REGISTRATION DOCUMENT
ANNUAL FINANCIAL REPORT
FISCAL 2013 - 2014

BECAUSE THE WHOLE EXPERIENCE MATTERS

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 2013-2014

Société anonyme

(French joint stock corporation)

Share capital: €1,643,712.06

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 212-13) and was registered by the AMF on January 26, 2015 under number R15-005. 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 Référenc*e 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 at 61-69 rue de Bercy, 75012 Paris, France, 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 Shareholders' 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.

CONTENTS

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

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1

THE ELIOR GROUP

1. THE ELIOR GROUP

1.1. MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

"Elior has entered a new phase in its history"

James Arnell
Chairman of the Board of Directors

Over the past two decades, Elior has become a worldwide leader in the contracted food and support services industry through a virtuous mix of organic growth and value-creating acquisitions. Today, the Group has retained the mindset and strengths of a market challenger and is still as audacious, inventive, reactive and entrepreneurial as it was when it first started out. These qualities are now being put to the service of an ambitious international expansion strategy.

Elior's successful floatation on Euronext Paris in the spring of 2014 marks a new chapter in its corporate history and demonstrates the confidence of French and international institutional investors in the Group's business model, strategy, and growth prospects. The IPO has strengthened Elior's financial structure, which in turn has enabled it to significantly reduce its debt. Today, the Group has the resources it requires to pursue its growth, through targeted acquisitions and major capital expenditure programs such as those currently under way in the concessions business in the United States. In addition, Elior's stock market listing has raised its visibility, reinforced its relations with investors and increased its media presence. The results achieved in fiscal 2013-2014 show that investors were right to place their trust in the Group. Performance commitments were firmly met, with organic revenue growth of 3.9% and EBITDA climbing 5.4% despite a mixed economic context in the euro zone. Overall, the Group once again demonstrated that its operations are resilient and that it has got its business model right.

At the same time, Elior has effectively adapted its structures, costs and offerings to the difficult market conditions in Southern Europe over the past few years, while continuing to strengthen its positions and enhance profitability. This means that it is now particularly well placed to capitalize on the region's expected recovery, as has already been shown in Spain.

I have every confidence in Elior's ability to find new development opportunities and to successfully combine organic growth with targeted acquisitions, while maintaining its entrepreneurial culture and delivering the highest levels of service quality.

1.2. INTERVIEW WITH THE GROUP CHIEF EXECUTIVE OFFICER

"Elior is pursuing its expansion strategy"

Gilles Petit
Group Chief Executive Officer

How do you view Elior's performance in 2013-2014?

Fiscal 2013-2014 was a good year for Elior and we once again demonstrated our resilience and growth capacity. Consolidated revenue climbed 6.5% year on year to €5,341 million, in line with our targets. This performance reflects solid organic growth of 3.9% as well as the positive impact of acquisitions, particularly in the United States. We also met our profitability objectives announced when Elior was floated on Euronext Paris, with EBITDA representing 8.4% of revenue, or €447 million.

How did the Contract Catering & Support Services business hold up in the unsettled economic environment?

Our Contract Catering & Support Services revenue advanced by 8.2% year on year, driven by strong organic growth of 3.4% and the consolidation of TrustHouse Services in the United States.

In our international markets, the recovery in Spain began to take hold and overall, growth remained sustained in our other host countries.

In the Business & Industry market, we enjoyed brisk sales momentum in France which fueled robust organic growth despite delays in the start-up of several new contracts. Our client retention rate remained stable at 95% in spite of heightened competition. Our innovative and scalable offerings enabled us to notch up a number of major contract wins during the year, including with EDF, Carrefour, and the Carpe Diem Building owned by the Aviva and Predica groups in the La Défense business district in Paris.

In our international Business & Industry operations, organic growth was a solid 3.4%, propelled by the start-up of the Itinere on-board train catering contract in Italy, as well as by new contracts signed with Seat in Spain, Telecom Italia and Banca d'Italia in Italy, and Portsmouth Naval Base in the United Kingdom. In the United States, TrustHouse Services ended the fiscal year with strong development momentum, paving the way for robust organic growth in 2014-2015.

In the Education market, revenue rises in France, the United States, Spain and the United Kingdom offset the slowdown seen in Southern Europe. In France, Elior secured a milestone contract in the secondary school market to provide catering services to 55 schools in the Hauts-de-Seine region just outside Paris.

In the Healthcare market, the Group delivered another good performance, especially in France where we signed a contract for an additional six clinics run by the Medipole group. In our international Healthcare operations, growth reported in Spain (Valencia) and the United Kingdom (contract with the Nottingham University Hospital Trust) offset a slight sales contraction in Italy.

How are Elior's concession catering markets doing?

Our Concession Catering & Travel Retail business line posted organic growth of 4.9%, excluding the impact of the divestment of our Argentinian and Moroccan subsidiaries and the sale of non-strategic businesses in France and the United Kingdom.

In the Motorways market, brisk business development in Germany and Italy – where we won contracts for additional rest areas – made up for the slight revenue dip in France where consumer spending was lackluster during the year. In the United States, as expected, Áreas began to reap the benefits of the ramp-up of its recently renovated service plazas in Florida and Maryland.

Lastly, business in the Airports market was boosted by both a general increase in air passenger traffic and a gradual market recovery in both Spain and in Italy, where we opened new points of sale at Rome and Milan airports. New outlets were also opened at Los Angeles, Newark and Chicago O'Hare airports in the United States, while at Madrid Barajas, Áreas completed its launch of 47 catering offerings provided under 27 different banners, making this airport a benchmark in Europe.

What is the outlook for 2014-2015?

We have begun 2014-2015 on a very positive note. Our twofold experience in contract catering and concession catering is a strength on which we are capitalizing to meet new consumer demand in these two markets. We have firmly positioned ourselves as a major worldwide player thanks to our partnerships with leading popular brands such as Costa Coffee (Europe's favorite coffee shop), Paul (French consumers' preferred fast food brand), Exki, Starbucks (with Europe's largest outlet at Madrid Barajas airport), and Burger King in Spain and the United States. These partnerships have also enabled us to move ahead in terms of providing a complement to the traditional self-service formula in companies and schools through our introduction of fast food and takeaway concepts and brands (Monop' Daily, Illy Café, Berts, Paul, Exki and Sushi Bar). The synergies we have been able to leverage due to our leadership positions in France, Italy and Spain mean that we can provide constantly enhanced offerings while at the same time creating value. In Spain, after several years of recession during which our subsidiary Serunión kept up a solid level of organic growth and profitability, we are now in an excellent situation to benefit from the economic recovery that is beginning to take shape. In addition, we have strengthened our positioning in the City of London through our acquisition of Lexington Catering, and we now generate over €300 million in revenue from our operations in the United Kingdom.

In the Concessions business, Áreas will feel the benefits of completing the capital expenditure programs worth over $150 million that it has rolled out for renovating motorway rest areas in the United States taken over under recently-won contracts.

Thanks to our overall strategy in this business – based on excellent knowledge of traveler behaviors and consumer spending trends – and our portfolio of powerful brands, we can offer the best combinations of innovative formats for airports, railway stations and motorways.

Finally, our successful stock market floatation in June 2014 has allowed us to scale back our debt to a moderate level, which will enable us to continue to implement our strategy of achieving profitable organic and acquisition-led growth, with a priority of doubling revenue in the United States over the next three fiscal years.

Going forward, the Group has the strengths and resources it needs to pursue its objectives for both organic expansion and external growth led by targeted acquisitions – a business model that has proven its worth for two decades.

1.3 SELECTED FINANCIAL AND OTHER INFORMATION

2013-2014 Key Figures

€5,341 MILLION
IN CONSOLIDATED REVENUE

€3,774 MILLION IN REVENUE GENERATED BY CONTRACT CATERING & SUPPORT SERVICES	**€1,567 MILLION IN REVENUE** GENERATED BY CONCESSION CATERING & TRAVEL RETAIL
18,000 RESTAURANTS AND POINTS OF SALE	**3.8** MILLION CUSTOMERS EACH DAY
106,000 EMPLOYEES	**13** COUNTRIES WORLDWIDE

Income Statement Data

(in € millions)	Year ended September 30	
	2014	2013
Revenue	**5,341**	**5,017**
Contract Catering & Support Services	3,774	3,488
– France	2,122	2,093
– International	1,652	1,395
Concession Catering & Travel Retail	1,567	1,529
– France, Germany, Belgium, Italy	948	924
– Spain, Portugal and the Americas	619	605
Revenue growth	6.5%	12.4%
Organic revenue growth	3.7%(1)	1.1%
Recurring operating profit	308.3	286.5
Recurring operating profit margin(2)	5.8%	5.7%
Profit attributable to owners of the parent	**47.8**	**8.7**

(1) Including a 0.2% negative impact arising from the difference in the number of working days.
(2) Recurring operating profit margin corresponds to recurring operating profit as a percentage of revenue.

Revenue by Geographic Region

(in € millions)	Year ended September 30	
	2014	2013
France	2,829	2,814
Other European countries	1,933	1,802
Rest of the world	579	401
Group total	5,341	5,017

Revenue by Client Market

(in € millions)	Year ended September 30	
	2014	2013
– Business & Industry	1,723	1,616
– Education	1,050	977
– Healthcare	1,001	895
Total Contract Catering & Support Services	3,774	3,488
– Motorways	575	547
– Airports	623	590
– City Sites & Leisure	368	392
Total Concession Catering & Travel Retail	1,567	1,529
Group total	5,341	5,017

Balance Sheet Data

(in € millions)	At September 30 2014	2013
Goodwill	2,360.2	2,411.6
Cash and cash equivalents	220.2	210.0
Equity	1,322.6	650.8(2)
Gross debt	1,588.5	2,376.9
Net debt(1)	1,380.4	2,181.4

(1) Based on the definition and the covenants in the Senior Facilities 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.

(2) The difference between the equity figure presented in this table and the published figure of €658.7 million for equity at September 30, 2013 is due to the retrospective application of the revised version of IAS 19.

Consolidated Cash Flow Data

(in € millions)	Year ended September 30 2014	2013
Net cash from operating activities	241.4	161.4
Net cash used in investing activities	(174.1)	(406.5)
Net cash from financing activities	15.0	318.2
Effect of exchange rate and other changes	(23.6)	2.1
Net increase in cash and cash equivalents	**58.7**	**75.3**

Other Financial Data

(in € millions)	Year ended September 30 2014	2013
EBITDA	**447.3**	**424.0**
Contract Catering & Support Services	293.0	288.5
Concession Catering & Travel Retail	158.8	142.5
Headquarters, holding companies and purchasing entities	(4.5)	(7.0)
EBITDA margin(1)(2)(3)	8.4%	8.4%
Pro forma revenue(4)	N/A	5,208.5
Contract Catering & Support Services	N/A	3,679.8
Concession Catering & Travel Retail	N/A	1,528.7
Pro forma EBITDA(1)(2)(4)	N/A	**439.7**
Contract Catering & Support Services	N/A	304.2
Concession Catering & Travel Retail	N/A	142.5
Headquarters, holding companies and purchasing entities	N/A	(7.0)
Pro forma EBITDA margin(1)(2)(4)(5)	N/A	**8.4%**

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

(2) EBITDA and pro forma EBITDA 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 pro forma EBITDA 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 pro forma EBITDA for information purposes only. With respect to pro forma EBITDA, the information presented does not represent the results the Group would have achieved had each of the acquisitions or other transactions for which an adjustment is made occurred at the dates indicated. There is no assurance that items the Group has identified for adjustment as non-recurring will not recur in the future or that similar items will not be incurred in the future. The calculations for EBITDA and pro forma EBITDA are based on various assumptions. These amounts have not been, and, in certain cases, cannot be, audited, reviewed or verified by any independent accounting firm. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial position or results of operations of the acquired businesses and it may not be comparable to the consolidated financial statements included in this Registration Document. The Group presents EBITDA and pro forma EBITDA because it believes they are helpful to investors and prospective investors for understanding its operating performance. EBITDA and pro forma EBITDA have limitations as analytical tools and should not be considered in isolation or 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) Pro forma revenue and pro forma EBITDA for the year ended September 30, 2013 were calculated based on consolidated revenue and EBITDA for that period, adjusted to reflect the acquisition of TrustHouse Services (THS) as if THS had been consolidated in the Group's financial statements as from October 1, 2012.

(5) Pro forma EBITDA margin corresponds to pro forma EBITDA as a percentage of pro forma revenue.

See Note 4/1 in Section 4.5 of this Registration Document for further information.

1.4 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, Elior 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 Support Services and Travel 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 European markets in the Contract Catering business 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 Áreas and MyChef and built up its presence in Contract Catering in Spain through an alliance with Serunión. The Group further diversified its business by entering the support services industry in France in 2004 through the acquisition of Hôpital Service, a company specialized in support services for healthcare establishments (specialized cleaning and hospitality services).

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

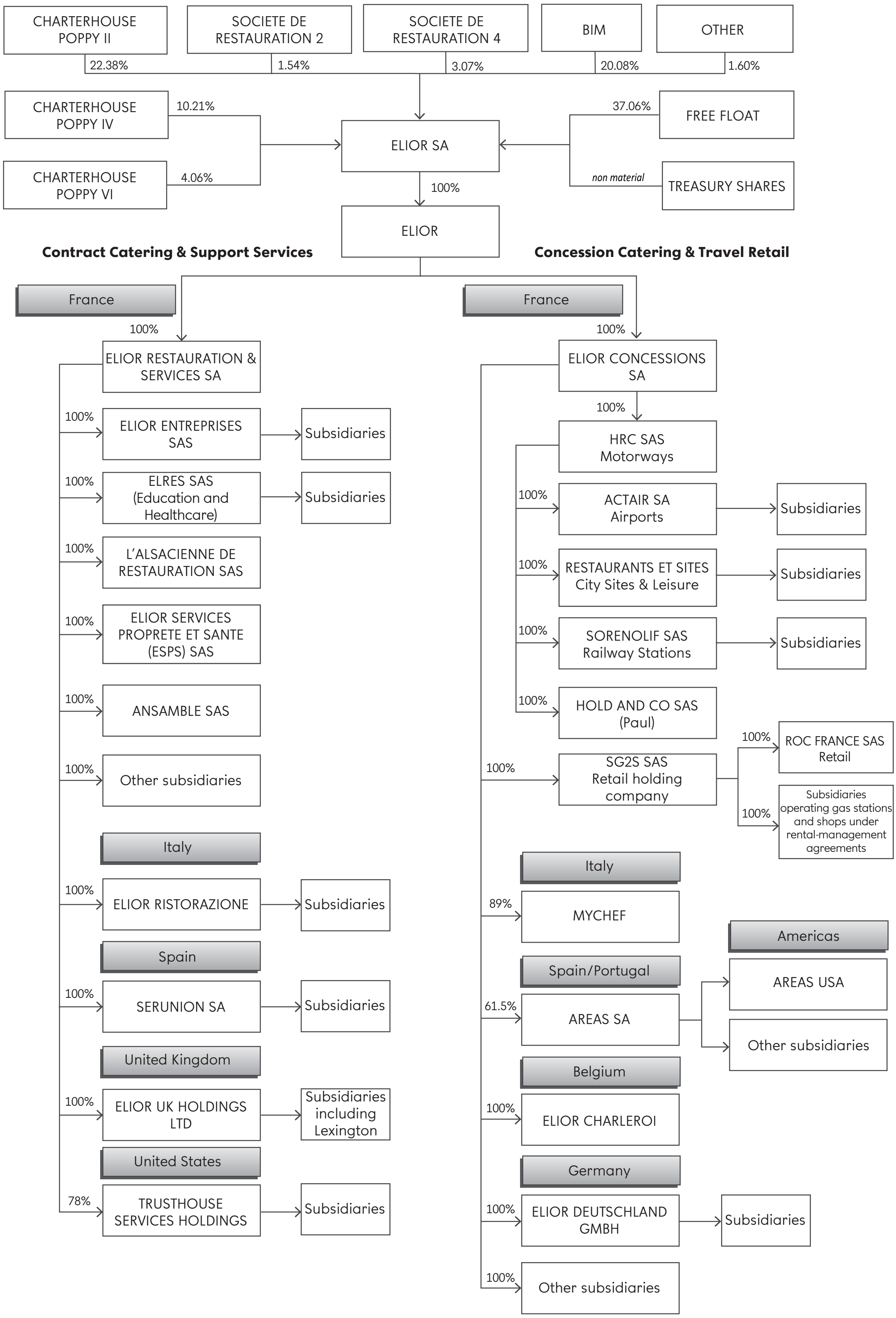
In recent years, the Group has engaged in a number of important acquisitions in various markets and industries. In 2010, it acquired Copra, an Italian contract caterer, as well as Sin&Stes, one of France's leading professional cleaning services firms, which pushed it up to the position of sixth-leading 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 become 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.

Since its first year of operations after its founding in 1991, the Group's annual revenue has increased more than ten-fold, reaching €5.34 billion for the year ended September 30, 2014.

1.5 ORGANIZATIONAL STRUCTURE

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



1.6 THE GROUP'S BUSINESSES AND STRATEGIES

1.6.1 BUSINESSES

The Group is an international contract catering and concession catering operator, with some 3.8 million customers served every day at approximately 18,000 restaurants and points of sale worldwide. The Group also proposes a support services offering and has around 106,000 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.

Through its Contract Catering operations (which form part of the Contract Catering & Support Services business line), the Group provides a broad array of dining solutions and other food- and beverage-related services. This business is targeted at three key customer sectors: corporate entities and government agencies (Business & Industry), educational establishments (Education), and healthcare facilities (Healthcare). The Group primarily operates its Contract Catering business in its traditional markets in Europe and, since 2013, in the United States. Based on revenue generated in 2014, the Group believes it is the third-leading contract caterer in Europe and the fourth-leading contract caterer in the world.

Concession Catering & Travel Retail 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 a concession agreements. The Concession Catering business is closely related to the travel industry and operates in three key markets: airports, motorway rest areas and city and leisure sites (which include railway stations, exhibition centers, museums, leisure parks and vacation villages). This business represents a strategic fit with the non-food offerings that the Group provides in travel-related settings as part of its Travel Retail business. The Group principally operates its Concession Catering & Travel Retail business in four countries: France, Italy, Spain and the United States. It considers that it is the third-leading food and beverage concession operator in the world.

The Group has also decided to diversify its offering by including "soft services", particularly cleaning, reception, concierge, light maintenance and landscaping services. The majority of the Group's Support Services operations (which form part of its Contract Catering & Support Services business line) are conducted in France and involve the provision of soft facilities management solutions, notably cleaning services. Through its Support Services business, the Group provides public- and private-sector institutional clients with a wide array of outsourced solutions that encompass cleaning, hospitality and office management services as well as the management of hotels, shopping malls, leisure parks and office and apartment buildings. The Group believes it is the sixth-leading cleaning service 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, complementing 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 support 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, 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. And lastly, 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.

During the year ended September 30, 2014, the Group generated total consolidated revenue of €5,341 million and EBITDA of €447.3 million. The Contract Catering & Support Serices business line reported €3,774 million in revenue and €293.0 million in EBITDA, and Concession Catering & Travel Retail posted figures of €1,567 million and €158.8 million respectively.

1.6.1.1 The Group's Contract Catering & Support Services Business Line

a) 2013-2014 key figures

- An operating presence in 6 countries: France, Italy, Spain, Portugal, the United Kingdom and the United States
- Revenue: €3,774 million (71% of total consolidated revenue)
- 15,700 restaurants and points of sale in six countries
- 3 million customers per day
- 85,000 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 its Contract Catering business, the Group provides dining services and other food and beverage-related services, such as meal delivery, vending operations and technical support for food-related issues. The Contract Catering business addresses three different client 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 clients 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 government offices. In the United Kingdom, the Group's Business & Industry contract catering clients 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 support services at military bases.

The Group's Education contract catering clients include public and private educational institutions for children and students across a broad spectrum of ages. Among its clients are nursery schools, public and private elementary and secondary schools as well as public and private universities and other higher-education institutions. The Group believes that it has a leading and co-leading position in the Education market in Spain and France respectively.

Finally, the Group's Healthcare contract catering clients mainly include hospitals, clinics, care homes and rehabilitation and long-term care facilities for elderly people and people with disabilities.

The Group serves Business & Industry, Education and Healthcare clients in each of the countries in which it operates. In the United States, the Contract Catering business is primarily focused on the Healthcare, Education markets and the Corrections sector.

France is the Group's largest geographic market for its Contract Catering business.

b) Contract Catering Brands

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

France

Elior Entreprises
Arpège
Elior Restauration Enseignement
Elior Restauration Santé
Ansamble
Alsacienne de Restauration

Spain

Serunión
Alessa
Singularis

Italy

Elior Ristorazione
Gemeaz
Copra

United Kingdom

Elior
Lexington
Azure

United States

Valley
A'viands
Lindley
Aladdin

1.6.1.1.1 The Business & Industry Market

a) 2013-2014 key figures

- €1,723 million in revenue (46% of total Contract Catering & Support Services revenue)
- 5,000 restaurants
- 920,000 customers per day

In an economic environment marked by strong price pressure Elior 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 unbeatable value for money.

b) Highlights of 2013-2014

- **Spain:** Serunión won the catering contract for SEAT's major automobile production site at Martorell.
- **France:** Through its subsidiary Ansamble, Elior secured the contracts for an additional 20 Orange sites.
- **France:** The Bordeaux local authorities chose Elior as the caterer for its new Cité Municipale office complex.
- **Italy:** Elior Italy won the bid process for 22 Telecom Italia sites.
- **France/Italy/Spain:** Elior and its partners started on-board catering services for the SNCF, Trenitalia and Renfe high-speed trains.

In 2013-2014, Elior pursued its growth in the Business & Industry catering market thanks to the start-up of numerous new contracts and the upturn in business experienced in Spain.

c) Brisk momentum for take-away solutions

Fast food and takeaway solutions – which have completely changed the vista of main-street food offerings – have now also become the highest growth sector in the Business & Industry catering market. Elior positioned itself in this sector very early on and the offerings it provides to its clients now increasingly include fast-food and takeaway solutions, with a wide choice of franchised brands. For example, Carrefour France's head office in the south of Paris has a Paul and two Starbucks corners, and Unibail-Rodamco's new Majunga building in Paris's La Défense business district has a Monop' Daily, a Sushi Shop and an Espressemente Illy outlet.

The Group has also developed a range of successful own brands in this sector. Examples include BonSens (comprising a wide variety of products that can either be eaten in or taken away), which has been introduced at the Carpe Diem building at La Défense and the Edouard VII business center in Paris, as well as Twenty (a format launched in 2014 based on sandwiches made to order from 20 different types of bread), which has been selected by EDF for its PB6 building at La Défense and by Safran for its Saclay training center. In the United Kingdom, Elior UK offers a similar mix of main-street brands, including Costa Coffee and Illy Coffee, and its successful own brands such as Pizza Foundry, Wrap Bamboo and Umami Express (Thai soups).

d) A segmented offering

Elior's strategy is to create a segmented offering so that it can propose bespoke solutions for different types of clients that can be adapted to the number of guests concerned and the type of services required.

This strategy has been put into practice with the Vivement Midi concept designed for the Business & Industry market in France, which is a modular offering based on between two and seven serving stands. The concept can be tailored to different client types and sizes and comprises original menus that include recipes from all over the world. For the Amadeus R&D center in Sophia Antipolis, which serves diners of 72 different nationalities, Elior has introduced an exotic food format called Wonder Food, with three different corners: US Cooking, Asian Cooking and South Cooking.

The Group also proposes premium offerings under the Arpège brand in France and Plus by Elior in Italy. Through Arpège, Elior has become a preferred partner for the recently-built Majunga and Carpe Diem buildings in the La Défense business area in Paris. At the same time, Arpège has designed a high-end hybrid offering for the Edouard VII business center near the Paris Opera House, focused on a combination of theme-based and fast food solutions and rounded out by table service in a brasserie. And the Plus by Elior concept – introduced in Italy for the first time at the Bodio Center business park in Milan – is a gastronomic format that offers a selection of dishes made with PDO products (Protected Designation of Origin).

In the budget segment, by the end of fiscal 2013-2014 some thirty sites had signed up for or already begun to work with Alternance, the Group's alternative corporate restaurant concept. This clearly illustrates that there is a market for smaller corporate restaurants (with 30 to 150 covers a day) that do not justify an investment in on-site kitchen facilities. In Italy, following on from the launch in 2012-2013 of Smart Food (a budget format for companies with fewer than 300 employees) Elior Italy has now launched its Agora concept, which is designed for SMEs with fewer than 80 covers. Hera, based in Imola, was the first company to take up this concept.

e) Two new target markets

The Group has put in place a strategy to win new contracts in the defence and corrections markets, which have recently started to open up to outsourcing. For example, in the fall of 2014, Elior's subsidiary Ansamble was entrusted with catering for troops from 16 NATO countries (5,000 soldiers) during a military exercise carried out in western Poland. In the space of just a few days Ansamble set up a full technical platform as well as six self-service lines for the diners. Also during the year, Elior UK secured the catering services contract for the UK's largest naval base (located in Portsmouth), offering 12 different catering formats for 10,000 Royal Navy personnel and civilian employees.

In the United States, TrustHouse Services' expertise in providing catering services for regional detention centers enabled it to gain four new contracts in 2013-2014, in Pennsylvania, Georgia and New Mexico, representing 20,000 meals a day. In France, since late 2013 Elior has been the caterer for the staff and 3,500 prisoners at five detention centers in the north west of the country (Nantes, Lille-Annoeullin, Lorient, Angers, and Réau to the south of Paris).

f) On-board train catering – A new market for Elior

In 2013-2014, the Group confirmed its position as a benchmark partner for the European high-speed train operators, SNCF, Trenitalia and Renfe, offering passengers an enjoyable and relaxing eating experience before they reach their destinations. Elior Italy has created a new brand called Itinere (journey in Latin) which is based on the regional products that have made Italy's cuisine famous and meets consumer demand for authentic ingredients. In France, working in partnership with SNCF and Newrest, Elior has brought a number of high-quality franchised brands on board, including Paul, Monop' Daily and Boco. The diversity of the formulas the Group offers enables it to satisfy a wide range of demand, whether it be for a simple snack, just a piece of fresh fruit or a more elaborate meal.

1.6.1.1.2 The Education Market

a) 2013-2014 key figures

- Revenue: €1,050 million (28% of total Contract Catering & Support Services revenue)
- 8,300 school canteens
- 1.55 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 its large number of central kitchens, experience in managing small sites, and technological expertise, it enjoys a solid leadership position in the public and private education sector in Europe.

b) Highlights of 2013-2014

- **France:** The Conseil Général des Hauts-de-Seine entrusted Elior with the largest public service delegation contract in the secondary school market (55 secondary schools).
- **Monaco:** The Group's Monaco-based subsidiary won the catering contract for all of the Principality's state-run schools, from nursery schools through to high schools.
- **Italy:** Elior Italy is now responsible for catering services at 50 schools in Prato, Tuscany.
- **United States:** TrustHouse Services won the bid process launched by St John's College in New Mexico.
- **United Kingdom:** West London University signed a 10-year contract with Elior UK for three campuses.

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. These cost-cutting measures have opened up the door to outsourcing, offering high growth opportunities in this market, particularly in the United States where 60% of secondary schools still self-manage their catering facilities. 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.

c) Solutions for all ages

Elior's strategy is based on offerings that are tailored to each different age group and which are constantly strengthened and reworked in line with changes in its customers' expectations. For example, at the Sainte-Marie Bastide school complex in Bordeaux, France, since September 2014 the Group has operated six different canteens – one per age group, ranging from nursery classes through to higher-education level. Nutritional balance is a key priority, with a focus on healthy balanced meals, and the Group seeks to customize its offerings to the specific nutritional needs, tastes and eating habits of the pupils and students it serves.

In France, during 2013-2014 the Group added to its concept portfolio for the Education market – which already included "La Table des curieux" for nursery schools and "L'Open Café" for students – by designing a new format for early childhood daycare facilities called "1-2-3 P'tits plats". This new format has already been taken up by 406 daycare facilities in the Greater Paris region and a national contract was signed with the "People & Baby" network during the summer of 2014. "Yourself", a new food offering for secondary schools, has also proved a success, with 69 additional sites taking it up for September 2014, bringing the total number of "Yourself" restaurants to 163.

d) Ever-more choice

In the same way as corporate diners, both high school pupils and students want to see offerings inspired by the latest consumer trends. The new "Like Eat" concept that the Group launched in September 2014 gives high school pupils a choice of dining in a fast-food corner called "Like Eat Fast" when they are in a hurry, or in a self-service restaurant with meals including international cuisine and exotic flavors which are available in large portions to meet the needs of growing teenagers. The two formats have two separate lines so as to reduce waiting times, which is an important factor for encouraging high school pupils to stay on site for lunch. In the United Kingdom, Elior UK consolidated its positions at several university campuses in 2014 thanks to fast-food concepts that rival main-street commercial offerings, including Umami Express (Thai soups), Pizza Foundry, Wrap Bamboo, Pasta Kitchen and Heavenly Burger.

e) Making local produce an asset

Regional development is a priority for local authorities and they are taking a growing interest in environmental criteria and the nature and origin of the products they buy. An ever-larger number of bid processes now include specifications about using regional produce. The Group is well positioned to meet this demand as it is a step ahead of its competitors in working in partnership with chambers of agriculture and producer groups to encourage the development of local supply chains that can meet the requirements of the contract catering industry. It also pays particular attention to educating school children about the taste and origin of the products it serves. These measures helped in the bid process for the 18 nursery and elementary schools in Périgueux, which Elior won thanks to the clear and ambitious commitments it made, namely that 100% of its supplies of fruit, vegetables and dairy products will be local, 85% of its pastries will be "homemade", that it will serve fresh fish purchased from the Arcachon fish market once a month, and that it will use meat products with "Label Rouge" quality certification.

f) A pioneer in extracurricular care

The legislation introduced in France in 2013-2014 to reform school hours has opened up new growth potential in extracurricular care – an activity that is highly complementary with school catering. The Group's new "Fun en villes" concept offers municipalities a range of original, fun and educational games designed to promote children's well-being and bring out their potential. A total of 4,000 "Fun en villes" workshops have already been scheduled for 2014-2015. In Spain, Serunión has many years of experience in both school catering and extracurricular care and in 2013-2014 it broadened its school transport offering.

g) A network of central kitchens

The Education market is different from other markets in the contract catering industry due to the extensive use of central kitchens. In order to serve clients who have limited on-site space for meal preparation, Elior uses its network of central kitchens (which it owns outright or manages on behalf of clients) to prepare meals which are then delivered on site to be eaten either immediately or at a later date.

In order to optimize the use of these production facilities, some central kitchens produce meals for clients in other markets.

The Group believes central kitchens are an important tool for maximizing productivity and maintaining low production costs. The meals are either prepared using a chill cook system in which they are kept cold or frozen to increase shelf life or are prepared and delivered warm for immediate consumption, which is particularly the case for central kitchens in Italy. The Group owns and/or operates central kitchens in France, Italy and Spain. At December 31, 2014, it owned and/or operated 59 central kitchens in France, 32 in Italy and 13 in Spain, providing national coverage in each of these countries.

1.6.1.1.3 The Healthcare Market

a) 2013-2014 key figures

- €1,001 million in revenue (27% of total Contract Catering & Support Services revenue)
- 2,400 restaurants
- 530,000 customers a day

In healthcare facilities, 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 our clients adapt their business models to market changes, such as the growth in outpatient surgery and price pressure from the public health authorities.

b) Highlights of 2013-2014

- **United States:** TrustHouse Services signed a contract for two Forest Park medical centers in Texas.
- **United Kingdom:** Elior UK won a five-year contract to provide catering services (primarily for staff and visitors) at the two hospitals run by the Nottingham University Hospitals Trust.
- **Spain:** The Valencia regional authorities entrusted Serunión with the catering services for four public hospitals.
- **France:** Six new Medipole Sud Santé clinics chose Elior for their catering services.

c) Boosting performance

Elior is the ideal partner for healthcare facilities and care homes seeking to optimize costs and make savings. For instance, in France the Group worked with the Medipole group for two years on building up their project and in 2014 it entrusted it with providing catering services at an additional six clinics. One of the determining factors for Medipole's choice was that the Group's offering is modular and can be scaled to changes in each clinic's needs. An example of the Group's bespoke solutions for the Healthcare sector is "Itinéraire du Patient Optimum" which provides food services adapted to the specific situation of each patient in the form of personalized nutritional protocols that form part of the overall care process. Also during the year, the Arnaud Tzanck Institute in the Var region of France was won over by the performance commitments Elior gave it.

In France, the Group's new Prim Appro offering opens up new opportunities with establishments that still wish to self-operate their catering services. It enables these facilities to continue to provide their own catering while drawing on the expertise of Elior's teams in terms of supply chain management, designing balanced menus, and in-depth understanding of their guests' requirements. In 2013-2014 Elior Italy launched a new, more budget catering formula for small care homes. Called "Priamo", this offering is based on lower-end product ranges (such as ready-to-serve or ready-to-cook raw produce and ready-cooked vacuum packed products).

d) "Luxury", value-creating services

The Group has also developed tailored formats for healthcare establishments seeking to offer their patients value-added services that generate additional revenue. In 2014, the Polyclinique de Navarre hospital complex in Pau, France, was won over by the high-end services proposed for its maternity patients, such as the "Maman plaisir" offering (which includes a choice of tasty breakfasts, special congratulatory meals, etc.). Similarly, the high-end services provided to the Générale de Santé group include the possibility of ordering meals for visitors and even festive menus. And for outpatients, the "Resto'Bulles Plaisir" concept offers a choice of tasty sweet and savory snacks.

e) Main-street offerings for staff and visitors

The Group has enriched its offering of cafeterias open throughout the day for hospital visitors, patients and staff who are looking for a fast food solution in a pleasant and relaxing atmosphere. Under its new contract signed with Nottingham University Hospitals Trust, Elior UK will operate two restaurants and ten cafés at the Queens Medical Centre (1,300 beds and 6,000 employees) and City Hospital. Its offer at these facilities encompasses a mix of main-street and in-house brands and concepts, including Umami (Asian cuisine), Heavenly Burger, Pizza Foundry and Costa Coffee. In addition, with its new client the Extra-Care Charitable Trust, Elior UK has won contracts in Birmingham and Milton Keynes in the village care sector – a high-growth market that offers active and sociable retirement living for seniors. Residents of these villages and their visitors will be able to enjoy a coffee at Costa Coffee, drinks at the bar, and a meal together in the restaurant. In France, Elior opened its 83rd Café & Compagnie during the year, at Brest University Hospital. This in-house Elior brand proposes a wide selection of crudités, fresh fruit salads, yoghurts and other tasty and healthy snacks that are ideally suited to a hospital-based clientele, as well as a "Croust'Wich" offering with sandwiches made to order using fresh produce prepared each morning.

f) Catering for all types of pathology

Elder care facilities need innovative solutions to deal with dependency, loss of appetite and the risk of malnutrition. The Group stands out from its competitors in this area because its offerings are tailored to the nutritional needs and pathologies of its guests. The specific situation of each person – such as malnutrition, dependency or a need for autonomy – is taken into account and particular attention is given to the dining environment to ensure that eating is an enjoyable and relaxing experience.

One example of Elior's innovative solutions is the "Energie Saveurs" format which offers meals fortified with natural ingredients in order to combat malnutrition. For care home residents suffering from Alzheimer's disease, the Group has developed the "Bouchées Saveurs" concept, which comprises bite-sized portions that guests can eat with their fingers and therefore retain their autonomy. Another example is the "Faciles à Manger" easy-to-eat format designed to help people who have problems with chewing and swallowing, which was rounded out in 2013 with "Faciles à manger texture pommade", a formula that offers finely-textured food for people with multiple disabilities.

In France, Elior also strengthened its culinary identity in 2014 by drawing on the expertise of its chefs and dieticians and factoring in the feedback received from guests. The Group's teams worked with the Michelin-starred chef, Michel Sarran, to create a number of recipes especially for seniors, which were then tested out in several different care homes.

g) Home-delivery solutions

The Group has developed a number of different solutions to meet increasing demand for home-delivered meals for seniors. In the United States, THS is one of the market leaders in this sector, particularly thanks to its frozen food production unit ("Traditions"), which is the only unit of its type to be approved by the U.S. Food and Drug Administration (FDA) on a national scale. In Spain, Serunión also has a home-delivered meals service, and in France, staff who deliver meals as part of the "Servi chez vous" concept are given special training in relations with the elderly.

1.6.1.1.4 The Support Services Market

a) 2013-2014 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 requirements of healthcare establishments, industrial environments and retail spaces where cleanliness is essential to brand image.

b) Highlights of 2013-2014:

- **France –** Elior Services has been entrusted with providing specialized cleaning services at the Institut Paoli-Calmettes, a major cancer treatment center in Marseille.
- **France –** Unibail-Rodamco took up Elior Services' cleaning offering for the Parly 2 shopping mall (to the west of Paris) and the Confluence shopping mall in Lyon.
- **France –** Bordeaux Airport selected Elior Services based on its technical expertise in floor treatment methods.

c) Consolidating the Group's leadership position in healthcare hospitality services

Recent years have seen healthcare establishments compelled to cut costs and seek savings, and yet hygiene is more essential than ever. Consequently, avenues have opened up for outsourced services, both for cleaning – particularly in the public sector – and for in-room meal services, the majority of which are still currently self-managed.

As France's market leader for healthcare hospitality services (meal service, laundry management etc.) and specialized cleaning services (notably for bedrooms and operating rooms), Elior Services is currently expanding the offerings it proposes to public hospitals, clinics and cancer treatment centers. Its teams put in place working methods that generate productivity gains, as well as innovative solutions such as analyzing the treatment of medical waste.

In 2013-2014, the Institut Paoli-Calmettes in Marseille, France – a regional cancer treatment center with over 25,000 patients a year – was impressed by the flexible organizational structure proposed by Elior Services, which enables bedrooms to be cleaned more rapidly during room turnarounds. Also during the year, the Centre Chirurgical Marie Lannelongue – a world-famous non-profit organization that specializes in cardiothoracic surgery – signed a contract with Elior Services for specialized cleaning (including in very high-risk areas such as operating rooms), as well as for in-room meal delivery and waste management services.

d) Comprehensive catering and support services solutions

Elior has developed comprehensive catering and support services solutions that draw on its expertise and strong reputation in these two sectors of the healthcare market. During the year, Natecia – the leading private maternity clinic in the Rhône-Alpes region of France – signed up to one of these comprehensive contracts, which encompasses meals for the clinic's staff and new mothers, in-room service, specialized cleaning and waste management. A high-end offering is provided under this format, whereby meals are served individually from a "Maître d'hôtel" trolley.

e) High value-added services in the tertiary sector

In the retail and transport markets, Elior Services targets segments that require high value-added services. It has become a preferred partner for a number of high-end shopping malls thanks to the technical expertise and solutions it offers. Following on from the cleaning services contracts secured for the So Ouest shopping mall and CNIT building, Elior Services has been awarded new contracts by Unibail-Rodamco for the Parly 2 shopping mall (to the west of Paris) and the Lyon Confluence leisure and retail complex, whose glazed architectural design makes it far from easy to clean. In addition, the cleaning teams who work throughout the day at these sites are specially trained to be able to provide information and directions to customers.

In the Airports market, having previously been selected by Basel-Mulhouse-Freiburg EuroAirport for its cleaning offering, Elior Services has now also won a contract with Bordeaux Mérignac airport on account of the techniques it has developed to ensure that the floors stay clean and bright every day. This is particularly important for airports as the cleanliness of their premises is an increasingly important factor in the overall passenger experience.

Also during the year, the newly-reopened Paris Zoological Park selected Elior Services for providing consistently high standards of cleanliness day in, day out. This contract was won on the strength of the cleaning services expertise demonstrated by Elior Services in its work with Disneyland Paris hotels, and because it has the techniques required to clean the enormous glasshouse that houses the Park's birds.

As well as working closely with EDF in both the Greater Paris region and the north of France, in 2013-2014 Elior Services won the cleaning contract for 75 other EDF sites in the south-east of the country (sales branches, regional headquarters, call centers, etc.). And lastly, the centralized public purchasing organization, UGAP, was won over by the Group's competitive offering for around a hundred sites in Normandy.

f) Facilities management services

In 2013-2014, Elior Services notched up further contract wins with prestigious clients for its facilities management offering, which includes reception, mail handling, concierge, grounds maintenance and other services. For example, the French Ministry of Foreign Affairs entrusted the company with the upkeep of its parks and gardens and notably with restoring the French-style gardens at the Château de La Celle-Saint-Cloud which the Ministry uses when hosting VIP guests.

1.6.1.2 The Group's Concession Catering & Travel Retail Business Line

a) 2013-2014 key figures

- No. 3 worldwide
- An operating presence in 12 countries
- €1,567 million in revenue (29% of total consolidated revenue)
- 2,300 restaurants and points of sale
- 300 million customers a year
- 21,000 employees worldwide

In its Concession Catering & Travel Retail 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 rest areas and city sites, including railway stations.

The Group is the third-leading Concession Catering & Travel Retail operator globally. It operates 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 operates concessions on a lesser scale in Portugal, Chile, Belgium, Luxembourg, Saint Martin and the Dominican Republic. The Group does not, however, address all three sectors of the concession catering industry in each country in which it operates. For example, in the United States, it operates concessions mainly in airport terminals and motorway rest areas. As part of its Concession Catering & Travel Retail operations, the Group proposes varied offerings – including table-service dining, takeaway options, and shops and services for travelers and visitors – at airports, motorway rest areas, railway stations and other sites such as museums and leisure parks.

b) Concession Catering & Travel Retail brands

The Group operates food and beverage concessions under directly-owned brands, such as L'Arche and Philéas in France, Ars and Medas 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-paid retail concessions through franchise agreements or through directly-owned retail brands such as Ouishop in France and 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 Monop' Daily.

1.6.1.2.1 The Airports Market

a) 2013-2014 key figures

- No. 1 in France, Spain and Italy
- €623 million in revenue (40% of total Concession Catering & Travel Retail revenue)
- 79 airports worldwide
- 700 points of sale

Elior is a long-standing partner of many European airports, with over 50% market share in France, Spain and Portugal, and is expanding rapidly in this market in Italy and the United States. The Group's 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 it 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 2013-2014

- **Italy:** MyChef won the bid processes for two new sites at Terminal 1 in Rome Fiumicino airport.
- **Portugal:** Aeroportos de Portugal renewed Áreas' concession contracts for Lisbon and Porto airports until 2019.
- **United States:** Áreas opened new points of sale at Los Angeles and Detroit airports.

In 2013-2014, air passenger traffic once again rose at a faster pace than global growth. The rise in Elior'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) "Must-have" brands

Some passengers like to find familiar international brands in airports, such as Burger King, Starbucks, Paul, Bert's, Exki, Monop'daily and other major brands that Elior works with under franchise agreements. In Spain, Áreas opened three Burger King restaurants at Madrid Barajas airport in 2013-2014 as well as a Burger King that is now Barcelona airport's largest restaurant. At the same time, the Group has developed in-house concepts such as Deli & Cia and Briciole, which is an offering comprising premium Italian cakes, pastries and sandwiches that is used by MyChef in all of the Group's Italian airport operations and by Áreas at its new World's Food Court at Madrid airport.

d) Giving airports an authentic local flavor

As the gateways to their regions or countries, modern airports are constantly looking to reinforce their identity. Elior's winning bid for Basel-Mulhouse-Freiburg EuroAirport met this demand as it is based on an offering that in 2015 will include a gastronomic restaurant called Drei Länder, whose menus have been designed in conjunction with three Michelin-starred chefs and reflect the culinary diversity of the airport's neighboring regions: Alsace, Bade-Wurtemberg and the cantons of Basel.

In the United States, airport catering has long been dominated by major national brands but they are now having to share their space with new, more original offerings. This changing trend is very positive for Áreas, which has carved out a strong position for itself in the market by forging partnerships with powerful regional brands. For example, Áreas won Detroit airport's bid process for a new Mezza Mediterranean Grill, which is a local brand that already has five restaurants in the area. At Los Angeles airport, the decoration and menus at Áreas' most recent restaurant – Engine Co. No. 28 – reflect those of the eponymous restaurant created in one of the city's old fire stations.

Áreas has also implemented this successful strategy in Spain, and many of the 47 points of sale opened in 2013-2014 at Madrid Barajas airport were born out of regional partnerships, ranging from the simple artisanal sandwiches sold by Santa Gloria and Rodilla, right through to sophisticated restaurants such as the Fly& Fishhh! gastro bar, Kirei by Kabuki and La Mary.

In Italy, MyChef inaugurated its first Caffè Roma Capitale, which is a new high-end concept created as part of an exclusive agreement with the Municipality of Rome and inspired by the elegant Caffè Milano opened at Milan Malpensa airport in association with the Municipality of Milan.

e) Higher-end offerings

Today's traveling consumers are seeking more sophisticated dining options and are ready to pay a bit extra for offerings that favor high-quality produce and elegant presentation. Atmosphere and decoration are increasingly important factors in their choice of a place where they can not only eat but also relax. The Michelangelo Restaurant inaugurated by MyChef at Milan Linate airport ticks these boxes for even the most demanding of passengers, with its purist design, open kitchen and large expanse of glazing that directly overlooks the runways. The restaurant's menus have been devised by the famous Italian chef Michelangelo Citino and are specifically adapted to the criteria of airport dining.

This move towards the higher end of the market also concerns snacking offerings. For example, Elior has introduced "Boco" at Orly airport (a Parisian "bistro-chic" concept that combines fast food with gourmet dining), marking the first time that a Boco has been opened in an airport. The concept is based on recipes designed by top chefs and served in glass jars, with a focus on original flavors and the provenance of the ingredients used. Meanwhile, in terminal 2F at Roissy Charles de Gaulle, Elior operates the first Costa Coffee outlet opened in a French airport, where experienced baristas serve a range of high-quality coffees and coffee-based specialties in a space located in the midst of Paris's most prestigious fashion and luxury brands.

1.6.1.2.2 The Motorways Market

a) 2013-2014 key figures

- No. 1 in France and Spain
- €575 million in revenue (37% of total Concession Catering & Travel Retail revenue)
- 261 motorway rest areas worldwide

Motorway rest areas are another of Elior'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 rest 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's Motorways offerings encompass a wide range of catering solutions as well as shops and services. These include 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 minimarkets 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 rest area.

b) Partnering concession grantors over the long-term

For motorway operators in both Europe (Vinci, Eiffage, Abertis, Tank & Rast, Aspi, Brisa, etc.) and the United States, Elior is a partner that is ready to invest in order to make its rest areas more attractive and has excellent innovation capacity when it comes to services.

For example, in the United States Áreas invested $56 million in 2013-2014 to fully renovate the Maryland House and Chesapeake House travel plazas, two rest areas that are strategically located on the Interstate 95 between Washington and Baltimore and which are operated by Áreas under a concession agreement that runs until 2047. In Florida, six of the eight rest areas on the Florida Turnpike between Miami and Orlando (the USA's second largest toll motorway) have also been entirely rebuilt as part of a $96 million dollar project which has seen the creation of 40 restaurants and seven shops.

In Southern Europe, the Group has had to adapt its operating conditions to the new economic environment. In Spain, Áreas worked with Acesa – which is part of the Abertis group and the operator of most of the motorways in Catalonia – to draw up a streamlining program for the network in order to renovate the most high-potential rest areas and boost their appeal. In Italy, ASPI renewed three concessions already operated by MyChef and granted it seven additional concessions with new contractual conditions, i.e. that risks related to overall changes in traffic volumes will now be shared between the two parties rather than being borne by the operator alone.

c) Creating greener rest areas

Motorway rest areas need to be places where drivers and families can take a real break from the stress and fatigue that can come with car journeys and truly relax in a tranquil setting. The rest area located to the north of Washington D.C. in the USA meets this objective thanks to its outdoor terrace next to a stretch of water which encourages visitors to take a longer break. Another example is the Poulet de Bresse rest area on the A39 motorway in France which has a specific area designed to raise awareness about regional biodiversity.

d) A diversified business model

Esso has once again placed its trust in Elior by renewing for a further five years the rental-management agreement under which the Group manages Esso's gas stations and shops on motorways in France.

e) Innovative strategies for managing visitor flows

Elior has a pioneering approach in terms of grouping together all motorway services in one space (gas station, food services and shops, etc.). This architectural design choice has proved a real strength because it facilitates a smooth flow of visitors and gives maximum visibility to the Group's ever-broader offerings. In France, the Saint-Rambert d'Albon rest area on the A6 motorway was entirely refurbished in line with this approach before the 2014 summer vacation period. The site now has a vast building designed by the architecture firm Chapman Taylor, which is in the shape of an aircraft wing and houses a Paul, Hippopotamus, L'Arche Comptoir and Monop' Daily, as well as a shop selling local products to provide the regional touch that people are increasingly looking for.

On the I-95 in the United States, the Maryland House Travel Plaza that opened in January 2014 proposes a food court encircled by ten restaurants and shops in a space covering 4,000 sq. m., rising to the needs of one of the USA's most frequented rest areas. At the same time, Elior has the expertise to adapt its offerings to much smaller rest areas such as for the Tank & Rast network in Germany, where it has introduced a new "Mini" format of its Axxe shops.

During the 2014 summer vacation period in France and Spain, Elior and Áreas set up food trucks and other pop-up fast-food solutions with the dual aim of adding a buzz and effectively managing the increase in visitor flows at that time of year.

f) The right products at the right prices

In June 2014, L'Arche Cafeteria – the Group's long-standing brand that is very popular with families – launched a new foodservices offering with prices adapted to different budgets. The Group has also strengthened its partnerships with supermarket brands to be able to propose wider ranges of products and offer customers even more value for their money. For instance, in Italy, MyChef is currently rolling out its new Carrefour Express format across its network and the results of the initial pilot tests have shown revenue growth of up to 45% compared with the sales generated by the older-type shops. In France, the Franprix brand is being gradually introduced into the shops at the 52 motorway gas stations owned by Esso which Elior operates under a rental-management agreement. This offering is rounded out by corners where customers can buy products marketed by two other well-known brands – Norauto and Toys"R"Us.

Thanks to the broad palette of products and services that the Group offers – from table-service dining to fast-food and takeaway solutions as well as convenience stores for that forgotten item or little extra for the journey – drivers and families are being given more reasons than ever to stop for a break at one of Elior's rest areas.

1.6.1.2.3 Railway Stations, City Sites and Leisure

2013-2014 key figures

- No. 1 in the French railway station catering market
- 74 railway stations in Europe
- €368 million in revenue (23% of total Concession Catering & Travel Retail revenue)
- 165 points of sale

1.6.1.2.3.1 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 part in this transformation through its new concepts for eat-in and takeaway catering with rapid service and its focus on modern, people-friendly settings.

a) Highlights of 2013-2014

- **Spain:** Áreas signed a contract with Adif to run 8 shops at Barcelona-Sants station.

- **France:** A new convenience store concept was opened at Besançon station.

The rail transport sector has held up well in these times of economic crisis, 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 Elior is closely partnering its concession grantors in helping them achieve these aims. At the same time, the Group has recently entered the on-board train catering market in Europe, putting its expertise to the service of even more consumers on the move.

b) Solutions for passengers pressed for time

Every second counts for rail passengers as they don't want to miss their train. The Group's aim is to help them make the most of the time they spend at the station and it has designed a range of new offerings that combine food services and retail solutions. For example, at Montparnasse station in Paris, in 2014 Elior opened the first Costa Coffee in a kiosk format at a French railway station and also introduced France's first "Monop' Lab" in partnership with the retailer, Monoprix. This new concept offers counter-service snacks and takeaway food and beverages as well as a wide range of convenience articles such as toiletry items and make-up products, ties, hosiery, scarves and umbrellas.

In the same vein, Elior also opened its first Easy Drugstore at Besançon Viotte station. This "3-in-1" convenience store format groups together in the same space almost 1,500 newspaper and magazine titles, a C Express shop set up in partnership with Carrefour and a fast food offering. Open 7 days a week from 6 o'clock in the morning, it is aimed at both the travelling public and local residents for last-minute purchases, providing a good example of how railway stations can open up to their urban environment.

Other key criteria for passengers when choosing a dining option are the freshness and quality of the food proposed and how attractive the outlet is. With this in mind, as the main foodservices operator at Montparnasse station in Paris (with 16 points of sale), in 2014 Elior modernized its two Phileas outlets and continued to roll out franchised main-street brands, introducing a Francesca outlet (selling Italian pasta dishes with fresh sauces) for the first time in a French railway station. It also increased the capacity of the station's Quick restaurant, which is already the brand's largest outlet in France.

c) The station buffet reinvented

Railway stations are often part of a city's history and architectural heritage, evoking souvenirs of past travels for many people. The Group's new "21st century station buffet" concept – a brasserie-style restaurant called "Agora" – was created precisely with these passengers in mind. Each Agora brasserie comprises a warm and welcoming contemporary dining space set apart from the crowds, offering a menu of traditional dishes and a 30-minute service guarantee as well as fine wines served by the glass, a bar counter with iPads, and a communal dining table for those who want to share their dining experience with others. They also have a lounge/library area containing books about the local region and newspapers and magazines, which means that each Agora can fit smoothly into its specific geographic and cultural environment. In addition, at Poitiers station, the Agora brasserie has been combined with a Gulli children's area and a Regus business lounge (set up in conjunction with these partner brands).

1.6.1.2.3.2 City Sites & Leisure

For museums and other prestigious cultural sites the Group has developed exceptional expertise to bring out the best in each of these unique locations, which provide an excellent showcase for the Group. And the Group's 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.

a) Highlights of 2013-2014

- **United Kingdom:** Elior UK was selected as a service provider for the 20th Commonwealth Games, held in Glasgow (Scotland) in 2014.
- **Italy:** MyChef, in association with Lavazza, won the concession contract for providing food services in the Italian Pavilion at the Expo 2015 World's Fair which will be held in Milan.
- **France:**
  - Elior's contract with the BNF (Bibliothèque Nationale de France) was renewed for 15 years.
  - 50 foodservices outlets served the 1,250,000 visitors at the 2014 Paris Motor Show.

b) Contributing to the success of major events

The organizers of major sporting, cultural and business events call on Elior for its tried-and-tested expertise in putting in place pop-up foodservices formats that can cater for hundreds of thousands of visitors. For example, for the 2014 Paris Motor Show held at the Porte de Versailles exhibition center, the scale of our offerings reflected the size of the event, with some 50 foodservices outlets set up and 650 employees on site to welcome the show's 1,250,000 visitors. Similarly, for the 20th Commonwealth Games, held in Glasgow in 2014, Elior UK brought in 400 employees to cater for 16 national teams and 180,000 spectators for the rugby 7's tournament, one of the games' largest-scale events.

During the year the Group also consolidated its leadership position in the market for exhibition center catering, in the Greater Paris region, and in Catalonia where Áreas is the service provider for the two exhibition centers run by Fira de Barcelona. For the concession at the Porte de Versailles exhibition center in Paris the Group totally overhauled the foodservices offering in Hall 2, replacing the old outlets – which were dispersed around the hall – with a new modern food court. This new space now includes three complementary concepts: Paul, the Group's first Cake & Coffee –

a concept developed exclusively for the exhibition center's operator, Viparis, offering pastries and hot and cold drinks – and a Red D'Hippo, which is an innovative restaurant perfectly suited to the venue, with self-service starters, desserts and drinks and counter-service for main courses.

c) Leisure – A growth market

The leisure market has strong growth opportunities for a player like Elior which has in-depth experience and expertise in providing operators with foodservice solutions for recreational venues as well as on-trend formats and powerful brands. Having been entrusted with operating the restaurants and shops at Pierre & Vacances' Center Parcs resorts in France and in Germany until 2025, Elior is currently preparing for the opening of France's fifth resort – Le Domaine du Bois aux Daims – in the west of the country in May 2015.

The new Carrefour Express shops and Cocoon café-restaurants that have already been introduced at Center Parcs resorts once again proved successful in 2013-2014, as did the Quick and Paul restaurants, which offer fast food and takeaway solutions that effectively meet the demand of customers in this market. Likewise, the option Elior provides of delivering breakfast, lunch or dinner direct to customers' cottages also proved very popular. In Germany, the Market Dome at the Park Hochauerland resort contains six different catering formats as well as a new Daily Foodstore that offers a minimarket, a bakery and numerous ready-made meals.

The Group also holds special events to further tighten the working relationships between the Elior and Center Parcs teams, such as the theme-based evenings organized as part of the first "Center Chef" competition in which customers voted for the winners. In addition, during the year Elior arranged cookery lessons for visitors, given by professionals from L'Atelier des Chefs – a well-known organizer of cooking classes in France. During the peak summer season the Group enhanced its offering by adding a dozen different mobile and pop-up catering formats such as food trucks, scooters and vintage vans.

As well as being vacation destinations, Center Parcs resorts are highly popular with organizers of business seminars and conventions as they can accommodate several thousand people at a time. In 2014, the Elior team at the Les Ailettes resort catered for 160 business events in total.

d) Elegant concepts for museums and other prestigious sites

With a view to contributing to the luster of museums and other prestigious sites, the Group designs elegant environments that offer high-quality eateries and dining areas in warm and welcoming spaces and at the same time showcase Elior's expertise. For example, since 2014, the kitchens at Les Ombres – the restaurant at the Quai Branly museum – and the restaurant at La Maison de L'Amérique Latine have been headed up by former chefs of Michelin-starred Paris restaurants.

For many years Elior has been a trusted partner of the Louvre Museum and Versailles Palace, as well as the Gran Teatre del Liceu and the Palace of Catalan Music in Barcelona. All of these famous sites regularly host cocktail and dinner parties organized by the Group's expert teams, such as the four evening events held for American Express's VIP clients at the restaurants in the Orsay museum and the Rodin museum in Paris.

During the year, the Grand Palais – an historical monument set in the heart of Paris with 2 million visitors and around fifty events organized each year – signed a four-year contract with Elior for operating its foodservices outlets that are open to the public. Meanwhile, La Petite Venise restaurant located in the grounds of Versailles Palace now offers three shaded outdoor terraces set away from the crowds to provide diners with a real haven of peace. And lastly, the Bibliothèque National de France (BNF) has renewed its trust in Elior for a further 15 years having been won over by the Group's culinary offerings and interior design concept that blends seamlessly with the site's surroundings.

1.6.2 STRATEGY

The Group has a clear and tailored strategy for its two main business lines – Contract Catering & Support Services and Concession Catering & Travel Retail – in which it currently has solid foundations to drive profitable growth. The main aims of this strategy are to consolidate the Group's positions in France, Italy and Spain, increase its foothold and market share in the United States and the UK, and expand its offering of support services. The Group also 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 1.14-015 – the "*Document de Base*"), particularly in the contract catering market in the United States.

Strategy for the Contract Catering & Support Services Business Line

The Group's strategy for the Contract Catering & Support Services business line is focused on achieving 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. To this end it is strengthening its sales teams – particularly in the United States – in terms of both numbers and skills. This strategy is being supported by targeted acquisitions, again especially in the United States.

Drawing on its strong reputation and the partnerships of trust it has built up with its clients, Elior has developed a range of services that are complementary to its core business and is positioning itself in new markets.

<u>Business & Industry</u>

In the Business & Industry market, the Group's aim is to consolidate its leading position in the countries where it operates by developing qualitative segmented offerings adapted to each type of client and different sizes of client site. It is therefore strengthening its sales teams in new, high-growth segments within this market.

As part of this strategy the Group has 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 strategic fit with Elior's 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.

The Group's 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. Examples of these formats include the "Alternance" concept in France and "Smart Food" in Italy, which reduce clients' capital expenditure and personnel costs.

Lastly, the Group has 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 on-board train catering services in Europe.

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 growing its leadership. It also constantly innovates by inventing and renewing concepts tailored to each age group with a view to fostering client loyalty, and at the same time favors local sourcing, which is particularly appreciated by municipalities.

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 capitalize on the consolidation that is currently happening among Healthcare market operators in France. At the same time, it intends to further affirm its role as the ideal partner for helping clients who are seeking to optimize costs and to offer innovative, value-added services that generate extra revenue. It is also positioning itself to capitalize on the anticipated growth in contract catering services in public hospitals in France, which currently have a low outsourcing rate.

Lastly, the Group is implementing a market-winning strategy within the "silver economy" to tap the growth opportunities offered due to the ageing population. This strategy is underpinned by Elior's network of central kitchens and in-depth knowledge of municipalities' needs which will enable it to expand in new, high-growth segments, such as home meal deliveries for the elderly in Europe and in the United States (frozen meals).

Support Services

As France's market leader for healthcare hospitality and specialized cleaning services, the Group focuses its Support 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 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 it plans to continue to strengthen its sales structures in order to remain these segments' most rapidly-expanding operator

The Group also intends to capitalize on its dual expertise in contracting catering and support services to respond to global tenders, improve client retention, optimize its cost structure and increase its revenues.

Consolidate 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 and the corrections segment;
- pursue its external growth strategy in key European markets and in other high potential markets by carrying out targeted acquisitions that can quickly generate synergies;
- capitalize on the low level of market concentration in the support services market by seizing external growth opportunities – mainly in France – that fit with the Group's other businesses;
- ensure that it maintains a strict legal and financial discipline when implementing its acquisition strategy.

Strategy for the Concession Catering & Travel Retail Business Line

In the Concession Catering & Travel Retail business line the Group has positioned itself to take full advantage of growth in air traffic and the increasingly important role that commercial services now play in the perceived quality of airports, railway stations and motorway rest areas.

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

In its historical markets, the Group's strategy for the Concession Catering & Travel Retail business line consists of (i) increasing organic growth, by improving footfall and raising the average spend per customer; and (ii) pursuing business expansion in markets that are less capital intensive.

To this end, the Group intends to reinforce its holistic approach for customers on the move, which goes beyond simply providing catering services and offers a comprehensive range of products and services that enable the Group to increase footfall at its sites and grow revenue. It also plans to continue to create new proposals that combine several catering and retail offerings, to help travelers make the most of their time.

Taking advantage of its long-standing, solid relations with franchise networks, going forward Elior will continue to enter into franchise agreements with well-known brands with a view to attracting more people to its sites. Consequently, it has added a number of new urban brands to its portfolio, which are particularly attractive and meet the changing consumer behavior and demand of travelers, especially frequent travelers.

The Group also plans to reinforce its customer-centric focus through organizational structures as well as measurement and monitoring systems that help to ensure the customer experience is the overriding priority for all of its teams.

In France 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 its client 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 rest 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 forecast market recovery and the innovations put in place by Elior at Madrid Barajas airport and other Spanish airports should enable the Group to reignite its expansion in the airports sector.

In Germany, Italy and the United States, Elior intends to pursue its growth strategy in new target markets:

- In Germany, its positive experience with Tank & Rast and the positions it has built up are expected to help drive business development in the Motorways sector as well as in other sectors of the concession catering market.
- In the United States – where in less than 10 years the Group has developed a significant operating presence at several key airports and on major motorways – the plan is now to capitalize on the strong positions and reputation it has built up in order to win new contracts through bid processes that will be taking place in the near future, particularly in the Airports sector.
- Finally, in Italy, the Group plans to continue to take advantage of the changes in the regulatory and competitive environment that already enabled it to win market share in 2014.

Take advantage of the Group's new international scale and operating presence in numerous markets to pool the strengths of the various elements that make up the Concession Catering & Travel Retail 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 "multi-local" player. This means building up a local presence in each of its host countries while enabling local teams to benefit from its experience and international scale.

In line with its aim of taking advantage of 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 Europe. To that end it intends to forge strong partnerships with local players and focus on progressive growth in the country concerned.

Against this backdrop, the Group plans to draw on its tried and tested sales structures and use the best practices developed by all of its Concession Catering & Travel Retail subsidiaries, especially Elior, MyChef and Áreas.

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

The Group will be reinforcing its internal procedures in order to develop a more selective approach to invitations to tender and therefore enhance the quality of its 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 priority for the Group, 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.

1.6.3 THE GROUP'S COMPETITIVE STRENGTHS

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

1.6.3.1 An international leader in contracted food and support services, operating in growing markets with attractive fundamentals

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 such as Elior. 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 2013, the Group believes 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 two 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 THS. 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 sector, and (ii) its strong positions in the most attractive market segments of the contract catering industry. Based on 2012 revenue, the Group believes it is the second-leading operator in the Motorways concession catering market in the United States, and based on 2014 revenue, the fourth-leading operator in the Education and Healthcare sectors of the contract catering market.

Strong potential in Contract Catering & Support 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 €17 billion. In the United States, the addressable catering market is estimated at $75 billion, of which the outsourced market (in which THS operates) currently represents only $28 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 & Support Services markets in which the Group operates enjoys solid growth opportunities. For example, the Group believes that:

- Business & Industry will continue to be driven by structural outsourcing trends, both in the public and private sectors, particularly in countries where outsourcing rates are still low, such as Spain. In the private sector the Group believes that 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.
- The Healthcare market will continue to grow, notably due to general population aging, the market's still relatively low outsourcing rates, and the further development of value added sub-segments, such as delivery of meals to homes as part of post-hospital care services, or new services related to an expected trend towards higher-end offerings in elder care facilities.
- The support services business will continue to grow, driven by the combined effect of (i) an increase in outsourcing, as clients seek ways to reduce costs, and (ii) constraints related to an ever-stricter and more complex regulatory framework in this sector.

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 grad-

ual rise in motorway traffic and an increase in average spend per customer.

- 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.

1.6.3.2 A strong strategic fit between the Group's two business lines of Contract Catering & Support Services and Concession Catering & Travel Retail, offering numerous growth opportunities

The Group is built on two complementary pillars

The Group has two highly complementary business lines – Contract Catering & Support Services on the one hand and Concession Catering & Travel Retail 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 spend per customer, 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 & Leisure market, as illustrated in its contract with Center Parks.

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 supply 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 under multi-year contracts that offer financial and legal security for the concessionaire.

Lastly, all of the Group's businesses and markets are now benefiting from the increasingly powerful Elior brand name and are capitalizing on the reputation for quality and excellence the Group has built up over many years. The rapid success of the Elior Services brand – which has replaced the majority of the multiple brand names under which the Group previously operated in the support services business – is a prime illustration of the growing reputation of the Elior name.

Contract Catering, Support 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 & Support 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 2013 only around 24% 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 recently-signed 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 clients (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 rest areas in Florida and Maryland.

1.6.3.3 A resilient and attractive business model with a good level of visibility due to a loyal client 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 Contract Catering and Concession Catering.

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 53% of total consolidated revenue for the fiscal year ended September 30, 2014. One example of its extended geographic reach is the foothold the Group recently gained in the U.S. contract catering market through its acquisition of THS in April 2013.

Elior's business model is also strengthened by the fact that it has a wide and diverse client portfolio. In fiscal 2013-2014, its five largest contract catering clients accounted for approximately 6% of total revenue for the Contract Catering & Support Services business line. During the same period, its five largest Concession Catering contracts represented approximately 20% of total Concession Catering & Travel Retail 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 clients. 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 Contract Catering and Support Services are very high. For example the average retention rate for the past three fiscal years in the Contract Catering & Support Services business line was approximately 93% (calculated excluding the effect of the non-renewal of the Tesco contract in the United Kingdom). THS in the United States estimates it has a retention rate of 94%. One of the contributors to the high retention rate in France is the Elior Proximity loyalty program which offers bespoke solutions tailored to each client's needs. The Group has also demonstrated its ability to attract large international groups for its contract catering services thanks to the major bid won in early 2014 for EDF which covers sites in both France and the United Kingdom.

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 Elior's business model.

1.6.3.4 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, Elior's 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 client portfolio, and optimizing operating costs and capital expenditure projects. The final steps in an acquisition include integrating the acquiree's brands into the Elior 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.

1.6.3.5 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.

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 the Group 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 & Support Services and Concession Catering & Travel Retail 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 the Group 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 & Support Services.

The Group cost base mainly comprises purchases of food products and raw materials, personnel costs and overhead. In each of the countries where the Group 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. The Group 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.

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

The Group's management teams include a large number of former leaders of the companies it has acquired, who have chosen to stay with it in order to participate in its expansion. 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.

1.6.4 THE GROUP'S MAIN OPERATING MARKETS AND COMPETITIVE ENVIRONMENT

1.6.4.1 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 €17 billion in 2012 compared with around €15 billion in 2006 (data source: GIRA). France, the United Kingdom, Italy and Spain together account for some 70% 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 has maintained a steady pace of growth, estimated at an annual rate of 2.2% from 2006 to 2012 (data source: GIRA).

The U.S. outsourced catering market –which the Group entered more recently through its acquisition of THS – was worth approximately €22 billion in 2011 (excluding the defense and corrections sectors), representing around 42% of the overall in-house and outsourced catering market (data source: THS/Technomic).

a) 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 sector of the Business & Industry market in 2013. The Business & Industry market also includes clients in the defense and corrections sectors. In Europe, the Group estimates that in 2012 the Business & Industry market represented approximately 46% 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 2011 the Business & Industry market, excluding the defense and corrections sectors, generated approximately 35% of the country's aggregate outsourced catering sales, and that catering for the defense and corrections sectors represented approximately 3% of total U.S. outsourced catering sales (data source: THS/Technomic).

b) 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 represented 53% and the private sector 47% of the overall revenue generated in the outsourced sector of the Education market in 2013. In Europe, the Group estimates that in 2012 the Education market generated approximately 27% 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 2011 the Education market generated approximately 40% of the country's aggregate outsourced catering sales (data source: THS/Technomic).

c) Healthcare

On the basis of research carried out by external agencies at the Group's request, the Group estimates that in France the healthcare sector represented 11.5% and the social care sector 16% of the total revenue generated in the outsourced catering market in 2013. Meals are generally prepared on-site by contract caterers or, less commonly, off-site at central kitchens. In Europe, the Group estimates that in 2012 the Healthcare market generated approximately 27% 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 2011 the Healthcare market generated approximately 22% of the country's aggregate outsourced catering sales (data source: THS/Technomic).

1.6.4.1.1 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 2013, representing some 38% of the country's overall in-house and outsourced catering market, which the Group estimates was worth approximately €17.5 billion in 2013. As a whole, the Group considers that the outsourced catering market has experienced sustained growth in recent years as it represented €5 billion in 2006. 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 2.7% and 3.2% from 2012 to 2018, with the average annual growth rate for the Business & Industry market amounting to between 2.0% and 2.5% over the same period. The French Business & Industry market is well developed, with approximately 82% of sales outsourced in 2013 and an outsourced sector worth around €2.6 billion. The outsourcing rate in the defense sector increased sharply from 6% to 24% between 2006 and 2013. However, the Group believes that outsourcing rates in the French Education and Healthcare markets are still low (30% and 32% respectively in 2013). The outsourced sectors of the Education and Healthcare markets were worth €1.7 billion and €2.1 billion respectively in 2013. 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 2012 to 2018 will be between 2.7% and 3.2% for the Education market and between 3.7% and 4.2% for the Healthcare market.

b) Spain

The Group estimates that the Spanish outsourced catering market was worth approximately €1.8 billion in 2012, representing some 46% of the overall in-house and outsourced catering market, which the Group estimates was worth approximately €4 billion in 2012. Despite the severe economic downturn in Spain since 2008, the overall catering market has remained robust and between 2008 and 2012 the Group estimates that sales in the Spanish in-house and outsourced catering market grew at an annual rate of approximately 1.4%. 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 between 2.0% and 2.5% from 2012 to 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. Outsourced catering rates in Spain are 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 2013, representing some 63% of the overall in-house and outsourced catering market, which the Group estimates was worth approximately €6.6 billion in 2013. The Group estimates that growth in sales in the Italian contract catering market has maintained a steady course despite the recession, coming in at an annual rate of approximately 0.7% between 2008 and 2011. 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 between 2.5% and 3.0% from 2012 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 2013. The Group believes that a distinguishing characteristic of the Italian catering market is that while there are high levels of outsourcing in workplaces (approximately 76% 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 2013.

d) United Kingdom

The Group estimates that the outsourced catering market in the United Kingdom was worth approximately £4 billion in 2012, representing around 50% 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 2.1% between 2006 and 2012. 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 88%. However outsourcing is still less developed in Education (with an approximate 33% outsourcing rate) and Healthcare (with an approximate 31% outsourcing rate), which represents growth opportunities for the Group.

e) United States

The Group estimates that the U.S. outsourced catering market, excluding defence and corrections, was worth approximately €22 billion in 2011, representing 42% of the country's overall in-house and outsourced catering market. On the basis of in-house research carried out by the Group, the Group estimates that the U.S. outsourced catering market will grow at an annual average rate of between 3.5% and 4.0% from 2011 to 2016. 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 77%, 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 10% outsourcing rate).

1.6.4.1.2 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 2013 (including the impact of its acquisition of Ansamble in 2012). The Group believes the French market is relatively consolidated, with the top three contract caterers accounting for approximately 76% 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 31.5%, the Group believes it is the leader in the Business & Industry market in France. On the basis of research carried out by external agencies at the Group's request, the Group believes that it is also the leader in the defense market (which still has a relatively low outsourcing rate), with a market share of around 30%. The Group is also the leader in the Education market, with market share of approximately 33% in 2013. The Group believes it is the second-leading player in the Healthcare market, with around 36.5% market share.

b) Spain

The Group believes that it is the leading contract caterer in Spain based on 2012 revenue, with an estimated 21% market share (including the pro forma impact of its acquisition of Alessa in 2012). The Group considers that the Spanish contract catering market is still fragmented, with the top three contract caterers accounting for approximately 46% 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 2011 revenue, with an estimated 15% market share (including the pro forma impact of its acquisition of Gemeaz in 2012). The Italian contract catering market is still fragmented and the Group estimates that the top three contract caterers in Italy accounted for approximately 34% of outsourced catering sales in 2013. 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 2013, 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 0.3% between 2012 and 2018.

d) United Kingdom

The Group believes that it is the fifth-leading contract caterer in the United Kingdom based on 2012 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 50% 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. The Group 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 fifth-leading contract caterer in the United States based on 2012 revenue, with an estimated 1.5% market share (including the pro forma impact of acquisitions carried out by THS in 2012). The U.S. contract catering market is largely concentrated, with the top three contract caterers accounting for over 70% of outsourced catering sales in 2011. 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 Avi Foodsystems and from many local catering companies.

1.6.4.1.3 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. The Group 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, significant fragmentation persists in Italy, Spain and the United Kingdom (particularly in the Education market). 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.

1.6.4.2 Support 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.

1.6.4.2.1 Principal Geographic Market

France is the Group's principal geographic market for its Support 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). The Group 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 2012 to 2018 is expected to be between 2.0% and 2.5%.

1.6.4.2.2 Competitive Environment

The Group believes the French cleaning services market is highly fragmented. According to market research, based on 2011 revenue, the eight leading contract cleaning companies account for approximately 35% of the outsourced cleaning services market in France.

The Group believes it is the sixth-leading cleaning services provider in France based on 2011 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 it is the main provider of outsourced cleaning services in the French Healthcare market, with an estimated market share of around 22.5% based on 2011 revenue. The Group's main competitors in the cleaning services market are Onet, Samsic, Atalian, GSF and ISS. All of these companies are large entities with dense client networks and, apart from GSF, offer an array of other support services besides cleaning.

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

1.6.4.2.3 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 clients.

b) Market Concentration

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

d) Professionalization of the Outsourced Support Services Industry

Historically, support 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.

1.6.4.3 Concession Catering

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

City sites consist mainly of intercity 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 rest 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 and leisure concession catering markets are France and Spain.

1.6.4.3.1 Market Size

a) Airports

France

The Group estimates that revenue generated by the French airport concession catering market grew at an annual rate of 3.3% between 2008 and 2013, from approximately €245 million in 2008 to around €277 million in 2012 and €287 million in 2013. The Group believes this was due to the combined effect of an increase in passenger volumes and higher average spend per customer. 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 between 3.0% and 3.5% between 2012 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 13.8% between 2006 and 2011, 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 spend per customer. 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) that was compounded by a sharp contraction in the average spend per customer. The Group estimates that revenue for the Spanish airport concession catering market as a whole increased from €245 million in 2005 to approximately €283 million in 2012. On the basis of research carried out by external agencies at the Group's request, the Group estimates the Spanish airport concession catering market will grow at an annual average rate of between 2.0% and 2.5% from 2012 to 2018.

The United States

The Group believes that the U.S. airport concession catering market has maintained growth despite the challenging economic conditions experienced since 2008. The Group estimates that between 2006 and 2011, overall revenue generated by the U.S. airport concession catering market increased at an annual rate of 2.7%, from approximately €4.2 billion in 2006 to around €4.8 billion in 2011 (data source: Áreas/ARN Fact book). On the basis of research carried out by external agencies at the Group's request, the Group estimates that the American airport concession catering market will grow at an annual average rate of between 5.0% and 5.5% from 2012 to 2018.

b) Motorways

France

The Group believes that the French motorway concession catering market has been able to maintain growth over the past few years despite the challenging economic environment, with overall revenue increasing at an estimated annual rate of more than 2% from 2008 to 2012, from approximately €403 million in 2008 to around €431 million in 2012, but falling back to €415 million in 2013. 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 between 0.8% and 1.3% from 2012 to 2018.

Italy

The Group estimates that the Italian motorway concession catering market experienced growth at an annual rate of 3.3% between 2006 and 2011, with overall revenue increasing from approximately €687 million in 2006 to €802 million in 2011. However, the market experienced difficulties in 2012 due to poor economic conditions. The Group estimates that revenue fell 15% in 2012 compared with 2011 due to sharp decreases in both traveler volumes and average spend per customer, and in 2013 it totaled €680.5 million.

Spain

Since 2007, the Spanish motorway concession catering market has contracted due to unfavorable economic conditions. The Group estimates that in 2012, revenue generated by the overall Spanish motorway concession catering market represented €175 million. Revenue remained more or less stable between 2005 and 2012 as a whole despite a 3.4% contraction between 2008 and 2012 due to a decrease in traveler volumes and lower average spend per customer. Based on its own estimations, the Group considers the Spanish motorway concession catering market could grow at an average annual rate of between 0.8% and 1.3%.

The United States

The Group estimates that the U.S. motorway concession catering market has grown modestly over recent years, with an increase in overall revenue at an annual rate of 1.0% between 2008 and 2012. The Group believes that the motorways concession market in the United States was worth around €500 million in 2011 and that it should continue to grow in the future. For example, the Group estimates that the market value represented by the points of sale and restaurants on the Florida Turnpike will rise at an annual average rate of between 3.5% and 4.0% from 2012 to 2018.

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. The Group estimates that revenue generated by food and beverage concessions at railway stations in France increased at an annual rate of 2.6% from 2008 to 2012, from approximately €296 million in 2008 to around €327 million in 2012 and €332 million in 2013. 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 spend per customer, caused largely by a shift in concession offerings toward fast food and takeaway sites that offer lower-cost meals. At the same time, revenue generated by food and beverage concessions at vacation villages increased from approximately €208 million in 2006 to around €281 million in 2012. The leisure market, including leisure parks, camp sites and vacation villages, was worth an overall €1,339.4 million in 2012. 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 between 1.3% and 1.8% for French railway stations from 2012 to 2018 and at an annual average rate of approximately 5% for vacation villages over the same period.

Spain

Out of the key sectors of the Spanish concession catering market, railway concessions were the least impacted by the country's difficult economic conditions, with revenue rising to around €50 million in 2012 from approximately €45 million in 2005. This was partly due to the fact that rail travel experienced a lower decline than other means of travel in Spain over the same period, mainly due to the expansion of high-speed rail links, with an overall 2.2% decrease in passenger volumes per year between 2008 and 2012 but an increase of 2.7% per year from 2010 to 2012. On the basis of research carried out by external agencies at the Group's request, the Group estimates that the Spanish railway stations, city sites & leisure market will increase at an annual average rate of between 1.5% and 2.0% from 2012 to 2018.

1.6.4.3.2 Competitive Environment

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

France

The Group believes that it is the leading concession catering operator in France based on 2013 revenue, with an estimated market share of approximately 59% in the French airports sector, around 46% in the French motorways sector and approximately 33% in the French railway station concession catering market. The Group believes that the overall French market is highly concentrated, with the top three concession operators in airports, motorways and railway stations accounting for an estimated 94%, 90% and 94% 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.

Spain

In Spain, the Group operates in 18 airports and 47 motorways rest areas. The Group estimates that it is the leading concession catering operator in Spain based on 2011 revenue, with approximate market share of 54% in airport concessions, 37% in motorway concessions and 27% in railway station concessions. The Spanish market is highly concentrated. Based on its own estimates, the Group believes that in the Spanish airports and motorways markets, the top two players accounted for approximately 73% and 66% of total revenue in 2011, respectively. However, the Group estimates that the Spanish railway station concession catering market is less concentrated, with the top two market participants accounting for an estimated 41% of total revenue in 2011. The Group's main competitors are Eat Out (airports and railway stations), SSP (airports), Autogrill (railway stations and motorways), and Cafestore (motorways).

Italy

The Italian motorway concession catering market is highly concentrated, with Autogrill holding an estimated 65% market share. 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 second-leading operator of food and beverage concessions in Italy based on 2013 revenue, with an estimated 20% 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 fifth-leading player in food and beverage concessions in Italy based on 2013 revenue, with an estimated market share of 3.7%.

The 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 market, and number two in motorways.

1.6.4.3.3 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, because of their experience in running concessions in a responsible manner that will not cause reputational harm to a brand.

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 sales. Because the concession industry is closely linked to business and personal travel, it is particularly sensitive to swings in businesses' and consumers' confidence and their ability and willingness to spend. In poor economic conditions, concession 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 nearly 2% 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.

1.6.5 LAWS AND REGULATIONS APPLICABLE TO THE GROUP

The Group is subject to various laws and regulations administered 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 across each of its business segments and countries.

1.6.5.1 Food Regulations

Food safety is an integral part 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 catering 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.

a) Food Safety and Hygiene

European Union

Food safety and hygiene regulations and directives promulgated by the E.U. have an impact on the Group's contract catering and concession catering operations because it conducts a significant amount of business in E.U. member states. The main food safety regulator at E.U. level is the European Food Safety Authority (the "EFSA"), which was established in 2002 by Regulation EC/178/2002 (the "General Food Law"). 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 and requirements of food safety legislation to be transposed into national law by all member states of the E.U. In this way, certain minimum legal standards are set and a unified procedural framework is established for matters of food safety across the E.U. In particular, the General Food Law requires food business operators to ensure that businesses under their control satisfy 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.

The Group is also subject to specific European food hygiene legislation under E.U. Regulation EC/852/2004 of April 29, 2004 on the hygiene of foodstuffs, which applies to all food businesses (including caterers, primary producers, manufacturers, distributors and retailers), and to E.U Regulation EC/853/2004 of April 29, 2004 laying down specific hygiene rules for food of animal origin (together, the "E.U. Hygiene Regulations"). The E.U. Hygiene Regulations require, among other things, that the Group obtain and maintain hazard analysis and critical control points ("HACCP") certification, and provide training to employees on HACCP principles. HACCP is a systematic preventive approach used in the food industry to identify potential food safety hazards, so that key actions (known as critical control points) may be taken to reduce or eliminate risks, while considering all key aspects of product manufacturing, from the safety of the raw materials, to process validation (e.g., cooking and washing), to shelf life and finally end-consumer usage. In addition, the E.U. Hygiene Regulations include more stringent requirements for food products of animal origin, such as meat, fish and dairy products, and food 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.

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 promulgates national level regulations concerning, among other subjects, catering in private and public cafeterias; hygiene rules applicable to the retailing, storage and transport of animal products and food containing such products; technical and hygiene conditions applicable to the transportation of foodstuffs; and licensing of establishments that sell animal products or food containing such products. In addition, French food safety regulations require each establishment that sells animal products or food containing such products to obtain an official authorization. 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.

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 set forth 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*).

Spain

In Spain, the main food safety regulator is the Food Safety and Nutrition Agency (*Agencia española de seguridad alimentaria y nutrición*, or the "AESAN"). The Group is subject to food safety regulations promulgated and enforced by the AESAN at national level, such as the General Health Act 14/1986, the Defense of Consumers and Users 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.

United Kingdom

The main food safety regulator in the United Kingdom is the Food Standards Agency (the "FSA"). The FSA is responsible for food safety and food hygiene across the United Kingdom. It works with local authorities to enforce food safety regulations and inspects 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 Food Safety Act 1990 (as amended) and the General Food Regulations 2004, which provide for enforcement of certain provisions of the General Food Law and amends the Food Safety Act 1990 to bring it in line with the E.U. General Food Law.

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 quarterly audits of all locations and provide independent certified food safety training to managers, as well as engaging a national independent company to perform pest control prevention and inspection services.

b) Food Labeling

Pre-packaged 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.

E.U. Regulation 1169/2011 of October 25, 2011 consolidated and updated existing legislation on the provision of food information to consumers, and introduced key changes which have been effective since December 2014, such as mandatory nutrition information on processed foods and amendments to the nutrition labeling format. Additional provisions regarding allergen labeling for hot beverages may apply to certain of the Group's operations.

In recent years, a number of national and local authorities have begun introducing regulations and requirements motivated by concerns regarding nutrition and environmental sustainability. These measures have included, among others, greater emphasis on food labeling and nutrition information, requirements to utilize recyclable packaging materials, and additional taxes on food and beverage items with high sugar content. For example, specific French legislation (Decree no. 2002-1465 of December 17, 2002) regulates the labeling of beef in catering establishments. Further, the Group's operations in the French Education sector are subject to specific legislation concerning the nutritional quality of meals served in schools (Decree 2011-1227 of September 30, 2011). Accordingly, the Group must comply with compulsory rules for meal composition in all its public and private school catering operations in accordance with the *Programme National Nutrition Santé* (French National Nutrition and Health Program) and the recommendations issued by the *Groupe d'étude des marchés de restauration collective et de nutrition* (French Working Group on Institutional Foodservice Contracts and Nutrition).

c) Other Food Service-Related Regulations

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.

1.6.5.2. 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, 2014, comprised approximately 106,000 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.

a) 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.

b) 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 support services, it is subject to several different CBAs. As the terms of CBAs 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 these 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.

c) Part-Time and Temporary Work

At September 30, 2014, 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 to be 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 re-classify 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.

d) Employee Representation

• 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.

• 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.

• 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 5,000 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 at 10,000 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. This obligation does not, however, apply if the company is not required to have a works council. As Elior S.A. is a holding company and is not required to have a works council, it does not fulfil the conditions in Article L. 225-27-1 of the French Commercial Code and therefore its Board of Directors does not include any members who represent employees.

For companies whose shares are traded on a regulated market, if at the close of the last fiscal year the employee profit-sharing plan represents 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.

e) 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) or the U.S. Occupational Safety and Health Agency.

1.7 ELIOR ON THE STOCK MARKET

1.7.1 FINANCIAL COMMUNICATIONS AND SHAREHOLDER RELATIONS

1.7.1.1 Preparation of Financial Communications

The Chief Executive Officer and 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.

1.7.1.2 Financial Communications Policy

The Chief Executive Officer and 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 directors, corporate officers 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 directors, corporate officers 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.

1.7.1.3 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 December 11, 2014 Elior's Chief Executive Officer and Chief Financial Officer held a conference call during which they presented the Group's performance in fiscal 2013-2014 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 Shareholders' 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 Shareholders' Meeting pack is available on the Elior website at least 21 days before the Meeting takes place and is sent to shareholders on request.

1.7.1.4 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 2014-2015**

December 11, 2014	Release of full-year FY 2013-2014 results
February 13, 2015	Release of 1st quarter FY 2014-2015 revenue figures
March 10, 2015	2015 Annual Shareholders' Meeting
March 10, 2015	Release of 1st quarter FY 2014-2015 results
May 29, 2015	Release of 1st half FY 2014-2015 results
August 5, 2015	Release of 3rd quarter FY 2014-2015 revenue figures
September 1, 2015	Release of 3rd quarter FY 2014-2015 results
December 11, 2015	Release of full-year FY 2014-2015 results

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

• **Head of Investor Relations**
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• **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)

1.7.2 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. At December 31, 2014, Elior's closing share price was €12.30, representing a 16.6% decrease excluding the dividend. At the same date, the Company's market capitalization was €2.02 billion

• **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

(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.elior.com

• **Per-share data**

	October 1, 2013 – September 30, 2014
Weighted average number of shares at the date of the French *Document de Référence* (in millions)	127.3
Profit for the period attributable to owners of the parent (in € millions)	47.8
Earnings per share (in €)	0.38
Net dividend per share (in €)[1]	0.20

(1) Subject to approval at the Annual Shareholders' Meeting of March 10, 2015

At the Annual Shareholders' Meeting to be held on March 10, 2015 the Board will recommend the payment of a cash dividend of €0.20 per share.

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2

CORPORATE SOCIAL RESPONSIBILITY

2. CORPORATE SOCIAL RESPONSIBILITY

2.1 CONTEXT AND OVERALL OBJECTIVES

2.1.1 ELIOR'S CSR STRATEGY AND PRIORITIES

Ever since the Group was founded, Elior'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 clients 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 and our clients. 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 clients and 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 Elior's operations, with four principal priorities:

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

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 (clients 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 clients, 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

Elior 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 our customers' needs and expectations.

Our suppliers, clients 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 re-using the waste produced at our sites;
- being constantly attuned to the needs of our clients 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.

The Group intends to carry out a consultation process with its stakeholders in 2015 for the purpose of performing a materiality analysis based on standard methodologies in order to rank the CSR issues that are most relevant to the Group in view of its business activities.

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 client 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 Board of Directors' Strategy and CSR Committee is responsible for approving the Group's principal CSR objectives and monitors that appropriate action plans are set up within the operating entities.

A dedicated team reporting to the Group Human Resources and CSR Department oversees the practical application of the Group's overall CSR approach. This team leads a network of specialist sustainable development correspondents who help draw up and coordinate Elior's 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.

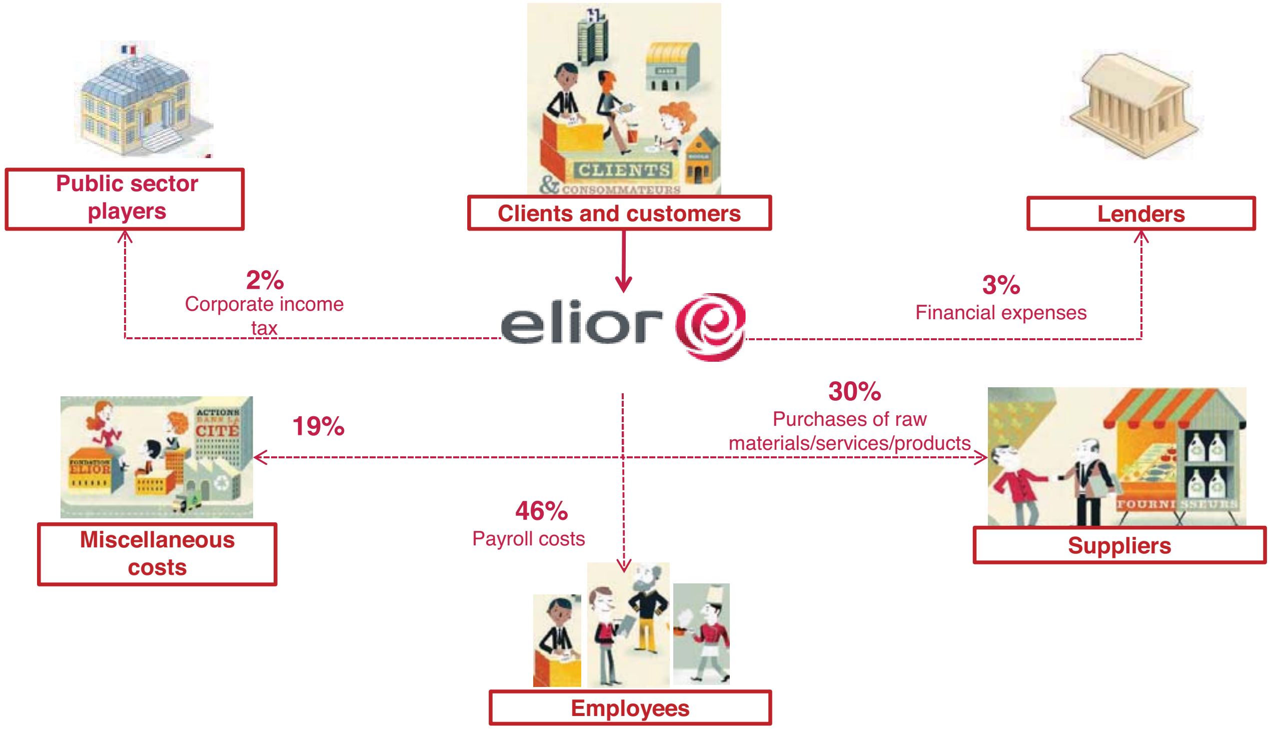
All of the Group's HR teams – and particularly the Head of Sustainable Development and Head of Diversity – play a role in ensuring that the CSR strategy is applied consistently across the Group and that synergies are achieved between the subsidiaries.

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 clients, 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 acting as a regulatory watchdog and drafting environmental procedures to be applied at all sites (restaurants, central kitchens, motorway rest areas etc.).

2.2.2 FLOWCHART OF STAKEHOLDERS AND SHARED VALUE

The Group's €5,340 million in revenue for fiscal 2013-2014 was derived from resources contributed by its clients and 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.



2.3 A RESPONSIBLE COMPANY

As a group operating in the contracted food and support 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 2013-2014, 85.5% 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 clients and 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 Elior's European sites apply the HACCP (Hazard Analysis Critical Control Point) method of identifying, analyzing and controlling risks, based on HACCP manuals. These manuals constitute veritable knowledge bases as they contain Elior'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). 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, Elior Services has set up mobile teams of food hygiene specialists 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 client needs.

All of Elior's 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 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. In the event of a food safety crisis, the Scientific Committee can be called into action on an emergency basis.

In 2013-2014 a total of 18,512 hygiene audits were performed at Elior sites and 111,493 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, we verify suppliers' compliance on a point-by-point basis (using between 100 and 200 criteria) and a written report is drawn up after each audit setting out a progress plan for the supplier, the results of which are assessed during the following audit.

In 2013-2014, 324 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 client sites are supplied with detergents that do not contain any substances classified as CMR (carcinogenic, mutagenic or toxic for reproduction).

Focus on Serunión – A responsible enterprise award:

In 2013, the Federación Española de Hostelería (FEHR – the Spanish Catering and Hospitality Industry Federation) named Serunión as the "Leading Food Safety Company" at its national awards ceremony. The award was given in recognition of the company's rigorous product selection procedures, strict quality controls, and its approach to CSR.

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 our clients 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 dieticians and nutritionists on developing balanced menus tailored to each different customer profile. For example, under the new "Balance" format rolled out by Elior Restauration Entreprises in France in 2014, a "Balanced Menu" is offered, which is devised based on our dieticians' 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 2013-2014, 71% of the Group's revenue was generated in markets that have put in place ambitious nutritional strategies.

At Elior, 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 client sites. In Spain, Serunión provides its kitchen and serving staff with training on gluten intolerance, designed in conjunction with the nutrition research center at the University of Navarra.

Additionally, the Group applies very strict rules about the sourcing of its food products. For example, we have prohibited the use of GM-labelled 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.

In the Healthcare market, we work alongside specialists (both individuals and prestigious organizations) in order to create innovative catering solutions that are compatible with pathologies which affect people's ability to absorb nutrients. For example, in France we teamed up with the Centre de Recherche et d'Etudes pour l'Alimentation in 2012 for the design of our *Bouchées Saveurs* concept, as well as with the famous geriatrician Professor Claude Jeandel, and in Spain we have formed an alliance with the University of Navarra. 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.

2.3.2.2 Providing Customers with Educational Information about Food and Nutrition

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.

For example, in the Healthcare market, in 2013 Elior Restauration Santé opened a health and nutrition call center for its clients (medical, para-medical and care staff), as well as for patients and their families. The call center's underlying aim is to provide nutritional information and recommendations and to answer questions about specific food issues, such as diets and allergies, nutritional regulations and menu planning. In France, we have built up in-depth nutritional expertise, which helps healthcare teams and dieticians effectively advise their patients. Every month we issue a video in which a medical expert presents the latest discoveries in areas such as controlling cholesterol, the interaction between food and medication, diabetes, vitamin D, prebiotics and probiotics, red meat and colon cancer.

In the Education market, 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. For instance 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. These include "*Le Restaurant des Tout-Petits*", a self-service concept for French nursery schools that promotes seasonal produce and is designed to give children a more active role in their meal times, and "*La Table des Curieux*", through which children are shown a different food family each week on a special display table and are taught in a fun way about the seasonal aspects of food.

PRIX NUTRIDOR 2013

In France, the scientific committee for the 2013 Dietecom trade fair awarded Elior Restauration Santé the *Nutridor* prize for the quality of its communications on health and nutrition.

2.3.3 WE PARTNER OUR CLIENTS OVER THE LONG TERM

Ensuring the satisfaction of our clients and 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 Client Needs to Deliver a Quality Service

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

A prime illustration of our commitment to client 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 pro-active in our role of partnering and advising our clients.

ELIOR PROXIMITY

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 client, structured around the client's needs and situation, having analyzed and discussed these together. Throughout the course of our work with a client (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 clients' 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 clients can use our monitoring and alert system and we help them manage any crisis situations that may actually arise.

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 rest areas, with the overall objective of making them warm and friendly places where visitors can feel happy and relaxed.

In 2013-2014, a total of 2,131 restaurants and points of sale were subject to at least one customer satisfaction survey in the Contract Catering business.

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 Elior Concessions' operations in France, the Marketing Department has introduced a closely tracked quality policy which incorporates "mystery visit" on-site audits carried out by an independent firm. There are four rounds of these visits a year and they cover all of Elior Concessions' points of sale (at railway stations, airports, museums, city sites, exhibition centers and motorway rest areas). They are used by Elior Concessions as a means for measuring and monitoring its quality commitments and they enable the company to check that its 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 experience. A cross-evaluation is also carried out enabling the service to be scored based on two main 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 visits, Elior Concessions' Marketing Department uses two other methods to raise the awareness of its operations teams about service quality issues – a "quality challenge", which rewards employees who obtain an overall score of 100 following the mystery visit audits, and a "quality contest" which rewards all of the employees from the three points of sale that obtained the best average scores in the four audit rounds carried out each year.

At our motorway rest areas, we adapt our continuous improvement process to clients' 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 rest area on the A6 motorway in France, located 213 km south of Paris, which offers a radically new design approach to motorway rest 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 2014, the Level II Ecocert "En cuisine" certification was awarded to Elior's central kitchen in Roanne, France, which is run in partnership with the town's municipality. The certification was obtained on account of Elior's expertise in "homemade" food, its use of organic and local produce and the measures it has put in place to reduce food waste.

We are also committed to innovation in our support services business, as demonstrated in the special paper sorting and recycling offering developed by Elior Services for its clients called Valogic, 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 1,000 Elior sites worldwide. 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 at Elior Concessions France, which give all of the company'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, Elior'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 seek to limit our environmental impact by rigorously selecting the products we use.

a) 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. 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, and 50% of our suppliers are agricultural co-operatives and local organic associations. In our contract catering operations in Italy, 50% of the tomatoes and carrots we use are organic, as well as 39% of the olive oil.

Along with responsible farming, local sourcing has also become an increasingly important criterion for our clients 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, which has resulted in us listing 135 fruit and vegetable product references that are supplied locally throughout France and whose availability is seasonal. Our approved product list in France also includes 85 fruit and vegetable references that are both organic and local, thus meeting both of the responsible purchasing criteria sought by our clients. Also in France, through our partnership with Vivrao – a consulting firm that specializes in the supply of organic food for the contract catering industry – we have regularly launched new programs for sourcing from local producers. One example is the "*Tous Fan de Carottes*" operation in early 2012, through which 35 tonnes of locally-produced organic carrots were distributed in 700 school canteens in the Greater Paris region.

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 2013-2014, the Group had 2,582 organic product references.

b) 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), and the Group's Scientific Committee has drawn up a guide in conjunction with a fishery resources expert that lists endangered fish species and is distributed to restaurant managers. Similarly, in the United Kingdom we only serve fish that is on the Marine Conservation Society's "fish to eat" list.

In 2014 Elior was the first contract caterer to commit to purchasing Artysanal®-certified fish. Artysanal® is an international responsible fishing label that supports small-scale fisheries, coastal fishing and fair remuneration for artisan fish workers, and also ensures product traceability. Artysanal® gives our chefs a responsible supply alternative in order to help combat overfishing and safeguard artisanal fisheries. During the 2014 Sustainable Development Week in France, Elior Entreprises cooked and served 6 tonnes of Artysanal®-certified cod in 220 restaurants.

c) 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 rest areas, and we take particular care to share best practices, such as the water-saving awareness-raising measures implemented at ISO 14001-certified sites. Likewise, we 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.

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 rest areas, such as La Chaponne in France which is HQE®-certified, and the Pompano Service Plaza in the United States, which was renovated by Áreas 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 natural light, indigenous plants that require little water, and structures made of recyclable materials. At the same time as seeking to reduce our own consumption of natural resources we partner our clients in projects aimed at achieving the same objective. For instance, Arpège helps its clients obtain and/or renew environmental certifications (such as HQE®) thought its teams' involvement that its teams are involved in the clients' environmental data compilation and reporting processes.

2.3.4.2 Reducing Discharges into the Environment

In order to reduce its ecological footprint, Elior acts both upstream – by rigorously selecting products – and downstream, by limiting its waste production, greenhouse gas emissions, and other potentially polluting discharges.

a) 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 Elior works actively with its suppliers on seeking ways of reducing the use of packaging.

> Elior's waste management efforts were rewarded at the R'Awards on December 5, 2013 where Elior Restauration Enseignement & Santé won the Grand Prix for its eco-design of biodegradable food containers that are 90% made from biodegradable wood cellulose fibers. The containers are rendered airtight by a recyclable plastic film that is easily removable and food-contact safe. In 2014, in the Education and Healthcare markets the Group used 3.5 million of these containers to serve over 7 million meals.

Combating food waste is another of the Group's major objectives. Through the "*Chasse au Gaspi*" ("Stop wastage") campaign that we have used in the Education market for several years now 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.

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. Consequently, 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 canteen 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. Furthermore, 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 Elior's logistics service provider once they have been converted into bio-fuel.

In 2013-2014, 83.4% 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 1.5 tonnes of used ink cartridges and toners were collected in France in 2013-2014 with our partner Conibi.

b) Reducing Pollutant Emissions

At Elior we work hard to mitigate environmental risks and prevent pollution related to our operations, notably by reducing the emissions we discharge into the air, water and soil through our operations.

In line with this, 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 support services businesses – each site manager can identify the main sources of GHG emissions and can partner clients 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 the Group's sites.

As a result of all of these initiatives, we have now identified the main sources of our GHG emissions in our different businesses and have rolled out measures to reduce their impacts. These actions were stepped up in 2013 when we were awarded a "Bilan Carbone® Service Provider" license by the Bilan Carbone Association.

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 130 g CO_2/km) and optimizing the delivery loads and rounds of these vehicles.

In 2013-2014, 56.2% of Elior'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, Elior Concessions is gradually replacing detergents by electrolyzed water for cleaning surfaces and rest rooms. This ecological process is already in use at the Francheville rest area on the A10 motorway in France. Elior Concessions also operates 27 water purification plants at motorway rest areas, all of which comply with the applicable laws related to water treatment.

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 clients, 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 promoting 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.

2.4.1 WE ARE COMMITTED TO EQUAL OPPORTUNITIES

2.4.1.1 Giving Everyone the Possibility of Joining the Group

Being a committed employer means giving opportunities to everyone and ensuring that the teams we recruit reflect the diversity of the countries in which we operate. Our combat against discrimination takes the form of different policies and procedures implemented in our various host countries. For example, in France Elior has signed the Corporate Diversity Charter, in Italy Elior Ristorazione has been awarded SA 8000 certification, and in the United Kingdom Elior UK has an Equality, Diversity and Inclusion policy statement that is given to all new employees when they are hired. In Mexico, Chile and the Dominican Republic, Áreas has put in place a Code of Conduct and an alert system in order to combat the risk of discrimination. And in Spain, in October 2014 Áreas launched an Equality Plan, negotiated with the company's unions with a view to ensuring equal treatment for all employees.

A description is provided below of a number of the measures and initiatives taken within the Group to ensure that equal opportunities are respected.

• Use of simulation-based recruitment in France

When we open new sites in France, we use a simulation-based recruitment method for restaurant staff and assistant managers, which enables us to assess candidates' on-the-job abilities and skills. Thanks to this non-discriminatory and "no resume" recruitment method the assessment can be made irrespective of the candidates' qualifications and previous experience. In 2014, the method was used to recruit 60 new employees to provide catering services for the secondary schools in the Hauts-de-Seine region.

• Elior UK's "Expect Respect" training program

Elior UK deals with diversity and inclusion issues in the "Expect Respect" training program that is followed by each new employee. The program's aim is to inform employees of their rights and obligations concerning the prevention of discrimination and workplace harassment.

• An Ethics Committee created in Italy

MyChef's employees can signal any cases of discrimination by writing to a specific e-mail address managed by an independent external Ethics Committee. Information campaigns are also organized on the issue of discrimination.

• Company-level collective agreements in France for the Concession Catering business

In the Concession Catering business in France a number of different company-level collective agreements concerning equal opportunities have been signed between management and the unions. Additionally, managers in this business receive training given by an external organization in order to raise their awareness of the risks of discrimination when leading their teams. Over 350 managers have already followed this training course.

2.4.1.2 Employing Apprentices

The Group pro-actively promotes apprenticeship and work-study programs and in 2013 we took on 1,043 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 Elior to recruit trained employees who have chosen to make a career in the catering and support services industry and to transfer expertise to them.

Below is a description of just some of the initiatives undertaken in France to structure our policy for promoting apprenticeship and encouraging young people to join the Group.

• The Apprenticeship Charter

In 2005, Elior demonstrated its stated commitment to promoting apprenticeship within the Group by signing up to France's Apprenticeship Charter. In so doing it clearly illustrated its determination to attract young people to the Group, pass on its expertise to them and develop their employability.

• "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 2014, 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 750 Group managers in order to promote the students' job candidatures. In 2013, this initiative resulted in us being able to take on at least half of the students who expressed a wish to stay with Elior.

• 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 Elior now has a presence in some 70 catering and hospitality colleges, universities and non-profit organizations where young people are trained in the skills required for the catering and hospitality trade.

We have also put in place measures to promote apprenticeship in countries other than France. For example, in Italy Elior Ristorazione takes on work-study placement students from the country's main catering and hotel management schools as well as from vocational training institutes (CAPAC).

2.4.1.3 Breaking Down Barriers to Employment

a) Employment Policy for Unemployed and Disadvantaged People

In France, we work in close collaboration with the public employment services, training organizations and associations that help find work for unemployed and disadvantaged people.

In particular, as part of our public service contracts a number of working hours are reserved for people in "back-to-work" programs. Under these programs, by working at Elior people can gradually re-learn professional skills.

We also work with over 60 specialized temporary work agencies in France which provide specific social and professional assistance and advice to long-term jobseekers.

Also in France, Elior is one of 450 corporate supporters of the "*100 chances, 100 emplois*" charitable program whose aim is to create a network to find sustainable employment solutions for young people from disadvantaged backgrounds. L'Alsacienne de Restauration (an Elior subsidiary) is in charge of overseeing the program for the Alsace area, in partnership with the association IMS – Entreprendre pour la cité.

In Spain, Áreas joined forces with the Deixalles Foundation (an assistance-through-work organization) to hire and train around forty people from disadvantaged backgrounds when it opened its new points of sale at Palma de Mallorca airport. Áreas also entered into a partnership with the Formacio I Treball foundation to create the restaurant at the "D'INS" school in Sant Adrià de Besòs in Catalonia. D'INS offers training and placements in the hotel and catering trade for young people struggling to find employment.

b) Employment Policy for People with Disabilities

With around 3,000 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, La Caixa bank awarded Serunión first prize in the "big companies" category for the actions it has undertaken to help people with a disability to find a job.

Also in Spain, Áreas has signed a supply agreement with the Cuina Justa Foundation in Barcelona – a non-profit organization that employs people with special needs for sandwiches and salads.

In France we have entered into partnerships with over 125 assistance-through-work organizations, which supply Elior with food products and services and assign employees to our sites. These organizations help people with disabilities who do not have sufficient autonomy, either temporarily or permanently, to be able to work in a company environment.

In the United Kingdom, Elior UK was one of the first companies to sign up to the Recovery Career Services program launched by the UK Ministry of Defence, which provides employment support opportunities to wounded, injured and sick soldiers, sailors and airmen.

And in Italy, MyChef provides work at its sites to young people with intellectual disabilities as part of the "Al di là degli obblighi di legge" program, organized in conjunction with the Associazione Italiana Persone Down.

c) 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 re-learn how to read, write and count through 80 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.

In Italy, Elior Ristorazione participated in the initiative to help people learn Italian launched by Rotary International and ANCI Lombardia (an Italian association of municipalities). As part of this project a multilingual handbook was produced to help new catering staff get to grips with their job by explaining the company's rules on hygiene, food safety and personal health and safety.

d) Gender Equality Policy

A total of 69% of Elior's 106,000 employees worldwide are women, 39% of whom hold managerial posts. Two of the numerous initiatives we have put in place to encourage more women to move up to managerial positions or to take on traditionally male-dominated jobs are described below.

• Agreements entered into in France to promote gender equality

Since 2012, all of the Group's companies in France have either entered into agreements or drawn up action plans to promote gender equality.

The Group has also made specific commitments to promote the principle of non-discrimination in all its forms and in all aspects of employees' working lives, including hiring, training, promotion and pay.

• A working group for International Women's Day 2014

In 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 Elior.

2.4.2 WE OFFER REAL CAREER PATHS

2.4.2.1 Proposing Career Development Measures

The Group is undergoing extensive changes, driven by client 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. Generally lasting between one and two hours, 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.). 31% of the training hours provided to employees concern job-specific techniques, 24% health and safety and 8% managerial skills.

In line with our corporate motto, "Because the whole experience matters", for a number of years now we have particularly focused on customer relationship training, covering both our clients and end customers. For example, in the United Kingdom, Elior UK has designed a customer-centric personal development program for employees called "eXperience", which earned it the Award for Excellence in Learning and Development at the Personnel Today Awards in 2013. The program is followed by some 500 employees and involves around twenty interactive modules aimed at encouraging employees to have a "Warm, Friendly and Genuine" customer service attitude. It has been a major factor in strengthening the company's image both internally and externally, resulting in a 10% increase in customers' average spend, lower staff turnover and a sharp rise in the customer retention rate.

At Group level, we have designed managerial training – primarily aimed at executive and senior managers – with a view to helping our key managers achieve the Group's strategic objectives and uniting them around a single vision and corporate culture. In 2011, 2012 and 2013, all of our top executives followed a five-day course called "The Art of Management", which was developed in conjunction with HEC-Paris business school.

In parallel, in order to increase the employability of all of our people we have teamed up with well-known vocational training schools to offer training courses that lead to a qualification. These courses can last up to several weeks and enable employees to come out with a professional diploma or certificate that is recognized by the industry. We also offer work-based qualification courses (VAE in France and NVQs in the United Kingdom) to employees with low-level initial qualifications so they can obtain a recognized diploma for the skills they acquire through their jobs.

As well as these cross-business training programs organized at Group level, there are dedicated training entities for our specific businesses, which helps raise visibility among both employees and clients. These entities include the Concession Catering Academy in Italy, the Cleaning Services and Support Services University, the Concession Professions School, the Lean Management University in the Education market and the Elior Academy in the United Kingdom. This organizational structure ensures that our training courses can be easily accessed by our operations staff and enables us to share our corporate culture and pool our expertise, processes and systems.

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.

2.4.2.2 Recognizing and Rewarding Talent

As part of its overall Human Resources strategy, Elior has put in place a talent management policy called "Elior Talents" for its senior managers and specialists (making up 32% of the Group's total managerial staff). The policy's 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.

Launched in 2011, "Elior Talents" is being gradually rolled out in all of the Group's markets and host countries, with the ultimate goal of encompassing some 9,000 employees. It currently includes over 3,000 employees based in France, Spain, Italy, the United Kingdom and the United States.

To achieve the objectives set out in the Elior Talents policy, the Group has drawn up a talent management model designed to align the practices adopted in its different markets and host countries and ensure that the same attention is given to the career development of each of its employees. This model has four major elements: the objectives review meeting, the development meeting, the talent review and the compensation & benefits review. Together, these four elements constitute the "talent management cycle" and are used to oversee performance throughout the course of the year.

2.4.2.3 Making Career Plans Available to All of our Employees

a) 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. As a reflection of this, 10% of the Group's employees benefitted from internal mobility in 2013-2014. We have also created an internal online job site which employees can use to see the vacancies available within the Group and submit their applications.

In order to encourage internal mobility, our people have clear visibility of the possible career paths that can be followed in the Group, notably thanks to a "position map" of Elior's main job categories, grouped by business and level of responsibility. In addition, in France we have created a system called "*Vis ma vie*" which, alongside clear job description files, is intended to encourage and facilitate professional mobility for managers. Under this system, employees who wish to transfer to another post can observe the daily work of someone already in that job in order to get a clearer idea of what it actually involves.

Also in France, in 2013 we developed an interactive application called "ActeurDeMonParcours". Designed based on real-life internal mobility cases and the Group position map, it gives a full picture of the different career paths available within Elior's markets and key professions. It also contains numerous testimonies from employees who have transferred from one position to another within the Group. Thanks to its user-friendly navigation as well as videos, data sheets and decision-making support tools, this application encourages all of the people involved – i.e. employees, managers and HR staff – to be more pro-active in preparing career paths within the Group.

In addition to the internal online job site, the Human Resources Department organizes "mobility update meetings" which enable representatives from different levels of the organization to discuss job opportunities and potential candidates in each business. At the same time, we pay particular attention to harmonizing the mobility support measures provided within the Group.

Our seven key beliefs about internal mobility

- 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.
- By promoting people to team managers we 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.

b) Compensation Policy

In view of the fact that personnel costs represent such a large portion of revenue in the Group's business model (45.5%), 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. Variable compensation depends 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 objectives review meeting during which the results of the past financial year are measured 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, Elior's compensation management policies and processes are gradually extended to cover the new entity.

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 on the Group's part, Elior's executive management team has decided to conduct a project in 2015 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. This new project dedicated to preventing workplace accidents will form part of the Elior Ambition program[2]. Its aim is to identify all of the best practices applied within the subsidiaries in order to extend them to the whole Group with a view to reducing both the frequency and severity rates of workplace accidents.

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.

We carry out our pro-active health and safety policy in close conjunction with various internal and external partners in order to implement risk-prevention measures and health and safety systems that are the most suited to our operations. The various steps and initiatives we have taken in this area include:
- Introducing new equipment that is more ergonomic and user-friendly and easier to upkeep, such as material handling trucks that maintain loads at a constant height, self-cleaning ovens and motorized handling equipment.
- Cutting down on the amount of product packaging to reduce the weight of handled loads.
- Designing specific work equipment in conjunction with manufacturers and future users, e.g. heat protection gloves, safety cutters and extra-grip shoes.
- Creating new workwear made from textiles that meet the Oeko-tex standard as they do not contain any carcinogenic colorings/chemical products or any allergenic fibers.
- Providing each employee with a handbook setting out our principal health and safety rules.

At Elior Services, the organization of the workplace health and safety management system is described in a health and safety manual which complies with MASE, OHSAS and CEFRI standards for all of the company's activities. Elior Services has been certified at national level by the CEFRI (the French committee that certifies companies with employees working at nuclear sites) for all of its services where employees may be exposed to radiation at nuclear facilities. It has also been awarded regional certification by the MASE (a French national network aimed at reducing workplace risks) for all of the cleaning services it provides to the healthcare, food, manufacturing and hospitality industries.

In Spain and Italy, Serunión and Elior Ristorazione have rolled out an OHSAS 18001-certified workplace health and safety management system, and the health and safety policy implemented by Áreas in Spain is also based on OHSAS 18001. Elior Ristorazione has drawn up an Operational Health and Safety Manual and conducts specific training sessions on workplace health and safety each year.

Risk prevention training is also offered in all of the countries where we operate, at the initiative of our workplace health and safety specialists. For example, in the United Kingdom, Elior UK appoints "Safety Champions" from among its employees, who are specially trained in workplace health and safety risk prevention. The main roles of these Safety Champions are to carry out on-site controls to ensure that safety standards are being respected as well as putting forward new initiatives aimed at reducing the number of workplace accidents.

E-learning platforms included health and safety training modules have also been created in France, Spain (Serunión), Italy (MyChef) and the United Kingdom so that the training can cover as many employees as possible and can be given to new employees as soon as they are hired.

In 2013-2014 a total of 17,134 Group employees followed at least one workplace health and safety training course[3]. This represents 123,363 training hours and makes health and safety the Group's second largest training area after technical training.

2.4.3.2 Encouraging Open Dialogue and Real Teamwork

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

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.

(2) A Group-level transformation plan encompassing a number of different projects concerning growth, operational excellence, Elior's identity and its people.
(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.

The Group has set up a European Works Council (EWC) which covers all of its European employees (who account for 88.6% of Elior's 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 2013, the agreement signed in 2005 for the purpose of creating the EWC was rounded out by a set of rules of procedure. These rules notably provide additional explanations on how the EWC is run, its right to ongoing support from the EFFAT (European Federation of Food, Agriculture and Tourism Trade Unions) and using the services of a specialist for specific issues. It also defines the terms and conditions applicable to the relations between the members of the EWC and the employees and employee representative bodies in place in the countries covered by the EWC.

In France, a Group Works Council (GWC) was set up in 2000, comprising 30 members and a representative from each of the five trade unions with the largest presence within the Group at national level. The GWC serves as the primary forum for dialogue with representatives of employees and trade unions from the Group's 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 intends to redefine the GWC's composition and extend its scope to include new entities.

At the level of its subsidiaries and/or UES (specific groupings of entities only existing in France) – which employ 49.2% of Elior'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 dialogue 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 during the last three fiscal years:
- An agreement dated April 4, 2012 on human resources and skills development planning (for the Group's Contract Catering companies).
- An agreement dated April 25, 2013 on employee representation and trade union rights (Elior Services Propreté & Santé).
- An agreement dated July 24, 2013 on workplace health and safety, including preventing strenuous working conditions and contributing to worklife quality (HRC and its Concession Catering subsidiaries).

In addition, in 2013, inter-generational agreements were signed in the majority of the Group's French subsidiaries. These agreements set out objectives in terms of providing sustainable employment solutions for young people, promoting the recruitment and continued employment of seniors, and transferring knowledge and expertise.

In the Group's non-French subsidiaries, notably in European countries, the majority of employees are covered by national, regional and/or local representative bodies. In the same way as in the French subsidiaries, numerous discussions and consultations take place on a wide range of subjects in these entities, including training, compensation, working hours, workplace health and safety, employment and the economic situation.

In Spain, for example, almost all employees are covered by industry-level and/or regional collective agreements on working conditions. Similarly, in Italy, all of Elior Ristorazione's employees are covered by four collective agreements on working conditions (compensation, working hours, health and safety, training, equality, absences and disciplinary measures).

There are no employee representative bodies in the Group's other operating countries, notably due to the small size of the entities concerned. However, we place importance on ensuring that our employees in these countries can express their points of view, and regular discussions take place between management and staff on working conditions and the organization of working time.

2.4.3.3 Respecting the Fundamental Conventions of the International Labour Organization

Elior 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 fight for 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 2.35% 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. For instance, we ensure that no forced or compulsory labor takes place in countries where local legislation does not require formal written employment contracts. Likewise, we take measures to ensure that employees can express their views in countries where there are no employee representative bodies (generally because the subsidiaries concerned are very small) by organizing regular discussions between staff and management about working conditions and the organization of working time.

2.5 AN ACTIVE PARTNER

Being an active partner means contributing to social and economic development in the regions where our 18,000 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 77.1% of our suppliers in France by end-September 2014 – 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.

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.

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 125 assistance-through-work establishments covering all of our business sectors. In Spain, Áreas has signed a supply agreement with the Cuina Justa Foundation in Barcelona – a non-profit organization that mainly employs people with special needs – to make over 100,000 sandwiches each year. In 2013-2014, €2 million worth of our revenue in France was generated through projects with the social economy sector.

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. These standards are set out in an Ethics Charter drawn up by the Group Purchasing and Logistics Department, which states the four fundamental principles and values that our employees undertake to respect when they join the Group – integrity, equity, respect and responsible purchasing.

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 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 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 75% of Elior's 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 10 million paper invoices in France in 2014, which represents a pile three times as high as the Eiffel Tower.

324 supplier audits were performed in 2013-2014.

During the year, 84.5% 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, Elior 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 support services industry. Students do not have to necessarily follow a course specifically related to Elior's businesses, as is illustrated by the Foundation's alumni who include doctors, engineers and teachers. A total of 1,352 scholarships have already been granted to 1,085 students by the Foundation since its creation.

The Elior Foundation also supports students from priority education areas (ZEP) taken on by the prestigious Sciences Po university in Paris, and in 2013 around thirty of our experienced managers agreed to mentor these students on a voluntary basis as part of a skills-based philanthropy program called Tandem.

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 the United Kingdom, Elior UK was one of the first companies to sign up to the Recovery Career Services (RCS) program launched by its client the UK Ministry of Defence. 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 discharged men and women to be given training and practical experience in the catering and support services field.

In 2007, Elior France became one of the founding members of the Responsible Fishing Alliance (RFA) – an action group that supports responsible fishing initiatives. In 2009, the RFA launched a project aimed at setting up a responsible supply chain for Nile perch, which was supported by both distributors and caterers. The project's main objectives are to alleviate the pressure on fishery resources and to improve the living conditions of the communities around Lake Victoria who rely on Nile perch for their livelihood. The project's participants make a financial contribution for every kilogram of Nile perch bought, which is then used to support initiatives put in place by local associations based in Tanzania and Uganda. Elior has been part of the project for five years now, during which time it has contributed over €90,000.

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 clients and 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.

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 2013 the company organized a story and drawing competition to raise schoolchildren's awareness about the water shortages that exist in many developing countries as well as about the concept and values of solidarity. This project was completed by a charity greetings card project organized at the end of the year in support of 3,700 children suffering from malnutrition in developing countries. In France, Elior Enseignement works in partnership with Worgamic, an association which teaches children about recycling organic waste, and more generally, the life cycle of food products.

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.

We also participate in events such as sustainable development weeks and food waste awareness-raising days and organize one-off initiatives in partnership with institutional players. For example, in late 2013, during an event organized by the French Ministry of Agriculture at the Place de la République in Paris, our teams served 1,000 bowls of soup prepared by our central kitchen in Fresnes using unsold vegetables donated by Rungis Market.

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.

In Spain, for example, Áreas joined forces with the Deixalles Foundation (an assistance-through-work organization) to hire and train around forty new employees to strengthen its catering offering at Madrid Barajas airport in May 2013. 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 association IMS Entreprendre pour la cité.

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 clients 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. In December 2013, we ordered over 160 tonnes of PGI-certified (Protected Geographical Indication) clementines from a co-operative of 70 Corsican producers. In addition, during the summer of 2014, we organized a campaign in France to promote regional melons. This involved selecting a dozen producers from France's three traditional melon-growing regions who give high importance to the quality of their produce and use farming methods that respect the environment. In all, over 300 tonnes of "Elior Selection Melons" were served in our restaurants in France as a result of this campaign.

Focus 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 for FY 2013-2014	Unit	Total	Coverage rate (%)
Site certifications			
Percentage of revenue generated in client markets that have at least one certification[1]	%	85.5	93.9
Nutrition and consumer health and safety			
Number of on-site hygiene audits carried out during the fiscal year[2]	number	18,512	93.9
Number of product analyses carried out during the fiscal year[3]	number	111,493	93.9
Number of supplier audits carried out during the fiscal year[4]	number	324	93.9
Number of nutritional specialists working for Elior at the fiscal year-end[5]	number	430	90.2
Percentage of revenue generated in markets with an ambitious nutritional policy[6]	%	71	90.2
Responsible purchasing			
Number of organic product references available at the fiscal year-end[7]	number	2,582	93.4
Proportion of suppliers who have signed the Elior Responsible Purchasing Charter in France	%	77.1	100
Waste management			
Percentage of used food oils recycled[8]	%	83.4	77.9
Vehicles and greenhouse gas emissions			
Proportion of green vehicles out of the total vehicles used by Elior[9]	%	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	%	84.5	100

(1) Excluding THS
(2) Excluding THS
(3) Excluding THS
(4) Excluding THS
(5) Excluding THS and Elior Services
(6) Contract Catering business excluding THS
(7) Excluding THS
(8) Excluding THS, Areas, My Chef and the Concession Catering business in Germany
(9) Excluding THS

		% of employees covered
Number of employees		
Total workforce[1]	105,865	100%
Permanent	87%	
Non-permanent	13%	
Breakdown by gender[1 bis]	104,224	98%
Male	31%	
Female	69%	
Breakdown by business[1]	105,865	100%
Contract Catering	63%	
Concession Catering	20%	
Cleaning Services	17%	

		% of employees covered
Breakdown by geographic region	105,865	100%
Europe		
France	48.4%	
Spain	19.2%	
Italy	13.6%	
United Kingdom	5.6%	
Germany	1.4%	
Portugal	0.5%	
Belgium/Luxembourg	0.1%	
Other countries		
United States	8.8%	
Mexico	1.4%	
Chile	0.8%	
Dominican Republic	0.1%	
Saint Martin	0.05%	
Breakdown by category[1]	105,865	100%
Managers[2]	11%	
Non-managers	89%	
Monthly average number of employees by category and gender (permanent employees)[3]		92%
Male managers	8%	
Male non-managers	23%	
Female managers	5%	
Female non-managers	64%	
Breakdown by age (permanent employees[3])		92%
<25	5%	
25 – 29	9%	
30 – 34	10%	
35 – 39	12%	
40 – 44	15%	
45 – 49	17%	
50 – 54	16%	
55 – 60	13%	
>60	3%	
Average age (permanent employees[3])		92%
Women		
Managers	42.8	
Non-managers	43.2	
Men		
Managers	44.6	
Non-managers	41.9	
Average seniority (permanent employees[3])		92%
Managers	10.7	
Non-managers	8.6	

		% of employees covered
Recruitments and departures		
Number of external hires[3]	94,852	92%
On a permanent contract	13,296	
Proportion of under-25s within external hires	22%	
Proportion of over-50s within external hires	10%	
Proportion of managers within external hires	8%	
Proportion of women managers within external hires	3%	
On a non-permanent contract	81,556	
Proportion of under-25s within external hires	28%	
Proportion of over-50s within external hires	11%	
Proportion of managers within external hires	0%	
Proportion of women managers within external hires	0%	
Recruitment rate[3]		92%
Recruitment rate for permanent employees	16.0%	
Number of new arrivals due to a transfer or change of operator[3]	6,389	
Number of departures (excluding transfers or change of operator)[3]	90,695	92%
Permanent employees	12,996	
At the employee's initiative	50%	
At the employer's initiative	38%	
By mutual agreement	4%	
Other	7%	
Non-permanent employees	77,699	
At the employee's initiative	3%	
At the employer's initiative	1%	
Contract expiration	94%	
Transfer or change of operator	0.2%	
Move to another Group entity	0.1%	
Other	2%	
Number of departures due to a transfer or change of operator[3]	4,776	92%
Departure rate (permanent employees)[3] excluding transfers or change of operator		92%
Total departure rate	16%	
Voluntary departure rate (at the employee's initiative)	8%	
Loyalty rate (permanent employees)[3 4]		92%
employees with less than one year's seniority	51%	
employees with one year's seniority or more	88%	

		% of employees covered
Working time organization[3]		92%
Total workforce[3]	97,483	
Full time	53%	
Part time with 20 hours/week or more	34%	
Part time with less than 20 hours/week	13%	
Total female workforce[3]	67,807	
Full time	41%	
Part time with 20 hours/week or more	42%	
Part time with less than 20 hours/week	17%	
Total male workforce[3]	29,676	
Full time	78%	
Part time with 20 hours/week or more	16%	
Part time with less than 20 hours/week	6%	
Total non-permanent workforce[3]	13,242	
Full time	37%	
Part time with 20 hours/week or more	43%	
Part time with less than 20 hours/week	19%	
Total non-managerial workforce[3]	86,722	
Full time	47%	
Part time with 20 hours/week or over	38%	
Part time with less than 20 hours/week	15%	
Amount spent on temporary workers (excl. VAT)[16]	108.60	
Workplace health and safety[3]		
Number of employees given health and safety training[3]	17,134	
Proportion of total employees given at least one health and safety training course during the fiscal year	18%	
Proportion of over-50s within the total number of employees given health and safety training	26%	
Frequency rate of workplace accidents with lost time[3 5]		92%
Total workforce	47.4	
By geographic region		
France	47.4	
Other European countries	50.4	
United States[7]	9.8	
South America	44.6	
Severity rate of workplace accidents[6 8]		84%
Total workforce	1.72	
By geographic region		
France	2.50	
Other European countries	1.21	
United States[7]	0.29	
South America	0.55	
Number of new cases of recognized occupational illnesses (France only)	306	

		% of employees covered
Absentee rate for permanent employees[3]		92%
Absentee rate[9] **for medical reasons (occupational and other illnesses, workplace accidents)**	**5.9%**	
Managers	3.2%	
Non-managers	6.4%	
By geographic region		
France	7.4%	
Other European countries	5.2%	
United States[7]	0.3%	
South America	1.7%	
Short-term absentee rate (less than one month) for medical reasons (occupational and other illnesses, workplace accidents)	**2.7%**	
Absentee rates for unjustified absences or lateness	**0.5%**	
Compensation[3]		92%
Year-on-year change in average salary for full-time employees (permanent employees)		
Managers	3.5%	
Non-managers	0.4%	
Personnel costs[16]	2,429.60	
Personnel costs as a percentage of revenue	–	
FY 2013-2014	45.50%	
FY 2012-2013	46.50%	
Professional development[3]		92%
Number of employees given at least one training course during the fiscal year[3]	41,277	
Managers	72%	
Non-managers	39%	
Proportion of employees given training who received a professional certificate or diploma	2.7%	
Total number of training hours[3]	542,807	
Average number of training hours per employee[3]	5.8	
Managers	13.3	
o/w female managers	13.7	
Non-managers	4.3	
o/w female non-managers	3.8	
Breakdown of training hours by topic[3]		
Technical training	30%	
Workplace health and safety training	23%	
Food hygiene training	20%	
Training leading to a professional certificate or diploma	11%	
Management and leadership training	8%	
Other	5%	
Number of employees employed under a work-study contract during the fiscal year (France only)	1,043	
Diversity		
Number of managers who have followed an awareness-raising program or training course during the last three fiscal years on preventing the risk of discrimination[10]	602	58%

		% of employees covered
Proportion of employees with a disability during the fiscal year[10]	3.4%	81%
France	4.3%	
Direct employment rate – 2014 statutory declaration (France only)	6.1%	
Number of employees with a disability hired during the fiscal year[10]	321	81%
Proportion of women employees in the workforce[1 bis]	69%	98%
Proportion of women within the managerial workforce[3]	39%	92%
Proportion of women within workforce given training[3]	62%	92%
Proportion of female managers given training[3]	40%	92%
Talent management		
Internal mobility rate (for permanent employees)[11 12 13]	10%	89%
Internal recruitment rate[11 12 14]	48%	
Number of employees on the Elior Talents program[15]	3,447	
Proportion of Elior Talents employees given a talent review[15]	61%	
Proportion of Elior Talents employees given an annual development meeting[15]	75%	
Labor relations[3]		100%
% of employees covered by a collective bargaining agreement	72%	

(1) Total workforce at September 30, 2014

(1 bis) Excluding Alessa and SEA Services

(2) Manager: 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/or annual performance appraisals; or*
- *is responsible for a budget and/or placing orders.*

(3) Excluding THS, Alessa and SEA Services

(4) Loyalty rate = 1- (no. of departures divided by average monthly workforce)

(5) Frequency rate = (no. of accidents with lost time divided by hours worked) × 1,000,000

(6) Severity rate = (no. of days' lost time divided by hours worked) × 1,000

(7) Áreas US

(8) Excluding THS and UK

(9) Absentee rate = no. of days' absence divided by theoretical total number of hours worked

(10) Excluding Belgium, Luxembourg, United States, UK, Portugal and Mexico

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

(12) Excluding THS and My Chef

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

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

(15) Employees who form part of a specific talent management process. They represented 32% of total managerial employees at September 30, 2014.

(16) In millions of euros

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 2013-2014, and the reporting period used is the fiscal year running from October 1, 2013 to September 30, 2014, 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 support 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.

1 – Reporting Scope

HR Indicators for FY 2013-2014

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 94% 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.

Environmental and Social Indicators for FY 2013-2014

The reporting scope for environmental and social data covers the whole Elior Group, except for THS. 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).

Changes in the Reporting Scope

Fiscal 2013-2014 is the Group's first 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 support services sites for which Elior'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/or support services sites for which a contract with Elior is entered into during the fiscal year are also included in the reporting scope, and in these cases the reporting period used starts from the date on which the contract for the site concerned enters into force.

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.

HR Indicators

The main participants in the HR reporting process are:

- The Elior 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.

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.

3 – Specific Methodology for Certain Indicators

Elior has some 106,000 employees and operations in 13 countries which all have different laws and regulations, and serves customers at over 18,000 sites which vary in both size and type of business activity. Consequently, certain data can be complex to consolidate, and the calculation methods applied 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.

<u>HR Indicators</u>

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/or annual performance appraisals; or
- is responsible for a budget and/or placing orders.

LOYALTY RATE

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

INTERNAL MOBILITY

The reporting period used for this indicator was July 1, 2013 through June 30, 2014.

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 post and/or duties during the period by the total number of employees concerned.

INTERNAL RECRUITMENT

The reporting period used for this indicator was July 1, 2013 through June 30, 2014.

Internal recruitment 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 post and/or duties during the period by the total number of posts filled during the period, both through internal mobility and external recruitment.

ELIOR TALENTS EMPLOYEES

The reporting period used for this indicator was July 1, 2013 through June 30, 2014.

Elior Talents employees correspond to employees who form part of a specific talent management process. They represented 32% of total managerial employees at September 30, 2014. 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.

Environmental and Social Indicators

Unless stated otherwise, the reporting period used for these indicators was October 1, 2013 through September 30, 2014.

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 standard.

WATER AND ENERGY USE

The Group operates at a large number of different client 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. However, we have launched a project to start monitoring our use of water and energy there, notably through energy audits.

EXCLUSIONS

Due to the nature of Elior's business, the following indicators are not relevant to the Group:

- Amount of provisions and guarantees for environmental risks (provided the disclosure of such information does not cause the Company prejudice).
- Land use.
- Noise and all other types of pollution generated by a specific business activity.

2.6.3

Elior S.A.

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

Elior S.A.

Head Office: 61-69 rue de Bercy – 75589 Paris Cedex 12
Share capital: €1,643,712.06

This is a free translation into English of the Statutory Auditor'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.

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

Year ended September 30, 2014

To the Shareholders,

In our capacity as Statutory Auditor of Elior S.A., appointed as Independent Third Party, accredited by the COFRAC registered under number 3-1049[4], we hereby present to you our report on the consolidated HR, environmental and social information (hereinafter the "CSR Information") for the year ended September 30, 2014, presented in the management report. Our 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 Statutory Auditor

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 (Reasoned opinion on the fair presentation of the CSR Information).

Our work was performed by a team of four people between October 2014 and December 2014 and took around six weeks. We were assisted by our specialists in corporate social responsibility.

We performed the procedures below in accordance with professional auditing standards applicable in France, with the decree dated May 13, 2013 determining the manner in which the independent third party should carry out its work, and with 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 individuals in charge 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 programs it has implemented as a result.

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 consolidation 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 2.6.2, "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. Reasoned opinion on the fair presentation of the CSR Information

a) Nature and scope of the work

We conducted a dozen 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

(4) Details available on www.cofrac.fr
(5) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

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 best practice.

With regard to the CSR Information that we considered to be the most important[6]:
- At parent entity level and at the level of subsidiaries and controlled entities, 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.
- For a representative sample of entities[7] selected on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed 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 24% of headcount, between 14% and 65% of quantitative environmental information and between 50% and 82% 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 judgment, 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.

b) Conclusion

Based on our work, we did not identify any material anomalies likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly in accordance with the Guidelines.

Appointed Independent Third-Party Auditor

Paris La Défense, January 15, 2015

French original signed by:

KPMG S.A.

Anne Garans
Partner
Climate Change & Sustainability Services Department

François Caubrière
Partner

(6) HR indicators: Total workforce at September 30, 2014 (split out by gender, age, geographic region 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 workplace accidents with lost time; Number of training hours; Number of people with a disability employed between October 1, 2013 and September 30, 2014 (France).

Environmental indicators: Percentage of revenue generated in client markets that have at least one certification; Number of green vehicles used by employees at the end of the fiscal year; Used cooking oils collected and reused 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; Workplace health and safety conditions; Measures implemented to protect or develop biodiversity; The Company's organizational strategy to factor in environmental issues and, if appropriate, the approaches to auditing/obtaining certification for environment-related performance; Measures regarding the prevention, recycling and disposal of waste; Inclusion of social and environmental issues in the Company's purchasing policy; Measures implemented to promote consumers' health and safety; Extent of subcontracting and the importance placed on social and environmental responsibility in relations with subcontractors and suppliers.

(7) Elior Entreprises – France, HRC (Holding de Restauration Concédée) – France, Serunión – Spain.

3

CORPORATE GOVERNANCE

3. CORPORATE GOVERNANCE

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 after consulting the corporate officers, the Executive Committee members and representatives of the various corporate functions. It was reviewed by the Audit Committee at its meetings of December 8, 2014 and January 12, 2015 and was approved by the Board of Directors by way of decisions taken on December 11, 2014 and January 15, 2015. It will be presented to shareholders at the Annual Meeting to be held on March 10, 2015.

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, AMF.

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. Effective from the initial public offering and the adoption of Article 18.1 of the Bylaws, the positions of Chairman and Chief Executive Officer have been segregated. This governance structure was decided by the Board of Directors on June 11, 2014 in order to clearly separate the Board of Directors' non-executive strategic planning, decision-making and control responsibilities from the corporate officers' executive and operational responsibilities.

Pursuant to this decision, at the same meeting on June 11, 2014, the Board of Directors appointed James Arnell as Chairman of the Board and Gilles Petit, who is not a director, as Chief Executive Officer.

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, "Information about the Company and its Share Capital".

The Company's governance processes, the membership of the Board of Directors and the Board committees, their procedures and activities, are described in detail in this section of the Registration Document, as required by Article L. 225-37 of the French Commercial Code.

The Bylaws and Rules of Procedure, which can be downloaded from the Company's website, organize the allocation of roles between the Chairman and the Chief Executive Officer.

3.1.1.2 Chairman of the Board of Directors

The Chairman of the Board of Directors, James Arnell, organizes and leads the Board's activities and reports thereon to shareholders at General Meetings. He ensures that the Company's governance structures function efficiently and that the directors are able to fulfil their duties.

The Chairman is informed regularly by the Chief Executive Officer about strategic developments, organizational developments, capital projects and other material events in the life of the Group. He also oversees the quality of shareholder relations in coordination with the Chief Executive Officer's shareholder relations initiatives. The Chairman has not been assigned any responsibilities in addition to those provided for by law.

The Chairman receives copies of all agreements entered into in the normal course of business on arm's length terms except for agreements whose purpose or financial implications for the parties involved are not material. He presents a list of these agreements, describing their purpose, to his fellow Board members and to the Statutory Auditors.

3.1.1.3 Chief Executive Officer

Gilles Petit, Chief Executive Officer, who is not a director, exercises his powers within the limits of the corporate purpose and with the exception of those powers expressly vested in the Board of Directors or in the shareholders in General Meeting. He represents the Company in its dealings with third parties. All actions of the Chief Executive Officer are binding on the Company, even when they fall outside the corporate purpose, unless it can prove that the third party concerned was aware or, under the circumstances, could not have failed to be aware that the Chief Executive Officer was acting outside the corporate purpose. Publication of the Bylaws does not in itself constitute adequate proof thereof.

Restrictions on the Chief Executive Officer's powers decided by the Board of Directors are not effective against claims by third parties.

The Chief Executive Officer's actions are determined by the strategic roadmap and goals set by the Board of Directors. He participates actively in each Board meeting and reports regularly to the Board on the Company's operational management and on significant events in the life of the Group.

This role includes participating in defining and adjusting Group strategy.

As part of its strategic thinking process conducted since the Company's IPO, on the recommendation of the Nominations and Compensation Committee, the Board of Directors has decided to merge the roles of Chairman and Chief Executive Officer.

Consequently, on January 9, 2015, the Board of Directors decided to appoint Philippe Salle as the Company's Chief Executive Officer and to nominate him for election as a director at the Annual Shareholders' Meeting of March 10, 2015. Following the Annual Shareholders' Meeting the Board will officially merge the roles of Chairman and Chief Executive Officer and then appoint him as Chairman of the Board and place on record his take-up of the position as Chief Executive Officer.

The Board of Directors considers that the appointment of Philippe Salle as Chairman and Chief Executive Officer and a director of the Company is the best choice for the Company, its shareholders and all of its stakeholders. The Board's decision was taken with a view to strengthening the Group and simplifying its organizational structure and also due to the fact that Mr. Salle has substantial successful experience in major listed companies which the Board feels will enable him to create the right conditions to drive the Group's development, growth and performance.

The Board considers that Mr. Salle's combined strengths make him the ideal person to take on the role as Elior's Chairman and Chief Executive Officer.

3.1.1.4 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:
- the Vice Chairman is informed regularly of significant events in the life of the Group through regular contacts with the Chief Executive Officer;
- the Vice Chairman may meet with key Group executives and make site visits in order to act on a fully-informed basis; and
- the Vice Chairman meets shareholders at their request and passes on to the Board any concerns they may have concerning the Company's governance.

3.1.1.5 Honorary Chairman

At its meeting on June 11, 2014, the Board of Directors appointed Robert Zolade as Honorary Chairman.

Mr. Zolade attends Board meetings 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.

3.1.1.6 Headquarters Committee

The Headquarters Committee is made up of the Chief Executive Officer, the Chief Financial Officer and the Chief Human Resources Officer.

The Committee's role is to prepare meetings of the Executive Committee, the Board of Directors and the Board Committees and to prepare information packs about any proposed acquisitions or divestments to be submitted to the Board.

The Headquarters Committee manages all matters concerning the main Group and corporate executives.

It leads and oversees Group operations, through monthly performance reviews and by other methods.

The Headquarters Committee determines the strategic options to be submitted to the Board of Directors for consideration.

3.1.1.7 Executive Committee

In accordance with the Rules of Procedure, the Chief Executive Officer has set up an Executive Committee, whose membership and terms of reference are determined by the Chief Executive Officer. The members of the Executive Committee, none of whom are directors, are as follows:
- Agnès Bureau-Mirat, Chief Human Resources Officer;
- Olivier Dubois, Chief Financial Officer;
- Bertrand Lozé, Executive Vice President, Concession Catering – France, Germany, Belgium, Luxembourg;
- Dominique Pelabon, Executive Vice President, International Contract Catering;
- Gilles Petit, Chief Executive Officer;
- Gilles Raffin, Executive Vice President, Support Services – France;
- Alexis Salmon-Legagneur, Executive Vice President, Contract Catering – Education and Healthcare – France;
- Guy Soler, Group Vice President, Purchasing and Logistics; and
- Pierre Von Essen, Executive Vice President, Contract Catering – Business & Industry – France, and Vending Machines.

The Executive Committee reviews and authorizes material projects concerning:

a) operating contracts under negotiation in France and in international markets, and the related capital projects;

b) proposed company acquisitions or divestments, strategic partnerships and acquisitions of contract or business portfolios.

Each month, the Committee reviews the Group's operational and marketing performance 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, and programs to optimize productivity and the cost base.

The Executive Committee meets at monthly intervals.

3.1.1.8 Operations Committee

The Chief Executive Officer has set up an Operations Committee comprising the Executive Committee members, the Directors of the Group's international subsidiaries and the heads of certain corporate functions.

The Operations Committee acts as a forum for exchanges of information and discussions about events in the life of the Group, its quarterly performance, and the decisions made by the Executive Committee and the Headquarters Committee.

It assists the Executive Committee, particularly for transactions that have an international dimension. The Committee also plays a role in promoting the sharing of best practices and in monitoring cross-functional programs.

The Operations Committee meets at quarterly intervals.

3.1.2 BOARD OF DIRECTORS

3.1.2.1 Members of the Board of Directors

The Board of Directors has eight members – six men and two women – elected for four-year terms. Six Board members are French, one – the Chairman – is British, and the representative of a corporate director is Belgian. In all, foreign nationals make up 25% 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]

As at the date of the Registration Document, the members of the Board of Directors were as follows:
- James Arnell, Chairman;
- Gilles Auffret, independent director;
- Laurence Batlle, independent director;
- Sofibim, corporate director represented by Gilles Cojan;
- Société de Restauration 2, corporate director represented by Denis Metzger;
- Charterhouse Poppy IV, corporate director and Vice Chairman represented by Pierre de Sarrau;
- Charterhouse Poppy II, corporate director represented by Elisabeth Van Damme; and
- BIM, corporate director, represented by Robert Zolade, Honorary Chairman.

a) 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 Company's 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 a 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 to the Company or the Group, or
  - that depends on the Company or the Group for a significant part of its business.

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;
- served as an auditor of the Company or another Group entity at any time in the past five years;
- 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 additional compensation from the Company or the Group in addition to directors' fees, including all forms of share-based payments and all other forms of performance-related compensation.

(8) The Board of Directors does not include any members representing employees, as the criteria for appointing an employee representative specified in Article L. 225-27-1 of the Commercial Code are not currently met.

(9) The exceptions are listed in Section 3.1.3 "Corporate Governance Code".

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 15, 2014, and its findings were then reported to the Board of Directors. At its meeting on December 17, 2014, the Board of Directors confirmed that two of its members, Laurence Batlle and Gilles Auffret, fulfilled the independence criteria set out in the AFEP-MEDEF Code.

b) Personal Information about Members of the Board of Directors

• James Arnell, Chairman of the Board of Directors

James Arnell is a partner of 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.

- First elected as director: June 11, 2014
- Current term expires: at the close of the Annual Shareholders' Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017
- Date of birth: October 5, 1969
- Nationality: British
- Number of shares held: 1,000
- Business address: 7th Floor, Warwick Court – Paternoster Square – London ECM4M 7DX (United Kingdom)

Other directorships and positions held as of September 30, 2014

- Representative of Elior Concessions, director of Áreas (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 PHS Group plc (United Kingdom)
- Director of Charterhouse Capital Limited (England)
- Director of Charterhouse Development Capital Limited (England)
- Director of Charterhouse Corporate Directors 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)
- Director of Watling Street Limited (United Kingdom)

Other directorships and positions held during the past five years

- 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 Fives SA (France)
- Director of TSL Education Group Limited (United Kingdom)

• Gilles Auffret, independent director and Chairman of the Nominations and Compensation Committee

Gilles Auffret is currently Chairman of the Supervisory Board of Azulis, an investment fund, 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. From 1982 to 1999, he held various management 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 manager in the Industry Ministry from 1978 to 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.

- First elected as director: June 11, 2014
- Current term expires: at the close of the Annual Shareholders' Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017
- Date of birth: February 15, 1947
- Number of shares held: 1,000
- Nationality: French

Other directorships and positions held as of September 30, 2014

- 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.

• 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.

- First elected as director: June 11, 2014
- Current term expires: at the close of the Annual Shareholders' Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017
- Date of birth: August 20, 1971
- Number of shares held: 1,000
- Nationality: French
- Business address: 54, Quai de la Rapée-LAC LA 30 – 75012 Paris – France

Other directorships and positions held as of September 30, 2014

- Member of the Executive Board of RATP Dev (France)
- Permanent representative of RATP Dev France Services, director of RATP ElDjazaïr (Algeria)
- Permanent representative of RATP Dev France Services, director of Setram (Algeria)
- Director of Bombela Operating Company (South Africa)
- Manager and Chairperson of RDSL Urban (United States)
- Chief Executive Officer of RATP Dev USA (United States)
- Director of RATP Dev UK (United Kingdom)
- Director of The Original London Sightseeing Tour Ltd (United Kingdom)
- Director of RATP Dev Transdev Asia (France)
- Director of Hong Kong Tramways (China)
- Director of RATP Dev Italia (Italy)
- Director of Casa Tram (Morocco)
- Chairman of RATP Dev Participation (France)

Other directorships and positions held during the past five years

- Permanent representative of RATP Développement, Director of Soybus (France)
- Director of Flexcité94 (France)
- Director of Flexcité SA (France)
- Member and Chairman of the Supervisory Board of Cars Dunois (France)
- Chairman of Compagnie de Transport de Charleville Mezières (France)
- Chairman of Société de Transport Interurbain des Lignes Express (France)
- Chairman of RD 01 (France)
- Chairman of RD 04 (France)
- Chairman of RD 06 (France)
- Chairman of RD 07 (France)
- Chairman of RD 08 (France)
- Chairman of RD 09 (France)
- Director of RATP ElDjazaïr (Algeria)
- Director of HR Richmond (United Kingdom)

- **Sofibim, corporate director**

Sofibim is a holding company that exercises exclusive control over BIM.

- First elected as director: June 11, 2014
- Current term expires: at the close of the Annual Shareholders' Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017
- Number of shares held: 1,000

Other directorships and positions held as of September 30, 2014

- Chairman of the Supervisory Board of Elior Participations SCA (Elior Group – France)

Other directorships and positions held during the past five years

- Chairman of the Supervisory Board of Bercy Présidence (Elior Group – France)
- Chairman of Octant Partenaires (France)

- **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 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: 61-69, rue de Bercy, 75012 Paris

Other directorships and positions held as of September 30, 2014

- Member of the Supervisory Board of Elior Finance SCA (Elior Group – Luxembourg)
- Director of MyChef Ristorazione Commerciale (Elior Group – Italy)
- Director of Elichef Holding (Elior Group – Italy)
- 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 Medica (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)
- Chairman of Grande Vitesse Catering (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 Áreas (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)

- **Société de Restauration 2, corporate director**

Société de Restauration 2 is owned by the funds managed by Chequers Partenaires.

- First elected as director: June 11, 2014
- Current term expires: at the close of the Annual Shareholders' Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017
- Number of shares held: 2,537,026

Other directorships and positions held as of September 30, 2014

None.

Other directorships and positions held during the past five years

None.

- **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 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

Other directorships and positions held as of September 30, 2014

- 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)

- **Charterhouse Poppy IV, corporate director**

Charterhouse Poppy IV is owned by the funds managed by Charterhouse Capital Partners LLP.

- First elected as director: June 11, 2014
- Current term expires: at the close of the Annual Shareholders' Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017
- Number of shares held: 16,788,327

Other directorships and positions held as of September 30, 2014

None.

Other directorships and positions held during the past five years

None.

- **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 as of September 30, 2014

- Oredon Associated Limited (United Kingdom)

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)
- Wheel Bidco Limited (England and Wales)
- Wheel Holdco Limited (Jersey)

- **Charterhouse Poppy II, corporate director**

Charterhouse Poppy II is owned by the funds managed by Charterhouse Capital Partners LLP.

- First elected as director: June 11, 2014

- Current term expires: at the close of the Annual Shareholders' Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017
- Number of shares held: 36,780,431

Other directorships and positions held as of September 30, 2014

None.

Other directorships and positions held during the past five years

None.

- **Elisabeth Van Damme, permanent representative of Charterhouse Poppy II (corporate director)**

Elisabeth Van Damme is currently a partner of Redwood Finance, a financial consultancy, where she provides customers such as Air Brussels and Villa Eugénie with advice and assistance in the area of financial management. 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 as of September 30, 2014

None.

Other directorships and positions held during the past five years

None.

- **BIM, corporate director**

- First elected as director: June 11, 2014
- Current term expires: at the close of the Annual Shareholders' Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017
- Number of shares held: 33,010,966

Other directorships and positions held as of September 30, 2014

None.

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)

- **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, he holds a law degree and a post-graduate degree in economics.

- Date of birth: September 24, 1940
- Nationality: French
- Business address: 61-69, rue de Bercy, -75012 Paris

Other directorships and positions held as of September 30, 2014

- Vice Chairman and director of Áreas (Elior Group – Spain)
- Member of the Supervisory Board of Elior Finance SCA (Elior Group – Luxembourg)
- Chairman of Sofibim SA (Luxembourg)
- Chairman of Sofibim (France)
- Chairman of BIM (France)
- 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 director of Avenance (Elior Group – France)
- Chairman and 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)

c) 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 material 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")

According to the Company's knowledge, there are no family relationships between the members of the Board of Directors and the corporate officers.

According to the Company's knowledge, 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 the duties to the Company of the directors and corporate officers and their private interests.

d) Service contracts

Other than the contract described below, no director or member of the Executive Committee has a service contract with the Company or any of its subsidiaries providing for any personal benefits.

Sofibim has a service contract with the Company dated November 7, 2014 under which it provides advice and assistance in connection with planned acquisitions and partnerships. Its tasks under this contract include seeking acquisition opportunities on behalf of the Company and advising it during the various phases of the acquisition process. The contract was entered into force for a period of one year and Elior pays Sofibim an annual lump-sum fee of €160,000 for the advice and assistance provided. It is referred to in the Statutory Auditors' report on related party agreements submitted to the Annual Shareholders' Meeting of March 10, 2015 for approval.

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, 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 interests.

The Board of Directors examines all issues that fall within its scope of responsibility under the applicable laws and regulations.

In particular, the Board of Directors:

a) examines and approves all decisions concerning the business, human resources, financial or technological strategies of the Company and the Group and oversees their implementation by executive management;

b) examines and approves the reports of the Board of Directors and the Board Committees for inclusion in the Annual Report;

c) examines and approves, on the recommendation of the Nominations and Compensation Committee, the presentation of the directors prepared for inclusion in the Annual Report, including the list of independent directors and the independence criteria applied;

d) appoints directors, if necessary, and proposes directors for re-election at the Annual Shareholders' Meeting;

e) sets corporate officers' compensation, based on the recommendation of the Nominations and Compensation Committee, and allocates directors' fees;

f) decides whether to set up stock option and free share plans and determines the Group's policy concerning discretionary executive management and employee profit-sharing plans, based on the recommendation of the Nominations and Compensation Committee;

g) oversees the quality of information disclosed to shareholders and the market in the financial statements and in connection with major transactions;

h) approves the management report and the sections of the Annual Report describing the Company's corporate governance and its compensation policy;

i) 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 activities is governed by the legal and regulatory provisions applicable to *sociétés anonymes*, the Bylaws and the Rules of Procedure which 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. The e-mail includes the meeting agenda and information pack. Since the Board meeting of November 6, 2014, all of these documents are also available online for secure download.

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.

For emergency meetings or meetings to discuss extremely confidential matters, directors may be given additional information after the meeting has been called or upon their arrival in the Board room.

Each Board meeting begins with a closed session among directors without any members of executive management being present.

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 needed 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 ten times between the Company's initial public offering and December 11, 2014. The meetings were called by e-mail, including the agenda, several days ahead of the meeting date. In addition, between meetings, the members of the Board were kept regularly informed of material events and transactions involving the Company and received copies of all press releases published by the Company.

The duration of routine Board meetings averaged four hours and the attendance rate was 90%.

In addition to performing the duties assigned to it in French law and the Company's Bylaws, the Board of Directors also regularly received all necessary information about the Company's results, operations and material 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 rate at Board meetings held in 2014

	Number of meetings taken into account	Attendance rate
James Arnell	10	80%
Gilles Auffret	10	100%
Laurence Batlle	10	90%
Gilles Cojan, representing Sofibim	10	80%
Denis Metzger, representing Société de Restauration 2	10	80%
Pierre de Sarrau, representing Charterhouse Poppy IV (as from July 4, 2014)	8	88%
Elisabeth Van Damme, representing Charterhouse Poppy II	10	100%
Robert Zolade, representing BIM	10	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.

In 2014, the assessment of the Board's operating procedures and performance was conducted at the meeting of December 11, based on the individual replies to the 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 enhance the Board's ongoing involvement in the Group's major strategic projects, they recommended that one or several meetings be organized in fiscal 2014-2015 specifically to discuss these projects and issues;
- to ensure that directors continue to fully understand the challenges facing the Group, they recommended organizing regular presentations by the heads of the Group's various operating units.

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 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, 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 members all have recognized accounting and finance expertise, as evidenced by their professional background (see Section 3.1.2.1 b, "Personal Information about Members of the Board of Directors").

A non-voting member has been appointed to provide a different viewpoint 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 Company's 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 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 Committee members were given a copy of the Chairman's report on corporate governance and internal control in early October, to enable them to approve the sections falling within the Committee's area of responsibility.

The Audit Committee met with the auditors during its meetings of December 8, 2014 and January 12, 2015 to discuss their comments on the financial statements.

The Audit Committee meets two 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 Committee met three times in the period from June 11, 2014 (date of the initial public offering) to January 12, 2015, with an attendance rate of 100%.

The auditors attended all three of the meetings. The Group's Chief Financial Officer also attended the meetings, along with the Chief Accountant and Consolidation Manager 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 2013-2014 Registration Document. At its meetings on December 8, 2014 and January 12, 2015, the Committee reviewed the financial statements of the Company and the Group, as well as management's discussion and analysis of the financial statements. During the meeting, the Group's Head of Risk Management and Internal Audit presented the Group's risk map and its risk management and internal control action plans.

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/or senior executives of the Group, including all forms of deferred compensation plans and/or 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 some of its members for undertaking any 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 orally 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 the corporate officers' compensation or to approve the allocation of directors' fees.

Activity report

The Committee has met four times since June 11, 2014 (date of the initial public offering), with an attendance rate of 100%.

During its meetings, the Committee reviewed the proposed introduction of a long-term cash incentive plan for the members of the Group's senior management, except for Executive Committee members, and made related recommendations to the Board of Directors. It also examined the executive management framework at the Group's Contract Catering subsidiaries in Italy and the United States, as well as the process for organizing and improving their management structure.

The Committee also made recommendations to the Board of Directors concerning the Chief Executive Officer's bonus for fiscal 2013-2014, and his compensation and benefits package for fiscal 2014-2015. Lastly, the Committee made recommendations to the Board concerning the allocation of directors' fees for 2014.

3.1.2.4.3 Strategy and CSR Committee

The Strategy and CSR Committee has three members, James Arnell, BIM (represented by Robert Zolade) and Société de Restauration 2 (represented by Denis Metzger). It is chaired by Société de Restauration 2, represented by Denis Metzger.

The Strategy and CSR Committee advises the Board of Directors on the Group's strategy. It assesses the Company's values and undertakings in the field of sustainable development 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 on the main strategic goals and their economic, financial and social implications, as well as their implications for the Group's development policy;
- giving its opinion on planned acquisitions or disposals presented by executive management that will have a material impact on the Group or fall outside the Group's normal business;
- giving its opinion on proposed material financial transactions;
- assessing the social and environmental impact of the Company's investments and any material acquisition projects; and
- examining the Company's social and environmental policies, its sustainable development undertakings and the resources deployed 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 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.

Strategy and CSR 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 Committee has met twice since June 11, 2014 (date of the initial public offering), with an attendance rate of 100%.

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 material investments. It also examined the framework and conditions for Sofibim's assistance as advisor to the Company on acquisition projects and drafted related recommendations to the Board of Directors.

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 controlled companies, independent directors should account for at least a third of the members of the Board.	Two of the eight members of the Board are qualified as independent directors. The Board decided not to apply the proportion of independent directors recommended in the Code as it wishes to keep the size of the Board reasonable, while giving the controlling shareholder a majority of the votes at Board meetings and complying with the applicable parity rules.
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 of 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.
Article 22 of the Code recommends that when an employee becomes a corporate officer, his or her employment contract should be terminated. This recommendation applies in particular to the chief executive officer of a company that has a board of directors.	The Company has chosen not to refer to the Code concerning the termination of the employment contract of an employee who becomes a corporate officer. At its meeting on June 11, 2014, the Board decided to suspend Gilles Petit's employment contract for as long as he serves as Chief Executive Officer. The contract will then be reinstated with immediate effect if and when he ceases to be Chief Executive Officer, on the terms applicable when it was suspended.
Article 23.2.5 of the Code states that the conclusion of a non-compete agreement should be considered very carefully by the compensation committee. The signature of the agreement, its duration and the amount of the related benefit should be authorized by the Board of Directors and the Board's decision should be publicly disclosed.	The Company has decided not to refer to the Code concerning the Board's authorization of non-compete agreements, as some such agreements were already in effect at the time of the initial public offering and could not be unilaterally terminated by the Board.

The AFEP-MEDEF Code to which the Company refers is available for consultation on the Internet.[10] Copies of the Code are made available to members of the Company's governance structures at all times.

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 their transactions in the Company's securities.

3.1.4 RESTRICTIONS ON THE 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 simple majority of the directors:

a) proposed amendments to the Bylaws of material subsidiaries that are not 100%-owned by Elior, directly or indirectly;
b) proposed issues of securities giving right to the share capital of the Company for an amount in excess of €20 million (including the issue premium);
c) approval of short and medium-term projections;
d) proposed communications to the market;
e) anything that allows the exercise of the put and call options on Áreas shares;
f) material, non-strategic transactions announced by the Company;
g) approval of (a) the consolidated annual budget of the Company and its subsidiaries, and (b) the annual budget of each operating division with gross annual revenues in excess of €100 million;
h) 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 in excess of €10 million, except for any acquisitions resulting from an irrevocable purchase commitment (such as a put option written by the Company or a purchase contract) given by the Group prior to the date of this document and executed in accordance with the terms of said commitment (as existing as of the date of this document);
i) the sale or transfer by any other method of any asset (including securities) for an amount in excess of €25 million, except for disposals resulting from irrevocable commitments (such as a call option written by the Company or a sale contract) given by the Group prior to the date of this document and executed in accordance with the terms of said commitment (as existing as of the date of this document);
j) the signature, amendment or renewal of any agreement (including agreements entered into in the normal course of business on arm's length terms) between the Company and one or several subsidiaries on the one hand and a shareholder or one or several affiliates (other than the Company and its subsidiaries) on the other hand, except for sales contracts entered into by companies included in one of the shareholders' investment portfolios in the normal course of business.
k) any decision to carry out an acquisition or investment (including any assumption of debt), to distribute dividends, additional paid-in capital or retained earnings or make any other distribution to partners or shareholders (including by way of a capital decrease or return of capital), if the post-transaction pro forma net debt/ EBITDA ratio on the transaction completion date will be greater than the sum (x) of the reference net debt/ EBITDA ratio on the transaction completion date and (y) 0.2;
l) the conduct, on any basis, of a business that falls outside the designated business area;
m) a securities issue by any of the Company's subsidiaries (with or without pre-emptive subscription rights), except that for an issue with pre-emptive subscription rights, the Board of Directors' prior approval will not be required if the Elior subsidiary that holds the shares in the subsidiary that carries out the securities issue takes up its share of the issue by exercising all of its pre-emptive subscription rights;
n) any amendment to the Bylaws or the dissolution or liquidation of Elior Participations SCA;
o) the initiation or management by a member of the Group of any dispute, investigation or litigation concerning an amount in excess of €5 million;
p) 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;
q) the signature of any contract giving a significant competitor the right to control, lead or exercise significant influence over the management or administration of one or several material subsidiaries;
r) any investment or chain of investments (other than acquisitions) (i) for an amount in excess of €3 million or (ii) an amount which, when added to the amount of other investments or chains of investments (other than acquisitions) carried out during the same fiscal year, exceeds the investment budget provided for in the consolidated annual budget for the fiscal year concerned;
s) the signature, amendment or renewal of any contract for a term in excess of three years, except for any contracts signed, amended or renewed in the normal course of business but including the signature, amendment or renewal of any concession agreement (through a call for bids, private negotiations or otherwise), except that the Board of Directors' prior approval will be required for concession agreements (including master concessions) only where they involve investments in excess of the limits specified above;
t) any off-balance sheet commitment (i) for an amount in excess of €3 million or (ii) an amount in excess of €5 million and a period of more than two years, all within an overall ceiling of €250 million;

(10) *http://www.ecgi.org/codes/documents/afep_medef_code_revision_jun2013_en.pdf*

u) all material press releases;

v) the signature, amendment or early repayment of debt towards any and all lenders, in any form (including lease financing, bonds and derivative instruments), for an amount in excess of €5 million, and any decision requiring the prior authorization of the banks with which members of the Group have signed financing agreements;

w) approval of the interim and annual financial statements of the Company, the Group and Elior Participations SCA;

x) the signature of material strategic partnership agreements;

y) the hiring of executives or employees and the determination of their compensation package, if their gross annual compensation, including any and all bonuses, other variable compensation and benefits in kind, exceeds €250,000;

z) the termination or removal from office of any corporate officer or employee whose compensation exceeds €250,000, or the signature of a settlement agreement with any such corporate officer or employee;

aa) the set-up, granting or amendment of any discretionary or non-discretionary profit-sharing plan, stock option plan, free shares plan, employee stock ownership plan, company matching contributions, bonus plan, or any similar plan or agreement, for all or some of the employees or corporate officers;

bb) any material change in compensation or employment policy, any decision leading to a change in employees' status, the signature of any corporate agreement and any site closure involving the implementation of a lay-off plan;

cc) the appointment and removal from office of the corporate officers (Chairman and Chief Executive Officer, Chief Executive Officer, Chief Operating Office, legal manager) of significant subsidiaries that are not wholly-owned, directly or indirectly, by Elior Participations SCA;

dd) any undertaking to carry out any of the actions listed above or to grant an option or any other contract whose exercise would or could oblige the Company or one or several subsidiaries to carry out any such actions; and

ee) The list of transactions subject to prior approval does not include any transactions referred to in paragraphs h, i, j, k, m, s and v above that are carried out between subsidiaries that are wholly-owned, directly or indirectly, by Elior or Áreas or THS.

Lastly, at its meeting on June 11, 2014, the Board of Directors gave the Chief Executive Officer, and any persons to whom said authority may be delegated, a one-year authorization to issue all forms of guarantees and endorsements in the Company's name, provided that the resulting aggregate commitments do not exceed €20 million and that no individual commitment exceeds €3 million, except for tax and customs bonds which are not subject to any limit. This authorization was renewed by the Board of Directors at its meeting of December 11, 2014.

3.1.5 OFFICERS' INTERESTS AND COMPENSATION

3.1.5.1 Compensation Policy: Chief Executive Officer

The principles and rules applied to determine the Chief Executive Officer's compensation and benefits package were approved by the Board of Directors at its meeting on June 11, 2014.

The Chief Executive Officer's compensation and benefits are decided by the Board of Directors based on the recommendation of the Nominations and Compensation Committee.

Gilles Petit's compensation includes a basic salary (which is reviewed annually) and a bonus, corresponding to 80% of his gross annual salary. His basic salary has not been increased for fiscal 2014-2015.

Out of the overall bonus, 80% is based on quantitative targets set in relation to revenue, EBITDA and operating cash flow, and 20% is contingent on Gilles Petit's performance concerning precise and pre-defined qualitative targets such as completion of specific projects or transactions. If the targets are exceeded, the bonus may be increased to 100% of his gross annual salary. The type and level of the targets and the achievement rates are determined each year by the Board of Directors after reviewing the recommendation of the Nominations and Compensation Committee.

For fiscal 2013-2014 there were two main quantitative targets for determining the bonus: EBIT and operating cash flow, with weightings of 70% and 10% respectively. For fiscal 2014-2015 there are three main targets: revenue, EBITDA and operating cash flow, with respective weightings of 15%, 50% and 15%.

The bonus is paid within four months of the end of the budget period concerned.

Gilles Petit is not entitled to any specific pension benefits.

He is entitled to a termination benefit. If the Company were to terminate his employment contract (other than for gross negligence or serious misconduct), he would be eligible, under certain conditions, for a termination benefit equal to 12 months' compensation, calculated on the basis of his average gross monthly compensation for the previous 12 months, excluding any special bonuses. The termination benefit was approved by the Nominations and Compensation Committee on February 24, 2014 and by the Board of Directors on June 11, 2014. 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.

Gilles Petit has the use of a company car, in line with the practice within the Group for persons with the responsibilities of Chief Executive Officer.

The Company has signed a non-compete agreement with Gilles Petit. Under the terms of the agreement, Gilles Petit is prohibited from taking up any similar or competing position with any commercial catering and/or contract catering company for at least two years after his employment contract is terminated. He would also be subject to a two-year ban on holding financial or other interests, directly or indirectly, in any such company. In exchange, he would receive a monthly indemnity equal to 50% of his gross monthly salary during the two years following the termination of his employment contract.

Details of the Chief Executive Officer's compensation are publicly disclosed and may be consulted in the Registration Document (see next section "Compensation and Benefits Awarded to Corporate Officers").

Amounts accrued or recorded by the Company or its subsidiaries for pension or other benefits

None.

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	Fiscal 2013-2014	Fiscal 2012-2013
James Arnell, Chairman of the Board of Directors		
Compensation for the year	Not applicable[2]	€3,387[1]
Value of long-term bonus awarded during the year	Not applicable	Not applicable
Value of stock options granted during the year	Not applicable	Not applicable
TOTAL	Not applicable	€3,387
Gilles Petit, Chief Executive Officer		
Compensation for the year	€2,109,127	€1,196,339
Value of long-term bonus awarded during the year	Not applicable	Not applicable
Value of stock options granted during the year	Not applicable	Not applicable
Value of free shares	Not applicable	Not applicable
TOTAL	€2,109,127	€1,196,339

(1) Corresponding to directors' fees paid by Áreas SA, an indirect subsidiary of the Company, to James Arnell in his capacity as member of the Áreas SA Board of Directors.
(2) James Arnell decided to waive his right to directors' fees.

Compensation awarded to each corporate officer

Corporate officer concerned	Fiscal 2013-2014		Fiscal 2012-2013	
	Amount due[5]	Amount paid[6]	Amount due[5]	Amount paid[6]
James Arnell, Chairman of the Board of Directors				
Salary	Not applicable	Not applicable	Not applicable	Not applicable
Annual bonus	Not applicable	Not applicable	Not applicable	Not applicable
Long-term bonus	Not applicable	Not applicable	Not applicable	Not applicable
Special compensation	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	€0	€0	€3,387	€3,387
Benefits in kind	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	Not applicable	Not applicable	€3,387	€3,387
Gilles Petit, Chief Executive Officer				
Salary[1]	€692,512	€717,601	€694,538	€705,184
Annual bonus[1]	€375,286[2]	€499,240	€499,240	€327,000
Long-term bonus	Not applicable	Not applicable	Not applicable	Not applicable
Special compensation[1]	€1,038,768[3]	€1,038,768[3]	Not applicable	Not applicable
Directors' fees	Not applicable	Not applicable	Not applicable	Not applicable
Benefits in kind[4]	€2,561	€2,561	€2,561	€2,561
TOTAL	€2,109,127	€2,258,170	€1,196,339	€1,034,745

(1) Gross (before payroll taxes and income tax).

(2) Bonus paid in January 2015, based on the Company's financial performance.

Gilles Petit's compensation as Chief Executive Officer of the Company includes a bonus (see Section 3.1.5.1 above for further details).

Based on the recommendation of the Nominations and Compensation Committee, at its meeting on December 17, 2014, the Board of Directors validated the achievement rates for the quantitative and qualitative targets for fiscal 2013-2014, as follows:

- *52.74% for the quantitative targets;*
- *15.00% for the qualitative targets.*

The overall achievement rate for the two sets of targets for fiscal 2013-2014 was therefore 67.74%. The corresponding bonus was paid to Gilles Petit in January 2015 (i.e. in fiscal 2014-2015).

(3) In June 2014, Gilles Petit received a special bonus of €1,038,768 (gross) for his work in connection with the initial public offering, corresponding to a net taxable amount of €882,000.

(4) Company car. Valued on an annual basis.

(5) Compensation due to the corporate officer for the fiscal year, the amount of which is not subject to change whatever the payment date.

(6) Total compensation paid during the fiscal year to the corporate officer.

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 fiscal 2012-2013	Amounts due for fiscal 2013-2014 (paid in 2015)
Gilles Auffret[1]		
Directors' fees	Not applicable	€31,333
Laurence Batlle[1]		
Directors' fees	Not applicable	€31,333
Sofibim (Gilles Cojan)		
Directors' fees	€4,516	€10,000
Société de Restauration 2 (Denis Metzger)		
Directors' fees	Not applicable	€0
Charterhouse Poppy IV (Pierre de Sarrau)		
Directors' fees	Not applicable	€10,000
Charterhouse Poppy II (Elisabeth Van Damme)		
Directors' fees	Not applicable	€10,000
BIM (Robert Zolade)		
Directors' fees	€4,516	€10,000
TOTAL	**€9,032**	**€102,666**

(1) Independent directors.

Directors' fees

The amounts presented in the table above are stated gross, before withholding tax.

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 Commitee. In addition to this fixed amount, they receive variable fees of €3,000 per Board or Committee meeting attended.

Fees paid to non-independent directors

Each non-independent director receives a set annual amount of directors' fees totaling €30,000.

For fiscal 2013-2014, the amount of directors' fees paid was calculated on a proportionate basis as from the date on which the Board and its Committees were created.

Fiscal 2012-2013

Directors' fees were paid by Áreas SA, an indirect subsidiary of the Company, to Gilles Cojan, Gilles Petit and Robert Zolade in their capacity as members of the Áreas SA Board of Directors.

Fiscal 2013-2014

The amount and allocation of directors' fees for fiscal 2013-2014 were determined by the Board of Directors on December 17, 2014. They will be paid after the Annual Shareholders' Meeting of March 10, 2015.

James Arnell and Denis Metzger (representing Société de Restauration 2) waived their directors' fees for fiscal 2013-2014.

Stock option plans

At the Extraordinary Shareholders' 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[1]	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	0	0
Gilles Petit	0	0
Non-executive directors		
Gilles Auffret	0	0
Laurence Batlle	0	0
Sofibim (Gilles Cojan)	0	0
Société de Restauration 2 (Denis Metzger)	0	0
Charterhouse Poppy IV (Pierre de Sarrau)	0	0
Charterhouse Poppy II (Elisabeth Van Damme)	0	0
BIM (Robert Zolade)	0	0
Start date of exercise period	April 15, 2014	April 15, 2015
End of exercise period	December 31, 2016	December 31, 2016
Exercise price[2]	€5.71	€5.72
Exercise process (plans with several tranches)	Not applicable	Not applicable
Number of options exercised as of December 31, 2014	158,521	Not applicable
Cumulative number of cancelled and expired options	121,300	102,290
Stock options outstanding at the fiscal year-end	234,479	458,990

(1) 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).

(2) 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 5.2.6, "Significant Changes in Share Capital").

Subscription of share purchase option granted to and exercised by the ten employees other than corporate officers who received the greatest number of options[1]

Subscription of share purchase option 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)	Not applicable	Not applicable	Not applicable	Not applicable
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)	46,440	€14.62	46,440	Not applicable

(1) No stock option plans had been set up by the Company as of the date of this Registration Document.

Information disclosed in application of AFEP-MEDEF recommendations

Corporate officers	Employment contract		Supplementary pension benefits		Compensation for loss of office or change of position		Non-compete indemnity	
James Arnell (first appointed: June 11, 2014)		No		No		No		No
Gilles Petit (first appointed: June 11, 2014)	Yes			No	Yes[1]		Yes[2]	

(1) If the Company were to terminate Gilles Petit's employment contract (other than for gross negligence or serious misconduct), he would be eligible for a termination benefit equal to 12 months' compensation, calculated on the basis of his average gross monthly compensation for the previous 12 months, excluding any special bonuses. The termination benefit was approved by the Nominations and Compensation Committee on February 24, 2014 and by the Board of Directors on June 11, 2014. Its payment would be subject to certain performance criteria being met, based on adjusted net 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 3.1.3 above, "Corporate Governance Code").

(2) The Company has signed a non-compete agreement with Gilles Petit. Under the terms of the agreement, Gilles Petit is prohibited from taking up any similar or competing position with any commercial catering and/or contract catering company for two years after his employment contract is terminated. This prohibition concerns all of the main contract catering groups and support services groups operating in the European Union as well as contract catering companies of a significant size in France, Spain, Italy, the United Kingdom, Portugal and Germany. He would also be subject to a two-year ban on holding financial or other interests, directly or indirectly, in any such company. In exchange, he would receive a monthly indemnity equal to 50% of his gross monthly salary during the two years following the termination of his employment contract (see Section 3.1.3 above, "Corporate Governance Code").

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 The Group is exposed to risks associated with food safety and the food supply chain, which may subject it to liability claims, damage its reputation or affect its relationship with its customers.

Elior's main business activity is the preparation and service of food 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 provided by the Group. 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 service 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 Elior to risks related to the food industry in general, such as widespread contamination, nutritional and other health-related concerns. 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, results of operations and financial position.

3.2.1.1.2 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 Elior operates, and as a result, the Group is exposed to fluctuations in revenue correlated to economic cyclicality.

The Contract Catering & Support Services business line provides 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 concerned about declining revenue, may reduce their demand for 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 decreases in consumer confidence and declines in spending. The Concession Catering business is linked closely to the travel industry and is affected by factors that may cause a decline in both. A decline in disposable income, increased unemployment, higher oil prices, increased 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 the Group 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 53% of its revenue in France, 15% 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 railways and airports and generally lower average per customer spending. Elior's ability to maintain growth in the countries in which it operates will depend on the ability of these countries to recover from the ongoing 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 the Group 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, the International Monetary Fund projected low growth in the Eurozone economies in 2014, with clearer signs of a recovery in 2015. 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.

Elior generates 29% of its revenue in Spain, Portugal and Italy. These countries have experienced adverse economic conditions since 2008, which in turn have affected the Group's operating revenue. The Group has accounted for impairments of goodwill related to Áreas, which were due to these conditions, of €25.0 million as of September 30, 2012 and €63.0 million as of September 30, 2013 (for more details regarding goodwill, see Section 3.2.1.2.15, "The Group has recorded a significant amount of goodwill and it may never realize the full amount thereof" of this Registration Document).

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 13.1 days in Italy, going from 111.2 days to 98.1, and by 8.9 days in Spain, from 107.9 days to 99. 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 revenue. 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. The new restructuring measures launched during the year ended September 30, 2014 generated additional costs of €21.7 million, of which €16.7 million in the Contract Catering business and €5 million in the Concession Catering business. These measures will start delivering results in fiscal 2014-2015.

3.2.1.1.3 The Group faces a dynamic competitive landscape marked by intense competition from a variety of players. If the Group 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 each 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 & Support Services business line, competitors range from small, local businesses to international companies with substantial financial resources. In each market in which the Contract Catering & Support 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 clients and 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 the Group's 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.

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.

Elior's Concession Catering business is largely dependent on sales to travelers. Consequently, the Group 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 "Unfavorable economic conditions have affected, and in the future could adversely affect, the Group's results of operations and financial position" of this Registration Document. For example, high or rising oil prices may inhibit sales growth due to higher airline ticket prices caused by fuel surcharges, while 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 and accidents may 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 the Group's 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 central purchasing organizations in the countries in which it operates that 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, as of September 2012, the top supplier represented 21% of the Group's purchases and 35% of its purchases in the United Kingdom, while in Italy, the leading suppliers of food products represented 19% of total food purchases. The Group's top five suppliers represent 42% of purchases in France and the top ten 55%. If the Group were to lose the ability to purchase from a key supplier, it would be difficult to find a substitute supplier in a timely fashion to meet its supply needs. Consolidation among suppliers, if it were to occur, would further reduce the number of suppliers 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 revenues to fall and costs to increase, 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 damage or disrupt its supply chain. Such factors include adverse 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 hostilities, disease pandemics, industrial 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 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 Elior'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, Elior believes that the loss of the services of key executives and employees could have a material adverse effect on the Group's 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 sale outlets and ensure that larger operational plans 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 corporate officers 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 required expertise or train such individuals effectively, it may be unable to operate its business successfully, and this would have a material adverse effect on its results of operations and financial position.

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 & Support Services and Concession Catering & Travel Retail business lines. It intends to continue to develop and expand its businesses through further acquisitions, in particular in the United States. The Company has access to a €300 million uncommitted acquisition facility for the purpose of financing these future acquisitions. The Group's inability 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:

- the Group 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);
- the Group 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 anti-trust 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;
- the Group 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;
- the Group 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;
- the Group 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.

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 & Support Services business line and as an operator of food and beverage and retail outlets through its Concession Catering & Travel Retail business line, the Group is reliant on a large workforce whose actions have a direct impact on consumers and/or who provide services on its clients' premises. In addition, in all of its businesses the Group provides facilities that are accessible to the public either at its own or its clients' premises. As a result, the Group may be subject to claims in connection with damage to a clients' property, interruptions of a clients' business, the spread of infections at healthcare facilities, food contamination, violations of environmental and/or occupational health and safety regulations, unauthorized use of the clients' 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 its 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 sale outlets. Revenue or profits at the Group's Concession Catering sale 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 was to occur and the Group was not able to renegotiate the terms of the contract, its results of operations could be adversely affected.

3.2.1.2.6 If the Group was 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 outsourcing business. Clients 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 make up a key element of the Group's operating expenses. The Group's 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 client and the expected attendance at a particular catering site or concession. If the Group overestimates its staffing needs for a particular client, 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 clients 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 as of September 30, 2014, 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. In addition, 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 to monitor sales at Contract Catering and Concession Catering restaurants and points of sale, 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 clients 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 & Support 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 clients, 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.

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 clients who choose to outsource and from concessions grantors.

Most Contract Catering & Support Services and Concession Catering business is generated from a competitive bidding process between Elior and several other service providers. In order to be awarded a contract, Elior must be able to demonstrate its value proposition effectively. The Group 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 Elior is successful in its bid, 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 & Support 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 such contract, it may incur significant losses that may 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 client contracts or decisions by clients not to renew their contracts may have a material adverse effect on the Group's Contract Catering & Support Services business and Concession Catering business.

The Group conducts business with its Contract Catering & Support Services clients 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 client 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. Clients may also decide to insource services previously outsourced to the Group. For example at the end of 2013, a large client 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 client 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, client 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.

3.2.1.2.9 The Group may have to write off receivables from Clients experiencing financial difficulties.

Across each of its business lines, and notably in its Contract Catering & Support Services business, the Group is reliant on clients' ability to pay for its services. If a client 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 its financial position and results of operations.

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.

Branding is 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 was 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 effects 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 business 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, structuring decisions and local legal compliance may be 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 may 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 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 the Group's Contract Catering business and its results of operations.

As of the date of the Registration Document, the Group operated 59 central kitchens in France, 32 in Italy and 13 in Spain, in which meals are prepared off-site for Contract Catering clients in the Education and Healthcare markets. Its central kitchens are strategically located to serve the needs of clients 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 clients that particular central kitchen serves, especially in markets where meals are prepared hot for immediate delivery to catering sites and are thus unable to travel 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' 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 material 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 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 €2,360.2 million at September 30, 2014, representing 50.3% of its total assets. Goodwill is recorded on the date of acquisition 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 recorded a goodwill impairment loss of €25 million in the year ended September 30, 2013. The Group can give no assurance that it will not record any further goodwill impairment losses in the future. Any future impairment of goodwill may result in material reductions of its income and equity under IFRS. For example, an impairment loss of €25.0 million was recorded on Áreas goodwill in the year ended September 30, 2013, after a similar impairment loss of €63.0 million in the year ended September 30, 2012. After these impairments, the residual value of Áreas goodwill was €116 million as of September 30, 2014.

3.2.1.2.16 The Group relies on its computer systems to conduct its business. Any instances of systems underperformance 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 failures 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. As of September 30, 2014, it had total debt of €1,588.5 million (see Section 4.3.1.2.2, "Financial Liabilities" of this Registration Document). 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 the EURIBOR (see Section 3.2.1.5.2 "Interest Rate Risk" below), the margins applicable on some of the 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 4.3.1, "Liquidity and Capital Resources" of this Registration Document).

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 1.5, "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 4.3.1, "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 4.3.2, "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 ability 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 The Group is subject to constraining laws and regulations in certain of the countries in which it operates – notably labor and employment laws and regulations – and changes in or violations of such laws and regulations may adversely affect its business and profitability.

Labor and employment laws and regulations have a significant effect on the Group's operations because of the size of its workforce (which, at September 30, 2014, comprised approximately 106,000 employees) and payroll costs (which represented 45.5% of consolidated revenue for the year ended September 30, 2014). The vast majority of the Group's workforce is based in France, Italy and Spain, where labor laws are 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 areas. For example, any change in the rules relating to school hours could have an adverse effect in the Education market within its Contract Catering & Support 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.

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 revenues for the Contract Catering & Support Services business line. Business generated by public sector clients may be affected by political and administrative decisions regarding levels of public spending, particularly in light of the current attention in many 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 clients 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 subject to two different 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 or cash flows in the period(s) in which the outcome of such matters is determined and/or the related amounts are settled.

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 according to 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 limitations. 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 earnings before tax and non-recurring items (as adjusted for the purpose of these limitations); 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 limitations if such portion of interest is greater than €150,000.

In addition, Article 209 IX of the French Tax Code limits 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 provide for a general limitation 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 limit 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 SPPICAV with a sole shareholder – or, in some cases, a similar entity governed by the laws of another company.

The tax rules could limit 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 increases 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, 2014.

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 become fully refundable in cash by the French tax authorities at the end of that period.

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 March 2014 for the 2013 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. However, 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 limit 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 intra-group 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 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. As of September 30, 2014, the Group had deferred tax assets of €249.2 million and available tax loss carryforwards of €453 million. Deferred tax assets of €154.8 million were recognized for tax loss carryforwards in the year ended September 30, 2014. 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 clients and 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, "The Group is exposed to risks associated with food safety and the food supply chain, which may subject it to liability claims, damage its reputation or affect its relationship with its customers", and Section 1.6.5.1, "Food Regulations" of this Registration Document). Through its Support 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 Support 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 care. The Group and its clients 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 minority shareholder of Áreas

Since June 2012, when Elior Concessions acquired control of Áreas Iberoamericana S.L. (later renamed Áreas), the Company has held a 61.55% indirect ownership interest in Áreas. The remaining 38.45% is owned by Emesa S.L. (Emesa), the holding company of the Áreas group's founder. Elior Concessions is a wholly-owned subsidiary of Elior S.C.A., which itself is wholly owned by the Company. As part of the acquisition process, on June 14, 2012 Elior Concessions entered into an agreement (as modified on March 18, 2014) granting Emesa a put option (the "Put Option"), pursuant to which Elior Concessions irrevocably undertook to acquire from Emesa, in a single transaction and subject to certain conditions, all of the Áreas shares held by Emesa if Emesa elects to exercise its option.

Emesa will be able to exercise the Put Option if Robert Zolade or any member of his family (directly or indirectly through representatives chosen by Robert Zolade) no longer (i) forms part of the Company's governance bodies, or (ii) holds any direct or indirect ownership interest in the Company (an "Exit"). The Put Option will also be exercisable if the Charterhouse funds, Chequers funds and Robert Zolade's family no longer jointly hold – directly or indirectly – more than 50% of the capital and voting rights of Elior Concessions, the Company, Elior Participations S.C.A, or any company that has acquired 100% of their indirect investment in Áreas (a "Change of Control"). In each of the above cases, the Put Option will be exercisable by Emesa during a period of three years as from the date on which the triggering event occurs.

Emesa will also be able to exercise the Put Option if its shareholding in Áreas falls to below 20% following a dilutive event (a "Dilution"). In this case, the Put Option will be exercisable for a period of three months as from the Dilution. If it is not exercised within this three-month period it may still be exercised within the above-mentioned three-year timeframe in the event of a subsequent Exit or Change of Control.

The Put Option agreement provides for the application of specific rules in the event that more than one of the above-mentioned triggering events occurs. These rules could have an impact on the exercise periods and duration of the Put Option depending on which combination of events occurs and their timing. For example, if the Put Option is not exercised after an Exit, it will not be forfeited and will still be exercisable – within the timeframe and in accordance with the conditions set out above – in the event of a subsequent Change of Control or Dilution. The Put Option agreement also provides that if Emesa does not exercise the Put Option within the three-year exercise period following a Change of Control event, the occurrence of a new Change of Control event or a new Exit event will not open up a new exercise period. However, Emesa will still be able, after the three-year period has expired, to exercise its Put Option if a Dilution event occurs as defined above.

The price of the shares purchased on exercise of the Put Option will be agreed between the parties, or failing that, will be set by one or more investment banks specifically commissioned for the purpose, without applying any minority interest or liquidity discount.

The Put Option will expire if Áreas is listed on a stock exchange (although if it is exercised prior to such a listing, Elior Concessions will still be required to purchase Emesa's entire shareholding in Áreas).

Based on the undertakings of the shareholders concerned and the applicable exercise conditions, the Put Option has not been recognized in the Company's financial statements. However, it is disclosed in Note 4/17 to the consolidated financial statements presented in Section 4.5, "Consolidated Financial Statements for the Years Ended September 30, 2013 and 2014" of this Registration Document.

If one or more of the Put Option exercise conditions were met and Emesa subsequently elected to exercise the put, the Company would be required to purchase Emesa's entire shareholding in Áreas at a price that has not yet been determined as it will depend on the value of Áreas at the exercise date of the Put Option. At the date of this Registration Document, no provision had been recognized in the consolidated financial statements for the potential exercise of the Put Option.

At the time of the initial public offering, the Company analyzed the value of Áreas and its subsidiaries, in order to be able to assess the commitment to be recorded for the Put Option in the consolidated financial statements. At September 30, 2014 a corresponding €160 million liability was recognized in the consolidated financial statements.

For as long as the Put Option remains in force and has not been exercised, Áreas is required to pay Emesa dividends proportionate to Emesa's shareholding in Áreas. In addition, in light of the duration of the Put Option, which may exceed three years as from the applicable triggering event, the date when the exercise price will be determined is not currently known.

As a result, it is likewise not currently possible to determine or estimate the financing terms that will apply on the payment date of the exercise price if the Put Option is exercised. Any delay in or refusal of the financing required for the Company to purchase Emesa's shares in Áreas on exercise of the Put Option could have an adverse effect on the Group's financial position.

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, 2014, non-Eurozone countries – essentially the United Kingdom, Mexico and the United States – accounted for 16% of its consolidated revenue, including 5.3% contributed by the United Kingdom and 9.0% 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.

Its exposure to foreign exchange risk primarily 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 0.8193 for the year ended September 30, 2014 would result in a corresponding change in consolidated revenue and recurring operating profit of €15 million and €0.6 million respectively; and
- the U.S. dollar against the euro: a 5% increase or decrease in this currency compared with the average rate of 1.357 for the year ended September 30, 2014 would result in a corresponding change in consolidated revenue and recurring operating profit of €25 million and €1.3 million respectively.

During the year ended September 30, 2014, the Group set up currency swaps to hedge its net investment in subsidiaries located in the United States. These hedges represented a notional amount of $139 million at the year-end.

Its external financing is primarily denominated in euro, except for the acquisition financing for THS – which is denominated in U.S. dollars and amounted to $147 million at September 30, 2014 – and dollar-denominated financing taken out by Áreas for its capital expenditure programs in the United States. These borrowings are matched by dollar-denominated cash flows generated by THS and by Áreas US.

3.2.1.5.2 Interest Rate Risk

The Group is exposed to the risk of fluctuations in interest rates on its debt that is indexed to EURIBOR plus an applicable margin. EURIBOR could rise significantly in the future, increasing its interest expense and reducing 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, caps and FRAs (Future Rate Agreements). 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 83% 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 interet rate risk at September 30, 2014, before and after hedging was as follows:

(in € millions)	At September 30, 2014									
	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		104.1		76.4		(27.7)				(27.7)
1 to 5 years				1,289.1		1,289.1		(900.0)		389.1
Beyond 5 years			227.5		227.5				227.5	
Total		**104.1**	**227.5**	**1,365.5**	**227.5**	**1,261.4**		**(900.0)**	**227.5**	**361.4**

(1) Cash investments recorded under marketable securities in the balance sheet.

(2) Syndicated debt (i) of the Company and Elior Participations SCA under the Senior Facility Agreement, and (ii) under the THS Credit Agreement, the Áreas Commercial Facilities Agreement and the receivables securitization program.

(3) Hedging instruments (swaps and FRAs) effective throughout fiscal 2014-2015.

In fiscal 2013-2014, 71% 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 €3 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, 2014	
	Income statement impact (before tax)	Equity impact (before tax)
Impact of a 1% increase in interest rates for the fiscal year	(3.0)	18.0
Impact of a 1% decrease in interest rates[1]	N/A	N/A

(1) Not material – not applicable based on the current EURIBOR rate.

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, 2014 by contractual maturity.

(in € millions)	September 30, 2014			
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
Medium-term debt – Elior			200	200
Medium-term debt – Elior Participations and THS		116	756	872
Other medium and long-term bank facilities		28		28
Sub-total: bank debt		**144**	**956**	**1,100**
Elior Finance & Co SCA debt			228	228
Obligations under finance leases	4	12		16
Other borrowings[1]	55	176	0	231
Bank overdrafts	18			18
Current accounts	0			0
Accrued interest	14			14
Sub-total: other debt	**90**	**188**	**228**	**506**
Total debt	**90**	**332**	**1,184**	**1,607**

(1) Including debt under the receivables securitization program

The Group also has access to revolving lines of credit for a total of €300 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 4.3.1.2.2. "Financial Liabilities" of this Registration Document).

For more information about the Group's liquidity sources, see Section 4.3.1 "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 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. 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, 2013 and 2014, net of any accumulated impairment losses.

The Group believes that its exposure to concentrations of credit risk on trade receivables is very low. The balance sheets of its companies operating in the Concession Catering & Travel Retail business line do not generally include significant amounts of trade receivables. In the Contract Catering & Support 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 clients and the geographic locations of these clients 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' 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 fiscal year ended September 30, 2014 totaled €17.6 million, including Workers Compensation Insurance premiums of €4.1 million in the United States.

3.2.1.6.2 Risk Management

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, "The Group is exposed to risks associated with food safety and the food supply chain, which may subject it to liability claims, damage its reputation or affect its relationship with its customers") and thus has implemented internal control processes in each country where it operates in order to ensure the quality of the food used to prepare meals, and comply with applicable hygiene and food safety regulations. The Group has also implemented 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 1.6.5.1. 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, "Events beyond the Group's control that cause a reduction in travel, including, but not limited to, terrorist attacks, pandemics and natural disasters, could have a material adverse effect on the Group's Concession Catering business"). 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'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 a small number of key suppliers for certain products. If problems arose 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 mitigated by the fact that it is fragmented, because 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, "The Group is reliant on site, regional, divisional and senior management teams and other key personnel for the successful operation of its businesses"). 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, "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"). 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, "The Group may be held liable for the actions of its employees"). 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, "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 & Support Services business and Concession Catering business"). The Group 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, "The Group may have to write off receivables from clients experiencing financial difficulties"). 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 Group's international operations may expose it to additional risks"). 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 client commitments continue to be fulfilled in the event that a central kitchen has to be closed temporarily.

3.2.1.6.3 Legal and Arbitration Proceedings

The Group is currently subject to investigative procedures launched by the French and Italian antitrust authorities, as described in Section 20.6 of the Registration Document registered by the AMF on April 15, 2014 under number I. 14-015 and available on the Company's website (www.elior.com). There have been no developments in these cases between that date and the date of this Registration Document.

At the date of this Registration Document, the Group is 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.

3.2.2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

3.2.2.1 Description of 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 Risk Management and Internal Audit Department.

This report covers the Company and all of its consolidated subsidiaries. The information contained in this report is organized as follows:

- procedures for 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 for 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 Risk Management and Internal Audit Department and was approved by the Chief Financial Officer and the Chief Executive Officer. The report and the underlying procedures were reviewed by the Audit Committee on December 8, 2014 and were approved in full by the Board of Directors at its meeting on December 11, 2014.

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:

1. Control environment
2. Risk assessment
3. Control activities
4. Information and communication
5. 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:

1. 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;
2. Reporting objectives: these pertain to internal and external financial and non-financial reporting and encompass reliability, timeliness and transparency;
3. 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. 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:

1. The control environment demonstrates the integrity and ethical values of the organization.
2. The Board of Directors acts independently from management. It oversees the development and effectiveness of the internal control system.
3. Under the Board's supervision, management defines the organization structure and the assignment of authority and responsibility to enable objectives to be met.
4. The organization demonstrates its commitment to attracting, training and retaining competent individuals, in line with objectives.
5. 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.[11]

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 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 all entities, 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:

1. The Group's internal control system results from the strategy, culture and general policies defined at the time of its formation;
2. The organization of the Group's governance is based in particular on the separation of powers between James Arnell, Chairman of the Board of Directors, and Gilles Petit, Chief Executive Officer.
3. In line with the responsibilities assigned to it 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 Head of Risk Management and Internal Audit, and regularly reviews the Group risk map. It also expresses an opinion on the organization and resources of the Risk Management and Internal Audit Department, and is informed of the internal audit program. The Committee receives copies of the internal audit reports or periodic summaries of these reports.

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

(11) COSO Integrated Control Framework – Components and Principles

and Board Committees reflect this involvement (see Section 3.1.2.2. above, "Operating procedures of the Board of Directors").

c. Allocation of roles and responsibilities in the area of internal control

The organization of internal control is the responsibility of the Chief Executive Officer, assisted by the Group's Head of Risk Management and Internal Audit and by the Group Executive Committee whose members include the Chief Executive Officer, the Heads of the main subsidiaries, the Chief Financial Officer, the Chief Human Resources Officer and the Chief Purchasing and Logistics Officer.

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 participates regularly in the management of its operational entities, mainly via its Executive Committee.

In particular, the Group has established a formal system of delegations of authority that is coordinated, for all divisions in France, by the Corporate Legal Affairs Department. 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.

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 to clarify the interview objectives, the mobility pathways and the 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, while training teams in the various markets and countries meet local employees' specific needs through specially designed training solutions.

Elior encourages and supports staff mobility between the 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 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 revenue targets. "Roadmap" criteria are also defined for individual markets or corporate functions, to support the attainment of financial targets, notably through the generation of 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 initiave and respective 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.

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.

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 Risk Management and Internal Audit 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 Risk Management and Internal Audit Department.

The Group's risks were mapped in 2014 by the Risk Management and Internal Audit Department, with the assistance of a large group of line managers. With the help of external consultants, the department began by conducting individual interviews with members of the Executive Committee and with executives holding strategic position at Group level or in the business units, to identify the risks to which the operations within their area of responsibility are exposed. It then produced a summary of the main risks, including their definition, frequency and impact (financial, human, legal or reputational) and the extent to which they are controlled. A rating was assigned to each risk and the departments concerned were given the task of preparing appropriate action plans to address the main identified risks. The risk map was reviewed and validated by the Executive Committee prior to being submitted to the Audit Committee. The action plans will be implemented by local managers under the responsibility of the heads of the business units or corporate departments, and under the supervision of Group executive management. The risk management system will be monitored and regularly reviewed by the Risk Management and Internal Audit Department under the authority of Group executive management.

3.2.2.2.2 Management of Insurable Risks

The Insurance and Risk Prevention Department, which is part of the Risk Management and Internal Audit 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 geographical location: insurance correspondents, health and safety managers, finance managers, road accident risks committee) and external correspondents (insurance engineers).

It proposes Group policies in the areas of property damage prevention and implements a contractual risk reduction policy in cooperation with the Operational Legal Affairs Department, 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 A— by Standard & Poor's in 2014.

They 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 Elior's activities. A global liability program has been deployed covering all Group entities except for the newly acquired subsidiary, THS, in the United States, which has not yet joined the program. 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 market for the management committees of the 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:

1. Regulatory watch by a central team, to provide assistance and support to the safety and security managers at the Group's various sites.
2. Communication of safety and security guidelines with respect to the Group's major operational risks, prepared by the Group's safety and security managers in partner-

ship with the insurance engineers (sharing of best practices).

3. Regular publication of an internal road safety newsletter in France.
4. 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 Activities

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:

1. The organization selects and develops control activities to manage the risks to achievement of its objectives and reduce them to an acceptable level.
2. The organization selects and develops general automated controls to facilitate the achievement of its objectives.
3. The organization deploys control activities through rules that describe the objectives and through procedures for the implementation of these rules.

The control activities set up by the Group aim to:

- ensure that the Group's business 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 Chief Executive Officer, is based on a three-tier organization:

1. first-tier controls are performed by each employee and his or her superior, based on their explicit responsibilities, the procedures applicable to their activities and their instructions;
2. 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;
3. third-tier controls are performed by the Elior Group internal auditors and are coordinated by the Risk Management and Internal Audit Department, which is 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 an unique and independant Quality and Safety Department, which has a team of 14 people and is responsible for:

1. ensuring the quality of the Group's food and non-food supplies;
2. defining hygiene rules for all of the Group's sites and overseeing their application;
3. providing the technical and scientific expertise required to manage administrative files with the relevant authorities;
4. dealing with any food safety alerts;
5. 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 within its restaurants.

The Quality and Safety Department has had ISO9001 certification since 1994, ISO14001 certification since 2010 and ISO22000 certification since 2012.

All of the Group's international subsidiaries have also set up systems to monitor and control food safety issues.

This organization has enabled the Group to set up several tools to guarantee the quality of the products served in all of its restaurants. These tools cover both upstream and downstream processes to ensure the highest levels of safety.

a. Food safety in the supply chain

In the past ten years, Elior has set up 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), 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, and in 2013 on the verification of reported ingredients through DNA tests on processed products. 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 ten years, representing some 875 audits and 13,000 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. <u>Food safety and hygiene at production sites</u>

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 fact-sheets 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 supervisors, 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:

1. microbiological analyses of finished products to check the compliance with food health and safety regulations of the food products served to consumers;
2. surface analyses to check the effectiveness of cleaning operations;
3. 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 been applying 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 musculoskeletal 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 "temp-cook" 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;
- this equipment can be ordered via a database accessible on the intranet;
- new work uniforms have been introduced, made from sustainably produced fabrics that have obtained Oeko-tex certification: these fabrics are made by manufacturers that comply with International Labor Organization standards and are committed to protecting the environment (consumption and discharges). They are also guaranteed as being free from carcinogenic colorants and allergenic fibers.

Each division of Elior France has its own Safety Department responsible for deploying all available safety and adapting them to the specific risks in its market.

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 unit – which reports to Group Finance – exercises ongoing control over the operations and development of the Group's various businesses.

The Finance Departments within the divisions and subsidiaries grouping the Contract Catering & Support Services or Concession Catering businesses in each country where the Group operates report directly to their entity's executive management and have a dotted-line reporting relationship with the Financial Control Unit the Group Financial Control Department.

The Finance Departments of the Group' 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.

3.2.2.3.4 Internal Controls related to Information Systems

The Information Systems Department – which reports to Group Finance Department – is responsible for developing and deploying 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 Financial Control unit and Information Systems Department provide coordination and assistance with implementation and upgrades of key 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, operational 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 Risk Management and 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, chaired by the Chief Financial Officer and comprising the Head of Risk Management and Internal Audit and the heads of the operating units.

As part of his responsibilities, the Information Systems Security Officer has developed and deployed in the subsidiaries an initial security self-assessment questionnaire. A technical security audit is planned for late 2014, comprising intruder tests and an assessment of employees' awareness of best security practices.

A program to raise employee awareness of information systems security issues is currently being developed to promote security-conscious behaviors within the Group. In this regard, Elior has cofinanced, with around thirty companies that are members of CIGREF, a "serious game" that will be launched in early 2015.

Concerning Group information systems, business continuity procedures have been developed in partnership with an outside service provider. These are checked regularly and tested 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 international subsidiaries are responsible for establishing their own business continuity and disaster recovery plans.

3.2.2.3.5 Procedures Established by the Treasury and Financing Department to Manage Financial Risks

The principle of centralizing all financial market operations under the responsibility of the Treasury and Financing Department is applied to all fully-consolidated French and international subsidiaries, except for Áreas and THS which conduct their financial market operations directly under Treasury and Financing Department supervision. 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 Treasury and Financing Department also manages the Group's financing programs (bank borrowings, bond issues, securitization programs, etc.), meeting the financing needs of 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 Treasury and Financing Department for French and international subsidiaries (except for Áreas and THS).

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 Treasury and Financing 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 Treasury and Financing Department teams are organized around three units: commitments/reporting, cash management/bank administration, payment media management/information systems administration. The main business units have their own treasurers who are tasked with efficiently rolling down the Group's cash management policies and rules to 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 focus of the Treasury and Financing Department's work in the area of internal control is 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. Strict segregation of task rules are also applied to the entire headquarters team and to the network of treasurers.

- *Secure transportation of funds:* Elior only uses professional money transporters and deploys advanced till protection systems.

- *Development of best management practices to optimize transaction security and administrative efficiency:* the Treasury and Financing 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 automatic recording of accounting entries, a drive towards electronic payment media (bank cards, electronic meal vouchers, electronic transfers, etc.), the upcoming deployment of guarantee management software, 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 Transactions and Commitments

The Group Legal Affairs Department – which reports to the Group Finance Department – is responsible for monitoring the legal security of the Group's businesses and subsidiaries. In particular, the Group Legal Affairs Department 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 intervenes directly or by delegation, in conjunction with Elior'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 Head of Corporate Legal Affairs for acquisitions and divestments and corporate actions, and by the Head of Operational Legal Affairs, for operations-related contracts and the legal management of intangible assets. 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.

Lastly, the Group Legal Affairs Department coordinates the implementation of and compliance with corporate governance rules within the Group, firstly through the role of the departmental head as secretary of the Board of Directors and the governance bodies of the Company's French subsidiaries, and secondly by supervising the secretarial function of its main foreign subsidiaries' governance bodies.

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:

1. The organization obtains, generates and uses relevant and quality information to support the functioning of internal control.
2. The organization communicates internally the information needed for the proper operation of internal control, particularly information concerning objectives and internal control responsibilities.
3. The organization provides information to external parties about matters that may effect the proper operation of internal control.[12]

Elior uses the following structures and systems to obtain and communicate relevant information that allows each individual to fulfill his or her responsibilities:

1. Its decentralized organization and its information system, which facilitate the circulation of information needed for decision-making purposes. The staff and line executives are responsible, at their respective levels, for communicating the rules, policies and procedures applicable throughout the Group.
2. 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.
3. Communication and training activities initiated by the Risk Management and Internal Audit Department, which leads and coordinates the network of internal controllers/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.
4. The Head of Investor Relations, who is responsible for relations with shareholders, investors and financial analysts.

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:

1. The organization selects, develops and performs periodic and/or random assessments to ensure that the components of internal control are present and functioning.
2. 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.

(12) COSO Integrated Internal Control Framework – Components and Principles

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 operating activities and the production of accounting and financial information.

It also holds regular discussions with the head of internal audit 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 (see Section 3.1.2.2. above "Operating Procedures of the Board of Directors").

3.2.2.5.2 Group Executive Committee

The Executive Committee oversees 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. Regular presentations on internal control are made to the Executive Committee. In particular, presentations on internal control risks in countries considered as representing a priority are made by the heads of the local subsidiaries.
- The annual internal audit program.
- The review of the annual summary of internal audit reports.

In connection with internal control procedures and taking into account the restrictions on the Chief Executive Officer's powers provided for in the Board of Directors' Rules of Procedure, the Executive Committee also reviews and authorizes material projects concerning:

- 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.

3.2.2.5.3 Senior Management of the Business Units and 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/internal audit officers is being set up. These officers' role, under the authority of the Risk Management and Internal Audit Department, consists mainly of assisting management in identifying risks and supporting deployment of the Group's internal control rules.

3.2.2.5.4 Risk Management and Internal Audit Department

The Risk Management and Internal Audit Department plays a key role in leading internal control processes. Its organization and role are defined in the Internal Audit Charter.

a. <u>Role</u>

The role of the Risk Management and 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 Chief Executive Officer, the Executive Committee and the Audit Committee.

It 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 minority 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.

The Risk Management and Internal Audit Department is also responsible for leading the internal control process and managing the project to create a Group-wide internal control procedure manual and dedicated computer application, which will be deployed in the coming months.

b. <u>Development of the internal audit program and reporting</u>

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.

It is approved by the Chief Executive Officer based on the recommendation of the Audit Committee.

A post-audit report is prepared after each internal audit for the audited team, their superior and Group executive management. The report contains an assessment of the identified risks and recommendations on mitigation measures.

Finally, the Head of Risk Management and Internal Audit reports regularly to the Chief Executive Officer and the Audit Committee on the implementation of the annual internal audit program and on progress in implementing the internal auditors' recommendations.

c. Organization and resources

The Risk Management and Internal Audit Department reports to the Chief Executive Officer. The Head of Risk Management and Internal Audit meets with the Chief Executive Officer once a month for this purpose. He also has regular meetings with the Chief Financial Officer and the Chairman of the Audit Committee.

The headquarters internal audit team comprises three auditors. In addition, around ten internal control/internal audit officers report to the heads of the main business units.

These officers represent on average 1.5 internal auditors in each of the Group's main business units.

d. Activities during the fiscal year ended September 30, 2014

During the fiscal year, 16 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;
- management of 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;
- 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 reports.

This system is managed by an Information Committee chaired by the Chief Financial Officer and comprising the heads of the main corporate departments, who check the content of financial communications and other 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 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 unit is responsible for validating and controlling the centralized accounting and financial information system used by all of the Group's French subsidiaries. This unit also analyzes and validates the data collated via the monthly reporting process, as well as tracking and approving capital expenditure requests. Additionally, the unit leads the community of finance directors and financial controllers, through the correspondents appointed in each division or business unit. 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 (ex Magnitude) consolidation software. The system is operated and maintained by the Accounting Department and is deployed in all Group companies – except for THS USA which was acquired in April 2013 and is currently treated as a consolidated sub-group. The central consolidation team comprises three managers with 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 Chief Accountant with the support of the Tax Department, the consolidation team and the Financial Control unit. 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 legal audits.

The 11-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.

a. Budget process

The Financial Control unit is responsible for overseeing the budget process, monthly reporting, and the monitoring of investments and capital expenditure. Executive management draws on the Financial Control unit'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, accelerating commercial development, or tightening control over investments, capital expenditure or working capital.

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 unit (including assumptions concerning general inflation, raw material price 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.

b. 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.

The two Statutory Auditors 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 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.

3.3 STATUTORY AUDITORS' REPORT (DRAWN UP IN APPLICATION OF ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE) ON THE CHAIRMAN'S REPORT

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.

Elior SA
(formerly Holding Bercy Investissement SCA)
61-69, rue de Bercy
75012 Paris
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 September 30, 2014.

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 15, 2015

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.

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 bonus policy is aimed at ensuring that employees' performance is aligned with Elior's short- and medium-term objectives

The compensation of "executives", "senior managers" and "managers" includes an annual bonus 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 Group is currently working on harmonizing bonus systems throughout the organization.

The bonus 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 bonus systems, the Group has put in place a long-term incentive bonus plan for over 150 executives other than members of the Executive Committee. The objective of this bonus is to help retain top executives as well as to align their performance with Elior's medium/long-term objectives, as defined in the Group's Business Plan. If the targets are met at the end of the three-year period covered by the plan, the long-term incentive bonus may represent 6 to 15 months' basic annual salary, depending on the executive's position in the organization.

Compensation systems are coordinated using shared processes that are managed at Group level.

The management-by-objectives system used by Elior 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 salaries and bonuses for 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 EMPLOYEE RELATIONS

Elior has set up a European works council to which it regularly provides information on the Group's financial position, business operations, strategic objectives and human resources 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:

a) central works councils, company-level works councils and site-level works councils;

b) Health, Safety and Working Conditions committees;

c) employee representatives;

d) 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.

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 of the date of this Registration Document, the vast majority of Group companies have 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 Elior entered into its first employee share ownership agreement it set up a plan in each of the Group's 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

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL 2013-2014

4. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL 2013-2014

4.1 ANALYSIS OF THE GROUP'S BUSINESS AND CONSOLIDATED RESULTS

in € millions	Year ended September 30 2014	2013
Revenue	**5,340.8**	**5,016.9**
Purchase of raw materials and consumables	(1,602.2)	(1,497.3)
Personnel costs	(2,429.6)	(2,331.1)
Other operating expenses	(799.8)	(709.1)
Taxes other than on income	(64.1)	(56.9)
Share of profit of associates	2.3	1.5
EBITDA	**447.3**	**424.0**
Depreciation, amortization and provisions for recurring operating items	(139.0)	(137.5)
Recurring operating profit including share of profit of associates	**308.3**	**286.5**
Other income and expenses, net	(73.5)	(106.4)
Operating profit including share of profit of associates	**234.8**	**180.1**
Net financial expense	(137.0)	(138.9)
Profit before income tax	**97.8**	**41.2**
Income tax	(41.2)	(38.9)
Profit for the period	**56.6**	**2.3**
Attributable to non-controlling interests	(8.8)	6.4
Attributable to owners of the parent	**47.8**	**8.7**
Earnings per share (*) (in €)	0.38	0.08
Recommended dividend per share (in €)	0.20	–

(*) *The earnings per share figure presented above for FY 2013-2014 has been calculated based on the weighted average number of Elior shares outstanding during the twelve months ended September 30, 2014 and includes the impact of the capital increase carried out when Elior was relisted on the stock exchange on June 11, 2014. Based on the number of Elior shares outstanding at the fiscal year-end, earnings per share for FY 2013-2014 would amount to €0.29.*

4.1.1 Changes in Scope of Consolidation

The main changes in the Group's scope of consolidation during FY 2013-2014 were due to disposals of the following non-strategic businesses operated by Áreas:

- The Group's Concession Catering subsidiaries in Argentina and Morocco, which generated annual revenue of around €20 million and were sold in December 2013.
- Áreas Chile's 40% stake in Arco Prime, which was sold to Áreas Chile's joint venture partner in the fourth quarter of the fiscal year for €20 million. Arco Prime – which operates motorway rest areas in Chile – was accounted for by the equity method in the Group's consolidated financial statements up until June 30, 2014.

4.1.2 REVENUE

Consolidated revenue increased by €323.9 million, or 6.5%, to €5,340.8 million for the fiscal year ended September 30, 2014 from €5,016.9 million in FY 2012-2013. For information purposes, THS has been consolidated since April 15, 2013.

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 2013-2014	12 months 2012-2013	Organic growth	Difference in working days	Changes in scope of consolidation	Currency effect	Total change
France	2,122	2,093	+1.9%	-0.6%			+1.4%
Other countries	1,652	1,395	+5.7%		+12.7%		+18.4%
Total Contract Catering & Support Services	**3,774**	**3,488**	**+3.4%**	**-0.3%**	**+5.1%**		**+8.2%**
France, Germany, Belgium, Italy	948	924	+3.3%		-0.7%		+2.6%
Spain, Portugal and the Americas	619	605	+7.4%		-2.6%	-2.4%	+2.3%
Total Concession Catering & Travel Retail	**1,567**	**1,529**	**4.9%**		**-1.5%**	**-1.0%**	**+2.5%**
Consolidated total	**5,341**	**5,017**	**+3.9%**	**-0.2%**	**+3.1%**	**-0.3%**	**+6.5%**

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

The following table shows a revenue breakdown between the Group's six main client markets, and the growth rates by market for FY 2013-2014 and FY 2012-2013.

(in € millions)	12 months 2013-2014	12 months 2012-2013	Organic growth	Difference in working days	Changes in scope of consolidation	Currency effect	Total change
Business & Industry	1,723	1,616	5.2%	-0.4%	+1.6%	+0.2%	+6.6%
Education	1,050	977	1.9%	-0.6%	+6.2%	-0.1%	+7.4%
Healthcare	1,001	895	1.9%		+10.2%	-0.3%	+11.8%
Total Contract Catering & Support Services	**3,774**	**3,488**	**3.4%**	**-0.3%**	**+5.1%**	**+0.0%**	**+8.2%**
Motorways	575	547	5.7%			-0.4%	+5.3%
Airports	623	590	9.1%		-2.1%	-1.4%	+5.6%
City Sites & Leisure	368	392	-2.5%		-2.6%	-1.0%	-6.1%
Total Concession Catering & Travel Retail	**1,567**	**1,529**	**4.9%**		**-1.5%**	**-1.0%**	**+2.5%**
Consolidated total	**5,341**	**5,017**	**3.9%**	**-0.2%**	**+3.1%**	**-0.3%**	**+6.5%**

4.1.2.1 Contract Catering & Support Services

Contract Catering & Support Services revenue rose by €286 million, or 8.2%, during FY 2013-2014, to €3,774 million, representing 71% of the Group's consolidated revenue.

Organic revenue growth amounted to 3.4% (or 3.1% adjusted for the calendar effect in France), reflecting high business volumes in the fourth quarter of the fiscal year (with revenue up €39 million or 4.9% on the same period of FY 2012-2013).

The acquisition of THS had a €181 million positive revenue impact in FY 2013-2014, and changes in scope of consolidation drove a 5.1% increase in revenue overall.

Changes in exchange rates did not significantly impact this business line's revenue during the year.

Contract Catering & Support Services revenue growth can be analyzed as follows by client market:

- **Business & Industry (5.2% organic growth):** In France, Business & Industry revenue edged up year on year in spite of a negative calendar effect in the first and fourth quarters, with sales driven by the start-up of new contracts for clients such as EDF and corrections facilities. The client retention rate remained high, at over 95%, and several major new contracts were signed, including the intercompany restaurant contract for the Carpe Diem Tower in the La Défense business district in Paris. At the same time, the market's international operations reported high organic growth during the year thanks to an upswing in business in Spain and the start-up of the Itinere and Telecom Italia contracts in Italy.

- **Education (1.9% organic growth):** In France, Education market revenue was up on FY 2012-2013 despite an unfavorable calendar effect in the first and third quarters, thanks to higher restaurant attendance during the year and a positive price effect. Revenue also increased for the Group's international Education market, primarily driven by operations in the United States and robust performances in Spain (despite a negative calendar effect) and the United Kingdom.

- **Healthcare (1.9% organic growth):** Revenue in the Healthcare market in France increased for all types of client establishment, fueled by both satisfactory business development and higher revenue from existing contracts. In the market's international operations, growth reported for Spain, Portugal and the United Kingdom offset the impact of a revenue decrease in Italy.

4.1.2.2 Concession Catering & Travel Retail

Concession Catering & Travel Retail revenue for FY 2013-2014 advanced by €38 million, or 2.5% year on year, to €1,567 million, representing 29% of the Group's consolidated revenue.

Organic growth came to 4.9% for the year as a whole. After spiking in the third quarter it levelled back off to 4.5% in the fourth quarter – in line with the overall annual figure despite the impact of the Air France pilot strike in September. The disposal of non-strategic businesses (Hold & Co in the United Kingdom, Honoré James in France, and the Group's Concession Catering subsidiaries in Argentina and Morocco) trimmed 1.5% off revenue for the full twelve months.

Changes in exchange rates – notably for the US dollar, Chilean peso and Mexican peso – had a 1.0% negative effect during the year.

Concession Catering & Travel Retail revenue growth can be analyzed as follows by client market:

- **Motorways (5.7% organic growth):** Germany and Italy enjoyed strong growth, propelled by the opening of new rest areas, which offset a slight revenue decrease in France where business was weighed down by the country's low consumer spending levels.

For Áreas, the ramp-up of new motorway rest areas in the United States more than offset the effect of the slowdown in business in Spain for the year as a whole.

- **Airports (9.1% organic growth):** Revenue growth for this market was fueled by a sharp upturn in business in Italy, an overall increase in air passenger traffic and the opening of new points of sale, notably at Basel-Mulhouse and Rome airports. The Air France pilot strike that took place during the year resulted in an estimated €2 million loss of revenue. Spain, Portugal and the Americas all reported revenue rises, fueled by the strong performance delivered by new points of sale at Madrid Barajas and Barcelona airports in Spain and at U.S. airports.

- **City Sites & Leisure (2.5% organic decrease):** The year-on-year revenue contraction experienced in the City Sites & Leisure market was mainly due to the fact that certain biennial trade fairs in France took place in FY 2012-2013 but not in FY 2013-2014. This negative effect was, however, partly offset by robust growth reported in Germany as a result of the opening of the Center Parcs Bostalsee resort. At the same time, business at railway stations in France held firm despite the subdued economic climate, led by the success of newly-opened points of sale, especially at Gare de Lyon in Paris.

4.1.3 PURCHASE OF RAW MATERIALS AND CONSUMABLES

This item increased by €104.9 million, or 7.0%, to €1,602.2 million for the year ended September 30, 2014 from €1,497.3 million for FY 2012-2013.

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			
	2014		2013	
Purchase of raw materials and consumables				
Contract Catering & Support Services	(1,154.6)	*30.6%*	(1,064.4)	*30.5%*
Concession Catering & Travel Retail	(467.7)	*29.8%*	(451.1)	*29.5%*
Headquarters, holding companies and purchasing entities	20.1	–	18.2	–
Total	**(1,602.2)**	***30.0%***	**(1,497.3)**	***29.8%***

4.1.3.1 Contract Catering & Support Services

Purchases of raw materials and consumables for the Contract Catering & Support Services business line rose by €90.2 million, or 8.5%, to €1,154.6 million for the year ended September 30, 2014 from €1,064.4 million for FY

2012-2013. The acquisition of THS in April 2013 contributed €79.3 million of the year-on-year increase.

As a percentage of revenue, purchases of raw materials and consumables edged up to 30.6% from 30.5%, chiefly due to the acquisition of THS, whose purchases of raw materials and consumables represent a higher proportion of revenue than the business line's other entities. Excluding THS, as a proportion of revenue this item was 0.6 of a percentage point lower than in FY 2012-2013. This decrease mainly derived from Italy, as a result of (i) the start-up of the new on-board train catering contract which, due to the nature of the services provided, involves a different product mix and a much lower raw materials cost ratio than the Group's other contract catering operations, and (ii) improved purchasing conditions, particularly for Gemeaz, demonstrating the purchasing synergies that are gradually being achieved, as well as the success of the actions plans put in place for raw materials.

4.1.3.2 Concession Catering & Travel Retail

Purchases of raw materials and consumables for the Concession Catering & Travel Retail business line increased by €16.6 million, or 3.7%, to €467.7 million from €451.1 million. As a percentage of revenue, this item increased to 29.8% from 29.5%, mainly due to the opening of (i) new motorway rest areas in Germany, whose purchases of raw materials and consumables represent a higher percentage of revenue than the business line's other operations, and (ii) new points of sale at Gare de Lyon in Paris within the City Sites & Leisure market.

4.1.4 PERSONNEL COSTS

Consolidated personnel costs rose by €98.5 million, or 4.2%, to €2,429.6 million from €2,331.1 million, but decreased as a percentage of revenue to 45.5% from 46.5%.

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			
	2014		2013	
Personnel costs				
Contract Catering & Support Services	(1,865.4)	*49.4%*	(1,766.7)	*50.6%*
Concession Catering & Travel Retail	(522.0)	*33.3%*	(524.8)	*34.3%*
Headquarters, holding companies and purchasing entities[1]	(42.2)	–	(39.6)	–
Total	**(2,429.6)**	***45.5%***	**(2,331.1)**	***46.5%***

(1) Represents personnel costs associated with 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 & Support Services

Personnel costs for the Contract Catering & Support Services business line rose by €98.7 million, or 5.6%, to €1,865.4 million from €1,766.7 million. This year-on-year increase was mainly due to the effect of the acquisition of THS (which accounted for €59.4 million) and, to a lesser extent, a rise in personnel costs for the business line's French operations (in line with revenue growth).

As a percentage of revenue, personnel costs decreased to 49.4% from 50.6%, chiefly as a result of (i) a mix effect arising from acquisitions, as THS has a lower personnel costs to revenue ratio than that of the Group's other Contract Catering & Support Services operations, and (ii) the positive impact on the business line's personnel costs to revenue ratio in Italy attributable to the start-up of on-board train catering services, which are largely subcontracted.

4.1.4.2 Concession Catering & Travel Retail

Personnel costs for the Concession Catering & Travel Retail business line edged back by €2.8 million, or 0.5%, to €522.0 million from €524.8 million. This year-on-year reduction primarily stemmed from a decrease in Áreas' personnel costs due to the sale in the first quarter of FY 2013-2014 of the Group's operations in Argentina and Morocco.

As a percentage of revenue, personnel costs for the Concession Catering & Travel Retail business line contracted to 33.3% from 34.3%, mainly reflecting the fact that Áreas had a lower ratio of personnel costs to revenue during the year due to (i) higher business volumes, which led to productivity gains, and (ii) the impact of the restructuring plan put in place with a view to reducing personnel costs at Madrid Barajas Airport (for which the Group's contract was renewed during FY 2012-2013). The personnel costs to revenue ratio was also lower for the business line's other operations in FY 2013-2014, particularly in Italy (which also saw productivity gains thanks to good business volumes) and France (where personnel costs were optimized at Leisure sites).

4.1.5 OTHER OPERATING EXPENSES

Other operating expenses increased by €90.7 million, or 12.8%, to €799.8 million from €709.1 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			
	2014		2013	
Other operating expenses				
Contract Catering & Support Services	(416.6)	*11.0%*	(331.4)	*9.5%*
Concession Catering & Travel Retail	(404.6)	*25.8%*	(395.4)	*25.9%*
Headquarters, holding companies and purchasing entities[1]	21.3	–	17.7	–
Total	**(799.8)**	***15.0%***	**(709.1)**	***14.1%***

(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 & Support Services

Other operating expenses reported for the Contract Catering & Support Services business line increased by €85.2 million, or 25.7%, to €416.6 million from €331.4 million. The acquisition of THS accounted for €13.7 million of the overall rise. The figure was also pushed up due to the increased use of subcontracting in Italy as a result of the start-up in November 2013 of the Group's services under new on-board train catering contracts.

As a percentage of revenue, other operating expenses for the Contract Catering & Support Services business line rose to 11.0% from 9.5%, primarily reflecting the increase in subcontracting costs.

4.1.5.2 Concession Catering & Travel Retail

Other operating expenses for the Concession Catering & Travel Retail business line increased by €9.2 million, or 2.3%, to €404.6 million from €395.4 million. Higher business volumes for MyChef and the Group's German motorways operations (concession fees) were the main contributors to this rise. As a percentage of revenue, the business line's other operating expenses were more or less unchanged year on year, representing 25.8% versus 25.9%.

4.1.6 TAXES OTHER THAN ON INCOME

This item increased by €7.2 million, or 12.7%, to €64.1 million from €56.9 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			
	2014		2013	
Taxes other than on income				
Contract Catering & Support Services	(44.3)	*1.2%*	(37.2)	1.1%
Concession Catering & Travel Retail	(16.1)	*1.0%*	(16.4)	1.1%
Headquarters, holding companies and purchasing entities	(3.8)	–	(3.4)	–
Total	**(64.1)**	***1.2%***	**(56.9)**	***1.1%***

4.1.6.1 Contract Catering & Support Services

Taxes other than on income for the Contract Catering & Support Services business line rose by €7.1 million, or 19.1%, to €44.3 million from €37.2 million. The acquisition of THS accounted for €6.8 million of this year-on-year increase.

4.1.6.2 Concession Catering & Travel Retail

Taxes other than on income for the Concession Catering & Travel Retail business line decreased by €0.3 million, or 1.8%, to €16.1 million from €16.4 million. As a percentage of revenue, however, they remained stable.

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)	EBITDA 12 months 2013-2014	EBITDA 12 months 2012-2013	Change in EBITDA	EBITDA margin 12 months 2013-2014	EBITDA margin 12 months 2012-2013
Contract Catering & Support Services:					
France	184.6	189.8	-5.2	8.7%	9.1%
Other countries	108.4	98.7	+9.7	6.6%	7.1%
Total Contract Catering & Support Services	293.0	288.5	+4.5	7.8%	8.3%
Concession Catering & Travel Retail:					
France, Germany, Belgium, Italy	104.7	102.0	+2.7	11.0%	11.0%
Spain, Portugal and the Americas	54.1	40.5	+13.6	8.7%	6.7%
Total Concession Catering & Travel Retail	158.8	142.5	+16.3	10.1%	9.3%
Headquarters, holding companies and purchasing entities	(4.5)	(7.0)	+2.6		
Consolidated total	447.3	424.0	+23.3	8.4%	8.5%

Consolidated EBITDA increased by €23.3 million, or 5.5%, to €447.3 million from €424.0 million. As a percentage of revenue, it represented 8.4%, on a par with FY 2012-2013. Changes in exchange rates did not have a material impact on the Group's operating results for the year ended September 30, 2014.

4.1.7.1 Contract Catering & Support Services

EBITDA for the Contract Catering & Support Services business line increased by €4.5 million, or 1.6%, to €293.0 million from €288.5 million. The year-on-year increase was due to the acquisition of THS in FY 2012-2013, although this favorable impact was partially offset by (i) an erosion of contract catering margins in France, notably in the Business & Industry and Education sectors due to the fewer working days and higher number of bank holidays than in FY 2012-2013 (which had an estimated €4 million negative effect), and (ii) start-up costs for certain new contracts.

International Contract Catering & Support Services subsidiaries in the United Kingdom and the United States turned in very satisfactory EBITDA performances both in absolute value and margin terms whereas other countries saw an overall year-on-year decrease in EBITDA. Elior Ristorazione in Italy was affected by (i) a slowdown in business, which led to a lower-than expected EBITDA performance (in both absolute value and margin terms) and (ii) the gradual ramp-up of the Itinere contract. Meanwhile, Serunión's results in Spain were adversely impacted by an increase in structural costs during the year (particularly IT expenses).

As a percentage of revenue, Contract Catering & Support Services EBITDA came to 7.8% versus 8.3% in FY 2012-2013.

4.1.7.2 Concession Catering & Travel Retail

EBITDA for the Concession Catering & Travel Retail business line rose by €16.4 million, or 11.5%, to €158.8 million from €142.5 million. The increase was primarily attributable to (i) a strong performance by Áreas due to higher business volumes in the United States as well as in the Airports market in Spain and Portugal, and (ii) improved margins in the Leisure market in France. Conversely, the Motorways market in France saw a decrease in EBITDA, both in absolute value and margin terms.

As a percentage of revenue, Concession Catering &Travel Retail EBITDA rose to 10.1% from 9.3%.

4.1.8 Depreciation, Amortization and Provisions for Recurring Operating Items

Consolidated depreciation, amortization and provisions for recurring operating items rose by €1.5 million, or 1.1%, to €139.0 million from €137.5 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			
	2014		2013	
Depreciation, amortization and provisions for recurring operating items				
Contract Catering & Support Services	(60.0)	*1.6%*	(62.7)	*1.8%*
Concession Catering & Travel Retail	(77.2)	*4.9%*	(72.9)	*4.8%*
Headquarters, holding companies and purchasing entities	(1.8)	–	(1.9)	–
Total	**(139.0)**	***2.6%***	**(137.5)**	***2.7%***

4.1.8.1 Contract Catering & Support Services

Depreciation, amortization and provisions for recurring operating items reported by the Contract Catering & Support Services business line decreased by €2.7 million, or 4.3%, to €60.0 million from €62.7 million. The year-on-year contraction was mainly due to reversals of provisions for contingencies relating to contracts in Italy, although this positive impact was partially offset by (i) an additional €3.7 million depreciation charge recorded for the full year in relation to the acquisition of THS, and (ii) an increase in depreciation, amortization and provisions recognized by the Education and Healthcare markets (due to an unfavorable basis of comparison with FY 2012-2013 when provisions for customer claims were reversed) and by the Support Services business (impact of additions to provisions for employee-related disputes recorded in FY 2013-2014).

4.1.8.2 Concession Catering & Travel Retail

Depreciation, amortization and provisions for recurring operating items reported by the Concession Catering & Travel Retail business line increased by €4.3 million, or 5.9%, to €77.2 million from €72.9 million. The rise was primarily attributable to capital expenditure for new Áreas contracts in the United States and the recognition of end-of-concession depreciation and amortization charges in France for the Airports market (Nice) and the Leisure market (including amortization of the brand license during FY 2013-2014). These negative effects were partly offset, however, by a decrease in depreciation, amortization and provisions recorded for Áreas' operations in Spain and Portugal following a reduction in the number of sites.

4.1.9 OTHER INCOME AND EXPENSES, NET

This item represented a net expense of €73.5 million for the year ended September 30, 2014 and mainly 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 Contract Catering & Support Services operations in Spain, Italy and France and for Concession Catering operations 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).

For the year ended September 30, 2013, "Other income and expenses, net" represented a net expense of €106.4 million, chiefly breaking down as (i) €25 million in goodwill impairment losses recognized in relation to Áreas in Spain and Portugal, (ii) €31.8 million in expenses related to the Amend & Extend process concerning the Group's debt and Elior Finance & Co's issue of the May 2020 6.5% Senior Secured Notes, both carried out in April 2013, and (iii) €49.6 million in operating restructuring costs and asset impairment losses.

4.1.10 NET FINANCIAL EXPENSE

Net financial expense totaled €137.0 million in FY 2013-2014 versus €138.9 million in FY 2012-2013, representing a year-on-year reduction of €1.9 million, or 1.4%. The decrease was mainly due to the repayment of a portion of the Group's debt following the IPO in June 2014, although this positive effect was partially offset by (i) an increase in the Group's average level of debt during the first eight months of the fiscal year due to acquisitions carried out in 2013, and (ii) the full-year impact of higher lending margins on the Group's syndicated loans and the Elior Finance & Co SCA Senior Secured Notes following the Amend & Extend process and notes issue carried out in April 2013.

4.1.11 INCOME TAX

The Group's income tax expense rose by €2.3 million, or 6.0%, to €41.2 million from €38.9 million, representing an effective tax rate of 43.1%. The year-on-year increase was primarily attributable to the acquisition of THS and an increase in the tax expense recorded in Italy, where a one-off corporate income tax credit (IRES) had been recognized in FY 2012-2013 due to the introduction of legislation allowing the deduction of a portion of the regional IRAP tax. These negative effects were, however, partly offset by a reduction in income tax expense in France.

The year-on-year decrease in the effective tax rate was essentially due to the net impact of certain non-recurring tax effects that occurred in FY 2012-2013, notably the recognition of (i) the one-off tax credit described above, and (ii) a higher non-taxable CICE benefit.

4.1.12 ATTRIBUTABLE PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

As a result of the above-described factors – particularly the higher EBITDA figure and lower non-recurring expenses – profit for the period attributable to owners of the parent came to €47.8 million for the year ended September 30, 2014 versus €8.7 million for FY 2012-2013.

Earnings per share – calculated based on the weighted average number of Elior shares outstanding during the year ended September 30, 2014 – amounted to €0.38, representing 4.75 times the FY 2012-2013 figure of €0.08. Based on the fully diluted number of Elior shares outstanding at the fiscal year-end, the earnings per share figure for FY 2013-2014 would be €0.29.

4.1.13 CONSOLIDATED CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

The following table provides a summary of the Group's cash flows for the years ended September 30, 2013 and 2014.

in € millions	Year ended September 30 2014	2013
Net cash from operating activities	241.4	161.4
Net cash used in investing activities	(174.1)	(406.5)
Net cash from financing activities	15.0	318.2
Effect of exchange rate and other changes	(23.6)	2.1
Net increase in cash and cash equivalents	**58.7**	**75.3**

4.1.13.1 Cash Flows from Operating Activities

The following table sets out the components of consolidated net cash from operating activities in the years ended September 30, 2013 and 2014.

in € millions	Year ended September 30 2014	2013
EBITDA	447.3	424.0
Change in working capital	34.8	(29.4)
Interest paid	(130.2)	(132.6)
Tax paid	(43.0)	(38.6)
Other (including dividends received from associates)	(67.5)	(61.9)
Net cash from operating activities	**241.4**	**161.4**

Operating activities generated a net cash inflow of €241.4 million in the year ended September 30, 2014 versus a net cash inflow of €161.4 million in FY 2012-2013. The year-on-year increase reflects movements in all of this item's components during the period.

Change in working capital

Change in working capital resulted in a €34.8 million net cash inflow in FY 2013-2014 compared with a €29.4 million net cash outflow in FY 2012-2013. This improvement primarily reflects (i) better client payment times, helped by the introduction at the end of the year of an off-balance sheet factoring program for Contract Catering subsidiaries in France (representing €20 million at September 30, 2014), and (ii) tight management of working capital, particularly for the Contract Catering business in Spain and the Support Services business and Education and Healthcare markets in France. These positive effects were partially offset, however, by the impact of an increase in CICE receivables in the balance sheet.

Tax paid

Tax paid includes corporate income tax paid in all of the geographic areas 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 €43.0 million in the year ended September 30, 2014 (versus €38.6 million in FY 2012-2013), and mainly concerned France, Italy and Spain.

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 purchase price accounting adjustments concerning acquisitions recognized in accordance with IFRS. For the years ended September 30, 2013 and 2014, other cash flows from operating activities represented net cash outflows of €61.9 million and €67.5 million respectively. The figure for FY 2013-2014 primarily includes (i) €26.7 million in cash outflows related to Elior's IPO and the partial redemption of the Elior Finance & Co SCA Senior Secured Notes in June 2014, (ii) approximately €27.2 million in restructuring costs incurred mainly by Áreas in Spain for which a provision had been recognized at September 30, 2013, and (iii) expenses related to the Group's recent acquisitions of Ansamble and Gemeaz.

4.1.13.2 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, 2013 and 2014.

in € millions	Year ended September 30 2014	2013
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(181.4)	(175.7)
Purchases of and proceeds from sale of non-current financial assets	(2.9)	4.1
Acquisition/sale of shares in consolidated companies	10.2	(234.8)
Net cash used in investing activities	**(174.1)**	**(406.5)**

Net cash used in investing activities totaled €406.5 million in FY 2012-2013 and €174.1 million in FY 2013-2014.

Capital expenditure

Total consolidated cash used for capital expenditure (net of proceeds from sales) increased from €175.7 million to €181.4 million year on year.

The figure for Contract Catering & Support Services came to €58.4 million for FY 2012-2013 and €65.5 million for the year ended September 30, 2014, representing 1.7% of the business line's revenue for both years and reflecting a steady pace of capital expenditure.

For Concession Catering & Travel Retail, net cash used for capital expenditure totaled €114.2 million for the year ended September 30, 2013 and €112.8 million for the year ended September 30, 2014, representing 7.5% and 7.2% of the business line's revenue respectively. These figures reflect a slight reduction in the pace of capital outlay during the year following the completion of capital expenditure programs for U.S. motorways.

Net cash used for capital expenditure by Headquarters, holding companies and purchasing entities came to €3.1 million and €3.0 million in the years ended September 30, 2013 and 2014 respectively, and primarily corresponded to purchases of software and hardware.

Purchases of and proceeds from sale of non-current financial assets

The consolidated net cash outflow of €2.9 million related to "Purchases of and proceeds from sale of non-current financial assets" in the year ended September 30, 2014 mainly reflects an increase in loans and deposits (partly due to the setting up of the factoring program).

The consolidated net cash inflow of €4.1 million generated from this item in FY 2012-2013 primarily concerned the repayment of a vendor loan granted in connection with the prior disposal of a main-street fast-food business, partially offset by an increase in loans and deposits related to the new concession operations at Madrid airport.

Acquisition/sale of shares in consolidated companies

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 primarily included the proceeds received during the year 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.

For the year ended September 30, 2013, acquisitions and sales of shares in consolidated companies represented a net cash outflow of €234.8 million and primarily related to the acquisition of THS in the United States and the purchase of non-controlling interests in contract catering operations in Spain.

4.1.13.3 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, 2013 and 2014.

in € millions	Year ended September 30 2014	2013
Movements in share capital of the parent and in shareholder loans	770.6	(0.2)
Dividends paid to non-controlling interests in consolidated companies	(0.5)	(3.2)
Proceeds from borrowings	15.1	1,027.7
Repayments of borrowings	(770.2)	(706.0)
Net cash from financing activities	**15.0**	**318.2**

Net cash from financing activities totaled €15.0 million and €318.2 million in the years ended September 30, 2014 and 2013 respectively.

Movements in share capital of the parent and in shareholder loans

There were no movements in the parent company's share capital during the year ended September 30, 2013.

During FY 2013-2014, the Group carried out a €787.3 million capital increase, corresponding to the issue of 53.2 million new shares for the purpose of the Company's IPO on June 11, 2014 and the exercise of stock options up until the fiscal year-end. A total of €16.7 million in IPO-related costs that could be charged against the issue premium was paid in FY 2013-2014, notably corresponding to fees of the advisory banks involved.

Dividends paid to non-controlling interests in consolidated companies

This item represented net cash outflows of €3.2 million and €0.5 million for the years ended September 30, 2013 and 2014, respectively, and mainly corresponded to dividends paid to non-controlling shareholders of MyChef and Áreas.

Proceeds from borrowings

Consolidated cash inflows from proceeds from borrowings totaled €1,027.7 million and €15.1 million in the years ended September 30, 2013 and 2014 respectively.

In FY 2013-2014, these proceeds mainly corresponded to (i) €9.0 million drawn down by Áreas under a bank credit facility to fund its capital expenditure in the United States, and (ii) €5.4 million worth of finance lease liabilities.

In FY 2012-2013, this item primarily corresponded to (i) €46.3 million from new securitized receivables, due to the inclusion of the Group's Spanish subsidiaries in the securitization program, (ii) €17.9 million drawn down under a new financing arrangement set up by Áreas to fund its capital expenditure in the United States,

(iii) €453.0 million drawn down under the Elior Facility 2019, (iv) €350.0 million in proceeds from the issuance in April 2013 by Elior Finance & Co SCA of Senior Secured Notes maturing in 2020, and (v) a €117.7 million bank loan set up in the United States for the acquisition of THS.

Repayments of borrowings

Repayments of borrowings led to net cash outflows of €706.0 million and €770.2 million in the years ended September 30, 2013 and 2014 respectively.

In FY 2013-2014, this item primarily related to (i) early repayment of €615.0 million worth of three syndicated bank loans granted to Elior SA and Elior Participations SCA, (ii) early redemption of €122.5 million worth of the Elior Finance & Co SCA 6.5% Senior Secured Notes maturing in May 2020, representing 35% of the outstanding notes, (iii) amounts repaid under finance leases (€5.3 million), and (iv) repayments of various bank borrowings (€27.4 million).

In FY 2012-13, this item mainly corresponded to repayments of (i) syndicated borrowings for an aggregate €696.4 million, (ii) finance lease liabilities in an amount of €5.3 million, and (iii) various bank borrowings totaling €3.3 million.

Effect of exchange rate and other changes

In the year ended September 30, 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.

In FY 2012-2013, fluctuations in exchange rates and other changes had an overall positive cash impact, primarily reflecting the combined effect of bank fees paid in relation to the Amend & Extend process for the Senior Facility Agreement and the €350 million worth of Senior Secured Notes issued in April 2013, offset by (i) cash amounts received by Áreas USA for the Florida Turnpike short-term financial receivable recorded in accordance with IFRIC 12, (ii) favorable currency effects on consolidated cash and cash equivalents, and (iii) the positive impact of a capital contribution made to an Áreas subsidiary by a minority shareholder.

4.1.14 CONSOLIDATED BALANCE SHEET

in € millions	At September 30 2014	2013
Non-current assets	3,402	3,319
Current assets excluding cash and cash equivalents	1,073	1,074
Cash and cash equivalents	220	210
Total assets	**4,695**	**4,603**

in € millions	At September 30 2014	2013
Equity	1,278	583
Non-controlling interests	44	68
Non-current liabilities	1,869	2,441
Current liabilities	1,504	1,511
Total equity and liabilities	**4,695**	**4,603**
Net working capital requirement	(222)	(171)
Gross debt	1,589	2,377
Net debt as defined in the SFA	1,380	2,181
SFA leverage ratio (net debt as defined in the SFA/EBITDA) (*)	3.1	4.9

(*) Pro forma figures, adjusted to exclude acquisitions/sales of consolidated companies carried out during the previous 12 months.

At September 30, 2014, non-current assets included deferred tax assets totaling €249 million (versus €227 million one year earlier), of which €155 million related to recognized tax loss carry forwards (€126 million at September 30, 2013).

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.

At September 30, 2014, the Group's gross debt had been reduced to €1,589 million from €2,377 million one year earlier and mainly included (i) €956 million in euro-denominated bank credit facilities under the Senior Facility Agreement (SFA), (ii) €227 million worth of borrowings taken out by Elior SA and Elior Participations SCA, and (iii) $147 million (€116 million) worth of borrowings under a US-dollar denominated senior loan set up by THS in the United States. The remainder of the Group's gross debt at that date was made up of €176 million in liabilities related to trade receivables securitized by Italian and Spanish subsidiaries, as well as €12 million in finance lease liabilities, and €81 million in bank loans taken out by Áreas.

At September 30, 2014, 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 5.4%.

Cash and cash equivalents recognized in the balance sheet amounted to €220 million at September 30, 2014. 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 €189 million.

At September 30, 2014, consolidated net debt (as defined in the SFA) stood at €1,380 million. This amount represented 3.1 times consolidated EBITDA (versus 4.9 times at September 30, 2013), which was lower than the Group's maximum guidance ratio of 3.25.

The consolidated balance sheet at September 30, 2014 also includes – under non-current liabilities – the liability relating to the put option on the 38.45% stake in Áreas 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.

4.1.15 EVENTS AFTER THE REPORTING DATE

- **Acquisition of Lexington in the United Kingdom in October 2014**

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 price paid at the time of the acquisition amounted to €18 million, which was financed through an equity investment by Elior UK. Additional purchase consideration (subject to a cap) may be payable subsequently depending on the company's future earnings. Lexington will be fully consolidated in the Group's FY 2014-2015 financial statements, with a first-time consolidation date of October 1, 2014.

- **Refinancing the Group's bank borrowings**

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 is described in Sections 4.3.2 and 4.3.4 below – will enable 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 obtain less strict financial and non-financial covenants.

4.2. PARENT COMPANY PROFIT AND DIVIDEND

Recommended Dividend

At the Annual Shareholders' Meeting the Board of Directors will recommend a dividend payment of €0.20 per share for FY 2013-2014.

This dividend is in line with the forecasts made before the Company's IPO, when the Group estimated that it would be able to recommend a dividend payment representing approximately 40% of consolidated profit attributable to owners of the parent.

4.3 THE GROUP'S FINANCIAL AND LIQUIDITY POSITION

4.3.1 LIQUIDITY AND CAPITAL RESOURCES

4.3.1.1 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 is entirely denominated in euros.

The Group regularly refinances its debt and the most recent debt refinancing was carried out in December 2014 in order to reduce the cost of its bank debt and extend its maturity. In 2013, it carried out an issue of Senior Secured Notes (for a description of these operations, see Note 1.2.2. to the consolidated financial statements for the years ended September 30, 2014 and 2013 in the section entitled "Consolidated Financial Statements for the Years ended September 30, 2014 and 2013").

As was the case in the year ended September 30, 2014 and in previous years, the Group believes that for the year ending September 30, 2015, its cash requirements will mainly relate to (i) financing working capital requirements (see Section 4.3.8.3 above, "Financing Working Capital Requirements"), (ii) financing capital expenditure (see the paragraph on capital expenditure in Section 4.1.13.2 above and Section 4.3.8.1 below), and (iii) servicing and repaying debt. Based on the conditions described in Section 4.4 below, "Outlook for Fiscal 2014-2015", and the Group's updated cash flow forecasts, Management believes that the Group will be able to fund its cash requirements and service its debt during the twelve-month period following the date on which its consolidated financial statements were approved for issue (January 15, 2015).

4.3.1.2 Financial Resources

4.3.1.2.1 Overview

The Group's sources of liquidity have historically consisted mainly of the following:

- *Net cash from operating activities*, which amounted to €241.4 million for the year ended September 30, 2014 and €161.4 million for the year ended September 30, 2013.
- *Available cash:* Cash and cash equivalents recorded in the consolidated cash flow statement amounted to €130.1 million and €188.8 million at September 30, 2013 and 2014 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, 2014 and 2013".
- *Debt*, which includes the Senior Facility Agreement, High Yield Notes (also referred to as "Senior Secured Notes"), the 2013 Securitization Program, finance lease liabilities and short-term bank loans. See Note 4/15/1 to the consolidated financial statements in the section below entitled, "Consolidated Financial Statements for the Years Ended September 30, 2014 and 2013" as well as the description below.

4.3.1.2.2 Financial Liabilities

The Group's financial liabilities totaled €2,400.0 million and €1,606.5 million at September 30, 2013 and 2014 respectively. The table below provides a breakdown of the Group's gross debt at each of the dates indicated.

(in € millions)	At September 30 2014	2013
Financial liabilities under the *Senior Facility Agreement*	1,183.8	1,921.3
o/w Senior Secured Notes (see definition below)	*227.5*	*350*
Finance lease liabilities	16.3	16.2
Áreas Commercial Facilities Agreement	26.9	35.4
THS Credit Agreement	116.0	112.8
Receivables securitization program	175.8	180.3
Other financial liabilities	87.7	134.0
Total financial liabilities	**1,606.5**	**2,400.0**

The table below shows the Group's credit ratings.

	Moody's[1]	S&P[2]	Fitch[3]
Group	Ba3	BB	BB-

(1) Rating at September 15, 2014
(2) Rating at June 19, 2014
(3) Rating at July 9, 2014

The following section describes the main components of the Group's financial liabilities.

4.3.2 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.

Credit Facilities

As at the date of this 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
	Total	**1,177.5**	

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.

The Company also has access to an uncommitted €300 million acquisition facility for the purpose of financing its future acquisitions.

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	Revolving Facility
Greater than or equal to 3.50:1	2.25%	3.10%	1.85%
Less than 3.50:1 but greater or equal to 3.00:1	1.90%	2.75%	1.50%
Less than 3.00:1 but greater than or equal to 2.50:1	1.65%	2.50%	1.25%
Less than 2.50:1 but greater than or equal to 2.00:1	1.45%	2.30%	1.05%
Less than 2.00:1	1.25%	2.10%	0.85%

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.

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 Prepayment and Cancellation

The Senior Facilities (other than the Facility H which has separate terms and conditions) will be immediately redeemable, and all obligations under the Senior Facilities will be immediately due and payable in full, 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.

4.3.3 FACILITY H1 LOAN AND HIGH YIELD NOTES

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 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 shall 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 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 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.

4.3.4 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 II 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.

4.3.5 ÁREAS COMMERCIAL FACILITIES AGREEMENT

Overview

On July 20, 2012, Áreas, S.A. entered, as borrower, into a commercial facilities agreement (the "Áreas 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 "Áreas Commercial Facilities Agreement Lenders") and (ii) Banco Bilbao Vizcaya Argentaria S.A. as agent (the "Áreas Commercial Facilities Agreement Agent"), with Áreas S.A. Chile Limitada, Geresa México S.A. de C.D., Aerocomidas S.A. de D.V. and Áreas USA Inc. acting as guarantors.

The Áreas Commercial Facilities Agreement provides for the following facilities (together, the "Áreas Commercial Facilities"):

- a tranche A facility (the "Áreas Tranche A Facility") in a principal amount not exceeding $50.0 million, to be made available in a maximum of 12 tranches upon notice, from the signature date of the Áreas Commercial Facilities Agreement until the second anniversary date of the signature date of the Áreas Commercial Facilities Agreement, for the exclusive purpose of financing the investments of the Áreas group (as defined below) in the United States; and
- a tranche B revolving credit facility (the "Áreas Tranche B Facility") of up to €60.0 million, to be made available upon notice, from the signature date of the Áreas Commercial Facilities Agreement and until one month prior to the maturity of the Áreas Tranche B Facility, for the exclusive purpose of financing its capital expenditure needs, covering other corporate expenses and paying the agency fee.

The Áreas Tranche A Facility matures on July 20, 2017.

The Áreas Tranche B Facility matures on July 20, 2016.

Interest and Fees

The Áreas Commercial Facilities bear interest at a rate per annum equal to 4%, plus:

- in the case of the Áreas Tranche A Facility, LIBOR as in effect during the relevant six-month interest period, and
- in the case of the Áreas Tranche B Facility, EURIBOR as in effect during the relevant three-month or six-month interest period,

plus certain mandatory costs.

Interest is payable on the Áreas Commercial Facilities at the expiration of each interest period.

Security and Guarantees

The Áreas Commercial Facilities Agreement is secured by a first ranking pledge over the proceeds deriving from the principal bank accounts of Áreas S.A. and over the proceeds deriving from the bank account in which funds received by the Áreas Group from net cash proceeds in relation to certain disposals of companies belonging to the Áreas Group (i.e. Áreas S.A., and entities in which Áreas S.A. holds "control") are deposited (*derecho real pignoraticio de primer rango sobre los derechos de crédito derivados de las Cuentas Principales* (as defined in the Áreas Commercial Facilities Agreement) *y de la Cuenta de Amortización* (as defined under the Áreas Commercial Facilities Agreement)) (the "Designated Bank Accounts") for the benefit of the Áreas Commercial Facilities Agreement Lenders. Similarly, the hedging agreements entered into in connection with the Áreas Commercial Facilities Agreement are secured by second ranking pledges over the proceeds deriving from the principal bank accounts of Áreas S.A. and over the proceeds deriving from the Designated Bank Accounts for the benefit of hedging entities (one pledge per hedging entity).

The Áreas Commercial Facilities are guaranteed irrevocably and unconditionally on a joint and several basis by each guarantor under the Áreas Commercial Facilities Agreement.

Undertakings and Covenants

The Áreas Commercial Facilities Agreement contains customary negative and affirmative covenants.

Events of Default

The Áreas Commercial Facilities Agreement provides for certain events of default (subject to materiality, cure periods and other exceptions where appropriate) including without limitation (i) the non-payment of amounts due, (ii) breach of certain financial covenants and other obligations, (iii) inaccuracy of a representation or statement when made or deemed to be repeated by the obligors, (iv) insolvency, (v) cross defaults with other financial and commercial agreements and (vi) certain enumerated material adverse events.

Voting Agreement and Enforcement

Any term of the Áreas Commercial Facilities Agreement may be amended only with the consent of all of the Áreas Commercial Facilities Agreement Lenders and Áreas S.A.

Any term of the Áreas Commercial Facilities Agreement may be waived only with the consent of Áreas Commercial Facilities Agreement Lenders whose commitments aggregate more than 66⅔% of the total or used commitments under the Áreas Commercial Facilities Agreement, subject to certain exceptions for which unanimous consent is required.

Governing law

The Áreas Commercial Facilities Agreement is governed by Spanish law.

4.3.6 THE THS CREDIT AGREEMENT

Overview

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.

The THS Credit Agreement provides for the following facilities:

- a term loan facility in an original principal amount of $155,000,000, advanced to THS in a single drawdown on April 15, 2013 (the "Term Loan Facility");
- a delayed draw term loan facility of up to an aggregate principal amount of $40,000,000, available for drawdown by THS until April 15, 2015, subject to the satisfaction of certain conditions precedent (the "Delayed Draw Term Loan Facility"); and
- a revolving credit facility of up to $25,000,000 (including a swingline sub-facility of up to $5,000,000 and a letter of credit sub-facility of up to $15,000,000), available for drawdown by THS until April 14, 2018, subject to the satisfaction of certain conditions precedent (the "Revolving Loan Facility" and, collectively with the Term Loan Facility and the Delayed Drawdown Term Loan Facility, the "THS Facilities").

The Term Loan Facility and, if drawn down, the Delayed Drawdown Term Loan Facility mature on April 15, 2019. The Revolving Loan Facility matures on April 15, 2018.

Interest and Fees

THS may elect for the Term Loan Facility and, if drawn down, the Delayed Draw Term Loan Facility, to bear interest at either: (a) the Base Rate plus 3.25% per annum or (b) the LIBOR plus 4.25% per annum. At THS's choice, the Revolving Loan Facility bears interest at either: (a) the Base Rate or (b) the LIBOR, in each case, plus a margin determined as follows:

Total leverage ratio	Base rate margin	LIBOR margin
Equal to or greater than 3.50 to 1.00	3.25%	4.25%
Less than 3.50 to 1.00	2.75%	3.75%

The LIBOR Rate is subject to a floor of 1.25%.

The Base Rate means, for any day, the higher of: (a) the rate of interest quoted by JPMorgan Chase Bank as its "prime rate" in effect at that time (or if such rate is not available, the prime rate quoted by any banking institution selected by the Administrative Agent), (b) the federal funds effective rate per annum plus 0.50%, (c) the 3-Month LIBOR on such date plus 1.00%, and (d) 2.25%.

If a default occurs, and for as long as it lasts, amounts outstanding under the THS Credit Agreement bear interest at 2.00% per annum above the rate otherwise applicable thereto and LIBOR-based loans and conversions to LIBOR-based loans will no longer be available to THS. Overdue interest, fees and other amounts accrue interest at 2.00% above the rate applicable to Base Rate loans.

An unused credit line fee at an annual rate of 0.75% is payable on the daily unutilized portion of the Delayed Drawdown Term Loan Facility, payable quarterly in arrears. An unused credit line fee at an annual rate determined as shown below is payable on the daily unutilized portion of the Revolving Loan Facility, payable quarterly in arrears.

Total leverage ratio	Unused credit line fee for revolving loan facility
Equal to or greater than 3.50 to 1.00	0.50%
Less than 3.50 to 1.00	0.375%

Security and Guarantees

The THS Credit Agreement is guaranteed by Holdings and all present or future direct or indirect wholly-owned U.S. subsidiaries of Holdings that are not a borrower, excluding: (a) U.S. subsidiaries that are disregarded entities separate from their owners for U.S. federal income tax purposes and that are owned either by a non-U.S. subsidiary or indirectly by a non-U.S. subsidiary through one or more entities disregarded as separate from their owners for U.S. federal tax purposes, (b) immaterial subsidiaries, (c) non-U.S. subsidiaries, (d) any subsidiary prohibited by the applicable laws and regulations or by any contractual obligations existing as of the closing date (or, if later, the date it became a subsidiary) from providing a guarantee or which would require governmental (including regulatory) consent, approval, license or authorization to provide a guarantee unless such consent, approval, license or authorization has been received and (e) any not-for-profit subsidiaries (collectively, the "THS Facility Guarantors").

The THS Credit Agreement is secured by a perfected first-ranking security interest in substantially all the assets (real, mixed and personal) of Holdings, THS and the THS Facility Guarantors, subject to certain customary and other exceptions. Neither Holdings, THS, nor any THS Facility Guarantor is required to take any action with respect to the creation or perfection of liens under non-U.S. law with respect to any collateral.

Covenants

The THS Credit Agreement contains customary negative and affirmative covenants. It also contains financial covenants (a minimum fixed charge coverage ratio and a maximum total leverage ratio), each tested on a quarterly basis and calculated on a consolidated basis for Holdings and its subsidiaries for each period of four consecutive quarters.

Prepayments

THS may prepay principal amounts outstanding under the THS Facilities, and may terminate commitments under the Revolving Loan Facility, at any time without a premium or penalty (except for customary termination fees), subject to certain minimum amounts and prior notice requirements.

THS is required to make scheduled repayments of the Term Loan Facility equal to 1.00% per annum, payable in equal quarterly installments, and, if drawn down, the Delayed Draw Term Loan Facility equal to 1.00% per annum, payable in equal quarterly installments. In addition, THS is required to make mandatory prepayments, without a premium or penalty, in respect of the Term Loan Facility and, if applicable, the Delayed Drawdown Term Loan Facility, subject to certain exceptions.

Amounts borrowed and repaid under the Term Loan Facility and the Delayed Drawdown Term Loan Facility may not be reborrowed. Amounts borrowed and repaid under the Revolving Loan Facility may, subject to certain conditions, be reborrowed.

Events of Default

The THS Credit Agreement provides for certain customary events of default (subject to materiality, cure periods and other exceptions).

Voting and Amendments

The terms of the THS Credit Agreement may be amended or waived only with the consent of the lenders that together hold more than 50% of the loan exposure under the Revolving Loan Facility, the Term Loan Facility and, if applicable, the Delayed Drawdown Term Loan Facility, subject to certain exceptions where individual lender consent, consent of all the lenders or consent of certain other parties is required.

Governing Law

The THS Credit Agreement is governed by the laws of the State of New York.

4.3.7 RECEIVABLES SECURITIZATION PROGRAM

Certain French and Italian entities of the Elior Group (the "Elior Group Receivables Sellers") are beneficiaries under a €200 million receivables securitization program, which was entered into in November 2006 and has been 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 catering contracts or support 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, 2014, outstanding securitized receivables, net of the related €87 million overcollateralization reserve, stood at €176 million. The program's cost, applied to the net amounts securitized, is approximately equal to EURIBOR plus 1.8%.

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 €20 million at September 30, 2014.

4.3.8 PRESENTATION AND ANALYSIS OF THE GROUP'S MAIN CASH OUTFLOWS

4.3.8.1 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 clients.

The Group's capital expenditure for the years ended September 30, 2013 and 2014 totaled €175.7 million and €181.4 million respectively. For further information on the Group's historical, current and future capital expenditure (see Section 4.1.13.2, "Cash Flows from Investing Activities").

4.3.8.2 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 €132.6 million and €130.2 million respectively in the years ended September 30, 2013 and 2014. During the same periods it repaid borrowings amounting to €706.0 million and €770.2 million.

4.3.8.3 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.

4.4 OUTLOOK FOR FISCAL 2014-2015

Based on a forecast difficult European economy and no inflation, the Group expects to see the following in fiscal 2014-2015:

- Revenue growth of over 4% (with at least 2% organic growth). This projected growth figure takes into account the effect of the termination by the UK-based retailer, Tesco, of the Group's management contract for cafeterias in Tesco stores (estimated negative impact: €35 million, or 0.7% organic growth).
- A stable EBITDA margin. The performance improvement plan implemented during fiscal 2013-2014 will help the Group meet this target.
- An increase in operating cash flow (before interest and tax paid).
- A sharp rise in earnings per share, thanks to a significant decrease in finance costs achieved due to the scaling back of the Group's debt following the capital increase carried out in June 2014 and the senior debt refinancing that took place in December 2014. This in turn is expected to lead to a considerable increase in the dividend per share.

The Group is standing by its targets for fiscal 2015-2016 and 2016-2017, namely:

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

The Group also intends to continue its multi-year acquisition program, with an aggregate €450 million in planned investments for fiscal 2014-2015, 2015-2016 and 2016-2017.

In addition, excluding any structural acquisitions, the Group is targeting a net debt to EBITDA leverage ratio of between 2.50 and 3.00 to 1 by 2017.

4.5 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

ELIOR SA

Consolidated Financial Statements for the Years Ended September 30, 2014 and 2013 (prepared in accordance with IFRS)

IFRS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTES TO THE IFRS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013 **150**

1/ Consolidated Income Statement and Statement of Comprehensive Income

1/1 Consolidated Income Statement

(in € millions)	Note	Year ended September 30, 2014	Year ended September 30, 2013
Revenue	**4/2**	**5,340.8**	**5,016.9**
Purchase of raw materials and consumables		(1,602.2)	(1,497.3)
Personnel costs	4/4	(2,429.6)	(2,331.1)
Other operating expenses		(799.8)	(709.1)
Taxes other than on income		(64.1)	(56.9)
Depreciation, amortization and provisions for recurring operating items		(139.0)	(137.5)
Recurring operating profit		**306.0**	**285.0**
Share of profit of associates	4/11	2.3	1.5
Recurring operating profit including share of profit of associates	**4/1**	**308.3**	**286.5**
Other income and expenses, net	4/6	(73.5)	(106.4)
Operating profit including share of profit of associates		**234.8**	**180.1**
Financial expenses	4/5	(143.4)	(145.6)
Financial income	4/5	6.4	6.7
Profit before income tax		**97.8**	**41.2**
Income tax	4/7	(41.2)	(38.9)
Profit for the period		**56.6**	**2.3**
Attributable to non-controlling interests		**8.8**	**(6.4)**
Attributable to owners of the parent		**47.8**	**8.7**
Basic earnings per share (in €)	4/3	0.38	0.08
Diluted earnings per share (in €)	4/3	0.37	0.08

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, 2014	Year ended September 30, 2013
Profit for the period	**56.6**	**2.3**
Items that will not be reclassified subsequently to profit or loss		
Post-employment benefit obligations	(4.9)	(2.2)
Items that may be reclassified subsequently to profit or loss		
Financial instruments	0.9	16.6
Currency translation differences	(8.9)	3.7
Income tax	(0.3)	(5.7)
Total other comprehensive income/(expense) for the period	**(13.2)**	**12.4**
Total comprehensive income for the period	**43.4**	**14.8**
Attributable to:		
– Owners of the parent	34.8	21.8
– Non-controlling interests	8.6	(7.1)

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, 2014	At September 30, 2013
Goodwill	4/8	2,360.2	2,411.6
Intangible assets	4/9/1	260.2	143.4
Property, plant and equipment	4/9/2	498.4	489.5
Non-current financial assets	4/10	31.8	39.3
Investments in associates	4/11	1.9	6.7
Fair value of derivative financial instruments(*)	4/15/2	0.0	0.6
Deferred tax assets	4/13/1	249.2	227.8
Non-current assets		**3,401.7**	**3,318.9**
Inventories		94.5	94.2
Trade and other receivables	4/12	907.8	905.2
Current income tax assets		15.8	19.5
Other current assets	4/13/2	49.0	46.2
Short-term financial receivables(*)		5.9	8.5
Cash and cash equivalents(*)		220.2	210.0
Current assets		**1,293.2**	**1,283.6**
Total assets		**4,694.9**	**4,602.5**

(*) Included in the calculation of net debt (see Note 2/16 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, 2014	At September 30, 2013
Share capital	4/16	1.6	1.1
Reserves and retained earnings		1,276.8	582.1
Non-controlling interests		44.2	67.6
Total equity	**4/**	**1,322.6**	**650.8**
Long-term debt(*)	4/15/1	1,498.5	2,240.8
Fair value of derivative financial instruments(*)		27.3	25.7
Non-current liabilities relating to share acquisitions	4/17	178.2	40.1
Deferred tax liabilities	4/13/1	48.1	23.1
Provisions for pension and other post-employment benefit obligations	4/14	106.2	97.6
Other long-term provisions	4/14	10.5	13.5
Non-current liabilities		**1,868.7**	**2,440.9**
Trade and other payables		687.0	667.2
Due to suppliers of non-current assets		24.6	30.2
Accrued taxes and payroll costs		559.6	525.5
Current income tax liabilities		26.7	3.1
Short-term debt(*)	4/15/1	90.0	136.1
Current liabilities relating to share acquisitions	4/17	8.1	26.4
Short-term provisions	4/14	84.8	101.3
Other current liabilities	4/18	22.9	21.1
Current liabilities		**1,503.6**	**1,510.9**
Total liabilities		**3,372.3**	**3,951.7**
Total equity and liabilities		**4,694.9**	**4,602.5**
(*) Included in the calculation of net debt (see Note 2/16 for definition)		1,389.6	2,183.5
Net debt excluding fair value of derivative financial instruments and debt issuance costs		1,380.4	2,181.4

The financial statements at September 30, 2013 have been restated to reflect the application of IAS 19R (see Note 2/1/2).

The accompanying notes form an integral part of the consolidated financial statements.

3/ Consolidated Cash Flow Statement

(in € millions)	Note	Year ended September 30, 2014	Year ended September 30, 2013
Cash flows from operating activities			
Recurring operating profit including share of profit of associates		308.3	286.5
Amortization and depreciation		140.3	132.1
Provisions		(1.2)	5.4
EBITDA	**2/20**	**447.3**	**424.0**
Dividends received from associates		1.5	0.9
Change in working capital		34.8	(29.4)
Interest paid		(130.2)	(132.6)
Tax paid		(43.0)	(38.6)
Other cash movements		(69.0)	(62.8)
Net cash from operating activities		**241.4**	**161.4**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		(193.7)	(184.8)
Proceeds from sale of property, plant and equipment and intangible assets		12.3	9.1
Purchases of non-current financial assets		(6.9)	(6.2)
Proceeds from sale of non-current financial assets		4.0	10.3
Acquisition/sale of shares in consolidated companies, net of cash acquired/divested		10.2	(234.8)
Net cash used in investing activities		**(174.1)**	**(406.5)**
Cash flows from financing activities			
Movements in share capital of the parent and in shareholder loans		770.6	(0.2)
Dividends paid to non-controlling interests		(0.5)	(3.2)
Proceeds from borrowings		15.1	1,027.7
Repayments of borrowings		(770.2)	(706.0)
Net cash from financing activities		**15.0**	**318.2**
Effect of exchange rate and other changes		(23.6)	2.1
Net increase in cash and cash equivalents		**58.7**	**75.3**
Cash and cash equivalents at beginning of period		**130.1**	**54.8**
Cash and cash equivalents at end of period	**2/9**	**188.8**	**130.1**

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, 2012 (reported)	**108,820,358**	**1.1**	**596.0**	**(30.1)**	**1.8**	**568.8**	**50.1**	**618.9**
Impact of change in accounting method: IAS 19R			(5.8)			(5.8)		(5.8)
Balance at September 30, 2012	**108,820,358**	**1.1**	**590.3**	**(30.1)**	**1.8**	**563.1**	**50.1**	**613.1**
Profit for the period				8.7		8.7	(6.4)	2.3
Post-employment benefit obligations			(2.2)			(2.2)		(2.2)
Changes in fair value of financial instruments			10.9			10.9	0.1	11.0
Currency translation differences					4.5	4.5	(0.8)	3.7
Comprehensive income for the period			**8.8**	**8.7**	**4.5**	**22.0**	**(7.1)**	**14.9**
Appropriation of prior-period profit/(loss)			(30.1)	30.1				
Dividends paid			(1.4)			(1.4)	(2.0)	(3.4)
Other movements[(a)]			(0.4)			(0.4)	26.6	26.2
Balance at September 30, 2013	**108,820,358**	**1.1**	**567.2**	**8.7**	**6.3**	**583.2**	**67.6**	**650.8**
Balance at September 30, 2013	**108,820,358**	**1.1**	**567.2**	**8.7**	**6.3**	**583.2**	**67.6**	**650.8**
Profit for the period				47.8		47.8	8.8	56.6
Post-employment benefit obligations			(4.9)			(4.9)	(0.0)	(5.0)
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)		0.0		0.0
Capital increase (see Note 1/2/2/2)	55,550,198	0.5	768.8			769.3		769.3
Dividends paid			(0.4)			(0.4)	(0.2)	(0.6)
Other movements[(b)]			(108.5)			(108.5)	(31.7)	(140.2)
Balance at September 30, 2014	**164,370,556**	**1.6**	**1,231.4**	**47.8**	**(2.4)**	**1,278.4**	**44.2**	**1,322.6**

(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, 2013 correspond to the impact of (i) a share issue taken up by the non-controlling shareholders of Áreas subsidiaries, and (ii) the acquisition of TrustHouse Services, which has been consolidated since April 2013.

(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, 2014 correspond to (i) the recognition of the liability related to the Áreas 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.

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, 2014 and 2013

1/ General Information and Significant Events

1/1 General Information

Elior SA (Holding Bercy Investissement SCA until April 17, 2014) 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, 2014, Elior was 41.26%-held by investment funds managed by Charterhouse and Chequers, 20.08%-held by Bagatelle Investissement et Management – "BIM" (which is wholly owned by Robert Zolade), 1.09%-held by the SOPHIA investment fund and companies of the Intermediate Capital Group (ICG), and 37.57%-held 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 food and support services industry. It operates its businesses of Contract Catering & Support Services and Concession Catering & Travel Retail through companies based in 13 countries – mainly in the Eurozone, the United Kingdom, Latin America and the USA.

1/2 Significant Events

1/2/1 Acquisitions and Disposals of Shares in Consolidated Companies

In December 2013, the Group sold its Moroccan and Argentinian concession catering activities (previously operated by Áreas). Prior to the sale these activities generated aggregate annual revenue of around €20 million.

During the fourth quarter of FY 2013-2014, Áreas Chile sold its 40% stake in Arco Prime to the company's joint venture partner for €20 million. Arco Prime – which operates motorway rest 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 will be paid in FY 2014-2015).

During the year ended September 30, 2013, the Group carried out the following transactions:

- In April 2013, it completed the acquisition of 78% of the share capital of the US-based contract caterer, TrustHouse Services Group (THS), with the remaining 22% owned by THS' managers. THS generates some $440 million in annual revenue and operates primarily in the Education, Healthcare and Corrections sectors. The acquisition cost was around €213 million, of which €100 million was funded by an equity investment by Elior Restauration et Services SA and €118 million by local acquisition financing that matures in April 2019. THS has been fully consolidated by the Group since April 15, 2013.
- In January 2013, it acquired an additional 9.25% of the share capital of Serunión for €19 million following the exercise of a put option by the company's non-controlling shareholders. Since that transaction Serunión has been wholly owned by the Group.

The amounts of the assets acquired and liabilities assumed or deconsolidated as a result of the above-described transactions (as at the transaction dates) are presented in the table below.

(in € millions)	Fair value of assets (liabilities) At September 30, 2014	At September 30, 2013
Intangible assets	(0.6)	0.0
Property, plant and equipment	(1.9)	25.6
Shares accounted for by the equity method	(3.3)	0.0
Trade receivables	(4.7)	54.5
Other current assets	(0.6)	18.4
Cash and cash equivalents	(0.5)	8.3
Non-controlling interests	0.0	(28.0)
Non-current financial liabilities	0.0	0.0
Other non-current liabilities	0.0	(0.1)
Net deferred taxes	0.0	1.3
Other current liabilities	6.0	(54.3)
Total net identifiable assets/(liabilities)	**(5.5)**	**25.7**
Goodwill	**0.0**	**193.2**
Consideration transferred	**(5.5)**	**218.9**
Cash acquired/divested	**0.5**	**(8.3)**
Transaction expenses	**0.0**	**2.7**
Disposal gain	**12.0**	
Change in debt of subsidiaries acquired	**0.0**	**21.4**
Impact on the consolidated cash flow statement	**(17.0)**	**234.8**
o/w presented in acquisitions/sales of consolidated companies	**(17.0)**	**234.8**
o/w presented in sales of non-current financial assets		
o/w presented in dividends paid to non-controlling interests		
Total	**(17.0)**	**234.8**

1/2/2 Other Significant Events

Year ended September 30, 2014

1/2/2/1 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 correspond 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.

1/2/2/2 Elior's stock market floatation on June 11, 2014 and the recognition of a liability for the put option on 38.45% of Áreas' 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 considers that it no longer has control over the exercise conditions of the put option held by Emesa on 38.45% of Áreas' 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 Áreas 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.

1/2/2/3 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 maturing in 2019 and (ii) €122 million worth of the Elior Finance & Co SCA May 2020 Senior Secured Notes.

Year ended September 30, 2013

1/2/2/4 Refinancing and renegotiation of Elior's debt

In April 2013, Elior Finance & Co SCA – a special purpose vehicle which is not an Elior subsidiary – raised €350 million in the form of Senior Secured Notes maturing in May 2020 and bearing a 6.5% p.a. coupon which is payable semi-annually. Elior Finance & Co. subsequently on-lent the proceeds of the issuance to Elior SA in the form of a €350 million term loan, the maturity and other terms and conditions of which mirror those of the Senior Secured Notes. The documentation of this term loan forms part of the documentation of the main bank credit facilities of Elior (formerly HBI) and Elior Participations (formerly Elior).

Also in April 2013, Elior and Elior Participations amended their main bank credit facilities by way of an "Amend & Extend" process (third amendment), and in May 2013 Elior raised new money to refinance the non-extended portion of the Group's borrowings as well as its €100 million equity investment in THS (see section 1/2/1 above).

As a result of the Amend & Extend process and the raising of new money, the majority of the Group's borrowings now mature in March 2019. At September 30, 2013, the Group's medium and long-term bank credit facilities totaled €1,571.3 million (excluding the above-mentioned loan granted to Elior by Elior Finance & Co.). At that date the Group also had access to an undrawn revolving credit facility totaling €197.8 million, of which €74 million matures in March 2018 and the remaining €123.8 million in June 2016.

Lastly, in late May 2013, Elior refinanced its receivables securitization program, increasing the program's cap to €300 million and extending its maturity to January 2018. At September 30, 2013, the program covered French and Spanish trade receivables, with the inclusion of Italian subsidiaries' receivables planned for FY 2013-2014.

2/ Accounting Policies

2/1 Basis of Preparation of the Consolidated Financial Statements

2/1/1 Basis of Preparation of the Consolidated Financial Statements for the Years Ended September 30, 2014 and 2013

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, 2014 and 2013 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 IFRS 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, 2014 and 2013, 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 15, 2015 and will be submitted for approval to the Annual Shareholders' Meeting to be held on March 10, 2015. They are presented in millions of euro unless otherwise specified.

The accounting principles in force at September 30, 2014 have been applied for all of the periods presented in these consolidated financial statements.

2/1/2 New Standards, Amendments and Interpretations Adopted by the European Union and Applied by the Group

The new standards, amendments and interpretations whose application was mandatory for the Group for the first time in the financial year beginning on October 1, 2013 did not have a material impact on the consolidated financial statements. They mainly included:

- Amendments to IFRS 7, "Disclosures – Offsetting Financial Assets and Financial Liabilities".
- Amendments to IAS 12, "Deferred Tax: Recovery of Underlying Assets".
- IFRS 13, "Fair Value Measurement".

The revised version of IAS 19, "Employee Benefits" (IAS 19R), which was adopted by the European Union on June 6, 2012 and is effective for annual periods beginning on or after January 1, 2013. This revised standard notably removed the option of deferring the recognition of certain actuarial gains and losses in the income statement over employees' average remaining service period (known as the "corridor" method). The Group recognized its actuarial gains and losses using the corridor method until September 30, 2013 but as from FY 2013-2014 they have been recognized in full in other comprehensive income (under items that will not be reclassified subsequently to profit or loss). IAS 19R also requires additional disclosures on the risks related to employee benefit plans and their future cash flow impact.

In accordance with IFRS 8, the change in accounting method resulting from the adoption of IAS 19R has been applied retrospectively. This had a negative impact on consolidated equity at September 30, 2012 amounting to €8.8 million (before tax) and €5.8 million (after tax), which corresponded to the total amount of actuarial gains and losses not previously recognized. Actuarial gains and losses arising on post-employment benefits since September 30, 2012 have been recognized in the statement of comprehensive income.

2/1/3 New Standards, Amendments and Interpretations Issued by the IASB but not yet Applied by the Group

The standards, amendments and interpretations described below have been issued by the IASB and endorsed by the European Union but are not yet effective for the Group. They will be applicable by the Group for annual periods beginning on or after January 1, 2014 unless they are early adopted. The practical implications of applying these standards, amendments and interpretations and their effect on the Group's financial statements are currently being analyzed but they are not expected to have a material impact on the presentation of the Group's results or on its financial position.

- IFRS 10, "Consolidated Financial Statements". This standard 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".
- IFRS 11, "Joint Arrangements", which 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 arrangements exist: joint operations and joint ventures. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. IFRS 11 removes the option of applying proportionate consolidation and instead requires equity accounting for joint ventures.
- IFRS 12, "Disclosure of Interests in Other Entities" and consequential amendments to IFRS 10, IFRS 11 and IFRS 12 "Transition Guidance". This new standard and consequential amendments set out disclosure requirements regarding entities' interests in subsidiaries, joint arrangements, associates and unconsolidated entities. These disclosure requirements are designed to help readers of financial statements evaluate the basis of control, as well as any restrictions on consolidated assets and liabilities. They are also intended to help evaluate the exposure to risks resulting from the entity's interests in unconsolidated entities and from non-controlling interests in consolidated activities. Application of this standard and the consequential amendments will require the Group to disclose additional information about the financial position and results of any joint ventures and special purpose entities.

The other standards, amendments and interpretations that have been issued but are not yet effective are not expected to have a material impact on the consolidated financial statements and are listed below:

- Revised version of IAS 28, "Investments in Associates and Joint Ventures".
- Amendments to IAS 36, "Recoverable Amount Disclosures for Non-Financial Assets".
- Amendments to IAS 32, "Offsetting Financial Assets and Financial Liabilities".

The Group is currently analyzing the impact on the consolidated financial statements of IFRIC 21, "Levies", whose application is mandatory for annual periods beginning on or after June 17, 2014.

2/2 Consolidation Methods

The Group applies the full consolidation method when the consolidated entity is controlled by the Group's parent company. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is deemed to exist when the parent company directly or indirectly holds a majority of an entity's voting rights.

When assessing the existence of control and/or significant influence, in accordance with IAS 27, potential voting rights attached to financial instruments that may, if they were exercised, give Elior and its subsidiaries voting power, are taken into account if they are immediately exercisable.

The proportionate consolidation method was no longer used at September 30, 2014, and only one company was proportionately consolidated by the Group at September 30, 2013 – UK-based Riverside Events, which was 50%-owned at that date.

The equity method is used for entities over which the consolidating company exercises a significant influence. This influence is deemed to exist where the consolidating company directly or indirectly holds at least 20% of the entity's voting rights.

A list of consolidated companies – including changes in the scope of consolidation during the year ended September 30, 2014 – is provided in Note 10 below.

2/3 Fiscal Year-Ends

Elior's 2013-2014 and 2012-2013 fiscal years cover the 12-month periods from October 1, 2013 through September 30, 2014 and October 1, 2012 through September 30, 2013 respectively. The Group'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.

2/4 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 exchange gains and losses resulting from the translation at period-end exchange rates of the related balances are recognized in the income statement. 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, 2014 and 2013, 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. 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, 2014 and 2013 are based on Paris stock exchange rates and were as follows:

	Year ended September 30, 2014		Year ended September 30, 2013	
	Period-end rate	Average rate	Period-end rate	Average rate
– €/US $:	1.2632	1.3571	1.3526	1.3091
– €/£:	0.7792	0.8193	0.8358	0.8357

2/5 Intangible Assets and Goodwill

2/5/1 Intangible Assets

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.

• 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.

In accordance with IAS 36, "Impairment of Assets", intangible assets used in the business 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, except in certain specific cases where the impairment is deemed to be temporary.

2/5/2 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 (plus the acquisition-date fair value of any equity interest in the acquiree previously held by the acquirer), 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.

At September 30, 2013, the Company applied the full goodwill method in accounting for the acquisition of control of TrustHouse Services. The exercise price of the put option granted in relation to a portion of the shares held by the non-controlling shareholders of THS corresponds to the fair value of the underlying non-controlling interests and was used to measure all of the non-controlling interests in THS on its first-time consolidation.

Goodwill is allocated to cash-generating units (CGUs). These CGUs are based on the Group's two business lines – Contract Catering & Support Services and Concession Catering & Travel Retail – with a further breakdown by geographic region for international operations.

For Contract Catering & Support Services in France, the CGUs correspond to the Group's main legal entities that operate its different businesses:

- Contract Catering: Elior Entreprises and ELRES (Education and Healthcare)
- Support Services: Elior Services Propreté & Santé (ESPS)

None of the Group's CGUs or groups of CGUs to which goodwill is allocated for impairment testing are larger than its operating segments used for segment reporting purposes.

Accordingly, the goodwill arising on the acquisition in 2006 of Elior Participations (formerly Elior SCA) by Elior (formerly HBI), and subsequent acquisitions, has been allocated to the following 13 CGUs:

Contract Catering & Support Services – France:

- Elior Entreprises (to which Ansamble was added in 2012)
- ELRES
- Elior Services Propreté & Santé (ESPS)

Contract Catering & Support Services – International:

- Elior Ristorazione (including Gemeaz and Copra)
- Serunión Spain and Portugal (including Alessa)
- Elior UK
- THS USA

Concession Catering & Travel Retail:

- Elior Concessions France
- Elior Concessions Italy
- Áreas Iberia (Spain & Portugal)
- Áreas USA
- Áreas Mexico
- Áreas – Other countries

As stipulated in IAS 36, "Impairment of Assets", goodwill is not amortized but is tested for impairment at least once a year or whenever there is an indication that it may be impaired. For the purpose of these tests, the carrying amount of the CGUs to which goodwill is allocated is compared with their recoverable amount, calculated using the discounted cash flow method. Where impairment in value is identified using this method and is confirmed by a market value analysis, the corresponding impairment loss is recorded under "Other income and expenses, net" in the income statement. A €25 million goodwill impairment loss was recognized in Elior's consolidated financial statements at September 30, 2013, primarily relating to Áreas' assets located in Spain and Portugal.

No goodwill impairment losses were recognized in the year ended September 30, 2014.

2/6 Impairment Tests

The Group's assets with finite and indefinite useful lives were tested for impairment at September 30, 2014 and 2013 based on the principles described in Notes 2/5/1 and 2/5/2 above.

The recoverable amounts of the CGUs were determined based on their value in use, calculated as the present value of the future cash flows expected to be derived from each CGU. The cash flow projections used for this calculation were based on the revenue forecasts for the first five years of the business plan, adjusted depending on the business and countries concerned and assuming stable or moderate growth in operating margins. Cash flow projections beyond this five-year period are estimated by extrapolating the projections using a long-term growth rate of 2.0% (which remained relatively stable between 2013 and 2014). This growth rate must not, however, exceed the long-term average growth rate for the overall 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. IAS 36 recommends applying a pre-tax discount rate to pre-tax cash flows to determine the recoverable amount of a CGU. The same results are obtained using either of these methods.

The cash flows used are based on budgets drawn up for each CGU and validated by Group management.

The main assumptions used for the impairment tests performed were as follows:

Geographic region	Discount rate		Perpetuity growth rate	
	Year ended September 30, 2014	Year ended September 30, 2013	Year ended September 30, 2014	Year ended September 30, 2013
Europe (excluding Spain & Portugal) and USA	7.5% – 8.5%	8% – 9%	2.0%	2.0%
Spain & Portugal	9.5%	9%	2.0%	2.0% – 2.5%
Central and Latin America	8.6% – 10.7%	9% – 12%	2.0%	2.0%

The other main assumptions used for the impairment tests performed at September 30, 2014 were as follows:

- Growth of between 0% and 16% in consolidated annual revenue for the first five years of the business plan, depending on the business line and country concerned.
- Stable or moderate growth in operating margins, depending on the business line and country concerned.

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 tests 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 tests 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.

The Group also verified that applying a pre-tax discount rate to pre-tax cash flows would not affect the outcome of the impairment tests performed using post-tax figures.

2/7 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. 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 36, "Impairment of Assets", in the same way as for goodwill, items of property, plant and equipment are tested for impairment whenever there is an indication that they may be impaired. For the purpose of these tests, the carrying amount of the assets concerned is added to that of the goodwill which has been allocated to the relevant CGU and this carrying amount is then compared with the assets' recoverable amount, calculated using the discounted cash flow method. Where impairment in value is identified using this method and is confirmed by a market value analysis, the corresponding impairment loss is recorded under "Other income and expenses, net" in the income statement. At September 30, 2014 there were no indications that the Group's property, plant or equipment was impaired.

In accordance with IAS 17, items of property, plant and equipment held under finance leases are treated as if they had been purchased outright under a loan agreement. The leased item is recognized as an asset at an amount corresponding to the present value of the minimum lease payments and is depreciated over its estimated useful life. An obligation in the same amount 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.

2/8 Operating Working Capital Accounts (Inventories and Trade and Other Receivables)

2/8/1 Inventories

Inventories of raw materials and merchandise 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.

2/8/2 Trade and Other Receivables

Trade and other receivables are initially recognized at fair value. If these items subsequently become impaired a provision is recorded through the income statement, calculated either specifically or statistically based on the estimated future loss rates of the operating companies concerned.

The balance sheets of Concession Catering & Travel Retail companies do not generally include significant amounts of trade receivables. In the Contract Catering & Support 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.

2/9 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.

2/10 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 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. Where discounting is used, the impact on the provision is assessed at each balance sheet date and is recognized in the accounts.

2/11 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 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 by a transaction recognized directly in equity, in which case the impact of the change in tax rate is also recognized in equity. 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, 2014 or 2013.

2/12 Employee Benefits

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 were as follows:

• 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%[1]		
Salary growth rate	2% to 2.5%	N/A	1.5% to 2%	N/A

• For the year ended September 30, 2013:

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		3% to 4%[1]		
Salary growth rate	2.5% to 3%	N/A	2.0% to 2.5%	N/A

(1) Depending on the country concerned and the date the actuarial calculations are performed.

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, these actuarial gains and losses have been recognized in full within "Other comprehensive income" for the year ended September 30, 2014. The provision in the opening balance sheet for FY 2012-2013 has been adjusted through equity.

2/13 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. At September 30, 2014 the Group held 8,545 shares in treasury (representing €110 thousand) under the liquidity contract set up during the year. No shares were held in treasury at September 30, 2013.

2/14 Recognition and Measurement of Financial Assets and Liabilities

2/14/1 Recognition and Measurement of Financial Assets

Financial assets include long- and short-term investments, money-market and investment securities – including derivatives – and 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 four categories defined in IAS 39:

• Held-to-maturity investments

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturities that an entity has the positive intention and ability to hold to maturity. After initial recognition at fair value they are measured at amortized cost using the effective interest method. The Group did not have any held-to-maturity investments at September 30, 2014 or 2013.

• Loans and receivables

Loans and receivables include advances to non-consolidated companies, other loans and advances, trade receivables and deposits and guarantees. After initial recognition at fair value they are measured at amortized cost using the effective interest method.

Trade receivables are initially recognized at fair value, which generally corresponds to their nominal value, unless the discounting impact is material.

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. Whenever there is an indication that these assets may be impaired, they are tested for impairment and an impairment loss is recorded in the income statement if their estimated recoverable amount is lower than their carrying amount.

• Available-for-sale financial assets

These assets are measured at fair value and any gains or losses arising from changes in fair value are recorded directly in other comprehensive income, except when the asset is written down following an impairment test, in which case the impairment loss is recognized in the income statement. Any reversals of impairment losses are recognized in the income statement only for debt securities (including bonds).

The cumulative gain or loss previously recognized in equity is recognized in profit or loss when the asset is sold.

Fair value corresponds to the market price for listed securities or an estimate of the fair value of unlisted securities, determined based on financial criteria that are deemed to be the most appropriate for the security concerned. Investments in non-consolidated companies that are not quoted in an active market and whose fair value cannot be reliably measured are stated at cost, less any impairment losses.

• 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.

2/14/2 Recognition and Measurement of Financial Liabilities

Financial liabilities include loans, other borrowings and bank overdrafts, derivatives and trade payables.

Borrowings and other financial liabilities – excluding derivatives – are measured at amortized cost, using the effective interest method. If the liability is issued at a premium or discount or transaction costs are incurred on its issuance, the premium, discount or transaction costs are amortized over the life of the liability using the effective interest method.

2/15 Recognition and Measurement of Derivatives

2/15/1 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 derivatives corresponds to their market value, 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 equity. The gain or loss relating to the ineffective portion is recognized in the income statement.
- Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

2/15/2 Equity Derivatives (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 granted 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 granted to non-controlling shareholders, 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 granted 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.

As it has been listed on the stock exchange since June 11, 2014, in accordance with IAS 32 Elior considers that it no longer has control over the exercise conditions of the put option held by Emesa on 38.45% of Áreas' 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 Áreas 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 (of which €142 million deducted from equity).

In accordance with IAS 32.25, when the Group acquired control of Áreas Iberoamericana in May 2012 with a 61.55% ownership interest, as the new shareholders' agreement provides that the entire amount of the company's profit must be paid out in the form of dividends, a liability was recognized in the consolidated financial statements for the estimated cash outflows required to pay the dividends to Áreas' minority shareholders for the following five years. This liability – which was deducted in full from equity attributable to non-controlling interests – amounted to €18 million at September 30, 2013. It was derecognized at September 30, 2014 as it has been replaced by the liability recognized for the above-described put option held by Emesa.

2/16 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 and the fair value of derivative financial instruments recognized under assets. It does not include liabilities relating to share acquisitions.

2/17 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.

2/18 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.

2/19 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.

2/20 EBITDA

EBITDA is defined as recurring operating profit, including share of profit of associates, before depreciation, amortization and provisions for recurring operating items.

2/21 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. In accordance with recommendation 2013-01 issued by the French National Accounting Board (ANC), the Group has decided to reclassify "Share of profit of associates", which is now included within recurring operating profit.

2/22 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 ordinary shares purchased by the Company and held as treasury shares.

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.

2/23 Segment Reporting

At September 30, 2014 and 2013, the Group was structured into two main business lines: Contract Catering & Support Services, and Concession Catering & Travel Retail, which were the Group's operating segments for reporting purposes up until December 31, 2013. The results and long-term assets of these business lines are now 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 & Support Services: "France" and "International"
- For Concession Catering & Travel Retail: "France, Germany, Italy and Belgium" and "Spain, Portugal and the Americas".

Segment information also contains an operating segment called "Headquarters, holding companies and purchasing entities".

Segment information concerning the income statement is provided in Notes 4/1 (Income Statement Information by Operating Segment) and 4/2 (Consolidated Revenue). Share of profit of associates relates to the international operations of the Concession Catering & Travel Retail segment.

Segment non-current assets are as follows:

• FY 2013-2014:

(in € millions)	Contract Catering & Support Services			Concession Catering & Travel Retail				
	France	International	Total	France, Germany, Italy and Belgium	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**	0.0	**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**

• FY 2012-2013:

(in € millions)	Contract Catering & Support Services			Concession Catering & Travel Retail				
	France	International	Total	France, Germany, Italy and Belgium	Spain, Portugal and the Americas	Total	Headquarters, holding companies and purchasing entities	Group total
Revenue	2,093.1	1,395.1	**3,488.2**	923.9	604.8	**1,528.7**	0.0	**5,016.9**
Non-current assets	1,183.5	753.9	**1,937.4**	695.4	392.3	**1,087.7**	19.4	**3,044.5**

2/24 Use of Estimates

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 4/8 and 4/9), provisions for litigation and pension plan assets and liabilities (Note 4/14), as well as deferred taxes (Note 4/13/1).

3/ Changes in Group Structure during the Years ended September 30, 2014 and 2013

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

The following companies were acquired and consolidated or sold and deconsolidated during the twelve months ended September 30, 2013:

	Country	% interest at Sept. 30, 2012	Type of transaction	Consolidation method	% interest at Sept. 30, 2013	Consolidation period
TrustHouse Services Group(*)	USA	–	Acquisition	Full	78%	April 15, 2013-Sept. 30, 2013

(*) The companies making up the TrustHouse Services Group are presented in the list of consolidated companies provided in Note 10.

4/ Analysis of Changes in Income Statement and Balance Sheet Items

4/1 Income Statement Information by Operating Segment

FY 2013-2014:

(in € millions)	Contract Catering & Support Services			Concession Catering & Travel Retail				
Year ended September 30, 2014	**France**	**International**	**Total**	**France, Germany, Italy and Belgium**	**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**	**0.0**	**5,340.8**
Recurring operating profit/(loss) including share of profit of associates	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**

FY 2012-2013:

(in € millions)	Contract Catering & Support Services			Concession Catering & Travel Retail				
Year ended September 30, 2013	France	International	Total	France, Germany, Italy and Belgium	Spain, Portugal and the Americas	Total	Headquarters, holding companies and purchasing entities	Group total
Revenue	2,093.1	1,395.1	3,488.2	923.9	604.8	1,528.7	0.0	5,016.9
Recurring operating profit/(loss) including share of profit of associates	156.4	69.4	**225.8**	61.9	7.7	**69.6**	(8.9)	**286.5**
Recurring operating profit/(loss) as a % of revenue	*7.5%*	*5.0%*	*6.5%*	*6.7%*	*1.3%*	*4.6%*	*(0.2)%*	*5.7%*
Other income and expenses, net	(5.2)	(10.3)	**(15.5)**	(12.5)	(46.4)	**(58.8)**	(32.0)	**(106.4)**
Operating profit/(loss)	151.2	59.1	**210.3**	49.5	(38.7)	**10.8**	(40.9)	**180.1**
Net financial expense								**(138.9)**
Income tax								**(38.9)**
Profit for the period attributable to non-controlling interests								**(6.4)**
Profit for the period attributable to owners of the parent								**8.7**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(33.0)	(25.2)	**(58.1)**	(40.1)	(32.3)	**(72.3)**	(1.6)	**(132.1)**
Other expenses with no cash impact	(0.4)	(4.1)	**(4.5)**	0.0	(0.5)	**(0.5)**	(0.4)	**(5.4)**
EBITDA	189.8	98.7	**288.5**	102.0	40.5	**142.5**	(7.0)	**424.0**

4/2 Consolidated Revenue

FY 2013-2014:

- Revenue by business line and client 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 & Support 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 & Support Services	**3,773.8**	**70.7%**	**3,488.2**	**69.5%**	**285.6**	**8.2%**
Concession Catering & Travel Retail						
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 & Travel Retail	**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%**

FY 2012-2013:

• Revenue by business line and client market

(in € millions)	Year ended Sept. 30, 2013	% of total revenue	Year ended Sept. 30, 2012	% of total revenue	Year-on-year change	% change
Contract Catering & Support Services						
Business & Industry	1,615.8	32.2%	1,485.2	33.3%	130.6	8.8%
Education	977.4	19.5%	828.1	18.5%	149.3	18.0%
Healthcare	895.0	17.8%	747.5	16.7%	147.5	19.7%
Sub-total: Contract Catering & Support Services	**3,488.2**	**69.5%**	**3,060.7**	**68.6%**	**427.5**	**14.0%**
Concession Catering & Travel Retail						
Airports	590.2	11.8%	510.7	11.4%	79.5	15.6%
Motorways	546.5	10.9%	531.1	11.9%	15.4	2.9%
City Sites & Leisure	392.0	7.8%	361.8	8.1%	30.2	8.3%
Sub-total: Concession Catering & Travel Retail	**1,528.7**	**30.5%**	**1,403.7**	**31.4%**	**125.0**	**8.9%**
Total	**5,016.9**	**100.0%**	**4,464.4**	**100.0%**	**552.5**	**12.4%**

• Revenue by geographic region

(in € millions)	Year ended Sept. 30, 2013	% of total revenue	Year ended Sept. 30, 2012	% of total revenue	Year-on-year change	% change
France	2,814.3	56.1%	2,660.9	59.6%	153.4	5.8%
Europe excluding France	1,802.0	35.9%	1,639.1	36.7%	162.9	9.9%
Other countries	400.6	8.0%	164.3	3.7%	236.3	143.8%
Total	**5,016.9**	**100.0%**	**4,464.4**	**100.0%**	**552.5**	**12.4%**

4/3 Earnings Per Share

The table below shows the number of outstanding shares before and after dilution.

	Year ended September 30	
	2014	**2013**
Weighted average number of shares outstanding – Basic	127,337,091	108,820,358
Dilutive impact of stock option plans	694,119	855,590
Weighted average number of shares outstanding – Diluted	128,031,210	109,675,948

Basic and diluted earnings per share for the years ended September 30, 2014 and 2013 are as follows:

	Year ended September 30 2014	2013
Profit attributable to owners of the parent	47.8	8.7
Basic earnings per share (in €)	**0.38**	**0.08**
Diluted earnings per share (in €)	**0.37**	**0.08**

The earnings per share figures presented above for FY 2013-2014 has been calculated based on the weighted average number of Elior shares outstanding during the twelve months ended September 30, 2014 and include the impact of the capital increase carried out when Elior was relisted on the stock exchange on June 11, 2014. Based on the number of Elior shares outstanding at the fiscal year-end, earnings per share for FY 2013-2014 would amount to €0.29.

4/4 Personnel Costs and Employee Numbers

4/4/1 Analysis of Personnel Costs

Personnel costs for fully consolidated companies break down as follows:

(in € millions)	Year ended Sept. 30, 2014	Year ended Sept. 30, 2013
Personnel costs (excluding employee profit-sharing)	(2,428.7)	(2,327.0)
Employee profit-sharing	(0.8)	(4.2)
Personnel costs	**(2,429.6)**	**(2,331.1)**

4/4/2 Employee Numbers

The table below shows the number of employees of Group companies at the period end. It includes the employees of THS which was consolidated for the first time in FY 2012-2013, and therefore 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, 2014	At Sept. 30, 2013
Management and supervisory staff	16,923	17,339
Other	88,942	88,071
Total	**105,865**	**105,410**

Employee numbers break down as follows by geographic region:

	At Sept. 30, 2014	At Sept. 30, 2013
France	51,252	50,854
International	54,613	54,556
Total	**105,865**	**105,410**

4/5 Financial Income and Expenses

The net financial expense recorded in the years ended September 30, 2014 and 2013 breaks down as follows:

(in € millions)	Year ended Sept. 30, 2014	Year ended Sept. 30, 2013
Interest expense on debt	(133.7)	(139.3)
Interest income on short-term investments	3.0	6.7
Other financial income and expenses[1]	(3.9)	(3.3)
Interest cost on post-employment benefit obligations[2]	(2.5)	(3.0)
Net financial expense	**(137.0)**	**(138.9)**
(1) Including:		
– Fair value adjustments on interest rate hedging instruments	*(2.7)*	*(0.3)*
– Disposal gains/(losses) and movements in provisions for impairment of shares in non-consolidated companies	*1.1*	*(1.2)*
– Amortization of debt issuance costs	*(4.6)*	*(1.9)*
– Net foreign exchange gain	*2.2*	*0.0*

(2) This item relates to the discounting of pension and other post-employment benefit obligations, net of the expected return on plan assets.

Caps, swaps and FRAs have been set up to hedge the variable-rate borrowings of Elior and Elior Participations (as described in Note 4/15/2).

4/6 Other Income and Expenses, Net

For the year ended September 30, 2014, this item 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 & Support Services segment 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).

For the year ended September 30, 2013, "Other income and expenses, net" represented a net expense of €106.4 million, and notably included (i) a €25 million impairment loss recorded against goodwill related to Áreas' operations in Spain and Portugal, (ii) a net €31.8 million expense recorded for the Group's debt restructuring (Amend & Extend process) and the April 2013 issue by Elior Finance & Co of the 6.5% Senior Secured Notes maturing in May 2020, and (iii) €49.6 million in operational restructuring expenses and asset write-downs.

4/7 Income Tax

(in € millions)	Year ended Sept. 30, 2014	Year ended Sept. 30, 2013
Current tax	(49.5)	(56.1)
Deferred tax	8.3	17.2
Total	**(41.2)**	**(38.9)**

The portion of the CET tax based on value added (CVAE) has been recognized as current income tax in the amounts of €28.3 million and €27.6 million for the years ended September 30, 2014 and 2013 respectively (see Note 2/11).

The following table shows a reconciliation between the Group's net income tax expense recognized in the income statement and its theoretical tax expense for the years ended September 30, 2014 and 2013:

(in € millions)	Year ended Sept. 30, 2014		Year ended Sept. 30, 2013	
	Base	Tax impact	Base	Tax impact
Profit before income tax	**97.8**		**41.2**	
Share of profit of associates	(2.3)		(1.5)	
Profit before income tax and share of profit of associates	95.5		39.7	
Theoretical income tax[1]		(32.9)		(13.7)
Impact of tax rates on profit generated outside France		(2.6)		(0.3)
Tax losses for which no deferred tax asset was recognized		(1.0)		(7.4)
Income not subject to tax and expenses not deductible for tax purposes		(4.7)		(17.5)
Net income tax expense		**(41.2)**		**(38.9)**

(1) The standard income tax rate used by the Group is 34.43%.

4/8 Analysis of Goodwill

The table below shows an analysis of consolidated goodwill by operating segment (which include the CGUs defined in Note 2/5/2 above).

(in € millions)	At Sept. 30, 2014	At Sept. 30, 2013
Elior Entreprises	574.7	574.7
Other – France (Enseignement, Santé and Services)	499.5	499.5
Sub-total – France	**1,074.2**	**1,074.2**
International	**596.3**	**650.7**
Contract Catering & Support Services	**1,670.5**	**1,724.8**
France	423.2	423.2
Belgium, Germany and Italy	86.8	83.7
Sub-total – France, Belgium, Germany and Italy	**510.0**	**506.9**
Spain, Portugal and the Americas	**179.7**	**179.9**
Concession Catering & Travel Retail	**689.7**	**686.8**
Group total	**2,360.2**	**2,411.6**

The main movements in goodwill in the years ended September 30, 2014 and 2013 related to the following:

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. These 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.

For the year ended September 30, 2013:
- The recognition of €191.2 million in provisional goodwill following the acquisition of THS USA, a contract caterer that operates across the United States.
- An additional €2.1 million in goodwill recognized on the final adjustment of the goodwill initially recognized on a provisional basis at September 30, 2012 when the Group acquired Ansamble and Gemeaz.
- An additional €11.9 million in goodwill recognized on the final adjustment of the goodwill initially recognized on a provisional basis when the Group acquired control of Áreas in May 2012.
- A €25 million goodwill impairment loss recognized at September 30, 2013 concerning the Áreas Iberia CGU.

4/9 Analysis of Intangible Assets and Property, Plant and Equipment

4/9/1 Intangible Assets

(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	0.0	0.0	0.0	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	0.0	(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)	0.0	(0.0)	(36.9)
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	(8.5)	(26.9)
Total amortization	**(165.3)**	**(22.8)**	**3.0**	**(7.7)**	**(192.8)**
Carrying amount	**143.4**	**15.1**	**(0.8)**	**102.4**	**260.2**

(in € millions)	At Sept. 30, 2012	Additions	Disposals	Other movements[3]	At Sept. 30, 2013
Concession rights	97.7	10.2	(5.6)	(0.3)	102.0
Assets operated under concession arrangements[1]	36.3	0.0	0.0	0.0	36.3
Trademarks	27.6	3.2	(0.6)	3.6	33.8
Software	83.4	6.5	(0.3)	1.2	90.8
Prepayments for intangible assets	0.0	26.2	0.0	0.0	26.2
Other	21.4	1.6	(4.7)	1.5	19.8
Gross value	**266.4**	**47.7**	**(11.3)**	**6.0**	**308.8**
Concession rights	(38.5)	(3.4)	2.9	1.7	(37.3)
Assets operated under concession arrangements[1]	(35.2)	(1.0)	0.0	0.0	(36.2)
Trademarks	(7.9)	(0.9)	0.0	(1.0)	(9.8)
Software	(61.5)	(8.3)	0.3	0.2	(69.3)
Other	(15.2)	(0.6)	4.7	(1.6)	(12.7)
Total amortization	**(158.3)**	**(14.1)**	**7.9**	**(0.8)**	**(165.3)**
Carrying amount	**108.1**	**33.6**	**(3.4)**	**5.2**	**143.4**

(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 THS acquisition in the USA as well as to identifiable intangible assets (customer relationships) and the related amortization (see Note 4/8 above). This column also includes the impact of reclassifying assets held by Áreas USA concerning Florida's Turnpike from "Property, plant and equipment" to "Intangible assets" in accordance with IFRIC 12.

(3) "Other movements" reflect the first-time consolidation of THS as well as the impact of reclassifying assets held by Áreas USA concerning Florida's Turnpike from "Property, plant and equipment" to "Intangible assets" in accordance with IFRIC 12.

4/9/2 Property, Plant and Equipment

(in € millions)	At Sept. 30, 2013	Additions	Disposals	Other movements[1]	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**

(in € millions)	At Sept. 30, 2012	Additions	Disposals	Other movements[2]	At Sept. 30, 2013
Land	1.9	0.6	0.0	0.6	3.2
Buildings	139.5	8.4	(5.9)	9.1	151.0
Technical installations	749.8	65.7	(43.3)	(7.1)	765.1
Other items of property, plant and equipment	428.7	31.8	(26.4)	22.1	456.2
Assets under construction	24.6	29.9	(1.7)	(30.2)	22.6
Prepayments to suppliers of property, plant and equipment	2.4	2.0	(0.0)	(1.8)	2.5
Gross value	**1,346.8**	**138.4**	**(77.3)**	**(7.3)**	**1,400.6**
Buildings	(77.8)	(11.6)	4.3	0.0	(85.1)
Technical installations	(503.2)	(68.5)	39.9	3.4	(528.4)
Other items of property, plant and equipment	(277.5)	(48.7)	26.1	2.5	(297.6)
Total depreciation	**(858.5)**	**(128.8)**	**70.3**	**5.8**	**(911.1)**
Carrying amount	**488.3**	**9.6**	**(7.0)**	**(1.5)**	**489.5**

(1) Other movements" reflect the first-time consolidation of THS as well as the impact of reclassifying assets held by Áreas USA concerning Florida's Turnpike from "Property, plant and equipment" to "Intangible assets" in accordance with IFRIC 12.

(2) "Other movements" reflect the first-time consolidation of THS, as well as the final impact of the change in the consolidation method used for Áreas Iberoamericana and its subsidiaries which are now fully consolidated whereas they were previously proportionately consolidated on a 69.04% basis. This column also includes the impact of reclassifying assets held by Áreas USA concerning Florida's Turnpike from "Property, plant and equipment" to "Intangible assets" in accordance with IFRIC 12.

At September 30, 2014 and 2013, the value of non-current assets held under finance leases broke down as follows (excluding the assets described in Note 4/9/1 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, 2014	At Sept. 30, 2013
Gross value	57.4	52.3
Depreciation	(38.7)	(34.2)
Net value	**18.7**	**18.1**

4/9/3 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, 2014
Contract Catering & Support Services	105.4	194.1	299.5
Concession Catering & Travel Retail	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**

(in € millions)	Carrying amount – intangible assets	Carrying amount – property, plant and equipment	At Sept. 30, 2013
Contract Catering & Support Services	22.2	190.4	212.6
Concession Catering & Travel Retail	115.0	286.0	401.0
Headquarters, holding companies and purchasing entities	6.3	13.1	19.4
Total	**143.4**	**489.5**	**632.9**

4/9/4 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, 2014
France	49.6	243.5	293.1
International	210.6	254.9	465.5
Total	**260.2**	**498.4**	**758.6**

(in € millions)	Carrying amount – intangible assets	Carrying amount – property, plant and equipment	At Sept. 30, 2013
France	50.8	236.0	286.8
International	92.6	253.4	346.1
Total	**143.4**	**489.5**	**632.9**

4/10 Non-current Financial Assets

(in € millions)	At Sept. 30, 2014	At Sept. 30, 2013
	Carrying amount	Carrying amount
Investments in non-consolidated companies	**2.9**	**2.3**
Loans	4.7	4.3
Deposits and guarantees paid	21.3	18.6
Financial receivables	2.9	14.1
Total	31.8	39.3

4/11 Investments in Associates

(in € millions)	Carrying amount at Sept. 30, 2013	Dividends paid	Profit/(loss) 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)	0.0
N.W.L (France and International)[3]			1.4	0.0	1.4
Riverside Events (UK)		(0.1)	0.0	0.1	0.1
SEA Services (Italy)	2.2		0.1	(2.2)	0.0
Total	**6.7**	**(1.5)**	**2.3**	**(5.5)**	**1.9**

(in € millions)	Carrying amount at Sept. 30, 2012	Dividends paid	Profit/(loss) for the period[1]	Changes in scope of consolidation and other	Carrying amount at Sept. 30, 2013
Motorways subsidiaries (France)	1.0	(0.2)	(0.0)	(0.0)	0.7
Arco Prime (Chile)	3.5	(0.6)	1.4	(0.4)	3.8
SEA Services (Italy)	2.0		0.1		2.2
Total	**6.5**	**(0.9)**	**1.5**	**(0.5)**	**6.7**

(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.

4/12 Trade and Other Receivables

(in € millions)	At Sept. 30, 2014		At Sept. 30, 2013	
	Gross	Net	Gross	Net
Trade receivables	696.0	659.7	725.5	689.5
Revenue accruals	84.0	84.0	65.7	65.7
Prepayments to suppliers	57.9	57.9	58.6	58.6
Prepaid and recoverable VAT[1]	43.6	43.6	47.0	47.0
Receivables relating to asset disposals	3.7	3.7	3.3	3.3
Other	58.9	58.9	41.1	41.1
Total	**944.1**	**907.8**	**941.3**	**905.2**

(1) Accrued taxes and payroll costs included accrued and payable VAT in respective amounts of €77.4 million and €67.5 million at September 30, 2014 and 2013.

Net trade receivables – which are primarily recorded in the balance sheets of Contract Catering & Support Services companies – break down as follows:

(in € millions)	At Sept. 30, 2014	At Sept. 30, 2013
Receivables not past due	455.0	439.0
Receivables less than 30 days past due	94.0	103.0
Receivables more than 30 days but less than 6 months past due	76.0	94.0
Receivables more than 6 months but less than 1 year past due	24.0	27.0
Receivables more than 1 year past due	11.0	26.0
Total net trade receivables	**660.0**	**689.0**

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, 2014	At Sept. 30, 2013
Outstanding balance of sold receivables	263.0	266.5
Overcollateralization reserve	87.4	86.2
Net outstanding balance	**175.6**	**180.3**

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. The outstanding amount of trade receivables sold under this program at September 30, 2014 was €21.5 million. The program provides for an overcollateralization reserve of 5% of the outstanding sold receivables, which totaled €1.5 million at September 30, 2014.

Also during FY 2013-2014, the Group sold its CICE tax credit for 2013 to a bank on a no-recourse basis for €32 million. The discounting fee related to this sale – which took place in March 2014 – amounted to €2.6 million and was recognized in "Other income and expenses, net" in the income statement.

4/13 Deferred Taxes and Other Current Assets

4/13/1 Deferred Taxes

The deferred tax balances recorded in the consolidated balance sheet at September 30, 2014 and 2013 break down as follows by type of temporary difference:

(in € millions)	At Sept. 30, 2014	At Sept. 30, 2013
Paid leave provisions	7.7	7.4
Non-deductible provisions	26.3	44.6
Provisions for pension benefit obligations	30.6	24.2
Fair value adjustments[1]	(18.3)	2.2
Recognition of tax loss carryforwards[2]	154.8	126.2
Total	**201.1**	**204.7**
Deferred tax assets	249.2	227.8
Deferred tax liabilities	(48.1)	(23.1)
Total	**201.1**	**204.7**

(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, 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's subsidiary, Áreas USA.*
- At September 30, 2013 (i) €90 million in tax loss carryforwards for Elior recoverable through the French tax consolidation group which it headed, and (ii) €21 million in tax loss carryforwards of the Group's subsidiary, Áreas 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, 2014.

4/13/2 Other Current Assets

(in € millions)	At Sept. 30, 2014	At Sept. 30, 2013
Prepaid expenses	31.1	26.2
Other	17.9	20.0
Total	**49.0**	**46.2**

4/14 Provisions

Short- and long-term provisions can be analyzed as follows:

(in € millions)	At Sept. 30, 2014	At Sept. 30, 2013
Commercial risks	2.6	8.6
Tax risks and employee-related disputes	29.0	41.1
Reorganization costs	18.1	21.1
Employee benefits	9.5	8.7
Other	25.4	21.8
Short-term provisions	**84.8**	**101.3**
Employee benefits	106.2	97.6
Non-renewal of concession contracts	7.9	8.4
Other	2.6	5.1
Long-term provisions	**116.6**	**111.1**
Total	**201.4**	**212.4**

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 2/12 above and cover:

- Contractual indemnities, such as retirement indemnities, 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 indemnities 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 €115.7 million at September 30, 2014, including €21.0 million relating to the TFR provision for Italian companies.

At September 30, 2013, provisions for employee benefits totaled €106.2 million, including €23.5 million relating to the TFR provision for Italian companies. This amount includes the recognition of an additional €12.1 million provision in accordance with IAS 19R corresponding to the actuarial gains and losses that are now included in full within provisions whereas they were previously deferred in accordance with the corridor method.

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, 2014	At Sept. 30, 2013
Accumulated benefit obligation at the period-end	**115.7**	**106.2**
Provisions recognized in the consolidated balance sheet at the period-end	**115.7**	**106.2**
o/w short-term	9.5	8.7
o/w long-term	106.2	97.6

Movements in these provisions during the years ended September 30, 2014 and 2013 can be analyzed as follows:

Provision at September 30, 2012	**95.8**
Service cost net of benefits paid	(4.5)
Interest cost	2.9
Other movements (impact of changes in Group structure, exchange rates, reclassifications and changes in accounting method)[1]	12.1
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 Group structure, exchange rates, reclassifications and changes in accounting method)[2]	7.9
Provision at September 30, 2014	**115.7**

(1) Impact of applying IAS 19R
(2) Impact of change in discount rate

4/15 Debt and Hedging Instruments

4/15/1 Analysis of Debt by Type

The Group's debt can be analyzed as follows (repayment/redemption value corresponds to market value):

(in € millions)		At Sept. 30, 2014		At Sept. 30, 2013	
	Original currency	Amortized cost[2]	Repayment / redemption value	Amortized cost[1]	Repayment / redemption value
Bank overdrafts	€	17.8	17.8	30.6	30.6
Other short-term debt (including short-term portion of obligations under finance leases)	€/$	72.1	72.1	105.5	105.5
Sub-total – short-term debt		**90.0**	**90.0**	**136.1**	**136.1**
Syndicated loans (including THS loan)	€/$	1,059.4	1,072.3	1,666.7	1,684.0
Other medium- and long-term borrowings[3]	€	224.3	227.5	344.2	350.0
Factoring and securitized trade receivables	€	173.8	175.8	180.3	180.3
Other long-term debt (including obligations under finance leases)	€	41.0	41.0	49.6	49.6
Sub-total – long-term debt		**1,498.5**	**1,516.6**	**2,240.8**	**2,263.9**
Total debt		**1,588.5**	**1,606.5**	**2,376.9**	**2,400.0**

(1) The amortized cost of bank borrowings was calculated taking into account the €23.1 million in bank fees recorded at September 30, 2013 for (i) the Group's debt refinancing operations (Amend & Extend process) and (ii) arranging acquisition financing for THS.

(2) The amortized cost of bank borrowings was calculated taking into account the €18.1 million in bank fees recorded at September 30, 2014 for (i) the Group's debt refinancing operations (Amend & Extend process) and (ii) arranging acquisition financing for THS. This amount includes the bank fees paid for the Amend & Extend process carried out in February 2014 and accelerated amortization recorded following the repayment of a portion of the Group's debt in June 2014.

(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 was reduced to €227.5 million at September 30, 2014 following a €122.5 million partial early repayment in June 2014.

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 which is repayable in March 2019. Interest on this loan is based on the Euribor plus a standard margin of 4.0%. Elior also has a €92.6 million revolving credit line (which can be used by Elior or 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 is not used, a commitment fee is payable which is 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 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 which is repayable in full in March 2019. Interest on this loan is based on the Euribor plus a standard margin of 4.0%. Elior Participations also has a €77.4 million revolving credit line (which can 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 is not used, a commitment fee is payable which is 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 USA: 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 has been 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 USA 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 receivables securitization program as described in Note 4 / 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 now 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.

The Group's debt at September 30, 2013 included:

Syndicated bank loans at a variable rate based on the Euribor plus a margin, which broke down as follows at September 30, 2013:

- For Elior (formerly HBI):
  - A senior bank loan totaling €405.1 million at September 30, 2013 and repayable in March 2019. Interest on this loan was based on the Euribor plus a standard margin of 4.75%. At September 30, 2013, Elior also had a €107.9 million revolving credit line (usable by Elior or Elior Participations) breaking down as (i) €67.5 million with a variable interest rate based on the Euribor plus a standard margin of 4% and expiring in June 2016, and (ii) €40.4 million with a variable interest rate based on the Euribor plus a standard margin of 4.25% 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. None of this facility had been drawn down by Elior at September 30, 2013.
  - A €350 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 (formerly Elior SCA): a senior bank loan totaling €1,166.2 million at September 30, 2013 and repayable in full in March 2019. Interest on this loan was based on the Euribor plus a standard margin of 4.75%. At September 30, 2013 Elior SCA also had an €89.9 million revolving credit line (usable by Elior SCA and its subsidiaries) breaking down as (i) €56.2 million with a variable interest rate based on the Euribor plus a 4% standard margin and expiring in June 2016, and (ii) €33.6 million with a variable interest rate based on the Euribor plus a 4.25% standard margin 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. None of this facility had been drawn down by Elior SCA at September 30, 2013.
- For THS USA: syndicated bank loans made up of (i) a "Term Loan" of which $153 million had been drawn down at September 30, 2013, and (ii) a $40 million "Delayed Draw Term Loan" which has been confirmed until April 2015 and had not been drawn at September 30, 2013. Both of these loans mature in April 2019 and bear interest at a variable rate based on 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 USA also had 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. None of this facility had been drawn down by THS at September 30, 2013.
- For Áreas SA: a syndicated bank loan made up of (i) an A tranche of $50.0 million, maturing in July 2017 and which had been fully drawn down at September 30, 2013, and (ii) a B tranche of €60.0 million maturing in July 2016, none of which had been drawn down at September 30, 2013. Interest payable on this loan was based on the Libor (for the dollar-denominated tranche) and the Euribor (for the euro-denominated tranche) plus a standard margin of 4.0%.

Liabilities relating to the receivables securitization program as described in Note 4 / 12 above. At September 30, 2013, outstanding securitized receivables – net of the related €86.2 million overcollateralization reserve – stood at €180.3 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 during FY 2012-2013 was extended to include the receivables of Elior's Spanish and Italian subsidiaries. The Spanish subsidiaries had already begun securitizing their receivables under the program at September 30, 2013 and the Italian subsidiaries started during the course of FY 2013-2014. The program's cost, based on net amounts securitized, was approximately 2% in FY 2012-2013.

A maturity schedule of the Group's debt is provided in Note 7/3.

4/15/2 Derivative Financial Instruments

At September 30, 2014 and 2013, 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, 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

In addition, caps expiring in June 2016 have been set up on a notional amount of $80 million to hedge THS USA's dollar-denominated debt.

At September 30, 2013 the amounts of debt hedged by derivatives were as follows (excluding hedges that expired at June 30, 2013 which covered the period between June 30, 2013 and December 31, 2013):

(in € millions)	Firm hedges[1]	Optional hedges[2]
From Dec. 31, 2013 through June 30, 2014	850	600
From June 30, 2014 through Dec. 31, 2014	850	200
From Dec. 31, 2014 through Dec. 31, 2016	700	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 2 / 15 for further details.

Analysis:

(in € millions)		Fair value of derivatives: Assets/(Liabilities)
	At Sept. 30, 2014	At Sept. 30, 2013
Instruments qualifying as cash flow hedges	(27.3)	(25.1)
Instruments qualifying as fair value hedges		
Total	**(27.3)**	**(25.1)**
Interest rate hedging instruments	(25.7)	(25.1)
Foreign currency hedging instruments	(1.6)	0.0
Total	**(27.3)**	**(25.1)**

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 €0.6 million and €10.9 million at September 30, 2014 and 2013 respectively.

4/15/3 Financial Covenants

The medium – and long-term bank borrowing contracts entered into by Elior and Elior Participations include financial covenants 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 quarter. None of the covenants had been breached at either September 30, 2014 or 2013 or at any quarterly 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.

4/16 Parent Company's Share Capital and Stock Options

4/16/1 Elior SA's Share Capital

At September 30, 2014, Elior SA's share capital was €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.

At September 30, 2013, the share capital of Elior SA (formerly HBI SCA) was €1,088,203.58, divided into 108,820,358 shares with a par value of €0.01 each.

4/16/2 Stock Options Granted to Employees of Elior and its Subsidiaries

Date of Shareholders' Meeting	Grant date by Managing Partner	Start of exercise period	End of exercise period	Exercise price per 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	235,129	84
Jan. 18, 2011	April 15, 2011	April 15, 2015	Dec. 31, 2016	5.72	458,990	166
Total					**694,119**	

(1) Exercise prices have been adjusted to take into account the capital reduction carried out on February 2, 2012.
(2) Adjusted to reflect departures of grantees.

4/17 Liabilities Relating to Share Acquisitions and Commitments to Purchase Non-controlling Interests

The net amount recorded in the consolidated financial statements at September 30, 2014 for liabilities relating to share acquisitions and commitments to purchase non-controlling interests totaled €183.6 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) 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 Áreas' capital.
- €7.5 million corresponding to the Group's estimated liability towards the non-controlling shareholders of THS USA 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.

The net amount recorded in the consolidated financial statements at September 30, 2013 for liabilities relating to share acquisitions and commitments to purchase non-controlling interests totaled €53.8 million and primarily included the following:

- €13.8 million corresponding to the Group's liability towards the non-controlling shareholders of MyChef (which is fully consolidated) relating to the 11.8% 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.
- €1.0 million corresponding to the residual liability relating to the Group's acquisition of full control over Copra Ristorazione.
- €3.7 million relating to additional purchase consideration payable from 2013 for the purchase of shares in Ansamble.
- €18.0 million corresponding to the liability recognized by way of a deduction from equity attributable to non-controlling interests for the estimated future dividends to be paid to Áreas' non-controlling shareholders in the five years following the Group's acquisition of control in May 2012.
- €6.4 million corresponding to the Group's estimated liability towards the non-controlling shareholders of THS USA 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.
- €8.0 million corresponding to THS' net earnout liability towards the sellers of Valley, A'Viands and Lindley.

4/18 Other Current Liabilities

Other current liabilities consist of the following:

(in € millions)	At Sept. 30, 2014	At Sept. 30, 2013
Deferred income	17.1	16.4
Other liabilities	5.8	4.6
Total	**22.9**	**21.1**

5/ Off-Balance Sheet Commitments

5/1 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 €1,183.8 million at September 30, 2014 – 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.

5/2 Guarantees Given/Received

(in € millions)	At Sept. 30, 2014	At Sept. 30, 2013
Guarantees given on commercial contracts[1]	254.7	258.0
Total guarantees given[2]	**254.7**	**258.0**

(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.

5/3 Commitments under Operating Leases

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 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 (€96.2 million), and (ii) office rental payments (€116.6 million).

At September 30, 2013, the Group's total commitments under operating leases – based on the residual terms of the contracts concerned – stood at €218.2 million, breaking down as follows by maturity:

- Less than one year: €71.8 million
- 1 to 5 years: €130.5 million
- Beyond 5 years: €15.9 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 (€91.2 million), and (ii) office rental payments (€127.0 million).

6/ Related Party Transactions

6/1 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.

Gilles Petit is Chief Executive Officer of Elior SA.

(in € millions)	Year ended Sept. 30, 2014	Year ended Sept. 30, 2013
Compensation and benefits paid to Gilles Petit, Group Chief Executive Officer		
Salary and other short-term benefits	2.1	1.2
Post-employment benefits		
Compensation and benefits paid to other members of the Executive Committee		
Salary and other short-term benefits (*)	9.6	3.1
Post-employment benefits	0.9	0.8
Total	**12.6**	**5.1**

Including €6.3 million in exceptional compensation received on completion of the Company's IPO.

The Executive Committee had eight members at September 30, 2014 (compared with seven one year earlier).

6/2 Other Related Party Transactions

Following the Company's stock market floatation on June 11, 2014 the service and consulting agreements between Elior and SOFIBIM and ORI Investissements were terminated.

A total of €963,000 was paid under these agreements during the year ended September 30, 2014 (versus €2,224,000 during the year ended September 30, 2013). This amount included salaries, social security contributions and other costs incurred by SOFIBIM and ORI Investissements for the performance of their services.

In accordance with a decision taken by the Company's shareholders on November 19, 2009, Bercy Présidence received €382,000 in the year ended September 30, 2014, corresponding to remuneration payable in its capacity as Managing Partner of Elior for the period from October 1, 2013 through June 11, 2014 (€550,000 for the period from October 1, 2012 through September 30, 2013).

In connection with the Company's floatation, Bercy Présidence was merged into Elior on June 11, 2014. Bercy Présidence was chaired by Gilles Petit and controlled by Charterhouse and Chequers and acted as the Managing Partner of Elior when Elior was a partnership limited by shares (SCA).

Elior rebilled SOFIBIM a total of €0.3 million for administrative and IT services during the year ended September 30, 2014.

No other expenses or financial benefits were recorded during the period in relation to Elior's executive officers.

7/ Financial Risk Management and Financial Instruments

7/1 Exposure to Foreign Exchange Risk

The Elior Group operates essentially in Eurozone countries. In the year ended September 30, 2014, non-Eurozone countries – primarily the United Kingdom, Mexico and the United States – accounted for 16.0% of consolidated revenue (13.4% in FY 2012-2013), including 5.3% contributed by the United Kingdom (FY 2012-2013: 5.4%) and 9.0% by the United States (FY 2012-2013: 5.6%).

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 financing put in place for the acquisition of THS and to fund the capital expenditure of Áreas USA, which amounted to $147 million and $50 million respectively at September 30, 2014. The Group's foreign exchange risk in relation to these borrowings is therefore low. Internal borrowings between Eurozone and non-Eurozone Group subsidiaries are generally hedged through currency swap transactions.

The Group has set up currency swaps to hedge its net investment in subsidiaries located in the United Kingdom and the United States. For the periods under review these hedges represented the following notional amounts:

- £10 million and $159 million at September 30, 2014, of which $140 million concerning Elior Participations and $19 million concerning Áreas SA.
- £10 million and $160 million at September 30, 2013, of which $140 million concerning Elior Participations and $20 million concerning Áreas SA.

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 £40.3 million at September 30, 2014 and £37.3 million at September 30, 2013. Similarly, Áreas SA uses forward currency sale contracts to hedge the net assets of and loans granted to its U.S. and Mexican subsidiaries. The outstanding amounts of these currency hedges were $57 million at September 30, 2014 and $23 million and 128 million pesos at September 30, 2013.

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 0.8193 for FY 2013-2014 would result in a corresponding change in consolidated revenue and recurring operating profit of €15 million and €0.6 million respectively.
- The US dollar against the euro: a 5% increase or decrease in this value compared with the average rate of 1.357 for FY 2013-2014 would result in a corresponding change in consolidated revenue and recurring operating profit of €25 million and €1.3 million respectively.

7/2 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") plus an applicable margin.

In order to manage interest rate risk, the Group has set up interest rate swaps, caps and FRAs. 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, 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).

The rates at which the Group's debt was hedged (against the 6-month Euribor) were as follows at September 30, 2013 for Elior and Elior Participations:

- For the period from December 31, 2013 through June 30, 2014: 2.48% for firm hedges (€850 million) and 3.50% for optional hedges (€600 million).
- For the period from June 30, 2014 through December 31, 2014: 2.48% for firm hedges (€850 million) and 2.5% for optional hedges (€200 million).
- For the period from December 31, 2014 through December 31, 2016: 1.25% for firm hedges (€700 million) and 2.50% for optional hedges (€200 million).

Áreas' USD-denominated debt has been hedged using interest rate swaps at a rate of 1.13% until July 2017 covering an amount of $25 million.

THS' dollar-denominated debt has also been hedged using caps with a strike rate of 2% against the 3-month Libor until June 2016 covering an amount of $80 million.

These rates do not include lending margins, which are set out in Note 4/15/1. Taking into account these hedging transactions, a 1% increase in interest rates would have an impact of approximately €3 million on the Group's finance costs for FY 2014-2015.

7/3 Exposure to Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Group's debt can be analyzed as follows:

(in € millions)	At Sept. 30, 2014		At Sept. 30, 2013	
	Short-term	Long-term	Short-term	Long-term
Bank borrowings				
Medium-term borrowings – Elior SA (formerly HBI SCA)		200.1		405.1
Medium-term borrowings – Elior Participations SA and THS		872.2		1,278.9
Other medium- and long-term bank borrowings		28.2		37.0
Sub-total – bank borrowings		**1,100.5**		**1,721.0**
Other debt				
Loan from Elior Finance & Co SCA (6.5% Senior Secured Notes maturing in May 2020)		227.5		350.0
Finance leases	4.0	12.3	4.6	11.6
Other(1)	54.5	176.3	51.5	181.3
Bank overdrafts(2)	17.8		30.6	
Current accounts(2)	0.0		1.1	
Accrued interest on borrowings(2)	13.6		48.3	
Sub-total – other debt	**90.0**	**416.1**	**136.1**	**542.9**
Total debt	**90.0**	**1,516.6**	**136.1**	**2,263.9**

(1) Including liabilities under the receivables securitization program described in Note 4/12.
(2) Amounts deducted from cash and cash equivalents in the cash flow statement.

7/4 Exposure to Credit and 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. 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 & Travel Retail business line do not generally include significant amounts of trade receivables. In the Contract Catering & Support 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.

7/5 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	September 30, 2014		September 30, 2013	
			Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Non-current financial assets	✓		31.8	31.8	39.3	39.3
Investments in associates		Level 3	1.9	1.9	6.7	6.7
Derivative financial instruments		Level 2	0	0	0.6	0.6
Trade and other receivables	✓		908.7	908.7	905.2	905.2
Other current assets	✓		49.0	49.0	46.2	46.2
Short-term financial receivables	✓		5.9	5.9	8.5	8.5
Cash and cash equivalents		Level 2	220.3	220.3	210.0	210.0
Financial liabilities						
Short- and long-term debt	✓		1,588.5	1,588.5	2,376.9	2,376.9
Derivative financial instruments		Level 2	27.3	27.3	25.7	25.7
Liabilities relating to share acquisitions		Level 3	186.3	186.3	66.5	66.5
Trade and other payables	✓		687.0	687.0	667.2	667.2
Due to suppliers of non-current assets	✓		24.6	24.6	30.2	30.2

8/ Events after the Reporting Date

Acquisition of Lexington in the United Kingdom in October 2014

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 price paid at the time of the acquisition came to €18 million, which was financed through an equity investment by Elior UK. Lexington will be fully consolidated in the Group's FY 2014-2015 financial statements, with a first-time consolidation date of October 1, 2014.

Refinancing the Group's bank borrowings

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 has 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 obtain less strict financial and non-financial covenants.

9/ Additional Information

9/1 Statutory Auditors' Fees

Statutory Auditors' fees for the year ended September 30, 2014 recorded in the income statement and relating to fully consolidated companies amounted to €4.0 million. The total breaks down as €2.4 million for statutory audit work and €1.6 million for audit-related services provided in connection with due diligence procedures for acquisitions and financing operations and for the IPO.

10/ List of Consolidated Companies at September 30, 2014

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
Bercy Services XIX FTC			MO	FULL
Buffet de Marseille			CO	FULL
Buffet Montparnasse			CO	FULL
C2L			HOLD	FULL
E.L.R.E.S.			CT/HOLD	FULL
ECP France			CO	FULL
ECP Moselle			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 Marketing			MO	FULL
Elior Concessions Restaurants			CO	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 Services à la Personne			CT	FULL
Elior Services Propreté et Santé			CT/HOLD	FULL
Elior Services Supports			MO	FULL

Company		% ownership	% control	Principal activity	Consolidation method
Elior Participations				HOLD	FULL
Elior Trésorerie				MO	FULL
Eurobar				CO	FULL
F.C.F.				CO	FULL
First Maintenance Company				CT	FULL
G.S.R.				CO	FULL
H.R.C.				CO/HOLD	FULL
Hold & Co				CO	FULL
IFRC				MO	FULL
L'Alsacienne de Restauration				CT	FULL
Loiretal		49%	49%	CO	EQUITY
Newrest	FTC	35%	35%	CO	EQUITY
NSTL				CT	FULL
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
SEG				CO	FULL
Sercam				CO	FULL
Services et Santé				CT	FULL
SG2P				CO	FULL
SG2S				CO	FULL
SGAR				CO	FULL
SHAIB				CO	FULL
SHRBB		33%	33%	CO	EQUITY
SHRHM		69%		CO	FULL
SLRH				CO	FULL
SMR				CT	FULL
Soferest				CO	FULL
Soreno				CT	FULL
Sorenolif				CO	FULL
Soreset				CT	FULL
Sorreg				CO	FULL
SPPJ		25%	45%	CO	EQUITY
SPR				CO	FULL
SRAB				CO	FULL
SRAM		44%		CO	FULL
SRBS		40%	40%	CO	EQUITY
SRHAJ		55%		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
Belgium					
Elior Charleroi				CO	FULL
SAREB				CO	FULL
SREB				CO	FULL
Chile					
Áreas Chile		62%	100%	CO	FULL
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
Italy					
Elior Ristorazione		99%		CT	FULL
Copra		99%		CT	FULL
Elior Concessioni SRL				HOLD	FULL
Elichef				HOLD	FULL
Elior Servizi		99%		CT	FULL
Finairport Services SRL		64%		CO	FULL
Gemeaz		99%		CT	FULL
Gemeaz Immobiliare		99%		MO	FULL
Meridia		50%		CT	FULL
MyChef				CO	FULL
SEA Services	CM	70%	100%	CO	FULL
Mexico					
Aerocomidas		62%	100%	CO	FULL
Geresa Mexico LDF		62%	100%	CO	FULL
Portugal					
Áreas Portugal		62%	100%	CO	FULL
Feito de Portugal		62%	100%	CO	FULL
Serunión Restaurantes Portugal				CT	FULL
Unitrato		62%	100%	CO	FULL
Spain					
Arco Duplo		43%	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
Areamed		31%	100%	CO	FULL
Áreas		62%	100%	CO/HOLD	FULL
Can-Áreas		49%	100%	CO	FULL
Carmen		12%	100%	CO	FULL
Contrame 99		62%	100%	HOLD	FULL
Distri-Áreas		62%	100%	CO	FULL
Elite Aeropuertos 2010		62%	100%	CO	FULL
General de Restaurantes 2000		62%	100%	CO	FULL
Hold & Co Espana	CM	50%	50%	CO	EQUITY
Miconta 99		62%	100%	HOLD	FULL

Company		% ownership	% control	Principal activity	Consolidation method
Raesa		31%	100%	CO	FULL
Serunión				CT/HOLD	FULL
Serunión Norte				CT	FULL
Serunión Servicios				CT	FULL
Serunión Vending				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
Riverside Events	CM	50%	50%	CO	EQUITY
United States					
Aladdin Food Management Services		78%	100%	CT	FULL
AmeriServe		78%	100%	CT	FULL
Áreas USA Inc		62%	100%	CO	FULL
A'Viands		78%	100%	CT	FULL
Dowling Food Service Management		78%	100%	CT	FULL
Fitz Vogt Acquisition		78%	100%	HOLD	FULL
Fitz Vogt & Associates		78%	100%	CT	FULL
Fitz Vogt & Enterprises		78%	100%	CT	FULL
Gourmet Acquisition Holding		78%	100%	HOLD	FULL
Gourmet Acquisition		78%	100%	HOLD	FULL
Lindley Acquisition		78%	100%	HOLD	FULL
Summit Food Service		78%	100%	CT	FULL
TrustHouse Services Holding		78%	100%	HOLD	FULL
TrustHouse Services Group		78%	100%	MO	FULL
Valley Services		78%	100%	CT	FULL

PROP: proportionately consolidated companies.
FULL: fully consolidated companies.
EQUITY: companies consolidated using the equity method.
CT: companies specialized in Contract Catering & Support Services.
CO: companies specialized in Concession Catering & Travel Retail.
HOLD: companies operating as holding companies.
MO: companies providing headquarters and functional services to Group companies.
FTC: companies consolidated for the first time during the period.
CM: Change in consolidation method.

4.6 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

Elior SA (formerly Holding Bercy Investissement S.C.A.) limited liability company incorporated in France

Registered office: 61-69, rue de Bercy – 75012 Paris
Share capital: €1,643,712

Statutory Auditors' Report on the Consolidated Financial Statements

Year ended September 30, 2014
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 2014, on:

- the audit of the accompanying consolidated financial statements of Elior SA (formerly Holding Bercy Investissement SCA);
- the justification of our assessments;
- the specific verification 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 2014 and of the results of its operations for the year then ended, in accordance with 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 2.5 and 2.6 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 2.6 to the consolidated financial statements provides appropriate disclosures thereon.

As stated in note 2.24 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 15, 2015

KPMG Audit IS	PricewaterhouseCoopers Audit	
François Caubrière *Partner*	Anne-Laure Julienne *Partner*	Eric Bertier *Partner*

4.7 SEPARATE FINANCIAL STATEMENTS OF THE PARENT COMPANY FOR THE YEAR ENDED SEPTEMBER 30, 2014

INCOME STATEMENT

(in € thousands)	Year ended September 30, 2014	Year ended September 30, 2013
Operating income		
Net revenue	21,310	21,396
Reversals of depreciation, amortization and provisions, expense transfers		1,183
Other income	4	
Total operating income	**21,314**	**22,579**
Operating expenses		
Purchases of raw materials and consumables	18	1
Other operating expenses	10,762	25,177
Taxes other than on Income	531	264
Personnel costs	26,281	11,796
Depreciation, amortization and provision expense	115	115
Total operating expenses	**37,707**	**37,353**
Operating profit/(loss)	(16,393)	(14,774)
Net financial expense	(44,107)	(5,571)
Net non-recurring expense	(6,571)	(26,438)
Income tax	(32,528)	(50,666)
Profit/(loss) for the period	**(34,543)**	**3,882**

BALANCE SHEET – ASSETS

(in € thousands)	At September 30, 2014			At September 30, 2013
	Gross	Depr., amort. and provisions	Net	Net
Intangible assets	2,078	78	2,000	2,000
Property, plant and equipment	2,863	807	2,056	2,171
Long-term investments	1,741,197		1,741,197	1,741,195
Total fixed assets	**1,746,138**	**885**	**1,745,253**	**1,745,366**
Trade receivables	305		305	65
Other receivables	609,483		609,483	162,213
Marketable securities	1,022		1,022	
Cash	911		911	21
Prepaid expenses	78		78	91
Total current assets	**611,799**		**611,799**	**162,390**
TOTAL ASSETS	**2,357,937**	**885**	**2,357,052**	**1,907,756**

BALANCE SHEET – EQUITY AND LIABILITIES

(in € thousands)	At September 30, 2014	At September 30, 2013
Share capital	1,644	1,088
Share premium account	1,526,899	756,480
Other reserves	140	140
Retained earnings	329,150	325,271
Profit/(loss) for the period	(34,543)	3,882
Total equity	**1,823,289**	**1,086,862**
Equity loans (*titres participatifs*)		**434**
Provisions for contingencies and charges	**493**	**23,400**
Borrowings	434,332	774,615
Trade payables	17,335	11,757
Other liabilities	81,603	10,688
Total liabilities	**533,270**	**797,060**
TOTAL EQUITY AND LIABILITIES	**2,357,052**	**1,907,756**

I. BASIS OF PRESENTATION

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.

I.1 General information about the company and its business

Elior SA (Holding Bercy Investissement SCA until April 17, 2014) 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, 2014, Elior was 41.26%-held by investment funds managed by Charterhouse and Chequers, 20.08%-held by Bagatelle Investissement et Management – "BIM" (which is wholly owned by Robert Zolade), 1.09%-held by the SOPHIA investment fund and companies of the Intermediate Capital Group (ICG), and 37.57%-held 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.

I.2 Significant events of the year

Elior has been listed on 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.

Following the Company's stock market flotation on June 11, 2014 Elior repaid (i) €205 million worth of its syndicated bank debt maturing in 2019 and (ii) €122 million worth of the Elior Finance & Co SCA May 2020 Senior Secured Notes.

I.3 Events after the reporting date

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 has 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 obtain less strict financial and non-financial covenants.

II ACCOUNTING PRINCIPLES AND METHODS

II.1 Accounting principles

The financial statements for the year ended September 30, 2014 have been prepared in accordance with French generally accepted accounting principles.

The accounting principles used are identical to those applied for fiscal 2012-2013. 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.

II.2 Accounting methods

The main accounting methods applied by the Company are described below.

a) 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

b) 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.

c) Receivables

Receivables are stated at nominal value. A provision for impairment is recognized if their fair value is lower than this gross value.

II.3 Tax consolidation

Since February 1, 2006, pursuant to articles 223.A, 235ter and 223-L6 of the French Tax Code (*Code Général des Impôts*), Elior has filed a consolidated tax return for its French subsidiaries in which it has an ownership interest of over 95%.

The 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 expense recorded for fiscal 2013-2014 can be analyzed as follows including the impact of tax consolidation:

(in € thousands)	
Income tax expense for the head of the tax consolidation group	0
Tax payable by profitable members of the tax group	(42,570)
Corporate sponsorship tax credit	(6)
Withholding tax	249
Provision for income tax expense	493
Tax impact of share issuance costs charged to the share premium account.	9,306
Income tax expense including impact of tax consolidation	**(32,528)**

II.4 Consolidating company

At September 30, 2014 Elior was the parent company responsible for preparing the consolidated financial statements of the Elior Group.

II.5 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.

III NOTES TO THE INCOME STATEMENT

All amounts referred to in the notes to the financial statements are in thousands of euros, unless otherwise specified.

III.1 Revenue

Revenue	France	Other countries	Year ended Sept. 30, 2014	Year ended Sept. 30, 2013
Management of the Group and services provided to the Group	7,093	3,841	10,934	11,989
Rebillings of personnel costs	5,757		5,757	5,814
Rebillings of insurance costs	2,968	218	3,186	2,771
Other rebillings	1,433		1,433	822
TOTAL	**17,251**	**4,059**	**21,310**	**21,396**

III.2 Net financial expense

	Year ended Sept. 30, 2014	Year ended Sept. 30, 2013
Dividends received from subsidiaries		46,501
Interest income	484	875
Interest expense	(44,591)	(52,947)
TOTAL	**(44,107)**	**(5,571)**

III.3 Net non-recurring expense

	Year ended Sept. 30, 2014	Year ended Sept. 30, 2013
Net change in provisions for charges	1,400	(20,819)
Expenses related to debt refinancing	(7,970)	(4,434)
Other non-recurring expenses	(1)	(1,185)
TOTAL	**(6,571)**	**(26,438)**

The Company's lending margins on its syndicated bank loans were reduced by its partner banks, effective from February 3, 2014. The bank fees paid in connection with this refinancing amounted to €7,970 thousand.

III.4 Income tax: analysis of tax charge

	Pre-tax loss for year ended Sept. 30, 2014	Income tax	Post-tax loss for year ended Sept. 30, 2014	Post-tax profit for year ended Sept. 30, 2013
Loss from ordinary activities	(60,500)		(60,500)	(20,346)
Net non-recurring expense	(6,571)		(6,571)	(26,438)
Impact of tax consolidation		(32,522)	32,522	50,666
Corporate sponsorship tax credit		(6)	6	
TOTAL	**(67,071)**	**(32,528)**	**(34,543)**	**3,882**

Analysis	Base	Tax effect
Tax at standard rate of 33.33%		
"Organic" tax	16	6
Provisions	493	164
Deferred tax assets	**509**	**170**
Tax loss carryforwards before tax consolidation	**4,285**	**1,429**
Tax loss carryforwards after tax consolidation	**485,934**	**161,978**

IV NOTES TO THE BALANCE SHEET

IV.1 Property, plant and equipment and intangible assets

	Gross at Sept. 30, 2013	Increase	Decrease	Gross at Sept. 30, 2014
Intangible assets	2,078			2,078
Property, plant and equipment	2,863			2,863
TOTAL	**4,941**	**0**	**0**	**4,941**

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.

IV.2 Long-term investments

	Gross at Sept. 30, 2013	Increase	Decrease	Gross at Sept. 30, 2014
Investments in subsidiaries and affiliates	1,741,183			1,741,183
Deposits	12	2		14
TOTAL	**1,741,195**	**2**	**0**	**1,741,197**

At September 30, 2014, the Company owned 139,312,620 shares in Elior Participations (formerly Elior SCA) representing a total gross value of €1,740,720,983.30, and 500 shares in Bercy Participations, representing a total value of €461,833.33.

IV.3 Depreciation and amortization

	Cumulative amount at Sept. 30, 2013	Additions	Reversals	Cumulative amount at Sept. 30, 2014
Intangible assets	78			78
Property, plant and equipment	692	115		807
TOTAL	**770**	**115**	**0**	**885**

IV.4 Receivables maturity schedule

	At Sept. 30, 2014	Due within 1 year	Due beyond one year
Other long-term investments	14	2	12
Trade receivables	305	305	
Other receivables	6,530	6,530	
Tax receivables arising on tax consolidation	4,606	4,606	
Current accounts with subsidiaries	598,347	598,347	
Prepaid expenses	78	78	
TOTAL	**609,880**	**609,868**	**12**

IV.5 Accrued income

	At Sept. 30, 2014
Revenue accruals	1
Credit notes due from suppliers	3
Daily allowances	12
TOTAL	**16**

IV.6 Prepaid expenses

	At Sept. 30, 2014
Operating expenses	63
Financial expenses	15
TOTAL	**78**

IV.7 Equity

	At Sept. 30, 2013	Appropriation of FY 2012-2013 profit	Profit share	Capital increase	FY 2013-2014 loss	At Sept. 30, 2014
Share capital	1,088			556		1,644
Share premium account	756,480			770,419		1,526,899
Other reserves	140					140
Retained earnings	325,271	3,882	4			329,149
Profit/(loss) for the period	3,882	(3,882)			(34,543)	(34,543)
TOTAL	**1,086,861**	**0**	**4**	**770,975**	**(34,543)**	**1,823,289**

The profit share corresponds to Bercy Présidence's right – in its capacity as the Company's former Managing Partner – to receive one thousandth of the Company's profit for fiscal 2012-2013, amounting to €3,882.41.

IV.8 Share capital

	At Sept. 30, 2013	Increase	Decrease	At Sept. 30, 2014
Number of shares	108,820,358	55,550,198		164,370,556
Amount (in €)	1,088,204	555,502		1,643,706

At September 30, 2014, the share capital of Elior S.A. amounted to €1,643,705.56, divided into 164,370,556 shares with a par value of €0.01 each. Capital increases involving the issuance of 55,392,327 shares were carried out in connection with the Company's stock market floatation on June 11, 2014.

A further 157,871 Elior shares were subsequently issued on the exercise of stock options during the year ended September 30, 2014.

IV.9 Provisions

	At Sept. 30, 2013	Additions	Reversals	At Sept. 30, 2014
Other provisions for contingencies and charges	1,400		1,400	0
Provisions for taxes	22,000	493	22,000	493
TOTAL	**23,400**	**493**	**23,400**	**493**
O/w recorded under:				
– Operating income and expenses				
– Financial income and expenses				
– Non-recurring income and expenses			23,400	
– Income taxes		493		

IV.10 Payables maturity schedule

	At Sept. 30, 2014	Due within 1 year	Due in 1-5 years	Due beyond 5 years
Bank borrowings	200,670	559	200,111	
Other borrowings	233,662	6,162		227,500
Trade payables	17,335	17,335		
Other payables	36,057	36,057		
Tax payables arising on tax consolidation	45,546	45,546		
TOTAL	**533,270**	**105,659**	**200,111**	**227,500**

Following the Company's stock market flotation on June 11, 2014 Elior repaid (i) €205 million worth of its syndicated bank debt maturing in 2019 and (ii) €122 million worth of the Elior Finance & Co SCA May 2020 Senior Secured Notes.

At September 30, 2014, Elior's debt was composed of the following

- A senior bank loan totaling €200.1 million which is repayable in March 2019. Interest on this loan is based on the Euribor plus a standard margin of 4%. Elior also has a €92.6 million revolving credit line (which can be used by Elior or 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% and expiring in March 2018. 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, 2014 none of this facility had been drawn down by Elior.

- A loan amounting to €227.5 million which matures on May 1, 2020. This loan was granted by Elior Finance & Co. by on-lending the proceeds from an issue of Senior Secured Notes that it carried out on the Luxembourg stock exchange in April 2013, applying the same fixed rate of 6.5% set for the original loan.

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	10,941	179	10,762			
Trade payables due to Group entities	36	36				
TOTAL	**10,977**	**36**	**0**	**0**	**0**	**0**

IV.11 Accrued expenses

	At Sept. 30, 2014
Borrowings and accrued interest	6,721
Trade payables	6,359
Taxes and payroll costs	30,663
Credit notes due to customers	1,102
TOTAL	**44,845**

V. ADDITIONAL INFORMATION

V.1 Related party transactions and balances

	At Sept. 30, 2014
ASSETS	
Long-term investments: investments in subsidiaries and affiliates	1,741,183
Trade receivables	1
Intra-group current accounts	598,347
Tax receivables	4,606
Total	2,344,137
LIABILITIES	
Trade payables	36
Tax payables	45,546
Other liabilities	1,102
Total	46,684
INCOME STATEMENT	
Financial expenses	
Financial income	411

Related parties correspond to companies that are fully consolidated by Elior S.A.

V.2 Off-balance sheet commitments

a) 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 €1,183.8 million at September 30, 2014 – 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.

b) 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, 2014, 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 €1,747,593, the full amount of which related to statutory indemnities payable to employees on retirement.

c) Stock options granted to employees of Elior S.A. and its subsidiaries

Date of Shareholders' Meeting	Grant date	Start of exercise period	End of exercise period	Exercise price per share (in €)[1]	Total shares under option[2] at September 30, 2014	Number of grantees[2]
Feb. 12, 2010	April 15, 2010	April 15, 2014	Dec. 31, 2016	5.71	235,129	84
Jan. 18, 2011	April 15, 2011	April 15, 2015	Dec. 31, 2016	5.72	458,990	166
Total					**694,119**	

(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.

V.4 Average headcount

Number of employees	At Sept. 30, 2014	At Sept. 30, 2013
Managerial employees	25	25
TOTAL	**25**	**25**

V.5 Statutory training entitlement

The number of unused training hours accrued under the statutory training entitlement applicable in France totaled 2,683 at September 30, 2014.

V.6 Subsidiaries and affiliates

(in € thousands)	Share capital	Equity, excluding share capital	% ownership	Gross value of shares held *(in €)*	Net value of shares held *(in €)*	Outstanding loans and advances	Guarantees given	Net revenue for the last fiscal year	Profit/(loss) for the period	Dividends received
Affiliates										
Bercy Participations[1]	37	277	100%	462	462	–	–	–	9	
Elior Participations[1]	5,310	382,841	100%	1,740,721	1,740,721	598,347	–	29,326	76,374	

(1) Fiscal year from October 1, 2013 to September 30, 2014.

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 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014
Capital at year-end					
Share capital	1,395,220	1,395,220	1,088,204	1,088,204	1,643,706
Number of ordinary shares outstanding	139,522,058	139,522,058	108,820,358	108,820,358	164,370,556
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	25,275,725	26,519,682	21,261,452	21,396,332	21,309,934
Profit/(loss) before tax, employee profit-sharing, depreciation, amortization and provisions	(28,029,412)	(25,547,726)	148,203,995	(25,851,045)	(68,878,926)
Income tax expense	(46,722,164)	(38,318,664)	(46,797,320)	(50,666,041)	(32,528,040)
Employee profit-sharing	0	0	0	0	0
Profit after tax, employee profit-sharing, depreciation, amortization and provisions	117,688,218	13,575,049	196,372,241	3,882,411	(34,543,373)
General Partners' profit share	117,688	13,575	196,372	3,882	
Total dividend payout*					32,872,402
Per share data					
Profit/(loss) per share after tax and employee profit-sharing, before depreciation, amortization and provisions	0.13	0.09	1.79	0.23	(0.22)
Earnings/(loss) per share	0.84	0.10	1.80	0.04	(0.21)
Dividend per share	0.00	0.00	0.00	0.00	0.20
Employee data					
Average number of employees	45	48	26	25	25
Total payroll	8,943,184	8,687,883	8,059,659	8,277,897	19,173,774
Benefits	3,293,184	3,845,598	3,213,912	3,518,448	7,107,350

(*) Calculated based on the number of shares outstanding less the number of shares held in treasury

4.8 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

Elior (formerly Holding Bercy Investissement SCA) French joint-stock company (*société anonyme*)

Registered office: 61-69, rue de Bercy – 75012 Paris, France
Share capital: €1,643,712

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.

Year ended September 30, 2014

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 2014, on:

- the audit of the accompanying financial statements of Elior SA (formerly Holding Bercy Investissement SCA);
- 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.

• 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 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

• 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 matter.

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.

• 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 15, 2015

KPMG Audit IS	PricewaterhouseCoopers Audit	
François Caubrière *Partner*	Anne-Laure Julienne *Partner*	Eric Bertier *Partner*

4.9 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.

Elior SA (formerly Holding Bercy Investissement SCA)

61-69, rue de Bercy
75012 Paris
France

To the Shareholders,

In our capacity as Statutory Auditors of Elior SA, 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 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 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 (or the Supervisory Board before 11 June 2014).

Supervisory Board meeting of 29 January 2014

Common directors: BIM, Ori Investissements, Lionel Giacommotto, James Arnell, Stéphane Etroy, Denis Metzger, Jérôme Kinas and Jacques Roux

- 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

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 an amendment to the SFA, the main provisions of which include:

- 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.

Board of Directors' meeting of 11 June 2014

Director concerned: Gilles Petit, Chief Executive Officer

- Gilles Petit's employment contract

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.

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, with respect to 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 is entitled, under certain conditions, to contractual termination benefits equal to 12 months' salary calculated based on the average gross monthly salary over the past 12 months excluding exceptional bonuses. The right to these termination benefits is subject to the fulfilment of performance conditions based on adjusted net income and cash flows over two consecutive years as well as stock market performance conditions based on the performance of the Company's share compared to a composite index.

The Company also signed a non-competition agreement with Gilles Petit which provides that Gilles Petit is prohibited 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 interest in one of the aforementioned companies. As consideration, Gilles Petit will receive a monthly payment equal to 50% of his gross monthly salary during the two years following the termination of his employment contract.

Agreements and commitments authorised after the year-end

We were informed of the following agreements and commitments, which have been authorised since the year-end by the Board of Directors.

Board of Directors' meeting of 6 November 2014

Common directors: BIM represented by Robert Zolade and Sofibim represented by Gilles Cojan

• Consulting and services agreement between Sofibim and Elior

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.

Board of Directors' meeting of 2 December 2014

Common directors: BIM represented by Robert Zolade and Sofibim represented by Gilles Cojan

• Fifth amendment of 3 December 2014 to the SFA

As part of the restructuring of the Group's financing, on 3 December 2014 Elior signed a fifth amendment to the SFA, the main provisions of which include:

- 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.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements and commitments approved in previous years

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 2014.

• Agreements entered into in connection with the bond issue of April 2013

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. For the year ended 30 September 2014, Elior recorded an expense of €179 thousand with respect to this agreement.

• Shareholders' agreements entered into by Elior with AXA and ICG

In September 2006 when certain AXA and ICG funds acquired interests in Elior's share capital, the Company entered into investment agreements with these funds relating to the management of their interest in Elior. This agreement terminated automatically on the day of Elior's IPO, i.e., 11 June 2014.

• Shareholders' Agreement entered into by Elior's Management with the Charterhouse funds and the Investors

The Shareholders' Agreement relating to Elior and the management of Elior's interest in Elior Participations, entered into in June 2006 by Elior, Robert Zolade, Bercy Présidence, BIM, the Charterhouse funds and the Investors before the settlement-delivery of the Offering shares (the "Shareholders' Agreement), was amended and reiterated on 2 October 2009.

The Shareholders' Agreement remained in effect during the year and terminated automatically on the day of Elior's IPO, i.e., 11 June 2014.

- Service and strategy consulting agreement between Sofibim and Elior

On 30 November 2009, Sofibim entered into a service and strategy consulting agreement with Elior expiring on 30 November 2015, except in the event of early termination as provided for under the agreement.

For the year ended 30 September 2014, Elior recorded an expense of €239 thousand with respect to this agreement. This agreement terminated automatically on the day of Elior's IPO, i.e., 11 June 2014.

- Non-competition agreement between Sofibim and Elior

On 30 November 2009, Sofibim entered into a non-competition agreement with Elior expiring on 30 November 2015, except in the event of early termination as provided for under the agreement.

Pursuant to this agreement, Elior agreed to pay Sofibim a total amount of €5.2 million spread out until 30 September 2015, except in the event of early termination as provided for under the agreement. For the year ended 30 September 2014, Elior recorded an expense of €522 thousand with respect to this agreement. This agreement terminated automatically on the day of Elior's IPO, i.e., 11 June 2014.

- Service and consulting agreement between ORI Investissements and Elior

On 30 November 2009, ORI Investissements entered into a service and consulting agreement with Elior expiring on 30 November 2015, except in the event of early termination as provided for under the agreement.

For the year ended 30 September 2014, Elior recorded an expense of €155 thousand with respect to this agreement. This agreement automatically terminated on the day of Elior's IPO, i.e., 11 June 2014.

Neuilly-sur-Seine and Paris La Défense, January 15, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit IS
Anne-Laure Julienne *Partner*	Eric Bertier *Partner*	François Caubrière *Partner*

5

INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

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 co-ordinate 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 of this Registration Document, "Chairman's Report on Corporate Governance and on Internal Control and Risk Management Procedures".

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 officer of the Company or the Group, or an employee or director of a shareholder that directly or indirectly holds more than 10% of the Company's share capital or voting rights;
- be an executive officer of a company in which the Company directly or indirectly holds a directorship, or in which an employee or an executive officer of the Company (current or in the last five years) holds a directorship;
- be a customer, supplier, investment banker or 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.

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 officer of the Company or the Group or with a shareholder that directly or indirectly holds more than 10% of the Company's share capital or voting rights;
- have been an auditor of the Company or one of its subsidiaries in the past five years;
- have been an officer of the Company or one of its subsidiaries in the past five years;
- have been a director of the Company for more than twelve years;
- receive, or have received, significant additional compensation from the Company or the Group, aside from directors' fees, including any gain from partaking in stock option plans or any other performance-related remuneration systems.

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 be appointed until such time as a new Chairman is elected.

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 to 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 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 Chief Executive Officer;
- he may meet with the Group's executive managers and visit its sites in order to ensure that he is fully informed of its operations; and
- he may meet with shareholders at their request, and informs the Board of Directors of any shareholder concerns about governance.

5.1.3.7 Board Committees (Article 16 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 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 directors who take part in Board meetings by videoconference 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 at the Annual Shareholders' 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 allocation or payment 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 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 to be 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 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 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

No clause of the bylaws restricts 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 Shareholders' Meeting. However, an Extraordinary Shareholders' 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 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 by correspondence or 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). The postal or proxy voting 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 statutory 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 2013-2014.

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

5.2.1 ISSUED CAPITAL AND AUTHORIZED BUT UNISSUED CAPITAL

At the date of this Registration Document, the Company's share capital amounted to €1,643,712.06, represented by 164,371,206 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 the combined Ordinary and Extraordinary Shareholders' Meeting held on May 26, 2014.

Type of authorization	Maximum duration	Maximum nominal amount	Authorizations used
Issue of shares and/or other securities by way of a public offering, without pre-emptive subscription rights for existing shareholders(1)	26 months	Maximum nominal amount: €797,000, including €548,000 for the purpose of the Company's listing on Euronext Paris SA.	The Company used this authorization to carry out a €532,203.38 capital increase on June 13, 2014 for the purpose of the Company's IPO, issuing 53,220,338 shares at a price of €14.75 per share, representing a total of just under €785 million including the issue premium (see Section 5.2.6 below, "Significant Changes in Share Capital").
Issue of shares and/or other securities by way of a public offering, with pre-emptive subscription rights for existing shareholders(1)	26 months	Maximum nominal amount: €250,000 Nominal amount of debt securities: €300 million	This authorization was unused at the date of this Registration Document.
Issue of shares and/or other securities by way of a private placement as referred to in Article L. 411-2 of the French Monetary and Financial Code(1)	26 months	Maximum nominal amount: €70,000 Maximum amount of debt securities issued: €100 million.	This authorization was unused at the date of this Registration Document.
Issue of shares and/or other securities as consideration for contributed assets, without pre-emptive subscription rights for existing shareholders	26 months	Securities representing up to 10% of the Company's share capital	This authorization was unused at the date of this Registration Document.
Issue of shares paid up by capitalizing the share premium account, reserves, profit or other eligible items	26 months	Maximum amount of the capital increase, including the issue premium: €100 million	This authorization was unused at the date of this Registration Document.
Capital reduction by canceling treasury shares	18 months	Shares representing up to 10% of the Company's share capital	This authorization was unused at the date of this Registration Document.
Purchase of Elior shares under a share buyback program	18 months	Maximum number of Elior shares that may be purchased: 10% of the Company's share capital Maximum amount that may be invested in the share buyback program: €200 million	On July 28, 2014, the Company set up a liquidity contract under which Elior's shares are purchased using this authorization (see section on "Significant Changes in Share Capital" below).

(1) The authorizations concerning capital increases (except the authorization to increase the Company's capital by way of capitalizing reserves) are subject to a blanket ceiling of a maximum nominal amount of €906,000.

The table below sets out the authorizations that will be submitted for approval at the Annual Shareholders' Meeting of March 10, 2015, and which, if adopted, will replace the authorizations currently in force.

Resolution number	Type of authorization	Maximum duration	Maximum nominal amount
9	Share buybacks in order to trade in the Company's shares	18 months	Maximum number of Elior shares that may be purchased: 10% of the total number of shares making up the Company's share capital at the date the authorization is used Maximum amount that may be invested in share buybacks: €300 million
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: €300,000 Maximum nominal amount of debt securities: €400 million
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	Total nominal amount: €300,000 Maximum nominal amount of debt securities: €400 million
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	Total nominal amount: €200,000 Nominal amount of debt securities: €200 million
13	Issue of additional securities in connection with a capital increase carried out 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: 15% of the original issue
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	Securities representing up to 10% of the Company's share capital
16	Capital increase paid up by capitalizing the share premium account, reserves, profit or other eligible items	26 months	Maximum amount of the capital increase, including the issue premium: €200 million.
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: €17,000
19	Authorization for the Board to issue stock options to employees and/or corporate officers of the Company and/or related entities, with a waiver of shareholders' pre-emptive subscription rights for the shares to be issued on exercise of the options	38 months	Maximum number of shares that may be issued on exercise of options not to exceed 1.50% of the Company's share capital on the option grant date
20	Authorization for the Board of Directors to grant free shares to employees and/or corporate officers of the Company and/or related companies, with a waiver of shareholders' pre-emptive subscription rights for the vested free shares	38 months	Maximum number of shares to be issued not to exceed 1.50% of the Company's share capital on the date of the decision to grant the shares
21	Capital reduction by canceling treasury shares	18 months	Shares representing up to 10% of the Company's share 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 of €500,000 (eighteenth resolution).

(2) For issues carried out under the tenth and twelfth resolutions representing up to 10% of the Company's share capital per year (as determined at the date of the issue), powers may be delegated in accordance with the law to alter the pricing rules provided for in the tenth and twelfth resolutions and to apply a discount that may represent up to 5% of the weighted average of the prices quoted for the Company's shares on Euronext Paris S.A. over the three trading days preceding the pricing date for the capital increase (fourteenth resolution).

5.2.2 SHARES NOT REPRESENTING CAPITAL

The Company has not issued any shares that do not represent capital.

5.2.3 TREASURY SHARES, OWN SHARES AND SHARE BUYBACK PROGRAMS

5.2.3.1 Authorization Granted at the General Shareholders' Meeting of May 26, 2014

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 may be invested in the program is €200 million (net of transaction expenses) and the maximum number of shares that may be bought back corresponds to 10% of the total number of shares making up the Company's capital.

This authorization provides that the shares may be purchased at any time – except when a takeover bid for the Company is in progress – 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 this 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 companies, 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.

The maximum purchase price per share was set at €22 under this resolution (excluding transaction expenses).

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 can 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.

At December 31, 2014, the Company held 25,100 shares in treasury.

5.2.3.2 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.

5.2.4 INFORMATION ABOUT AND THE TERMS OF ANY ACQUISITION RIGHTS OR OBLIGATIONS OVER AUTHORIZED BUT UNISSUED CAPITAL

N/A.

5.2.5 INFORMATION ABOUT THE SHARE CAPITAL OF ANY GROUP ENTITY WHICH IS UNDER OPTION OR AGREED TO BE PUT UNDER OPTION

Following the transactions carried out in June 2012 which resulted in the Group's acquisition of control of Áreas Iberoamericana, Emesa – the minority shareholder of Áreas with a 38.45% ownership interest – was granted a put option entitling it to sell all of its shares in Áreas to Elior Concessions in a single transaction. For a detailed description of this agreement see Section 3.2.1.4.8, "Risks related to agreements entered into with the minority shareholder of Áreas".

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.

5.2.6 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

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 Shareholders' 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 S.A. 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.

5.3 THE COMPANY'S OWNERSHIP STRUCTURE

At December 31, 2014, the Company's ownership structure was as follows:

Shareholder	Number of shares held	% ownership	% voting rights
Charterhouse Poppy II(1)	36,780,431	22.38%	22.38%
Charterhouse Poppy IV(1)	16,788,327	10.21%	10.22%
Charterhouse Poppy VI(1)	6,674,397	4.06%	4.06%
Société de Restauration 2(2)	2,537,026	1.54%	1.54%
Société de Restauration 4(2)	5,039,060	3.07%	3.07%
Sub-total – concert group(3)	*67,819,241*	*41.26%*	*41.26%*
BIM(4)	33,010,965	20.08%	20.09%
Other(5)	2,461,944	1.50%	1.50%
Free float	60,895,434	37.05%	37.05%
Shares issued on exercise of stock options by employees(6)	158,521	0.10%	0.10%
Shares held in treasury	25,100	0.01%	N/A
Total	164,371,206	100.00%	100.00%

(1) Entities controlled by Charterhouse Capital Partners LLP.
(2) Entities controlled by Chequers Partenaires.
(3) Total held by entities acting in concert (see Section 5.3.4 below, "Control Structure").
(4) Entity controlled by Robert Zolade.
(5) Including entities owned by Intermediate Capital Investment.
(6) Employees who are not corporate officers.

Bim, Société de Restauration 2, Société de Restauration 4, Charterhouse Poppy II, Charterhouse Poppy IV and Charterhouse Poppy VI do not act in concert as a whole.

In fiscal 2013-2014, the Company received the following notifications under the applicable disclosure threshold rules:

- York Capital Management disclosed that on June 11, 2014 it had exceeded the ownership threshold of 1% of the Company's capital and that at that date it held 1.19% of the Company's total shares.
- Eton Park Funds disclosed that on June 13, 2014 it had exceeded the ownership threshold of 1% of the Company's capital and that at that date it held 1.07% of the Company's total shares.
- York Capital Management disclosed that on June 17, 2014 it had reduced its interest to below the ownership threshold of 1% of the Company's capital and that at that date it held 0.28% of the Company's total shares.
- Federated Global Investment Management Corp. disclosed that on July 8, 2014 it had exceeded the ownership threshold of 1% of the Company's capital and that at that date it held 1.01% of the Company's total shares.
- Sycomore Asset Management disclosed that – acting on behalf of the mutual funds it manages – on July 10, 2014 it had exceeded the ownership threshold of 1% of the Company's capital and that at that date it held 1.01% of the Company's total shares.
- BIM disclosed that on August 31, 2014 it had exceeded the ownership threshold of 20% of the Company's capital and that at that date it held 20.08% of the Company's total shares.
- Eton Park Funds disclosed that on November 21, 2014 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 that on December 8, 2014 it had exceeded the ownership threshold of 3% of the Company's capital.

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, 2014, the total number of voting rights including shares held in treasury was 164,371,206, and the total number of exercisable voting rights was 164,346,106 (see Section 5.2.3.1 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 have adopted the membership structure for the Board of Directors described in Section 3.1.2.1, "Members of the Board of Directors", and have given a commitment that, for as long as they collectively hold more than 50% of the Company's share capital and voting rights:

a) BIM and Sofibim will remain members of the Company's Board of Directors for as long as they collectively hold, 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), will remain members of the Company's Board of Directors, for as long as the Charterhouse entities and Chequers entities collectively hold, directly or indirectly, at least 30% of the Company's share capital.

The above 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.

In the event that these entities collectively own less than 50% of the Company's share capital (or less than the individual thresholds referred to above), the above commitment will not apply and members of the Board of Directors will be elected by shareholders in a General Meeting in accordance with the law.

This commitment concerning the membership structure of the Board of Directors corresponds to an undertaking by the entities referred to in a) and b) above not to exercise their voting rights to remove from the Board any of said entities (or any person or entity appointed by them). The commitment does not, however, prevent the resignation of any of said entities as Board members, nor the appointment of additional directors to comply with the recommendations of the AFEP-MEDEF Corporate Governance Code concerning the membership structure of Boards of Directors.

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

Charterhouse Poppy II, Charterhouse Poppy IV, Charterhouse Poppy VI, Société de Restauration 2 and Société de Restauration 4 declared in the *Document de Base* (see Section 18.3.1 of the *Document de Base*) that they will act in concert. No written agreement has been signed to this effect but these shareholders have undertaken to consult one another in the event of the sale of their shares in the Company.

Elior has put measures in place to ensure that the Company's control is not be exercised in an abusive manner. In particular:

- The positions of Chairman and Chief Executive Officer have been separated.
- Two of the eight Board members are independent directors.
- Three specialized Committees have been set up.
- The Audit Committee and the Nominations and Compensation Committee are chaired by independent directors.

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6

ADDITIONAL INFORMATION

6. ADDITIONAL INFORMATION

6.1 MATERIAL CONTRACTS

The Group's principal material contracts are as follows:

(a) Senior Facility Agreement

See Section 4.3.2., "Senior Facility Agreement".

(b) Indenture for the High Yield Notes

See Section 4.3.3., "Facility H1 Loan and High Yield Notes".

(c) Áreas Commercial Facilities Agreement

See Section 4.3.5., "Áreas Commercial Facilities Agreement".

(d) THS Credit Agreement

See Section 4.3.6., "The THS Credit Agreement".

(e) Receivables Securitization Program

See Section 4.3.7., "Receivables Securitization Program".

(f) Áreas Put Option

See Section 3.2.1.4.8., "Risks related to agreements entered into with the minority shareholder of Áreas".

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's website at www.elior.com.

6.3 PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE ACCOUNTS

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.

French original signed by Gilles Petit, Group Chief Executive Officer, on January 23, 2015.

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 Shareholders' Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2017
KPMG AUDIT IS Represented by François Caubrière Immeuble Le Palatin – 3 cours du Triangle – 92923 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 Shareholders' 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 Immeuble Le Palatin – 3 cours du Triangle – 92923 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 Shareholders' Meeting to be held to approve the financial statements for the 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 Shareholders' Meeting to be held to approve the financial statements for the year ending September 30, 2017

(1) Appointed to replace Yves Nicolas at the Annual Shareholders' Meeting of May 26, 2014

6.4 FEES PAID TO THE STATUTORY AUDITORS

(In € thousands)	KPMG				PwC			
	2013		2014		2013		2014	
	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%
1. Audit								
– Elior (formerly HBI)	99	*3%*	117	*6%*	99	*3%*	113	*5%*
– Consolidated subsidiaries	1,106	*34%*	980	*53%*	1,202	*41%*	1,174	*54%*
2. Audit-related services								
– Elior (formerly HBI)	1,969	*60%*	591	*32%*	569	*19%*	617	*29%*
– Consolidated subsidiaries	84	*3%*	127	*7%*	959	*33%*	154	*7%*
Sub-total (1+2)	3,258	*100%*	1,815	*99%*	2,829	*96%*	2,058	*95%*
3. Tax advisory services								
– Elior (formerly HBI)	–	–	–	–	–	–	–	–
– Consolidated subsidiaries	–	–	–	–	118	*4%*	101	*5%*
4. Other services								
– Elior (formerly HBI)	–	–	–	–	–	–	–	–
– Consolidated subsidiaries	–	–	17	*1%*	–	–	2	*0%*
Sub-total (3+4)	–	–	17	*1%*	118	*4%*	103	*5%*
Total	**3,258**	***100%***	**1,833**	***100%***	**2,947**	***100%***	**2,161**	***100%***
– Elior (formerly HBI)	2,068	*63%*	708	*39%*	668	*27%*	730	*34%*
– Consolidated subsidiaries	1,190	*37%*	1,125	*61%*	2,279	*77%*	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. Pricewaterhouse Coopers and KPMG. These two audit firms are members of the Compagnie Régionale des Commissaires aux Comptes de Versailles and represent 88% of the total Statutory Auditors' fees paid by the Group. Of this amount, 54% is paid to PricewaterhouseCoopers and 46% 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 fiscal 2013-2014.

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 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.

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 GIRA Foodservice for information on the contract catering and concession catering markets in France, Spain and Italy; INSEE/ESAN concerning the support services market; Technomic for markets in the United States, and 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
16.4	Statement of compliance with France's corporate governance regime	3.1.3, 3.1.5.2	83-84, 86-89
17	**Employees**	1.6.5.2, 3.4 and Notes 2/12 and 4/4 of the consolidated financial statements	33-35, 119-120, 157-159, 166
17.1	Number of employees	2.6.1 and Note 4/4/2 of the consolidated financial statements	60-65, 66
17.2	Shareholdings and stock options	Note 4/16/2 of the consolidated financial statements and V6 of section 4.7	178, 195
17.3	Employee share ownership	5.3	212-213
18	**Major shareholders**		
18.1	Shareholders holding more than 5% of the Company's capital or voting rights	5.3	212-213
18.2	Different voting rights	5.3.1.	212
18.3	Control of the issuer	5.3.4	213
18.4	Arrangements which may result in a change in control of the issuer	5.3.3.	213
19	**Related party transactions**	Note 6/2 of the consolidated financial statements and V.1 of 4.7, 4.9	179-180, 194, 198-200
20	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	4.7	188-196
20.1	Historical financial information*		
20.2	Pro forma financial information	N/A	N/A
20.3	Financial statements	4.5 and 4.7	142-186, 188-196
20.4	Auditing of historical annual financial information	4.6 and 4.8	187-197
20.5	Date of latest financial information	September 30, 2014	
20.6	Interim and other financial information	N/A	N/A
20.7	Dividend policy	4.2	132
20.8	Legal and arbitration proceedings	3.2.1.4.3, 3.2.1.4.7, 3.2.1.6.3	99, 101, 106
20.9	Significant changes in the issuer's financial or trading position	4.1.15	132
21	**Additional information**		
21.1	Share capital	Note 4/16/1 of the consolidated financial statements, IV.7 and IV.8 of 4.7, 5.2	177, 193, 193, 208-211
21.2	Articles of incorporation and bylaws	5.1	202-207
22	**Material contracts**	3.2.1.4.8, 4.3.2, 4.3.3, 4.3.5, 4.3.6, 4.3.7, 6.1	101-102, 133-135, 135-136, 137-138, 138-139, 139-140, 216
23	**Third party information and statement by experts and declarations of any interests**	6.6	219
24	**Documents available to the public**	6.2	216
25	**Information on holdings**	1.5, Note 10/ of the consolidated financial statements and V.6 of 4.7	8, 183-186, 195

* *In application of Article 28 of European Commission Regulation 809/2004/EC dated April 29, 2004, the following information is incorporated by reference into this Registration Document:*

- 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.

6.8 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

6.9 CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT

	Section	Page
Business review	4.1	122-132
Earnings review	4.1	122-132
Balance sheet analysis	4.3	133-140
Description of main risks and uncertainties	3.2.1	90-106
Information on the use of financial instruments	4.1	122-132
Exposure to price, credit, liquidity, currency and cash flow risks	Note 7 of the consolidated financial statements	180-182
Summary table of financial authorizations in force granted to the Board of Directors and use of such authorizations during the fiscal year	5.2.1	208-209
Information required under Article L. 225-100-3 of the French Commercial Code regarding factors that could have an impact in the event of a public offer	5.2	208-211
Information required under Article L. 225-211 of the French Commercial Code regarding share buybacks	5.2	208-211
Financial position in fiscal 2013-2014	4	121-200
Likely changes in financial position	4.4	141
Significant events since the end of fiscal 2013-2014	4.1.15	132
Research and development activities	N/A	
Operations and results of Elior SA	4.7	188-196
Operations and results of Elior SA's subsidiaries in fiscal 2013-2014	4.1.2	122-124
Outlook	4.4	141
Five-year financial summary for Elior SA	V.6 of 4.7	195
Employee share ownership at the fiscal year-end	5.3	212-213
Compensation and benefits in kind paid to each director and officer during the fiscal year	3.1.5	85-89
List of directorships and other positions held by each director and officer	3.1.2.1 b	74-78
HR and environmental information	2	39-70
Material investments in and/or takeovers of companies with registered offices in France	Note 10 of the consolidated financial statements	183-186
Summary of transactions in Elior shares carried out by executives	3.1.5.2	86-89
Information on supplier payment times	IV.10 of 4.7	193-194
Chairman's report on corporate governance and internal control	3.1 and 3.2.2	72-79, 106-117
Dividends paid over the past three fiscal years	V.6 of 4.7.4.1	195

6.10 INFORMATION REQUIRED UNDER ARTICLE R. 225-105-1 OF THE FRENCH COMMERCIAL CODE (THE "GRENELLE II" ACT)

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Labor Relations		
Organization of employee-management dialogue, particularly the rules and procedures governing informing and consulting employees and employee-management negotiations	2.4.3.2 2.6.1	55-56 60-65
Collective agreements	2.4.3.2 2.6.1	55-56 60-65
Health and safety		
Workplace health and safety conditions	2.4.3.1 2.6.1	54-55 60-65
Workplace health and safety agreements signed with unions or employee representatives	2.4.3.2	55-56
Workplace accidents (including frequency and severity rates) and occupational illnesses	2.4.3.1 2.6.1	54-55 60-65
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