for a definition of Euribor. In addition to fluctuations in Euribor (see Section 3.2.1.5.2 "Interest Rate Risk" below), the margins applicable on some of the credit facilities put in place under the Senior Facility Agreement – which account for a significant portion of the Group's overall debt – will increase in line with any rises in the Group's leverage ratio (see Section 4.5.1, "Liquidity and Capital Resources" of this Registration Document).

In order to effectively manage the Group's debt, several reporting schedules are analyzed on a monthly basis including schedules relating to revenue, DSO, cash out capex, commitments and disputes. A detailed reporting schedule on the Group's net debt is prepared each month and the main lines are monitored weekly.

3.2.1.3.2 As a holding company, the Company depends on the ability of its operating subsidiaries to generate profit and service debt. Any decrease in their profit or any restriction of their ability to repay their borrowings could have a material adverse effect on the Group's financial flexibility.

The Company is a holding company and conducts its business indirectly through its operating subsidiaries (see Section 1.4 "Organizational Structure" of this Registration Document). These operating subsidiaries own the Group's assets and generate the vast majority of

its profits and cash flows. If the subsidiaries' profits decrease, the Group's profit and cash flows will be affected, and the subsidiaries concerned may not be in a position to meet their obligations (notably to service their debts) or to make dividend payments to the Company or its intermediate subsidiaries. The Company's cash flows primarily consist of dividends from its subsidiaries as well as interest on and repayments of intra-group loans. The ability of its subsidiaries to make these payments will be dependent on various economic, commercial, contractual, legal and regulatory considerations. If any of the subsidiaries experiences a decrease in its profits or is unable to make scheduled payments to other Group subsidiaries or to the Company, this could have a material adverse effect on the ability of the subsidiaries concerned to repay their borrowings and meet their other obligations, which in turn could have a material adverse effect on the Group's business, results of operations and financial position.

3.2.1.3.3 A number of negative covenants in subsidiaries' financing agreements may restrict the Group's ability to operate its business.

The Senior Facility Agreement requires the Group to comply with certain customary negative covenants and financial ratios (see Section 4.5.1, "Liquidity and Capital Resources" of this Registration Document).

In addition, the Indenture and Covenant Agreement for the High Yield Notes issue include clauses that notably restrict the Group's ability to carry out certain transactions (see Section 4.5.2, "Senior Facility Agreement").

The restrictions in the Senior Facility Agreement, the Indenture, the Covenant Agreement and the documentation for the Group's securitization programs could affect its ability to operate its business and may limit its capacity to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect the Group's ability to finance its operations and capital expenditure, make strategic acquisitions, investments or alliances, restructure the organization or finance its capital needs. Additionally, its ability to comply with these covenants and restrictions may be affected by events beyond its control, such as prevailing economic, financial and industry conditions. If the Group breaches any of these covenants or restrictions, it could be in default under the above-mentioned agreements.

If there is an event of default under any of the Group's debt instruments that is not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and/or cause all amounts outstanding with respect to such debt to be due and payable immediately, which in turn could result in cross defaults under its other debt instruments. Any such actions could have a material adverse impact on the Group and could even force it into bankruptcy or liquidation.

3.2.1.4 Legal and Regulatory Risks

3.2.1.4.1 Risk of non-compliance with hygiene, health and safety, and labor laws and regulations

The Group is subject to constraining and complex laws and regulations in certain of the countries in which it operates – notably labor laws and regulations – and changes in or violations of such laws and regulations may adversely affect its business and profitability.

Labor laws and regulations have a significant effect on the Group's operations because of the size of its workforce (which, at September 30, 2015, comprised approximately 108,000 employees) and payroll costs (which represented 44.6% of consolidated revenue for the year ended September 30, 2015). The vast majority of the Group's workforce is based in France, Italy and Spain, where labor laws are highly protective of employees. Labor laws and regulations may not be clear, leaving substantial room for interpretation by employers and employees as well as by the courts and regulatory authorities. If a court or regulatory authority were to interpret a legal or regulatory labor-related obligation in a manner contrary to the manner in which the Group has employed its workers, or if the Group were to be found to be in violation of labor laws or regulations, it could incur significant additional operating costs or liabilities. Any changes in labor and employment laws and regulations may also subject the Group to substantial compliance costs. If any of these events were to occur, the Group's results of operations and financial position could be adversely affected.

Generally, the Group's results could be negatively affected by changes in the legal or regulatory environment in certain domains. For example, any change in the rules relating to school hours could have an adverse effect in the education market within its contract catering & services business line. Similarly, a reduction in the duration of vacations could adversely impact the Group's concession catering business due to the fall in the volume of traveler and passenger traffic that such a change would entail.

The Group's business units have a supervisory body that oversees workplace health and safety and have access to

internal or external experts who monitor and advise on changes in labor laws and regulations.

3.2.1.4.2 The Group's public sector contracts may be affected by political and administrative decisions.

The Group derives a significant portion of its revenue in each of its businesses from contracts with government entities and other public sector organizations. The Group estimates that these contracts represent approximately 36% of revenue for the contract catering & services business line. Business generated by public sector customers may be affected by political and administrative decisions regarding levels of public spending, particularly in light of the current attention in certain of the countries in which the Group operates to reducing national and local government budget deficits. Decisions to reduce public spending may result in the termination or downscaling of public sector contracts, which could have a material adverse effect on the Group's results of operations. The Group has also experienced delays in collecting amounts due to it under contracts with public entities in Spain and Italy. Although none of its public entity customers have defaulted on their payments, any difficulties the Group may have in collecting amounts due under its contracts could have a material adverse effect on its business and results of operations.

In addition, contracts in the public sector are subject to review and monitoring by local authorities to ensure compliance with laws and regulations prohibiting anti-competitive and unethical practices. Any failure to comply with such laws and regulations could result in fines, penalties and other sanctions, including exclusion from participation in tenders for public contracts. Any such event would have a material adverse effect on the Group's reputation, business, results of operations and financial position.

3.2.1.4.3 The adverse outcome of material litigation could have a negative financial impact and an unfavorable impact on the Group's customer base and reputation.

The Group has been involved, and may be involved in the future, in various legal proceedings arising in the ordinary course of its business, including disputes concerning professional liability and disputes with employees. For example, the Group is currently involved in proceedings for alleged violation of antitrust laws in Italy and in France. Some of the proceedings against it may involve claims for substantial amounts and could divert management's attention from day-to-day business operations to address such issues. Proceedings may result in substantial monetary damages, damage to the Group's reputation and reduced demand for its services, all of which could have a material adverse effect on its financial position, results of operations and/or cash flows in the period(s) in which the outcome of such matters is determined and/or the related amounts are settled.

In early 2014, the French antitrust authorities launched an investigation into 15 companies, including Elior Services Propreté et Santé, with a view to determining whether the companies concerned had engaged in anti-competitive practices in the industrial cleaning sector, notably in relation to an invitation to tender organized by the Ministry of Defense's aeronautical manufacturing division which was won by one of Elior Services Propreté et Santé's competitors. At the date of this Registration Document the investigation proceedings were still under way and no related provision had been recognized in the consolidated financial statements.

On March 18, 2014, the Italian antitrust authorities announced that they had decided to launch an investigation concerning MyChef Ristorazione Commerciale S.p.A. and Chef Express S.p.A. in order to determine whether these two companies had acted contrary to EU competition regulations at the time of their participation in 2013 in invitations to tender related to catering concessions on the Italian motorway network. At the time of their announcement the authorities stated that the two companies may have agreed between themselves on a way for each of them to be granted 8 of the 43 catering outlets included in the invitation to tender. The Italian antitrust authorities then issued a decision ordering MyChef to pay a €5 million fine. However, on July 1, 2015 MyChef appealed this decision to the Regional Administrative Court which suspended the payment of the fine and canceled the antitrust authorities' decision. The next hearing for the case has been scheduled for February 24, 2016. At the date of this Registration Document the proceedings were still under way, and in view of the circumstances no related provision had been recognized in the consolidated financial statements.

At the date of this Registration Document, the Group was not aware of any other governmental, judicial or arbitration proceedings, including any pending or potential proceedings, that could have or have had in the last 12 months, a significant impact on the financial situation or profitability of the Company and/or the Group.

3.2.1.4.4 French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest on the Group's debt incurred in France, thus reducing the cash available to service its debt.

Under Article 212 II of the French Tax Code (*Code général des impôts*), the deduction of interest paid on loans from related parties within the meaning of Article 39 (12.) of the French Tax Code, or on loans from a third party that are guaranteed by a related party, is subject to certain restrictions. Deductions for interest paid on such loans may be partially disallowed in the fiscal year during which it accrues if the amount involved exceeds each of the following: (i) the amount of interest multiplied by the ratio of (a) 1.5 times the company's net equity and (b) the average amount of debt owed to related parties (and assimilated debt owed to third parties) over the relevant fiscal year; (ii) 25% of the company's profit before tax and non-recurring items (as adjusted for the purpose of these restrictions); and (iii) the amount of interest received by the borrower from related parties. Deductions may be disallowed for the portion of interest that exceeds, in a given fiscal year, the highest of the above three restrictions if such portion of interest is greater than €150,000.

In addition, Article 209 IX of the French Tax Code restricts deductions for interest incurred by a French company that has acquired shares in another company qualified as a participating interest (*titres de participation*) within the meaning of Article 219 I a *quinquies* of the Tax Code, if it is unable to demonstrate, for the fiscal year(s) covering the twelve months following the purchase of the shares (or the first fiscal year commencing after January 1, 2012 for shares acquired in a fiscal year commencing prior to that date): (i) that decisions concerning the shares are effectively made by the acquirer (or, if applicable, a company that controls the acquirer or a company directly controlled by the acquirer within the meaning of Article L. 233-3 I of the French Commercial Code, that is located in France) and (ii) that the acquirer (or, if applicable, a company that controls the acquirer or a company directly controlled by the acquirer within the meaning of Article L. 233-3 I of the French Commercial Code) exercises control or influence over the acquiree.

In addition, Articles 212 *bis* and 223 B *bis* of the French Tax Code provide for a general restriction on the deductibility of interest with some exceptions. Pursuant to Article 212 *bis* of the Code, only 75% of adjusted net interest expense incurred by French companies that are not members of a French tax group in fiscal years beginning on or after January 1, 2014 (85% in prior years) is deductible from their taxable profit if their interest expense net of interest income exceeds €3 million for the fiscal year concerned. For companies that are members of a tax group, under Article 223 B *bis* of the Code, the deduction limit is determined based on the tax group's taxable profit and is applied to the adjusted sum of net interest expense paid by tax group members on loans from lenders that are not members of the tax group, where the sum of the interest expense net of interest income of the tax group members exceeds €3 million for the fiscal year concerned.

Lastly, pursuant to Article 22 of the French Finance Act for 2014 (*Loi de Finances pour 2014*), for fiscal years ending on or after September 25, 2013, an additional restriction applies to deductions for interest paid to related parties within the meaning of Article 39 (12.) of the French Tax Code. If the lender is a related party within the meaning of Article 39 (12.) of the Code, the French borrower must be able to demonstrate, at the request of the French tax authorities, that the lender is liable for corporate or personal income tax on the interest for the fiscal year concerned and that said tax liability is at least equal to 25% of the corporate income tax that would be due under standard French tax rules. If the lender is domiciled or based outside France, the corporate income tax that would be due according to standard French tax rules is the amount the lender would have had to pay on the interest income if it had been domiciled or based in France. Specific rules apply when the lender is a look-through entity (*entité translucide*) within the meaning of French tax law, an undertaking for collective investment in securities (UCITS) governed by Articles L. 214-1 to L. 214-191 of the French Monetary and Financial Code (*Code Monétaire et Financier*) – a category that includes OPCVMs, FIAs, SICAVs, and SPPICAVs with a sole shareholder – or, in some cases, a similar entity governed by the laws of another country.

The tax rules could restrict the Group's ability to deduct interest on its French debt and therefore increase its tax burden, which in turn could have a material adverse effect on its financial position and cash flow.

3.2.1.4.5 The Group qualifies for the French employment incentive tax credit. However, changes in the law or in the application of related accounting rules may have a material adverse effect on the extent to which it benefits from this tax credit.

In December 2012, the French government enacted a competitiveness and employment tax credit (*crédit d'impôt pour la compétitivité et l'emploi*, or "CICE"), as part of its overall policy to support employment in France and

improve the competitiveness of the French economy. The CICE is equal to 4% of gross salaries paid to certain employees in 2013 and increased to 6% for fiscal years beginning on or after January 1, 2014. It is calculated on the basis of gross salaries paid in each calendar year to employees who receive up to 2.5 times the French statutory minimum wage. Eligible salaries are calculated on the basis of regular working hours plus overtime hours (but without taking into account the overtime rate).

In accordance with the accounting rules applicable as of the date of this Registration Document, the Group is able to record the CICE credit as a deduction from personnel costs. It therefore had a positive impact on EBIT and EBITDA in the consolidated financial statements for the year ended September 30, 2015.

The CICE credit for any particular fiscal year may be used to reduce corporate income tax payable for the next three years. Any excess credits not used to offset corporate income tax during that four-year period become fully refundable in cash by the French tax authorities at the end of those four years. However, the Group believes that it should be able to regularly monetize this refund before the end of the four-year period, on a recourse or non-recourse basis, as it did in July 2015 for the 2014 credit. This would provide the Group with additional sources of liquidity in the event of monetization on a recourse basis or with additional net cash from operating activities in the case of non-recourse monetization. Nevertheless, no assurance can be given as to the Group's ability to achieve such monetization.

Further, in light of ongoing budgetary pressures in France, the French government may decide at any time to change its policy and restrict application of the CICE, for example by changing the calculation base, or eliminate it altogether. If the French economy improves, the government may also decide that the CICE is no longer needed to increase employment and enhance the competitiveness of the French economy and as a result may choose to repeal the law that established it, for budgetary or other reasons. There can be no assurance, therefore, that the Group will continue to be able to benefit from the CICE. Any changes to the CICE, including changes in the conditions or requirements companies must satisfy in order to claim the tax credit or any changes in its accounting treatment, may have the effect of reducing or eliminating its positive impact on the Group's results of operations. Finally, certain commercial partners such as customers, suppliers and concession grantors, may increase price pressure on the Group in order to share the benefit of the tax credit, which could have an impact on its revenue and margins and as such reduce or eliminate the positive impact of the CICE.

3.2.1.4.6 The Group is exposed to tax risks

The Group seeks to create value by leveraging the synergies and the commercial strength of a multinational group. In order to do so, it must structure its organization and operations appropriately while respecting the various tax laws and regulations of the jurisdictions in which it operates. Additionally, because tax laws may not provide clear-cut or definitive doctrines, the tax regime applied to the Group's operations and intragroup transactions or reorganizations is sometimes based on its interpretations of tax laws and regulations. The Group cannot guarantee that such interpretations will not be challenged by the relevant tax authorities, which may adversely affect its financial position or results of operations. Tax laws and regulations are subject to change, and new laws and regulations may make it difficult for the Group to restructure its operations in a tax-efficient manner. More generally, any failure to comply with the tax laws or regulations of the countries in which the Group operates may result in reassessments, late interest, fines or other penalties.

Furthermore, the Group may record deferred tax assets on its balance sheet, reflecting future tax savings resulting from differences between the tax and accounting values of assets and liabilities or in respect of the tax loss carryforwards of its subsidiaries. Recovery of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits, and on the future results of the entities concerned. In particular, pursuant to Article 24, I-1° of the 2013 Finance Act no. 2012-1509 (*loi de finances pour 2013*) dated December 29, 2012 – which amends paragraph 3 of Article 209 of the French Tax Code – the portion of French tax loss carryforwards that may be used to offset the portion of taxable profit exceeding €1 million for a given fiscal year was reduced from 60% to 50% for fiscal years ended on or after December 31, 2012. At September 30, 2015, the Group had deferred tax assets of €222.9 million and available tax loss carryforwards of €423.7 million. Deferred tax assets of €144.0 million were recognized for tax loss carryforwards in the year ended September 30, 2015. Any reduction in the ability to recover these assets due to changes in laws and regulations, potential tax reassessments, or lower than expected profits could have a negative impact on the Group's results of operations and financial position.

The services the Group provides to its customers are subject to value added tax, sales taxes or other similar taxes. Tax rates may increase at any time, and any such increase could affect the Group's business and the demand for its services. This in turn could reduce its

operating profit, negatively affecting its results of operations.

3.2.1.4.7 The Group is subject to multiple and complex types of regulation in each of the countries in which it operates and any failure to comply with requirements imposed by the applicable law or other governmental regulations could expose it to lawsuits, investigations and other sources of liability claims and restrictions on its operations that could have a material adverse effect on its business.

The nature of the Group's businesses also subjects it to varying types of local, national and international regulations. The Group's contract catering and concession catering businesses are both subject to regulations concerning food safety and preparation (see Section 3.2.1.1.1 above, "Risks related to food safety", and Section 1.5.5.1, "Food Regulations" of this Registration Document). Through its services business, the Group provides cleaning and other services to companies in highly regulated industries, including the healthcare industry, which accounts for a significant proportion of its services revenue, and the food industry. Due to the sensitive nature of these industries, the Group must comply with particularly strict standards of operation and hygiene. The Group and its customers and suppliers in such industries are subject to highly detailed and restrictive laws and regulations regarding the provision of these services and the safety of facilities. Any failure to comply with such laws and regulations could cause the Group to incur fines, lose contracts or cease operations.

The Group is also subject to workplace safety and environmental regulations. The Group's facilities are subject to inspection at any time, and any allegations of non-compliance with regulations can result in lengthy and costly investigations. Such regulations have tended to become broader and stricter over time – particularly in Europe and the United States – and enforcement has become more stringent. If regulations in the countries in which the Group operates are strengthened in the future, the extent and timing of investments required to maintain compliance may differ from its internal schedule and may limit the availability of funding for other investments. In addition, if the costs of regulatory compliance continue to increase and it is not possible for these additional costs to be passed on in the price of its services, any such changes could reduce the Group's profitability. Changes in regulations or evolving interpretations thereof may result in increased compliance costs, capital expenditure and other financial obligations that could affect the Group's profitability.

3.2.1.4.8 Risks related to agreements entered into with the non-controlling shareholder of Areas

The agreements in force between Areas' shareholders terminated following Elior's acquisition on July 23, 2015 of the non-controlling interest in Areas held by Emesa. Consequently, the risks related to these agreements, as described in the FY 2013-2014 Registration Document and the *Document de Base* no longer exist.

3.2.1.5 Market Risks

3.2.1.5.1 Foreign exchange risk

The Group operates primarily in Eurozone countries. In the year ended September 30, 2015, non-Eurozone countries – essentially the United Kingdom, Mexico and the United States – accounted for over 17% of its consolidated revenue, including 6.7% contributed by the United Kingdom and 10.7% by the United States. The revenues and expenses of Group companies are invoiced and paid in local currencies. Consequently, the Group is exposed to fluctuations in exchange rates that have a direct impact on its consolidated financial statements. This corresponds to transaction risk on income and expenses in foreign currencies and risks related to the conversion into euro of the balance sheets and income statements of foreign subsidiaries located outside the Eurozone.

The Group's sensitivity to changes in exchange rates mainly relates to fluctuations in the value of:

- the pound sterling against the euro: a 5% increase or decrease in this currency compared with the average rate of 0.7433 for the year ended September 30, 2015 would result in a corresponding change in consolidated revenue and recurring operating profit of €18 million and €0.7 million respectively; and
- the U.S. dollar against the euro: a 5% increase or decrease in this currency compared with the average rate of 1.1491 for the year ended September 30, 2015 would result in a corresponding change in consolidated revenue and recurring operating profit of €29 million and €1.4 million respectively.

The Group's external borrowings are primarily denominated in euros, except for the financing set up when THS USA's debt was refinanced in May and June 2015, which principally includes (i) $100 million worth of bonds issued by Elior through a private placement, (ii) the new Facility I put in place under the Senior Facility Agreement, representing an aggregate $100 million, and (iii) the RCF 1 and 2 revolving credit facilities which totaled $250 million at September 30, 2015. This financing is matched by dollar-denominated cash flows generated by THS and Areas US.

3.2.1.5.2 Interest rate risk

The Group is exposed to the risk of fluctuations in interest rates on debt that is indexed to the Euro Interbank Offered Rate ("Euribor") and the US dollar Libor plus an applicable margin. Euribor and Libor could rise significantly in the future, which could increase the Group's interest expense and reduce cash flow available for capital expenditure, as well as hindering its ability to make payments on certain loans. Its loan agreements do not generally include a clause requiring it to hedge all or part of its related exposure to interest rate risk.

In order to manage its interest rate risks, the Group has in the past, and will continue in the future to, set up interest rate swaps and caps. These hedges mitigate (i) the risk of variable interest rates affecting the fair value of the Group's fixed-rate debt, and (ii) the impact of the Group's variable-rate debt on consolidated cash. However, the Group can give no assurance that it will be able to effectively hedge its exposure to fluctuations in interest rates in the future or to continue to set up such hedges at a reasonable cost.

Variable-rate loans represent 84% of the Group's total consolidated debt, and fixed-rate loans – corresponding to €227 million in Senior Secured Notes issued by Elior Finance & Co SCA – represent 16%.

The Group's net exposure to interest rate risk at September 30, 2015, before and after hedging was as follows:

(in € millions) **At September 30, 2015**

	Financial investments[1]		**Debt[2]**		**Net exposure before hedging**		**Interest rate hedging instruments[3]**		**Net exposure after hedging**	
	Fixed rate	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**
Less than 1 year		103.6		106.5	0	2.9			0	2.9
1 to 5 years			227.5	1,069.1	227.5	1,069.1		(950.0)	227.5	119.1
Beyond 5 years				239.5	0	239.5			0	239.5
Total	0	**103.6**	**227.5**	**1,415.0**	**227.5**	**1,311.4**	0	**(950.0)**	**227.5**	**361.4**

(1) Cash investments recorded under marketable securities in the balance sheet.

(2) Corresponding to (i) the syndicated debt of the Company and Elior Participations SCA under the Senior Facility Agreement, (ii) US dollar bond debt related to the private placement, and (iii) short-term bank debt of Areas, and liabilities under the receivables securitization program.

(3) Hedging instruments (swaps) effective throughout FY 2015-2016.

In FY 2014-2015, 72% of the Group's variable-rate debt was hedged.

In view of the relative weighting of the Group's fixed-rate and variable-rate borrowings, the sensitivity of its finance costs to a 1% increase in interest rates is approximately €4.5 million per year. This sensitivity takes into account the hedges currently in place but these hedges have a limited duration and do not protect against fluctuations in interest rates until the maturity dates of the borrowings concerned.

The sensitivity of the Group's debt to fluctuations in interest rates is as follows:

(in € millions)	Year ended September 30, 2015	
	Income statement impact (before tax)	**Equity impact (before tax)**
Impact of a 1% increase in interest rates for the fiscal year	(4.5)	6.0
Impact of a 1% decrease in interest rates[1]	N/A	N/A

(1) Not material – not applicable based on the current Euribor and Libor rates.

3.2.1.5.3 Liquidity Risk

The Group manages its liquidity risk by maintaining adequate reserves, bank lines of credit and standby lines of credit, by preparing cash flow forecasts and monitoring actual cash flows in relation to forecasts, and by aligning the maturity profiles of financial assets and liabilities as far as possible.

The following table shows the breakdown of financial liabilities other than derivative instruments at September 30, 2015 by contractual maturity.

(in € millions)	At September 30, 2015			
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
Medium-term debt – Elior		168.0	32.0	200.0
Medium-term debt – Elior Participations		721.5	118.0	839.5
Sub-total-: bank debt – Elior and Elior Participations	-	**889.5**	**150.0**	**1,039.5**
Elior bond debt (USD private placement)			89.5	89.5
Elior Finance & Co SCA debt		227.5		227.5
Other borrowings[1]	107.4	179.6	0.4	287.4
Obligations under finance leases	4.2	12.6		16.8
Bank overdrafts	2.3			2.3
Current accounts	0.3			0.3
Accrued interest	10.3			10.3
Sub-total – other debt	**124.5**	**419.7**	**89.9**	**634.1**
Total debt	**124.5**	**1,309.2**	**239.9**	**1,673.6**

(1) Including debt under the receivables securitization program

The Group also has access to revolving lines of credit for a total of €300 million and US$ 250 million that can be drawn down at any time. These revolving lines of credit are subject to the customary negative covenants and other commitments (see Section 4.5.1.2.2., "Financial Liabilities" of this Registration Document).

For more information about the Group's liquidity sources, see Section 4.5.1, "Liquidity and Capital Resources" of this Registration Document.

3.2.1.5.4 Credit and/or Counterparty Risk

Credit and/or counterparty risk is the potential that a party to a contract with the Group will fail to meet its obligations in accordance with agreed terms, leading to a financial loss for the Group.

The main financial instruments that could expose the Group to concentrations of counterparty risk are trade receivables, cash and cash equivalents, investments and derivatives. Broadly speaking, the Group's maximum exposure to credit risk corresponds to the carrying amount of all of the financial assets recognized in the consolidated financial statements at September 30, 2014 and 2015, net of any accumulated impairment losses.

The Group considers that it has very low exposure to concentrations of credit risk in relation to trade receivables. The balance sheets of its companies operating in the concession catering business line do not generally include significant amounts of trade receivables. In the contract catering & services business line, there is no material exposure to concentrations of customer credit risk at Group level as the relevant companies have a large number of customers and the geographic locations of

these customers and the operating sites concerned are highly diverse.

The Group enters into hedging agreements only with leading financial institutions and it believes that the risk of any of these counterparties defaulting on their contractual obligations is very low as the financial exposure of each institution is limited.

3.2.1.5.5 Risks related to Equities and Other Financial Instruments

At the date of this Registration Document, the Group did not hold any equities other than shares in non-consolidated companies and companies accounted for by the equity method. Consequently, the Group believes that it is not exposed to any material market risk related to equities and other financial instruments.

3.2.1.6 Insurance and Risk Management

3.2.1.6.1 Insurance

The Group has taken out various types of insurance cover, including property damage insurance, general liability coverage and business interruption insurance. However, certain types of operating risk are not insured, because cover is not available or is only available at a cost that the Group considers unreasonable. In addition, customer credit risks are not insured. The Group regularly takes out various insurance policies for its vehicles, including a policy for non-contractual liability. It has also set up directors and officers liability insurance that does not include any excess. The Group considers that its insurance programs, including the insured amounts and the applicable terms and conditions, provide adequate protection against the risks it faces in the geographic areas in which it operates, taking into account the costs of such insurance and the potential risks to its continuing operations. However, the Group cannot provide any assurance that in the future it will not suffer any losses or be subject to any legal proceedings that are not covered by its existing insurance policies.

Annual insurance premiums paid by the Group in the year ended September 30, 2015 totaled €17.4 million, including Workers Compensation Insurance premiums of €2.8 million in the United States.

3.2.1.6.2 Risk of the internal control system being inefficient or unsuited to the Group's risk exposure

The Group has set up detailed internal control procedures with a view to anticipating and managing the risks to which it is exposed.

The Group is exposed to specific risks related to food safety and the food supply chain (as described in Section 3.2.1.1.1 above) and has therefore implemented internal control processes in each country where it operates in order to ensure the quality of the food used to prepare meals, and compliance with the applicable hygiene and food safety regulations. The Group has also put in place strict processes to ensure the traceability of its products and comply with applicable European regulations. In line with its commitment to applying best practices in the area of hygiene, it has adopted and rolled out HACCP principles (see Section 1.5.5.1. a., “Food Safety and Hygiene” of this Registration Document).

Additionally, the Group is exposed to risks that may reduce travelers’ mobility, such as terrorist attacks, pandemics and natural disasters (as described in Section 3.2.1.1.4 above). However, the potential impact of this risk on the Group’s revenue is attenuated by its broad spread of businesses and wide geographic reach.

As explained in Section 3.2.1.2.1 above, the Group relies on a small number of key suppliers for certain products. If problems were to arise in obtaining supplies from these companies, this could have an adverse effect on the Group’s results of operations. Nonetheless, the Group believes that this risk is fragmented, and therefore mitigated, due to the fact that it is not dependent on global suppliers. Supplier replacement procedures have been set up to deal with an emergency or crisis situation. The geographic dispersion of the Group’s businesses also lessens this risk.

The Group also relies on some key personnel, and its ability to attract, train and retain qualified personnel is a significant factor in its success (see Section 3.2.1.2.2 above). To strengthen employee loyalty, a talent management program has been set up that identifies key managers and tracks their career development.

Acquiring target companies, notably in new markets, can also represent a risk for the Group (see Section 3.2.1.2.3 above). This risk is limited through a selective acquisition policy that focuses on targets offering considerable potential synergies that operate in countries where the Group is already present. In addition, the Group generally gives the acquired company’s key managers a stake in the transaction’s success.

The Group is also exposed to liability risks arising from the actions of its employees, notably in activities that involve handling food products and interaction with the public (see Section 3.2.1.2.4 above). In order to limit this risk, the Group has implemented numerous employee training programs on health and food safety issues as well as on interaction with the public.

The Group believes that it is exposed to a risk of existing contracts not being renewed (see Section 3.2.1.2.8. above). It has implemented an active policy to lessen this risk, namely by setting up teams dedicated to retaining customers and building their loyalty. These teams use customer relationship management (CRM) tools and solutions to reduce contract termination and non-renewal risks and improve customer retention rates.

The Group is also exposed to a default risk in the event that customers experience financial difficulties (see Section 3.2.1.2.9. above). In order to anticipate and respond to these risks, the Group has set up dedicated credit and collection teams to quickly identify past-due payments and default risks and take the appropriate measures. These measures range from dunning procedures to contract terminations in the most serious cases.

The Group also believes that it is faced with two specific risks arising from its presence in numerous countries and its international reach (see Section 3.2.1.2.11 above). The first is the risk of local management failing to comply with applicable regulations. The Group believes, however, that the size of its business in each country where it operates allows it to implement adequate internal control processes to ensure compliance with applicable legal, tax and labor regulations. The second is the risk of political and social instability in the countries where it operates. The Group considers that this risk is limited because the bulk of revenues are generated in countries that are politically and socially stable, mainly in the European Union and the United States.

Finally, the Group considers that it is exposed to a risk of disruption to the operations of its central kitchens that could have a material adverse effect on its results of operations. This risk has been contained by establishing a network of central kitchens in the countries in which the Group operates, helping to ensure that customer commitments continue to be fulfilled in the event that a central kitchen has to be closed temporarily.

3.2.2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

This description of internal control and risk management procedures has been prepared under the responsibility of the Chairman of the Board of Directors and is an integral part of the Chairman's report prepared in application of Article L. 225-37 of the French Commercial Code. It was drawn up with the assistance of the Group Finance Department.

This report covers the Company and all of its consolidated subsidiaries. The information contained in this report is organized as follows:

- procedures underlying the preparation of the description of internal control and risk management procedures;
- the internal control framework adopted by the Group;
- scope of the Group's internal control processes;
- organization of internal control and risk management systems;
- internal control procedures covering the preparation and processing of financial and accounting information.

Internal control procedures covering the preparation and processing of financial and accounting information are referred to in this report as "financial internal control procedures".

3.2.2.1.1 Procedures Underlying the Preparation of the Description of Internal Control and Risk Management Procedures

This description of internal control and risk management procedures has been prepared with input from the Finance, Legal Affairs, Quality and other departments. The various divisions also contributed actively to the description of the internal control system referred to in this report.

This report was drawn up by the Group Finance Department and was approved by the Chairman and Chief Executive Officer. The report and the underlying procedures were reviewed by the Audit Committee on December 8, 2015 and by the Board of Directors on December 10, 2015, and were approved in full by the Board at its meeting on January 19, 2016.

3.2.2.1.2 Internal Control Framework Adopted by the Group

The description of internal control and risk management procedures is based on the five components of internal control defined and published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), as updated in May 2013:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring activities

This internationally recognized model constitutes the Group's control framework.

COSO defines internal control as a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. These objectives cover the main aspects of internal control and may be defined as follows:

- *Operations objectives*: these pertain to the effectiveness and efficiency of the entity's operations, including operational and financial performance goals, and safeguarding assets against loss.
- *Reporting objectives*: these pertain to internal and external financial and non-financial reporting and encompass reliability, timeliness and transparency.
- *Compliance objectives:* these pertain to adherence to laws and regulations to which the entity is subject.

Like any control system, internal control provides reasonable but not absolute assurance that the entity's objectives will be met. Among its inherent limitations, internal control cannot prevent bad judgment or decisions, or external events that can cause an organization to fail to achieve its operational goals.

3.2.2.1.3 Scope of the Group's Internal Control Processes

The principles and operating methods underlying the Company's internal control system are defined at Group level and at the level of the operational entities (i.e. divisions and subsidiaries in France and abroad).

The system applies to the entire Group or to the divisions and subsidiaries concerned, regardless of whether management has chosen to conduct operating activities directly or to outsource them.

In the specific case of very small or newly acquired subsidiaries, an integration program has been developed to facilitate convergence of their procedures with those of the Group and ensure effective control of their operating, financial and accounting processes.

3.2.2.1.4 Organization of Internal Control and Risk Management Systems

This report describes the main control processes based on the five components defined in the COSO framework.

a) The Group's control environment

The control environment is the set of standards, processes and structures that provide the basis for carrying out internal control across the organization.

The Board of Directors and executive management establish the tone at the top regarding the importance of internal control including expected standards of conduct. There are five principles associated with the control environment:

- The control environment demonstrates the integrity and ethical values of the organization.
- The Board of Directors acts independently from management. It oversees the development and effectiveness of the internal control system.
- Under the Board's supervision, management defines the organization structure and the assignment of authority and responsibility to enable objectives to be met.
- The organization demonstrates its commitment to attracting, training and retaining competent individuals, in line with objectives.
- Each member of the organization is accountable for his or her performance in the area of internal control, to enable the objectives to be met.[16]

The Group's control environment is based on an internal control system driven by senior management and supported by a strong internal control culture at all levels of the organization. It is also based on the core documents and procedures that structure the Group's critical processes and must be adhered to by all Group employees:

- The Group's values, which reflect its commitments to customers, employees, the community and shareholders and explain the management philosophy and the principles on which management action is based.
- The rules drawn up by the Board of Directors and executive management for application by all Group companies. These rules contain provisions applicable to the Company and its exclusively-controlled French and international subsidiaries. The areas and issues covered by these rules include:
  - the appointment of and delegation of powers to corporate officers and other Group executives;
  - management compensation arrangements;
  - investments and commitments (including guarantees, endorsements and collateral);
  - corporate communications.

The control environment is aligned with the Group's decentralized organization structure. Several networks of managers and correspondents are tasked with rolling down the control processes defined by the Company to the Group's various divisions and subsidiaries. They include the network of internal control correspondents, decentralized internal auditors, and all the employees responsible for information systems security and for safety and security/insurance within the Group.

b) Governance structures and the control environment

As is the case for any entity, the Group's control environment is necessarily influenced by the way its governance is organized. This influence can be put down to a variety of historical, organizational and regulatory factors:

- The Group's internal control system results from the strategy, culture and general policies defined at the time of its formation.

[16] COSO Integrated Internal Control Framework – Components and Principles

- The organization of the Group's governance is now based in particular on the powers of the Chairman of the Board of Directors and the Group Chief Executive Officer being held by one person (Philippe Salle – Chairman and Chief Executive Officer).
- In line with the responsibilities assigned to audit committees in the French Commercial Code, the Audit Committee obtains assurance concerning the relevance, reliability and effective implementation of internal control procedures and procedures for the identification, coverage and management of risks associated with operating activities and the production of accounting and financial information. The Committee receives reports from the Group's Internal Audit Director and the Financial Control Director, who oversees the internal control function and regularly reviews the Group risk map. The Audit Committee also expresses an opinion on the organization and resources of the Internal Audit Department that are allocated to internal control, and is informed of the internal audit program. The Committee receives periodic summaries of the internal audit reports and of internal control work performed.

These factors mean that the Board of Directors is deeply involved in deploying the Group's strategy, monitoring its operational performance and overseeing risks and internal control. The agendas of meetings of the Board of Directors and Board committees reflect this involvement (see the section on corporate governance above).

c) Allocation of roles and responsibilities in the area of internal control

The organization of internal control is the responsibility of the Group Chairman and Chief Executive Officer, assisted by the Group Chief Financial Officer and the Group Executive Team, which includes the Chairman and Chief Executive Officer, the Chief Financial Officer and the CEO of Concession Catering Worldwide.

The legal organization (corporate officers) is consistent with the organization of the operational and corporate functions. As well as being represented on the boards of directors of Group companies, the Company also regularly attends management meetings in its operational entities, mainly via its Management Team.

In particular, the Group has established a formal system of delegations of authority that is coordinated, for all divisions in France, by the Legal Affairs Department – Operations. In addition, the Group's approval rules defining authorization levels for commitments and decisions that involve the Company or a subsidiary have been updated to reflect the Group's current organization structure. Alongside these documents, the Group has issued rules and policies that provide guidelines for each of the core functions and critical processes.

The Group's Chief Financial Officer and Vice-President, Communications also have formal delegations of authority which are drawn up by the Group Corporate Legal Affairs Department.

d) Human resources development policy – Human resources planning and development

The Human Resources Department has set up a standard talent management cycle for managers in all of the Group's businesses and markets. The four milestones in the annual cycle are the career development review, the talent review, the objectives review and the compensation review. These processes are supported by the Elior Talents information system that is being deployed across the entire Group.

Several other tools – the skills repository, the positions map, the skills database, the training roadmap – help clarify interview objectives, mobility pathways and career advancement opportunities. The positions map was prepared by identifying and evaluating benchmark jobs using the Mercer International Position Evaluation (IPE) system. Management training programs are developed and deployed by the Group, and teams are set up to provide training in its various countries and markets in order to meet local employees' specific needs through specially designed training solutions.

The Group encourages and supports staff mobility between its various markets, businesses and professions. The rules and principles underpinning the internal mobility policy are described in a document issued to all Group managers. Job opportunities are posted on the Elior Recrutement online job site, with priority always given to internal candidates over external candidates with similar profiles.

Lastly, Elior plays close attention to maintaining pay equity and to offering competitive compensation packages. Internal and external benchmarking studies are carried out each year, covering both compensation levels and package structures. Senior executives receive an annual bonus. The bonus system was updated at the end of 2013, to align it more closely with market practices and make it more incentive-based. The system is designed to incentivize key executives to achieve Elior's development ambitions, by basing most of the bonus on the attainment of EBIT and EBITDA targets. "Roadmap" criteria are also defined by market, to support the attainment of financial targets, notably through closely monitoring cash flow. The system also includes minimum performance thresholds

and payment of an increased bonus to executives who outperform in their area of responsibility.

All of these measures help to retain employees, while also facilitating performance tracking and recognition, and allowing a clear, up-to-date allocation of responsibilities.

e) Business ethics and rules of conduct

Group employees are required to perform their professional duties in accordance with the following four core values: a passion for service, a performance-driven approach, taking the initiative, and respecting commitments. These values were defined and deployed through a gradual, qualitative approach carried out by independent consultants among a panel of managers representing the Elior Group's diversity. They are presented to each new hire and also feature on the Group's intranet.

During FY 2014-2015, a working group was set up in order to draw up a new Elior Code of Conduct and to determine how this document should be relayed across the Group once it has been approved by the Chairman and Chief Executive Officer.

3.2.2.2 Risk Management Systems

Risk assessment involves a dynamic and iterative process for identifying and assessing risks to the achievement of objectives. Thus, risk assessment forms the basis for determining how risks will be managed. Management takes into account any changes in the external environment and in its business model that could adversely affect the achievement of objectives.

There are four principles associated with risk assessment:

- The organization defines objectives in a sufficiently clear manner to permit the identification and assessment of risks to their achievement.
- Risks to the achievement of objectives are identified across the entire organization and are analyzed to determine how they should be managed.
- The organization factors fraud risk into its assessment of risks to the achievement of its objectives.
- The organization identifies and assesses changes that could have a material impact on the internal control system.[17]

A presentation of the overall risk management framework and a description of each risk are provided in the "Risk Factors" section of this Registration Document.

3.2.2.2.1 Risk Management Organization

The Group has set up a risk management system to identify, assess, prioritize and rationally process its major risks, and to track its exposure over time. The aim is to understand and take into account the risks faced by line personnel during their day-to-day activities and to ensure that appropriate plans, controls or monitoring procedures are in place to address these risks, in line with the Group's strategy and objectives.

This system enables the Group to decide on its risk exposures and to better manage these risks in order to efficiently deploy its strategy. The risk management system is implemented by line personnel under the leadership of the Group Finance Department and the supervision of the Board of Directors and the Audit Committee. It is a key component of the Group's governance system.

Risk management processes are organized around three pillars:

- development of a risk map and corresponding action plans at Group level;
- control over the risks inherent in critical processes at the level of each Group entity that are subject to continuous assessments, in some cases with the help of external consultants;
- audits of cross-functional processes and certain cross-functional risks by the Internal Audit Department.

The Group's risks were mapped in 2014 and the risk map drawn up was reviewed and validated by the Executive Team and presented to the Audit Committee. Action plans are being implemented by local managers under the responsibility of the heads of the business units or corporate departments.

The Group's risk management system was updated in FY 2014-2015 and a self-assessment process was carried out at both business unit and Group level. The findings of this self-assessment were presented to the Audit Committee on May 26, 2015.

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3.2.2.2.2 Management of Insurable Risks

The Insurance and Risk Prevention Department, which is part of the Group Finance Department, is responsible for setting up insurance programs to protect the Group's interests.

The department comprises a three-member central team supported by a network of internal correspondents (by profession and/or geographic location: insurance correspondents, health and safety managers, finance managers, road accident risks committee) and external correspondents (insurance engineers).

The Insurance and Risk Prevention Department determines Group policies in the areas of property damage prevention and implements a contractual risk reduction policy in cooperation with the Legal Affairs Department – Operations, in particular through the use of clauses that limit the Group's liability. It makes decisions as to whether certain types of risks should be self-insured or insured on the market. Risks are transferred to the market via international insurance programs that help to standardize risk transfer processes and to pool insurance purchases within the Group. The main international insurance programs are placed with insurance companies that were rated at least BBB+Stable by Standard & Poor's in 2015. These programs consist of policies that are common to all subsidiaries (including general liability and property damage/business interruption cover) and local integrated or non-integrated policies.

General liability policies cover losses causes to third parties by the Group's activities. A global liability program has been set up, which currently covers all Group entities except for THS subsidiaries in the United States (which will be integrated as from the start of FY 2015-2016) as well as Starr Restaurant Catering Group and Cura Hospitality (both of which were acquired in the second half of FY 2014-2015). Property damage policies cover damage to assets used in the business and losses arising from the interruption of business following an insured event (fire, flood, natural disaster, etc.). The sites are covered for property damage and business interruption under local integrated or non-integrated policies as well as via the Group program.

The Insurance and Risk Prevention Department prepares a list of all Group sites each year, along with insurable values. It centralizes all claims reported by the insurance correspondents in France and is gradually setting up a system to consolidate information about claims reported by the international subsidiaries. The causes of the most material and/or recurring claims are analyzed jointly with the insurers.

The Insurance and Risk Prevention Department has also set up a claims reporting system by business sector for the management committees of the Group's various subsidiaries. In France, a specific reporting system concerning road accidents is shared with the Road Accident Risks Committee.

Lastly, the department has developed several systems for the prevention of insurable risks within the Group:

- A regulatory watch by a central team, to provide assistance and support to the safety and security managers at the Group's various sites.
- Communication of safety and security guidelines with respect to the Group's main operational risks, prepared by the Group's safety and security managers in partnership with the insurance engineers (sharing of best practices).
- Regular publication of an internal road safety newsletter in France.
- Organization of risk assessment visits at around twenty sites per year, in France and at the international subsidiaries, based on a schedule drawn up by the insurers; a written report is prepared after each visit, containing recommendations to improve the site's safety and security and/or compliance with safety standards. When appropriate, these recommendations are designated as best practices and rolled out to the entire Group.

3.2.2.3 Control activites

Control activities are the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the entity, at various stages within business processes. They may be manual or automated.

There are three principles associated with control activities:

- The organization selects and develops control activities to manage the risks to achievement of its objectives and reduce them to an acceptable level.
- The organization selects and develops general automated controls to facilitate the achievement of its objectives.
- The organization deploys control activities through rules that describe the objectives and

through procedures for the implementation of these rules[18].

The control activities set up by the Group aim to:

- ensure that the business of the Company and its French and international subsidiaries and the activities of its employees fall within the framework defined by the applicable laws and regulations, executive management's strategic guidelines and the Company's internal commitments and rules;
- prevent and contain the risks incurred by the Group, not only accounting and financial risks – including the risks of error or fraud – but also operational risks, to protect and preserve its businesses and the Company's assets;
- produce accounting, financial and management information on a timely basis, in order to ensure the reliability and relevance of the financial information communicated to shareholders, in compliance with the applicable standards and regulations, and permit the Group to be managed appropriately.

The internal control system architecture, which is the responsibility of the Chairman and Chief Executive Officer, is based on a three-tier organization:

- First-tier controls are performed by each employee and his or her line manager, based on their explicit responsibilities, the procedures applicable to their activities and their instructions.
- Second-tier controls are performed by specialized functions that are independent from the activities that are the subject of the controls. They may also be performed by members of line, support and control units.
- Third-tier controls are performed by the Group internal auditors, who have a dotted-line reporting relationship with the Chairman and Chief Executive Officer and are responsible for ensuring at all times that first and second-tier controls are effective and are systematically performed.

3.2.2.3.1 Food Hygiene and Safety

In each country where the Group operates, its operations management teams have put in place – under the supervision of Group executive management – "purchasing" and "quality" units in order to ensure food safety within each of the respective businesses. These units are responsible for drawing up food safety and hygiene policies and procedures and setting up the appropriate processes and systems for ensuring they are properly applied, as well as for defining the alert procedures to be used in the event of a crisis situation.

In France, these tasks are carried out by a central, independent Quality and Safety Department, which has a team of 15 people and is responsible for:

- ensuring the quality of the Group's food and non-food supplies;
- defining hygiene rules for all of the Group's sites and overseeing their application;
- providing the technical and scientific expertise required to manage administrative files with the relevant authorities;
- dealing with any food safety alerts;
- ensuring that the Purchasing and Logistics Department maintains its quality certifications.

The Quality and Safety Department is divided into two units: (i) the Product Quality unit which is responsible for ensuring that suppliers apply the Group's food quality and safety policies; and (ii) the Food Hygiene unit, which oversees food safety for all of the Group's sites.

The Quality and Safety Department has had ISO 9001 certification since 1994, ISO 14001 certification since 2010 and ISO 22000 certification since 2012.

The Group's international subsidiaries have also set up systems to monitor and control food safety issues.

This organization has enabled the Group to deploy several tools to guarantee the quality of the products served at all of its sites. These tools cover both upstream and downstream processes to ensure the highest levels of safety.

a) Food safety in the supply chain

Elior France's activities have been ISO 22000 certified since April 2015, covering:

- Selecting and assessing suppliers and food and non-food products – specific scope certified since end-2012.
- Managing food safety alerts – specific scope certified since end-2012.

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- Establishing formally documented food hygiene instructions and applying these instructions – full scope of Elior France certified since April 2015.

Over the past eleven years, Elior has put in place a formal accreditation and quality tracking system for its suppliers in France, under the responsibility of the Quality and Safety Department's Product Quality unit.

All new suppliers must be accredited before being listed. The accreditation is based on:

- supplier acceptance of the Group's general food quality and safety specifications;
- supplier acceptance of the Group's product quality specifications;
- completion of a supplier audit (on-site and/or desk audit depending on the supplier's business).

Accreditation audit questionnaires are tailored to the supplier's business (distributor, manufacturer, artisan, abattoir, dairy producer, importer, local supplier), in order to focus on the key health and safety issues associated with the various activities. The audit plans are regularly updated to take into account emerging risks. The audits are performed by certified internal and external auditors with recognized expertise (veterinary doctors, chemists, agronomists, etc.).

Suppliers are also monitored by the Product Quality unit via an audit program. Each audit is based on full traceability tests, from receipt of the raw materials to delivery of the finished product to Elior. The supplier's representations and warranties are checked point-by-point, based on between 100 and 200 criteria. A written post-audit report describes the expected improvements. Implementation of the recommendations is checked during the next audit.

The annual audit program takes into account the risks associated with the products, the supplier history and significant events since the last audit. In all, some 150 supplier audits are carried out each year. Similar accreditation and monitoring audits are carried out for suppliers of non-food products.

The Product Quality unit has also set up a product testing plan. The list of products to be tested is drawn up at the start of the year by each product engineer for the product family under his or her responsibility. They are selected based on a variety of factors: food risk, customer satisfaction (complaints, volume), the results of previous checks and the supplier history. The analysis criteria (organoleptic, microbiological or physico-chemical properties) are defined based on Elior's expectations, the applicable regulations and also any emerging areas of public concern. For example, in 2004, the focus was on testing for antibiotics in meat products, in 2009 on pesticide residues on fruit and vegetables, in 2012 on heavy metals in all products, in 2014 on the verification of reported allergens in products, and since 2013 on the verification of reported ingredients through DNA tests on processed products (meat and fish). Each case of non-compliance detected during these tests is followed up with the supplier.

The results of the supplier audits and product tests are logged and stored in a central "Quality" database. As a result, Elior has detailed records of these audits going back more than 11 years, representing some 1,760 audits and 20,000 analyses of raw materials. Details of all audits performed at a given supplier since its accreditation can thus be retrieved from the central "Quality" database, as well as product lists by production site, signed specifications and product analyses performed during the testing plan. Each supplier is awarded a "Quality" rating each year, based on the results of the audits and tests and on its responsiveness to any problems. If a supplier's rating is considered too low, the Product Quality unit contacts the Purchasing Department to determine the corrective action to be taken.

b) Food safety and hygiene at production sites

The Quality and Safety Department's Food Hygiene unit has defined hygiene rules with Elior's line personnel, through a system that analyses hazards and assesses risks using the Hazard Analysis Critical Control Point (HACCP) method. The Elior hygiene management plan comprises around one hundred factsheets and is distributed to all Elior restaurants in France. For each stage in the production and sale process, all potential hazards have been analyzed and preventive measures have been introduced. All of these measures are set out in general hygiene rules (premises, personnel, cleaning and disinfection) and specific hygiene measures (storage, thawing, cooling, etc.). While the guide mainly deals with regulatory requirements, Elior goes further when these requirements are unclear or inadequate (for example, for "use by" dates). The Elior hygiene management plan is updated by hygiene experts to reflect new practices and regulations. Special training courses are provided by internal or external trainers for front-line employees and their line managers, to ensure that they are familiar with regulatory requirements, are capable of identifying critical issues and understand their respective responsibilities.

The Quality and Safety Department checks application of these hygiene rules and the effectiveness of these measures through a supervision system managed by independent, Cofrac-accredited laboratories. On-site hygiene checks include:

- microbiological analyses of finished products to check the compliance with food health and safety regulations of the food products served to consumers;
- surface analyses to check the effectiveness of cleaning operations;
- hygiene audits focusing specifically on the application of hygiene rules and the keeping of records as defined in the HACCP manual.

The sampling and audit plan is defined based on each site's activity (nature and volume). Around 15,000 hygiene audits are carried out each year, involving some 80,000 product analyses and 15,000 surface analyses. The results of these audits and analyses are logged and kept in a central "Food Hygiene Web" database where they can be accessed by the hygiene coordinators in each Elior division in France.

Food alerts (blocks, withdrawals or recalls) and suspected outbreaks of food-borne diseases are managed centrally by the Food Hygiene unit, including in particular all dealings with the authorities. The unit can issue warnings to the sites in real time, by e-mail, of any concerns about a product and the need to withdraw it from use. A central telephone number allows all Elior employees to rapidly alert the Food Hygiene unit to any suspected problems.

3.2.2.3.2 Workplace Health and Safety

To guarantee the health and safety of its employees, Elior has for many years applied an assertive policy to reduce their exposure to risks. This policy has been translated into specific training programs, particularly in France, to help employees better understand the risks and thus to manage them more effectively:

- **Workplace safety training**: several modules have been developed to help site managers protect the health and safety of their teams through preventive measures and analyses of workplace risks.
- **Fire/evacuation training**: this training is particularly important at sites that are visited by the public and where food is prepared on gas hobs that represent a specific fire risk.
- **Chemical risk training**: employees who use cleaning products are trained in their correct use to avoid any health risks.
- **Gesture and posture training:** employees are trained in the positions to be adopted to avoid musculo-skeletal injuries and in the proper use of the equipment provided to help them.
- **Specific training modules**: for employees who perform specific tasks, electrician accreditation training or CACES safe driving training is compulsory to guarantee their safety before working on electrical installations or using motorized vehicles.
- **Workplace first-aider training**: the workplace first-aiders at all restaurants receive regular training;
- **Road safety training**: specific training to help drivers better control their vehicle in all circumstances has been introduced for employees who use their vehicle regularly or who have been involved in a road accident.

In addition, a system is in place to improve the protective equipment provided to employees:

- The Group works with manufacturers to develop more effective safety equipment (heatproof gloves, safety cutters, shoes with non-slip soles, etc.). This led, for example, to Spontex being awarded the APRIA prize in 2008 for the "tempcook" glove developed in partnership with Elior.
- Controls and tests are carried out with future users before professional safety equipment is included on the approved products list.
- Professional safety equipment can be ordered via a database accessible on the intranet.
- New workwear has been introduced made from sustainably produced fabrics that are Oeko-tex certified. These fabrics are made by manufacturers that comply with International Labor Organization standards and are committed to protecting the environment (in terms of consumption and discharges). They are also guaranteed as being free from carcinogenic colorants and allergenic fibers.

Each Elior division in France has its own safety department responsible for deploying all available safety processes and adapting them to the specific risks in its market. Safety departments that carry out similar tasks also exist in the Group's international subsidiaries.

Each Elior division uses a specific template for its "Single Risk Assessment Document" prepared in compliance with French labor law. The template comprises a non-exclusive list of risks identified by the division, taking into account, in particular, the advice and guidance of France's national scientific research institute (INRS) and the specific risks associated with each environment.

3.2.2.3.3 Financial Controls over Operating Activities

The Financial Control Department – which reports to Group Finance – exercises ongoing control over the operations, investments and capital expenditure, and development of the Group's various businesses.

The Finance Departments within the divisions and subsidiaries which group together the contract catering & services or concession catering businesses in each of the Group's operating countries report directly to their entity's executive management and have a dotted-line reporting relationship with the Group Finance Department.

The Finance Departments of the Group's main divisions and subsidiaries also issue, under the supervision of their executive management, rules that apply specifically to the operations of their division or subsidiary. These rules are derived from or supplement the rules applicable on a Group-wide basis, and are documented in manuals distributed in hard copy or via the Intranet. The internal organization issues covered by these rules include hiring and compensation; expenditure commitments; investments and capital expenditure; bank signing authorities; expense claims; and benefits in kind. The procedures applied are audited on a periodic basis by the Internal Audit Department.

3.2.2.3.4 Internal Controls related to Information Systems

The Information Systems Department – which reports to the Chairman and Chief Executive Officer – is responsible for developing and putting in place the Group's information systems strategy, particularly accounting and finance applications, and overseeing data protection and continuity of operations.

The information systems of the Group's international subsidiaries are under the responsibility of the local Information Systems Departments. The Group Information Systems Department provides coordination and assistance with implementing and upgrading Group accounting and financial information systems.

When developing new systems and upgrading existing systems, the Group applies the dual principle of close coordination, but also clear segregation, between the Information Systems Department acting in its technical role as project manager, and user departments (e.g. the Financial Control Department, business-level Finance Departments, Human Resources Departments, operations departments) in their role as project sponsors. This enables systems to be effectively aligned with user needs in terms of analyses, controls and operations management.

The Information Systems Security Officer, who reports to the Information Systems Department and has a strong dotted-line reporting relationship with the Internal Audit Department, has developed a Group-wide information systems security policy. This policy describes *inter alia* the role of the Information Systems Security Steering Committee, which is chaired by the Chief Financial Officer and whose members include the Internal Audit Director and the heads of the operating units.

As part of his responsibilities, the Information Systems Security Officer has developed and deployed in the subsidiaries a security self-assessment questionnaire. A technical security audit was carried out in late 2014, comprising intruder tests and an assessment of employees' awareness of best security practices. The audit findings were used as the basis for a multi-year action plan aimed at reinforcing the security of the Group's critical information systems.

In addition, a program to raise employee awareness of information systems security issues has been developed, which was co-financed by Elior and around thirty companies that are members of the CIGREF. This "serious game" will be deployed in FY 2015-2016 with a view to promoting security-conscious behaviors within the Group.

Concerning Group information systems, business continuity procedures have been developed in partnership with an outside service provider. These are checked regularly and tested every year based on real life simulations. In addition, applications are backed up off-site, guaranteeing the integrity of data and ensuring that systems can be restarted without delay following an incident. The data from the Group's most critical applications are duplicated in a mirror datacenter which acts as a hot site in order to ensure that services will still be available in the event of an incident. The international subsidiaries are responsible for establishing their own business continuity and disaster recovery plans.

3.2.2.3.5 Procedures Established by the Financing and Treasury Department (which reports to Group Finance) to Manage Financial Risks

The principle of centralizing all financial market operations under the responsibility of the Financing and Treasury Department is applied to all fully consolidated French and international subsidiaries.

This principle is intended to control and improve the management of financial risk in a way that offers optimal security and cost-effectiveness, together with standardization of practices.

The Financing and Treasury Department also manages the Group's financing programs (bank borrowings, bond issues, securitization programs, etc.), meeting the financing needs of exclusively-controlled subsidiaries through the cash pooling system and otherwise. The main objectives of this way of working are to centralize and

control the Group's financial commitments, and to reduce costs.

Guarantee facilities are also negotiated by the Financing and Treasury Department for French and international subsidiaries.

The department has set up a monthly net debt reporting system to track and manage the Group's liquidity position. As most of the Group's external debt is carried by the parent company, the level of consolidated net debt can be calculated on a daily basis.

For the Group's operations in France, the Financing and Treasury Department manages bank transactions, negotiates banking terms and ensures that these terms are properly applied. It supports the international subsidiaries in organizing their banking relationships and negotiating bank charges. The department is also responsible, in coordination with the Information Systems Department and the SAP Competence Center, for implementing new cash management tools designed to offer improved payment security and optimize bank charges incurred by the Group.

Lastly, the department manages bank signing authorities through a dedicated system covering all Elior divisions in France.

The Financing and Treasury Department teams are organized around three units: Commitments/Reporting, Cash Management/Bank Administration and Payment Media Management/Information Systems Administration. The main business units have their own treasurers who are tasked with ensuring that the Group's cash management policies and rules are effectively applied within their respective units.

This organization, combined with the use of cash management software and payment media management software, enables the Group to obtain a direct snapshot of the subsidiaries' cash positions.

The main focuses of the Financing and Treasury Department's work in the area of internal control are as follows:

Prevention of fraud risk: a comprehensive system has been set up to limit the risk of fraudulent use of payment media, in particular by limiting paper-based transfer instructions and checks. Rules about strict segregation of tasks are also applied to the entire headquarters team and to the network of treasurers.

Secure transportation of funds: Elior only uses professional money transporters. It has also put in place advanced till protection systems and new secure cash collection tools.

Development of best management practices to optimize transaction security and administrative efficiency: the Financing and Treasury Department's aim is to identify and adopt industry best practices for all of its processes. In addition to the points mentioned in this report, this objective is being met notably through industrialized cash collection processes to enable automated recording of accounting entries, a drive towards electronic payment media (bank cards, electronic meal vouchers, electronic transfers, etc.), the deployment of guarantee management software which is currently under way, and active monitoring of developments with France's association of corporate treasurers (Association Française des Trésoriers d'Entreprise).

3.2.2.3.6 Legally Secure Operations

The Group Legal Affairs Department – Operations, which reports to Group Finance, is responsible for monitoring the legal security of the operations carried out by the Company and its subsidiaries. In particular, the Group Legal Affairs Department – Operations is responsible, either directly or by providing assistance to local management, for the protection of intangible assets owned by the Group (e.g. trademarks and concession rights). It also ensures that the operations of the Company and its subsidiaries comply with the applicable laws and regulations, and with the Group's internal rules.

The Group Legal Affairs Department – Operations intervenes directly or by delegation, in conjunction with the Group's external advisers, in (i) managing potential or actual litigation that could have material consequences for the Group and (ii) protecting the Group's interests in respect of legal and contractual issues associated with major contracts and with acquisitions and divestments of equity interests. In France and the United Kingdom, this task is performed by in-house lawyers. In France, these lawyers are specialized by market (business & industry, education, healthcare, concession catering, etc.) and their activities are coordinated by the Director of Legal Affairs – Operations. In the United Kingdom, these lawyers' activities are coordinated by the local head of legal affairs. Other countries use the services of external law firms.

The Group Corporate Legal Affairs Department, which also reports to the Group Finance Department, coordinates the implementation of and compliance with corporate governance rules within the Company and its subsidiaries, firstly by representatives of the department acting as secretary of the Board of Directors of the Company and of the governance bodies of its main French and international subsidiaries, and secondly by supervising the lawyers in the other subsidiaries.

3.2.2.4 Information and Communication

Information is necessary for the entity to carry out internal control responsibilities to support the achievement of its objectives. Management obtains or generates and uses information from both internal and external sources to support the functioning of other components of internal control. Communication enables personnel to receive a clear message from senior management that control responsibilities must be taken seriously.

There are three principles associated with information and communication:

- The organization obtains, generates and uses relevant and quality information to support the functioning of internal control.
- The organization communicates internally the information needed for the proper operation of internal control, particularly information concerning objectives and internal control responsibilities.
- The organization provides information to external parties about matters that may affect the proper operation of internal control[19].

The Group uses the following structures and systems to obtain and communicate relevant information that allows each individual to fulfill his or her responsibilities:

- Its decentralized organization and its information system, which facilitate the circulation of information needed for decision-making purposes. Corporate and operations managers are responsible, at their respective levels, for communicating the rules, policies and procedures applicable throughout the Group.
- The various intranet sites and document bases, which enable information to be shared within the Group. This concerns both financial data and non-financial data meeting the needs of the various operating and corporate departments.
- Communication and training activities initiated by the Group Finance Department, which leads and coordinates the network of internal controllers and internal auditors:
  - the department is responsible for training and integrating new internal auditors;
  - it communicates regularly at the different levels in the organization, in particular through meetings at business unit level with finance and operations managers.

3.2.2.5 Monitoring Activities

The COSO internal control framework states that ongoing evaluations, separate evaluations, or some combination of the two should be used to ascertain whether each of the five components of internal control, including controls to effect the principles within each component, is present and functioning. Findings are evaluated and deficiencies are communicated on a timely basis, with the most serious deficiencies reported to executive management and the board of directors.

There are two principles associated with monitoring activities:

- The organization selects, develops and performs ongoing and/or separate assessments to ensure that the components of internal control are present and functioning.
- The organization evaluates internal control deficiencies and communicates them on a timely basis to the persons responsible for taking corrective action, including – where appropriate – executive management and the Board of Directors.

Monitoring activities are conducted at all levels of the Group. The role of the main structures involved is presented below.

3.2.2.5.1 Board of Directors and Board Committees

The Board of Directors and the Board committees, particularly the Audit Committee, oversee implementation of the Group's internal control strategy.

The Audit Committee is responsible, *inter alia,* for monitoring the effectiveness of the internal control, internal audit and risk management systems in relation to accounting and financial information. To this end, the Committee obtains assurance concerning the relevance, reliability and effective implementation of internal control procedures and procedures for the identification, coverage and management of risks associated with the

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Group's operating activities and its production of accounting and financial information.

The Committee also holds regular discussions with the Internal Audit Director and regularly reviews the business risk map. Finally, the Audit Committee gives its opinion on the Internal Audit Department's organization and is informed of the department's audit program. It receives copies of the internal audit reports or periodic summaries of these reports.

3.2.2.5.2 Group Executive Team

The Group Executive Team – whose membership structure and roles and responsibilities are set out in Section 3.1.1.5 of this Registration Document – notably oversees the implementation of the Group's internal control strategy, through:

- Leadership and oversight of internal control activities throughout the Group, including monitoring implementation of identified action plans.
- Presentations on internal control, which are made to the Executive Team on a regular basis. In particular, presentations on internal control risks in countries considered as representing a priority are made by the heads of the local subsidiaries.

3.2.2.5.3 Senior Management of the Business Units and Group Corporate Directors

In line with the Group's internal control policy, internal control is the direct responsibility of the business units' senior management and the Group corporate directors.

Within the main business units, a network of internal control officers has been put in place and a network of internal audit officers is in the process of being set up. The role of these officers is mainly to assist management in identifying risks and to help deploy the Group's internal control rules.

3.2.2.5.4 Internal Control Department

The Internal Control Department – which has a dotted-line reporting relationship with the Group Financial Control Department, which in turn reports to Group Finance – is responsible for leading the internal control process and managing the project to create Group-wide internal control guidelines.

At the end of FY 2014-2015 the Group acquired a specific GRC (Governance, Risk and Compliance) information system, in which the Group's overall internal control framework is split into two separate parts:

- A set of Group best practices for the critical activity areas which have to be effectively managed on an ongoing basis in order to safeguard the Group's business model and brand value (e.g. security, business development and food hygiene and safety).
- A risk portfolio, which has been drawn up based on the Group's risk map and best practices and is used to assess risk management activities both at Group level and within the business units.

The GRC system will be rolled out by the Internal Control Department during FY 2015-2016 and will enable the Group to process self-assessment questionnaires filled out by the business units relating to (i) compliance with the Group's internal control guidelines, and (ii) the risk management processes applied for the major risks identified in the risk map.

A network of internal control correspondents was set up during FY 2014-2015 with a view to ensuring that the internal control guidelines can be effectively deployed across the Group and applied over the long term. These correspondents act as a liaison and contact point for each business unit's various specialists involved in the process. They are responsible for ensuring that the Group's guidelines are correctly used and that the self-assessment processes run smoothly.

The Audit Committee is given regular updates on the work carried out by the Internal Control Department.

3.2.2.5.5 Internal Audit Department

The Internal Audit Department plays a key role in assessing the Group's internal control processes. Its organization and responsibilities are defined in the Internal Audit Charter.

Role

The role of the Internal Audit Department is to independently assess the quality of internal control at all levels in the organization, based on an annual audit program approved by the Board of Directors on the recommendation of the Audit Committee.

The department assists management in effectively fulfilling its duties by providing analyses, assessments and recommendations designed to improve control over the audited activities.

Internal audit engagements cover the organization and operation of all processes and structures (units, entities,

departments) in the Company and its subsidiaries. The internal auditors may examine all activities, processes, systems and entities that are part of the consolidated Group. This includes all operating, support, operational management, corporate governance, risk management and control processes.

The internal auditors may also examine material outsourced activities and to this end, the operating teams are required to include an audit clause in their outsourcing contracts. The Internal Audit Department's scope of activities does not cover the activities of companies in which the Group is a non-controlling shareholder. However, the Group's representative on the board of directors of these companies is expected to make inquiries about the quality of internal control and to warn the Group's executive management and Internal Audit Department of any possible deficiencies.

Development of the internal audit program and reporting

An internal audit program is prepared each year by the Internal Audit Department, setting out the recurring and specific audits to be carried out during the year. The program is based on an analysis of the risks facing the organization and is submitted for approval to executive management and the Audit Committee.

A post-audit report is prepared after each internal audit for the audited team, their line management and Group executive management. The report contains an assessment of the identified risks and recommendations on mitigation measures.

Finally, the Internal Audit Director regularly informs the Group Chief Financial Officer – to whom he reports directly – and the Audit Committee on the implementation of the annual internal audit program and on progress in implementing the internal auditors' recommendations.

Organization and resources

The Internal Audit Department reports to the Chairman and Chief Executive Officer.

The Internal Audit Director meets with the Chairman and Chief Executive Officer on a regular basis and also works in conjunction with the Chairman of the Audit Committee.

The Group internal audit team comprises four auditors. In addition, the main business units have internal auditors who report to the heads of those business units. These staff represent an average of 1.5 internal auditors in each of the main business units.

Activities during the fiscal year ended September 30, 2015

During the fiscal year, 13 internal audits were carried out, covering all of the Group's business units. They included:

- site audits (central kitchens, concessions, etc.);
- process audits (operating, legal, financial and accounting processes);
- follow-up audits to monitor implementation of recommendations made after previous audits;
- engagements to provide operational advice to business units;
- special audits carried out at the request of executive management;
- assessments of internal control practices (sites);
- organizational audits;
- reviews of commitments;
- compliance audits.

3.2.2.6 Internal Control Procedures Covering the Preparation and Processing of Financial and Accounting Information.

3.2.2.6.1 Key Processes that have an Impact on the Reliability of the Financial Information of the Company and the Group

The main processes that have an impact on the production of financial information, for which key controls were defined in connection with the analysis presented above, concern the following areas:

- finance (accounts closing process, including analysis of off-balance sheet commitments, consolidation, legal and tax management and cash management processes);
- purchasing (from the call for bids to the recording and payment of invoices);
- sales (from the booking of the order to the recording and collection of the related revenue);
- information systems (security management in particular);
- payroll and management of employee-related obligations;
- commitments, financing and management related to property, plant and equipment and intangible assets; and
- inventory management (physical inventories, valuation).

3.2.2.6.2 Key Points in the Internal Control System Covering the Production of Published Financial Information

Specific procedures are implemented in connection with the preparation of published financial information. These concern:

- An accounting information system (SAP) aligned with the Group's specific needs and deployed in the majority of subsidiaries based on a core model, under the supervision of Elior's SAP Competence Center, which reports directly to the Group Financial Control Department.

  SAP has not yet been rolled out to (i) concession catering operations in Italy (where a project is under way) or in Spain, Portugal, the United States, Mexico and Chile (where projects are scheduled for the future), or (ii) contract catering operations in the United States.

- A financial reporting and consolidation information system that is extensively interfaced with the SAP accounting system and is used to produce the financial statements of the Company and the Group.

- A formal process for the reporting, analysis and control of the other information published in the Group's annual report (Registration Document).

This system is managed by an Information Committee comprising the Group's main financial managers, who check the content of financial communications and reports before they are submitted to the Audit Committee and the Board of Directors for approval prior to publication.

3.2.2.6.3 Organization of and Responsibilities for the Production of Accounting and Financial Information

The Accounting and Tax Department – which reports to the Group Chief Financial Officer – is responsible for (i) preparing, on a monthly basis, the consolidation and Group reporting packages, (ii) managing the Group's tax affairs, and (iii) drafting and monitoring Group accounting policies and methods.

The Financial Control Department is responsible for validating and controlling the centralized accounting and financial information system used by all of the Group's French subsidiaries. This department also analyzes and validates the data collated via the monthly reporting process, and tracks and approves significant capital expenditure requests. Additionally, the Financial Control Department leads the community of finance directors and financial controllers as a result of the dotted-line reporting relationship the finance directors have with Group Finance. Finally, it sets the main reporting rules and oversees the deployment and proper interpretation of accounting policies and the Group-wide chart of accounts.

The Group uses SAP BFC (formerly Magnitude) consolidation software. The system is operated and maintained by the Group Accounting Department and is deployed in all Group companies – except for (i) THS, which was acquired in April 2013 and is currently treated as a consolidated sub-group, and (ii) the other US-based companies, Starr Restaurant Catering Group and Cura Hospitality, which were acquired in April and September 2015 respectively and will only be consolidated as from FY 2015-2016. The central consolidation team comprises three managers with in-depth experience of consolidation, reporting and information systems. Each of them is responsible for central consolidation and reporting tasks for a group of consolidated entities; however, the team is organized so that its members can take over from each other should the need arise. Technical issues and complex consolidation operations are dealt with by the Group Accounting Director with the support of the Tax Department, the consolidation team and the Financial Control Department. The accounting managers and general ledger accountants in each business unit and the members of the SAP Competence Center represent a stable network of interfaces with the Accounting and Tax Department for the application of the Group's accounting and tax policies, the supervision of the accounts closing process, tax audits and statutory audits.

The 12-member SAP Competence Center, which reports to the Financial Control Director, develops system upgrades at the request of users in order to better meet their needs while complying with Group procedures for the production of accounting and financial information.

3.2.2.6.4 Process for the Preparation of Accounting and Financial Information

The Accounting and Tax Department collates accounting data and produces the financial statements of the Company and the Group.

Budget process

The Financial Control Department is responsible for overseeing the budget process, monthly reporting, and the monitoring of commitments and investment and capital expenditure projects. Executive management draws on the Financial Control Department's work to launch action plans where appropriate. Management control is exercised

through a network of management controllers in all Group subsidiaries.

Monthly budget reviews are carried out and may result in the implementation of action plans targeted at a specific business, with the aim, for example, of improving profitability (such as by performing a detailed review of contracts whose margins are below Group expectations), accelerating commercial development, or tightening control over investments, capital expenditure or working capital. During these reviews particular attention is paid to optimizing the costs of support functions.

Regular reconciliations are carried out between management accounting data and the data used for consolidation purposes in order to ensure that financial information is reliable.

The reporting systems and budget processes of all Group units are run on SAP BFC software. The budget process begins each year in April with the communication of macro-economic budget assumptions by executive management and the Financial Control Department (including assumptions concerning general inflation, food commodities inflation and wage inflation). The business units then adapt the assumptions, review their unit's challenges, threats and opportunities and present their proposed budget in July, in a standard format. Once these budget presentations are complete, a roadmap is prepared for each business unit detailing the action plans needed to meet the budget objectives. The budgets are approved at the end of September and entered in the SAP BFC system.

Statutory Auditors

For many years now, the Company has used the services of two joint Statutory Auditors to audit the accounting and financial information of substantially all of its subsidiaries as well as the consolidation process. They share this work on a 50/50 basis. In FY 2014-2015 the US-based THS was excluded from the scope of these audits but will be audited by PwC as from FY 2015-2016.

The two Statutory Auditors – currently KPMG and PwC – carry out audit procedures directly, or indirectly through their local correspondents or offices, at the main accounting period-ends (full-year and first-half). They audit and sign off on financial statements prepared under local accounting standards and consolidation packages prepared in accordance with Group accounting policies. They issue an audit report, which they present at closing meetings held in the main subsidiaries with members of the Group Accounting and Tax Department.

During their interim work, the Statutory Auditors carry out a review of procedures and a risk identification and assessment process. The risks and processes covered by these reviews are rotated annually, and are those most likely to impact the financial statements of Group companies.

3.2.2.6.5 Process for Communicating Accounting and Financial Information to Third Parties

An Investor Relations Department was formed within Group Finance in early FY 2014-2015. This new department's role is to ensure that the Group's financial communications remain anchored on the principles of equal access to information, the duty to disclose to the public any fact that, if it were known, could have an impact on the Company's share price, and the duty to provide an accurate, true and fair view of the Group's financial position.

In order to provide the public with full and detailed accounting and financial information, the Elior website now has a "Finance" section, which contains, *inter alia*, all of the Group's regulated information.

Paris, January 19, 2016

Philippe Salle, Chairman and Chief Executive Officer

3.3 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF ELIOR

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Elior, and in accordance with article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with article L.225-37 of the French Commercial Code for the year ended 30 September 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by article L.225-37 of the French Commercial Code.

The Statutory Auditors

Paris La Défense and Neuilly-sur-Seine, January 19, 2016

KPMG Audit IS,
François Caubrière, *Partner*

PricewaterhouseCoopers Audit,
Anne-Laure Julienne, *Partner*,
Eric Bertier, *Partner*

3.4 EMPLOYEES

3.4.1 COMPENSATION POLICY

Elior's compensation and benefits policies draw on best market practices in each country, with the constant underlying aim of ensuring that a fair system is applied consistently throughout the Group and that packages are competitive in relation to the market as a whole.

The policies are underpinned by a position mapping process, which allows compensation and benefits to be tailored to each business and level of responsibility (known as "position weighting"). This process also entails performing internal diagnostic reviews and annual compensation surveys designed to compare the Group's practices with those of the market.

Positions are divided into four main categories: "executives", "senior managers", "managers" and "key contributors". Each category is sub-divided into "position classes" to ensure that the policies are tailored to each different level.

The basic salary policy for "executives", "senior managers" and "managers" is determined in line with local practices in each country, via annual salary surveys. A target positioning is defined for each position class, which applies to all of the Group's markets. The Group's reference pay scale is drawn up annually and is used during the hiring process as well as for annual salary reviews. In parallel, overall annual salary increases are aligned with local inflation rates and market practices.

The basic salary of "key contributors" is determined for each country based on the salary scales and rules established at the level of each industry and by local legislation.

The Group's variable compensation policy is aimed at ensuring that employees' performance is aligned with its short and medium-term objectives

The compensation of "executives", "senior managers" and "managers" includes an annual variable portion which can – if target performance is achieved – represent between 10% and 35% of their theoretical basic annual salary, except for sales development teams (see below). The target performance level and applicable performance criteria are determined based on the type of position held and the level of responsibility.

Performance is generally assessed by reference to Group or entity-level financial criteria as well as individual criteria comprising quantitative and/or qualitative objectives. The financial criteria correspond to revenue and earnings objectives based on targets in the annual budget of the Group or the entity concerned. The individual criteria are intended to encourage achievement of the financial objectives. Most of the variable compensation systems include the notion of a performance threshold and some reward outperformance.

The variable compensation policy for sales development teams is aligned with the Group's overall profitable growth policy. The basic performance criteria for the various schemes are always based on revenue generated and the related margins. Additional criteria are also used, which vary depending on the development aims for each market with a view to aligning sales teams' performance with the Group's overall business development strategy. Consequently, sales teams' incentives are directly linked to financial results, which makes them self-financing.

In addition to the existing annual variable compensation systems, the Group has put in place a long-term incentive plan for over 150 Group executives. The objective of this plan is to help retain top executives as well as to align their performance with the Group's medium/long term objectives, as defined in its business plan.

Compensation systems are coordinated using shared processes that are managed at Group level.

The management-by-objectives system used by the Group is underpinned by regular performance appraisals and annual "objectives review" meetings during which the results of the past fiscal year are measured and new objectives are set for the coming year.

The fixed and variable compensation of Management Committee members in each market and country are reviewed by the Human Resources Department and approved by executive management.

Whenever new entities join the Group these compensation policies and processes are gradually rolled out to the entity concerned.

3.4.2 LABOR RELATIONS

The Group has set up a European Works Council (EWC), which is regularly provided with information about the

Group's financial position, business operations, strategic objectives and HR situation.

In France, the Group Works Council serves as the primary forum for dialogue with representatives of employees and trade unions from its French subsidiaries. The Group Works Council has a specialized commission that is tasked with closely monitoring human resources indicators.

At the level of its subsidiaries and/or UES (specific groupings of entities only existing in France), depending on the entity concerned the Group manages relations with its employees through:

- central works councils, company-level works councils and site-level works councils;
- Health, Safety and Working Conditions committees;
- employee representatives;
- various committees set up to monitor collective bargaining agreements or action plans.

The Group has also built constructive relations with trade union representatives, both at the level of its subsidiaries and Group wide, as demonstrated by the numerous collective agreements signed on a wide range of issues (including personal insurance coverage, human resources planning and development, quality of life at work, gender equality, and inter-generational agreements).

3.4.3 STATUTORY AND DISCRETIONARY PROFIT-SHARING AGREEMENTS

3.4.3.1 Statutory Profit-Sharing Agreements

In accordance with Article L. 3322-2 of the French Labor Code, companies in France are required to set up a statutory employee profit-sharing agreement if they have at least 50 employees and if their taxable profit represents more than 5% of their return on capital employed. As the Group meets these requirements it has entered into statutory profit-sharing agreements in all of its main French subsidiaries.

To date no statutory profit-sharing agreements have been entered into in the other countries where the Group operates.

3.4.3.2 Discretionary Profit-Sharing Agreements

Under French law, discretionary profit-sharing agreements are aimed at aligning employees' collective interests with those of the company by paying bonuses that are calculated based on the company's results and performance as provided for in Article L. 3312-1 of the French Labor Code. As at the date of this Registration Document, the vast majority of Group companies had not set up any discretionary profit-sharing plans.

3.4.3.3 Employee Share Ownership Plans and Other Incentive Plans

Under French law, companies that have entered into a statutory profit-sharing agreement in accordance with Article L. 3332-3 of the French Labor Code are also required to set up an employee share ownership plan. These plans can be put in place at company or group level and correspond to collective savings systems that enable employees to build up a portfolio of shares with the help of their employer. Bonuses paid under statutory and discretionary profit-sharing plans can be paid into employee share ownership plans, and participants can make voluntary top-up payments. The amounts invested in an employee share ownership plan are locked up for a period of five years, except in specific cases provided for by law when they can be released in advance. When the Group entered into its first employee share ownership agreement it set up a plan in each of its entities. Consequently, all of its main French subsidiaries that are subject to the relevant legal requirements have an employee share ownership plan in place.

3.4.3.4 Incentive Plan for the Main Managers

As of the date of this Registration Document, the Group had not set up any cash-settled long-term incentive plan for its main managers and/or corporate officers, nor had it authorized or granted any performance shares and/or stock options, except for the stock options described in Section 3.1.5.2. above, "Compensation and Benefits Awarded to Corporate Officers".

4

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4. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL 2014-2015 - AFR

4.1 ANALYSIS OF THE GROUP'S BUSINESS AND CONSOLIDATED RESULTS

(in € millions)	Year ended September 30	
	2015	2014
Revenue	**5,674.1**	**5,340.8**
Purchase of raw materials and consumables	(1,726.3)	(1,602.2)
Personnel costs	(2,532.4)	(2,429.6)
Other operating expenses	(878.1)	(799.8)
Taxes other than on income (*)	(64.2)	(64.1)
Share of profit of equity-accounted investees	1.9	2.3
EBITDA	**475.0**	**447.3**
Depreciation, amortization and provisions for recurring operating items	(158.1)	(139.0)
Recurring operating profit including share of profit of equity-accounted investees	**317.0**	**308.3**
Other income and expenses, net	(35.5)	(73.5)
Operating profit/(loss) including share of profit of equity-accounted investees	**281.5**	**234.8**
Net financial expense	(107.0)	(137.0)
Profit before income tax	**174.5**	**97.8**
Income tax	(68.3)	(41.2)
Profit for the period	**106.2**	**56.6**
Attributable to non-controlling interests	(1.0)	8.8
Attributable to owners of the parent	**107.2**	**47.8**
Earnings per share (in €)	0.65	0.38
Dividend per share (in €) (recommended dividend for FY 2014-2015)	0.32	0.20

4.1.1 CHANGES IN SCOPE OF CONSOLIDATION

In October 2014 the Group acquired the entire capital of Lexington, a UK-based contract caterer. Lexington generates annual revenue of over £30 million in the business & industry market and has a major presence in the City of London. The acquisition was financed through an equity investment in Elior UK. Lexington has been fully consolidated in the Group's financial statements since October 1, 2014.

On April 30, 2015, Elior announced that it had signed a memorandum of understanding with Corporación Empresarial Emesa ("Emesa") to buy out the 38.45% non-controlling interest held by Emesa in Elior's Spanish subsidiary, Areas. This agreement provided for Elior's stake in Areas to be increased to 100% and for Emesa to become a significant shareholder of Elior. The transaction was completed in July 2015 and the acquisition price was settled by way of (i) a €46 million cash payment, and (ii) the allocation to Emesa of 9 million Elior shares, including 1,282,500 treasury shares bought back by Elior on the market for €21.7 million, and 7,717,500 new shares issued at a price of €17.50 per share.

On completion of the transaction, all of the existing agreements between Areas' shareholders were terminated.

Consequently, Areas has been fully consolidated by Elior since July 2015 and the liability that was recognized in the consolidated balance sheet under "Liabilities relating to share acquisitions" in an amount of €160 million at September 30, 2014 and increased to €190 million in the consolidated interim financial statements at March 31, 2015 (i.e. prior to the transaction), has been reversed. The reversal was recognized in equity in a net amount of €92.3 million.

In August 2015, through its subsidiary THS, the Group acquired the entire capital of Starr Restaurant Catering Group (SRCG), a high-end restaurant and catering group based in the United States serving a clientele that includes corporations, non-profit organizations and cultural institutions. SRCG operates multiple sites, primarily in New York, Philadelphia and Miami, and generates annual revenue of over $40 million. The price paid for the acquisition was financed by way of the US-dollar credit facilities drawn down by Elior in May 2015. SRCG will be fully consolidated in the Group's FY 2015-2016 financial statements as from October 1, 2015..

4.1.2 REVENUE

Consolidated revenue increased by €333.3 million, or 6.2%, to €5,674.1 million for the fiscal year ended September 30, 2015 from €5,340.8 million in FY 2013-2014. For information purposes, Lexington has been consolidated since October 1, 2015.

The following table shows a breakdown of consolidated revenue by business line as well as a breakdown of revenue growth between organic growth, changes in scope of consolidation and foreign currency effect for each business line individually and for the Group as a whole.

(in € millions)	12 months 2014-2015	12 months 2013-2014	Organic growth	Calendar effect	Changes in scope of consolidation	Currency effect	Total growth
France	2,136.0	2,122.0	0.7%	0.2%	(0.2)%	0.0%	0.7%
International	1,859.3	1,651.8	3.8%	0.0%	3.1%	5.7%	12.6%
Contract catering & services	3,995.3	3,773.8	2.1%	0.1%	1.2%	2.5%	5.9%
France, Northern Europe and Italy	1,005.7	948.1	6.1%	0.0%	0.0%	0.0%	6.1%
Spain, Portugal and the Americas	673.0	618.9	4.0%	0.0%	(0.5)%	5.2%	8.7%
Concession catering	1,678.7	1,567.0	5.3%	0.0%	(0.2)%	2.1%	7.1%

GROUP TOTAL	**5,674.1**	5,340.8	3.0%	0.1%	0.8%	2.4%	6.2%

The 6.2% year-on-year increase in consolidated revenue reflects solid organic growth of 3.0% over the year as a whole, with an acceleration to 3.9% in the fourth quarter compared with the same period of FY 2013-2014. The October 2014 acquisition of Lexington in the United Kingdom added 0.8% to revenue growth, net of the effect of the sales of (i) non-strategic concession catering operations in Argentina and Morocco in December 2013, and (ii) non-strategic operations in the education market in France in July 2015. Changes in exchange rates had a 2.4% net positive impact during the year, mainly due to the strengthening of the U.S. dollar and pound sterling against the euro. The portion of revenue generated by international operations rose to 50% from 47% in FY 2013-2014.

The following table shows a revenue breakdown between the Group's six main markets and the growth rates by market for FY 2014-2015 and FY 2013-2014:

(in € millions)	12 months 2014-2015	12 months 2013-2014	Organic growth	Calendar effect	Changes in scope of consolidation	Currency effect	Total growth
Business & industry	1,861.5	1,722.9	2.6%	0.3%	3.0%	2.2%	8.0%
Education	1,068.7	1,049.9	0.5%	(0.3)%	(0.4)%	2.0%	1.8%
Healthcare	1,065.1	1,001.0	2.9%	0.0%	0.0%	3.5%	6.4%
Contract catering & services	3,995.3	3,773.8	2.1%	0.1%	1.2%	2.5%	5.9%
Motorways	615.1	575.4	4.9%	0.0%	0.0%	2.0%	6.9%
Airports	687.5	623.3	7.5%	0.0%	(0.4)%	3.2%	10.3%
City sites & leisure	376.1	368.3	2.0%	0.0%	(0.2)%	0.3%	2.1%
Concession catering	1,678.7	1,567.0	5.3%	0.0%	(0.2)%	2.1%	7.1%
GROUP TOTAL	**5,674.1**	5,340.8	3.0%	0.1%	0.8%	2.4%	6.2%

4.1.2.1 Contract Catering & Services

Contract catering & services revenue was up €222 million, or 5.9%, on the FY 2013-2014 figure, coming in at €3,995 million and accounting for 70% of total consolidated revenue.

Organic growth was 2.1% over the year, driven by a particularly strong performance in international markets.

Net of the impact of the sale of non-strategic operations in the education market, changes in the scope of consolidation pushed up contract catering & services revenue by 1.2%, led by the Lexington acquisition which had a €51 million positive effect.

The calendar effect – corresponding to the year-on-year difference in the number of working days – was only slight during the year, representing 0.1% of revenue, and changes in exchange rates had a positive 2.5% impact.

In France, revenue reached €2,136 million, with organic growth amounting to 0.7%.

- In the business & industry market, average revenue per meal increased but attendance levels were lower.

- Revenue generated in the education market was up year on year, notably thanks to the contribution of the catering contract for the secondary schools in the Hauts-de-Seine region, as well as increased attendance and a higher average customer spend.

- In the healthcare market, revenue was also up, driven by the performance of existing sites.

In international markets, revenue rose 12.6% year on year to €1,859 million. Organic growth was 3.8%, propelled by the United States, the United Kingdom and Spain, while revenue in Italy contracted, reflecting the decision to be more selective in responding to bids and to withdraw from low profit-making contracts. The acquisition of Lexington in the United Kingdom and positive currency effects generated additional growth of 3.1% and 5.7% respectively.

- Organic growth was high in the business & industry market, fueled by sustained business development in Spain, the United States and the United Kingdom. In Italy the impact of new contracts such as with Telecom Italia and Banca d'Italia offset the revenue decrease posted by existing sites.

- In the education market, the slowdown in business in Italy was partially offset by revenue increases in other countries, particularly the United Kingdom.

- The healthcare market reported strong growth for the year, driven by sustained business development as well as good performances by existing sites in the United States, the United Kingdom and Spain.

4.1.2.2 Concession Catering

Concession catering revenue advanced by 7.1% year on year to €1,679 million, representing 30% of total consolidated revenue.

Organic growth for the year as a whole came to 5.3%, with an acceleration in the fourth quarter to 6.4%. Changes in the scope of consolidation – resulting from the sale in December 2013 of the Group's concession catering subsidiaries in Argentina and Morocco – trimmed 0.2% off revenue, while changes in exchange rates, notably for the U.S. dollar, had a positive 2.1% impact.

Revenue generated in **France, Northern Europe and Italy** rose 6.1% year on year to €1,006 million, with the increase entirely due to organic growth as there were no changes in the scope of consolidation during the year.

- In the motorways market Italy reported strong growth, propelled by the opening of new service areas, and revenue in France edged up, particularly in the final quarter.
- Revenue growth in the airports market was driven by a sharp upturn in Italy due to good showings reported by all sites. In France, the rise in passenger traffic on a comparable-site basis partially offset the impact of the loss of the contract for Terminal 1 at Nice Airport as from January 2015.

- The city sites & leisure market also reported an overall year-on-year revenue increase, notably as a result of (i) the Paris Air Show and the Paris Motor Show which are held every two years, (ii) buoyant business at railway station sites in France, and (iii) the positive effect of the Expo 2015 world's fair in Milan, which was held during the second half of the fiscal year.

In Spain, Portugal and the Americas, growth of 8.7% over the year drove up revenue to €673 million. Organic growth came to 4.0%, with a sharp 6.0% rise in the last quarter.

- The motorways market felt the positive effects of the ramp-up of service areas in the United States and the increase in traffic across all of the Spanish and Portuguese networks, particularly in the fourth quarter.

- Revenue in the airports market was boosted by the opening of new points of sale and an increase in passenger traffic in certain airports in the United States, as well as growth delivered by operations in Spanish airports, particularly Madrid-Barajas and Palma where traffic volumes rose during the year.

4.1.3 PURCHASE OF RAW MATERIALS AND CONSUMABLES

This item increased by €124.0 million, or 7.7%, from €1,602.2 million for the year ended September 30, 2014 to €1,726.3 million for FY 2014-2015.

The following table sets out purchases of raw materials and consumables by business line and as a percentage of the revenue of each business line.

(in € millions and % of revenue)	Year ended September 30			
	2015		2014	
Purchase of raw materials and consumables				
Contract catering & services	(1,251.8)	*31.3%*	(1,154.6)	*30.6%*
Concession catering	(494.5)	*29.5%*	(467.7)	*29.8%*
Headquarters, holding companies and purchasing entities	20.0	–	20.1	–
Total	**(1,726.3)**	***30.4%***	**(1,602.2)**	***30.0%***

4.1.3.1 Contract Catering & Services

Purchases of raw materials and consumables for the Contract catering & services business line rose by €97.1 million, or 8.4%, from €1,154.6 million for the year ended September 30, 2014 to €1,251.8 million for FY 2014-2015. The acquisition of Lexington in October 2014 accounted for €15.7 million of the year-on-year increase.

As a percentage of revenue, this item edged up from 30.6% to 31.3%, mainly due to international subsidiaries as the ratio remained stable for contract catering & services operations in France. In the United States, THS's purchases of raw materials and consumables were 70 basis points higher as a percentage of revenue than in FY 2013-2014 as a result of (i) an increase in food prices that could only be partly passed on to customers, and (ii) changes in its customer and contract mix. In Spain, changes in Serunión's customer and contract mix pushed up its ratio by 80 basis points. Conversely, in Italy the ratio was positively affected by (i) the continuing favorable impact of the start-up of the on-board train catering contract in the first quarter of FY 2013-2014, which, due to the nature of the services provided, has a much lower raw materials cost ratio than the Group's other contract catering operations, and (ii) more effective management of raw materials costs in the business line's other operations.

4.1.3.2 Concession Catering

Purchases of raw materials and consumables for the concession catering business line increased by €26.8 million, or 5.7%, from €467.7 million to €494.5 million, primarily due to the opening of new sites and points of sale in the airports market in Italy.

As a percentage of revenue, this item edged down from 29.8% to 29.5%, mainly reflecting effective management of raw materials by operations in Spain, Portugal and the Americas.

4.1.4 PERSONNEL COSTS

Consolidated personnel costs increased by €102.8 million, or 4.2%, year on year, from €2,429.6 million to €2,532.4 million. As a percentage of revenue they decreased, however, from 45.5% à 44.6%.

The following table sets out personnel costs by business line and as a percentage of the revenue of each business line.

(in € millions and % of revenue)	Year ended September 30			
	2015		2014	
Personnel costs				
Contract catering & services	(1,947.5)	*48.7%*	(1,865.4)	*49.4%*
Concession catering	(536.6)	*32.0%*	(522.0)	*33.3%*
Headquarters, holding companies and purchasing entities (1)	(48.3)	–	(42.2)	–
Total	**(2,532.4)**	***44.6%***	**(2,429.6)**	***45.5%***

(1) Represents personnel costs of headquarters, holding companies and purchasing entities (including the IT department) invoiced to operating entities for management and shared services. As the corresponding invoices do not break down the

costs invoiced by nature, they cannot be allocated to specific operating segments. They are therefore recorded as a credit under "Other operating expenses" within Headquarters, holding companies and purchasing entities.

4.1.4.1 Contract Catering & Services

Personnel costs for the contract catering & services business line rose by €82.0 million, or 4.4%, from €1,865.4 million to €1,947.5 million. This year-on-year increase was mainly attributable to the effect of the acquisition of Lexington (which accounted for €27.5 million), and a rise in personnel costs (in line with revenue growth) for the business line's operations in the United Kingdom and the United States.

As a percentage of revenue, contract catering & services personnel costs decreased from 49.4% to 48.7%, reflecting reductions in (i) the United Kingdom, as a result of cost efficiency measures, and (ii) Italy, due to the development of new concepts that are less costly in terms of labor, as well as to the impact of productivity enhancement plans and the termination of low profit-making facilities management contracts.

4.1.4.2 Concession Catering

Personnel costs for the concession catering business line rose by €14.6 million, or 2.8%, from €522.0 million to €536.6 million. This year-on-year increase primarily stemmed from higher personnel costs in the Group's Italian concession catering operations due to the opening of new sites and points of sale in the airports market.

In the Group's other concession catering operations, personnel costs decreased in France, Belgium and Germany (due to productivity gains and cost efficiency measures) although this was offset by an increase in the United States resulting from the brisk business volumes reported there.

As a percentage of revenue, personnel costs for this business line narrowed from 33.3% to 32.0%, with all of the Group's regions reporting a decrease (for the same reasons as described above).

4.1.5 OTHER OPERATING EXPENSES

Other operating expenses increased by €78.3 million, or 8%, from €799.8 million to €878.1 million.

The following table sets out other operating expenses by business line and as a percentage of the revenue of each business line.

(in € millions and % of revenue)	Year ended September 30			
	2015		2014	
Other operating expenses				
Contract catering & services	(446.9)	*11.2%*	(416.6)	*11.0%*
Concession catering	(455.7)	*27.1%*	(404.6)	*25.8%*
Headquarters, holding companies and purchasing entities (1)	24.4	–	21.4	–
Total	**(878.1)**	***15.5%***	**(799.8)**	***15.0%***

(1) Represents the portion of revenue invoiced to operating entities by headquarters, holding companies and purchasing entities (including the IT department) for management and shared services. As the corresponding invoices do not break down the costs invoiced by nature, they cannot be allocated to specific operating segments. They are therefore recorded as a credit under "Other operating expenses" for Headquarters, holding companies and purchasing entities, and mainly comprise personnel costs.

4.1.5.1 Contract Catering & Services

Other operating expenses for the contract catering & services business line rose by €30.3 million, or 7.3%, from €416.6 million to €446.9 million. The year-on-year increase reflects the acquisition of Lexington (which accounted for €4.1 million of the overall rise) as well as the increased use of subcontracting in Italy as a result of the start-up in November 2013 of the Group's services under on-board train catering contracts. In the United States, THS's other operating expenses were €7.8 million higher than in FY 2013-2014, in line with its business development.

As a percentage of revenue, the business line's other operating expenses went up slightly, from 11.0% to11.2%, mainly reflecting the increase in subcontracting costs mentioned above.

4.1.5.2 Concession Catering

Other operating expenses for the concession catering business line increased by €51.0 million, or 12.6%, from €404.6 million to €455.7 million. The rise was mainly attributable to operations in (i) Italy, where the Group took over new sites and opened new points of sale at existing sites, (ii) the United States (due to high business volumes), (iii) Spain and Portugal (reflecting higher concession fees for new contracts), and (iv) France, where the city sites market felt the impact of the fact that the Paris Motor Show – which takes place every two years – was held during FY 2014-2015.

As a percentage of revenue, other operating expenses for this business line rose from 25.8% to 27.1%

4.1.6 TAXES OTHER THAN ON INCOME

This item edged up by €0.1 million, or 0.1%, from €64.1 million to €64.2 million.

The following table sets out taxes other than on income by business line and as a percentage of the revenue of each business line.

(in € millions and % of revenue)	Year ended September 30			
	2015		2014	
Taxes other than on income				
Contract catering & services	(45.6)	*1.1%*	(44.3)	*1.2%*
Concession catering	(14.7)	*0.9%*	(16.1)	*1.0%*
Headquarters, holding companies and purchasing entities	(3.9)	–	(3.8)	–
Total	**(64.2)**	***1.1%***	**(64.1)**	***1.2%***

4.1.6.1 Contract Catering & Services

Taxes other than on income for the contract catering & services business line rose by €1.3 million, or 3.0%, from €44.3 million to €45.6 million. As a percentage of revenue, however, they decreased from 1.2% to 1.1%.

4.1.6.2 Concession Catering

Taxes other than on income for the concession catering business line decreased by €1.4 million, or 8.9%, from €16.1 million to €14.7 million. As a percentage of revenue they also decreased, from 1.0% to 0.9%.

4.1.7 EBITDA

The following table sets out EBITDA by business line and as a percentage of the revenue of each business line.

(in € millions)	Year ended September 30		Change in EBITDA	EBITDA margin	
	2015	2014		2014-2015	2013-2014
Contract catering & services					
France	182.9	184.6	*(1.7)*	*8.6%*	*8.7%*
Other countries	120.8	108.4	*12.5*	*6.5%*	*6.6%*
Total contract catering & services	**303.8**	**293.0**	**10.8**	**7.6%**	**7.8%**
Concession catering					
France, Northern Europe and Italy	113.1	104.7	*8.4*	*11.2%*	*11.0%*
Spain, Portugal and the Americas	66.0	54.1	*11.9*	*9.8%*	*8.7%*
Total concession catering	**179.0**	**158.8**	**20.2**	**10.7%**	**10.1%**
Unallocated (headquarters and holding companies)	(7.8)	(4.5)	*(3.4)*		
GROUP TOTAL	**475.0**	**447.3**	**27.7**	**8.4%**	**8.4%**

Consolidated EBITDA climbed by €28 million to €475 million in FY 2014-2015 and represented 8.4% of revenue, unchanged from the previous year.

4.1.7.1 Contract Catering & Services

EBITDA for the contract catering & services business line rose to €304 million from €293 million, but its EBITDA margin edged down to 7.6%.

- **In France**, EBITDA totaled €183 million and represented 8.6% of revenue, down 10 basis points on FY 2013-2014. A strong performance from business & industry and services partially offset the adverse effect on margins of contract renewals and new contracts in the education and healthcare markets.
- **In international operations**, EBITDA was €13 million higher than in FY 2013-2014, coming in at €121 million. As a percentage of revenue it represented 6.5%, slightly down year on year. International EBITDA for this business line was boosted by revenue growth in the United States and the United Kingdom as well as by higher profitability delivered by Italy throughout the year.

4.1.7.2 Concession Catering

Concession catering EBITDA amounted to €179 million (versus €159 million in FY 2013-2014) and represented 10.7% of revenue, up 60 basis points year on year.

- **In France, Northern Europe and Italy**, the EBITDA figure was €113 million (against €105 million for FY 2013-2014), and represented 11.2% of revenue, 20 basis points higher year on year. The contraction in EBITDA experienced in the French airports market during the year was more than offset by strong performances in all other regions, especially Italy.
- **In Spain, Portugal and the Americas**, EBITDA rose by €12 million year on year to €66 million, and EBITDA margin increased sharply by 110 basis points to 9.8%, mainly led by higher profitability levels in the motorways market.

4.1.8 DEPRECIATION, AMORTIZATION AND PROVISIONS FOR RECURRING OPERATING ITEMS

Consolidated depreciation, amortization and provisions for recurring operating items rose by €19.0 million, or 13.7%, from €139.0 million to €158.1 million.

The following table sets out depreciation, amortization and provisions for recurring operating items by business line and as a percentage of the revenue of each business line.

(in € millions and % of revenue)	Year ended September 30			
	2015		2014	
Depreciation, amortization and provisions for recurring operating items				
Contract catering & services	(72.4)	*1.8%*	(60.0)	*1.6%*
Concession catering	(83.9)	*5.0%*	(77.2)	*4.9%*
Headquarters, holding companies and purchasing entities	(1.8)	–	(1.8)	–
Total	**(158.1)**	***2.8%***	**(139.0)**	***2.6%***

4.1.8.1 Contract Catering & Services

Depreciation, amortization and provisions for recurring operating items reported by the contract catering & services business line rose by €12.4 million, or 20.6%, from €60.0 million to €72.4 million. The year-on-year increase stemmed from capital expenditure incurred for new contracts, as well as one-off reversals of provisions recognized in FY 2013-2014 in relation to contracts in Italy.

4.1.8.2 Concession Catering

Depreciation, amortization and provisions for recurring operating items reported by the concession catering business line increased by €6.6 million, or 8.6%, from €77.2 million to €83.9 million. The year-on-year rise was primarily due to new assets being brought into service in the United States in FY 2013-2014 and in Spain in FY 2014-2015.

4.1.9 OTHER INCOME AND EXPENSES, NET

For the year ended September 30, 2015, this item represented a net expense of €35.5 million and mainly included (i) restructuring costs, amounting to €13.4 million in for France, Italy and THS in the contract catering business and €2.1 million for the concession catering business in Spain, (ii) amortization of intangible assets recognized during the purchase price allocation processes for the acquisitions of THS in the United States (€6.4 million) and Lexington (€1.7 million), (iii) €5.2 million in costs for withdrawing from unprofitable sites in Spain, Portugal and the United States, (iv) a €3.0 million loss recognized in relation to sales of non-strategic assets in the contract catering business in France and the concession catering business in Latin America, either already carried out during the year or scheduled for FY 2015-2016, (v) €1.6 million in strategy consulting fees, and (vi) €1.9 million in share acquisition costs, primarily for the purchase of shares in Lexington in the United Kingdom and THS subsidiaries in the United States.

For the year ended September 30, 2014, "Other income and expenses, net" represented a net expense of €73.5 million and notably included (i) €27.4 million in IPO-related costs, (ii) €16.1 million in costs related to the repayment of debt following the IPO (notably the penalty incurred due to the early redemption of a portion of the Elior Finance & Co SCA May 2020 6.5% Senior Secured Notes and the exceptional amortization of issuance costs on the repaid debt that were previously capitalized and unamortized), (iii) €21.7 million in reorganization costs recorded for the contract catering & services business in Spain, Italy and France and for the concession catering business in Spain, (iv) €10.8 million in expenses and provisions for charges recognized in connection with tax and employee-related disputes in progress, and (v) €5.4 million in amortization of intangible assets (customer relationships) recognized on the first-time consolidation of THS as part of the purchase price allocation process, less (vi) the capital gain realized on the disposal of the Group's 40% stake in Arco Prime, a joint venture set up in Chile with a local group (COPEC), which amounted to €17.0 million before tax (€12 million after tax).

4.1.10 NET FINANCIAL EXPENSE

Net financial expense decreased by €30.0 million, or 21.9%, from €137.0 million to €107.0 million in FY 2014-2015. The year-on-year reduction in finance costs was mainly due to (i) the repayment of a portion of the Group's debt following the IPO in June 2014, (ii) the lower interest margins obtained as a result of the refinancing of the Group's euro-denominated senior debt in December 2014 and US-dollar denominated debt in May 2015, and (iii) the better financial conditions for the Group's securitization programs obtained in the second quarter of FY 2014-2015.

Other financial expenses incurred in the year ended September 30, 2015 included non-recurring costs such as (i) accelerated amortization of debt issuance costs in France and the United States following the refinancing operations carried out during the year (€12.3 million), and (ii) a €13.5 million expense recorded as a result of the interest rate swaps taken out in previous years for the Group's euro-denominated senior debt no longer qualifying for hedge accounting.

4.1.11 INCOME TAX

The Group's income tax expense rose by €27.1 million, or 65.9%, from €41.2 million to €68.3 million, representing an effective tax rate of 26.2% (or 39% including the impact of the French CVAE tax). The year-on-year increase primarily reflects the higher level of taxable profit in FY 2014-2015 compared with the previous year, as well as a one-off cancellation of €6.1 million worth of deferred tax assets following a change in the Spanish tax laws.

4.1.12 ATTRIBUTABLE PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

As a result of the above-described factors – particularly the lower finance costs and non-recurring expenses – profit for the period attributable to owners of the parent more than doubled in the year ended September 30, 2015, amounting to €107.2 million versus €47.8 million for FY 2013-2014.

Earnings per share – calculated based on the fully-diluted weighted average number of Elior shares outstanding during the year ended September 30, 2015 and including the effect of the capital increase carried out in August 2015 – amounted to €0.65, representing a 71% increase on the FY 2013-2014 figure of €0.38. Adjusted for non-recurring items and net of the related tax effect, adjusted earnings per share came to €0.79 versus €0.52.

4.2 CONSOLIDATED CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2015

The following table provides a summary of the Group's cash flows for the years ended September 30, 2014 and 2015.

(in € millions)	Year ended September 30	
	2015	2014
Net cash from operating activities	293.8	241.4
Net cash used in investing activities	(285.6)	(174.1)
Net cash from financing activities	24.4	15.0
Effect of exchange rate and other changes	(23.9)	(23.6)
Net increase in cash and cash equivalents	**8.8**	**58.7**

4.2.1 CASH FLOWS FROM OPERATING ACTIVITIES

The following table sets out the components of consolidated net cash from operating activities for the years ended September 30, 2014 and 2015.

(in € millions)	Year ended September 30	
	2015	2014
EBITDA	475.0	447.3
Change in working capital	32.7	34.8
Interest paid	(72.7)	(130.2)
Tax paid	(56.2)	(43.0)
Other (including dividends recieved from associates)	(84.9)	(67.5)
Net cash from operating activities	**293.8**	**241.4**

Operating activities generated a net cash inflow of €293.8 million in the year ended September 30, 2015 versus €241.4 million in FY 2013-2014. The year-on-year increase reflects movements in all of this item's components during the year.

Change in working capital

Change in working capital resulted in a €32.7 million net cash inflow in FY 2014-2015, more or less unchanged from the €34.8 million net cash inflow recorded for the previous year. This positive performance primarily reflects the effect of (i) shorter customer payment times for certain contract catering subsidiaries (in France, Italy and Spain); partially offset by the impact of (ii) longer payment times for contract catering operations in the United Kingdom and United States and higher collection volumes for concession catering operations in Italy due to revenue growth.

This performance was achieved despite an unfavorable basis of comparison with FY 2013-2014 as during that year non-recurring non-recourse sales of receivables in an amount of €17.0 million were carried out in Spain following a one-off decision by the Spanish government to reduce its payment times.

Interest paid

The year-on-year reduction in interest paid was in line with the decrease in net financial expense in the income statement.

Tax paid

Tax paid includes corporate income tax paid in all of the geographic regions in which the Group operates. It also includes the Italian IRAP tax (*Imposta Regionale Sulle Attività Produttive*) and the French CVAE tax.

This item represented a net cash outflow of €56.2 million in the year ended September 30, 2015 (versus €43.0 million in FY 2013-2014). The increase mainly stemmed from the payment of taxes on Areas Chile's sale of Arco Prime carried out during the year ended September 30, 2014, as well as an unfavorable basis of comparison with FY 2013-2014 due to the fact that (i) the Group's cash flow statement included taxes paid by THS in the United States in FY 2014-2015 unlike in the previous fiscal year, and (ii) an income tax refund received in France was recognized in the FY 2013-2014 cash flow statement.

Other cash flows from operating activities

Other cash flows from operating activities primarily relate to (i) non-recurring income and expenses recorded under "Other income and expenses, net" in the consolidated income statement, and (ii) payments made in connection with fair value adjustments recognized in accordance with IFRS as part of the purchase price allocation process for acquisitions. For the years ended September 30, 2014 and 2015, other cash flows from operating activities represented net cash outflows of €67.5 million and €84.9 million respectively. The figure for the year ended September 30, 2015 primarily includes (i) €22.5 million in costs related to Elior's IPO in June 2014, (ii) approximately €31.5 million in restructuring costs, which were principally incurred in France, as well as by Areas and Serunion in Spain and by Elior Italy, and were provisioned at September 30, 2014, (iii) expenses related to recent acquisitions (Lexington in the United Kingdom and new THS subsidiaries in the United States), and (iv) €17.9 million in debt issuance costs paid following the refinancing of the Group's senior debt in December 2014 and THS's debt in May 2015.

4.2.2 CASH FLOWS FROM INVESTING ACTIVITIES

The following table sets out the components of consolidated net cash used in investing activities for the years ended September 30, 2014 and 2015.

(in € millions)	Year ended September 30	
	2015	2014
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(177.9)	(181.4)
Purchases of and proceeds from sale of non-current financial assets	1.8	(3.0)
Acquisition/sale of shares in consolidated companies	(109.6)	10.2
Net cash used in investing activities	**(285.6)**	**(174.1)**

Net cash used in investing activities totaled €174.1 million in FY 2013-2014 and €285.6 million in FY 2014-2015.

Capital expenditure

Total consolidated cash used for purchases of property, plant and equipment and intangible assets (capital expenditure), net of proceeds from sales, decreased year on year from €181.4 million to €177.9 million.

The figure for contract catering & services came to €65.5 million for the year ended September 30, 2014 and €85.7 million for FY 2014-2015, representing 1.7 % and 2.1% of the business line's revenue respectively. The year-on-year increase reflects the capital outlay incurred for new contracts, particularly in the education market in France, as well as in Spain, Italy, the United States and the United Kingdom.

For concession catering, net cash used for capital expenditure totaled €112.8 million for the year ended September 30, 2014 and €85.6 million for FY 2014-2015, representing 7.2% and 5.1% of the business line's revenue respectively. These figures reflect a significantly lower level of capital outlay during the year following the completion of capital expenditure programs for U.S. and French motorways, although this effect was partially offset by capital spending for five new airport sites in Italy.

Net cash used for capital expenditure by headquarters, holding companies and purchasing entities came to €3.0 million and €6.6 million in the years ended September 30, 2014 and 2015 respectively, and primarily corresponded to purchases of computer software and hardware.

Purchases of and proceeds from sale of non-current financial assets

The consolidated net cash inflow of €1.8 million generated from "Purchases of and proceeds from sale of non-current financial assets" in the year ended September 30, 2015 mainly reflects a decrease in loans and deposits.

The €3.0 million consolidated net cash outflow related to this item in FY 2013-2014 primarily concerned an increase in loans and deposits (notably due to the setting up of the factoring program).

Acquisition/sale of shares in consolidated companies

For the year ended September 30, 2015, acquisitions and sales of shares in consolidated companies represented a net cash outflow of €109.6 million, chiefly corresponding to (i) the consideration paid for the Lexington shares acquired in October 2014, (ii) amounts paid in cash and in Elior shares (purchased by the Company on the market) for the purpose of buying out the 38.45% non-controlling interest in Areas in July 2015, and (iii) the acquisition cost of the shares in Starr Restaurants Catering Group purchased by THS in the United States in August 2015.

For the year ended September 30, 2014, acquisitions and sales of shares in consolidated companies represented a net cash inflow of €10.2 million and included the proceeds received from the sale of non-strategic assets (notably the Group's subsidiaries in Argentina and Morocco) and the disposal of the Group's 40% interest in the Arco Prime joint venture in Chile, partially offset by (i) the payment of acquisition-related liabilities (additional purchase price consideration payable by THS to certain former shareholders of subsidiaries previously acquired by THS), and (ii) the purchase of an additional stake in SEA Services in Italy.

4.2.3 CASH FLOWS FROM FINANCING ACTIVITIES

The following table sets out the components of consolidated net cash from financing activities for the years ended September 30, 2014 and 2015.

(in € millions)	Year ended September 30	
	2015	2014
Dividends paid to owners of the parent	(32.9)	
Movements in share capital of the parent	1.4	770.6
Dividends paid to non-controlling interests	(8.4)	(0.5)
Proceeds from borrowings	1,165.3	15.1
Repayments of borrowings	(1,101.0)	(770.2)
Net cash from financing activities	**24.4**	**15.0**

Net cash from financing activities totaled €24.4 million and €15.0 million in the years ended September 30, 2015 and 2014 respectively.

Dividends paid to owners of the parent

The dividend for the year ended September 30, 2014 – which corresponded to €32.9 million (€0.20 per share) and was approved by the Company's shareholders at the March 10, 2015 Annual General Meeting – was paid on April 10, 2015.

Movements in share capital of the parent

The €1.4 million recorded under this item for FY 2014-2015 represents the amounts received in connection with capital increases carried out on exercise of Elior stock options.

During the year ended September 30, 2014, "Movements in share capital of the parent" corresponded to the €787.3 million capital increase carried out by the Company involving the issue of 53.2 million new shares for the purpose of the Company's IPO on June 11, 2014 and for allocation on the exercise of stock options between that date and the fiscal year-end, less the IPO-related costs that could be charged against the issue premium (notably the fees of the advisory banks involved).

Dividends paid to non-controlling interests

This item represented net cash outflows of €0.5 million and €8.4 million for the years ended September 30, 2014 and 2015 respectively, and mainly corresponded to dividends paid to non-controlling shareholders of MyChef and Areas.

Proceeds from borrowings

Consolidated cash inflows from proceeds from borrowings totaled €15.1 million and €1,165.3 million in the years ended September 30, 2014 and 2015 respectively.

In FY 2014-2015, these proceeds mainly corresponded to (i) a €950 million bank loan draw down by Elior SA and Elior Participations SCA in connection with the refinancing of all of their syndicated bank loans on December 10, 2014 (fifth amendment to the SFA), (ii) a US dollar-denominated bank loan and bond debt (representing a euro-equivalent amount of €179 million), drawn down by Elior SA and Elior Participations SCA in order to refinance THS's syndicated loan and finance its future acquisitions, (iii) €3.8 million from new securitized receivables, and (iv) a €16.3 million bank loan drawn down by Areas.

In FY 2013-2014, this item primarily corresponded to (i) €9.0 million drawn down by Areas under a bank credit facility to fund its capital expenditure in the United States, and (ii) €5.4 million worth of new finance leases.

Repayments of borrowings

Repayments of borrowings led to net cash outflows of €770.2 million and €1,101.0 million in the years ended September 30, 2014 and 2015 respectively.

In FY 2014-2015 this item primarily related to (i) early repayment in an amount of €956.3 million made by Elior SA and Elior Participations SCA for two syndicated bank loans (at the time of the fifth amendment to the SFA, as referred to above), (ii) a €127.2 million early repayment for the THS credit facility, (iii) the repayment of €4.4 million in finance lease liabilities, and (iv) €8.3 million in repayments of various other bank borrowings.

In FY 2013-2014, this item mainly concerned (i) early repayment in an amount of €615.0 million made by Elior SA and Elior Participations SCA for three syndicated bank loans, (ii) a €122.5 million early repayment of financing corresponding to 35% of the outstanding Elior Finance & Co SCA 6.5% Senior Secured Notes maturing in May 2020, (iii) the repayment of €5.3 million in finance lease liabilities, and (iv) €27.4 million in repayments of various other bank borrowings.

Effect of exchange rate and other changes

In the year ended September 30, 2015, fluctuations in exchange rates and other changes had an overall €23.9 million net negative cash impact, with €26.0 million in cash outflows resulting from the impact on consolidated cash and cash equivalents of fluctuations in the USD and GBP exchange rates and the unwinding of USD hedges (hedges of net investments in foreign operations).

In FY 2013-2014, fluctuations in exchange rates and other changes had a negative €23.6 million cash impact, reflecting unfavorable currency effects on consolidated cash and cash equivalents as well as bank fees paid in connection with the Group's debt repricing in February 2014.

4.3 CONSOLIDATED BALANCE SHEET

(in € millions)	At September 30, 2015	2014
Non-current assets	3,451	3,402
Current assets excluding cash and cash equivalents	1,096	1,073
Cash and cash equivalents	210	220
Total assets	**4,758**	**4,695**

(in € millions)	At September 30, 2015	2014
Equity	1,456	1,282
Non-controlling interests	30	45
Non-current liabilities	1,783	1,870
Current liabilities	1,488	1,498
Total equity and liabilities	**4,758**	**4,695**
Net working capital requirement	(222)	(216)
Gross debt	1,654	1,589
Net debt as defined in the SFA	1,452	1,380
SFA leverage ratio (net debt as defined in the SFA / EBITDA) (*)	3.04	3.09

(*) Pro forma, adjusted to exclude acquisitions/divestments of consolidated companies carried out during the previous 12 months.

At September 30, 2015, non-current assets included deferred tax assets totaling €228 million (versus €249 million one year earlier), of which €155 million related to recognized tax loss carryforwards (€154 million at September 30, 2014). The Group's assessment of the recoverable nature of these deferred tax assets is based on the same ten-year earnings forecasts as used for the impairment tests performed for the entities concerned.

Equity attributable to owners of the parent at September 30, 2015 included €107 million in profit for the period as well as the reversal of the liability relating to the put option on the 38.45% stake in Areas held by Emesa, which was recognized for the first time in FY 2013-2014 following Elior's stock market floatation, in an amount of €160 million. This reversal, which was recorded following Elior's buyout of the 38.45% non-controlling interest in Areas in July 2015, had a positive €92.3 million impact on equity attributable to owners of the parent.

At September 30, 2015 the Group's gross debt had risen to €1,654 million from €1,589 million one year earlier and mainly included (i) euro-denominated borrowings amounting to €950 million under the Senior Facility Agreement (SFA), (ii) €227 million in debt carried by Elior SA in relation to the Senior Secured Notes issued by Elior Finance & Co SCA, (iii) new US dollar-denominated borrowings representing €179 million carried by Elior and Elior Participations, (iv) €180 million in liabilities related to trade receivables securitized by French, Italian and Spanish subsidiaries, (v) €13 million in finance lease liabilities, and (vi) €106 million in short-term bank loans taken out by Areas.

At September 30, 2015, the average interest rate – including the lending margin – on Elior's debt relating to the SFA and Senior Secured Notes (which represent the majority of the Group's total debt) was 2.9%.

Cash and cash equivalents recognized in the balance sheet amounted to €210 million at September 30, 2015. At the same date, cash and cash equivalents presented in the cash flow statement, i.e. net of bank overdrafts and short-term accrued interest, totaled €198 million.

At September 30, 2015, consolidated net debt (as defined in the SFA) stood at €1,452 million. This amount represented 3.04 times consolidated EBITDA (versus 3.09 times at September 30, 2014), which was lower than the Group's maximum guidance ratio of 3.25.

4.4 EVENTS AFTER THE REPORTING DATE

Partnership between Elior and Alain Ducasse Entreprise

On October 5, 2015, Elior signed a strategic and culinary partnership agreement with the master chef Alain Ducasse. In accordance with this agreement Elior will acquire a stake of around 10% in Alain Ducasse Entreprise by purchasing convertible bonds and shares in the company during the first half of FY 2015-2016.

Acquisition of Cura and ABL by THS in the United States

In October and November 2015 respectively, THS – an Elior contract catering subsidiary operating in the United States – purchased Cura Hospitality (based in Pittsburg, Pennsylvania and specialized in senior living and healthcare catering) and ABL Management (based in Baton Rouge, Louisiana, and focused on the education and corrections markets). These two companies generate combined contract catering revenue of over USD 100 million a year.

Changes in the presentation of operating segment information as from FY 2015-2016

As a result of (i) Elior's buyout of the non-controlling interest in Areas in July 2015, which raised its stake in the company to 100%, and (ii) the reorganization of the Group's businesses, operating segment reporting will be changed as from FY 2015-2016. The new presentation of information by operating segment will be as follows:

The two reporting segments corresponding to the Group's business lines – i.e. contract catering & services and concession catering – will remain unchanged.

Information for each business line will now be presented based on two geographic segments – France and International.

This new presentation will be used for the first time on the release of the Group's consolidated results for the first quarter of FY 2015-2016 (i.e. the three-month period ended December 31, 2015). At that time, the figures for first-quarter FY 2014-2015 will be restated accordingly.

4.5 PARENT COMPANY PROFIT AND DIVIDEND

Based on the results for FY 2014-2015, at the Annual General Meeting to be held in 2016 the Board of Directors will recommend a dividend payment of 32 euro cents per share, up 60% on FY 2013-2014. This dividend corresponds to a payout ratio of approximately 40% of adjusted earnings per share[20] for the fiscal year ended September 30, 2015, which amounted to 79 euro cents.

[20] Adjusted earnings per share is calculated based on consolidated profit for the period attributable to owners of the parent (€107.2 million) adjusted for non-recurring operating items (€35.5 million) net of the income tax effect caclulated at the Group's standard tax rate of 34% (representing an income tax effect of €12.1 million). Adjusted profit for the period therefore amounted to €130.6 million, which, based on the weighted average number of Elior shares outstanding during the fiscal year ended September 30, 2015, represents ajdusted earnings per share of 79 euro cents.

4.6 THE GROUP'S FINANCIAL AND LIQUIDITY POSITION

4.6.1 LIQUIDITY AND CAPITAL RESOURCES

4.6.1.1 Overview

The Group's cash requirements mainly relate to financing its working capital requirements and capital expenditure as well as servicing and repaying its debt.

Its main source of liquidity is cash generated from operating activities. Going forward, its ability to generate cash from its operating activities will depend on its future operating performance, which is, in turn, dependent to some extent on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond the Group's control. The Group uses its cash and cash equivalents to fund the day-to-day requirements of its business. Its cash investments are entirely denominated in euros.

The Group has regularly refinanced its debt with a view to reducing the cost of its bank borrowings and extending their maturities. In FY 2014-2015 it carried out an issue of US-dollar denominated bonds in the form of a private placement. In 2013, Senior Secured Notes were issued (for a description of this issue, see Note 5.2.2 to the consolidated financial statements for the year ended September 30, 2014, set out in section 4.8 of this Registration Document).

As was the case in the year ended September 30, 2015 and in previous years, the Group believes that for the year ending September 30, 2016, its cash requirements will mainly relate to (i) financing working capital requirements (see Section 4.2.1 below), (ii) financing capital expenditure (see Sections 4.2.2 and 4.6.9), and (iii) servicing and repaying debt. Based on the conditions described in Section 4.4 below, "Outlook", and the Group's updated cash flow forecasts, Management believes that the Group will be able to fund its cash requirements and service and repay its debt during the twelve-month period following the date on which its consolidated financial statements were approved for issue (December 10, 2015).

4.6.1.2 Financial Resources

4.6.1.2.1 Overview

The Group's sources of liquidity have historically consisted mainly of the following:

- Net cash from operating activities, which amounted to €293.8 million for the year ended September 30, 2015 and €241.4 million for the year ended September 30, 2014.

- Available cash: Cash and cash equivalents recorded in the consolidated cash flow statement amounted to €188.8 million and €197.6 million at September 30, 2014 and 2015 respectively. For further information see the cash flow statement included in the consolidated financial statements set out in the section below entitled "Consolidated Financial Statements for the Years Ended September 30, 2015 and 2014".

- Debt, which includes the Senior Facility Agreement (SFA), High Yield Notes (also referred to as "Senior Secured Notes"), the US-dollar bond issue (private placement), the 2013 Securitization Program, finance lease liabilities and short-term bank loans. See Note 8/15/1 to the consolidated financial statements in the section below entitled "Consolidated Financial Statements for the Years Ended September 30, 2015 and 2014" as well as the description below.

4.6.1.2.2 Financial Liabilities

The Group's financial liabilities totaled €1,606.5 million and €1,673.5 million at September 30, 2014 and 2015 respectively. The table below provides a breakdown of the Group's gross debt at each of those dates.

(in € millions)	At September 30	
	2015	**2014**
Financial liabilities under the Senior Facility Agreement	1,267.0	1,183.8
o/w Senior Secured Notes (see definition below)	227.5	*227.5*
USD private placement	*89.5*	-
Finance lease liabilities	16.8	16.3
Areas Commercial Facilities Agreement	-	26.9
THS Credit Agreement	-	116.0
Receivables securitization program	179.6	175.8
Other financial liabilities (short-term bank loans)	120.6	87.7
Total financial liabilities	1,673.5	**1,606.5**

The table below shows the Group's credit ratings:

	Moody's[1]	**S&P**[2]	**Fitch**[3]
Group	Ba2	BB	BB-

(1) Rating at September 25, 2015
(2) Rating at October 26, 2015
(3) Rating at October 16, 2015

The following section decribes the main components of the Group's financial liabilities.

4.6.2 SENIOR FACILITY AGREEMENT

Overview

On June 23, 2006, the Company entered into a Senior Facility Agreement (the "Senior Facility Agreement"), which has been amended several times since that date. The borrowers under the Senior Facility Agreement are Elior and Elior Participations S.C.A. These two companies, together with Bercy Participations (Elior Participations' Managing General Partner), have each guaranteed, subject to certain limitations, the obligations of the other borrowers and guarantors under the Senior Facility Agreement.

Elior used part of the proceeds from the capital increase carried out in connection with its IPO in June 2014 to repay a portion of its senior debt and to redeem 35% of the principal of the High Yield Notes in accordance with the Notes' terms and conditions.

On December 10, 2014, the Group refinanced all of its credit facilities (term loans and revolving loans) under the Senior Facility Agreement pursuant to an amendment signed on December 3, 2014. This refinancing enabled the

Group to significantly lower the cost of its senior debt and extend its maturity to 2019 and 2022 (for part of the debt), as well as to negotiate financial and non-financial covenants adapted to the Group's financial structure after its IPO.

In June 2015 the Group set up two new facilities under Facility I (Facility I4 and Facility I5) representing a principal amount of USD 50 million each, and also drew down a new principal amount of USD 100 million under the Uncommitted Revolving Facility.

Credit Facilities

As at the date of the Registration Document, the Senior Facility Agreement provides for the following credit facilities:

Facility	Borrower	Principal amount (in € millions)	Maturity
Facility B	Elior – Elior Participations	800	2019
Facility C	Elior – Elior Participations	150	2022
Facility H	Elior	227.5	2020
Facility I4	Elior Participations	50	2020
Facility I5	Elior Participations	50	2020
EUR Revolving Facility	Elior – Elior Participations	300	2019
USD Revolving Facility	Elior – Elior Participations	150	2020
USD Revolving Facility 2	Elior – Elior Participations	100	2020
	Total	**1,827.5**	

The Senior Facility Agreement provides for the following to be made available to the Company and/or Elior Participations S.C.A., in one or more tranches: (i) a "Facility H" loan, as described in Section 4.3.3 below, "Facility H1 Loan and High Yield Notes", and (ii) a "Facility I", as described below.

Interest and Fees

The Senior Facilities bear interest at a rate per annum equal to Libor (or Euribor for any loans in euros), plus the applicable margins and certain usual mandatory costs

The annual margins for certain Senior Facilities are determined by reference to the applicable leverage ratio as follows:

Leverage ratio	Facility B	Facility C	Facility I4 and Facility I5	EUR Revolving Facility	USD Revolving Facility
Greater than or equal to 3.50:1	2.25%	3.10%	1.95%	1.85%	1.55%
Less than 3.50:1 but greater than or equal to 3.00:1	1.90%	2.75%	1.70%	1.50%	1.30%
Less than 3.00:1 but greater than or equal to 2.50:1	1.65%	2.50%	1.45%	1.25%	1.05%
Less than 2.50:1 but greater than or equal to 2.00:1	1.45%	2.30%	1.20%	1.05%	0.80%
Less than 2.00:1	1.25%	2.10%	0.95%	0.85%	0.55%

Leverage ratio including the repricing carried out on January 13, 2016	Facility B	Facility C	Facility I4 and Facility I5	EUR Revolving Facility	USD Revolving Facility
Greater than or equal to 3.50:1	2.00%	3.10%	1.95%	1.60%	1.55%
Less than 3.50:1 but greater than or equal to 3.00:1	1.65%	2.75%	1.70%	1.25%	1.30%
Less than 3.00:1 but greater than or equal to 2.50:1	1.40%	2.50%	1.45%	1.00%	1.05%
Less than 2.50:1 but greater than or equal to 2.00:1	1.20%	2.30%	1.20%	0.80%	0.80%
Less than 2.00:1	1.00%	2.10%	0.95%	0.60%	0.55%

The mechanism providing for a reduction in margins based on the leverage ratio will not apply if an "event of default", as defined in the Senior Facility Agreement, has occurred.

Security and Guarantees

The Senior Facilities are secured by first ranking pledges as follows:

- a pledge granted by Elior Participations S.C.A. over the shares of Elior Concessions S.A. and Elior Restauration et Services S.A.;
- a pledge granted by Elior Participations S.C.A. over the Avenance trademark;
- a pledge granted by the Company over the shares of Bercy Participations;
- a pledge granted by Bercy Participations over the management share (*action de commandité*) that it holds in Elior Participations S.C.A;

(1) a pledge granted by Elior over THS shares.

As lender under the Facility H1 Loan, Elior Finance & Co. S.C.A. benefits directly from the following pledges:

- a pledge granted by the Company over the shares of Elior Participations S.C.A;
- a pledge granted by the Company over the shares of Bercy Participations.

The Senior Facilities are guaranteed on a joint and several basis by the Company, Elior Participations S.C.A and Bercy Participations. These guarantees are subject to certain restrictions applicable under French law related to financial assistance and/or corporate benefit, although in

practice these rules should not actually limit the Company's commitments in relation to the guarantees.

The Senior Facility Agreement provides that all of the pledges granted will be released if all of the sums due under Facility H are repaid.

Undertakings and Covenants

The Senior Facility Agreement contains customary negative and affirmative covenants with respect to the Group's entities (adapted in certain cases to reflect the Group's specific situation). It does not contain any restrictions with respect to dividend payments.

The Senior Facility Agreement contains certain reporting requirements, and particularly an obligation to provide audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The Senior Facility Agreement also stipulates that the Group's leverage ratio must be less than or equal to 4:1 at September 30 and less than or equal to 4.50:1 at March 31.

Mandatory Prepayments and Cancellation

The Senior Facilities (other than the Facility H which has separate terms and conditions) will be immediately redeemable, if, among other events, there is a "change of control" or a sale of all or substantially all of the Group's assets.

The borrowers may voluntarily (i) prepay all or part of the loans made to them under the Senior Facilities, or (ii) cancel all or part of any unused facilities under the Senior Facilities

Events of Default

The Senior Facility Agreement provides for certain events of default (subject to materiality, cure periods and other exceptions where appropriate) which can trigger acceleration. These events of default are customary for this type of financing and notably include breach of the leverage ratio covenant.

If an event of default occurs and persists, the Senior Facility Agreement provides that the Senior Facility Agent may and will, if so instructed by the lenders, either (i) block any additional utilizations, or (ii) declare that all or part of any amount outstanding under such Senior Facilities is immediately due and payable.

Governing Law

The Senior Facility Agreement is governed by English law.

4.6.3 FACILITY H1 LOAN AND HIGH YIELD

Overview of Facility H

The Senior Facility Agreement provides that the Company or Elior Participations S.C.A may borrow amounts under a credit facility entitled Facility H, in one or more tranches. For this purpose, a duly authorized credit institution in France must commit to make such tranches available, subject to the assurance that the loan will be immediately purchased by another lender through financing obtained in a capital markets transaction (a high yield note offering or any other similar issue), which in turn must meet a number of conditions. The interest payable on any Facility H tranche, taking into account any fees or issue premiums, must be set such that the yield to maturity does not exceed 11% per annum.

The Senior Facility Agreement provides that net proceeds of any borrowings under a Facility H tranche must be used as follows: (i) €150 million (after deducting any repayments made using the proceeds of any borrowings under Facility I) as prepayment of the Facilities granted to Elior Participations S.C.A. or the Company that mature in 2017, and then, (ii) at the discretion of the borrower concerned, for carrying out permitted acquisitions (subject to certain limits) and/or for voluntarily prepaying the term loan facilities.

The repayment, maturity and interest rate clauses applicable to a Facility H tranche will be the same as the equivalent clauses contained in the terms and conditions of the related capital markets issue, as the majority of the prepayment clauses applicable to the other Senior Facilities provided for under the Senior Facility Agreement do not apply to Facility H.

Any amounts drawn down under a Facility H tranche will be guaranteed by the Company (unless it is the borrower itself), Bercy Participations and Elior Participations S.C.A. (and any other entity that may join the Senior Facility Agreement as guarantor), subject to the related guarantee limitations. Repayments under a Facility H tranche are also secured by (i) pledges granted by the Company over its shares in Elior Participations S.C.A. and Bercy Participations, and, (ii) if Elior Participations S.C.A. is the

borrower, a pledge granted by Elior Participations S.C.A. over its shares in Elior Concessions and Elior Restauration et Services, and the Avenance trademark. Any amounts recovered through enforcement of these guarantees and/or pledges will indirectly benefit the holders of the notes issued as part of the related capital markets issue.

If a Facility H tranche is issued, the Company, Bercy Participations and Elior Participations S.C.A. (and any other company that joins the Senior Facility Agreement as guarantor) must enter into a Covenant Agreement concerning the related notes that will be issued, under which they agree to respect, and ensure that their subsidiaries also respect the undertakings (other than payment undertakings) provided for in the terms and conditions of said notes.

The holders of the notes issued in connection with a Facility H tranche do not benefit from the numerous rights and protections granted to other lenders under the Senior Facility Agreement, apart from the fact that they indirectly benefit from the payments made by the Company under the related Facility H tranche and are given certain indirect, restricted rights and benefits. Neither the Company nor its subsidiaries directly guarantee the notes issued in connection with a Facility H tranche.

H1 Tranche of Facility H and Issue of the High Yield Notes

On April 25, 2013, Elior Finance & Co. S.C.A. – a company organized and established under the laws of the Grand Duchy of Luxembourg and not affiliated with the Company or any other Group entity – issued €350 million worth of 6.50% notes due in May 2020 (the "High Yield Notes"). The proceeds from this issue were used to purchase the H1 Tranche of Facility H (the "Facility H1 Loan") granted to the Company, which represented the same amount. The Company in turn used the proceeds from the Facility H1 Loan to partially repay certain tranches of borrowings under the Senior Facility Agreement and to cover the fees, commissions and costs related to the issue of the High Yield Notes and the Facility H1 Loan.

When Elior was relisted on the stock exchange, €122.5 million worth of the High Yield Notes were redeemed. The face value of the High Yield Notes still outstanding at September 30, 2014 was €227.5 million.

As from May 1, 2016, the Company may instruct Elior Finance & Co. S.C.A to redeem some or all of the High Yield Notes at a price varying over time from 104.875% (if the Notes are redeemed within twelve months of May 1, 2016) to eventually 100% (if they are redeemed as from May 1, 2019) of the principal amount of the Notes redeemed, plus in each case, the applicable early redemption premium whose amount will decrease over time. In such a case, the Company must provide Elior Finance & Co. S.C.A with the required funds by repaying the Facility H1 Loan in an amount covering the required redemption payment (including the premium).

Prior to May 1, 2016, Elior Finance & Co. S.C.A. may also redeem some or all of the High Yield Notes at a redemption price equal to 100% of the principal amount thereof, plus any accrued and unpaid interest at the redemption date and a "make whole" premium.

Additionally, if the applicable tax laws are changed in such a way that would impose new withholding taxes or any other deductions on the payments on the High Yield Notes or on their guarantees, Elior Finance & Co. S.C.A. may redeem all (but not some) of the High Yield Notes, at a redemption price of 100% of their principal amount, plus any accrued and unpaid interest, and additional amounts, if any, to the date of redemption. In such a case the Company will repay the Facility H1 Loan.

If a "change of control" occurs with respect to the Company or any one of its subsidiaries, Elior Finance & Co. S.C.A must offer to repurchase the High Yield Notes at a price equal to 101% of the aggregate principal amount of the Notes repurchased, plus accrued and unpaid interest. By way of exception, the occurrence of certain events that might otherwise constitute a "change of control" will not be deemed to be a "change of control" if immediately after the occurrence of such event and giving effect thereto on a pro forma basis, the Group's consolidated net leverage ratio is equal to or less than (i) 5.0 to 1, if the date of such occurrence is within eighteen months of the issue of the High Yield Notes, or (ii) 4.75 to 1 thereafter. However, this exception may only apply once during the life of the High Yield Notes. Moreover, if the Company or certain of its subsidiaries sell certain assets, Elior Finance & Co. S.C.A. must offer to repurchase the High Yield Notes at a price equal to 100% of the aggregate principal amount of the Notes repurchased, plus accrued and unpaid interest, if the amount of the proceeds from the related asset sale(s) that is in excess of a certain pre-defined limit has not been allocated for other purposes provided for in the applicable terms and conditions.

The Indenture for the High Yield Notes provides for a number of relatively standard events of default that would trigger acceleration of the Notes, notably payment default, breach of certain other obligations under the Indenture, breach of certain obligations under the Covenant Agreement related to the High Yield Notes, certain bankruptcy and insolvency events, and failure to pay final judgments entered by a court.

On April 25, 2013, the Company, Bercy Participations and Elior Participations S.C.A. entered into a Covenant Agreement related to the High Yield Notes which comprises negative covenants that restrict the ability of the Company and certain of its subsidiaries to:

- incur additional debt;
- pay dividends or make any other form of profit distribution in excess of certain limits (these limits do not affect the Company's current dividend payment policy);
- make any other restricted payments and make certain investments;
- grant liens or guarantees;
- create additional levels of debt;
- make asset sales;
- merge or consolidate with other entities;
- enter into certain transactions with affiliates; and
- grant additional guarantees.

These limitations are subject to various exceptions and conditions.

4.6.4 FACILITY I

Overview

The Senior Facility Agreement provides that the Company or Elior Participations S.C.A. may borrow amounts, in one or more tranches, under a facility entitled Facility I, which will be made available under certain specific conditions. For this purpose, a duly authorized credit institution in France must commit to make such tranches available.

The interest payable on any Facility I tranche, taking into account any fees or issue premiums, must be set such that the yield to maturity does not exceed 6% per annum. The net proceeds from any borrowings under Facility I must be used, at the discretion of the borrower concerned, for carrying out permitted acquisitions (subject to certain limits) and/or for voluntarily prepaying the term loan facilities.

For as long as the amounts due under Facility H have not been repaid in full, any amounts drawn down under a Facility I tranche will be guaranteed by the Company (unless it is the borrower itself), Bercy Participations and Elior Participations S.C.A. (and any other entity that may join the Senior Facility Agreement as guarantor). In addition, and also for as long as the amounts due under Facility H have not been repaid in full, repayments under a Facility I tranche are also secured by (i) pledges granted by the Company over its shares in Elior Participations S.C.A. and Bercy Participations, and (ii) if Elior Participations S.C.A. is the borrower, a pledge granted by Elior Participations S.C.A. over its shares in Elior Concessions and Elior Restauration et Services, and the Avenance trademark.

Tranche I1 of Facility I (Facility B, Facility C and revolving credit facility)

On December 3, 2014, a syndicated credit facility (comprising term loans and a revolving credit facility) was set up under Facility I, representing a total of €1,250 million and bearing interest at 1.90% per annum for the five-year tranche and 2.75% for the eight-year tranche, subject to changes in the interest scale, as described in the "Interest and Fees" section of this chapter (with the initial drawdown bearing interest of 1.89% for the five-year tranche and 2.74% for the eight-year tranche). Out of this total, on December 10, 2014 €200 million was made available to Elior and the remaining €750 million was made available to Elior Participations. The five-year revolving credit facility that can be used by Elior and Elior Participations amounts to €300 million.

Two new Facility I tranches amounting to €50 million each were set up on May 22, 2015 (Facility I4) and June 23, 2015 (Facility I5). The facilities' funds – – whose drawdowns bear interest at a rate of 1.88% – were made available to Elior Participations on May 28 and June 26, 2015 respectively.

In addition, two Revolving Facilities amounting to USD 150 million (the USD Revolving Facility) and USD 100 million (the USD Revolving Facility 2) were made available to Elior and Elior Participations in June 2015.

4.6.5 BOND ISSUE

In 2015 the Company carried out a bond issue representing a maximum USD 100 million. Interest on the bonds – which mature on May 28, 2022 –corresponds to the USD six-month Libor plus a margin [which may not exceed 2.60% per annum]. The proceeds of the bond issue (net of the related issue costs) were used to refinance THS's debt (see Section 4.8.15.1 below).

The bonds were issued to the Belgian-based fund, Pandios CommVA under a private placement. .Neither the Company nor its subsidiaries have granted any collateral or guarantees for the bonds. Other than the guarantee provisions, the bonds are subject to the same terms and conditions as in the Senior Facility Agreement.

4.6.6 THE AREAS COMMERCIAL FACILITIES AGREEMENT

On July 20, 2012, Areas, S.A. entered, as borrower, into a commercial facilities agreement (the "Areas Commercial Facilities Agreement"), with (i) Banco Bilbao Vizcaya Argentaria S.A., Banco de Sabadell S.A., Banco Santander S.A., Caixabank S.A. and Banca March S.A. as lenders (the "Areas Commercial Facilities Agreement Lenders") and (ii) Banco Bilbao Vizcaya Argentaria S.A. as agent (the "Areas Commercial Facilities Agreement Agent"), with Areas S.A. Chile Limitada, Geresa México S.A. de C.D., Aerocomidas S.A. de D.V. and Areas USA Inc. acting as guarantors. The credit facilities provided for under the Areas Commercial Facilities Agreement were repaid and cancelled in October 2014.

4.6.7 THE THS CREDIT AGREEMENT

On April 15, 2013, Trusthouse Services Holdings, LLC, a Delaware limited liability company (as successor by merger to Gourmet Acquisition Sub, LLC, a Delaware limited liability company), as borrower ("THS"), entered into a credit agreement (the "THS Credit Agreement") with Gourmet Acquisition, Inc., a Delaware corporation ("Holdings"), the lending parties thereto, CIT Finance LLC, as administrative agent (in such capacity, the "Administrative Agent") and CIT Finance LLC, as lead arranger.

All of the amounts due under the THS Credit Agreement were repaid and refinanced by way of an intra-group loan in May 2015 (see Section 4.8.15.1 below).

4.6.8 RECEIVABLES SECURITIZATION PROGRAM

Certain French and Italian entities of the Elior Group (the "Elior Group Receivables Sellers") were beneficiaries under a €200 million receivables securitization program, which was entered into in November 2006 and amended several times since that date (the "2006 Securitization Program"). The 2006 Securitization Program was refinanced in May 2013 (the "2013 Securitization Program") and its maximum amount was increased to €300 million. In addition, the 2013 Securitization Program was extended to include certain Spanish and Italian entities of the Elior Group.

Under the 2013 Securitization Program, trade receivables arising from sales or services provided in France and in Spain in relation to concession catering contracts or facilities management services (and otherwise subject to certain eligibility criteria) denominated in euros originated by any Elior Group Receivables Seller (except the receivables of Italian receivables sellers) are sold to FCT Camelia, a French securitization vehicle (*fonds commun de titrisation*) (the "FCT") established by Eurotitrisation as management company and HSBC France as custodian, liquidity and settlement bank. Sales to the FCT are made at face value, less a discount to reflect the financing costs until settlement. The FCT's commitment to fund the purchase of receivables ends in May 2018.

At September 30, 2015, outstanding securitized receivables, net of the related €97 million overcollateralization reserve, stood at €179 million. The program's cost, applied to the net amounts securitized, is approximately equal to Euribor plus 1%.

The FCT settles its purchases from the Elior Group Receivables Sellers on a monthly basis. Between settlement dates, the Elior Group Receivables Sellers may use cash received from clients, which is paid into segregated bank accounts dedicated to the FCT and swept periodically to the FCT's bank account (subject to netting against the purchase price owed for newly originated

receivables, unless an event of default has occurred). Responsibility for the administration of receivables, including adherence to established credit and collection policies, remains with the Elior Group Receivables Sellers, with Elior Participations S.C.A. acting as the centralizing entity for such administration.

The FCT obtains funding through an asset-backed commercial paper conduit with senior units (*parts prioritaires*) issued to Crédit Agricole Corporate and Investment Bank, Rabobank and HSBC France and subordinated units (*parts subordonnées*) issued to Elior Participations S.C.A. The subordinated units bear the risk of payment default by clients. Payment of interest and principal amounts due to Elior Participations S.C.A. under the subordinated units will be subject to the prior payment in full of interest and principal due under the senior units.

Certain specified events would terminate the Securitization Program. These include (without limitation) events relating to the performance of the receivables, payment default exceeding €5 million on any debt contracted by the Elior Group Receivables Sellers or under the Senior Facility Agreement, and accelerated repayment exceeding €1.5 million in relation to any debt contracted by the Elior Group Receivables Sellers or the Senior Facility Agreement.

Direct recourse against the Elior Group Receivables Sellers is limited to the amount of the related overcollateralization reserve. The FCT also has the benefit of (i) cash reserves provided by Elior Participations S.C.A. by way of credit enhancement and (ii) a guarantee granted by Elior Participations S.C.A. for amounts due to the FCT by the Elior Group Receivables Sellers up to a maximum principal amount of €300.0 million.

As well as the 2013 Receivables Securitization Program (which is an "on-balance sheet" program) in 2014 Elior set up an off-balance sheet factoring program for a number of its French subsidiaries, under which total outstandings amounted to €25 million at September 30, 2015 (out of a maximum amount of €70 million).

4.6.9 PRESENTATION AND ANALYSIS OF THE GROUP'S MAIN CASH OUTFLOWS

4.6.9.1 Capital Expenditure

The Group's capital expenditure for its operations breaks down into the following categories:

- maintenance and repairs expenditure;
- expenditure incurred in connection with the renewal or extension of existing contracts in order to maintain or improve the retention rate; and
- expenditure for expanding the business and prospecting new customers.

The Group's capital expenditure for the years ended September 30, 2014 and 2015 totaled €181.4 million and €177.9 million respectively. For further information on the Group's historical, current and future capital expenditure see Section 4.2.2 above, "Cash Flows from Investing Activities".

4.6.9.2 Interest Payments and Repayments of Borrowings

A large part of the Group's cash flow is allocated to servicing and repaying its debt. The Group made total interest payments of €130.2 million and €72.7 million respectively in the years ended September 30, 2014 and 2015. During the same periods it repaid borrowings amounting to €770.2 million and €1,101.0 million.

4.6.9.3 Financing Working Capital Requirement

The Group's working capital mainly corresponds to inventories plus trade receivables and other operating receivables less trade payables and other operating payables. Structurally, its working capital requirement reflects the specific characteristics of each of its businesses.

4.7 OUTLOOK

1.1.1 MEDIUM-TERM OUTLOOK (2016-2020)

The Group's strategy for 2016-2020 is based on:

- Continuing to build our operations focused on contract and concession catering, with an offering of selected related services.
- Ensuring that we have a balanced coverage of the markets and segments in which we are aiming for leadership positions.
- Applying an innovative marketing and digital approach centered on customer experience.

Implementing this strategy notably entails the rollout of a transformation plan (called "Tsubaki") comprising eight main projects aimed at accelerating growth, reducing costs and supporting our operational excellence. In addition, the Group plans to devote up to one billion euros to acquisitions over the period between 2016 and 2020

The Group has set itself the following financial targets for 2020:

- To generate revenue of between €7 billion and €8 billion.
- To achieve an EBITDA margin representing 9% to 10% of revenue.
- To have a free cash flow/EBITDA ratio of between 45% and 50%.

The Group intends to pursue its dividend payment policy, with a payout ratio of at least 40% of adjusted attributable profit[19], and its aim is to have a leverage ratio (net debt/EBITDA as defined in the Senior Facility Agreement) of around 2.50:1 in 2020.

1.1.2 OUTLOOK FOR FISCAL 2015-2016

The business development outlook for both contract and concession catering is promising, with varying growth profiles depending on the geographic regions and market segments concerned.

The global contract catering market currently represents €430 billion, with an average outsourcing rate at a currently low level of 35%. This, combined with the Group's strategic positioning, offers us significant growth opportunities.

The concession catering market represents some €26 billion and is growing at an annual rate of around 4%. The Group is well positioned to capitalize on this structural growth and increase its market shares, particularly in the airports market.

In line with its 2016-2020 strategic plan, the Group has embarked on its transformation process with a view to accelerating its development. We expect to see the initial benefits of this new momentum in FY 2015-2016 and our objectives for the fiscal year are to achieve:

- Organic growth[21] of more than 3% excluding the effect of voluntary contract withdrawals (which are expected to have a less-than 150 basis point impact).
- An EBITDA margin above 8.6%, representing an at-least 20 basis point increase compared to fiscal 2014-2015.
- A significant rise in EPS and adjusted EPS[22].

[21] Excluding the impact of changes in scope of consolidation and the currency effect.

[22] Adjusted for non-recurring operating items net of the tax effect calculated based on a standard tax rate of 34%.

4.8 CONSOLIDATED FINANCIAL STATEMENT FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

ELIOR SA

Consolidated Financial Statements for the Years Ended

September 30, 2014 and 2015 (prepared in accordance with IFRS)

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IFRS Consolidated Financial Statements for the Years Ended September 30, 2015 and 2014

1. Consolidated Income Statement and Statement of Comprehensive Income

1.1 Consolidated Income Statement

(in € millions)	Note	Year ended September 30, 2015	Year ended September 30, 2014
Revenue	**8.2**	**5,674.1**	**5,340.8**
Purchase of raw materials and consumables		(1,726.3)	(1,602.2)
Personnel costs	8.4	(2,532.4)	(2,429.6)
Other operating expenses		(878.1)	(799.8)
Taxes other than on income		(64.2)	(64.1)
Depreciation, amortization and provisions for recurring operating items		(158.1)	(139.0)
Recurring operating profit		**315.0**	**306.0**
Share of profit of equity-accounted investees	8.11	1.9	2.3
Recurring operating profit including share of profit of equity-accounted investees	**8.1**	**317.0**	**308.3**
Other income and expenses, net	8.6	(35.5)	(73.5)
Operating profit including share of profit of equity-accounted investees		**281.5**	**234.8**
Financial expenses	8.5	(117.6)	(143.4)
Financial income	8.5	10.6	6.4
Profit before income tax		**174.5**	**97.8**
Income tax	8.7	(68.3)	(41.2)
Profit for the period		**106.2**	**56.6**
Attributable to non-controlling interests		**(1.0)**	**8.8**
Attributable to owners of the parent		**107.2**	**47.8**
Basic earnings per share (in €)	8.3	0.65	0.38
Diluted earnings per share (in €)	8.3	0.64	0.37

The accompanying notes form an integral part of the consolidated financial statements.

1.2 Consolidated Statement of Comprehensive Income

(in € millions)	Year ended September 30, 2015	Year ended September 30, 2014
Profit for the period	**106.2**	**56.6**
Items that will not be reclassified subsequently to profit or loss		
Post-employment benefit obligations	(0.5)	(4.9)
Items that may be reclassified subsequently to profit or loss		
Financial instruments	21.5	0.9
Currency translation differences	(11.9)	(8.9)
Income tax	(7.4)	(0.3)
Total items that may be reclassified subsequently to profit or loss	**2.2**	**(8.3)**
Comprehensive income for the period	**107.9**	**43.4**
Attributable to:		
- Owners of the parent	106.4	34.8
- Non-controlling interests	1.4	8.6

The accompanying notes form an integral part of the consolidated financial statements.

2. Consolidated Balance Sheet

2.1 Assets

(in € millions)	Note	At September 30, 2015	At September 30, 2014
Goodwill	8.8	2,376.0	2,360.2
Intangible assets	8.9.1	294.0	260.2
Property, plant and equipment	8.9.2	510.5	498.4
Non-current financial assets	8.10	48.6	31.8
Equity-accounted investees	8.11	3.1	1.9
Fair value of derivative financial instruments (*)	8.15.2	-	-
Deferred tax assets	8.13.1	222.9	249.2
Total non-current assets		**3,455.1**	**3,401.6**
Inventories		96.0	94.5
Trade and other receivables	8.12	907.2	907.8
Current income tax assets		17.2	15.8
Other current assets	8.13.2	59.4	49.0
Short-term financial receivables (*)		10.9	5.9
Cash and cash equivalents (*)		210.4	220.2
Assets classified as held for sale		5.6	-
Total current assets		**1,306.7**	**1,293.2**
Total assets		**4,761.8**	**4,694.9**

(*) Included in the calculation of net debt (see Note 6/16 for definition)

The accompanying notes form an integral part of the consolidated financial statements.

2.2 Equity and Liabilities

(in € millions)	Note	At September 30, 2015	At September 30, 2014
Share capital	8.16	1.7	1.6
Reserves and retained earnings		1,453.8	1,280.2
Non-controlling interests		30.6	45.0
Total equity	4.	**1,486.1**	**1,326.8**
Long-term debt (*)	8.15.1	1,530.4	1,498.5
Fair value of derivative financial instruments (*)		20.6	27.3
Non-current liabilities relating to share acquisitions	8.17	20.0	178.2
Deferred tax liabilities	8.13.1	50.7	49.9
Provisions for pension and other post-employment benefit obligations	8.14	105.3	106.2
Other long-term provisions	8.14	22.4	10.5
Total non-current liabilities		**1,749.4**	**1,870.5**
Trade and other payables		701.0	687.0
Due to suppliers of non-current assets		23.9	24.6
Accrued taxes and payroll costs		556.3	553.6
Current income tax liabilities		28.7	26.7
Short-term debt (*)	8.15.1	123.5	90.0
Current liabilities relating to share acquisitions	8.17	8.7	8.1
Short-term provisions	8.14	59.2	84.8
Other current liabilities	8.18	22.5	22.9
Liabilities classified as held for sale		2.5	-
Total current liabilities		**1,526.2**	**1,497.6**
Total liabilities		**3,275.6**	**3,368.1**
Total equity and liabilities		**4,761.7**	**4,694.9**
(*) Included in the calculation of net debt		1,453.3	1,389.6
Net debt excluding fair value of derivative financial instruments and debt issuance costs		1,452.2	1,380.4

The accompanying notes form an integral part of the consolidated financial statements.

3. Consolidated Cash Flow Statement

(in € millions)	Note	Year ended September 30, 2015	Year ended September 30, 2014
Cash flows from operating activities			
Recurring operating profit including share of profit of equity-accounted investees		317.0	308.3
Amortization and depreciation		152.0	140.3
Provisions		6.1	(1.2)
EBITDA	**6.20**	**475.0**	**447.3**
Change in working capital		32.7	34.8
Interest paid		(72.7)	(130.2)
Tax paid		(56.2)	(43.0)
Other cash movements		(84.9)	(67.5)
Net cash from operating activities		**293.8**	**241.4**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		(189.0)	(193.7)
Proceeds from sale of property, plant and equipment and intangible assets		11.1	12.3
Purchases of non-current financial assets		1.8	(6.9)
Proceeds from sale of non-current financial assets		0.0	4.0
Acquisition/sale of shares in consolidated companies, net of cash acquired/divested		(109.6)	10.2
Net cash used in investing activities		**(285.6)**	**(174.1)**
Cash flows from financing activities			
Dividends paid to owners of the parent		(32.9)	-
Movements in share capital of the parent		1.4	770.6
Purchases of treasury shares		-	-
Dividends paid to non-controlling interests		(8.4)	(0.5)
Proceeds from borrowings		1,165.3	15.1
Repayments of borrowings		(1,101.0)	(770.2)
Net cash from financing activities		**24.4**	**15.0**
Effect of exchange rate and other changes		(23.9)	(23.6)
Net increase in cash and cash equivalents		**8.8**	**58.7**
Cash and cash equivalents at beginning of period		**188.8**	**130.1**
Cash and cash equivalents at end of period	**6.9**	**197.6**	**188.8**

The accompanying notes form an integral part of the consolidated financial statements.

4. Consolidated Statement of Changes in Equity

(in € millions)	Number of shares	Share capital	Additional paid-in capital and other reserves	Profit for the period attributable to owners of the parent	Translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at September 30, 2013 (1)	**108,820,358**	**1.1**	**570.6**	**8.7**	**6.3**	**586.6**	**68.4**	**655.0**
Profit for the period				47.8		47.8	8.8	56.6
Post-employment benefit obligations			(4.9)			(4.9)		(4.9)
Changes in fair value of financial instruments			0.6			0.6	0.0	0.6
Currency translation differences					(8.7)	(8.7)	(0.2)	(8.9)
Comprehensive income for the period			**(4.3)**	**47.8**	**(8.7)**	**34.8**	**8.6**	**43.4**
Appropriation of prior-period profit			8.7	(8.7)				
Capital increase	55,550,198	0.5	768.8			769.3		769.3
Dividends paid			(0.4)			(0.4)	(0.2)	(0.6)
Other movements (2.a)			(108.5)			(108.5)	(31.7)	(140.3)
Balance at September 30, 2014	**164,370,556**	**1.6**	**1,234.8**	**47.8**	**(2.4)**	**1,281.8**	**45.0**	**1,326.8**
Balance at September 30, 2014	**164,370,556**	**1.6**	**1,234.8**	**47.8**	**(2.4)**	**1,281.8**	**45.0**	**1,326.8**
Profit for the period				107.2		107.2	(1.0)	106.2
Post-employment benefit obligations			(0.5)			(0.5)		(0.5)
Changes in fair value of financial instruments			14.1			14.1		14.1
Currency translation differences					(14.4)	(14.4)	2.5	(11.9)
Comprehensive income for the period			**13.6**	**107.2**	**(14.4)**	**106.4**	**1.4**	**107.9**
Appropriation of prior-period profit			47.8	(47.8)		0		0
Capital increase	7,954,688	0.1	1.3			1.4	1.1	2.5
Dividends paid			(33.6)			(33.6)	(7.9)	(41.5)
Other movements (2.b)			99.5			99.5	(9.1)	90.4
Balance at September 30, 2015	**172,325,244**	**1.7**	**1,363.4**	**107.2**	**(16.7)**	**1,455.5**	**30.6**	**1,486.1**

(1) Including the impact of the application of IFRIC 21, representing a positive amount of €6.0 million before tax (€4.2 million after tax).

(2.a) The amounts recognized under "Other movements" within "Equity attributable to owners of the parent" and "Non-controlling interests" for the year ended September 30, 2014 correspond to (i) the initial recognition of the liability related to the Areas put option, amounting to an aggregate €160 million, of which €142 million was deducted from equity, and (ii) the €1.5 million impact of the first-time consolidation of the management companies that were merged into Elior prior to the IPO.

(2.b) The amounts recognized under "Other movements" within "Equity attributable to owners of the parent" and "Non-controlling interests" for the year ended September 30, 2015 primarily correspond to the reversal of the liability related to the Areas put option, which was initially recognized for an amount of €160 million at September 30, 2014 and fully reversed at September 30, 2015. This reversal had a €92 million impact on equity.

The accompanying notes form an integral part of the consolidated financial statements.

Notes to the IFRS Consolidated Financial Statements for the Years Ended September 30, 2015 and 2014

5. General Information and Significant Events

5.1 General Information

Elior S.A. is a French joint stock corporation (*société anonyme*) registered and domiciled in France. Its headquarters are located at 61-69 rue de Bercy, Paris, France. At September 30, 2015, Elior was held by the following parties: 29.81% by investment funds managed by Charterhouse and Chequers, 20.61% by Bagatelle Investissement et Management – "BIM" (which is wholly owned by Robert Zolade), 5.22%-by Corporacion Empresarial Emesa, and 44.36% by private and public investors following Elior's admission to trading on Euronext Paris on June 11, 2014.

The Elior Group is a major player in Europe's contracted catering and related services industry. It operates its businesses of contract catering & services and concession catering through companies based in 13 countries – mainly in the Eurozone, the United Kingdom, Latin America and the USA.

5.2 Significant Events

5.2.1 Acquisition and Disposals of Shares in Consolidated Companies

In October 2014 the Group acquired the entire capital of Lexington, a UK-based contract caterer. Lexington generates annual revenue of over £30 million in the business & industry market and has a major presence in the City of London. The acquisition was financed through an equity investment in Elior UK. Lexington has been fully consolidated in the Group's financial statements since October 1, 2014.

On April 30, 2015, Elior announced that it had signed a memorandum of understanding with Corporación Empresarial Emesa ("Emesa") to buy out the 38.45% non-controlling interest held by Emesa in Elior's Spanish subsidiary, Areas. This agreement provided for Elior's stake in Areas to be increased to 100% and for Emesa to become a significant shareholder of Elior.

The transaction was completed in July 2015 and the acquisition price was settled by way of:

- a €46 million cash payment; and
- the allocation to Emesa of 9 million Elior shares, including:
  - 1,282,500 treasury shares bought back by Elior on the market for €21.7 million, and
  - 7,717,500 new shares, issued at a price of €17.50 per share.

On completion of the transaction, all of the existing agreements between Areas' shareholders were terminated.

Consequently, Areas has been fully consolidated by Elior since July 2015 and the liability that was recognized in the consolidated balance sheet under "Liabilities relating to share acquisitions" in an amount of €160 million at September 30, 2014 and increased to €190 million in the consolidated interim financial statements at March 31, 2015 (i.e. prior to the transaction), has been reversed. The reversal was recognized in equity in a net amount of €92.3 million.

In August 2015, through its subsidiary THS, the Group acquired the entire capital of Starr Restaurant Catering Group (SRCG), a high-end restaurant and catering group based in the United States, serving a clientele that includes corporations, non-profit organizations and cultural institutions. SRCG operates multiple sites, primarily in New York, Philadelphia and Miami, and generates annual revenue of over $40 million. The price paid for the acquisition was financed by way of the US-dollar credit facilities drawn down by Elior in May 2015. SRCG will be fully consolidated in the Group's FY 2015-2016 financial statements as from October 1, 2015.

Year ended September 30, 2014

In the year ended September 30, 2014, the main changes in the Group's scope of consolidation corresponded to the divestment in December 2013 of non-strategic concession catering operations in Morocco and Argentina, which generated annual revenue of around €20 million.

During the fourth quarter of FY 2013-2014, Areas Chile sold its 40% stake in Arco Prime to the company's joint venture partner for €20 million. Arco Prime – which operates motorway service areas in Chile – was accounted for by the equity method in the Group's consolidated financial statements until June 30, 2014.

The sale generated a capital gain of €12 million (net of the related tax which was recognized at September 30, 2014 and was paid in FY 2014-2015).

5.2.2 Other Significant Events

Year ended September 30, 2015

5.2.2.1 Renegotiation of the Group's syndicated bank loans (5th amendment to the SFA)

On December 10, 2014, the Group refinanced all of its credit facilities (term loans and revolving loans) under the Senior Facility Agreement pursuant to an amendment signed on December 3, 2014. This refinancing – which involved a total amount of €950 million – enabled the Group to (i) significantly lower the cost of its senior debt thanks to a reduction in the applicable interest margins, (ii) extend the maturity of this debt to 2019 and 2022 (for part of it), and (iii) obtain less strict financial and non-financial covenants. The €15 million in bank fees paid in connection with this amendment are being recognized in the income statement over the term of the new credit facilities.

5.2.2.2 Dividend payment by Elior on April 10, 2015

The dividend for the year ended September 30, 2014 – which corresponded to €32.9 million (€0.20 per share) and was approved by the Company's shareholders at the March 10, 2015 Annual General Meeting – was paid on April 10, 2015.

5.2.2.3 Sale on May 7, 2015 of 16.4 million Elior shares by investment structures managed by Charterhouse Capital Partners and Chequers Partenaires

On May 7, 2015, investment structures managed by Charterhouse Capital Partners and Chequers Partenaires announced that they had sold 16.4 million Elior shares (representing around 10% of the Company's capital) through an expedited private placement. Together, these structures held 29.81% of Elior's capital at end-September 2015.

5.2.2.4 Repayment and refinancing on May 28, and June 23, 2015 of the US dollar-denominated THS acquisition debt (6th and 7th amendments to the SFA)

On May 28 and June 23, 2015, the Group signed the sixth and seventh amendments to the SFA, which provide for (i) Elior SA to issue bonds representing a principal amount of USD 100 million as part of a private placement to be taken up by an investor, (ii) a new Facility I loan to be set up under the SFA, representing a principal amount of USD 100 million, and (iii) a new Uncommitted Revolving Facility to be put in place under the SFA, representing a principal amount of USD 250 million. The drawdowns corresponding to these new amendments took place on May 28, 2015.

Elior SA's bond issue – representing a maximum principal amount of USD 100 million – pays interest based on the six-month USD Libor plus a margin of 2.15% per annum at the time of issue, which may subsequently be increased to a maximum of 2.60% per annum. The bonds have a 7-year maturity.

The new Facility I loan has a 5-year maturity. Interest payable on the loan is based on the USD Libor plus a margin of 1.70% per annum at inception, which may subsequently vary depending on the leverage ratio, but may not exceed 1.95% per annum. This loan is subject to all the other terms and conditions of the SFA.

The new Uncommitted Revolving Facility also has a 5-year maturity. If it is drawn down, the interest payable will be based on the USD Libor plus a margin of 1.30% per annum at the time the facility is set up, which may subsequently vary depending on the leverage ratio and the amount drawn down, but may not exceed 1.95% per annum. This facility is subject to all the other terms and conditions of the SFA.

These new financing arrangements notably permitted the repayment of the debt taken out by THS in 2013 (with no recourse against Elior) when it was acquired by Elior, which was immediately replaced by an intra-group loan. Since the repayment of this debt, the entities making up the THS group have been considered as Elior SA subsidiaries for the purposes of the SFA.

Year ended September 30, 2014

5.2.2.5 Renegotiation of the Group's syndicated bank loans (4th amendment)

The Group's lending margins on its syndicated bank loans were reduced by its partner banks, effective from February 3, 2014. The reductions corresponded to (i) 75 basis points on the outstanding amount of Elior and Elior Participations' main term loans representing a total of €1,571.3 million, and (ii) 25 basis points on €192.5 million in undrawn revolving credit facilities. The Group paid €6.8 million in bank fees in connection with the negotiated reductions, which are included in the effective interest rate of the loans and are therefore being deferred in the balance sheet in accordance with the IFRS accounting treatment applicable to a debt renegotiation that does not result in any substantial changes to the loan agreement.

5.2.2.6 Elior's stock market floatation on June 11, 2014 and the recognition of a liability for the put option on 38.45% of Areas' share capital

Elior has been listed on NYSE Euronext Paris since June 11, 2014. The IPO involved the issue of 53.2 million Elior shares at a unit price of €14.75, resulting in an overall €785 million capital increase. Of this amount, €769 million was recognized in equity, net of the direct costs of the IPO which were charged against the issue premium in an amount net of the related tax effect.

As a listed company, in accordance with IAS 32 Elior considered that it no longer had control over the exercise conditions of the put option held by Emesa on 38.45% of Areas' share capital. Consequently, a corresponding liability was recognized in the first consolidated accounts prepared after the Company's stock market floatation, i.e. the financial statements for the nine months ended June 30, 2014. The liability recognized at that date amounted to €130 million, calculated by means of a multi-criteria valuation analysis performed on Areas and its subsidiaries, using methods based on discounted cash flows, valuation multiples for comparable listed companies and recent transaction multiples.

The liability was remeasured at September 30, 2014 based on the same multi-criteria valuation analysis, as a result of which it was increased to €160 million in the balance sheet at that date.

5.2.2.7 Debt reduction following Elior's stock market floatation

Following the Company's stock market flotation on June 11, 2014, Elior repaid (i) €615 million worth of its syndicated bank debt due to mature in 2019, and (ii) €122 million worth of the debt related to the Elior Finance & Co SCA May 2020 Senior Secured Notes.

6. Accounting Policies

6.1 Basis of Preparation of the Consolidated Financial Statements

6.1.1 Basis of Preparation of the Consolidated Financial Statements for the Years Ended September 30, 2015 and 2014

In compliance with European Commission Regulation (EC) number 1606/2002 dated July 19, 2002, the Elior Group's consolidated financial statements for the years ended September 30, 2015 and 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board (IASB) and endorsed by the European Union's Accounting Regulatory Committee. The IFRSs and related interpretations adopted by the European Union can be viewed on the European Commission's website at

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The consolidated financial statements cover the operations, results and cash flows for the twelve-month periods ended September 30, 2015 and 2014, as Elior and its subsidiaries have a September 30 fiscal year-end (apart from a small number of exceptional cases). They were authorized for issue by Elior's Board of Directors on January 19, 2016 and will be submitted for approval at the Annual General Meeting to be held on March 11, 2016. They are presented in millions of euro unless otherwise specified.

The accounting principles in force at September 30, 2015 have been applied for all of the periods presented in these consolidated financial statements.

6.1.2 New Standards, Amendments and Interpretations Adopted by the European Union and Applied by the Group

IFRIC 21, "Levies", effective for annual periods beginning on or after June 17, 2014. IFRIC 21 – which is an interpretation of IAS 37 – states that a liability to pay a levy (i.e. tax other than on income) should be recognized on the basis of when the "obligating event" occurs (with "obligating event" defined as the activity that triggers the payment of the levy). This interpretation primarily affects the Group's interim financial statements and mainly concerns its recognition of the special social solidarity contribution ("C3S" tax") in France, which now has to be recognized in full on the date it falls due as the option for deferring recognition has been removed. In accordance with IFRIC 21, this change in accounting method was applied retrospectively and its impact on opening equity, as restated at September 30, 2013 and 2014, was a positive €6.0 million before tax and €4.2 million after tax.

The new standards and amendments applicable by the Group as from October 1, 2014 had no impact on the consolidated financial statements for the year ended September 30, 2015, apart from a number of additional required disclosures. These new standards and amendments were as follows:

- The new standards on consolidation (IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", and IFRS 12, "Disclosure of Interests in Other Entities"), and the consequential amendments to IAS 27, "Separate Financial Statements" and IAS 28, "Investments in Associates and Joint Ventures" as well as the amendments to IFRS 10, IFRS 11, and IFRS 12, "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance", effective for annual periods beginning on or after January 1, 2014:
  - ✓ IFRS 10, "Consolidated Financial Statements" introduces a new definition of control: "an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". Previously, control was defined in IAS 27 as "the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities". The application of IFRS 10 did not impact the Group's scope of consolidation.
  - ✓ IFRS 11, "Joint Arrangements", establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly. In application of this new standard, only two types of joint arrangement exist: joint operations and joint ventures. The classification of a joint arrangement as a joint operation or a joint venture depends on the rights and obligations of the parties to the arrangement. IFRS 11 removes the option of accounting for joint ventures using proportionate consolidation and instead requires them to be accounted for by the equity method. For a joint operation, the joint operator is now required to account for its share of the operation's assets, liabilities, revenues and expenses on a line-by-line basis. As the Group does not have any joint operations, this new standard did not have any impact on its consolidated financial statements.
  - ✓ IFRS 12, "Disclosure of Interests in Other Entities" sets out in a single standard all of the disclosure requirements regarding entities' interests in subsidiaries, joint arrangements, associates, and unconsolidated "structured entities". This standard requires entities to disclose information that enables users of the financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows. This new standard did not have any impact on the consolidated financial statements.
- Amendments to IAS 32, "Offsetting Financial Assets and Financial Liabilities", effective since January 1, 2014.
- Amendments to IAS 36, "Recoverable Amount Disclosures for Non-Financial Assets", effective since January 1, 2014.
- Amendments to IAS 39, "Novation of Derivatives and Continuation of Hedge Accounting", effective since January 1, 2014.

6.1.3 New Standards, Amendments and Interpretations Issued by the IASB but not yet Applied by the Group

The main standards, amendments and interpretations that have been issued but which are not yet effective are as follows:

- Amendments to IAS 16 and IAS 38, "Clarification of Acceptable Methods of Depreciation and Amortisation", effective for annual periods beginning on or after January 1, 2016 (not yet adopted by the EU).
- Amendments to IAS 1, "Disclosure Initiative", effective for annual periods beginning on or after January 1, 2016 (not yet adopted by the EU).

- IFRS 9, "Financial Instruments", effective for annual periods beginning on or after January 1, 2018 (not yet adopted by the EU).
- IFRS 15, "Revenue from Contracts with Customers", effective for annual periods beginning on or after January 1, 2018 (not yet adopted by the EU).

The Group did not early adopt any standards or amendments during FY 2014-2015. It is currently in the process of analyzing the potential impacts of the above-mentioned new standards and amendments.

6.2 Consolidation Methods

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Associates are all entities over which the Group has significant influence but not control. This influence is deemed to exist where the consolidating company directly or indirectly holds at least 20% of the entity's voting rights. Investments in associates are accounted for by the equity method.

A list of consolidated companies – including changes in the scope of consolidation during the year ended September 30, 2015 – is provided in Note 14. below.

6.3 Fiscal Year-Ends

Elior's 2014-2015 and 2013-2014 fiscal years cover the 12-month periods from October 1, 2014 through September 30, 2015 and October 1, 2013 through September 30, 2014 respectively. Elior's subsidiaries and associates have a 12-month fiscal year ending on September 30, apart from in exceptional cases for regulatory reasons (Mexico-based entities) or contractual reasons.

Where consolidated companies have a fiscal year-end other than September 30, these entities prepare full and audited interim financial statements at September 30.

6.4 Foreign Currency Translation

The recognition and measurement criteria relating to foreign currency operations are defined in IAS 21, "The Effects of Changes in Foreign Exchange Rates". Commercial transactions denominated in foreign currencies carried out by consolidated companies are translated using the exchange rate prevailing at the date of the transaction. Foreign currency receivables and payables are translated at the period-end exchange rate and the resulting translation gains or losses are recorded in the income statement.

For the years ended September 30, 2015 and 2014, the balance sheets, income statements, and cash flow statements of certain subsidiaries whose functional currency differs from the presentation currency used in Elior's accounts have been translated (i) at the exchange rate prevailing at September 30 for the balance sheet, and (ii) at the average exchange rate for the period for the income statement and cash flow statement, except in the case of significant fluctuations in exchange rates.

Any resulting translation differences have been recorded in other comprehensive income.

The main exchange rates used in the consolidated financial statements for the years ended September 30, 2015 and 2014 were based on Paris stock exchange rates and were as follows:

	Year ended September 30, 2015		Year ended September 30, 2014	
	Period-end rate	Average rate	Period-end rate	Average rate
- € /US $:	1.1177	1.1491	1.2632	1.3571
- € /£ :	0.7388	0.7433	0.7792	0.8193
- € /MXN :	18.91	17.37	16.97	17.77
- € /CLP :	778.31	722.18	755.59	746.21

6.5 Intangible Assets and Goodwill

6.5.1 Intangible Assets

Intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets recognized in the Group's consolidated balance sheet include the following:

– Trademarks

In accordance with IAS 38, "Intangible Assets", trademarks are recorded under intangible assets.

This item corresponds to the trademarks used by Elior Concessions for its motorway concessions, which are amortized over a period of 30 years.

– Other intangible assets

As prescribed in IFRIC 12, assets used under certain of the Group's catering contracts are classified as intangible assets and amortized over their estimated useful lives (subject to a maximum period corresponding to the term of the underlying operating contracts).

– Software

The cost of software installed and operated within the Group is capitalized and amortized over estimated useful lives of 4 to 6 years.

Intangible assets are amortized using the straight-line method.

6.5.2 Goodwill

At the date of a business combination, goodwill is measured as the difference between (i) the aggregate of the fair value of the consideration transferred and the amount of any non-controlling interests (measured at fair value or at the non-controlling interest's share of the identifiable net assets, which is likewise generally measured at fair value) plus the acquisition-date fair value of any equity interest in the acquiree previously held by the Group, and (ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (generally measured at fair value).

In accordance with IFRS 3R, any adjustments to the fair values provisionally assigned to the assets or liabilities of an acquiree are accounted for as retrospective adjustments to goodwill if they are recognized within twelve months of the acquisition date and where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. Beyond this timeframe, the impacts of any such fair value adjustments are recognized directly in profit or loss, unless they correspond to error corrections.

6.6 Impairment Tests

In accordance with IAS 36, "Impairment of Assets", intangible assets are tested for impairment whenever there is an indication that they may be impaired. The impairment tests are carried out using the discounted cash flow method. Future cash flows are calculated by the Group's management team using the medium and long-term strategic plans drawn up by each business. These

plans form the basis of the calculation for all intangible assets, including trademarks and goodwill.

If an asset's recoverable amount (determined based on the present value of the future cash flows expected to be derived from the asset) is lower than its carrying amount, a corresponding impairment loss is recognized in the income statement under "Other income and expenses, net".

At each reporting date the carrying amounts of property, plant and equipment, intangible assets and goodwill are reviewed in order to assess whether there is any indication that they may be impaired. If such an indication exists, the recoverable amount of the asset concerned is estimated. Goodwill is tested for impairment annually at September 30.

For the purposes of impairment testing, assets are grouped into cash-generating units (CGUs) which correspond to the smallest identifiable group of assets that generates cash inflows from continuing use of the assets that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising on business combinations is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The Group has identified the following 13 CGUs, which generally correspond to its main legal entities that operate separate activities:

Contract catering & services – France:

- Elior Entreprises (to which Ansamble was added in 2012)
- ELRES
- Elior Services Propreté & Santé (ESPS)

Contract catering & services – International:

- Elior Ristorazione (including Gemeaz and Copra)
- Serunión Spain and Portugal (including Alessa)
- Elior UK
- THS

Concession catering:

- Elior Concession France
- Elior Concession Italy
- Areas Iberia (Spain & Portugal)
- Areas USA
- Areas Mexico
- Areas – Other countries

Goodwill is allocated to the CGUs listed above.

An impairment loss is recorded if the estimated recoverable amount of a CGU is lower than its carrying amount. The recoverable amount of a CGU corresponds to the higher of its fair value less costs of disposal and its value in use.

In practice, the recoverable amounts of the Group's CGUs have been determined based on their value in use, calculated based on projections of the cash flows that the Group expects to derive from each CGU. The cash flow projections used were based on five-year budgets drawn up for each CGU and validated by Group management. The underlying assumptions used for the projections were as follows:

- Average annual growth in consolidated revenue based on the business plan and generally corresponding to between 1.2% and 5.26%, depending on the business segment and country concerned.

- Stable or moderate growth in operating margins (EBITDA), corresponding to between 6.4% and 13.2% depending on the CGU concerned.

Cash flow projections beyond the five-year budget period are estimated by extrapolating the projections using a long-term growth rate which may not exceed the average long-term growth rate for the operating segment.

Future cash flows are discounted using the estimated weighted average cost of capital (WACC) for the segment.

The Group uses a post-tax discount rate applied to post-tax cash flows.

The main assumptions used for the impairment tests performed were as follows:

	Discount rate		Perpetuity growth rate	
	Year ended September 30, 2015	Year ended September 30, 2014	Year ended September 30, 2015	Year ended September 30, 2014
Europe (excluding Spain and Portugal) and USA	6.0% - 7.0%	7.5% - 8.5%	2.0%	2.0%
Spain and Portugal	7.5%	9.5%	2.0%	2.0%
Central and Latin America	8.0% - 9.5%	8.6% - 10.7%	2.0%	2.0%

No material goodwill impairment losses were recognized in the years ended September 30, 2015 and 2014.

Sensitivity of the recoverable amount of groups of CGUs to changes in the assumptions applied

In accordance with IAS 36, the Group carried out sensitivity analyses on the results of the impairment tests performed, using different assumptions for the long-term growth rate, projected cash flows and discount rate, as set out below.

These sensitivity analyses showed that none of the Group's CGUs or groups of CGUs would be exposed to the probability of their recoverable amount falling below their carrying amount if the different assumptions were applied.

Consequently, no impairment losses would need to be recognized in relation to the assets tested for each CGU or group of CGUs if the following changes were made to the assumptions used:

- a 100 basis-point decrease in the long-term growth rate;
- a 5% decrease in projected net cash flows based on the duration of the relevant business plans and on the terminal value;
- a 50 basis-point increase in the discount rate.

6.7 Property, Plant and Equipment

As permitted under IAS 16, "Property, Plant and Equipment", the Group has elected to apply the cost model rather than the revaluation model for measuring property, plant and equipment. Consequently, these assets are carried at acquisition or production cost less accumulated depreciation and any accumulated impairment losses. The capitalization of borrowing costs provided for in IAS 23R is not applicable to the Group. Property, plant and equipment are depreciated using the straight-line method, over the estimated useful lives of each main class of asset, as follows:

- Buildings: between 20 and 40 years
- Fixtures and fittings: between 5 and 12 years
- Catering equipment: between 5 and 10 years
- Office equipment: between 4 and 5 years
- IT equipment: between 3 and 4 years
- Vehicles: between 4 and 5 years

The residual values and useful lives of property, plant and equipment are reviewed at each fiscal year-end based on indicators such as the term of the underlying operating contract.

In accordance with IAS 17, assets held under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are initially recognized at the lower of their fair value and the present value of the minimum lease payments, and are depreciated over the shorter of their useful lives and the lease terms. The corresponding obligation is recognized under debt on the liabilities side of the balance sheet. Lease payments are then apportioned between the finance charge and the reduction of the outstanding liability.

6.8 Operating Working Capital Accounts (Inventories and Trade and Other Receivables)

6.8.1 Inventories

Inventories of raw materials and goods held for resale are measured at the lower of cost and net realizable value.

The majority of the Group's inventories are measured at the most recent purchase price, given the high turnover rate due to inventories being primarily composed of perishable goods. This method is consistent with the "First-in First-out method" recommended in IAS 2, "Inventories". Borrowing costs are not included in the measurement.

6.8.2 Trade and Other Receivables

Trade and other receivables are initially recognized at fair value. If these items subsequently become impaired an impairment loss is recorded in the income statement, calculated either specifically or statistically based on the estimated future loss rates of the operating companies concerned, using reliable historical data.

The balance sheets of concession catering companies do not generally include significant amounts of trade receivables. In the contract catering & services business there is no material exposure to concentrations of customer credit risk at Group level as the relevant companies have a large number of customers and the geographic locations of these customers and the operating sites concerned are highly diverse.

6.9 Cash and Cash Equivalents

Cash and cash equivalents are held primarily to meet the Group's short-term cash needs rather than for investment or other purposes. Cash and cash equivalents consist of cash balances, cash in the process of collection, deposits with maturities of less than three months, money-market mutual funds and money-market securities, which can be realized or sold at short notice and are subject to an insignificant risk of changes in value.

Bank overdrafts repayable on demand and current accounts held for treasury management purposes are an integral part of the Group's cash management and are therefore deducted from cash in the cash flow statement whereas they are classified as short-term debt in the balance sheet. These items represent the sole difference between the amounts of cash and cash equivalents presented in the balance sheet and those presented in the cash flow statement.

The cash flow statement is presented based on the indirect method.

6.10 Provisions

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", provisions recorded by the Group are intended to cover liabilities of uncertain timing or amount. These liabilities represent a present legal or constructive obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits. They notably include compensation estimated by the Group and its legal counsel for litigation, claims and disputes brought by third parties. The provisions are discounted when the effect of the time value of money is material

6.11 Current and Deferred Taxes

Consolidated income tax corresponds to the aggregate amount of income tax reported by each of the Group's companies, adjusted for any deferred taxes. French subsidiaries that are over 95%-owned by Elior form part of a consolidated tax group headed by Elior.

The Group has elected to apply the following accounting treatment to the business tax (*Contribution Economique Territoriale* – CET) applicable to French entities pursuant to the 2010 French Finance Act:

- The portion of the CET tax based on the rental value of real estate (CFE) is recognized as an operating expense.
- The portion of the CET tax based on the value added by the business (CVAE) is recognized as an income tax within the meaning of IAS 12.

In accordance with IAS 12, "Income Taxes", deferred taxes are recognized for (i) all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, and (ii) the carryforward of unused tax losses (apart from in exceptional cases) to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. Deferred taxes are calculated using the liability method, based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in tax rates is recorded in the income statement, except if the related tax was generated

either by (i) a transaction recognized directly in equity under other comprehensive income, or (ii) in connection with a business combination. Deferred tax assets and liabilities are not discounted.

The reform introduced by the French Amended Finance Act for 2012 – which limits the amount of tax loss carryforwards that can be offset annually against taxable profit – did not affect the amount of deferred taxes recognized in relation to Elior's tax loss carryforwards at either September 30, 2015 or 2014.

Statutory retirement bonuses, long-service awards and pension plans

In accordance with IAS 19R, "Employee Benefits", the Group's pension and other post-employment benefit obligations are measured by independent actuaries. A provision to cover these obligations (including the related payroll taxes) is recorded in the consolidated balance sheet.

The main actuarial assumptions used for the years ended September 30, 2015 and 2014 were as follows:

6.12 Employee Benefits

- For the Year Ended September 30, 2015

Country	France	Italy	Spain	Germany
Type of obligation	Statutory retirement bonuses and long-service awards	TFR provision for employment contract termination indemnities	Retirement and loyalty bonuses	Loyalty bonuses
Discount rate	2%			
Salary growth rate	2 to 2.5%	N/A	1.0% to 1.5%	N/A

- For the Year Ended September 30, 2014

Country	France	Italy	Spain	Germany
Type of obligation	Statutory retirement bonuses and long-service awards	TFR provision for employment contract termination indemnities	Retirement and loyalty bonuses	Loyalty bonuses
Discount rate	2%			
Salary growth rate	2 to 2.5%	N/A	1.5% to 2%	N/A

The discount rate applied is determined by reference to the interest rates on high quality corporate bonds that have the same terms to maturity as the terms of the related obligations.

Actuarial gains and losses are generated by changes in assumptions or experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred). In accordance with IAS 19R, actuarial gains and losses related to statutory retirement bonuses are recognize in full within "Other

comprehensive income". Actuarial gains and losses on other long-term benefits (long-service awards and loyalty bonuses) are recognized immediately in the income statement.

The provision in the opening balance sheet for the year ended September 30, 2014 was adjusted through equity on the first-time application of IAS 19 R.

6.13 Treasury Shares

Any treasury shares held by the Group are recorded as a deduction from equity. Proceeds from the sale of treasury shares are credited directly to equity, so that any disposal gains or losses do not impact profit for the period. No shares were held in treasury at September 30, 2015. At September 30, 2014 the Group held 8,545 shares in treasury (representing €110 thousand) under the liquidity contract set up during that year.

6.14 Recognition and Measurement of Financial Assets and Liabilities

6.14.1 Recognition and Measurement of Financial Assets

The Group's financial assets comprise (i) non-current financial assets, corresponding to loans (including loans and advances to subsidiaries and associates), and deposits and guarantees, (ii) trade and other receivables, (iii) derivatives, and (iv) cash and cash equivalents.

Financial assets are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. When a financial asset is initially recognized, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the acquisition date, the Group classifies financial assets in one of the following categories defined in IAS 39:

- Loans and receivables

This category includes non-current financial assets, loans and advances to subsidiaries and associates, other loans, deposits and guarantees and trade and other receivables. After initial recognition at fair value they are measured at amortized cost using the effective interest method.

An impairment loss is recorded as an operating expense if the recoverable amount of a loan or receivable is lower than its carrying amount.

Deposits and guarantees correspond to amounts paid to lessors as guarantees for rental payments. The value of these assets is adjusted regularly in line with adjustments to the corresponding rental payments. The impact of discounting these amounts is deemed to be non-material for the Group's consolidated financial statements.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss correspond to assets that are held for trading which the Group intends to sell in the near term.

6.14.2 Recognition and Measurement of Financial Liabilities

Financial liabilities comprise borrowings, bank overdrafts, liabilities relating to share acquisitions, derivatives, and trade and other payables.

Financial liabilities other than those at fair value through profit or loss (i.e. derivatives) are initially recognized at fair value less transaction costs and are subsequently measured at amortized cost using the effective interest method (which factors in the related issuance costs as well as any issue or redemption premiums).

6.15 Recognition and Measurement of Derivatives

6.15.1 Interest Rate and Foreign Currency Instruments

In accordance with IAS 39, derivatives are recognized in the balance sheet at fair value. As prescribed in IFRS 7, the fair value of interest rate and currency derivatives is calculated by discounting future cash flows at the interest rate prevailing at the balance sheet date.

The method used for recognizing changes in the fair value of derivatives depends on (i) whether there is formal designation and documentation of a hedging relationship in accordance with the criteria in IAS 39, and (ii) the type of hedge used:

- If there is no hedging relationship within the meaning of IAS 39, changes in fair value of derivatives are recorded in the income statement.
-
- The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income with a corresponding adjustment to the fair value reserve). The gain or

loss relating to the ineffective portion is recognized in the income statement.

6.15.2 Liabilities Relating to Share Acquisitions (Put Options over Non-Controlling Interests)

When the Group acquires an equity interest in a subsidiary, it may give the non-controlling shareholders of the acquired subsidiary a commitment to subsequently purchase their shares. Such purchase commitments correspond to put options written by the Group.

In accordance with IAS 32 and since the application of the revised version of IFRS 3, the Group recognizes a financial liability in its consolidated IFRS accounts for put options written over non-controlling interests, with the amount of the liability calculated based on the price formulas in the related contractual documentation. A corresponding adjustment is made to equity and subsequent changes in the value of the financial liability are recognized in equity. For put options written in connection with acquisitions carried out before the application of IFRS 3R, any changes in the value of the underlying financial liability that arise subsequent to initial recognition as a result of the change in the estimated value of the options' exercise price are recorded as an adjustment to goodwill, which was the accounting treatment applied prior to IFRS 3R.

In its consolidated financial statements at September 30, 2014, Elior had recognized a liability relating to the put option held by Emesa over 38.45% of Areas' share capital. The amount of the liability totaled €160 million at that date, of which €142 million was deducted from equity.

At September 30, 2015, following Elior's buyout of Emesa's 38.45% interest in Areas for an aggregate €67.7 million (settled partly in cash and partly in newly-issued Elior shares as described in Note 5.2.1 above), the liability previously recognized in the balance sheet in relation to the put option was reversed in full through equity. This resulted in a €92.3 million positive impact on equity.

6.16 Definition of Net Debt

Net debt as defined by the Group represents short- and long-term debt plus the fair value of derivative financial instruments recognized under liabilities, less cash and cash equivalents, short-term financial receivables recognized in accordance with IFRIC 12 and the fair value of derivative financial instruments recognized under assets. It does not include liabilities relating to share acquisitions.

6.17 Revenue

Consolidated revenue corresponds to sales of goods and services in the course of the ordinary activities of consolidated companies. It includes all income provided for in the Group's contracts, whether the Group entity concerned is acting as principal (the majority of cases) or agent.

Revenue is measured at the fair value of the consideration received or receivable, net of all discounts and rebates, VAT and other sales taxes. It is recognized when it is probable that future economic benefits will flow to the Group and these benefits can be measured reliably. No revenue is recognized if there is significant uncertainty about the recoverability of the costs incurred in connection with the rendering of services.

Revenue generated on the rendering of contract catering services and support services or the sale of goods in travel retail stores is recognized when the service is rendered or the goods are sold.

6.18 Other Operating Expenses

This item includes all recurring operating expenses except costs for the purchase of raw materials and consumables, personnel costs, taxes other than on income, and amortization, depreciation and provision expense.

6.19 Other Income and Expenses, Net

This item consists of income and expenses that are not considered as generated or incurred in the normal course of business, and mainly includes impairment of goodwill and other non-current assets, non-recurring significant restructuring costs, costs incurred in the course of debt restructuring, acquisition costs of consolidated subsidiaries, and gains and losses on disposals of assets or investments in consolidated companies. It also includes annual charges to amortization recorded in the consolidated financial statements for intangible assets (notably customer relationships) that are recognized on business combinations.

6.20 EBITDA

EBITDA is defined as recurring operating profit, including share of profit of equity-accounted investees, before depreciation, amortization and provisions for recurring operating items (recognized in accordance with IAS 37).

6.21 Recurring Operating Profit

Recurring operating profit represents total income less total expenses before (i) other income and expenses, net, (ii) financial income and expenses, (ii) profit/(loss) from discontinued operations or operations held for sale, and (iii) income tax. Since the year ended September 30, 2014 the Group has included "Share of profit of equity accounted investees" within recurring operating profit.

6.22 Calculation of Earnings Per Share

In accordance with IAS 33, basic earnings per share is calculated by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period excluding shares held in treasury.

For the purpose of calculating diluted earnings per share, (i) the weighted average number of ordinary shares outstanding is increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares, and (ii) profit attributable to owners of the parent is increased by the amount of dividends and interest recognized in the period in respect of any dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares.

Potential ordinary shares are treated as dilutive, when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.

6.23 Segment Reporting

At September 30, 2015 and 2014, the Group was structured into two main business lines: contract catering & services, and concession catering. The results and long-term assets of these business lines are broken down into operating segments that correspond to geographic regions and the segments used by management in making key operating decisions. These operating segments are as follows:

- For contract catering & services: "France" and "International"
- For concession catering: "France, Northern Europe and Italy" and "Spain, Portugal and the Americas".

These operating segments are those whose operating results are regularly reviewed by the Group's chief operating decision maker (the Executive Team).

Segment information concerning the income statement is provided in Notes 8.1 (Income Statement Information by Operating Segment) and 8.2 (Consolidated Revenue). Share of profit of equity-accounted investees relates to the international operations of the concession catering business.

Segment non-current assets are as follows:

- FY 2014-2015:

(in € millions)	Contract catering & services			Concession catering			Headquarters, holding companies and purchasing entities	Group total
Year ended September 30, 2015	France	International	Total	France, Northern Europe and Italy	Spain, Portugal and the Americas	Total		
Revenue	2,136.0	1,859.3	**3,995.3**	1,005.7	673.0	**1,678.7**	-	**5,674.1**
Non-current assets	1,192.0	832.4	**2,024.5**	703.3	427.3	**1,130.6**	25.4	**3,180.4**

- FY 2013-2014:

(in € millions)	Contract catering & services			Concession catering			Headquarters, holding companies and purchasing entities	Group total
Year ended September 30, 2014	France	International	Total	France, Northern Europe and Italy	Spain, Portugal and the Americas	Total		
Revenue	2,122.0	1,651.8	**3,773.8**	948.1	618.9	**1,567.0**	-	**5,340.8**
Non-current assets	1,186.9	783.1	**1,970.0**	705.4	423.1	**1,128.5**	20.3	**3,118.8**

6.24 Use of Estimates and Judgement

The preparation of the consolidated financial statements requires Management of both the Group and its subsidiaries to use certain estimates and assumptions that may have an impact on the reported values of assets, liabilities and contingent liabilities at the balance sheet date, and on items of income and expense for the period.

These estimates and assumptions – which are based on historical experience and other factors believed to be reasonable in the circumstances – are used to assess the carrying amount of assets and liabilities.

Actual results may differ significantly from these estimates if different assumptions or circumstances apply.

Significant items that were subject to such estimates and assumptions include goodwill and other intangible assets and property, plant and equipment (Notes 6.5, 6.6, 6.7, 8.8 and 8.9), provisions for litigation and pension plan liabilities (Note 8.14), as well as deferred taxes (Note 8.13.1).

Information on the judgement exercised in the application of accounting policies that has the most significant impact on the amounts recognized in the consolidated financial statements is provided in the notes relating to impairment tests.

6.25 Accounting Treatment and Presentation of Assets or Groups of Assets Held For Sale and Discontinued Operations

At September 30, 2015, assets recognized as held for sale in the consolidated balance sheet corresponded to non-strategic concession catering operations in Northern Europe and South America. These operations were reclassified in the balance sheet at September 30, 2015, with no impact on the income statement or cash flow statement.

IFRS 5 sets out the accounting treatment, presentation and disclosures required in relation to assets or groups of assets held for sale and discontinued operations. A discontinued operation represents a separate major line of business or a geographical area of operations that the Group has either disposed of or has classified as held for sale.

IFRS 5 requires entities to present assets and groups of assets held for sale in a separate line in the balance sheet if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable within 12 months following the end of the reporting period.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell and cease to be depreciated once they are classified in this category.

Profit or loss from discontinued operations, after the elimination of intra-group transactions, is presented on a separate line of the income statement. It includes the post-tax profit or loss of discontinued operations for the period until the date of their disposal as well as the post-tax gain or loss recognized on the disposal, for the current period and the comparative periods presented.

The net cash flows attributable to discontinued operations are also presented in separate lines within the cash flow statement, corresponding to the cash flows generated by these operations until the date of their disposal and the cash generated by their disposal (excluding tax), for the current period and the comparative periods presented.

7. Changes in Group Structure During the Years Ended September 30, 2015 and 2014

The following companies were acquired and consolidated or sold and deconsolidated during the twelve months ended September 30, 2015:

	Country	% interest at Sept. 30, 2014	Type of transaction	Consolidation method	% interest at Sept. 30, 2015	Consolidation period
NSTL	France	100%	Sale	Full	-	Oct. 1, 2014 - June 30, 2015
Lexington	United Kingdom		Acquisition	Full	100%	Oct. 1, 2014 - Sept. 30, 2015

The following companies were acquired and consolidated or sold and deconsolidated during the twelve months ended September 30, 2014:

	Country	% interest at Sept. 30, 2013	Type of transaction	Consolidation method	% interest at Sept. 30, 2014	Consolidation period
NWL France, NWL International	France	-	Company formation	Equity	35%	Dec. 1, 2013 - Sept. 30, 2014
ATASA	Morocco	62%	Sale	Full	-	Oct. 1, 2013 - Dec. 1, 2013
Grupo Multimarca	Argentina	62%	Sale	Full	-	Oct. 1, 2013 - Dec. 1, 2013
Arco Prime	Chile	25%	Sale	Equity	-	Oct. 1, 2013 - June 30, 2014

8. Analysis of Changes in Income Statement and Balance Sheet Items

8.1 Income Statement Information by Operating Segment

FY 2014-2015:

(in € millions)	Contract catering & services			Concession catering			Headquarters, holding companies and purchasing entities	Group total
Year ended September 30, 2015	France	International	**Total**	France, Northern Europe and Italy	Spain, Portugal and the Americas	**Total**		
Revenue	**2,136.0**	**1,859.3**	**3,995.3**	**1,005.7**	**673.0**	**1,678.7**	-	**5,674.1**
Recurring operating profit including share of profit of equity-accounted investees	144.6	86.8	**231.4**	67.6	27.5	**95.2**	(9.6)	**317.0**
Recurring operating profit/(loss) as a % of revenue	*6.8%*	*4.7%*	***5.8%***	*6.7%*	*4.1%*	***5.7%***	*(0.2)%*	***5.6%***
Other income and expenses, net	(2.9)	(12.3)	**(15.1)**	(0.5)	(7.2)	**(7.7)**	(12.6)	**(35.5)**
Operating profit/(loss)	141.8	74.5	**216.3**	67.1	20.3	**87.4**	(22.2)	**281.5**
Net financial expense								**(107.0)**
Income tax								**(68.3)**
Loss for the period attributable to non-controlling interests								**(1.0)**
Profit for the period attributable to owners of the parent								**107.2**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(35.1)	(30.7)	**(65.8)**	(45.4)	(38.9)	**(84.3)**	(1.9)	**(152.0)**
Other expenses with no cash impact	(3.3)	(3.3)	**(6.6)**	(0.1)	0.5	**0.4**	0.1	**(6.1)**
EBITDA	182.9	120.8	**303.8**	113.1	66.0	**179.1**	(7.8)	**475.0**

FY 2013-2014:

(in € millions)	Contract catering & services			Concession catering				
Year ended September 30, 2014	France	International	**Total**	France, Northern Europe and Italy	Spain, Portugal and the Americas	**Total**	Headquarters, holding companies and purchasing entities	**Group total**
Revenue	**2,122.0**	**1,651.8**	**3,773.8**	**948.1**	**618.9**	**1,567.0**	-	**5,340.8**
Recurring operating profit including share of profit of equity-accounted investees	147.9	85.1	**233.0**	60.7	20.9	**81.6**	(6.3)	**308.3**
Recurring operating profit/(loss) as a % of revenue	*7.0%*	*5.2%*	***6.2%***	*6.4%*	*3.4%*	***5.2%***	*(0.1)%*	***5.8%***
Other income and expenses, net	(26.8)	(14.7)	**(41.6)**	(6.6)	8.8	**2.2**	(34.1)	**(73.5)**
Operating profit/(loss)	121.1	70.4	**191.4**	54.1	29.8	**83.9**	(40.5)	**234.8**
Net financial expense								**(137.0)**
Income tax								**(41.2)**
Profit for the period attributable to non-controlling interests								**8.8**
Profit for the period attributable to owners of the parent								**47.8**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(33.9)	(27.1)	**(61.0)**	(43.5)	(34.0)	**(77.5)**	(1.7)	**(140.3)**
Other expenses with no cash impact	(2.8)	3.8	**1.0**	(0.5)	0.8	**0.3**	(0.1)	**1.2**
EBITDA	184.6	108.4	**293.0**	104.7	54.1	**158.8**	(4.5)	**447.3**

8.2 Consolidated Revenue

FY 2014-2015:

– Revenue by business line and market

(in € millions)	Year ended Sept. 30, 2015	% of total revenue	Year ended Sept. 30, 2014	% of total revenue	Year-on-year change	% change
Contract catering & services						
Business & industry	1,861.5	32.8%	1,722.9	32.3%	138.6	8.0%
Education	1,068.7	18.8%	1,049.9	19.7%	18.8	1.8%
Healthcare	1,065.1	18.8%	1,001.0	18.7%	64.1	6.4%
Sub-total: Contract catering & services	**3,995.3**	**70.4%**	**3,773.8**	**70.7%**	**221.5**	**5.9%**
Concession catering						
Airports	687.5	12.1%	623.3	11.7%	64.2	10.3%
Motorways	615.1	10.8%	575.4	10.8%	39.7	6.9%
City sites & leisure	376.1	6.6%	368.3	6.9%	7.8	2.1%
Sub-total: Concession catering	**1,678.7**	**29.6%**	**1,567.0**	**29.3%**	**111.7**	**7.1%**
Total	**5,674.1**	**100.0%**	**5,340.8**	**100.0%**	**333.3**	**6.2%**

– Revenue by geographic region

(in € millions)	Year ended Sept. 30, 2015	% of total revenue	Year ended Sept. 30, 2014	% of total revenue	Year-on-year change	% change
France	2,851.5	50.3%	2,828.8	53.0%	22.7	0.8%
Europe excluding France	2,110.6	37.2%	1,933.4	36.2%	177.2	9.2%
Other countries	711.9	12.5%	578.6	10.8%	133.3	23.0%
Total	**5,674.1**	**100.0%**	**5,340.8**	**100.0%**	**333.3**	**6.2%**

FY 2013-2014:

– Revenue by business line and market

(in € millions)	Year ended Sept. 30, 2014	% of total revenue	Year ended Sept. 30, 2013	% of total revenue	Year-on-year change	% change
Contract catering & services						
Business & industry	1,722.9	32.3%	1,615.8	32.2%	107.1	6.6%
Education	1,049.9	19.7%	977.4	19.5%	72.5	7.4%
Healthcare	1,001.0	18.7%	895.0	17.8%	106.0	11.8%
Sub-total: Contract catering & services	**3,773.8**	**70.7%**	**3,488.2**	**69.5%**	**285.6**	**8.2%**
Concession catering						
Airports	623.3	11.7%	590.2	11.8%	33.1	5.6%
Motorways	575.4	10.8%	546.5	10.9%	28.9	5.3%
City sites & leisure	368.3	6.9%	392.0	7.8%	(23.7)	(6.1)%
Sub-total: Concession catering	**1,567.0**	**29.3%**	**1,528.7**	**30.5%**	**38.3**	**2.5%**
Total	**5,340.8**	**100.0%**	**5,016.9**	**100.0%**	**323.9**	**6.5%**

– Revenue by geographic region

(in € millions)	Year ended Sept. 30, 2014	% of total revenue	Year ended Sept. 30, 2013	% of total revenue	Year-on-year change	% change
France	2,828.8	53.0%	2,814.3	56.1%	14.5	0.5%
Europe excluding France	1,933.4	36.2%	1,802.0	35.9%	131.4	7.3%
Other countries	578.6	10.8%	400.6	8.0%	178.1	44.5%
Total	**5,340.8**	**100.0%**	**5,016.9**	**100.0%**	**323.9**	**6.5%**

8.3 Earnings Per Share

The table below shows the number of outstanding shares before and after dilution.

	Year ended September 30	
	2015	2014
Weighted average number of shares outstanding - Basic	165,890,821	127,337,091
Dilutive impact of stock option plans	456,931	694,119
Weighted average number of shares outstanding - Diluted	166,347,752	128,031,210

Basic and diluted earnings per share for the years ended September 30, 2015 and 2014 were as follows:

	Year ended September 30	
	2015	2014
Profit attributable to owners of the parent	107.2	47.8
Basic earnings per share (in €)	**0.65**	**0.38**
Diluted earnings per share (in €)	**0.64**	**0.37**

8.4 Personnel Costs and Employee Numbers

8.4.1 Analysis of Personnel Costs

Personnel costs for fully consolidated companies break down as follows:

(in € millions)	Year ended Sept. 30, 2015	Year ended Sept. 30, 2014
Personnel costs (excluding employee profit-sharing)	(2,531.9)	(2,428.7)
Employee profit-sharing	(0.5)	(0.8)
Personnel costs	**(2,532.4)**	**(2,429.6)**

8.4.2 Employee Numbers

The table below shows the number of employees of Group companies at the period end. Consequently, year-on-year changes cannot be directly compared with those of personnel costs recorded in the consolidated income statement.

Employees – both full and part-time – can be analyzed as follows by category:

	At Sept. 30, 2015	At Sept. 30, 2014
Management and supervisory staff	17,569	16,923
Other	89,985	88,942
Total	**107,554**	**105,865**

Employee numbers break down as follows by geographic region:

	At Sept. 30, 2015	At Sept. 30, 2014
France	51,780	51,252
International	55,774	54,613
Total	**107,554**	**105,865**

8.5 Financial Income and Expenses

The net financial expense recorded in the years ended September 30, 2015 and 2014 breaks down as follows:

(in € millions)	Year ended Sept. 30, 2015	Year ended Sept. 30, 2014
Interest expense on debt	(78.7)	(133.7)
Interest income on short-term investments	5.8	3.0
Other financial income and expenses (1)	(32.3)	(3.9)
Interest cost on post-employment benefit obligations	(1.8)	(2.5)
Net financial expense	**(107.0)**	**(137.0)**
(1) Including:		
- Fair value adjustments on interest rate hedging instruments	*(20.2)*	*(2.7)*
- Disposal gains/(losses) and movements in provisions for impairment of shares in non-consolidated companies	*(0.0)*	*1.1*
- Amortization of debt issuance costs (*)	*(16.9)*	*(4.6)*
- Net foreign exchange gain/(loss)	*4.8*	*2.2*

(*) Including, as from FY 2014-2015, the early amortization of debt issuance costs (which was previously included in "Other income and expenses, net").

Caps, swaps and FRAs have been set up to hedge the variable-rate borrowings of Elior and Elior Participations (as described in Note 8.15.2).

8.6 Other Income and Expenses, Net

For the year ended September 30, 2015, this item represented a net expense of €35.5 million and notably included (i) restructuring costs, amounting to €13.4 million for France, Italy and THS in the contract catering business and €2.1 million for the concession catering business in Spain, (ii) amortization of intangible assets recognized during the purchase price allocation processes for the acquisitions of THS in the United States (€6.4 million) and Lexington (€1.7 million), (iii) €5.2 million in costs for withdrawing from unprofitable sites in Spain, Portugal and the United States, (iv) a €3.0 million loss recognized in relation to sales of non-strategic assets in the contract catering business in France and the concession catering business in Latin America, either already carried out during the year or scheduled for FY 2015-2016, (v) €1.6 million in strategy consulting fees, and (vi) €1.9 million in share acquisition costs, primarily for the purchase of shares in Lexington in the United Kingdom and THS subsidiaries in the United States.

For the year ended September 30, 2014, "Other income and expenses, net" represented a net expense of €73.5 million and notably included (i) €27.4 million in IPO-related costs, (ii) €16.0 million in costs related to the repayment of debt following the IPO (notably the penalty incurred due to the early redemption of a portion of the Elior Finance & Co SCA May 2020 6.5% Senior Secured Notes and the exceptional amortization of issuance costs on the repaid debt that were previously capitalized and unamortized), (iii) €21.7 million in reorganization costs recorded for the contract catering & services business in Spain, Italy and France and for the concession catering business in Spain, (iv) €10.8 million in expenses and provisions for charges recognized in connection with tax and employee-related disputes in progress, and (v) €5.4 million in amortization of intangible assets (customer relationships) recognized on the first-time consolidation of THS in the United States as part of the purchase price allocation process, less (vi) the capital gain realized on the disposal of the Group's 40% stake in Arco Prime – a joint venture set up in Chile with a local group (COPEC) – which amounted to €17.0 million before tax (€12 million after tax).

8.7 Income Tax

(in € millions)	Year ended Sept. 30, 2015	Year ended Sept. 30, 2014
Current tax	(51.8)	(49.5)
Deferred tax	(16.5)	8.3
Total	**(68.3)**	**(41.2)**

The portion of the CET tax based on value added (CVAE) has been recognized as current income tax in the amounts of €28.2 million and €28.3 million for the years ended September 30, 2015 and 2014 respectively (see Note 6.11).

The following table shows a reconciliation between the Group's net income tax expense recognized in the income statement and its theoretical income tax expense for the years ended September 30, 2015 and 2014:

(in € millions)	Year ended Sept. 30, 2015		Year ended Sept. 30, 2014	
	Base	Tax impact	Base	Tax impact
Profit before income tax	**174.5**		**97.8**	
Share of profit of equity-accounted investees	(1.9)		(2.3)	
Profit before income tax and share of profit of equity-accounted investees	172.6		95.5	
Theoretical income tax (1)		(59.4)		(32.9)
Impact of tax rates on profit generated outside France		(2.1)		(2.6)
Tax losses for which no deferred tax asset was recognized and impairment of deferred tax assets		(6.8)		(1.0)
Income not subject to tax and expenses not deductible for tax purposes		-		(4.7)
Net income tax expense		**(68.3)**		**(41.2)**

(1) The standard income tax rate used by the Group is 34.43%.

8.8 Analysis of Goodwill

The table below shows an analysis of consolidated goodwill by operating segment (which include the CGUs defined in Note 6.6 above).

(in € millions)	At Sept. 30, 2015	At Sept. 30, 2014
Elior Entreprises	574.7	574.7
Other – France (Enseignement, Santé and Services)	498.7	499.5
Sub-total – France	**1,073.4**	**1,074.2**
International	**613.7**	**596.3**
Contract catering & services	**1,687.1**	**1,670.5**
Sub-total – France	423.0	423.2
Northern Europe and Italy	86.7	86.8
Sub-total - France, Northern Europe and Italy	**509.7**	**510.0**
Spain, Portugal and the Americas	**179.2**	**179.7**
Concession catering	**688.9**	**689.7**
Group total	**2,376.0**	**2,360.2**

The main movements in goodwill in the years ended September 30, 2015 and 2014 related to the following:

For the year ended September 30, 2015:

- €17.1 million in goodwill recognized on the purchase of Lexington in the United Kingdom following the Group's acquisition of full control over this company on October 1, 2014.

For the year ended September 30, 2014:

- Changes in the value of the goodwill recognized on the acquisition of THS in the United States, totaling €54.5 million (net of the deferred tax liability recognized). These changes arose from the purchase price allocation process, during which amounts provisionally recognized as goodwill were reallocated to identifiable intangible assets (customer relationships) based on a valuation performed by an independent valuer. The intangible assets are being amortized through the income statement over a period of 15 years.
- €3.1 million in goodwill recognized in relation to SEA Services, following Elior's acquisition of control of the company in the last quarter of FY 2013- 2014 through the purchase of a further 36% stake in addition to the 34% it already owned at September 30, 2013. SEA Services was accounted for by the equity method in the Group's consolidated financial statements until the change of control that took place in September 2014.

8.9 Analysis of Intangible Assets and Property, Plant and Equipment

8.9.1 Intangible Assets

(in € millions)	At Sept. 30, 2014	Additions	Disposals	Other movements	At Sept. 30, 2015
Concession rights	163.6	7.0	(1.7)	7.9	176.9
Assets operated under concession arrangements (1)	36.3	0.0	0.0	0.6	37.0
Trademarks	34.3	0.2	(0.0)	4.3	38.9
Software	97.1	7.4	(1.5)	4.5	107.5
Prepayments for intangible assets	13.8	8.1	(0.1)	(4.2)	17.5
Other	107.9	7.3	(0.3)	18.6	133.5
Gross value	**453.0**	**30.1**	**(3.6)**	**31.8**	**511.2**
Concession rights	(42.0)	(7.9)	1.6	(0.9)	(49.2)
Assets operated under concession arrangements (1)	(36.3)	(0.1)	0.0	(0.6)	(36.9)
Trademarks	(11.0)	(1.1)	0.0	(0.1)	(12.2)
Software	(76.0)	(9.6)	1.3	1.7	(82.6)
Other	(27.5)	(8.9)	0.1	(0.0)	(36.3)
Total amortization	**(192.8)**	**(27.5)**	**3.0**	**0.1**	**(217.2)**
Carrying amount	**260.2**	**2.6**	**(0.6)**	**31.8**	**294.0**

(in € millions)	At Sept. 30, 2013	Additions	Disposals	Other movements (2)	At Sept. 30, 2014
Concession rights	102.0	18.1	(1.3)	44.9	163.6
Assets operated under concession arrangements (1)	36.3	-	-	-	36.3
Trademarks	33.8	0.1	(0.0)	0.5	34.3
Software	90.8	6.2	(2.1)	2.2	97.1
Prepayments for intangible assets	26.2	13.0	-	(25.4)	13.8
Other	19.8	0.5	(0.3)	88.0	107.9
Gross value	**308.8**	**37.9**	**(3.8)**	**110.1**	**453.0**
Concession rights	(37.3)	(6.3)	0.4	1.3	(42.0)
Assets operated under concession arrangements (1)	(36.2)	(0.7)	-	0.6	(36.3)
Trademarks	(9.8)	(1.1)	0.0	(0.1)	(11.0)
Software	(69.3)	(8.4)	2.0	(0.3)	(76.0)
Other	(12.7)	(6.3)	0.6	(9.1)	(27.5)
Total amortization	**(165.3)**	**(22.8)**	**3.0**	**(7.7)**	**(192.8)**
Carrying amount	**143.4**	**15.1**	**(0.8)**	**102.4**	**260.2**

(1) These assets reflect the restatement of the three-way finance leases entered into concerning central kitchen facilities in the Group's education sector.

(2) "Other movements" primarily relate to the final purchase price allocation for the acquisition of THS in the United States, as well as to identifiable intangible assets (customer relationships) and the related amortization (see Note 8.8 above). This column also includes the impact of reclassifying assets held by Areas USA concerning Florida's Turnpike from "Property, plant and equipment" to "Intangible assets" in accordance with IFRIC 12.

8.9.2 Property, Plant and Equipment

(in € millions)	At Sept. 30, 2014	Additions	Disposals	Other movements (1)	At Sept. 30, 2015
Land	3.7	0.0	0.0	0.1	3.8
Buildings	161.7	6.3	(5.1)	0.7	163.6
Technical installations	770.9	78.7	(41.6)	(22.5)	785.5
Other items of property, plant and equipment	493.5	50.7	(30.3)	5.7	519.6
Assets under construction	14.7	19.9	(5.2)	(7.3)	22.1
Prepayments to suppliers of property, plant and equipment	2.3	1.1	(0.2)	(1.8)	1.4
Gross value	**1,446.8**	**156.8**	**(82.4)**	**(25.2)**	**1,496.0**
Buildings	(93.7)	(10.2)	4.2	2.7	(97.0)
Technical installations	(530.9)	(75.5)	41.2	24.0	(541.2)
Other items of property, plant and equipment	(323.8)	(52.9)	29.2	0.3	(347.3)
Total depreciation	**(948.5)**	**(138.6)**	**74.6**	**26.9**	**(985.6)**
Carrying amount	**498.4**	**18.2**	**(7.8)**	**1.7**	**510.5**

(in € millions)	At Sept. 30, 2013	Additions	Disposals	Other movements (2)	At Sept. 30, 2014
Land	3.2	0.6	(0.1)	(0.0)	3.7
Buildings	151.0	12.4	(3.0)	1.4	161.7
Technical installations	765.1	78.0	(69.0)	(3.2)	770.9
Other items of property, plant and equipment	456.2	45.1	(19.3)	11.5	493.5
Assets under construction	22.6	14.9	(1.1)	(21.7)	14.7
Prepayments to suppliers of property, plant and equipment	2.5	1.9	(0.1)	(2.0)	2.3
Gross value	**1,400.6**	**152.8**	**(92.5)**	**(14.0)**	**1,446.8**
Buildings	(85.1)	(10.0)	1.8	(0.4)	(93.7)
Technical installations	(528.4)	(71.1)	64.3	4.3	(530.9)
Other items of property, plant and equipment	(297.6)	(47.5)	20.5	0.7	(323.8)
Total depreciation	**(911.1)**	**(128.6)**	**86.6**	**4.6**	**(948.5)**
Carrying amount	**489.5**	**24.2**	**(5.9)**	**(9.4)**	**498.4**

(1) "Other movements" primarily reflect (i) the impact of reclassifying assets held by Areas USA concerning Florida's Turnpike from "Property, plant and equipment" to "Intangible assets" in accordance with IFRIC 12, and (ii) exchange rate effects in the United States and the United Kingdom.

(2) "Other movements" reflect the first-time consolidation of THS as well as the impact of reclassifying assets held by Areas USA concerning Florida's Turnpike from "Property, plant and equipment" to "Intangible assets" in accordance with IFRIC 12.

At September 30, 2015 and 2014, the value of non-current assets held under finance leases broke down as follows (excluding the assets described in Note 8.9.1 relating to the restatement of the three-way finance leases entered into concerning central kitchen facilities in the Group's education sector):

	At Sept. 30, 2015	At Sept. 30, 2014
Gross value	62.0	57.4
Depreciation	(43.4)	(38.7)
Net value	**18.6**	**18.7**

8.9.3 Analysis of Intangible Assets and Property, Plant and Equipment by Operating Segment

(in € millions)	Carrying amount - intangible assets	Carrying amount - property, plant and equipment	At Sept. 30, 2015
Contract catering & services	124.4	213.0	337.4
Concession catering	158.9	282.8	441.7
Headquarters, holding companies and purchasing entities	10.7	14.7	25.4
Total	**294.0**	**510.5**	**804.5**

(in € millions)	Carrying amount - intangible assets	Carrying amount - property, plant and equipment	At Sept. 30, 2014
Contract catering & services	105.4	194.1	299.5
Concession catering	147.9	290.9	438.8
Headquarters, holding companies and purchasing entities	6.9	13.4	20.3
Total	**260.2**	**498.4**	**758.6**

8.9.4 Analysis of Intangible Assets and Property, Plant and Equipment by Geographic Region

(in € millions)	Carrying amount - intangible assets	Carrying amount - property, plant and equipment	At Sept. 30, 2015
France	52.5	245.0	297.5
International	241.5	265.4	506.9
Total	**294.0**	**510.5**	**804.5**

(in € millions)	Carrying amount - intangible assets	Carrying amount - property, plant and equipment	At Sept. 30, 2014
France	49.6	243.5	293.1
International	210.6	254.9	465.5
Total	**260.2**	**498.4**	**758.6**

8.10 Non-current Financial Assets

(in € millions)	At Sept. 30, 2015	At Sept. 30, 2014
	Carrying amount	**Carrying amount**
Investments in non-consolidated companies (1)	**21.4**	**2.9**
Loans	2.4	4.7
Deposits and guarantees paid	22.4	21.3
Financial receivables	2.5	2.9
Total	**48.6**	**31.8**

(1) Investments in non-consolidated companies notably include the Group's shares in Starr Restaurant Catering Group, which was acquired in August 2015 and will be consolidated in FY 2015-2016 as from October 1, 2015.

8.11 Equity-accounted Investees

(in € millions)	Carrying amount at Sept. 30, 2014	Dividends paid	Profit for the period (1)	Changes in scope of consolidation and other	Carrying amount at Sept. 30, 2015
Motorways subsidiaries (France)	0.4	(0.1)	0.1	(0.0)	0.4
N.W.L (France and International)	1.4	(0.6)	1.7		2.5
Riverside Events (UK)	0.1	(0.1)	0.1		0.2
Total	**1.9**	(0.8)	1.9	(0.0)	3.1

(in € millions)	Carrying amount at Sept. 30, 2013	Dividends paid	Profit for the period (1)	Changes in scope of consolidation and other (2)	Carrying amount at Sept. 30, 2014
Motorways subsidiaries (France)	0.7	(0.1)	(0.2)		0.4
Arco Prime (Chile)	3.8	(1.4)	1.0	(3.4)	0
N.W.L (France and International)			1.4		1.4
Riverside Events (UK)		(0.1)		0.1	0.1
SEA Services (Italy)	2.2		0.1	(2.2)	0
Total	**6.7**	**(1.5)**	**2.3**	**(5.5)**	**1.9**

(1) These amounts are included in recurring operating profit in the consolidated financial statements.

(2) "Other movements" in FY 2013-2014 concerned the sale of Elior's stake in the Arco Prime joint venture, as well as the acquisition of control of SEA Services, which led to a change of consolidation method to full consolidation from consolidation by the equity method.

(3) A joint venture set up at the end of FY 2012-2013 for running on-board train catering services for the high-speed network in France and internationally. This joint venture is 35%-owned by Elior and has been operating in conjunction with Newrest since the beginning of FY 2013-2014.

8.12 Trade and Other Receivables

(in € millions)	At Sept. 30, 2015		At Sept. 30, 2014	
	Gross	Net	Gross	Net
Trade receivables	678.3	639.6	696.0	659.7
Revenue accruals	88.9	88.9	84.0	84.0
Prepayments to suppliers	69.5	69.5	57.9	57.9
Prepaid and recoverable VAT (1)	43.7	43.7	43.6	43.6
Receivables relating to asset disposals	4.4	4.4	3.7	3.7
Other	61.1	61.1	58.9	58.9
Total	**945.9**	**907.2**	**944.1**	**907.8**

(1) Accrued taxes and payroll costs included accrued and payable VAT in respective amounts of €76.5 million and €77.4 million at September 30, 2015 and 2014.

Net trade receivables – which are primarily recorded in the balance sheets of contract catering & services companies – break down as follows:

(in € millions)	At Sept. 30, 2015	At Sept. 30, 2014
Receivables not past due	444.7	455.0
Receivables less than 30 days past due	91.9	94.0
Receivables more than 30 days but less than 6 months past due	71.0	76.0
Receivables more than 6 months but less than 1 year past due	15.5	24.0
Receivables more than 1 year past due	20.2	11.0
Total net trade receivables	**643.3**	**660.0**

The trade receivables balance recognized in the consolidated balance sheet includes receivables of certain contract catering subsidiaries in France and Spain which have been sold under "*Dailly*" receivables securitization programs or factoring contracts. The buyers' right of recourse under these programs is limited to the amount of the related overcollateralization reserve.

(in € millions)	At Sept. 30, 2015	At Sept. 30, 2014
Outstanding balance of sold receivables	276.3	263.0
Overcollateralization reserve	96.9	87.4
Net outstanding balance	**179.4**	**175.6**

An off-balance sheet factoring program was put in place in July 2014 for certain trade receivables held by the Group's main contract catering subsidiaries in France. The outstanding amount of trade receivables sold under this program totaled €21.4 million at September 30, 2015 (€21.5 million at September 30, 2014). The program provides for an overcollateralization reserve of 5% of the outstanding sold receivables, which was recognized in the balance sheet in an amount of €2.0 million at September 30, 2015 (€1.5 million at September 30, 2014).

In FY 2014-2015, the Group sold its CICE tax credit for 2014 to a bank on a no-recourse basis for €53 million. The discounting fee related to this sale – which took place in July 2015 – amounted to €1.6 million and was recognized in "Other financial expenses" in the income statement.

8.13 Deferred Taxes and Other Current Assets

8.13.1 Deferred Taxes

The deferred tax balances recorded in the consolidated balance sheet at September 30, 2015 and 2014 break down as follows by type of temporary difference:

(in € millions)	At Sept. 30, 2015	At Sept. 30, 2014
Paid leave provisions	7.9	7.7
Other non-deductible provisions and expenses (*)	25.6	24.5
Provisions for pension benefit obligations	31.4	30.6
Fair value adjustments (1)	(36.7)	(18.3)
Recognition of tax loss carryforwards (2)	144.0	154.8
Total	**172.2**	**199.3**
Deferred tax assets	222.9	249.2
Deferred tax liabilities	(50.7)	(49.9)
Total	**172.2**	**199.3**

(1) This item corresponds to (i) the deferred tax impact of fair value measurements concerning the assets of companies consolidated for the first time in prior periods; and (ii) changes in the fair value of interest rate hedges.

(2) This amount primarily includes:

- At September 30, 2015 (i) €104 million in tax loss carryforwards for Elior recoverable through the French tax consolidation group which it heads, and (ii) €23 million in tax loss carryforwards of the Group subsidiary, Areas USA.

- At September 30, 2014 (i) €106 million in tax loss carryforwards for Elior recoverable through the French tax consolidation group which it heads, and (ii) €23 million in tax loss carryforwards of the Group subsidiary, Areas USA.

Deferred taxes are classified under non-current assets and liabilities in the consolidated balance sheet. Unrecognized deferred tax assets did not represent a material amount at September 30, 2015.

8.13.2 Other Current Assets

(in € millions)	At Sept. 30, 2015	At Sept. 30, 2014
Prepaid expenses	34.3	31.1
Other	25.1	17.9
Total	**59.4**	**49.0**

8.14 Provisions

Short- and long-term provisions can be analyzed as follows:

(in € millions)	At Sept. 30, 2015	At Sept. 30, 2014
Commercial risks	3.3	2.6
Tax risks and employee-related disputes	28.7	29.0
Reorganization costs	3.6	18.1
Employee benefits	11.1	9.5
Other	12.5	25.4
Short-term provisions	**59.2**	**84.8**
Employee benefits	105.3	106.2
Non-renewal of concession contracts	9.4	7.9
Other	13.0	2.6
Long-term provisions	**127.6**	**116.6**
Total	**186.8**	**201.4**

Provisions for non-renewal of concession contracts are recorded to cover the risk of asset write-downs or reconditioning expenses for property, plant and equipment to be returned to concession grantors.

Provisions for employee benefits are described in Note 6.12 above and cover:

- Contractual indemnities, such as retirement bonuses, which are payable at the retirement date if the employee still forms part of the Group at that date (although there are certain exceptional cases when these bonuses are paid if the employee leaves the Group).
- "TFR" payments for the Group's Italian companies which correspond to the companies' legal obligation to pay an indemnity to employees on termination of their employment contract. At each balance sheet date, vested rights of employees are valued in accordance with the legal requirements and are fully provided for. Since January 1, 2007, following a change in Italian legislation, employees can request that their entitlements be transferred to the Italian state plan or private insurance funds.

Provisions for employee benefits totaled €116.3 million at September 30, 2015, including €17.6 million relating to the TFR provision for Italian companies.

At September 30, 2014, provisions for employee benefits totaled €115.7 million, including €21.0 million relating to the TFR provision for Italian companies.

The funding of employee benefit obligations and the reconciliation with assets and liabilities recorded in the balance sheet can be analyzed as follows:

(in € millions)	At Sept. 30, 2015	At Sept. 30, 2014
Accumulated benefit obligation at the period-end	**116.3**	**115.7**
Provisions recognized in the consolidated balance sheet at the period-end	**116.3**	**115.7**
o/w short-term	11.1	9.5
o/w long-term	105.3	106.2

Movements in these provisions during the years ended September 30, 2015 and 2014 can be analyzed as follows:

Provision at September 30, 2013	**106.2**
Service cost net of benefits paid	(1.0)
Interest cost	2.5
Other movements (impact of changes in scope of consolidation, exchange rates, reclassifications and changes in accounting method) (1)	7.9
Provision at September 30, 2014	**115.7**
Service cost net of benefits paid	(2.1)
Interest cost	1.8
Other movements (impact of changes in scope of consolidation, exchange rates, reclassifications and changes in accounting method) (1)	0.9
Provision at September 30, 2015	**116.3**

(1) *Impact of change in discount rate*

8.15 Debt and Hedging Instruments

8.15.1 Analysis of Debt by Type

The Group's debt can be analyzed as follows (repayment/redemption value corresponds to market value):

		At Sept. 30, 2015		At Sept. 30, 2014	
(in € millions)	Original currency	Amortized cost (2)	Repayment/ redemption value	Amortized cost (1)	Repayment/ redemption value
Bank overdrafts	€	2.3	2.3	17.8	17.8
Other short-term debt (including short-term portion of obligations under finance leases)	€ / $	121.3	121.3	72.1	72.1
Sub-total – short-term debt		**123.5**	**123.5**	**90.0**	**90.0**
Syndicated loans	€ / $	1,113.4	1,128.9	1,059.4	1,072.3
Other medium- and long-term borrowings (3)	€	224.9	227.5	224.3	227.5
Factoring and securitized trade receivables	€	178.2	179.6	173.8	175.8
Other long-term debt (including obligations under finance leases)	€	13.9	13.9	41.0	41.0
Sub-total – long-term debt		**1,530.4**	**1,550.0**	**1,498.5**	**1,516.6**
Total debt		**1,654.0**	**1,673.5**	**1,588.5**	**1,606.5**

(1) The amortized cost of bank borrowings was calculated taking into account the €18.1 million in bank fees recorded at September 30, 2014 for the Group's debt refinancing operations (Amend & Extend process).

(2) The amortized cost of bank borrowings was calculated taking into account the €19.5 million in bank fees recorded at September 30, 2015 for (i) the Group's debt refinancing operations (Amend & Extend process) and (ii) refinancing the THS acquisition debt. The amount recognized includes the bank fees paid for the Amend & Extend process carried out in December 2014 as well as accelerated amortization of debt issuance costs following the refinancing of the THS acquisition debt in May 2015.

(3) This item includes the debt owed to Elior Finance & Co. following that company's issuance of Senior Secured Notes (with a fixed-rate 6.5% coupon and maturing in May 2020), the proceeds of which were on-lent to Elior based on the same terms and conditions as those applicable for the Senior Secured Notes. This debt amounted to €350 million at September 30, 2013 and a following €122.5 million partial early repayment made in June 2014, totaled €227.5 million at September 30, 2015.

The Group's debt at September 30, 2015 included:

Syndicated bank loans at a variable rate based on the Euribor plus a margin, which broke down as follows at September 30, 2015:

- For Elior SA:

  - A senior bank loan totaling €200.0 million at September 30, 2015, of which €168 million is repayable in December 2019 and €32 million in December 2022. Interest is based on the Euribor plus a standard margin of 1.90% for the portion repayable in 2019 and 2.75% for the portion repayable in 2022. In addition, Elior SA has a €300.0

million revolving credit facility (which can also be used by Elior Participations) that expires in December 2019 and carries a variable interest rate based on the Euribor plus a standard margin of 1.50%. If this revolving credit facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. At September 30, 2015 none of this facility had been drawn down by Elior.

- US-dollar denominated bond debt issued as part of a private placement carried out in May 2015 (6th amendment to the SFA) in connection with the refinancing of the original THS acquisition debt. These bonds – which represented an aggregate $100 million at September 30, 2015 – are redeemable in May 2022. Interest on the bonds is based on the 6-month USD Libor plus a standard margin of 2.15%. In addition, Elior SA has a $250 million revolving credit facility (which can also be used by Elior Participations) that expires in May 2020 and carries a variable interest rate based on the Libor plus a standard margin of 1.30%. If this revolving credit facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. At September 30, 2015 none of this facility had been drawn down by Elior.

- A €227.5 million loan at a fixed interest rate of 6.5% and maturing in May 2020, which was granted to Elior by Elior Finance & Co. using the proceeds of an issue of Senior Secured Notes carried out by Elior Finance & Co on the Luxembourg stock exchange in April 2013. The terms and conditions of the loan mirror those of the Senior Secured Notes.

– For Elior Participations SCA:
  - A senior bank loan totaling €750.0 million at September 30, 2015, of which €632 million is repayable in December 2019 and €118 million in December 2022. Interest is based on the Euribor plus a standard margin of 1.90% for the portion repayable in 2019 and 2.75% for the portion repayable in 2022.
  - A US-dollar denominated senior bank loan totaling $100 million at September 2015, which was set up under the SFA and is repayable in May 2020. Of this total $50 million was drawn down in May 2015 (6th amendment to the SFA) and a further $50 million in June 2015 (7th amendment) in connection with the refinancing of the original THS acquisition debt. Interest is based on the USD Libor plus a standard margin of 1.70%.

Liabilities relating to the Group's receivables securitization program described in Note 8.12 above. At September 30, 2015, outstanding securitized receivables – net of the related €97.1 million overcollateralization reserve – stood at €179.4 million. This securitization program was set up at the end of 2006 for a period of five years and was subsequently extended until June 2018. The ceiling on the program (net of the equivalent of an overcollateralization reserve) is €300 million and it has been extended to include the receivables of Elior's Spanish and Italian subsidiaries. The program's cost, based on net amounts securitized, was approximately 1.5% in FY 2014-2015.

The Group's debt at September 30, 2014 included:

Syndicated bank loans at a variable rate based on the Euribor plus a margin, which broke down as follows at September 30, 2014:

– For Elior (formerly HBI):
  - A senior bank loan totaling €200.1 million at September 30, 2014, repayable in March 2019. Interest on this loan was based on the Euribor plus a standard margin of 4.0%. In addition, Elior had a €92.6 million revolving credit facility (which could also be used by Elior Participations) breaking down as (i) €52.2 million with a variable interest rate based on the Euribor plus a standard margin of 3.75% and expiring in June 2016, and (ii) €40.4 million with a variable interest rate based on the Euribor plus a standard margin of 4.0% and expiring in March 2018. If this revolving credit facility was not used, a commitment fee was payable, calculated as a portion of

the margin applied. At September 30, 2014 none of this facility had been drawn down by Elior.

- A loan amounting to €227.5 million (taking into account the €122.5 million repaid in advance in June 2014 out of the original €350 million) at a fixed interest rate of 6.5% and maturing in May 2020. This loan was granted by Elior Finance & Co. using the proceeds of an issue of Senior Secured Notes carried out by Elior Finance & Co on the Luxembourg stock exchange in April 2013, and its terms and conditions mirror those of the Senior Secured Notes.

– For Elior Participations (formerly Elior SCA): A senior bank loan totaling €756.2 million at September 30, 2014, repayable in full in March 2019. Interest on this loan was based on the Euribor plus a standard margin of 4.0%. Elior Participations also had a €77.4 million revolving credit facility (which could be used by Elior Participations and its subsidiaries) breaking down as (i) €43.7 million with a variable interest rate based on the Euribor plus a standard margin of 3.75% and expiring in June 2016, and (ii) €33.6 million with a variable interest rate based on the Euribor plus a standard margin of 4.0% and expiring in March 2018. If this revolving credit facility was not used, a commitment fee was payable, calculated as a portion of the margin applied. At September 30, 2014 none of this facility had been drawn down by Elior Participations.
– For THS: Syndicated bank loans made up of (i) a "Term Loan" of which $147 million had been drawn down at September 30, 2014, and (ii) a $40 million "Delayed Draw Term Loan" which was confirmed until April 2015 and had not been drawn down at September 30, 2014. Both of these loans mature in April 2019 and bear interest at a variable rate based on the Libor (with a 1.25% floor) plus a standard margin of 4.25%. If the Delayed Draw Term Loan is not used, a commitment fee is payable which is calculated as a limited portion of the margin applied. THS also has a $25 million revolving credit line with a variable interest rate based on the Libor plus a standard margin of 3.75% to 4.25% depending on the company's leverage ratio, and expiring in April 2018. At September 30, 2014 none of this facility had been drawn down by THS.

Liabilities relating to the Group's receivables securitization program described in Note 8.12 above. At September 30, 2014, outstanding securitized receivables – net of the related €87.4 million overcollateralization reserve – stood at €175.8 million. This securitization program was set up at the end of 2006 for a period of five years and was subsequently extended until June 2018. The ceiling on the program (net of the equivalent of an overcollateralization reserve) is €300 million and it has been extended to include the receivables of Elior's Spanish and Italian subsidiaries. The program's cost, based on net amounts securitized, was approximately 2% in FY 2013-2014.

A maturity schedule of the Group's debt is provided in Note 11.3.

8.15.2 Derivative Financial Instruments

At September 30, 2015 and 2014, a portion of the Group's debt was hedged by caps, swaps and FRAs set up by Elior and Elior Participations.

The amounts of debt hedged by these instruments were as follows at September 30, 2015 (excluding hedges that expired at June 30, 2015 which covered the period between June 30, 2015 and December 31, 2015):

(in € millions)	Firm hedges (1)	Optional hedges
From Dec. 31, 2015 through Dec. 31, 2016	950	
From Dec. 31, 2016 through Sept. 30, 2018	950	
From Sept. 30, 2018 through Sept. 30, 2019	150	

(in USD millions)	Firm hedges	Optional hedges (2)
From June 30, 2016 through June 30, 2018		75

(1) Swaps and FRAs
(2) Purchases of caps

The amounts of debt hedged by these instruments were as follows at September 30, 2014 (excluding hedges that expired at June 30, 2014 which covered the period between June 30, 2014 and December 31, 2014):

(in € millions)	Firm hedges (1)	Optional hedges (2)
From Dec. 31, 2014 through June 30, 2015	1,100	500
From June 30, 2015 through Dec. 31, 2015	900	500
From Dec. 31, 2015 through Dec. 31, 2016	900	200

(1) Swaps and FRAs
(2) Purchases of caps

The Group's derivative financial instruments (caps, FRAs and currency and interest rate swaps) are accounted for in accordance with IAS 39. See Note 6.15 for further details.

Analysis:

(in € millions)	Fair value of derivatives: Assets/(Liabilities)	
	At Sept. 30, 2015	At Sept. 30, 2014
Instruments qualifying as cash flow hedges	(2.8)	(27.3)
Instruments qualifying as fair value hedges		
Instruments not qualifying for hedge accounting	(17.8)	
Total	**(20.6)**	**(27.3)**
Interest rate hedging instruments	(16.9)	(25.7)
Foreign currency hedging instruments	(3.7)	(1.6)
Total	**(20.6)**	**(27.3)**

Derivatives are classified as non-current assets and liabilities in the consolidated balance sheet. The net-of-tax amounts recorded in equity (under "Other comprehensive income") in relation to cash flow hedges were €14.1 million and €0.6 million at September 30, 2015 and 2014 respectively (see Note 4 – Consolidated Statement of Changes in Equity).

8.15.3 Financial Covenants

The medium– and long-term bank borrowing contracts entered into by Elior and Elior Participations include financial covenants (related to the Group's gearing) that could trigger compulsory early repayment in the event of non-compliance. The covenants are based on Elior's consolidated financial ratios and compliance checks are carried out at the end of each six-month period. None of the covenants had been breached at either September 30, 2015 or 2014 or at any half-yearly period-ends during the two fiscal years under review.

The medium- and long-term term borrowing contracts of Elior SA and Elior Participations do not include any exceptional clauses compared with the standard legal provisions which apply to this type of contract.

8.16 Parent Company's Share Capital and Stock Options

8.16.1 Elior SA's Share Capital

At September 30, 2015, Elior SA's share capital amounted to €1,723,252.44 divided into 172,325,244 shares with a par value of €0.01 each. In July 2015, Elior SA's share capital was increased when it bought out Emesa's 38.45% non-controlling interest in Areas. The buyout partly involved a share-for-share exchange, with Emesa transferring Areas shares to Elior and Elior transferring 7,712,520 newly-issued shares to Emesa. In addition, 237,188 new Elior shares were issued during FY-2014-2015 following the exercise of stock options.

At September 30, 2014, Elior SA's share capital amounted to €1,643,705.56, divided into 164,370,556 shares with a par value of €0.01 each. On June 11, 2014, Elior SA's share capital was increased for the purpose of its IPO through the issuance of 55,392,327 new shares. In addition, 157,871 new Elior shares were issued after the IPO following the exercise of stock options.

8.16.2 Stock Options Granted to Employees of Elior and its Subsidiaries

Date of Shareholders' Meeting	Grant date	Start of exercise period	End of exercise period	Exercise price par share (in €) (1)	Total number of shares under option (2)	Number of grantees (2)
Feb. 12, 2010	April 15, 2010	April 15, 2014	Dec.31, 2016	5.71	148,911	58
Jan. 18, 2011	April 15, 2011	April 15, 2015	Dec.31, 2016	5.72	308,020	120
Total					**456,931**	

(1) *Exercise prices have been adjusted to take into account the capital reduction carried out on February 2, 2012.*
(2) *Adjusted to take into account departures of grantees.*

8.17 Liabilities Relating to Share Acquisitions and Commitments to Purchase Non-controlling Interests

The net amount recorded in the consolidated financial statements at September 30, 2015 for liabilities relating to share acquisitions and commitments to purchase non-controlling interests totaled €28.7 million. This total primarily includes the following:

- €12.5 million corresponding to the Group's liability towards the non-controlling shareholders of MyChef (which is fully consolidated by the Group) relating to the 11.2% of the company's capital which is not yet owned by the Group but is covered by cross put and call options which have been exercisable since 2011.
- €8.7 million corresponding to the Group's estimated liability towards the non-controlling shareholders of THS relating to the put option that they hold on 5.66% of the company's capital which is exercisable between August 31, 2016 and October 31, 2016.
- €4.1 million relating to additional purchase consideration payable for the acquisition of Lexington.

The net amount recorded in the consolidated financial statements at September 30, 2014 for liabilities relating to share acquisitions and commitments to purchase non-controlling interests totaled €183.6 million and primarily included the following:

- €12.5 million corresponding to the Group's liability towards the non-controlling shareholders of MyChef (which is fully consolidated by the Group) relating to the 11.2% of the company's capital which is not yet owned by the Group but is covered by cross put and call options which have been exercisable since 2011.
- €3.1 million relating to additional purchase consideration payable from 2013 for the purchase of shares in Ansamble.
- €160.0 million corresponding to the liability recognized for the put option held by Emesa on 38.45% of Areas' capital.
- €7.5 million corresponding to the Group's estimated liability towards the non-controlling shareholders of THS relating to the put option that they hold on 5.66% of the company's capital which is exercisable between August 31, 2016 and October 31, 2016.

8.18 Other Current Liabilities

Other current liabilities consist of the following:

(in € millions)	At Sept. 30, 2015	At Sept. 30, 2014
Deferred income	16.2	17.1
Other liabilities	6.3	5.8
Total	**22.5**	**22.9**

9. Off-Balance Sheet Commitments

9.1 Pledges and Guarantees Granted in relation to Bank Borrowings and Senior Secured Notes

As a guarantee for the bank borrowings and Senior Secured Notes financing set up for Elior and Elior Participations – representing a total principal amount of €1,356.4 million at September 30, 2015 – Elior has granted the lenders a pledge over the shares that it holds in Elior Participations and Bercy Participations, and Elior Participations has granted a pledge over the shares that it holds in its subsidiaries, Elior Restauration et Services and Elior Concessions. In addition, the amounts owed by Elior Participations in connection with these financing arrangements have been guaranteed by Elior and Bercy Participations.

9.2 Guarantees Given/Received

(in € millions)	At Sept. 30, 2015	At Sept. 30, 2014
Guarantees given on commercial contracts (1)	306.1	254.7
Total guarantees given (2)	**306.1**	**254.7**

(1) Guarantees relating to performance bonds, commitments to pay concession fees and charges, and bid bonds for contracts.
(2) The precise maturity of these guarantees cannot be determined.

The Group also grants and receives guarantees in respect of assets and liabilities in relation to acquisitions and divestments of businesses, upon terms and conditions which are usual for such transactions. Where the guarantees granted by the Group are subject to valid claims not yet settled at the reporting date, a provision is recorded in the balance sheet.

9.3 Commitments under Operating Leases

At September 30, 2015, the Group's total commitments under operating leases – based on the residual terms of the contracts concerned – stood at €214.5 million, breaking down as follows by maturity:

- Less than one year: €72.2 million
- 1 to 5 years: €129.2 million
- Beyond 5 years: €13.1 million

These commitments concern numerous lease contracts negotiated locally in the various countries in which the Group operates and mainly relate to (i) site equipment, office equipment and vehicles (€84.6 million), and (ii) office rental payments (€129.9 million).

At September 30, 2014, the Group's total commitments under operating leases – based on the residual terms of the contracts concerned – stood at €212.8 million, breaking down as follows by maturity:

- Less than one year: €76.8 million
- 1 to 5 years: €121.8 million
- Beyond 5 years: €14.2 million

These commitments concerned numerous lease contracts negotiated locally in the various countries in which the Group operates and mainly related to (i) site equipment, office equipment and vehicles (€96.2 million), and (ii) office rental payments (€116.6 million).

10. Related Party Transactions

10.1 Executive Compensation and Benefits

Compensation and benefits are paid to executives, corresponding to individuals who exercise authority and responsibility for the control and management of the Group's entities.

Philippe Salle is Chairman and Chief Executive Officer of the Elior Group and is a corporate officer of Elior SA.

(in € millions)	Year ended Sept. 30, 2015	Year ended Sept. 30, 2014
Short-term benefits (amount recognized in the income statement)	4.9	11.7
Post-employment benefits (recognized as a liability in the balance sheet)	ns	0.9

The figures presented in the table above comprise directors' fees as well as all other types of compensation and benefits that Elior SA and/or other Elior Group companies either paid (or awarded for the year in return for duties performed). For the year ended September 30, 2015 they concerned the members of the Executive Team which has comprised four people, including the Group Chairman and Chief Executive Officer since May 1, 2015 when he took up his post. For the year ended September 30, 2014, the amounts presented concerned the eight members of the Group Executive Committee and included a total of €6.2 million in exceptional compensation paid in connection with the IPO.

The figures for the year ended September 30, 2015, also include a €2.3 million termination benefit paid to the Group's former Chief Executive Officer (including a non-compete indemnity deferred over a period of two years as from September 1, 2015), of which €1.6 million was paid during FY 2014-2015.

10.2 Other Related Party Transactions

On November 7, 2014, SOFIBIM – which is controlled by Robert Zolade and is a corporate director of Elior, represented by Gilles Cojan – entered into a one-year consulting and services agreement with Elior to provide the Company with advisory and support services concerning external growth and/or partnerships in return for an annual fee of €160,000. SOFIBIM invoiced Elior €160,000 under this agreement for the year ended September 30, 2015.

No other expenses or financial benefits were recorded during FY 2014-2015 in relation to Elior's corporate officers.

11. Financial Risk Management and Financial Instruments

11.1 Exposure to Foreign Exchange Risk

The Elior Group operates essentially in Eurozone countries. In the year ended September 30, 2015, non-Eurozone countries – primarily the United Kingdom, Mexico and the United States – accounted for 19.2% of consolidated revenue (16.0% in FY 2013-2014), including 6.7% contributed by the United Kingdom (FY 2013-2014: 5.3%) and 10.7% by the United States (FY 2013-2014: 9.0%).

The revenues and expenses of Group companies are invoiced and paid in local currencies. As a general rule, Group companies have no significant receivables or payables denominated in foreign currencies. Consequently, the Group has no significant foreign exchange risk exposure in relation to its business transactions.

The Group's external borrowings are primarily denominated in euros, apart from the dollar-denominated borrowings set up on the refinancing of the THS acquisition debt (within the scope of the SFA), which amounted to $200 million at September 30, 2015. The Group's foreign exchange risk in relation to its borrowings is therefore low. Internal borrowings between Eurozone and non-Eurozone Group subsidiaries are generally hedged through currency swap transactions.

Elior Participations SCA uses forward currency sale contracts to hedge the net assets of and loans granted to its subsidiary, Elior UK. The outstanding amounts of these currency hedges were £34.1 million at September 30, 2015 and £40.3 million at September 30, 2014. Similarly, Areas SA uses forward currency sale contracts to hedge the net assets of and loans to its U.S. and Mexican subsidiaries. The outstanding amount of these currency hedges was $84 million at September 30, 2015.

The Group's sensitivity to changes in exchange rates mainly relates to fluctuations in the value of:

- The pound sterling against the euro: a 5% increase or decrease in this value compared with the average rate of 0.7433 for FY 2014-2015 would result in a corresponding change in consolidated revenue and recurring operating profit of €18 million and €0.7 million respectively.
- The US dollar against the euro: a 5% increase or decrease in this value compared with the average rate of 1.1491 for FY 2014-2015 would result in a corresponding change in consolidated revenue and recurring operating profit of €29 million and €1.4 million respectively.

11.2 Exposure to Interest Rate Risk

The Group is exposed to the risk of fluctuations in interest rates on debt that is indexed to the Euro Interbank Offered Rate ("Euribor") and the US dollar Libor plus an applicable margin.

In order to manage interest rate risk, the Group has set up interest rate swaps and caps. These hedges mitigate (i) the risk of variable interest rates affecting the fair value of the Group's fixed-rate debt, and (ii) the impact of the Group's variable-rate debt on consolidated cash. Hedges set up using options are referred to as "optional hedges" and other hedges are referred to as "firm hedges". The net amount of firm hedges set up does not exceed the amount of the Group's debt for a given period and the net gains or losses on hedges are allocated to the hedged period.

The rates at which the Group's debt is hedged (against the 6-month Euribor) were as follows at September 30, 2015 for Elior and Elior Participations:

- For the period from December 31, 2015 through December 31, 2016: 0.234% for firm hedges (€950 million).
- For the period from December 31, 2016 through September 30, 2018: 0.234% for firm hedges (€950 million).
- For the period from September 30, 2018 through September 30, 2019: 0.304% for firm hedges (€150 million).

The rates at which the Group's debt was hedged (against the 6-month Euribor) were as follows at September 30, 2014 for Elior and Elior Participations:

- For the period from December 31, 2014 through June 30, 2015: 1.08% for firm hedges (€1,100 million), and 1.75% for optional hedges (€500 million).
- For the period from June 30, 2015 through December 31, 2015: 1.21% for firm hedges (€900 million) and 1.75% for optional hedges (€500 million).
- For the period from December 31, 2015 through December 31, 2016: 1.21% for firm hedges (€900 million) and 2.50% for optional hedges (€200 million).

These rates do not include lending margins, which are set out in Note 8.15.1. Taking into account these hedging transactions, a 1% increase in interest rates would have an impact of approximately €1 million on the Group's finance costs for FY 2015-2016.

11.3 Exposure to Liquidity Risk

The Group manages its liquidity risk by maintaining adequate reserves, bank lines of credit and stand-by lines of credit, by preparing cash flow forecasts and monitoring actual cash flows in relation to forecasts, and by matching to the extent possible the maturity profiles of financial assets and liabilities.

The Group's debt can be analyzed as follows:

(in € millions)	Original currency	At Sept. 30, 2015 Short-term	*Due in 1 to 5 years*	*Due beyond 5 years*	Long-term	At Sept. 30, 2014 Short-term	Long-term
Bank borrowings							
Medium-term borrowings – Elior SA	€		*168.0*	*32.0*	200.0		200.1
Medium-term borrowings – Elior Participations SCA and THS	€ / $		*721.5*	*118.0*	839.5		872.2
Other medium- and long-term bank borrowings	€		*0.9*		0.9		28.2
Sub-total – bank borrowings		**0**	***890.4***	***150.0***	**1,040.4**	**0.0**	**1,100.5**
Other debt							
Elior bond debt (USD private placement)	$			*89.5*	89.5		
Loan from Elior Finance & Co SCA – 6.5% Senior Secured Notes maturing in May 2020	€		*227.5*		227.5		227.5
Finance leases	€	4.2	*12.6*	*0*	12.6	4.0	12.3
Other (1)	€ / $	106.5	*179.6*	*0.4*	180.0	54.5	176.3
Bank overdrafts (2)	€	2.3				17.8	
Current accounts (2)	€	0.3				0.0	
Accrued interest on borrowings (2)	€	10.3				13.6	
Sub-total – other debt		**123.5**	***419.7***	***89.9***	**509.6**	**90.0**	**416.1**
Total debt		**123.5**	***1,310.1***	***239.9***	**1,550.0**	**90.0**	**1,516.6**

(1) Including liabilities under the receivables securitization program described in Note 8.12.

(2) Amounts deducted from cash and cash equivalents in the cash flow statement.

11.4 Exposure to Credit and Counterparty Risk

Credit and/or counterparty risk is the risk that a party to a contract with the Group will fail to meet its obligations in accordance with agreed terms, leading to a financial loss for the Group.

The main financial instruments that could expose the Group to concentrations of counterparty risk are trade receivables, cash and cash equivalents, investments and derivatives. The Group's maximum exposure to credit risk corresponds to the carrying amount of all of the financial assets recognized in the consolidated financial statements, net of any accumulated impairment losses.

The Group considers that it has very low exposure to concentrations of credit risk in relation to trade receivables. The balance sheets of the Group's companies operating in the concession catering business line do not generally include significant amounts of trade receivables. In the contract catering & services business line there is no material exposure to concentrations of customer credit

risk at Group level as the relevant companies have a large number of customers and the geographic locations of these customers and the operating sites concerned are highly diverse.

The Group only enters into hedging agreements with leading financial institutions and it considers that the risk of any of these counterparties defaulting on their contractual obligations to be very low as the financial exposure of each of these financial institutions is limited.

11.5 Fair Value of Financial Assets and Liabilities

The table below presents the Group's financial assets and liabilities by category as well as their carrying amounts and fair values and the account headings in which they are included in the consolidated balance sheet. It also analyzes financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices in active markets.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(in € millions)	Carried at amortized cost	Fair value hierarchy level	At Sept. 30, 2015		At Sept. 30, 2014	
			Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Non-current financial assets	✓		48.6	48.6	31.8	31.8
Equity-accounted investees		Level 3	3.1	3.1	1.9	1.9
Derivative financial instruments		Level 2	-	-	-	-
Trade and other receivables	✓		907.2	907.2	907.8	907.8
Other current assets	✓		59.4	59.4	49.0	49.0
Short-term financial receivables	✓		10.9	10.9	5.9	5.9
Cash and cash equivalents		Level 1	210.4	210.4	220.3	220.3
Financial liabilities						
Short- and long-term debt	✓		1,654.0	1,654.0	1,588.5	1,588.5
Derivative financial instruments		Level 2	20.6	20.6	27.3	27.3
Liabilities relating to share acquisitions		Level 3	28.7	28.7	186.3	186.3
Trade and other payables	✓		701.0	701.0	687.0	687.0
Due to suppliers of non-current assets	✓		23.9	23.9	24.6	24.6

12. Events After the Reporting Date

Partnership between Elior and Alain Ducasse Entreprise

On October 5, 2015, Elior signed a strategic and culinary partnership agreement with the master chef Alain Ducasse. In accordance with this agreement Elior will acquire a stake of around 10% in Alain Ducasse Entreprise by purchasing convertible bonds and shares in the company during the first half of FY 2015-2016.

Acquisition of Cura and ABL by THS in the United States

In October and November 2015 respectively, THS – an Elior contract catering subsidiary operating in the United States – purchased Cura Hospitality (based in Pittsburg, Pennsylvania and specialized in senior living and healthcare catering) and ABL Management (based in Baton Rouge, Louisiana, and focused on the education and corrections markets). These two companies generate combined contract catering revenue of over US$ 100 million a year

13. Additional Information

13.1 Statutory Auditors' Fees

Statutory Auditors' fees for the year ended September 30, 2015 recorded in the income statement and relating to fully consolidated companies amounted to €3.5 million. The total breaks down as €2.9 million for statutory audit work and €0.6 million for audit-related services and due diligence audit work for acquisitions and financing operations.

14. List of Consolidated Companies at September 30, 2015

In the following table, the percentage of ownership and control is not provided when both represent 100%.

Company		% ownership	% control	Principal activity	Consolidation method
ELIOR		PARENT	PARENT	HOLD	Full
France					
A l'Ancienne Douane				CO	Full
Actair				CO	Full
Actal		51%		CO	Full
Ansamble		99%		CT	Full
Ansamble Investissements		99%		HOLD	Full
Aprest				MO	Full
Arpège				CT	Full
Bercy Participations				HOLD	Full
Bercy Services I				MO	Full
Bercy Services II				MO	Full
C2L				HOLD	Full
E.L.R.E.S.				CT/HOLD	Full
ECP France				CO	Full
Elior Achats Concessions				MO	Full
Elior Achats Services				MO	Full
Elior Appro Concessions				MO	Full
Elior Bâle-Mulhouse				CO	Full
Elior Beauvais Tillé				CO	Full
Elior Blagnac				CO	Full
Elior Concessions				HOLD	Full
Elior Concessions Gares				CO	Full
Elior Concessions Marketing				MO	Full
Elior Concessions Services				MO	Full
Elior Data				MO	Full
Elior Data Concessions				MO	Full
Elior Entreprises				CT/HOLD	Full
Elior Entzheim				CO	Full
Elior F.A.3.C.				MO	Full
Elior Finance				HOLD	Full
Elior Gestion				MO	Full
Elior Musées				CO	Full
Elior Orly Ouest				CO	Full
Elior Orly Sud				CO	Full
Elior Orsay				CO	Full
Elior Roissy				CO	Full
Elior Restauration Approvisionnements				CT	Full
Elior Restauration et Services				HOLD	Full
Elior Retail Gares	FTC			CO	Full
Elior Services à la Personne				CT	Full
Elior Services Propreté et Santé				CT/HOLD	Full
Elior Services Supports				MO	Full
Elior Participations				HOLD	Full

Company	% ownership	% control	Principal activity	Consolidation method
Elior Trésorerie			MO	Full
Eurobar			CO	Full
First Maintenance Company			CT	Full
G.S.R			CO	Full
H.R.C.			CO/HOLD	Full
IFRC			MO	Full
L'Alsacienne de Restauration			CT	Full
Loiretal	49%	49%	CO	Equity
Newrest	35%	35%	CO	Equity
Parme Restauration			CO	Full
R.H.A.			CO	Full
Resapro			MO	Full
Restaurants et Sites			CO/HOLD	Full
Restogen			CT	Full
ROC France			CO	Full
Sacores			MO	Full
SC2R			MO	Full
SCICB			CT	Full
Sercam			CO	Full
Services et Santé			CT	Full
SG2P			CO	Full
SG2S			CO	Full
SGAR			CO	Full
SHAIB			CO	Full
SHRHM	69%		CO	Full
SLRH			CO	Full
SMR			CT	Full
Soferest			CO	Full
Soreno			CT	Full
Soreset			CT	Full
SPPJ	25%	45%	CO	Equity
SPR			CO	Full
SRAB			CO	Full
SRAM	44%		CO	Full
SRBS	40%	40%	CO	Equity
SRHAJ			CO	Full
SRHVMB	84%		CO	Full
SRNA			CO	Full
Tabac de l'Aéroport de Pau Uzein	49%		CO	Full
Tabapag			CT	Full
French Overseas Territories				
S.O.G.E.C.C.I.R.			CT	Full

Company		% ownership	% control	Principal activity	Consolidation method
Germany					
ECP Deutschland				CO	Full
Elior Autobahn Ost				CO	Full
Elior Autobahn Süd				CO	Full
Elior Autobahn West				CO	Full
Elior Deutschland Gmbh				HOLD	Full
ESP Deutschland				CO	Full
Belgium					
Elior Charleroi				CO	Full
SAREB				CO	Full
SREB				CO	Full
Chile					
Áreas Chile				CO	Full
Spain					
Arco Duplo		70%	100%	CO	Full
ARCE				CT	Full
Alessa Catering Services				CT	Full
Basic Serveis Escolars				CT	Full
Excellent Market				CT	Full
Geriatrio Siglo XXI				CT	Full
Gascesa		50%	100%	CO	Full
Áreas				CO/HOLD	Full
Can-Áreas				CO	Full
Carmen		19%	100%	CO	Full
Contrame 99				HOLD	Full
Distri-Áreas				CO	Full
Elite Aeropuertos 2010				CO	Full
General de Restaurantes 2000				CO	Full
Hold & Co Espana		50%	50%	CO	Equity
Miconta 99				HOLD	Full
Serunión				CT/HOLD	Full
Serunión Norte				CT	Full
Serunión Servicios				CT	Full
Serunión Vending				CT	Full
United States					
Aladdin Food Management Services		77%	100%	CT	Full
AmeriServe		77%	100%	CT	Full
Áreas USA inc				CO	Full
A'Viands		77%	100%	CT	Full
CFM	FTC	77%	100%	CT	Full
Dowling Food Service Management		77%	100%	CT	Full
Fitz Vogt Acquisition		77%	100%	HOLD	Full
Fitz Vogt & Associates		77%	100%	CT	Full
Fitz Vogt & Enterprises		77%	100%	CT	Full
Gourmet Acquisition Holding		77%	100%	HOLD	Full
Gourmet Acquisition		77%	100%	HOLD	Full
Lindley Acquisition		77%	100%	HOLD	Full
Summit Food Service		77%	100%	CT	Full
TrustHouse Services Holding		77%	100%	HOLD	Full
TrustHouse Services Group		77%	100%	MO	Full

Company		% ownership	% control	Principal activity	Consolidation method
Valley Services		77%	100%	CT	Full
United Kingdom					
Azure Support Services				CO	Full
Digby Trout Restaurants				CO	Full
Eliance Events				CO	Full
Eliance Restaurants				CO	Full
Eliance UK				CO	Full
Elior UK				CT	Full
Elior UK Holdings				HOLD	Full
Elior UK Services				MO	Full
Hold & Co UK				CO	Full
Le Bistro				CO	Full
Lexington	FTC			CO	Full
Riverside Events		50%	50%	CO	Equity
Italy					
Elior Ristorazione		99%		CT	Full
Elior Concessioni SRL				HOLD	Full
Elichef				HOLD	Full
Elior Servizi		99%		CT	Full
Gemeaz		99%		CT	Full
Gemeaz Immobiliare		99%		MO	Full
Meridia		50%		CT	Full
MyChef				CO	Full
SEA Services		60%	100%	CO	Full
Mexico					
Aerocomidas				CO	Full
Aeroboutiques de Mexico				CO	Full
Portugal					
Areas Portugal				CO	Full
Feito de Portugal				CO	Full
Serunión Restaurantes Portugal				CT	Full
Unitrato				CO	Full
Switzerland					
Elior Suisse	FTC			CO	Full

- *FULL: fully consolidated companies.*
- *EQUITY: companies consolidated using the equity method.*
- *CT: companies specialized in contract catering & services.*
- *CO: companies specialized in concession catering*
- *HOLD: companies operating as holding companies.*
- *MO: companies providing headquarters and support services to Group companies.*
- *FTC: companies consolidated for the first time during the period.*
- *CM: Change in consolidation method.*

4.9 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us at your annual general meeting, we hereby report to you, for the year ended 30 September 2015, on:

- the audit of the accompanying consolidated financial statements of Elior SA;
- the justification of our assessments;
- the specific verifications required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on the consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 30 September 2015 and of the results of its operations for the year then ended, in accordance with the International Financial Reporting Standards adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code, we draw your attention to the following matters:

At each year end, the company systematically performs impairment tests on goodwill and assets with indefinite useful lives and assesses whether there is any indication of impairment of long-term assets, using the methods described in notes 6.5 and 6.6 to the consolidated financial statements. We examined the methods used for the impairment tests, along with the cash flow forecasts and assumptions used and we verified that note 6.6 to the consolidated financial statements provides appropriate disclosures thereon.

As stated in note 6.24 to the consolidated financial statements, as the estimates used are based on assumptions, which are inherently uncertain, actual figures may differ significantly from the forecasts used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

III – Specific verifications

As required by law, we have also verified the information presented in the group's management report, in accordance with professional standards applicable in France.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The Statutory Auditors

Paris La Défense and Neuilly-sur-Seine, January 19, 2016

KPMG Audit IS,
François Caubrière, *Partner*

PricewaterhouseCoopers Audit,
Anne-Laure Julienne, *Partner*,
Eric Bertier, *Partner*

4.10 SEPARATE FINANCIAL STATEMENTS OF THE PARENT COMPANY FOR THE YEAR ENDED SEPTEMBER 30, 2015

INCOME STATEMENT

(in € thousands)	Note	Year ended September 30, 2015	Year ended September 30, 2014
Operating income			
Net revenue	4.10.3.1	22,371	21,310
Reversals of depreciation, amortization and provisions, expense transfers			
Other income			4
Total operating income		**22,371**	**21,314**
Operating expenses			
Purchase of raw materials and consumables		2	18
Other operating expenses		12,963	10,762
Taxes other than on Income		841	531
Personnel costs		20,728	26,281
Depreciation, amortization and provision expense		645	115
Total operating expenses		**35,179**	**37,707**
Operating profit/(loss)		(12,808)	(16,393)
Net financial income/(expense)	4.10.3.2	34,534	(44,107)
Net non-recurring expense	4.10.3.3	(1)	(6,571)
Income tax	4.10.3.4	(102,592)	(32,528)
Profit/(loss) for the period		**124,317**	**(34,543)**

BALANCE SHEET – ASSETS

(in € thousands)	Note	At Sept. 30, 2015			At Sept. 30, 2014
		Gross	Depr. amort. and provisions	Net	Net
Intangible assets	4.10.4.1 and 4.10.4.3	2,079	78	2,001	2,000
Property, plant and equipment	4.10.4.1 and 4.10.4.3	2,864	922	1,942	2,056
Long-term investments	4.10.4.2	1,741,200		1,741,200	1,741,197
Total fixed assets		**1,746,143**	**1,000**	**1,745,143**	**1,745,253**
Advances and downpayments		1		1	
Trade receivables		661		661	305
Other receivables	4.10.4.4	958,688		958,688	609,483
Marketable securities		2,046		2,046	1,022
Cash		29		29	911
Prepaid expenses		651		651	78
Total current assets		**962,076**		**962,076**	**611,799**
Unrealized foreign exchange losses		1,890		1,890	
TOTAL ASSETS		**2,710,109**	**1,000**	**2,709,109**	**2,357,052**

BALANCE SHEET – EQUITY AND LIABILITIES

(in € thousands)	Note	At Sept 30, 2015	At Sept. 30, 2014
Share capital		1,723	1,644
Share premium account		1,663,232	1,526,899
Other reserves		140	140
Retained earnings		261,732	329,150
Profit/(loss) for the period		124,317	(34,543)
Total equity	4.10.4.7	**2,051,144**	**1,823,289**
Equity loans (*titres participatifs*)			
Provisions for contingencies and charges	4.10.4.9	**2,913**	**493**
Borrowings		524,025	434,332
Trade payables		3,495	17,335
Other liabilities		125,640	81,603
Total liabilities	4.10.4.10	**653,161**	**533,270**
Unrealized foreign exchange gains		**1,892**	
TOTAL EQUITY AND LIABILITIES		**2,709,109**	**2,357,052**

4.10.1 BASIS OF PREPARATION, GENERAL INFORMATION AND SIGNIFICANT EVENTS OF THE YEAR

These notes are an integral part of the parent company financial statements. They provide additional disclosures concerning the balance sheet and income statement in order to provide a true and fair view of the Company's financial position and results of operations.

Non-compulsory disclosures are made only where the information concerned is material.

4.10.1.1 General information about the Company and its business

Elior SA is a French joint stock corporation (*société anonyme*) registered and domiciled in France. Its headquarters are located at 61-69 rue de Bercy, Paris, France.

At September 30, 2015, Elior was held by the following parties: 29.81% by investment funds managed by Charterhouse and Chequers, 20.61% by Bagatelle Investissement et Management – "BIM" (which is wholly-owned by Robert Zolade), 5.22% by Corporacion Empresarial Emesa and 44.36% by private and public investors following Elior's admission to trading on Euronext Paris on June 11, 2014.

The Company is the parent company of the Elior Group.

4.10.1.2 Significant events of the year

4.10.1.2.1 Acquisition and disposal of shares in Areas

On April 30, 2015, Elior announced that it had signed a memorandum of understanding with Corporación Empresarial Emesa ("Emesa") to buy out the 38.45% non-controlling interest held by Emesa in Elior's Spanish subsidiary, Areas. This agreement provided for Elior's stake in Areas to be increased to 100% and for Emesa to become a significant shareholder of Elior. The transaction was completed in July 2015 and the acquisition price was settled by way of:

- a €46 million cash payment; and
- the allocation to Emesa of 9 million Elior shares, including:
  - 1,282,500 treasury shares bought back by Elior on the market for €21.7 million, and
  - 7,717,500 new Elior shares.

The Areas shares were immediately reclassified as held by the holding company Elior Concessions at their initial acquisition price.

4.10.1.2.2 Renegotiation of Elior's syndicated bank loans (5th amendment to the SFA)

On December 10, 2014, Elior refinanced all of its credit facilities (term loans and revolving loans) under the Senior Facility Agreement pursuant to an amendment signed on December 3, 2014. This refinancing – which involved a total amount of €200 million – enabled the Company to (i) significantly lower the cost of its senior debt thanks to a reduction in the applicable interest margins, (ii) extend the maturity of this debt to 2019 and 2022 (for part of it), and (iii) obtain less strict financial and non-financial covenants An amount of €4.9 million in bank fees paid in connection with this amendment has been recognized in the income statement.

4.10.1.2.3 Dividend payment by Elior on April 10, 2015

The dividend for the year ended September 30, 2014 – which corresponded to €32.9 million (€0.20 per share) and was approved by the Company's shareholders at the March 10, 2015 Annual General Meeting – was paid on April 10, 2015. The Company did not pay any dividends for the previous two fiscal years.

4.10.1.2.4 Repayment and refinancing of the US dollar-denominated THS acquisition debt

On May 28 and June 23, 2015, the Group signed the sixth and seventh amendments to the SFA, which provide for (i) Elior S.A. to issue bonds representing a principal amount of USD 100 million as part of a private placement to be taken up by an investor, (ii) a new Facility I loan to be set up under the SFA, representing a principal amount of USD 100 million, and (iii) a new Uncommitted Revolving Facility to be put in place under the SFA, representing a principal amount of USD 250 million. The drawdowns corresponding to these new amendments took place on May 28, 2015.

Elior S.A.'s bond issue – representing a maximum principal amount of USD 100 million – pays interest based on the six-month USD Libor plus a margin of 2.15% per annum at the time of issue, which may subsequently be

increased to a maximum of 2.60% per annum. The bonds have a 7-year maturity.

The new Facility I loan has a 5-year maturity. Interest payable on the loan is based on the USD Libor plus a margin of 1.70% per annum at inception, which may subsequently vary depending on the leverage ratio, but may not exceed 1.95% per annum. This loan is subject to all the other terms and conditions of the SFA.

The new Uncommitted Revolving Facility also has a 5-year maturity. If it is drawn down, the interest payable will be based on the USD Libor plus a margin of 1.30% per annum at the time the facility is set up, which may subsequently vary depending on the leverage ratio and the amount drawn down, but may not exceed 1.95% per annum. This facility is subject to all the other terms and conditions of the SFA.

These new financing arrangements notably permitted the repayment of the debt taken out by THS in 2013 (with no recourse against Elior) when it was acquired by Elior, which was immediately replaced by an intra-group loan set up through the Group's cash pool. Since the repayment of this debt, the entities making up the THS group have been considered as Elior SA subsidiaries for the purposes of the SFA.

4.10.2 ACCOUNTING PRINCIPLES AND METHODS

4.10.2.1 Accounting principles

The financial statements for the year ended September 30, 2015 have been prepared in accordance with French generally accepted accounting principles.

The accounting principles used are identical to those applied for FY 2013-2014. Accounting entries are based on the historical cost method.

All amounts referred to in the notes to the financial statements are in thousands of euros, unless otherwise specified.

4.10.2.2 Accounting methods

The main accounting methods applied by the Company are described below.

4.10.2.2.1 Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are stated at acquisition cost, which corresponds to their purchase price plus incidental expenses and excluding transaction costs.

Depreciation and amortization are calculated by the straight-line method over the following estimated useful lives:

- Software: 1 to 6 years
- Fixtures and fittings: 5 to 10 years
- Plant and equipment: 5 to 7 years
- IT equipment: 3 to 4 years

4.10.2.2.2 Shares in subsidiaries and affiliates and other long-term securities

The gross value of these assets corresponds to cost excluding incidental expenses. If their fair value is lower than this gross value a provision for impairment is recognized.

Fair value corresponds to value in use for the Company, which is determined based on Elior's equity in the underlying net assets of the companies concerned, adjusted where applicable to take account of their growth and earnings prospects.

4.10.2.2.3 Receivables

Receivables are stated at nominal value. A provision for impairment is recognized if their fair value is lower than this gross value.

4.10.2.2.4 Foreign currency transactions

Income and expenses denominated in foreign currencies are translated into euros using the exchange rate prevailing at the transaction date. Foreign currency payables, receivables and cash balances are translated using the year-end exchange rate and any resulting translation differences are recognized in the balance sheet under "Unrealized foreign exchange losses" or "Unrealized foreign exchange gains". A provision is recorded for the unhedged portion of any unrealized foreign exchange losses at the year end.

4.10.2.2.5 Tax consolidation

Since February 1, 2006, pursuant to Articles 223.A, 235*ter* and 223 L6 of the French Tax Code (*Code Général des Impôts*), Elior SA has filed a consolidated tax return for its French subsidiaries in which it has an ownership interest of over 95%.

The income tax charge for each member of the consolidated group is calculated on that member's own earnings as if it were taxed on a stand-alone basis. The parent company benefits from any tax savings arising on tax consolidation as the tax group can use any tax losses generated by members of the group to offset taxable profit. However, this is only a temporary benefit because if the companies concerned return to profit, the tax savings generated by the use of their tax losses are repaid to them as if they were taxed on a stand-alone basis.

The income tax for FY 2014-2015 recorded in the income statement can be analyzed as follows including the impact of tax consolidation:

(in € thousands)	
Income tax expense for the head of the tax consolidation group	2,101
Tax payable by profitable members of the tax group	(104,909)
Corporate sponsorship tax credit	(3)
Other	219
Income tax including impact of tax consolidation	**(102,592)**

4.10.2.3 Consolidating company

At September 30, 2015 Elior SA was the parent company responsible for preparing the consolidated financial statements of the Elior Group.

4.10.2.4 Retirement benefit obligations

The following obligations are presented in "Off-balance sheet commitments": (i) obligations for the payment of statutory and contractual retirement indemnities related to active employees, and (ii) obligations relating to supplementary pension plans, measured using the projected unit credit method based on end-of-career salaries, net of the value of any plan assets.

4.10.3 NOTES TO THE INCOME STATEMENT

4.10.3.1 Revenue

	France	International	Year ended Sept. 30, 2015	Year ended Sept. 30, 2014
Management of the Group and services provided to the Group	7,697	4,428	12,125	10,934
Rebillings of personnel costs	5,933		5,933	5,757
Rebillings of insurance costs	2,951	206	3,157	3,186
Other rebillings	800	356	1,156	1,433
TOTAL	**17,381**	**4,990**	**22,371**	**21,310**

4.10.3.2 Net financial income/(expense)

	Year ended Sept. 30, 2015	Year ended Sept. 30, 2014
Dividends received from subsidiaries	62,964	-
Interest income	889	484
Interest expense	(29,319)	(44,591)
TOTAL	**34,534**	**(44,107)**

4.10.3.3 Net non-recurring expense

	Year ended Sept. 30, 2015	Year ended Sept. 30, 2014
Net change in provisions for charges	-	1,400
Expenses related to debt refinancing	-	(7,970)
Other non-recurring expenses	(1)	(1)
TOTAL	**(1)**	**(6,571)**

4.10.3.4 Income tax analysis

	Pre-tax profit for year ended Sept. 30, 2015	Income tax due	Post-tax profit for year ended Sept. 30, 2015	Post-tax loss for year ended Sept. 30, 2014
Profit/(loss) from ordinary activities	21,726		21,726	(60,500)
Net non-recurring expense	(1)		(1)	(6,571)
Impact of tax consolidation		(102,589)	102,589	32,522
Corporate sponsorship tax credit		(3)	3	6
TOTAL	**22,255**	**(102,592)**	**124,317**	**(34,543)**

4.10.4 NOTES TO THE BALANCE SHEET

4.10.4.1 Property, plant and equipment and intangible assets

	Gross at Sept. 30, 2014	Increase	Decrease	Gross at Sept. 30, 2015
Intangible assets	2,079			2,079
Property, plant and equipment	2,864			2,864
TOTAL	**4,943**	-	-	**4,943**

Intangible assets mainly correspond to goodwill related to the Company's activities of managing the Group and providing Group services. In view of the nature of the contracts involved, these assets are not amortized.

Property, plant and equipment correspond to the premises located at 101 rue de Tolbiac, 75013 Paris, France, which are occupied by the Elior Group's Purchasing Department.

4.10.4.2 Depreciation and amortization

	Cumulative amount at Sept. 30, 2014	Additions	Reversals	Cumulative amount at Sept. 30, 2015
Intangible assets	78			78
Property, plant and equipment	807	115		922
TOTAL	**885**	**115**	-	**1,000**

4.10.4.3 Long-term investments

	Gross at Sept. 30, 2014	Increase	Decrease	Gross at Sept. 30, 2015
Investments in subsidiaries and affiliates	1,741,183	202,753	202,753	1,741,183
Other long-term investment securities	-	21,700	21,697	3
Deposits	14			14
TOTAL	**1,741,197**	**224,453**	**224,450**	**1,741,200**

At September 30, 2015, the Company owned 139,312,620 shares in Elior Participations representing a total gross value of €1,740,720,983.30, and 500 shares in Bercy Participations, representing a total value of €461,907.33.

Movements in shares in subsidiaries and affiliates during the year correspond to the acquisition of Areas shares in July 2015, which were immediately reclassified as held by Elior Concessions at their initial acquisition price.

4.10.4.4 Maturity schedule of receivables and long-term investments

	At Sept. 30, 2015	Due within one year	Due beyond one year
Other long-term investments	14	2	12
Trade receivables	661	661	
Other receivables	64,603	64,603	
Tax receivables arising on tax consolidation	4,755	4,755	
Current accounts with subsidiaries	889,330	889,330	
Prepaid expenses	651	651	
TOTAL	**960,014**	**960,002**	**12**

4.10.4.5 Accrued income

	At Sept. 30, 2015
Revenue accruals	383
Other	160
TOTAL	**543**

4.10.4.6 Prepaid expenses

	At Sept. 30, 2015
Operating expenses	621
Financial expenses	30
TOTAL	**651**

4.10.4.7 Equity

	At Sept. 30, 2014	Appropriation of FY 2013-2014 loss	Dividend payment	Capital increase	FY 2014 2015 profit	At Sept. 30, 2015
Share capital	1,644			79		1,723
Share premium account	1,526,899			136,333		1,663,232
Other reserves	140					140
Retained earnings	329,149	(34,543)	32,874			261,732
Profit/(loss) for the period	(34,543)	34,543			124,317	124,317
TOTAL	**1,823,289**	**-**	**32,874**	**136,412**	**124,317**	**2,051,144**

4.10.4.8 Share capital

	At Sept. 30, 2014	Increase	Decrease	At Sept. 30, 2015
Number of shares	164,370,556	7,954,688		172,325,244
Amount (in €)	1,643,706	79,547		1,723,253

At September 30, 2015, the share capital of Elior SA amounted to €1,723,252.44, divided into 172.325.244 shares with a par value of €0.01 each.

The increase in the Company's share capital during the year was due to the issues of (i) 7,717,500 shares at a unit price of €17.50 representing part of the acquisition price for Elior's buyout of the 38.45% non-controlling interest in Areas, and (ii) 237,188 shares on the exercise of stock options (see Note 4.10.5.2 below).

4.10.4.9 Provisions

	At Sept. 30, 2014	Additions	Reversals	At Sept. 30, 2015
Other provisions for contingencies and charges		530		530
Provisions for taxes	493			493
Provisions for foreign exchange losses		1,890		1,890
TOTAL	**493**	**2,420**	**-**	**2,913**
O/w recorded under:				
- Operating income and expenses		530		
- Financial income and expenses		1,890		

4.10.4.10 Maturity schedule of liabilities

	At Sept. 30, 2015	Due within 1 year	Due in 1-5 years	Due beyond 5 years
Bond debt (USD private placement)	89,470			89,470
Bank borrowings	200,893	893	168,000	32,000
Other borrowings	233,662	6,162	227,500	
Trade payables	3,495	3,495		
Other liabilities	38,552	38,552		
Tax payables arising on tax consolidation	87,088	87,088		
TOTAL	**653,160**	**136,190**	**395,500**	**121,470**

Elior SA's debt at September 30, 2015 included:

Syndicated bank loans at a variable rate based on the Euribor plus a margin, breaking down as follows:

- A senior bank loan totaling €200.0 million, of which €168 million is repayable in December 2019 and €32 million in December 2022. Interest on this loan is based on the Euribor plus a standard margin of 1.90% for the portion repayable in 2019 and 2.75% for the portion repayable in 2022. Elior SA also has a €300 million revolving credit facility (which can also be used by Elior Participations) that expires in December 2019 and carries a variable interest rate based on the Euribor plus a standard margin of 1.50%. if this revolving credit facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. At September 30, 2015 none of this facility had been drawn down by Elior.
- US-dollar denominated bond debt issued as part of a private placement carried out in May 2015 in connection with the refinancing of the original THS acquisition debt. These bonds – which represented an aggregate $100 million at September 30, 2015 (€89.5 million) – are redeemable in May 2022. Interest on the bonds is based on the 6-month USD Libor plus a standard margin of 2.15%. In addition, Elior SA has a $250 million revolving credit facility (which can also be used by Elior Participations) that expires in May 2020 and carries a variable interest rate based on the Libor plus a standard margin of 1.30% If this revolving credit facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. At September 30, 2015 none of this facility had been drawn down by Elior.
- A €227.5 million loan at a fixed interest rate of 6.5% and maturing in May 2020, which was granted to Elior by Elior Finance & Co. using the proceeds of an issue of Senior Secured Notes carried out by Elior Finance & Co on the Luxembourg stock exchange in April 2013. The terms and conditions of the loan mirror those of the Senior Secured Notes.

Amount and maturity of trade payables	Total	Due within 30 days	Due in 31-44 days	Due in 45-75 days	Due in 76-90 days	Due beyond 90 days
Trade payables due to non-Group entities	805	135	670			
Trade payables due to Group entities	31	31				
TOTAL	**836**	**166**	**670**	-	-	-

4.10.4.11 Accrued expenses

	At Sept. 30, 2015
Borrowings and accrued interest	7,056
Trade payables	2,659
Taxes and payroll costs	10,245
Credit notes due to customers	725
TOTAL	**20,685**

4.10.5 ADDITIONAL INFORMATION

4.10.5.1 Related party transactions and balances

	At Sept. 30, 2015
ASSETS	
Long-term investments: investments in subsidiaries and affiliates	1,741,183
Trade receivables	382
Intra-group current accounts	889,330
Tax receivables	64,603
Total	2,695,498
LIABILITIES	
Trade payables	31
Tax payables	87,088
Other liabilities	725
Total	87,844
INCOME STATEMENT	
Financial expenses	
Financial income	63,052

Related parties correspond to companies that are fully consolidated by Elior SA.

4.10.5.2 Financial commitments

4.10.5.2.1 Pledges and guarantees granted in relation to bank borrowings and Senior Secured Notes

As a guarantee for the bank borrowings and Senior Secured Notes financing set up for Elior and Elior Participations – representing a total principal amount of €1,356.4 million at September 30, 2015 – Elior has granted the lenders a pledge over the shares that it holds in Elior Participations and Bercy Participations, and Elior Participations has granted a pledge over the shares that it holds in its subsidiaries, Elior Restauration et Services and Elior Concessions. In addition, the amounts owed by Elior Participations in connection with these financing arrangements have been guaranteed by Elior and Bercy Participations.

4.10.5.2.2 Retirement benefit obligations

The Company's retirement benefit obligation is measured using the projected unit credit method, in accordance with Recommendation 1.23 issued by the French Order of Chartered Accountants, and Recommendation 2003-R. 01 and Opinion 2004-05 of March 25, 2004 issued by the French Accounting Standards Authority.

This method values the Company's obligation based on projected end-of-career salaries and rights vested at the valuation date, as defined under applicable collective bargaining agreements, company-level agreements and/or legal provisions in effect at the fiscal year-end.

At September 30, 2015, the obligation was calculated using a net discount rate of 2% and based on a retirement age of between 62 and 64 and voluntary retirement. At that date it totaled €1,609,272, the full amount of which related to indemnities payable to employees on retirement.

4.10.5.2.3 Stock options granted to employees of Elior and its subsidiaries

Date of Shareholders' Meeting	Grant date	Start of exercise period	End of exercise period	Exercise price per share (in €)[1]	Total number of shares under option[2] September 30; 2015	Number of grantees[2]
Feb. 12, 2010	April 15, 2010	April 15, 2014	March. 31, 2018	5.71	148,911	58
Jan. 18, 2011	April 15, 2011	April 15, 2015	March. 31, 2018	5.72	308,020	120
Total					**456,931**	

[1] Exercise prices have been adjusted to take into account the capital reduction carried out on February 2, 2012.

[2] Adjusted to take into account departures of grantees.

4.10.5.3 Average headcount

Number of employees	At Sept. 30, 2015	At Sept. 30, 2014
Managerial employees	25	25
TOTAL	**25**	**25**

4.10.5.4 Subsidiaries and affiliates

(in € thousands)	Share capital	Equity, excluding share capital	% owner-ship	Gross value of shares held	Net value of shares held	Out-standing loans and advances	Guarantees given	Net revenue for the last fiscal year	Profit/ (loss) for the period	Dividends received
Affiliates										
Bercy Participations[1]	37	61	100%	462	462	-	-	-	58	274
Elior Participations[1]	5,310	174,592	100%	1,740,721	1,740,721	889,330	-	29,702	(145,482)	62,691

(1) Fiscal year from October 1, 2014 to September 30, 2015.

4.10.5.5 Deferred taxes

Analysis	Base	Tax effect Deferred tax assets
"Organic" tax	16	5
Provisions	2,913	971
Deferred tax assets	**2,929**	**976**
Tax loss carryforwards before tax consolidation	**4,285**	**1,429**
Tax loss carryforwards after tax consolidation	**518,532**	**172,827**

4.10.5.6 Directors' fees

Directors' fees paid in FY 2014-2015 totaled €102,666.

4.10.5.7 Five-Year Financial Summary (information disclosed in accordance with Articles 133, 135 and 148 of the French decree applicable to commercial companies)

(in euros)	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015
Capital at year-end					
Share capital	1,395,220	1,088,204	1,088,204	1,643,706	1,723,252
Number of ordinary shares outstanding	139,522,058	108,820,358	108,820,358	164,370,556	172,325,244
Number of preferred non-voting shares	0	0	0	0	0
Maximum number of shares to be created on exercise of stock options	0	0	0	0	0
Maximum number of shares to be created on conversion of bonds	0	0	0	0	0
Results of operations					
Net revenue	26,519,682	21,261,452	21,396,332	21,309,934	22,370,878
Profit/(loss) before tax, employee profit-sharing, depreciation, amortization and provisions	(25,547,726)	148,203,995	(25,851,045)	(68,356,619)	24,260,349
Income tax expense	(38,318,664)	(46,797,320)	(50,666,041)	(32,528,040)	(102,592,298)
Employee profit-sharing	0	0	0	0	0
Profit/(loss) after tax, employee-profit sharing, depreciation, amortization and provisions	13,575,049	196,372,241	3,882,411	-34,543,373	124,317,351
General Partners' profit share	13,575	196,372	3,882		
Total dividend payout				32,874,111	55,144,078
Per share data					
Profit/(loss) per share after tax and employee profit-sharing, before depreciation, amortization and provisions	0.09	1.79	0.23	-0.22	0.74
Earnings/(loss) per share	0.10	1.80	0.04	-0.21	0.72
Dividend per share	0.00	0.00	0.00	0.20	0.32
Employee data					
Average number of employees	48	26	25	25	25
Total payroll	8,687,883	8,059,659	8,277,897	19,173,774	16,824,031
Benefits	3,845,598	3,213,912	3,518,448	7,107,350	3,903,951

4.11 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 30 September 2015, on:

- the audit of the accompanying financial statements of Elior;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 30 September 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters.

Note II.2 b) to the financial statements describes the accounting rules and methods applied to value equity securities. As part of our assessment of the accounting rules and methods applied by the Company, we verified the appropriateness of these accounting methods and the disclosures provided in the notes to the consolidated financial statements.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the

shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

The Statutory Auditors

Paris La Défense and Neuilly-sur-Seine, January 19, 2016

KPMG Audit IS,
François Caubrière, *Partner*

PricewaterhouseCoopers Audit,
Anne-Laure Julienne, *Partner*,
Eric Bertier, *Partner*

4.12 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Statutory Auditors' special report on related-party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(Annual General Meeting for the approval of the financial statements for the year ended 30 September 2015)

To the Shareholders,

In our capacity as Statutory Auditors of Elior, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, as well as the reasons provided for, the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

Agreements and commitments authorised during the year

In accordance with article L.225-40 of the French Commercial Code, we were informed of the following agreements and commitments authorised by the Board of Directors.

- **Remuneration of Philippe Salle, Chairman and Chief Executive Officer of the Company**

Agreement authorised by the Board of Directors on: 29 April 2015

Contracting entities: N/A

Person concerned: Philippe Salle (Chairman and Chief Executive Officer)

Nature, purpose and conditions:

Fixed remuneration

Philippe Salle's gross annual salary for fiscal 2014-2015 is set at €900,000. As his term of office began on 29 April 2015, this amount was paid on a pro rata basis for a total gross amount of €375,000. His fixed remuneration is paid on a monthly basis.

Basic variable remuneration

In addition to his salary, Philippe Salle is entitled to annual bonus. The amount of this annual bonus is set at 100% of his gross annual salary (the "target amount") and is subject to the fulfilment of quantitative annual objectives, based on revenue, EBITDA and operating cash flow, as well as qualitative objectives. When determining the conditions for the annual bonus, the Nominations and Compensation Committee decided that these quantitative criteria were the most appropriate for measuring the

performance levels achieved, given the nature of the Group's businesses.

Each year, after considering the recommendations issued by the Nominations and Compensation Committee, the Board of Directors sets the quantitative and qualitative objectives and determines to what extent these objectives contribute to the annual bonus. In addition, the annual bonus may be increased to 130% of the target amount, i.e., a gross amount of €1,170,000, if the objectives are exceeded. Gilles Auffret observed that, due to Philippe Salle's appointment seven months after the beginning of fiscal 2014-215, the Board was unable to fully assess his impact on the Group's operations and results. Consequently, Philippe Salle's annual bonus for fiscal 2014-2015 was exceptionally set at a fixed amount equal to his prorated annual salary, i.e., a gross amount of €375,000 to be paid in one lump sum in October 2015. In the event of the termination of his duties as Chairman and Chief Executive Officer before 30 September 2015, Philippe Salle would lose all rights to his annual bonus for fiscal 2014-2015.

Long-term variable remuneration

The amount of Philippe Salle's long-term variable remuneration (hereinafter "LTVR") is dependent on the growth of the Company's earnings per share less exceptional items (hereinafter "earnings per share") over the five fiscal years from 1 October 2014. The amount relating to exceptional items to be taken into account in the calculation of earnings per share is decided at the end of each fiscal year by the Audit Committee.

The payment of the LTVR is dependent on Philippe Salle continuing to serve as Chairman and Chief Executive Officer of the Company over a given period following the date on which he is granted rights to the LTVR concerned.

The amount of the LTVR for a given year is calculated based on earnings per share for that same year and includes a threshold and ceiling mechanism whereby gross LTVR could vary between €1.25 million and €2.5 million per year. However, if the threshold is not reached, Philippe Salle will not be paid the LTVR for that year.

Philippe Salle will acquire rights to the LTVR for year Y at the end of the second year following year Y and the LTVR will be paid at the end of the fourth year following year Y if he is still Chairman and Chief Executive Officer of Elior at that date. For example, he will acquire rights to the LTVR for 2018 on 30 September 2020 and will be paid the corresponding amount on 30 September 2022 if he is still Chairman and Chief Executive Officer of Elior at that date.

Exceptionally, the LTVR acquired for 2015, 2016 and 2017 will be paid at the end of the second year following the year concerned, within the limit of €1.25 million. Any additional remuneration due will be paid according to the method described above, i.e., at the end of the fourth year following the year concerned if Philippe Salle is still Chairman and Chief Executive officer of Elior at that date.

In addition, if Philippe Salle's term of office as Chairman and Chief Executive Officer is terminated between the LTVR acquisition date and the payment date as a result of death, long-term illness or dismissal for any reason other than serious or gross misconduct committed during the performance of his duties within the Group, the LTVR acquired will be exceptionally paid on the date of termination.

The earnings per share growth rate set by the Board of Directors for the period concerned (five years from 1 October 2014) should lead to earnings per share nearly doubling by the end of 2019.

Termination benefits

After considering the recommendations issued by the Nominations and Compensation Committee, the Board of Directors recommended that Philippe Salle receive termination benefits in the event that he is removed from his position as Chairman and Chief Executive Officer of the Company, in accordance with the provisions of article L.225-42-1 of the French Commercial Code. Termination benefits are set at 12 months' remuneration based on the average basic monthly fixed and variable remuneration, excluding any LTVR, paid during the 12 months preceding the date of his removal from office by the Board of Directors. The payment of the termination benefits is subject to the fulfilment of one of the following two performance conditions at the termination date:

- the Group's adjusted net income and operating cash flow are equal to or greater than two-thirds of the budgeted amounts for two consecutive years;

Elior's share performance over two consecutive years is equal to or greater than two-thirds of the average share performance of the three largest stock market capitalisations for companies listed in the European Union and operating within the same industry as the Group over the same period.

Termination benefits are not payable in the event of dismissal for serious or gross misconduct, characterised by, but not limited to, the following:

- inappropriate behaviour for a corporate executive, e.g., criticising the company and/or its executive bodies to a third party;
- repeated failure to take into account the Board of Directors' decisions and/or taking actions contrary to said decisions;

- frequent communication errors that seriously damage the Company's image and/or values, e.g., impacting the Company's share price.

Termination benefits are not payable should Philippe Salle resign from his duties as Chairman and Chief Executive Officer of the Company.

Company car

Philippe Salle has access to a company car for his personal use. The car will be declared as a benefit in kind within the meaning of the French tax and labour regulations.

Social security benefits and insurance policies

Philippe Salle benefits from the social security and pension plans and the professional liability insurance cover available to corporate officers within the Elior Group.

Reason provided by the Company: "The Nominations and Compensation Committee sought to verify that the remuneration structure, its features and amounts took into account the interests of the Company, market practices and the performance levels expected. In particular, the Committee assessed the appropriateness of the proposed remuneration with respect to the Company's operations, its competitive environment and French and international market practices. The Committee also ensured that the remuneration included a long-term variable portion to ensure the stability of the Group's executive management. This is critical for the effective implementation of the Group's strategy and for the achievement of the Group's development and growth objectives."

- Non-competition compensation payable to Philippe Salle, Chairman and Chief Executive Office of the Company

Agreement authorised by the Board of Directors on: 29 April 2015

Contracting entities: N/A

Person concerned: Philippe Salle (Chairman and Chief Executive Officer)

Nature, purpose and conditions: After considering the recommendations issued by the Nominations and Compensation Committee, the Board of Directors recommended a non-competition agreement which the Company subsequently signed with Philippe Salle. Under the terms and conditions of the agreement, for a period of two years following the termination of his term as Chairman and Chief Executive Officer, Philippe Salle is prohibited from:

- working as an employee, corporate officer, consultant, shareholder or other for companies in the commercial and/or contract catering industries where he would perform duties similar to or competing with those performed as Chairman and Chief Executive Officer of the Company; and/or
- directly or indirectly approaching employees or corporate officers of the Group; and/or
- directly or indirectly holding financial or any other interests in one of the aforementioned companies.

As consideration for the non-competition obligation, Philippe Salle will receive a monthly payment equal to 50% of his basic gross fixed and variable monthly remuneration (excluding LTVR) from the date of his termination and for the duration of the non-competition obligation. The amount due is calculated based on the average monthly basic gross fixed and variable remuneration (excluding LTVR) paid during the 12 months preceding his termination date.

In the event that Philippe Salle resigns from his position as Chairman and Chief Executive Officer, the Company may decide to waive his non-competition obligation by informing him of its decision within a month following the date of his resignation. In this case, the Company will be released from its obligation to pay the abovementioned non-competition compensation.

In the event that Philippe Salle is removed from his position as Chairman and Chief Executive Officer, the non-competition compensation will be payable, unless Philippe Salle and the Company mutually agree to be released from their respective obligations under the non-competition agreement. There is no specific pension plan in place.

Reason provided by the Company: "The Board of Directors authorised non-competition compensation mainly on account of the strategic information to which he has access in his position as Chairman and Chief Executive Officer."

- **Sixth amendment of 28 May 2015 to the Senior Facilities Agreement (SFA)**

Agreement authorised by the Board of Directors on: 29 April 2015

Contracting entities: Elior Participations (of which Sofibim was Chairman of the Supervisory Board at the authorisation date), Bercy Participations (of which Elior is Chairman)

Persons concerned: Gilles Cojan (Chief Executive Officer of Sofibim and Director of Elior) and Robert Zolade (Director and Honorary Chairman of Elior and Chairman of Sofibim)

Nature and purpose: In order to refinance THS's debt, Elior authorised a sixth amendment to the SFA on 28 May 2015.

Terms and conditions: The main provisions of the sixth amendment are as follows:

- a bond issue by Elior SA for a principal amount of USD 100 million subscribed by a private investor;
- the setting up, under the Credit Agreement, of a new Facility I available to Elior Participations ("Facility I4") for a principal amount of USD 50 million;
- the setting up of a new line of revolving credit under the Credit Agreement for a principal amount of USD 150 million ("Revolving Facility 1").

In accordance with the SFA, Elior stood surety for the commitments made by its direct and indirect subsidiaries under the SFA and pledged its Elior Participations and Bercy Participations securities to the lenders.

In addition, on 23 July 2006, the borrowers (the Company and Elior Participations) and the banks and credit institutions party to the SFA signed an Intercreditor Deed which primarily governs the priority of payments to lenders and the Company's shareholders. The deed was amended at the same time as the SFA.

In accordance with French law, we inform you that the prior approval granted by the Board of Directors does not include the Company's reasons as required by article L.225-38 of the French Commercial Code.

Seventh amendment of 23 June 2015 to the Senior Facility Agreement (SFA)

Agreement authorised by the Board of Directors on: 28 May 2015

Contracting entities: Elior Participations (of which Bercy Participations, chaired by Elior represented by Philippe Salle, is the manager [*gérant*]), Bercy Participations (of which Elior, represented by Philippe Salle, is Chairman)

Persons concerned: Philippe Salle (Director and Chairman and Chief Executive Officer of Elior, which is Chairman of Bercy Participations, which is manager [*gérant*] of Elior Participations)

Nature and purpose: With a view to refinancing Areas USA's debt and to financing future acquisitions, Elior authorised a seventh amendment to the SFA on 23 June 2015.

In accordance with the SFA, Elior stood surety for the commitments made by its direct and indirect subsidiaries under the SFA and pledged its Elior Participations and Bercy Participations securities to the lenders.

In addition, on 23 July 2006, the borrowers (the Company and Elior Participations) and the banks and credit institutions party to the SFA signed an Intercreditor Deed which primarily governs the priority of payments to lenders and the Company's shareholders. The deed was amended at the same time as the SFA.

Terms and conditions: The main provisions of the seventh amendment to the SFA are as follows:

- the setting up of a new credit tranche available to Elior Participations ("Facility I5") for a principal amount of USD 50 million;
- the setting up of a revolving line of credit for a principal amount of USD 100 million ("Revolving Facility 2").

In accordance with French law, we inform you that the prior approval granted by the Board of Directors does not include the Company's reasons as required by article L.225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements and commitments approved in previous years which remained in force during the year

In accordance with article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the Annual General Meeting in previous years, remained in force during the year ended 30 September 2015.

- Agreements entered into in connection with the bond issue of April 2013 – "Senior Secured Notes 2020"

Agreement authorised by the Board of Directors (or the Supervisory Board before 11 June 2014) on: 17 April 2013

Contracting entities: Elior Participations (of which Sofibim was Chairman of the Supervisory Board at the authorisation date), Bercy Participations (of which Elior is Chairman), Elior Finance & Co, Elior Finance S.r.l. (managing general partner [gérant commandité] of Elior Finance & Co), and Bercy Présidence (merged with/absorbed by Elior on 11 June 2014)

Persons concerned: Gilles Cojan (Chief Executive Officer of Sofibim, Director of Elior and member of the Supervisory Board of Elior Finance & Co), Robert Zolade (Director and Honorary Chairman of Elior, member of the Supervisory Board of Elior Finance & Co, and Chairman of Sofibim), James Arnell (Director of Elior and member of the Supervisory Board of Bercy Présidence), Olivier Dubois (Chairman of the Supervisory Board of Elior Participations since 16 July 2015 and manager [gérant] of Elior Finance S.r.l.)

Nature and purpose: In connection with the bond issue of April 2013 carried out by Elior Finance & Co (a company governed by Luxembourg law with no ownership links with Elior or any other Elior Group company) to finance the drawdown of Facility H under the SFA, Elior entered into the following agreements:

- the Purchase Agreement, signed by Elior, Bercy Présidence, Elior Participations and Bercy Participations with Elior Finance & Co, relating to the collateral for the bond issue;
- the Covenant Agreement, signed by Elior, Bercy Présidence, Elior Participations and Bercy Participations with Elior Finance & Co, pursuant to which Elior agrees to comply and ensure that its subsidiaries comply with the issuer's obligations with respect to the bond issue;
- the Fee Arrangement Agreement, signed with Elior Finance & Co, under which Elior agrees to bear the costs incurred by Elior Finance & Co with respect to the bond issue.

Amount recorded during the year: For the year ended 30 September 2015, Elior recorded an expense of €120 thousand with respect to this agreement.

- Fourth amendment of 3 February 2014 to the Senior Facilities Agreement (SFA) and the Intercreditor Deed, initially entered into on 23 June 2006 and amended on 18 July 2007, 11 April 2012 and 17 April 2013

Agreement authorised by the Board of Directors (or the Supervisory Board before 11 June 2014) on: 29 January 2014

Contracting entities: Elior Participations, Bercy Participations, Elior Restauration et Services and Elior Concessions

Persons concerned: BIM, Ori Investissements, Lionel Giacommotto, James Arnell, Stéphane Etroy, Denis Metzger, Jérôme Kinas and Jacques Roux

Nature and purpose: As part of the restructuring of the Group's financing effective as of 3 February 2014, at its meeting of 29 January 2014 the Supervisory Board authorised the fourth amendment to the SFA.

Terms and conditions: the main provisions of the fourth amendment to the SFA are as follows:

- reducing the interest rate margin applicable to credit facilities granted to Elior and Elior Participations under the terms of the SFA;
- granting Elior use of Facility I;
- relaxing certain restrictions to the assignment of debt;
- extending the term of the SFA to 18 October 2015.

To guarantee the fulfilment of its obligations with respect to Facility I, the Company is required under the terms of the SFA to pledge accounts comprising Elior Participations (formerly Elior SCA) and Bercy Participations securities to the lenders of Facility I. Collateral already existing on these securities accounts takes precedence in all instances.

In accordance with the terms and conditions of the SFA, Elior Participations will also guarantee Facility I by pledging accounts of Elior Restauration et Services and Elior Concessions securities.

In addition, on 23 July 2006, the borrowers (the Company and Elior Participations) and the banks and credit institutions party to the SFA signed an Intercreditor Deed which primarily governs the priority of payments to lenders and the Company's shareholders. The deed was amended at the same time as the SFA.

- **Gilles Petit's employment contract**

Board of Directors (or Supervisory Board before 11 June 2014) authorised the agreement on: 11 June 2014

Contracting entities: N/A

Person concerned: Gilles Petit (Chief Executive Officer until 10 March 2015)

Nature and purpose: On 11 June 2014, Elior and Gilles Petit, the Chief Executive Officer, signed an addendum to his employment contract, entered into on 1 October 2010, which suspends the employment contract for his term of office as Chief Executive Officer.

Terms and conditions: Under the terms of Gilles Petit's employment contract, should his term of office be terminated, his employment contract will automatically come back into effect under the terms and conditions in force at the date of its suspension. Should Gilles Petit resume his functions under his employment contract, his remuneration would be the higher of (i) his remuneration at the date of termination as Chief Executive Officer (basic gross annual remuneration and target variable gross annual remuneration) and (ii) his basic gross annual remuneration at the date the employment contract was suspended.

In addition, under the terms of his employment contract, Gilles Petit is entitled to termination benefits. If the Company terminates his employment contract (except for serious or gross misconduct), Gilles Petit would be entitled, under certain conditions, to contractual termination benefits up to the equivalent of 12 months' remuneration calculated based on the average gross monthly salary over the past 12 months excluding exceptional bonuses. The right to the totality of these termination benefits is subject to the fulfilment of one of the following performance conditions:

- the Group's adjusted net income and operating cash flow for fiscal 2013-2014 are equal to or greater than two-thirds of the budgeted amount;
- Elior's share performance since its IPO is equal to or greater than two-thirds of the average performance of the composite index comprised in equal parts of the CAC 40, DJ Stoxx Telco and DJ Stoxx Media indices.

On 24 February 2014, the Company and Gilles Petit also signed an addendum to his employment contract providing for a non-competition agreement that prohibits Gilles Petit from holding a similar or competing position in any company in the commercial and/or contract catering industries for two years following the termination of his employment contract. This non-competition agreement is limited to the main groups in contract catering and related industries in the European Union and to major contract catering companies in France, Spain, Italy, the United Kingdom, Portugal and Germany. During the same two-year period, Gilles Petit is also prohibited from directly or indirectly holding financial or any other interests in one of the aforementioned companies. As consideration, Gilles Petit will receive a monthly payment equal to 50% of his gross monthly salary for the two years following the termination of his employment contract.

Amount recorded during the year: On 10 March 2015, the Board of Directors decided to terminate Gilles Petit's term of office as Chief Executive Officer and authorised a payment in his favour for termination benefits and non-competition compensation. The Company recorded expenses of €1,105,023 and €703,166 respectively for the termination benefits and non-competition compensation for the year ended 30 September 2015.

Agreements and commitments approved during the year

We were informed that the following agreements and commitments, already approved by the Annual General Meeting on 10 March 2015, following the Statutory Auditors' special report of 15 January 2015, were implemented during the year.

- **Consulting and services agreement between Sofibim and Elior**

Agreement authorised by the Board of Directors on: 6 November 2014

Contracting entities: Sofibim represented by Gilles Cojan

Persons concerned: Gilles Cojan (Chief Executive Officer of Sofibim and Director of Elior) and Robert Zolade (Director and Honorary Chairman of Elior and Chairman of Sofibim)

Nature and purpose: On 7 November 2014, Sofibim, controlled by Robert Zolade, a director of the Company, represented by Gilles Cojan, entered into a consulting and services agreement with Elior to provide the Company with assistance regarding external growth and or the creation of partnerships.

Amount recorded during the year: For the year ended 30 September 2015, Elior recorded an expense of €160 thousand with respect to this agreement.

- **Fifth amendment of 3 December 2014 to the Senior Facilities Agreement (SFA)**

Agreement authorised by the Board of Directors (or the Supervisory Board before 11 June 2014) on: 2 December 2014

Contracting entities: Elior Participations (of which Sofibim was Chairman of the Supervisory Board at the authorisation date), Bercy Participations (of which Elior is Chairman)

Persons concerned: Gilles Cojan (Chief Executive Officer of Sofibim, Director of Elior), Robert Zolade (Director and Honorary Chairman of Elior and Chairman of Sofibim)

Nature and purpose: As part of the restructuring of the Group's financing, on 3 December 2014 Elior authorised a fifth amendment to the SFA.

Terms and conditions: The main provisions of the fifth amendment to the SFA are as follows:

- drawing down new credit tranches under the SFA ("New Credit Tranches");
- repaying all existing tranches under the SFA with the exception of Facility H;
- reducing the cost of its senior debt;
- extending its maturity to 2019 and 2022;
- relaxing the financial and extra-financial covenants.

In accordance with the SFA, Elior stood surety for the commitments made by its direct and indirect subsidiaries under the SFA and pledged its Elior Participations and Bercy Participations securities to the lenders.

In addition, on 23 July 2006, the borrowers (the Company and Elior Participations) and the banks and credit institutions party to the SFA signed an Intercreditor Deed which primarily governs the priority of payments to the Lenders and the Company's shareholders. The deed was amended at the same time as the SFA.

The Statutory Auditors

Paris La Défense and Neuilly-sur-Seine, January 28, 2016

KPMG Audit IS,
François Caubrière, *Partner*

PricewaterhouseCoopers Audit,
Anne-Laure Julienne, *Partner*,
Eric Bertier, *Partner*

5

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5. INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

5.1 INFORMATION ABOUT ELIOR SA

This section sets out the main provisions of the Company's Bylaws as adopted on March 13, 2014 by way of a collective decision of the shareholders. The Bylaws thus adopted were drawn up in accordance with the laws and regulations applicable to *sociétés anonymes* with a Board of Directors and governed by French law. The full text of the Bylaws is available on Elior's website.

The use of the masculine pronoun in the provisions below is for convenience only and all references to the masculine gender should be understood as including the feminine where appropriate.

5.1.1 CORPORATE PURPOSES (ARTICLE 2 OF THE BYLAWS)

The Company's purposes, in France and abroad, are to:

- Act as a holding company for financial investments in any existing or future company or entity, which may take any form.
- Provide contract catering and commercial catering services worldwide, as well as to carry out any activities that are similar to, associated with or complementary to catering services; to acquire, use, sell, or transfer to any company, any moveable or immovable property; to take part in any transactions or operations for the purpose of operating, managing and administering any business or entity; and to purchase or lease any real estate required for the Company to achieve its corporate purposes.
- Lead and coordinate the entities of the Elior Group by actively participating in the implementation of their strategies and providing them with specific services, notably for administrative, legal, accounting, financial or real estate matters.

More generally, the Company is authorized to directly or indirectly conduct any and all transactions or operations of a legal, economic, financial, trading or non-trading nature that are directly or indirectly related to the corporate purposes set out above or to any similar, connected or complementary purposes that could contribute to the implementation or furtherance of said corporate purposes.

5.1.2 FISCAL YEAR (ARTICLE 22 OF THE BYLAWS)

The Company's fiscal year covers the 12-month period from October 1 to September 30 of each calendar year.

5.1.3 MANAGEMENT BODIES

5.1.3.1 Board of Directors (Article 15 to 17 of the Bylaws)

The Board of Directors has adopted a set of rules of procedure ("Rules of Procedure") that define the terms and conditions of its operation.

Article 1.2 of the Rules of Procedure provides that the Board of Directors' prior express consent (based on a straight majority vote) is required for certain strategic decisions, and that such decisions cannot be taken by the Chief Executive Officer or Chief Operating Officer(s) without said consent.

The decisions concerned are detailed in Section 3, "Corporate Governance", of this Registration Document.

5.1.3.2 Membership Structure of the Board of Directors (Article 15 of the Bylaws and Article 2 of the Rules of Procedure)

The Company is administered by a Board of Directors comprising at least three and no more than eighteen members, except where otherwise permitted by law.

Directors are elected, re-elected or removed from office in accordance with the terms and conditions provided for in the applicable laws and regulations as well as in the Bylaws.

Directors are elected for four-year terms. However, shareholders in an Ordinary General Meeting may elect certain directors for a term of less than four years, or, if appropriate, reduce the term of one or more directors, in order to ensure that Board members are re-elected on a staggered basis.

Directors may be re-elected, and they may be removed from office at any time by way of a decision taken in an Ordinary General Meeting.

No more than one third of the Board members may be aged over 80. If this threshold is exceeded and no director aged over 80 resigns voluntarily, the oldest director on the Board shall be deemed to have resigned. However, if the threshold is exceeded due to a decrease in the number of Board members, this automatic resignation provision shall not apply, if, within a period of three months, new directors are elected such that the proportion of directors over the age of 80 returns to less than one third of the Board's total members.

Directors may be individuals or legal entities. Legal entities elected to the Board are required to appoint a permanent representative who is subject to the same conditions, duties and liability as if he were a director in his own right, and whose term of office will be of the same duration as that of the legal entity he represents.

If a legal entity removes its permanent representative from office, it must immediately notify the Company thereof in writing and provide the Company with the details of its new permanent representative. The same requirements apply in the event of death, resignation or prolonged incapacity of a permanent representative.

All directors, other than directors representing employee shareholders, are subject to a minimum stock ownership requirement.

The Board of Directors comprises at least one independent member.

A director is deemed to be independent when he has no relationship whatsoever with the Company, the Group or the management of either that could compromise his judgment, or give rise to a conflict of interests.

Consequently, an independent director may not:

- either currently be, or have been at any time in the last five years, an employee or an executive director of the Company or the Group, or an employee or director of a shareholder that owns (directly or indirectly) over 10% of the Company's capital or voting rights;
- be an executive director of an entity in which the Company holds a directorship, directly or indirectly, or in which an employee or executive director of the Company (currently in office or having held such office in the past five years) is a director;
- be a customer, a supplier, an investment banker or a commercial banker:

  1. that is material for the Company for the Group; or
  2. for which the Company or the Group represents a substantial proportion of its business.

The Board of Directors is responsible for determining whether or not any relationship that a director may have with the Company or Group is material, based on the criteria defined in this Registration Document. In addition, an independent director must not:

- have close family ties with an executive director of the Company or the Group or with a shareholder that owns (directly or indirectly) over 10% of the Company's capital or voting rights;
- have served as a statutory auditor of the Company or another Group entity at any time in the past five years;
- have served as an executive director of the Company or another Group entity at any time in the past five years;
- have served as a director of the Company for more than twelve years;
- receive, or have received, material compensation from the Company or the Group, (other than directors' fees), including all forms of share-based payments and all other forms of performance-related compensation.

The Chairman of the Board may be deemed independent even if he is an officer of the Company, if this classification can be justified in view of the above criteria.

A list of the members of the Board of Directors is provided in Section 3 of this Registration Document.

5.1.3.3 Chairman of the Board of Directors (Article 17 of the Bylaws)

The Board of Directors appoints from among its members a Chairman, who must be an individual and whose term of office as Chairman may not exceed that of his term as a director.

If the Chairman is temporarily unable to perform his duties, or in the event of his death, the Board of Directors may appoint another director to act as Chairman.

In the case of temporary unavailability, the acting Chairman will be appointed for a set period, which may be renewed. In the event of the Chairman's death, the acting Chairman will remain in office until such time as a new Chairman is appointed.

The age limit for the Chairman of the Board of Directors is 70. If a Chairman in office reaches the age of 70, his term of office will automatically expire at the close of the first Board meeting held after his 70th birthday.

The Chairman of the Board is responsible for (i) organizing and leading the Board's work, (ii) overseeing that the Company's governance structures function effectively, and (iii) ensuring that directors are in a position to fulfil their duties.

The Chairman is informed of any related party agreements concerning routine operations entered into on arm's length terms and he remits a list of these agreements, including the purpose thereof, to the members of the Board and to the Statutory Auditors. However, this duty to inform the Chairman does not apply to agreements which are not material for either of the parties concerned in light of their purpose or financial implications.

5.1.3.4 Honorary Chairman of the Board of Directors (Article 15.6 of the Bylaws)

The Board of Directors may appoint an Honorary Chairman of the Board, who must be an individual who has held a corporate officer's position within the Company. The Honorary Chairman is appointed for a term of four years, which may be renewed, without limitation, for successive four-year periods.

The Honorary Chairman may be invited to attend Board meetings in a purely consultative capacity (without prejudice to the voting rights that he may hold if he is also a director or a permanent representative of a corporate director). The Honorary Chairman is required to abide by the Board's Rules of Procedure.

5.1.3.5 Senior Independent Director (Article 2.3 of the Rules of Procedure)

Based on the recommendation of the Nominations and Compensation Committee, the Board may appoint a Senior Independent Director from among the independent directors who have been a member of the Board for at least one year.

The Senior Independent Director is appointed for a period that may not exceed his term of office as a director. His term as Senior Independent Director may be renewed based on the recommendation of the Nominations and Compensation Committee and he may be removed from office at any time by the Board.

The Senior Independent Director's main role is to ensure that the Company's governance structures function effectively. To this end, he is responsible for:

- Preventing and managing any conflicts of interest by raising awareness about facts or circumstances that may lead to such conflicts. He is informed by each director of any actual or potential conflicts of interest that may arise and relays this information to the Board of Directors. He also informs the Board of any actual or potential conflicts of interest that he may have identified himself.
- Overseeing periodic assessments of the Board of Directors' operating procedures.

As part of his work, the Senior Independent Director may suggest to the Chairman of the Board of Directors:

- that additional points be included in a Board meeting agenda; and/or
- that the Board of Directors meet to discuss a pre-defined agenda concerning an important or urgent matter requiring an extraordinary Board meeting.

The Senior Independent Director ensures that the directors have the possibility of meeting the Group's executive managers and statutory auditors, in accordance with the provisions of the Rules of Procedure.

More generally, the Senior Independent Director ensures that the directors receive all the information they need to exercise their duties in the best possible conditions, as stipulated in the Rules of Procedure.

Once a year, the Senior Independent Director reports to the Board of Directors on his work.

At the date of this Registration Document, the Board of Directors had not appointed a Senior Independent Director.

5.1.3.6 Vice Chairman (Article 2.4 of the Rules of Procedure)

The Board of Directors may appoint a Vice Chairman who can be either an individual or a legal entity. The Vice Chairman is appointed for a period that may not exceed his term of office as a director. He may be re-appointed and may be removed from office at any time by the Board of Directors.

The Vice Chairman replaces the Chairman of the Board of Directors if the Chairman is temporarily unable to perform his duties or in the event of the Chairman's death. In the case of temporary unavailability, the Vice Chairman will chair the Board until the Chairman is able to take up his duties again. In the event of the Chairman's death, the Vice Chairman will chair the Board until a new Chairman is appointed.

Like the Chairman, the Vice Chairman's roles and responsibilities include the following:

- he is informed of major events that occur within the course of the Group's operations, during regular meetings with the Chairman and Chief Executive Officer;
- he may meet with key Group executives and make site visits in order to act on a fully-informed basis; and
- he may meet with shareholders at their request, and passes on to the Board any concerns they may have concerning the Company's governance.

5.1.3.7 Board Committees (Article 16.4 of the Bylaws and Article 4 of the Rules of Procedure)

The Board of Directors may decide to set up committees tasked with examining issues submitted to them by the Board or its Chairman. The membership structure and roles of each of these committees, which perform their duties under the responsibility of the Board of Directors, are determined by the Board in its Rules of Procedure.

At the date of this Registration Document the Board of Directors had set up the following standing committees: (i) an Audit Committee, (ii) a Nominations and Compensation Committee, and (iii) a Strategy, Investments and CSR Committee.

5.1.3.8 Operating Procedures of the Board of Directors (Article 16 of the Bylaws and Article 3 of the Rules of Procedure)

The Board of Directors meets as often as required in the interests of the Company. Board meetings may be called by any method, including orally, by the Chairman of the Board or any other of its members. They are held at the Company's head office or any other venue specified in the notice of meeting.

A Board meeting may be validly constituted, even if it is not called in advance, if all of the Board's members are present or represented. At least half of the Board's members must be present in order for a meeting to be validly constituted.

Decisions of the Board are generally made by a straight majority vote of the directors present or represented and in the case of a split decision, the Chairman has a casting vote. However, the Board's Rules of Procedure may provide that certain decisions require a larger majority.

The Rules of Procedure specify that directors who take part in Board meetings by video-conference, or by any other telecommunications media that comply with the technical conditions set down in the applicable laws and regulations, are considered as being physically present for the calculation of the quorum and voting majority.

Directors may give proxy to another director to represent them at a Board meeting, but no director may hold more than one proxy at any single meeting.

5.1.3.9 Compensation paid to Members of the Board of Directors (Article 15 of the Bylaws and Article 3.5 of the Rules of Procedure)

The aggregate amount of directors' fees is set by shareholders at the Annual General Meeting and the Board of Directors allocates said aggregate amount among its individual members based on the recommendation of the Nominations and Compensation Committee. The amount allocated to each director takes into account their attendance at meetings of the Board and its Committees.

An additional amount of directors' fees may be allocated, or special compensation paid, to any director entrusted with any specific duties or assignments, such as the role of Senior Independent Director. Any such payment of special compensation is subject to the procedure applicable to related party agreements.

5.1.4 EXECUTIVE MANAGEMENT (ARTICLE 18 OF THE BYLAWS)

5.1.4.1 Appointment of a Chief Executive Officer

The Company's executive management is performed either by the Chairman of the Board, in which case he is given the title of Chairman and Chief Executive Officer, or by another individual appointed by the Board – who may or may not be a Board member – who is given the title of Chief Executive Officer.

The Board of Directors may decide whether to separate or combine the duties of Chairman and Chief Executive Officer at any time, and must review the decision on the expiration of each term of office of the Chief Executive Officer or the Chairman when the Chairman is also responsible for the Company's executive management.

The duration of the term of office of the Chief Executive Officer and any Chief Operating Officer(s) appointed is set at the time of their appointment. However, if the Chief Executive Officer and the Chief Operating Officer(s) are also directors, said duration may not exceed that of their term of office as a director.

The Chief Executive Officer may be removed from office at any time by the Board of Directors, as may the Chief Operating Officer(s) if recommended by the Chief Executive Officer. If either the Chief Executive Officer or a Chief Operating Officer is removed from office unfairly, he may be entitled to compensation unless he is also the Chairman of the Board of Directors.

If the Chief Executive Officer ceases to fulfil his duties or is prevented from doing so, unless otherwise decided by the Board of Directors, the Chief Operating Officer(s) will remain in office and continue to exercise the same responsibilities until a new Chief Executive Officer is appointed.

The Board of Directors determines the compensation paid to the Chief Executive Officer and the Chief Operating Officer(s).

5.1.4.2 Powers of the Chief Executive Officer

The Chief Executive Officer has the broadest powers to act on behalf of the Company under all circumstances within the scope of the corporate purposes, except for those powers directly vested by law in shareholders and the Board of Directors.

The Chief Executive Officer represents the Company in its dealings with third parties. In its relations with third parties the Company is bound by any actions of the Chief Executive Officer that fall outside the scope of the Company's corporate purposes unless it can be demonstrated that the third party knew – or in light of the circumstances could not have been unaware – that such actions exceeded the remit of the corporate purposes. Publication of the Bylaws does not, in itself, constitute adequate proof thereof.

Decisions taken by the Board of Directors that restrict the Chief Executive Officer's powers are not binding on third parties. For internal purposes, the Group has decided that certain strategic decisions cannot be taken by the Chief Executive Officer without the Board of Directors' prior express consent, given by a straight majority vote (See Section 3.1.4 above, "Restrictions on the Chairman and Chief Executive Officer's Powers").

The Chief Executive Officer and Chief Operating Officer(s) may, within the limits set down by law, delegate any of their powers that they deem fit to any representative(s) of their choice – even to representatives that do not form part of the Company – for said representative(s) to act individually or as part of a committee or commission, with or without the power of substitution, and subject to the restrictions provided for under the applicable law. Any such delegations of powers may be permanent or temporary and, where applicable, will remain in force even if the terms of office of the Chief Executive Officer or Chief Operating Officer(s) who granted them have expired.

5.1.4.3 Chief Operating Officers (Article 18 of the Bylaws)

On the recommendation of the Chief Executive Officer, the Board of Directors may appoint up to five Chief Operating Officers who must be individuals rather than legal entities.

The age limit for holding office as Chief Operating Officer is 70. If a Chief Operating Officer reaches the age of 70, his term of office will automatically expire at the close of the first Board meeting held after his 70th birthday.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers vested in the Chief Operating Officer(s). The Chief Operating Officer(s) have the same powers as the Chief Executive Officer in their dealings with third parties.

At the date of this Registration Document, the Company had not appointed any Chief Operating Officers.

5.1.5 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO SHARES

5.1.5.1 Form of the Shares (Article 9 of the Bylaws)

Fully paid-up shares may be held in registered or bearer form, at the shareholder's discretion, in accordance with the terms and conditions provided for in the applicable laws and regulations.

5.1.5.2 Voting Rights (Article 10 of the Bylaws)

Each share carries the right for its holder to vote – either directly or by proxy – at shareholders' meetings, in accordance with the applicable laws and the Bylaws. None of the Company's shares carry double voting rights.

5.1.5.3 Rights to Dividends and Profits (Article 10 of the Bylaws)

Subject to the rights allocated to each separate class of shares if any different classes of shares are subsequently created, each share entitles its holder to a portion of the Company's profits and assets equal to the proportion of capital represented by the share.

Shareholders are liable for losses only up to the amount of their capital contributions.

The rights and duties attached to shares are transferred with title to the shares. Share ownership automatically requires shareholders to comply with the Company's Bylaws and the decisions taken in General Shareholders' Meetings.

Where a shareholder is required to own a specific number of shares to exercise a particular right, shareholders owning fewer than the number of shares required to exercise the rights concerned are personally responsible for obtaining said number.

5.1.5.4 Pre-emptive Subscription Rights

The Company's shares carry pre-emptive subscription rights for capital increases, in accordance with the terms and conditions provided for in the French Commercial Code.

5.1.5.5 Restrictions on Voting Rights

The Bylaws do not contain any clauses that restrict the voting rights attached to the Company's shares.

5.1.6 AMENDMENTS TO THE RIGHTS OF SHAREHOLDERS (ARTICLE 20.6 OF THE BYLAWS)

Shareholder rights as set out in the Company's Bylaws may only be amended at an Extraordinary General Meeting. However, an Extraordinary General Meeting may only take decisions that increase shareholders' commitments or affect their equal treatment if unanimously agreed by all of the shareholders, other than in the case of operations resulting from a properly performed reverse stock split.

5.1.7 GENERAL SHAREHOLDERS' MEETINGS (ARTICLE 16 OF THE BYLAWS)

General Shareholders' Meetings are called and held in accordance with the terms, conditions and timeframes provided for by law, either at the Company's head office or any other venue specified in the notice of meeting.

5.1.7.1 Attending and Voting at General Shareholders' Meetings

All shareholders are entitled to participate in General Shareholders' Meetings, either in person or by proxy.

Prior to each meeting, the Board of Directors may decide that shareholders may participate in the meeting via video-conference or web conference, or any other telecommunications media that enable them to be identified in accordance with the conditions provided for in the applicable laws and regulations, in which case they will be deemed as being physically present for the purpose of calculating the quorum and voting majority. In such a case, the Board's decision must be published in the notice of meeting.

Any shareholder may vote remotely or by proxy as provided for in the applicable laws and regulations, using a form drawn up by the Company and returned to the Company in accordance with the terms and conditions of the applicable laws and regulations, including electronically (if so decided by the Board of Directors). This form must be received by the Company in accordance with the applicable regulatory terms and conditions in order for it to be taken into account.

5.1.7.2 Organization of General Shareholders' Meetings

The agenda of each General Shareholders' Meeting is drawn up by the person who issues the notice of meeting and is included in said notice.

Shareholders may not deliberate on any issues that are not included in the agenda of a General Shareholders' Meeting. However, as an exception to this rule, shareholders are always entitled to deliberate on removing one or more directors from office and electing their replacements.

One or more shareholders whose shareholding represents at least the amount required by law may put forward a proposed resolution to be included in the agenda of a General Shareholders' Meeting, in accordance with the terms, conditions and timeframes provided for by law.

An attendance register containing all of the information provided for by law is kept for each General Shareholders' Meeting.

General Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a director specifically authorized to act in this capacity by the Board of Directors. Failing that, the General Shareholders' Meeting elects its own Chairman.

The role of scrutineers at a General Shareholders' Meeting is carried out by the two shareholders present at the Meeting who hold or represent the largest number of voting rights and who agree to take on the role.

The meeting officers thus appointed then appoint a secretary, who may or may not be a shareholder.

The meeting officers are responsible for checking, certifying and signing the attendance register, ensuring that discussions during the Meeting take place in an appropriate manner, dealing with any incidents that may arise during the Meeting, checking the votes of the shareholders and verifying that they are properly cast, as well as ensuring that the minutes of the Meeting are drawn up.

Minutes are prepared for each General Shareholders' Meeting and copies or extracts thereof are certified and issued in accordance with the applicable laws and regulations.

5.1.8 ARTICLES OF THE BYLAWS OR THE RULES OF PROCEDURE THAT COULD HAVE AN IMPACT IN THE EVENT OF A CHANGE IN CONTROL

There are no clauses in the Company's Bylaws or the Rules of Procedure that could have the effect of delaying, deferring or preventing a change in control of the Company.

5.1.9 IDENTIFICATION OF SHAREHOLDERS AND DISCLOSURE THRESHOLDS

5.1.9.1 Identification of Shareholders (Article 13 of the Bylaws)

The Company uses available legal procedures to identify its shareholders.

To this end, the Company may request, at any time, that the securities clearing house provide it with the name (or corporate name), address and nationality of holders of bearer shares and other securities carrying immediate or deferred rights to vote at General Shareholders' Meetings, as well as the number of securities held in each case and any restrictions applicable to the securities.

5.1.9.2 Disclosure Thresholds (Article 14 of the Bylaws)

In addition to the disclosures required by law, any person or legal entity, acting alone or in concert within the meaning of Articles L. 233-10 *et seq.* of the French Commercial Code, that comes to own, directly or indirectly, a number of shares representing at least 1% of

the Company's total shares or voting rights, is required to disclose the interest to the Company by registered letter with recorded delivery, within five trading days of the threshold being crossed. This disclosure requirement applies each time the shareholder's interest exceeds any further multiples of 1% of the Company's total shares or voting rights. The same disclosure formalities must also be followed each time a shareholder's interest is reduced to below any 1% threshold as explained above.

All of the forms of shareholding covered by Articles L. 233-7 *et seq.* of the French Commercial Code must be taken into account for the calculation of the above-mentioned thresholds.

Such disclosures must contain all of the information required pursuant to the applicable laws and regulations.

If a shareholder fails to comply with these disclosure rules, at the request of one or more shareholders with combined holdings representing at least 3% of the Company's capital or voting rights, the shares in excess of the threshold concerned will be stripped of voting rights, in accordance with the conditions and subject to the limits set down by law.

See Section 5.3 of this Registration Document for details of the disclosure thresholds crossed during fiscal 2014-2015.

5.1.10 SPECIFIC PROVISIONS GOVERNING CHANGES IN THE COMPANY'S SHARE CAPITAL

There are no specific provisions in the Company's Bylaws governing changes in its share capital. Article 7 of the Bylaws simply provides that the Company's capital may be increased, reduced or redeemed in accordance with the terms and conditions provided for under law and the Bylaws.

5.2 INFORMATION ABOUT THE SHARE CAPITAL – AFR

5.2.1 ISSUED CAPITAL AND AUTHORIZED BUT UNISSUED CAPITAL

At December 31, 2015, the Company's share capital amounted to €1,723,541.44, represented by 172,354,144 fully-paid shares, all of the same class, with a par value of €0.01 each.

The table below shows the financial resolutions that were adopted by shareholders at the combined Ordinary and Extraordinary General Meeting (Annual General Meeting) held on March 10, 2015.

Resolution number	Type of authorization	Maximum duration	Maximum nominal amount	Use of authorizations
9	Purchase of Elior shares under a share buyback program	18 months	Maximum number of shares that may be bought back: 10% of the total number of shares making up the Company's capital at the date the authorization is used. Maximum amount that may be invested in the share buyback program: €300 million.	On July 28, 2014 the Company set up a liquidity contract related to Elior shares. On April 30, 2015 the Board of Directors decided to launch a share buyback program (see Section 5.2.4.1 below)
10	Issue of shares and/or securities carrying rights to the Company's shares and/or securities carrying rights to the allocation of debt securities, by way of a public offering, without pre-emptive subscription rights for existing shareholders[1 2]	26 months	Maximum nominal amount of capital increase(s): €300,000. Maximum nominal amount of debt securities: €400 million.	This authorization was unused at the date of this Registration Document.
11	Issue of ordinary shares and/or securities carrying rights to the Company's shares and/or securities carrying rights to the allocation of debt securities, with pre-emptive subscription rights for existing shareholders[1]	26 months	Maximum nominal amount of capital increase(s): €300,000. Maximum nominal amount of debt securities: €400 million.	This authorization was unused at the date of this Registration Document.

Resolution number	Type of authorization	Maximum duration	Maximum nominal amount	Use of authorizations
12	Issue of shares and/or securities carrying rights to the Company's shares and/or securities carrying rights to the allocation of debt securities, by way of a private placement as referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders[1 2]	26 months	Maximum nominal amount of capital increase(s): €200,000. Maximum nominal amount of debt securities: €200 million.	This authorization was unused at the date of this Registration Document.
13	Increase in the number of securities issued as part of a capital increase – carried out either with or without pre-emptive subscription rights for existing shareholders – in accordance with Article L. 225-135-1 of the French Commercial Code (greenshoe option)[1]	26 months	Maximum nominal amount of additional securities that may be issued using the greenshoe option: 15% of the original issue.	This authorization was unused at the date of this Registration Document.
15	Issue of shares and/or securities carrying rights to the Company's shares as consideration for contributed assets, without pre-emptive subscription rights for existing shareholders[1]	26 months	Maximum nominal amount of capital increase(s): 10% of the Company's capital.	This authorization was used to issue the shares transferred to Emesa as partial consideration for the Areas shares sold to Elior by Emesa. On July 24, 2015 the Company's capital was increased by €77,175 from €1,645,716.64 to €1,722,891.64 through the issue, at a unit price of €17.50, of 7,717,500 new shares with a par value of €0.01 each, all fully paid up and allocated to Emesa.
16	Capital increase paid up by capitalizing the share premium account, reserves, profit or other eligible items	26 months	Maximum amount of capital increase(s) including the issue premium: €200 million.	This authorization was unused at the date of this Registration Document.
17	Issue of shares and/or other securities to members of an employee share ownership plan, without pre-emptive subscription rights for existing shareholders[1]	26 months	Maximum nominal amount of capital increase(s): €17,000.	This authorization was unused at the date of this Registration Document.

Resolution number	Type of authorization	Maximum duration	Maximum nominal amount	Use of authorizations
19	Authorization for the Board of Directors to grant stock options to employees and/or corporate officers of the Company or related entities, with a waiver of shareholders' pre-emptive subscription rights for any shares issued on exercise of the options	38 months	Stock options granted may be exercisable for shares representing a maximum of 1.50% of the Company's capital at the option grant date.	This authorization was unused at the date of this Registration Document.
20	Authorization for the Board of Directors to grant free shares to employees and/or corporate officers of the Company or related entities, with a waiver of shareholders' pre-emptive subscription rights for the vested free shares	38 months	Total number of shares granted may not exceed 1.50% of the Company's capital at the grant date.	This authorization was unused at the date of this Registration Document.
21	Capital reduction by canceling treasury shares	18 months	Maximum number of shares that may be cancelled during any 24-month period: 10% of the Company's capital.	This authorization was unused at the date of this Registration Document.

(1) The authorizations concerning capital increases (except the authorization to increase the capital by way of capitalizing reserves) are subject to a blanket ceiling corresponding to a maximum nominal amount of €500,000 (eighteenth resolution).

(2) The fourteenth resolution provides that for issues carried out in accordance with the tenth and twelfth resolutions, the Board of Directors – or any representative duly empowered in accordance with the applicable laws and regulations – may decide not to apply the pricing conditions provided for in said resolutions and instead apply a discount of up to 5% of the weighted average of the prices quoted for the Company's shares on Euronext Paris over the three trading days preceding the pricing date set for the capital increase. The issues for which the Board of Directors may set the issue price in this way may not represent more than 10% of the Company's capital (as at the issue date) in any given year.

The table below sets out the authorizations that will be submitted for approval at the Annual General Meeting of March 11, 2016, and which, if adopted, will replace the authorizations currently in force.

Resolution number	Type of authorization	Maximum duration	Maximum nominal amount
14	Purchase of Elior shares under a share buyback program	18 months	Maximum number of shares that may be bought back: 10% of the total number of shares making up the Company's capital at the date the authorization is used. Maximum amount that may be invested in the share buyback program: €430 million.
17	Issue of shares and/or securities carrying rights to the Company's shares and/or securities carrying rights to the allocation of debt securities, by way of a public offering, without pre-emptive subscription rights for existing shareholders[1 2]	18 months	Maximum nominal amount of capital increase(s): €430,000. Maximum nominal amount of debt securities: €750 million.
18	Issue of ordinary shares and/or securities carrying rights to the Company's shares and/or securities carrying rights to the allocation of debt securities, with pre-emptive subscription rights for existing shareholders[1]	18 months	Maximum nominal amount of capital increase(s): €430,000. Maximum nominal amount of debt securities: €750 million.
19	Issue of shares and/or securities carrying rights to the Company's shares and/or securities carrying rights to the allocation of debt securities, by way of a private placement as referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders[1 2]	18 months	Maximum nominal amount of capital increase(s): €300,000. Maximum nominal amount of debt securities: €500 million.
20	Increase in the number of securities issued as part of a capital increase – carried out either with or without pre-emptive subscription rights for existing shareholders – in accordance with Article L. 225-135-1 of the French Commercial Code (greenshoe option)[1]	18 months	Maximum nominal amount of additional securities that may be issued using the greenshoe option: 15% of the original issue.
21	Issue of shares and/or securities carrying rights to the Company's shares as consideration for contributed assets, without pre-emptive subscription rights for existing shareholders[1]	18 months	Maximum nominal amount of capital increase(s): 10% of the Company's capital
22	Capital increase paid up by capitalizing the share premium account, reserves, profit or other eligible items	18 months	Maximum amount of capital increase(s): maximum amounts eligible for capitalization at the date of the Board of Director's decision to use the authorization.

Resolution number	Type of authorization	Maximum duration	Maximum nominal amount
23	Issue of shares and/or other securities to members of an employee share ownership plan, without pre-emptive subscription rights for existing shareholders[1]	18 months	Maximum nominal amount of capital increase(s): €17,200
25	Authorization for the Board of Directors to grant stock options to employees and/or corporate officers of the Company or related entities, with performance conditions attached, with a waiver of shareholders' pre-emptive subscription rights for any shares issued on exercise of the options	38 months	Stock options granted may be exercisable for shares representing a maximum of 2.2% of the Company's capital at the option grant date.
26	Authorization for the Board of Directors to grant free shares to employees and/or corporate officers of the Company or related entities, with a waiver of shareholders' pre-emptive subscription rights for the vested free shares	38 months	Total number of shares granted may not exceed 0.3% of the Company's capital at the grant date.
27	Capital reduction by canceling treasury shares	18 months	Maximum number of shares that may be canceled during any 24-month period: 10% of the Company's capital.

(1) The authorizations concerning capital increases (except the authorization to increase the capital by way of capitalizing reserves) are subject to a blanket ceiling corresponding to a maximum nominal amount of €900,000 (twenty-fourth resolution).

5.2.3 SHARES NOT REPRESENTING CAPITAL

The Company has not issued any shares that do not represent capital.

5.2.4 TREASURY SHARES, OWN SHARES AND SHARE BUYBACK PROGRAMS

5.2.4.1 Share Buyback Authorizations

On May 26, 2014, the Company's limited partners (*associés commanditaires*) and General Partner (*associé commandité*) granted the Board of Directors an eighteen-month authorization to carry out a share buyback program in accordance with Article L. 225-209 of the French Commercial Code. The maximum amount that could be invested in the program was €200 million (net of transaction expenses) and the maximum number of shares could be bought back corresponded to 10% of the total number of shares making up the Company's capital.

On March 15, 2015, the Company's shareholders granted the Board a new eighteen-month authorization to carry out a share buyback program in accordance with Article L. 225-209 of the French Commercial Code. Under this new authorization – which superseded the one given on May 26, 2014 – the maximum amount that may be invested in the buyback program is €300 million (net of transaction expenses) and the number of shares that may be bought back may not exceed 10% of the total number of shares making up the Company's capital. The maximum unit purchase price of the shares bought back under the program has been set at €18 (excluding transaction costs).

This authorization provides that the shares can be purchased at any time – except during a takeover bid for the Company – within the limits specified in the applicable laws and regulations and by any authorized methods, for any of the following purposes:

- For subsequent cancellation.

- To be held and subsequently used in exchange or as payment in connection with external growth transactions, in accordance with market practices recognized by the applicable regulations, provided that the number of shares used for such transactions does not exceed 5% of the Company's capital.

- For allocation on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for the Company's shares.

- For implementing (i) stock option plans or (ii) free share plans or (iii) employee share ownership plans, in transactions complying with Articles L.3331-1 *et seq.* of the French Labor Code that involve the sale of shares previously bought back by the Company under such a resolution or that provide for the allocation of shares without consideration in connection with a matching contribution to the plan by the Company and/or in place of the discount, or (iv) grants of shares to employees and/or officers of the Company or of any related entities, in accordance with the applicable laws and regulations.

- To maintain a liquid market for the Company's shares under a liquidity contract entered into with an investment services provider that complies with a code of ethics recognized by the AMF.

- And more generally, to carry out any transactions currently authorized or that may be authorized in the future under the applicable laws and regulations, including the regulations of the AMF.

Use of share buyback authorizations

By way of a decision on July 24, 2014, the Company's Board of Directors authorized a share buyback program to be set up in order to maintain a liquid market in the Company's shares under a liquidity contract entered into with an investment services provider that complies with an AMF-recognized code of ethics. The description of the share buyback program was sent to the AMF and was published on July 28, 2014. On that date, the Company entered into a liquidity contract with Rothschild & Cie for a one-year automatically renewable term. This contract – under which a maximum of €1 million could be allocated to the liquidity account – complies with the Code of Ethics drawn up by the French Association of Investment Companies (Association Française des Entreprises d'Investissement), which was approved by the AMF on March 21, 2011.

By way of an addendum dated March 19, 2015 to the liquidity contract between Elior and Rothschild & Cie, the amount allocated to the liquidity contract was increased by €1 million to a total of €2 million as from April 1, 2015. In accordance with the shareholder authorization granted on March 10, 2015, the maximum unit purchase price for Elior shares bought back under the liquidity contract is €18 (excluding costs and fees).

On April 30, 2015, the Board of Directors authorized the share buyback program to be used in order to purchase a maximum of 2 million Elior shares to be allocated to Emesa as payment of a portion of the acquisition price of the Areas shares sold to Elior by Emesa. The share buyback program was implemented by Natixis acting as an independent agent. At July 9, 2015 1,282,683 Elior shares had been bought back under the program, of which 1,282,500 were subsequently remitted to Emesa.

At December 31, 2015, the Company held 183 shares in treasury.

5.2.4.2 Share Equivalents

At the date of this Registration Document, the Company had not granted any stock options or free shares, other than the options granted under the stock option plans of April 15, 2010 and April 15, 2011, as described in Section 3.1.5.2 of this Registration Document.

5.2.5 INFORMATION ABOUT AND THE TERMS OF ANY ACQUISITION RIGHTS OR OBLIGATIONS OVER AUTHORIZED BUT UNISSUED CAPITAL

N/A.

5.2.6 INFORMATION ABOUT THE SHARE CAPITAL OF ANY GROUP ENTITY WHICH IS UNDER OPTION OR AGREED TO BE PUT UNDER OPTION

Following the Group's acquisition of control of THS in April 2013, certain THS managers were granted a put option entitling them to sell one third of the shares they hold in THS to Elior in a single transaction.

This put option – which had not been exercised at the date of this Registration Document – was terminated by way of an addendum dated December 7, 2015.

5.2.7 SIGNIFICANT CHANGES IN SHARE CAPITAL

At October 1, 2011, the Company's share capital was €1,395,220.58, represented by 139,522,058 shares with a par value of €0.01 each.

Date	Type of operation	Increase/(decrease) in share capital (in €)		New share capital (in €)	New number of shares
		Per-share par value	Premium		
Feb 2, 2012	Capital reduction (not for the purpose of absorbing losses)	0.01	349,692,363.00	1,088,203.58	108,802,358
June 10, 2014	Capital increase (Fidelior merger)	0.01	3,610,131.98	1,093,864.62	109,386,462
June 10, 2014	Capital increase (Sofilior merger)	0.01	3,468,744.04	1,099,186.42	109,918,642
June 10, 2014	Capital increase (Eurelior merger)	0.01	3,468,949.03	1,104,508.22	110,450,822
June 10, 2014	Capital increase (Financière Elior merger)	0.01	5,145,047.72	1,113,023.01	111,302,301
June 10, 2014	Capital reduction (Fidelior merger)	0.01	(3,491,219.40)	1,107,361.97	110,736,197
June 10, 2014	Capital reduction (Sofilior merger)	0.01	(3,414,990.67)	1,102,040.17	110,204,017
June 10, 2014	Capital reduction (Eurelior merger)	0.01	(3,414,990.67)	1,096,718.37	109,671,837
June 10, 2014	Capital reduction (Financière Elior merger)	0.01	(4,818,033.03)	1,088,203.58	108,820,358
June 11, 2014	Capital increase (Bercy Présidence merger)	0.01	949,011.73	1,088,859.85	108,885,985
June 11, 2014	Capital increase (Novelior merger)	0.01	741,623.25	1,112,013.89	111,201,389
June 11, 2014	Capital reduction (cancelation of ABSA shares with equity warrants attached)	0.01	(741,000.00)	1,109,013.89	110,901,389
June 13, 2014	Capital increase	0.01	784,467,782.12	1,641,217.27	164,121,727
June 13, 2014	Private placement	0.01	1,340,720.92	1,642,126.85	164,212,685
Sept. 10, 2014	Exercise of stock options	0.01	864,467.70	1,643,643.46	164,364,346
Sept. 30, 2014	Exercise of stock options	0.01	35,397.00	1,643,705.56	164,370,556
Dec. 31, 2014	Exercise of stock options	0.01	3,705.00	1,643,712.06	164,371,206
Feb. 28, 2015	Exercise of stock options	0.01	48,135.30	1,643,796.36	164,379,636
March 24, 2015	Exercise of stock options	0.01	159,708.70	1,644,076.06	164,407,606
June 30, 2015	Exercise of stock options	0.01	938,048.58	1,645,716.64	164,571,664
July 24, 2015	Capital increase for allocation of shares to Emesa	0.01	134,979,075	1,722,891.64	172,289,164

Sept. 30, 2015	Exercise of stock options	0.01	206,249.10	1,723,252.44	172,325,244
Dec. 31, 2015	Exercise of stock options	0.01	165,151.40	1,723,541.44	172,354,144

The main changes in the Company's share capital during the past three fiscal years were as follows:

- A capital reduction (not for the purpose of absorbing losses), carried out by buying back 30,701,700 shares representing an aggregate €307,017, as approved by the Company's limited partners and General Partner on January 5, 2012.
- Successive capital increases and reductions – as approved at the combined Ordinary and Extraordinary General Meeting of June 10, 2014 – related to the mergers into Elior of Fidelior, Sofilior, Eurelior, Financière Elior, Novelior and Bercy Présidence.
- An issue of shares by way of a public offering without pre-emptive subscription rights for existing shareholders, carried out in connection with the Company's listing on Euronext Paris. The Company's Managing Partner approved this issue on May 26, 2014 using the corresponding shareholder authorization, and set its terms and conditions on June 10, 2014.
- A private placement involving the issue of 90,958 new shares without pre-emptive subscription rights for existing shareholders. The Managing Partner determined the investors to which the shares would be offered and set the related terms and conditions on June 10, 2014 using a shareholder authorization granted on the same date.
- Successive capital increases following the exercise of stock options.
- An issue of 7,717,500 new shares on July 24, 2015 used as a portion of the consideration paid to Emesa for the acquisition of its 514,500 Areas shares.

5.3 THE COMPANY'S OWNERSHIP STRUCTURE – AFR

At December 31, 2015 and 2014, the Company's ownership structure was as follows:

Shareholder	At December 31, 2014			At December 31, 2015		
	Number of shares held	% capital	% ownership rights	Number of shares held	% capital	% ownership rights
Charterhouse Poppy II[1]	36,780,431	22.4%	22.4%	18,518,581	10.7%	10.7%
Charterhouse Poppy IV[1]	16,788,327	10.2%	10.2%	8,452,753	4.9%	4.9%
Charterhouse Poppy VI[1]	6,674,397	4.1%	4.1%	3,360,492	1.9%	1.9%
Société de Restauration 2[2]	2,537,026	1.5%	1.5%	1,000	0.0%	0.0%
Société de Restauration 4[2]	5,039,060	3.1%	3.1%	0	0.0%	0.0%
Sub-total – concert group	*67,819,241*	*41.3%*	*41.3%*	*N/A*	*N/A*	*N/A*
BIM[3]	33,010,966	20.1%	20.1%	41,350,965	24.0%	24.0%
Emesa	0	0.0%	0.0%	9,001,000	5.2%	5.2%
Free float	63,357,378	38.6%	38.6%	91,669,170	53.3%	53.3%
Treasury shares	25,100	0.0%	N/A	183	0.0%	N/A
TOTAL	**164,371,206**	**100.0%**	**100.0%**	**172,354,144**	**100.0%**	**100.0%**

(1) Entities controlled by Charterhouse Capital Partners LLP.

(2) Entities controlled by Chequers Partenaires.

(3) Entity controlled by Robert Zolade.

Charterhouse Poppy II, Charterhouse Poppy IV, Charterhouse Poppy VI, Société de Restauration 2 and Société de Restauration 4 disclosed that on October 9, 2015, acting in concert, they had reduced their interest to below the thresholds of 25%, 20%, 15%, 10% and 5% of the Company's capital and voting rights. These thresholds were crossed as the result of an off-market sale of Elior shares, which led to the end of the concert arrangement that previously existed between the five companies.

BIM did not form part of the concert group comprising Société de Restauration 2, Société de Restauration 4, Charterhouse Poppy II, Charterhouse Poppy IV and Charterhouse Poppy VI, which ended on October 9, 2015 (see below).

Between October 1, 2014 and the date of this Registration Document, the Company received the following notifications under the applicable disclosure threshold rules:

- Eton Park Funds disclosed on November 21, 2014 that it had reduced its interest to below the ownership threshold of 1% of the Company's capital and that at that date it held 0.99% of the Company's total shares.
- Financière de l'Echiquier disclosed on December 8, 2014 that it had exceeded the ownership threshold of 3% of the Company's capital.
- Having combined their voting right policies, the five principal companies of the Amundi asset management group filed a joint disclosure on February 20, 2015 stating that they had reduced their interest to below 3% of the Company's capital

and that at that date they held 2.99% of the Company's total shares.

- Sycomore Asset Management disclosed on March 20, 2015 that it had exceeded the ownership threshold of 2% of the Company's capital and that at that date it held 2.05% of the Company's total shares.
- Financière de l'Echiquier disclosed on May 8, 2015 that it had exceeded the ownership threshold of 4% of the Company's capital and that at that date it held 4.12% of the Company's total shares.
- Crédit Agricole Corporate and Investment Bank disclosed on May 13, 2015 that it had exceeded the ownership thresholds of 4% and 5% of the Company's capital and that at that date it held 5.02% of the Company's total shares.
- Crédit Agricole SA disclosed on May 13, 2015 that it had indirectly exceeded the ownership thresholds of 4% and 5% of the Company's capital and that at that date it indirectly held 5.02% of the Company's total shares.
- BIM disclosed on May 14, 2015 that it had exceeded the ownership threshold of 21% of the Company's capital and that at that date it held 21.566% of the Company's total shares.
- Charterhouse Poppy II, Charterhouse Poppy IV, Charterhouse Poppy VI, Société de Restauration 2 and Société de Restauration 4 disclosed on May 15, 2015 that, acting in concert, they had reduced their interest to below one third of the Company's capital, and that at that date they held 31.25% of the Company's total shares.
- Charterhouse Poppy II disclosed on May 15, 2015 that it had reduced its interest to below 20% of the Company's capital and that at that date it held 16.95% of the Company's total shares.
- Charterhouse Poppy IV disclosed on May 15, 2015 that it had reduced its interest to below 10% of the Company's capital and that at that date it held 7.74% of the Company's total shares.
- Sycomore Asset Management disclosed on June 19, 2015 that it had reduced its interest to below 2% of the Company's capital and that at that date it held 1.98% of the Company's total shares.
- Corporación Empresial Emesa disclosed on July 28, 2015 that it had exceeded the ownership threshold of 5% of the Company's capital and that at that date it held 5.22% of the Company's total shares.
- Amundi Asset Management disclosed on July 30, 2015 that it had reduced its interest to below 3% of the Company's capital and that at that date it held 2.92% of the Company's total shares.
- Crédit Agricole Corporate and Investment Bank disclosed on August 3, 2015 that it had reduced its interest to below 5% of the Company's capital and that at that date it held 4.79% of the Company's total shares.
- Crédit Agricole SA disclosed on August 3, 2015 that it had indirectly reduced its interest to below 5% of the Company's capital and that at that date it indirectly held 4.79% of the Company's total shares.
- Financière de l'Echiquier disclosed on August 7, 2015 that it had reduced its interest to below 4% of the Company's capital and that at that date it held 3.99% of the Company's total shares.
- BIM disclosed on August 31, 2015 that it had reduced its interest to below 21% of the Company's capital and that at that date it held 20.61% of the Company's total shares.
- Crédit Agricole Corporate and Investment Bank disclosed on September 10, 2015 that it had exceeded the ownership threshold of 5% of the Company's capital and that at that date it held 5.23% of the Company's total shares.
- Crédit Agricole SA disclosed on September 10, 2015 that it had indirectly exceeded the ownership threshold of 5% of the Company's capital and that at that date it indirectly held 5.23% of the Company's total shares.
- GLG Partners LP disclosed on October 9, 2015 that it had exceeded the ownership threshold of 1% of the Company's capital and that at that date it held 1.23% of the Company's total shares.
- BIM disclosed on October 12, 2015 that it had exceeded the ownership threshold of 24% of the Company's capital and that at that date it held 24.00% of the Company's total shares.
- Crédit Agricole Corporate and Investment Bank disclosed on October 13, 2015 that it had exceeded the ownership threshold of 8% of the Company's capital and that at that date it held 8.62% of the Company's total shares.
- Crédit Agricole SA disclosed on October 13, 2015 that it had indirectly exceeded the ownership threshold of 8% of the Company's capital and that at that date it indirectly held 8.62% of the Company's total shares.
- Charterhouse Poppy II, Charterhouse Poppy IV, Charterhouse Poppy VI, Société de Restauration 2 and Société de Restauration 4 disclosed on October 9, 2015 that they had reduced their interest to below the thresholds of 25%, 20%, 15%, 10% and 5% of the Company's capital and voting rights as the result of an off-market sale of the Company's shares, which led to the end of the existing concert arrangement between these companies.
- Charterhouse Poppy II disclosed on October 9, 2015 that it had reduced its interest to below 11%

of the Company's capital and that at that date it held 10.75% of the Company's total shares.
- Charterhouse Poppy IV disclosed on October 9, 2015 that it had reduced its interest to below 5% of the Company's capital and that at that date it held 4.91% of the Company's total shares.
- Charterhouse Poppy VI disclosed on October 9, 2015 that it had reduced its interest to below 2% of the Company's capital and that at that date it held 1.95% of the Company's total shares.
- Société de Restauration 2 disclosed on October 9, 2015 that it had reduced its interest to below 1% of the Company's capital and that at that date it held 0.74% of the Company's total shares.
- Société de Restauration 4 disclosed on October 9, 2015 that it had reduced its interest to below 2% of the Company's capital and that at that date it held 1.47% of the Company's total shares.
- GLG Partners LP disclosed on November 2, 2015 that it had reduced its interest to below 1% of the Company's capital and that at that date it held 0.89% of the Company's total shares.
- Sycomore Asset Management disclosed on November 4, 2015 that it had exceeded the ownership threshold of 2% of the Company's capital and that at that date it held 2.03% of the Company's total shares.
- Crédit Agricole Corporate and Investment Bank disclosed on November 23, 2015 that it had reduced its interest to below 5% of the Company's capital and that at that date it held 2.37% of the Company's total shares.
- Crédit Agricole SA disclosed on November 23, 2015 that it had indirectly reduced its interest to below 5% of the Company's capital and that at that date it indirectly held 2.37% of the Company's total shares.
- Marshal Wace LLP disclosed on December 11, 2015 that it held 2.62% of the Company's capital.
- Covea Finance disclosed on December 17, 2015 that it had exceeded the ownership threshold of 1% of the Company's capital and that at that date it held 1.87% of the Company's total shares.
- Massachusetts Financial Services Company disclosed on January 15, 2016 that it had exceeded the ownership threshold of 1% of the Company's capital.
- Marshall Wace LLP disclosed on January 15, 2016 that it held 2.40% of the Company's capital.
- Charterhouse Poppy II, Charterhouse Poppy IV and Charterhouse Poppy VI disclosed on January 18, 2016 that they had reduced their interest to below 15% of the Company's capital and that at that date they held 10.64% of the Company's capital[23].

To the best of the Company's knowledge, no other shareholder submitted notifications under the applicable disclosure threshold rules during the fiscal year.

5.3.1 SHAREHOLDER VOTING RIGHTS

Each Company share carries one voting right. The Company's Bylaws do not provide for double voting rights.

At December 31, 2015, the total number of the Company's shares was 172,354,144 and the total number of exercisable voting rights was 172,353,961 (see Section 5.2.4.1 above for information concerning the share buyback program).

5.3.2 MEMBERSHIP STRUCTURE OF THE BOARD OF DIRECTORS AND SHAREHOLDING PATTERN OF THE COMPANY

In order to accurately reflect the Company's shareholding pattern, the Charterhouse entities, the Chequers entities, BIM and Sofibim adopted the membership structure for the Board of Directors described in Section 3.1.2.1, "Members of the Board of Directors", and gave a commitment that, for as long as they collectively hold more than 50% of the Company's share capital and voting rights:

[23] On January 18, 2016, Charterhouse Poppy II held 6.49% of the Company's capital, Charterhouse Poppy IV 2.96% and Charterhouse Poppy VI 1.18%.

a) BIM and Sofibim would remain members of the Company's Board of Directors for as long as they collectively held, directly or indirectly, at least 10% of the Company's share capital.

b) Société de Restauration 2, Charterhouse Poppy II, Charterhouse Poppy IV, James Arnell (or any person appointed to replace him on the proposal of the Charterhouse entities), would remain members of the Company's Board of Directors, for as long as the Charterhouse entities and Chequers entities collectively held, directly or indirectly, at least 30% of the Company's share capital.

This commitment was given for a period of four years (i.e. until 2018), corresponding to the first term of office of the members of the Company's Board of Directors.

Since October 9, 2015 the above entities have collectively owned less than 50% of the Company's share capital (or less than the individual thresholds referred to above). Consequently the commitment no longer applies and the members of the Board of Directors will be elected by shareholders in a General Meeting in accordance with the law.

5.3.3 AGREEMENTS THAT COULD RESULT IN A CHANGE OF CONTROL

At the date of this Registration Document, to the best of the Company's knowledge there were no agreements in place that if implemented could, at a subsequent date, result in a change of control of the Company.

5.3.4 CONTROL STRUCTURE

The concert arrangement that existed between Charterhouse Poppy II, Charterhouse Poppy IV, Charterhouse Poppy VI, Société de Restauration 2 and Société de Restauration 4 ended on October 9, 2015 following an off-market sale of Elior shares that resulted in the reduction of these entities' interests to below the ownership thresholds of 25%, 20%, 15%, 10% and 5% of the Company's capital and voting rights.

Following the sale of Elior shares carried out on May 12, 2015 by Charterhouse Poppy II, Charterhouse Poppy IV, Charterhouse Poppy VI, Société de Restauration 2 and Société de Restauration 4, the Company is no longer controlled within the meaning of Article L.233-3 of the French Commercial Code.

6

ADDITIONAL INFORMATION

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6. ADDITIONAL INFORMATION

6.1 MATERIAL CONTRACTS

The Group's principal material contracts are as follows:

6.1.1 SENIOR FACILITY AGREEMENT

See Section 4.6.2., "Senior Facility Agreement".

6.1.2 INDENTURE FOR THE HIGH YIELD NOTES

See Section 4.6.3., "Facility H1 Loan and High Yield Notes".

6.1.3 RECEIVABLES SECURITIZATION PROGRAM

See Section 4.6.8., "Receivables Securitization Program".

6.2 DOCUMENTS AVAILABLE TO THE PUBLIC

Documents relating to the Company that are required to be made available to the public – notably its bylaws, accounts, financial information, and reports presented by the Board of Directors and the Statutory Auditors at General Shareholders' Meetings – can be viewed at the Company's headquarters at 61-69 rue de Bercy, 75012 Paris, France.

These documents are also available on Elior Group's website at www.eliorgroup.com.

6.3 PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE ACCOUNTS – AFR

6.3.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge and belief, the financial statements have been prepared in accordance with the applicable accounting standards and present fairly in all material respects the assets, liabilities, financial position and results of the Company and the consolidated group. I also declare that the information contained in the management report gives a true and fair view of trends in the business operations, results and financial position of the Company and the consolidated group, as well as a description of the main risks and uncertainties facing those companies.

I obtained a statement from the Auditors at the end of their engagement affirming that they have read the whole of the Registration Document and verified the information about the financial position and the accounts contained therein.

Philippe Salle, Group Chairman and Chief Executive Officer, January 27, 2016

6.3.2 AUDITORS

	Date first appointed	Term	Expiration of current term
Statutory Auditors			
PricewaterhouseCoopers Audit Represented by Eric Bertier and Anne-Laure Julienne 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles	October 26, 2006	Six fiscal years	At the Annual General Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017
KPMG AUDIT IS Represented by François Caubrière Tour EQHO Avenue Gambetta 922066 Paris La Défense Cedex, France Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles	January 30, 2008	Six fiscal years	At the Annual General Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2019
Substitute Auditors			
KPMG AUDIT ID Represented by Jean-Paul Vellutini Tour EQHO Avenue Gambetta 92066 Paris La Défense Cedex, France Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.	January 7, 2014	Six fiscal years	At the Annual General Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2019
Jean-Christophe Georghiou[1] 63 rue de Villiers 92208 Neuilly sur Seine France Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles	May 26, 2014	For the remainder of Yves Nicolas' term	At the Annual General Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017

(1) Appointed to replace Yves Nicolas at the Annual General Meeting of May 26, 2014

6.4 FEES PAID TO THE STATUTORY AUDITORS – AFR

(In € thousands)	KPMG				PwC			
	2014		2015		2014		2015	
	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%
1. Audit								
– Elior (formerly HBI)	117	*6%*			113	*5%*		
– Consolidated subsidiaries	980	*53%*			1,174	*54%*		
2. Audit-related services								
– Elior (formerly HBI)	591	*32%*			617	*29%*		
– Consolidated subsidiaries	127	*7%*			154	*7%*		
Sub-total (1+2)	1,815	*99%*			2,058	*95%*		
3. Tax advisory services								
– Elior (formerly HBI)								
– Consolidated subsidiaries					101	*5%*		
4. Other services								
– Elior (formerly HBI)								
– Consolidated subsidiaries	17	*1%*			2	*0%*		
Sub-total (3+4)	17	*1%*			103	*5%*		
Total	**1,833**	***100%***			**2,161**	***100%***		
– Elior (formerly HBI)	708	*39%*			730	*34%*		
– Consolidated subsidiaries	1,125	*61%*			1,431	*66%*		

In order to (i) ensure consistency and a high standard of quality in the audit of the Group's consolidated financial statements and the separate financial statements of its subsidiaries, and (ii) have a centralized link between the Group's external auditors and its executive management team and Audit Committee, the Group regularly uses the audit services of one or the other of the international audit firms that it has appointed as its Statutory Auditors,

i.e. PricewaterhouseCoopers and KPMG. These two audit firms are members of the Compagnie Régionale des Commissaires aux Comptes de Versailles and represent 90% of the total Statutory Auditors' fees paid by the Group. Of this amount, 51% is paid to PricewaterhouseCoopers and 49% to KPMG. The statutory audit fees paid by the Group's subsidiaries to audit firms other than PricewaterhouseCoopers, KPMG or the members of their networks, amounted to €0.3 million for FY 2014-2015.

6.5 INFORMATION INCORPORATED BY REFERENCE

In application of Article 28 of European Commission Regulation 809/2004/EC, the following information is incorporated by reference into this Registration Document:

- the Group's consolidated financial statements and the related Management's Discussion and Analysis and Statutory Auditors reports for the fiscal year ended September 30, 2014, presented in the Registration Document registered by the AMF on January 26, 2015 under number R15-005;
- the Group's consolidated financial statements for the fiscal years ended September 30, 2013, 2012 and 2011 referred to in Section 20.1.1 of the *Document de Base*, and presented in Appendix II of the *Document de Base* registered by the AMF on April 15, 2014 under number I. 14-015;
- the Statutory Auditors' report on the consolidated financial statements for the fiscal years ended September 30, 2013, 2012 and 2011 presented in Section 20.1.2 of the *Document de Base*; and
- the interim and other financial information concerning the three-month periods ended December 31, 2013 and 2012 presented in Section 20.4 of the *Document de Base*.

6.6 THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTERESTS

This Registration Document contains information about the Group's markets and competitive positioning, in particular in the Section entitled "The Group's Businesses and Strategies". Some of this information is based on publicly available data obtained from sources that the Group believes to be reliable, but which have not been independently verified, such as market research published by various organizations, notably reports prepared by (i) GIRA Foodservice for information on the contract catering and concession catering markets in France, Spain and Italy, (ii) INSEE/ESAN concerning the support services market, (iii) Technomic for markets in the United States, and (iv) Peter Roberts for markets in the United Kingdom. The Group cannot guarantee that a third party using different methods to collate, analyze or calculate data about these markets would reach the same conclusions. Other market information is based on research conducted by a well-known international specialist firm specifically commissioned by the Group. Unless otherwise stated, all data included in this Registration Document regarding the size, scale and share of markets relevant to the Group is based on the Group's own estimates and is provided for information purposes only.

The Company certifies that where information has been sourced from a third party, it has been accurately reproduced, and that as far as the Company is aware and is able to ascertain from information published or provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

6.7 CROSS-REFERENCE TABLE FOR THE REGISTRATION DOCUMENT

The table below cross-references the pages in the Registration Document with the key information required under European Commission Regulation 809/2004/EC implementing Directive 2003-1971//EC.

Key information required under Annex 1 of European Commission Regulation 809/2004		Section	Page number(s)
1	**Persons responsible**	6.31	315
2	**Statutory Auditors**	6.3.2	316
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4	**Risk factors**	3.2.1 Note 11 of the consolidated financial statements	132-153 255-258
5	**Information about the issuer**		
5.1	History and development of the issuer	1.3 1.5.5	10 41-47
5.2	Investments	4.2.2 4.6.9	185-187 199
6	**Business overview**		
6.1	Principal activities	1.5.1	12-27
6.2	Principal markets	1.5.4 6.6	35-41 320
6.3	Exceptional factors	1.5.1 Notes 1.1 and 5.2 of the consolidated financial statements	12-28, 205 211-213
6.4	Extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	3.2.1.2.1, 3.2.1.2.7	134-135 138-139
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7	**Organizational structure**	1.4	11
7.1	Brief description of the Group	1.5.1	12-27
7.2	List of significant subsidiaries	1.4 Note 14 of the consolidated financial statements	11 260-263
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9.1	Financial condition	4.6	191-199
9.2	Operating results	Note 1.1 of the consolidated financial statements	205
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15	**Remuneration and benefits**		
15.1	Remuneration and benefits in kind	3.1.5	120-129
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16.2	Service contracts with members of the administrative and management bodies	3.1.2.1.4	112
16.3	Information about the Audit Committee and the Nominations and Compensation Committee	3.1.2.4.1	115-116
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- the Group's consolidated financial statements for the fiscal years ended September 30, 2013, 2012 and 2011 referred to in Section 20.1.1 of the *Document de Base*, and presented in Appendix II of the *Document de Base*;
- the Statutory Auditors' report on the consolidated financial statements for the fiscal years ended September 30, 2013, 2012 and 2011 presented in Section 20.1.2 of the *Document de Base*; and
- the interim and other financial information concerning the three-month periods ended December 31, 2013 and 2012 presented in Section 20.4 of the *Document de Base*.

The *Document de Base* was registered by the AMF on April 15, 2014 under number I. 14-015.

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