May 27, 2016

Elior Group SA

Interim Financial Report

October 1, 2015 to March 31, 2016

The English-language version of this document is a free translation from 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 of the document in French takes precedence over this translation.

www.eliorgroup.com

Elior Group
Société anonyme
Share capital: €1,724,046
Registered in Paris under no. 408 168 003
Registered office: 61/69, rue de Bercy - 75012 Paris, Franc

1.1 ANALYSIS OF THE GROUP'S BUSINESS AND CONSOLIDATED RESULTS

(in € millions)	Six months ended March 31, 2016	2015
Revenue	**2,920.2**	**2,822.7**
Purchase of raw materials and consumables	(916.5)	(866.9)
Personnel costs	(1,326.7)	(1,294.3)
Other operating expenses	(424.7)	(420.3)
Taxes other than on income	(37.0)	(37.3)
Share of profit of equity-accounted investees	1.0	0.6
EBITDA	**216.3**	**204.4**
Depreciation, amortization and provisions for recurring operating items	(74.9)	(77.7)
Recurring operating profit including share of profit of equity-accounted investees	**141.4**	**126.7**
Other income and expenses, net (*)	(35.2)	(8.1)
Operating profit including share of profit of equity-accounted investees (EBITA)	**106.2**	**118.6**
Net financial expense (*)	(31.1)	(50.8)
Profit before income tax	**75.1**	**67.8**
Income tax	(30.9)	(30.1)
Loss for the period from discontinued operations	(3.4)	-
Profit for the period	**40.8**	**37.7**
Attributable to non-controlling interests	0.3	(2.5)
Attributable to owners of the parent	**40.5**	**40.2**
Earnings per share (in €)	0.24	0.24
Adjusted attributable profit for the period	63.8	45.5
Adjusted earnings per share (in €)	0.37	0.28

(*) The figures recorded under these items for the six months ended March 31, 2015 are presented after the pro forma reclassification to financial expenses of the amortization of debt issuance costs (see Note 6 to the condensed interim consolidated financial statements).

1.1.1 CHANGES IN SCOPE OF CONSOLIDATION

In October and November 2015 respectively, Elior North America (formerly TrustHouse Services, or "THS") – an Elior Group contract catering subsidiary operating in the United States – purchased Cura Hospitality (based in Pittsburg, Pennsylvania) and ABL Management (based in Baton Rouge, Louisiana). Cura Hospitality and Starr Restaurant Catering Group – which was acquired in August 2015 and operates primarily in New York and Miami – have been fully consolidated since October 1, 2015 and ABL Management since December 1, 2015. These three companies generate combined contract catering revenue of around USD 150 million a year, in the following markets: business & industry and prestigious venues (Starr), senior living and healthcare (Cura) and education and corrections facilities (ABL). For the six months ended March 31, 2016, they contributed an aggregate €65.5 million to consolidated revenue and €3.7 million to consolidated EBITDA.

The only change in the Group's scope of consolidation in the six months ended March 31, 2015 was the acquisition of Lexington, a UK-based contract caterer. Lexington generates annual revenue of around £30 million and operates primarily in the business & industry market in the City of London. For the six months ended March 31, 2015, Lexington contributed €24.8 million to consolidated revenue and €1.5 million to consolidated EBITDA.

1.1.2 PARTNERSHIP BETWEEN ELIOR GROUP AND ALAIN DUCASSE

Pursuant to the strategic and culinary partnership agreement signed on September 29, 2015 with master chef Alain Ducasse and which took effect on October 5, 2015, in the first half of FY 2015-2016 Elior Participations SCA purchased convertible bonds issued by Ducasse Développement and subsequently, on February 19, 2016, new shares issued by that company. Following these transactions, if it converts the bonds it acquired, Elior Group will hold an 11% interest in Ducasse Développement.

1.1.3 CHANGES IN THE PRESENTATION OF OPERATING SEGMENT INFORMATION, EFFECTIVE FROM FY 2015-2016

As a result of (i) Elior's buyout of the non-controlling interest in Areas in July 2015, which raised its stake in the company to 100%, and (ii) the reorganization of the Group's businesses, operating segment reporting has been changed, effective from FY 2015-2016. The new presentation of information by operating segment is as follows:

- The two reporting segments corresponding to the Group's business lines remain unchanged, i.e. contract catering & services and concession catering (which is now operated under the Areas brand Group-wide).
- Information for each business line is now presented based on two geographic segments – France and International.

This new presentation has been used in the Group's consolidated financial statements for the first half of FY 2015-2016 (i.e. the six-month period ended March 31, 2016). The comparative figures for first-half FY 2014-2015 have been restated accordingly, including in the comments below.

1.1.4 REVENUE

Consolidated revenue rose by €97.5 million, or 3.5%, from €2,822.7 million for the first half of FY 2014-2015 to €2,920.2 million for the six months ended March 31, 2016. For information purposes, ABL Management, Cura Hospitality and Starr Restaurant Catering Group were all consolidated for the first time in the first half of FY 2015-2016.

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 and segment individually and for the Group as a whole.

(in € millions)	6 months 2015-2016	6 months 2014-2015	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	1,136.5	1,124.1	1.4%	(0.3)%	0.0%	1.1%
International	1,063.3	979.4	(0.4)%	6.7%	2.3%	8.6%
Contract catering & services	2,199.8	2,103.5	0.6%	2.9%	1.1%	4.6%
France	287.0	313.0	(3.2)%	(5.2)%	0.0%	(8.3)%
International	433.4	406.1	9.8%	(3.7)%	0.6%	6.7%
Concession Catering	720.4	719.2	4.2%	(4.3)%	0.3%	0.2%
GROUP TOTAL	2,920.2	2,822.7	1.5%	1.1%	0.9%	3.5%

The 3.5% year-on-year increase in consolidated revenue reflects (i) organic growth of 1.5% (taking into account the 1.9% negative effect of voluntary contract exits), and (ii) positive impacts of 1.1% and 0.9% respectively from acquisition-led growth and changes in exchange rates.

The portion of revenue generated by international operations rose to 51% in the first half of FY 2015-2016 from 49% in the comparable prior-year period.

The following table shows a revenue breakdown between the Group's six main markets and the growth rates by market for the first six months of FY 2015-2016 and FY 2014-2015:

(in € millions)	6 months 2015-2016	6 months 2014-2015	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
Business & industry	997.5	947.1	0.5%	4.1%	0.8%	5.3%
Education	624.5	624.7	(1.0)%	0.0%	1.0%	(0.0)%
Healthcare	577.8	531.7	2.6%	4.4%	1.6%	8.7%
Contract catering & services	2,199.8	2,103.5	0.6%	2.9%	1.1%	4.6%
Motorways	251.8	248.4	1.9%	(1.5)%	1.1%	1.4%
Airports	310.4	291.2	7.7%	(1.6)%	0.5%	6.6%
City sites & leisure	158.2	179.6	1.6%	(12.5)%	(1.0)%	(11.9)%
Concession catering	720.4	719.2	4.2%	(4.3)%	0.3%	0.2%
GROUP TOTAL	2,920.2	2,822.7	1.5%	1.1%	0.9%	3.5%

1.1.4.1 Contract Catering & Services

Contract catering & services revenue was up €96 million, or 4.6%, on the figure for first-half FY 2014-2015, coming in at €2,200 million and accounting for 75% of total consolidated revenue.

Organic growth was 0.6%, reflecting the positive effect of an additional business day compared with first half FY 2014-2015 but also the adverse impact of the Group's strategy of withdrawing from low- and non-profit-making contracts in Europe. Excluding voluntary contract exits, organic growth was 2.9%.

The acquisitions carried out in the United States had a €66 million favorable effect during the first six months of FY 2015-2016 and net of the impact of the sale of non-strategic operations in the education market, changes in the scope of consolidation pushed up contract catering & services revenue by an overall 2.9%.

The currency effect during the period was a positive 1.1%.

In **France**, organic growth amounted to 1.4% and revenue totaled €1,137 million.

- In the business & industry market, revenue was buoyed by the strong business development seen in 2015, as well as by a slight increase in average customer spend and attendance. Revenue from ancillary services declined year on year, however.
- Revenue generated in the education market was up on first-half FY 2014-2015, driven by increased attendance and a higher average customer spend.
- Revenue also rose in the healthcare market, led by the performance of existing sites and a robust level of business development.

Revenue for the **International** segment climbed 8.6% to €1,063 million. Organic growth for this segment was a negative 0.4%, however, mainly due to voluntary contract exits in Europe. The Group's recent acquisitions in the United States and positive currency effects generated additional growth of 6.7% and 2.3% respectively.

- In Spain, the business & industry and healthcare markets reported strong performances, fueled by sustained business development, but these were offset by a revenue decline in the education market as a result of voluntary contract exits.
- In the United States the pace of growth picked up in the second quarter, directly reflecting the investments that have been made in business development teams. This acceleration is expected to continue in the second half of the fiscal year.

- In Italy, revenue decreased due to (i) a high level of voluntary contract exits, (ii) a more selective approach to replying to invitations to tender, and (iii) lower attendance, especially in the business & industry and education markets.
- The United Kingdom felt the positive impacts of the start-up of new contracts in the healthcare market, notably with Four Seasons Health Care.

1.1.4.2 Concession Catering

At €720 million, concession catering revenue was more or less unchanged compared with the first half of FY 2014-2015, and represented 25% of total consolidated revenue.

Organic growth for the period came to 4.2%. Changes in the scope of consolidation had a 4.3% adverse impact on revenue, reflecting both completed and planned sales of non-strategic assets resulting from the Group's review of its business portfolio. Changes in exchange rates – notably for the US dollar – had a 0.3% positive effect.

Revenue generated in **France** amounted to €287 million, down 8.3% on the same period of FY 2014-2015, with changes in the scope of consolidation accounting for 5.2 points of the overall year-on-year contraction.

- The motorways market was boosted by high business volumes in the second quarter on a comparable-site basis – an effect which was amplified by the fact that in FY 2014-2015 Easter weekend fell in the month of April. However, this positive impact was more than offset by the termination of certain contracts, which led to an overall revenue contraction in this market.

- Revenue in the airports market was weighed down by the loss of the catering contract for terminals E and F at Roissy airport in Paris and by the impact on French tourism of the terrorist attacks.

- The city sites & leisure market reported a revenue decline due to (i) lower numbers of visitors to sites in Paris in first-half FY 2015-2016 following the terrorist attacks, and (ii) an unfavorable basis of comparison with the first quarter of FY 2014-2015 as a number of biennial trade fairs were held during that period. These adverse effects were partly offset by a robust showing from leisure operations, thanks notably to the opening in June 2015 of the Bois aux Daims vacation village in the Vienne region.

In the **International** segment, 6.7% growth drove revenue up to €433 million in the first six months of FY 2015-2016. Organic growth was 9.8%, but completed or planned sales of non-strategic assets trimmed 3.7% off the revenue figure. Changes in exchange rates – notably for the US dollar – had a 0.6% favorable impact during the period.

- The motorways market felt the positive effects of higher traffic volumes in Spain and Portugal, the reopening of the Okahumpa service area in Florida and a favorable calendar, with Easter falling in March this year.

- Revenue in the airports market was lifted by upward trends in traffic volumes in Spain, the United States and Mexico and the opening of new points of sale in Italy, Spain, Portugal and the United States.

1.1.5 PURCHASE OF RAW MATERIALS AND CONSUMABLES

This item increased by €49.66 million, or 5.7%, from €866.9 million for the six months ended March 31, 2015 to €916.55 million for the first half of FY 2015-2016.

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)	Six months ended March 31,			
	2016		2015	
Purchase of raw materials and consumables				
Contract catering & services	(711.7)	*32.4%*	(663.2)	*31.5%*
Concession catering	(215.9)	*30.0%*	(214.3)	*29.8%*
Corporate	11.0	_	10.6	_
Total	**(916.5)**	***31.4%***	**(866.9)**	***30.7%***

1.1.5.1 Contract Catering & Services

Purchases of raw materials and consumables for the contract catering & services business line rose by €48.5 million, or 7.3%, from €663.2 million to €711.7 million. The year-on-year increase was primarily attributable to Elior North America, whose acquisitions of Cura, Starr and ABL contributed €29.4 million to the overall rise. Excluding changes in the scope of consolidation, purchases of raw materials and consumables increased in line with revenue growth.

As a percentage of revenue, this item edged up from 31.5% to 32.4%, mainly attributable to subsidiaries in France, and notably due to (i) the impact of the start-up of a number of large contracts won or renewed in the business & industry market, which led to changes in the product mix, and (ii) slightly higher raw materials prices during the period, which have not yet been passed on to customers. For the International segment, the ratio remained stable.

1.1.5.2 Concession Catering

Purchases of raw materials and consumables for the concession catering business line increased by €1.6 million, or 0.7%, from €214.3 million to €215.9 million.

As a percentage of revenue, the ratio edged up from 29.8% to 30.0%. This increase was mainly due to changes in the customer and contract mix for certain concession operations in France (in the motorways and leisure sectors) as international concession catering operations saw an overall decrease in this ratio, particularly in the United States, Spain and Portugal.

1.1.6 PERSONNEL COSTS

Consolidated personnel costs increased by €32.44 million, or 2.5% year on year, from €1,294.3 million to €1,326.77 million. However, as a percentage of revenue, they decreased from 45.9% to 45.4%.

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)	Six months ended March 31,			
	2016		2015	
Personnel costs				
Contract catering & services	(1,049.5)	*47.7%*	(1,008.7)	*48.0%*
Concession catering	(251.6)	*34.9%*	(260.6)	*36.2%*
Corporate (1)	(25.5)	_	(25.0)	_
Total	**(1,326.7)**	***45.4%***	**(1,294.3)**	***45.9%***

[1] Represents personnel costs associated with corporate support functions (including the Group IT department), which are 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 the Corporate segment.

1.1.6.1 Contract Catering & Services

Personnel costs for the contract catering & support services business line rose by €40.8 million, or 4.0%, from €1,008.7 million to €1,049.5 million. The year-on-year increase was primarily attributable to the effect of Elior North America's acquisitions of Starr, Cura and ABL, which together accounted for €24.1 million of the overall rise. Excluding these changes in scope of consolidation, personnel costs rose in line with revenue growth.

As a percentage of revenue, contract catering & services personnel costs decreased from 48.0% to 47.7%. As the ratio was more or less unchanged for France, this decrease mainly related to international operations and was due to the implementation of measures to reduce labor costs, particularly in Italy.

1.1.6.2 Concession Catering

Personnel costs for the concession catering business line decreased by €9.0 million, or 3.5%, from €260.6 million to €251.6 million. This reduction chiefly stemmed from a contraction in personnel costs in France, which more than offset an increase in these costs reported by international operations (in line with revenue growth).

As a percentage of revenue, personnel costs for this business line retreated from 36.2% to 34.9%. This decrease was mainly attributable to international concession catering operations and reflected revenue growth in Italy, Spain and Portugal as well as measures to reduce labor costs implemented in Spain and Portugal.

1.1.7 OTHER OPERATING EXPENSES

Other operating expenses increased by €4.4 million, or 1.0%, from €420.3 million to €424.7 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)	Six months ended March 31,			
	2016		2015	
Other operating expenses				
Contract catering & services	(226.3)	*10.3%*	(226.1)	*10.7%*
Concession catering	(208.9)	*29.0%*	(206.0)	*28.6%*
Corporate (1)	10.5	–	11.8	–
Total	**(424.7)**	***14.5%***	**(420.3)**	***14.9%***

(1) Represents the portion of revenue invoiced to operating entities by the Corporate segment (including the Group 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 the Corporate segment and mainly comprise personnel costs.

1.1.7.1 Contract Catering & Services

Other operating expenses for the contract catering & services business line edged up from €226.1 million to €226.3 million. The Cura, Starr and ABL acquisitions represented €5.5 million of the overall increase, while in France other operating expenses decreased in both the education and healthcare markets.

As a percentage of revenue, the business line's other operating expenses narrowed from 10.7% to10.3%, mainly reflecting the fact that the ratio was lower in France, which more than offset the impact of a higher ratio in the United States and Italy.

1.1.7.2 Concession Catering

Other operating expenses for the concession catering business line increased by €2.9 million, or 1.4%, from €206.0 million to €208.9 million. The increase was mainly attributable to operations in (i) Italy, (where the Group took over new sites in the six months ended March 31, 2015), (ii) the United States (due to high business volumes), and (iii) Spain and Portugal (reflecting an increase in concession fees for new contracts). Conversely, other operating expenses for the Group's concession catering operations in France decreased year on year, in line with the revenue contraction reported for the country.

As a percentage of revenue, other operating expenses for the concession catering business line rose from €28.6% to 29.0%. This increase derived from international operations and was due to the same reasons as described above.

1.1.8 TAXES OTHER THAN ON INCOME

This item decreased by €0.3 million, or 0.8%, from €37.3 million to €37.0 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)	Six months ended March 31,			
	2016		2015	
Taxes other than on income				
Contract catering & services	(27.9)	*1.3%*	(25.7)	*1.2%*
Concession catering	(8.3)	*1.2%*	(10.1)	*1.4%*
Corporate	(0.8)	_	(1.5)	_
Total	**(37.0)**	***1.3%***	**(37.3)**	***1.3%***

1.1.8.1 Contract Catering & Services

Taxes other than on income for the contract catering & services business line increased by €2.2 million, or 8.6%, from €25.7 million to €27.9 million. The rise was mainly attributable to operations in the United States, with the acquisitions of Cura, Starr and ABL pushing up the figure by €2.8 million. Conversely, in France, this item decreased year on year due to new legislation which resulted in a change in the method used to account for social security contributions and expenses related to employee training. However, while this change in method reduced "Taxes other than on income" it led to a correlative increase in "Other operating expenses". As a percentage of revenue, taxes other than on income inched up from 1.2% to 1.3%.

1.1.8.2 Concession Catering

Taxes other than on income for the concession catering business line decreased by €1.8 million, or 17.8%, from €10.1 million to €8.3 million. France accounted for the majority of the reduction, for the same reasons as described above in the section related to the contract catering & services business line. The figure for this item as a percentage of revenue was also lower year on year, down from 1.4% in first-half FY 2014-2015 to 1.2% for the six months ended March 31, 2016, again due to the above-described changes in France.

1.1.9 EBITDA

The following table sets out EBITDA by business line and as a percentage of the revenue of each business line.

(in € millions)	Six months ended March 31,		Change in EBITDA	EBITDA margin	
	2016	2015		H1 2015-2016	H1 2014-2016
Contract catering & services					
France	105.6	105.5	*0.1*	*9.3%*	*9.4%*
International	78.8	74.2	*4.6*	*7.4%*	*7.6%*
Total contract catering & services	**184.4**	**179.7**	**4.7**	**8.4%**	**8.5%**
Concession catering					
France	14.9	17.3	*(2.4)*	*5.2%*	*5.5%*
International	21.8	11.5	*10.3*	*5.0%*	*2.8%*
Total concession catering	**36.7**	**28.7**	**8.0**	**5.1%**	**4.0%**
Corporate	**(4.8)**	**(4.0)**	***(0.8)***		
GROUP TOTAL	**216.3**	**204.4**	**11.9**	**7.4%**	**7.2%**

Consolidated EBITDA climbed by €12 million to €216 million and represented 7.4% of revenue, up 20 basis points on the first half of FY 2014-2015.

1.1.9.1 Contract Catering & Services

EBITDA for the contract catering & services business line rose to €184 million from €180 million, but EBITDA margin edged down by 10 basis points to 8.4%.

- In **France**, EBITDA totaled €106 million and represented 9.3% of revenue, down slightly on the first half of FY 2014-2015 due to one-off difficulties encountered with certain contracts in the high-end business & industry market, as well as to the ramp-up of recent services contracts.
- In the **International** segment, EBITDA for the contract catering & services business line advanced by €5 million to €79 million. As a percentage of revenue it narrowed to 7.4% from 7.6%, however, essentially attributable to the anticipated dilutive impact on EBITDA margin of the recent acquisitions in the USA and temporarily lower margins due to the renewal of numerous contracts in Spain. Conversely, the UK and Italy reported wider margins in the second quarter of the fiscal year.

1.1.9.2 Concession Catering

Concession catering EBITDA amounted to €37 million (versus €29 million in the same period of FY 2014-2015) and represented 5.1% of revenue, up 110 basis points year on year.

- In **France**, the EBITDA figure was €15 million (compared with €17 million for the first half of FY 2014-2015), reflecting the revenue decline posted for the period.
- In the **International** segment, EBITDA rose by €10 million year on year to €22 million, and EBITDA margin surged by 220 basis points to 5.0%, led by higher profitability levels in all regions in Europe and in America.

1.1.10 DEPRECIATION, AMORTIZATION AND PROVISIONS FOR RECURRING OPERATING ITEMS

Consolidated depreciation, amortization and provisions for recurring operating items decreased by €2.8 million from €77.7 million to €74.9 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)	Six months ended March 31,			
	2016		2015	
Depreciation, amortization and provisions for recurring operating items				
Contract catering & services	(36.7)	*1.7%*	(36.3)	*1.7%*
Concession catering	(37.6)	*5.2%*	(40.6)	*5.6%*
Corporate	(0.6)	-	(0.8)	-
Total	**(74.9)**	***2.6%***	**(77.7)**	***2.8%***

1.1.10.1 Contract Catering & Services

Depreciation, amortization and provisions for recurring operating items reported by the contract catering & services business line increased by €0.4 million, or 1.1%, from €36.3 million to €36.7 million.

1.1.10.2 Concession Catering

For the concession catering business line, this item decreased by €3.0 million, or 7.4%, from €40.6 million to €37.6 million, mainly due to changes in scope of consolidation.

1.1.11 OTHER INCOME AND EXPENSES, NET

The following table sets out the components of "Other income and expenses, net" by nature.

(in € millions)	Six months ended March 31,	
	2016	2015
Other non-recurring operating income and expenses, net	(29.8)	(4.0)
Amortization of intangible assets recognized on first-time consolidation of subsidiaries	(5.4)	(4.1)
Total	**(35.2)**	**(8.1)**

This item represented a net expense of €35.2 million for the six months ended March 31, 2016 and primarily included (i) €5.4 million in amortization of intangible assets recognized as part of the purchase price allocation processes for the acquisitions of Elior North America and Starr Restaurant Catering Group in the United States and Lexington in the United Kingdom, (ii) an aggregate €28.0 million recorded by the Group's French and international operations for reorganization costs (€19.5 million) and contract exit costs (€8.5 million), mainly in relation to the rollout of the Tsubaki 2020 transformation plan, and (iii) €2.0 million in acquisition costs for purchases of equity interests.

For the six months ended March 31, 2015, "Other income and expenses, net" represented a net expense of €8.1 million, primarily including (i) €4.1 million in amortization of intangible assets (brand and customer relationships) recognized on the first-time consolidation of THS (since renamed Elior North America) in the United States and Lexington in the United Kingdom as part of the purchase price allocation processes (€3.1 million for THS and €1.0 million for Lexington), and (ii) the recognition of a €3.0 million provision for restructuring costs.

1.1.12 NET FINANCIAL EXPENSE

Net financial expense decreased by €19.4 million, or 38.8%, from €50.8 million to €31.1 million, mainly due to the refinancing and repricing of the Group's euro- and dollar-denominated debt carried out (i) between December 2014 and May 2015, which led to an average 100 basis-point decrease in interest margins, and (ii) in January 2016, which resulted in an additional 25 basis-point decrease in interest margins, against a backdrop of a further slight fall in interest rates. The year-on-year reduction also reflects the cancellation of interest rate swaps in October 2015 (the cost of which had been provisioned for at the end of the previous fiscal period). These positive effects were, however, partially offset by the impact of the early redemption of the Elior Finance & Co 6.5% 2020 Senior Secured Notes for a total amount of €3.6 million.

1.1.13 INCOME TAX

The Group's income tax expense rose by €0.8 million, or 2.7%, from €30.1 million for the first half of FY 2014-2015 to €30.9 million for the six months ended March 31, 2016, representing an effective tax rate of 27.1% (or 41% including the impact of the French CVAE tax). The year-on-year increase primarily reflects the higher level of pre-tax profit for the first half of FY 2015-2016 compared with the corresponding prior-year period, as well as a lower effective tax rate for certain European countries, notably Italy and Spain.

1.1.14 LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS

In the first half of FY 2015-2016 this item primarily concerned non-strategic business operations run by Areas Northern Europe. It includes the post-tax profit or loss of discontinued operations for the period until the date of their disposal as well as the post-tax gain or loss recognized on the disposal.

For the six months ended March 31, 2016 discontinued operations generated €24.2 million in revenue and reported a net loss of €2.6 million (€24.6 million in revenue and a €2.3 million net loss for the six months ended March 31, 2015).

1.1.15 ATTRIBUTABLE PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

As a result of the above-described factors – particularly the higher EBITDA figure and lower finance costs, offset by higher non-recurring operational reorganization costs – the Group ended the first half of FY 2015-2016 with €40.5 million in profit attributable to owners of the parent, versus €40.2 million for the first six months of FY 2014-2015.

Earnings per share – calculated based on the weighted average number of Elior Group shares outstanding during the period – amounted to €0.24, unchanged from the first half of FY 2014-2015.

Adjusted attributable profit for the period – which corresponds to profit for the period attributable to owners of the parent adjusted for "Other income and expenses, net" and net of the related tax effect calculated at the Group's standard tax rate of 34% – totaled €63.8 million, corresponding to €0.37 in adjusted earnings per share.

1.2 CONSOLIDATED CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2015 AND 2016

The following table provides a summary of the Group's cash flows for the six-month periods ended March 31, 2015 and 2016.

(in € millions)	Six months ended March 31,	
	2016	2015
Net cash used in operating activities	(26.8)	(12.9)
Net cash used in investing activities	(162.1)	(110.1)
Net cash from financing activities	74.6	110.3
Effect of exchange rate and other changes	(3.7)	(45.6)
Net decrease in cash and cash equivalents	**(118.0)**	**(58.3)**

1.2.1 CASH FLOWS FROM OPERATING ACTIVITIES

The following table sets out the components of consolidated net cash used in operating activities for the six-month periods ended March 31, 2015 and 2016.

(in € millions)	Six months ended March 31,	
	2016	2015
EBITDA	216.3	204.4
Change in working capital	(116.9)	(121.7)
Interest and other financial expenses paid	(48.5)	(38.9)
Tax paid	(34.0)	(9.9)
Other (including dividends recieved from associates)	(43.8)	(46.8)
Net cash used in operating activities	**(26.8)**	**(12.9)**

Operating activities generated a net cash outflow of €26.8 million in the six months ended March 31, 2016 versus €12.9 million in the first half of FY 2014-2015.

Change in working capital

Change in working capital represented a lower net cash outflow in the six months ended March 31, 2016 (€116.9 million) than in the same period of FY 2014-2015 (€121.7 million). These figures fully reflect the seasonal nature of the Group's working capital requirement and were not affected by changes in scope of consolidation. The year-on-year decrease was essentially due to an improvement in customer payment times and the correlative reduction in trade receivables for all of the Group's contract catering operations, although this was partially offset by shorter payment times for certain social security contributions in France which are now paid on a monthly basis.

Interest and other financial expenses paid

For the six months ended March 31, 2016, this item included the payment of a €14.7 million exit fee for interest rate swaps as well as a €3.1 million early redemption penalty for a portion of the Elior Finance & Co 6.5% 2020 Senior Secured Notes.

Excluding these non-recurring expenses, interest paid was much lower in the first half of FY 2015-2016 than in the equivalent prior year period. This was in line with the decrease in net financial expense recorded in the income statement due to the renegotiation of interest margins on the Group's debt and the refinancing of Elior North America's debt that took place in FY 2014-2015.

Tax paid

Tax paid includes corporate income tax paid in all of the geographic regions in which the Group operates. It also includes the Italian IRAP tax *(Imposta Regionale Sulle Attività Produttive*) and the French CVAE tax.

This item represented a net cash outflow of €34.0 million in the six months ended March 31, 2016 (versus €9.9 million in the same period of FY 2014-2015). The year-on-year increase was chiefly attributable to the payment of a €20 million prior-period tax liability following the settlement of a tax dispute during the year ended September 30, 2014 (for which a provision had been recorded in the consolidated balance sheet).

Other cash flows from operating activities

Other cash flows from operating activities primarily relate to (i) non-recurring income and expenses recorded under "Other income and expenses, net" in the consolidated income statement, and (ii) payments made in connection with fair value adjustments recognized in accordance with IFRS as part of the purchase price allocation process for acquisitions.

For the six months ended March 31, 2015 and 2016, other cash flows from operating activities represented net cash outflows of €46.8 million and €43.8 million respectively. The figure for the six months ended March 31, 2016 chiefly consists of (i) an aggregate €34 million in restructuring costs and costs related to voluntary contract exits, primarily incurred by Elior in France, Areas in Spain and Elior Ristorazione in Italy, and (ii) €1.5 million in costs arising on Elior North America's recent acquisitions of Starr, Cura and ABL.

1.2.2 CASH FLOWS FROM INVESTING ACTIVITIES

The following table sets out the components of consolidated net cash used in investing activities for the six-month periods ended March 31, 2015 and 2016.

(in € millions)	Six months ended March 31,	
	2016	2015
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(85.6)	(90.2)
Purchases of and proceeds from sale of non-current financial assets	(17.6)	(0.7)
Acquisition/sale of shares in consolidated companies	(58.9)	(19.3)
Net cash used in investing activities	**(162.1)**	**(110.1)**

Net cash used in investing activities totaled €110.1 million in the first six months of FY 2015-2016 and €162.1 million in the comparable prior-year period.

Capital expenditure

Total consolidated cash used for capital expenditure (net of proceeds from sales) decreased year on year from €90.22 million to €85.6 million.

The figure for contract catering & services came to €47.1 million for the six months ended March 31, 2015 and €41.9 million for the first half of FY 2015-2016, representing 2.2% and 1.9% of this business line's revenue respectively. The year-on-year decrease reflects lower capital outlay incurred in the education market in France and in Spain.

For concession catering, net cash used for capital expenditure totaled €39.6 million for the six months ended March 31, 2015 and €31.3 million for the first half of FY 2015-2016, representing 5.5% and 4.4% of the business line's revenue respectively. These figures reflect a lower level of expenses incurred under capital expenditure programs in the motorways market in France and Italy.

Net cash used for capital expenditure by the Corporate segment came to €3.5 million and €12.3 million in the six-month periods ended March 31, 2015 and 2016 respectively and primarily corresponded to purchases of software and hardware in connection with the Group's new IT strategic plan.

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

This item corresponded to a net cash outflow of €17.6 million in the six months ended March 31, 2016, and mainly related to (i) the implementation of the strategic partnership with Ducasse Développement which resulted in Elior purchasing convertible bonds and shares during the period, and (ii) the acquisition of non-controlling interests in innovative start-ups whose activities are related or complementary to the Group's businesses.

For the first six months of FY 2014-2015, "Purchases of and proceeds from sale of non-current financial assets" represented a net cash outflow of €0.7 million.

Acquisition/sale of shares in consolidated companies

For the six months ended March 31, 2016, acquisitions and sales of shares in consolidated companies represented a net cash outflow of €58.9 million and chiefly concerned the acquisitions of Cura and ABL in the United States.

For the six months ended March 31, 2015, this item represented a net cash outflow of €19.3 millions, mostly corresponding to the consideration paid for the Lexington shares acquired in October 2014.

1.2.3 CASH FLOWS FROM FINANCING ACTIVITIES

The following table sets out the components of consolidated net cash from financing activities for the six-month periods ended March 31, 2015 and 2016.

(in € millions)	Six months ended March 31,	
	2016	2015
Dividends paid to owners of the parent		
Movements in share capital of the parent	0.5	0.2
Dividends paid to non-controlling interests	(0.8)	(8.2)
Proceeds from borrowings	172.6	1,083.0
Repayments of borrowings	(97.7)	(964.7)
Net cash from financing activities	**74.6**	**110.3**

Net cash from financing activities totaled €74.6 million and €110.3 million for the six-month periods ended March 31, 2016 and 2015 respectively.

Movements in share capital of the parent

There were no significant movements in the parent company's share capital during the six-month periods ended March 31, 2016 and 2015.

Dividends paid to non-controlling interests

This item represented net cash outflows of €8.2 million and €0.88 million for the six-month periods ended March 31, 2015 and 2016 respectively. The year-on-year decrease was due to the Group’s acquisition of full control of Areas in 2015.

Proceeds from borrowings

Consolidated cash inflows from proceeds from borrowings totaled €1,083.0 million and €172.6 million in the six-month periods ended March 31, 2015 and 2016 respectively.

For the six months ended March 31, 2016 these proceeds mainly corresponded to (i) €69.0 million from new securitized receivables as Serunión extended its use of the program and Gemeaz began to use it, (ii) €44.4 million in drawdowns under euro- and dollar-denominated revolving credit facilities, and (iii) €50.0 million drawn down by Elior Group under a new bank loan.

In the first half of FY 2014-2015, this item primarily corresponded to (i) a €950 million bank loan drawn down by Elior SA and Elior Participations SCA in connection with the refinancing of their syndicated bank loans on December 10, 2014 (fifth amendment to the SFA), (ii) €56.6 million from new securitized receivables, and (iii) a €19.1 million bank loan drawn down by Areas to fund the capital outlay for its U.S. concession operations.

Repayments of borrowings

Repayments of borrowings led to net cash outflows of €964.7 million and €97.77 million in the six-month periods ended March 31, 2015 and 2016 respectively.

In the first half of FY 2015-2016, this item primarily related to (i) the partial early redemption of the Elior Finance & Co. 6.5% May 2020 Senior Secured Notes (€50.0 million), (ii) the refinancing of Areas' external euro-denominated debt, which was replaced by intra-Group debt (€45.1 million), and (iii) repayments of finance lease liabilities (€2.2 million).

In the six months ended March 31, 2015, this item mainly concerned (i) early repayment in an amount of €956.3 million made by Elior SA and Elior Participations SCA for two syndicated bank loans (fifth amendment to the SFA - see above), (ii) the repayment of €2.4 million in finance lease liabilities, and (iii) €6.0 million in repayments of various other bank borrowings.

Effect of exchange rate and other changes

In the six months ended March 31, 2016, fluctuations in exchange rates and other changes mainly concerned discontinued operations.

In the first half of FY 2014-2015, fluctuations in exchange rates and other changes had a negative €45.6 million cash impact. Out of this total, €30.5 million related to currency effects on consolidated cash and cash equivalents and hedges of net investments in foreign operations, and €15.1 million concerned bank fees paid in connection with the Group's debt refinancing in December 2014 (fifth amendment to the SFA).

1.2.4 FREE CASH FLOW

(in € millions)	Six months ended March 31,	
	2016	2015
EBITDA	**216.3**	**204.4**
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(85.6)	(90.2)
Change in working capital	(116.9)	(121.7)
Other non-recurring cash items	(43.8)	(46.8)
Tax paid	(34.0)	(9.9)
Free Cash Flow	**(64.0)**	**(64.2)**

Free cash flow was stable year on year, coming in at a negative €64.0 million. This reflects the fact that the positive effects of the higher EBITDA figure and tighter control over seasonal working capital and capital expenditure were almost fully offset by a €20 million one-off tax payment relating to prior fiscal years (for which a provision had been recorded in the consolidated balance sheet). Excluding this non-recurring impact, the free cash flow figure improved by €20 million.

1.3 CONSOLIDATED BALANCE SHEET

(in € millions)	At March 31, 2016	At March 31, 2015
Non-current assets	3,507	3,477
Current assets excluding cash and cash equivalents	1,205	1,235
Cash and cash equivalents	113	159
Total assets	**4,824**	**4,871**

(in € millions)	At March 31, 2016	At March 31, 2015
Equity	1,435	1,252
Non-controlling interests	39	32
Non-current liabilities	1,841	2,026
Current liabilities	1,509	1,561
Total equity and liabilities	**4,824**	**4,871**
Net working capital requirement	(133)	(93)
Gross debt	1,742	1,729
Net debt as defined in the SFA	1,639	1,586
SFA leverage ratio (net debt as defined in the SFA / EBITDA) (*)	3.32	3.47

(*) Pro forma, adjusted to exclude acquisitions/divestments of consolidated companies carried out during the previous 12 months.

At March 31, 2016, the Group's gross debt amounted to €1,742 million (up €13 million on the March 31, 2015 figure of €1,729 million) and mainly comprised (i) euro-denominated bank borrowings amounting to €1,043 million under the Senior Facilities Agreement (SFA) (including €43 million in drawdowns under euro- and dollar-denominated revolving credit facilities), (ii) €177 million in debt carried by Elior Group SA and Elior Participations SCA in relation to the Senior Secured Notes issue, and (iii) a total of $200 million (€176 million) in dollar-denominated bond debt and senior bank debt carried by Elior Group and Elior Participations. The remainder of the Group's gross debt at March 31, 2016 was made up of €249 million in liabilities related to trade receivables securitized by French, Italian and Spanish subsidiaries, as well as €13 million in finance lease liabilities, and €84 million in dollar-denominated short-term bank loans, primarily taken out by Areas USA.

At March 31, 2016 and for the six months then ended, the average interest rate – including the lending margin but excluding the effect of interest rate hedges – on the Group's debt related to the SFA, Senior Secured Notes and securitized trade receivables (which represent the majority of its total debt) was 2.6%. Taking into account the recent refinancing transactions carried out – notably the early redemption of the Senior Secured Notes – the Group's estimated average borrowing rate is now 2.1%.

Cash and cash equivalents recognized in the balance sheet amounted to €113 million at March 31, 2016. 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 €79.6 million.

At March 31, 2016, consolidated net debt (as defined in the SFA) stood at €1,639 million. This amount represented 3.32 times consolidated pro forma EBITDA, versus 3.47 times at March 31, 2015 and 3.04 times EBITDA for the year ended September 30, 2015. The Group's leverage ratio is affected by the seasonal fluctuations inherent in its operations which mean that its working capital position is traditionally better in the second half of the fiscal year than in the first.

1.4 EVENTS AFTER THE REPORTING DATE

Full early redemption of the Elior Finance & Co. 6.5% May 2020 Senior Secured Notes

On May 4, 2016, Elior Group SA redeemed in advance of term the remainder of the outstanding Elior Finance & Co. 6.5% May 2020 Senior Secured Notes. This redemption represented a nominal amount of €177.5 million and the corresponding cash outflow for Elior Group SA was €186.2 million, including €8.7 million in early redemption penalties. The full redemption of the Elior Finance & Co. 6.5% May 2020 Senior Secured Notes (including the €50 million partial redemption carried out on February 9, 2016) was financed by way of a €234.0 million draw-down made by Elior Group SA under new syndicated bank loans put in place on January 29, 2016 and May 2, 2016 and maturing in January 2023 and May 2023 respectively. Interest on these new loans is based on the Euribor plus a standard margin of 2.5%.

Areas becomes the umbrella brand for the Group's concession catering operations

On April 11, 2016, the Group announced that all of its concession catering operations worldwide would be operated under a single brand – Areas.

Areas is now made up of the following Business Units:

- Areas Northern Europe
- Areas Italy
- Areas Iberia
- Areas USA
- Areas LATAM.

Acquisition of companies in the railway station concession catering sector in France and in the contract catering business in the USA

On May 19, 2016 Elior Group and Autogrill announced that they had entered into exclusive negotiations for Autogrill to transfer to Elior Group the entire capital of Autogrill Restauration Service – the company that owns Autogrill's concession catering operations at railway stations in France, which generate some €50 million in annual revenue. Autogrill has granted Elior Group exclusivity in these negotiations until July 31, 2016.

Autogrill and Elior Group will launch the required information and consultation processes with their respective employee representative bodies and all of the stakeholders impacted by this transaction (which is still subject to the approval of Autogrill S.p.A's Board of Directors).

In addition, Elior North America has signed a definitive agreement to acquire the entire capital of Preferred Meals, a contract caterer based in Berkeley, Illinois, which operates in niche markets, primarily in the education and seniors sectors. Preferred Meals serves over 130 million meals annually in 30 states across the USA and generated revenue of c. $225 million in FY 2014-2015.

The due diligences for these acquisitions are currently being completed and the deals should be closed in the coming weeks. Consequently, the Group expects to consolidate the acquired companies during the final quarter of the fiscal year ended September 30, 2016.

1.5 MAIN DISCLOSURE THRESHOLDS CROSSED DURING THE SIX MONTHS ENDED MARCH 31, 2016

- BIM disclosed that on February 1, 2016 it had raised its interest in Elior Group to above the thresholds of 25% and 26% and that it held 26.11% of the Company's shares.
- La Caisse de Dépôt et Placement du Québec disclosed on March 2, 2016 that it had raised its interest in Elior Group to above the 5% threshold and that it held 6.55% of the Company's shares.
- BlackRock Inc disclosed that on March 2, 2016 it had raised its interest in Elior Group to above the 5% threshold and that it held 5.52% of the Company's shares.

May 27, 2016

ELIOR GROUP SA

Condensed Interim Consolidated Financial Statements

For the Six-Month Periods Ended March 31, 2016 and 2015

The English-language version of this document is a free translation from 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 of the document in French takes precedence over this translation.

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Elior Group SA
Société anonyme
Share capital: €1,724,046
Registered in Paris under no. 408 168 003
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IFRS Consolidated Financial Statements for the Six-Month Periods Ended March 31, 2016 and 2015

1. Consolidated Income Statement and Statement of Comprehensive Income

1.1 Consolidated Income Statement

(in € millions)	Note	Six months ended March 31, 2016 Unaudited	Six months ended March 31, 2015 Unaudited
Revenue	**13.1**	**2,920.2**	**2,822.7**
Purchase of raw materials and consumables		(916.5)	(866.9)
Personnel costs		(1,326.7)	(1,294.3)
Other operating expenses		(424.7)	(420.3)
Taxes other than on income		(37.0)	(37.3)
Depreciation, amortization and provisions for recurring operating items		(74.9)	(77.7)
Recurring operating profit		**140.4**	**126.2**
Share of profit of equity-accounted investees		1.0	0.6
Recurring operating profit including share of profit of equity-accounted investees	**13.1**	**141.4**	**126.7**
Other income and expenses, net (*)	15	(35.2)	(8.1)
Operating profit including share of profit of equity-accounted investees		**106.2**	**118.6**
Financial expenses (*)	21	(34.3)	(52.0)
Financial income	21	3.2	1.2
Profit before income tax		**75.1**	**67.9**
Income tax	16	(30.9)	(30.1)
Loss for the period from discontinued operations	24	(3.4)	-
Profit for the period		**40.8**	**37.7**
Attributable to non-controlling interests		**0.3**	**(2.5)**
Attributable to owners of the parent		**40.5**	**40.2**
Basic earnings per share (in €)		0.24	0.24
Diluted earnings per share (in €)		0.23	0.24

(*) After a pro forma reclassification for the six months ended March 31, 2015 (see Notes 6 and 21.2).

1.2 Consolidated Statement of Comprehensive Income

(in € millions)	Six months ended March 31, 2016 Unaudited	Six months ended March 31, 2015 Unaudited
Profit for the period	**40.8**	**37.7**
Items that will not be reclassified subsequently to profit or loss		
Post-employment benefit obligations	-	-
Items that may be reclassified subsequently to profit or loss		
Financial instruments	(7.3)	5.5
Currency translation differences	(0.7)	(12.6)
Income tax	2.5	(1.9)
Total items that may be reclassified subsequently to profit or loss	**(5.5)**	**(9.0)**
Comprehensive income for the period	**35.3**	**28.7**
Attributable to:		
- Owners of the parent	35.0	28.0
- Non-controlling interests	0.3	0.7

2. Consolidated Balance Sheet

2.1 Assets

(in € millions)	Note	At March 31, 2016 Unaudited	At September 30, 2015 Audited	At March 31, 2015 Unaudited
Goodwill	18	2,445.6	2,376.0	2,374.5
Intangible assets	19	304.7	294.0	305.4
Property, plant and equipment	20	489.6	510.5	513.6
Non-current financial assets		47.8	48.6	32.9
Equity-accounted investees		4.0	3.1	2.4
Fair value of derivative financial instruments (*)		-	-	0.0
Deferred tax assets		215.1	222.9	248.0
Total non-current assets		**3,506.8**	**3,455.1**	**3,476.8**
Inventories		100.1	96.0	96.5
Trade and other receivables		989.2	907.2	1,047.5
Current income tax assets		17.8	17.2	24.8
Other current assets		71.8	59.4	59.1
Short-term financial receivables (*)		9.7	10.9	6.9
Cash and cash equivalents (*)		112.8	210.4	158.8
Assets classified as held for sale		16.0	5.6	-
Total current assets		**1,317.4**	**1,306.7**	**1,393.7**
Total assets		**4,824.2**	**4,761.7**	**4,870.5**

(*) Included in the calculation of net debt

2.2 Equity and Liabilities

(in € millions)	Note	At March 31, 2016 Unaudited	At September 30, 2015 Audited	At March 31, 2015 Unaudited
Share capital		1.7	1.7	1.6
Reserves and retained earnings		1,433.7	1,453.8	1,250.1
Non-controlling interests		39.2	30.6	31.9
Total equity	4	**1,474.6**	**1,486.1**	**1,283.7**
Long-term debt (*)	21	1,639.0	1,530.4	1,616.4
Fair value of derivative financial instruments (*)		9.7	20.6	20.6
Non-current liabilities relating to share acquisitions		19.4	20.0	212.3
Deferred tax liabilities		46.1	50.7	55.2
Provisions for pension and other post-employment benefit obligations		105.3	105.3	106.3
Other long-term provisions		21.4	22.4	14.8
Total non-current liabilities		**1,840.9**	**1,749.4**	**2,025.6**
Trade and other payables		678.5	701.0	671.0
Due to suppliers of non-current assets		18.8	23.9	20.9
Accrued taxes and payroll costs		536.1	556.3	565.4
Current income tax liabilities		21.4	28.7	56.1
Short-term debt (*)	21	102.7	123.5	112.5
Current liabilities relating to share acquisitions		13.4	8.7	10.1
Short-term provisions		52.2	59.2	68.5
Other current liabilities		74.1	22.5	56.7
Liabilities classified as held for sale		11.5	2.5	-
Total current liabilities		**1,508.7**	**1,526.2**	**1,561.2**
Total liabilities		**3,349.6**	**3,275.6**	**3,586.8**
Total equity and liabilities		**4,824.2**	**4,761.7**	**4,870.5**
(*) Included in the calculation of net debt		1,628.9	1,453.3	1,583.7
Net debt excluding fair value of derivative financial instruments and debt issuance costs		1,638.9	1,452.2	1,586.0

3. Consolidated Cash Flow Statement

(in € millions)	Note	Six months ended March 31, 2016 Unaudited	Six months ended March 31, 2015 Unaudited
Cash flows from operating activities			
Recurring operating profit including share of profit of equity-accounted investees		141.4	126.7
Amortization and depreciation		73.9	74.9
Provisions		1.0	2.8
EBITDA		**216.3**	**204.4**
Change in working capital		(116.9)	(121.7)
Interest and other financial expenses paid		(48.4)	(38.9)
Tax paid		(34.0)	(9.9)
Other cash movements		(43.8)	(46.8)
Net cash used in operating activities		**(26.8)**	**(12.9)**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		(92.0)	(94.6)
Proceeds from sale of property, plant and equipment and intangible assets		6.4	4.4
Purchases of non-current financial assets		(17.6)	(0.7)
Proceeds from sale of non-current financial assets		0	0
Acquisition/sale of shares in consolidated companies, net of cash acquired/divested		(58.9)	(19.3)
Net cash used in investing activities		**(162.1)**	**(110.1)**
Cash flows from financing activities			
Dividends paid to owners of the parent			-
Movements in share capital of the parent		0.5	0.2
Purchases of treasury shares		-	0
Dividends paid to non-controlling interests		(0.8)	(8.2)
Proceeds from borrowings		172.6	1,083.0
Repayments of borrowings		(97.7)	(964.7)
Net cash from financing activities		**74.6**	**110.3**
Effect of exchange rate and other changes (1)		(3.7)	(45.6)
Net decrease in cash and cash equivalents		**(118.0)**	**(58.3)**
Cash and cash equivalents at beginning of period		**197.6**	**188.8**
Cash and cash equivalents at end of period		**79.6**	**130.5**

- Including a €5.1 million net cash outflow for the six months ended March 31, 2016 related to discontinued operations/operations held for sale.

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 cash and cash equivalents figure presented under assets in the balance sheet and the amount presented in the cash flow statement under "Cash and cash equivalents at end of period".

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, 2014 (1)	**164,370,556**	**1.6**	**1,234.8**	**47.8**	**(2.4)**	**1,281.8**	**45.0**	**1,326.8**
Profit for the period				40.2		40.2	(2.5)	37.7
Post-employment benefit obligations			-			-		-
Changes in fair value of financial instruments			3.6			3.6	-	3.6
Currency translation differences					(15.8)	(15.8)	3.2	(12.6)
Comprehensive income for the period			**3.6**	**40.2**	**(15.8)**	**28.0**	**0.7**	**28.7**
Appropriation of prior-period profit			47.8	(47.8)				
Capital increase	37,050		0.2			0.2		0.2
Dividends paid			(33.4)			(33.4)	(7.7)	(41.1)
Other movements			(24.8)			(24.8)	(6.1)	(30.9)
Balance at March 31, 2015	**164,407,606**	**1.6**	**1,228.1**	**40.2**	**(18.2)**	**1,251.8**	**31.9**	**1,283.7**
Balance at September 30, 2015	**172,325,244**	**1.7**	**1,363.4**	**107.2**	**(16.7)**	**1,455.6**	**30.5**	**1,486.1**
Profit for the period				40.5		40.5	0.3	40.8
Post-employment benefit obligations			-			-		-
Changes in fair value of financial instruments			(4.8)			(4.8)		(4.8)
Currency translation differences					(0.7)	(0.7)	0	(0.7)
Comprehensive income for the period			**(4.8)**	**40.5**	**(0.7)**	**35.0**	**0.3**	**35.3**
Appropriation of prior-period profit			107.2	(107.2)		0.0		0.0
Capital increase	79,370		0.5			0.5	0.0	0.5
Dividends payable			(55.7)			(55.7)	(0.4)	(56.1)
Other movements (2)			-			-	8.8	8.8
Balance at March 31, 2016	**172,404,614**	**1.7**	**1,410.6**	**40.5**	**(17.4)**	**1,435.4**	**39.2**	**1,474.6**

(1) Including the impact of applying IFRIC 21, representing a positive amount of €6.0 million before tax (€4.2 million after tax).

(2) The amounts recognized under "Other movements" within "Non-controlling interests" for the six months ended March 31, 2016 primarily correspond to the reversal of a liability related to a put option written over the non-controlling interests in Elior North America (formerly THS) following an amendment to the underlying shareholders' agreement.

Notes to the IFRS Consolidated Financial Statements for the Six-Month Periods ended March 31, 2016 and 2015

5. General Information

Elior Group SA (the "Company") 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 March 31, 2016, the Company was held by the following parties: 6.6% by Caisse de Depôt et Placement du Québec (CDPQ), 26.1% by BIM SAS (which is controlled by Robert Zolade), 5.2% by Corporacion Empresarial Emesa, and 62.1% by private and public investors following the Company's admission to trading on Euronext Paris on June 11, 2014.

The Elior group (the "Group") is a major player in Europe's contracted catering and related services industry. It operates its businesses of contract catering & services and concession catering through companies based in 13 countries – mainly in the eurozone, the United Kingdom, Latin America and the USA.

6. Basis of Preparation

The condensed interim consolidated financial statements for the six-month period ended March 31, 2016 (first-half FY 2015-2016) have been prepared in accordance with IAS 34. These financial statements do not include all the information and disclosures required in accordance with IFRS for annual financial statements and should therefore be read in conjunction with the Group's annual consolidated financial statements for the fiscal year ended September 30, 2015, which were prepared in accordance with IFRS as adopted in the European Union.

The accounting policies used are the same as those applied in the annual financial statements at September 30, 2015.

All of the standards and interpretations whose application was mandatory during the period and which have been adopted by the European Union have been applied in these interim financial statements for the six months ended March 31, 2016.

An adjustment of €8.6 million has been made to the interim consolidated financial statements for the six months ended March 31, 2015, resulting from the reclassification of accelerated amortization of debt issuance costs from "Other income and expenses, net" to "Other financial income and expenses".

The condensed interim consolidated financial statements were approved for issue by Elior Group's Board of Directors on May 26, 2016.

7. Significant Events

- **Acquisition and Disposals of shares in Consolidated Companies**

In October and November 2015 respectively, Elior North America (formerly TrustHouse Services, or "THS") – an Elior Group contract catering subsidiary operating in the United States – purchased Cura Hospitality (based in Pittsburg, Pennsylvania) and ABL Management (based in Baton Rouge, Louisiana). Cura Hospitality and Starr Restaurant Catering Group – which was acquired in August 2015 and operates primarily in New York and Miami – have been fully consolidated since October 1, 2015 and ABL Management since December 1, 2015. These three companies generate combined contract catering revenue of around USD 150 million a year, in the following markets: business & industry and prestigious venues (Starr), senior living and healthcare (Cura) and education and corrections facilities (ABL). For the six months ended March 31, 2016, they contributed an aggregate €65.5 million to consolidated revenue and €3.7 million to consolidated EBITDA.

Six months ended March 31, 2015

The only change in the Group's scope of consolidation in the six months ended March 31, 2015 was the acquisition of Lexington, a UK-based contract caterer. Lexington generates annual revenue of around £30 million and operates primarily in the business & industry market in the City of London. For the six months ended March 31, 2015, Lexington contributed €24.8 million to consolidated revenue and €1.5 million to consolidated EBITDA.

- **Other Significant Events**

Six months ended March 31, 2016

Partnership between Elior Group and Alain Ducasse

Pursuant to the strategic and culinary partnership agreement signed on September 29, 2015 with master chef Alain Ducasse and which took effect on October 5, 2015, in the first half of FY 2015-2016 Elior Participations SCA purchased convertible bonds issued by Ducasse Développement and subsequently, on February 19, 2016, new shares issued by that company. Following these transactions, if it converts the bonds it acquired, Elior Group will hold an 11% interest in Ducasse Développement.

Partial early redemption of the Elior Finance & Co. 6.5% May 2020 Senior Secured Notes

On February 9, 2016, Elior redeemed in advance of term 22% of the outstanding Elior Finance & Co. 6.5% May 2020 Senior Secured Notes. This redemption represented a nominal amount of €50.0 million and the corresponding cash outflow for Elior was €54.0 million, including €3.1 million in early redemption penalties. It was financed by way of Elior SA drawing down €50.0 million under a new syndicated bank loan set up on January 29, 2016, which expires in January 2023. Interest on this new loan is based on the Euribor plus a standard margin of 2.5%.

The remaining €177.5 million of the outstanding Senior Secured Notes was fully redeemed on May 4, 2016 (see Note 25 of these interim consolidated financial statements). This redemption resulted in the release of all of the collateral pledged under the Senior Facilities Agreement and the Company is no longer required to publish condensed interim consolidated financial statements for its quarterly closings at December 31 and June 30.

Six months ended March 31, 2015

Renegotiation of the Group's syndicated bank loans (5th amendment)

On December 10, 2014, the Group refinanced all of its credit facilities (term loans and revolving loans) under the Senior Facilities Agreement pursuant to an amendment signed on December 3, 2014. This refinancing – which involved a total amount of €950 million – enabled the Group to (i) significantly lower the cost of its senior debt thanks to a reduction in the applicable interest margins, (ii) extend the maturity of this debt to 2019 and 2022 (for part of the debt), and (iii) obtain less strict financial and non-financial covenants. The €15 million in bank fees paid in connection with this amendment are being recognized in the income statement over the term of the new credit facilities.

8. Accounting Policies

The accounting policies adopted are the same as those used for the fiscal year ended September 30, 2015.

For interim periods, taxes on income (other than the CVAE tax levied in France on value added generated by the business but including the regional IRAP tax applicable in Italy) are accrued using the tax rate that would be applicable to expected total annual profit. In these financial statements, the CVAE tax – which is included in income tax – and employee profit-sharing have been accrued based on 50% of the expected full-year charge.

No actuarial assessments of pension and other post-employment benefit obligations have been performed for these condensed interim consolidated financial statements. The related expense for the six-month periods ended March 31, 2015 and 2016 represents 50% of the expense calculated for the full years ended September 30, 2015 and 2016, respectively.

9. New Standards, Amendments and Interpretations

- **New Standards, Amendments and Interpretations Adopted by the European Union and Applied by the Group**

None.

- **New Standards, Amendments and Interpretations Issued by the IASB but not yet Applied by the Group**

The main standards, amendments and interpretations that have been issued but are not yet effective are as follows:

- Amendments to IAS 1, "Disclosure Initiative", effective for annual periods beginning on or after January 1, 2016 (not yet adopted by the EU).

- IFRS 9, "Financial Instruments", effective for annual periods beginning on or after January 1, 2018 (not yet adopted by the EU).
- IFRS 15, "Revenue from Contracts with Customers", effective for annual periods beginning on or after January 1, 2018 (not yet adopted by the EU).

The Group did not early adopt any standards or amendments during the first half of FY 2015-2016. It is currently in the process of analyzing the potential impacts of the above-mentioned new standards and amendments.

10. Use of Estimates

The preparation of interim 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.

In preparing these condensed interim consolidated financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended September 30, 2015, with the exception of changes in estimates that are required in determining the provision for income taxes.

11. Exchange Rates

The recognition and measurement criteria relating to foreign currency operations are defined in IAS 21, "The Effects of Changes in Foreign Exchange Rates". Commercial transactions denominated in foreign currencies carried out by consolidated companies are translated using the exchange rate prevailing at the date of the transaction. Foreign currency receivables and payables are translated at the period-end exchange rate and the resulting translation gains or losses are recorded in the income statement.

For the six-month periods ended March 31, 2016 and 2015, the balance sheets, income statements, and cash flow statements of certain subsidiaries whose functional currency differs from the presentation currency used in the consolidated financial statements have been translated (i) at the exchange rate prevailing at March 31, 2016 and 2015 respectively for the balance sheet, and (ii) at the average exchange rate for the period for the income statement and cash flow statement, except in the case of significant fluctuations in exchange rates. Any resulting translation differences have been recorded in other comprehensive income.

The main exchange rates used in the consolidated financial statements for the six-month periods ended March 31, 2016 and 2015 were based on Paris stock exchange rates and were as follows:

	Six months ended March 31, 2016		Six months ended March 31, 2015	
	Period-end rate	Average rate	Period-end rate	Average rate
- € /US $:	1.1378	1.0996	1.0731	1.1888
- € /£ :	0.7921	0.7464	0.7243	0.7667
- € /MXN :	19.67	19.13	16.38	17.10
- € /CLP :	762.92	768.97	670.15	725.61

12. Seasonality of Operations

Revenue and recurring operating profit generated by the majority of the Group's operations are subject to seasonal fluctuations. During the summer, the concession catering business line typically experiences a significant increase in revenue and, notably due to the effect of this increase in revenue on the absorption of fixed costs, a more than proportional rise in both the amount of recurring operating profit and recurring operating profit as a percentage of revenue.

In contrast, during the same period the contract catering & services business line experiences lower business volumes and therefore a more than proportional decrease in its recurring operating profit, both in absolute value terms and as a percentage of revenue, due to the fact that a large number of employees and students are on vacation in the summer.

At Group level, these seasonal fluctuations do not have any impact on reported half-yearly revenue due to offsetting effects between the Group's two business lines. Each half year accounts for approximately 50% of the Group's total annual revenue, excluding the effect of changes in the scope of consolidation.

In terms of recurring operating profit, seasonal fluctuations result in a higher figure being recorded during the second half of the year due to higher revenue and margins for the concession catering business line. The proportion of recurring operating profit recorded during the first and second half of each fiscal year represents approximately 40% and 60% respectively.

In addition, changes in the number of working days and the dates on which public or school holidays fall, as well as changes in the scope of consolidation, impact the period-on-period comparability of revenue and profitability for the Group's two business lines.
Net cash from operating activities is also subject to seasonal variations, which are mainly due to changes in working capital as:

- in the concession catering business line, cash generated from changes in working capital requirement is directly linked to business volumes, which are lower in the first half of each fiscal year than in the second half; and
- in the contract catering & services business line, the amount of trade receivables increases during the first half of each fiscal year as revenue invoiced to customers is at its peak during this period, and decreases during the second half as this is the low season for contract catering & services.

13. Segment Reporting

At March 31, 2016 and 2015, the Group was structured into two main business lines: contract catering & services, and concession catering. The results and long-term assets of these business lines are broken down into operating segments that correspond to geographic regions and the segments used by management in making key operating decisions. These operating segments are as follows:

- For the contract catering & services business line: "France" and "International"
- For the concession catering business line (which is now operated under the Areas brand): "France" and "International", following a change in presentation made in the first half of FY 2015-2016. As a result of this change the figures presented for the concession catering business line for the first six months of FY 2014-2015 have been restated accordingly.

These operating segments correspond to the segments whose operating results are regularly reviewed by the Group's chief operating decision maker (the Executive team).

Share of profit of equity-accounted investees primarily relates to concession catering operations in France.

13.1 Income Statement Information

The tables below present detailed income statement information by operating segment as well as a breakdown of consolidated revenue by (i) business line and market and (ii) geographic region, for the six-month periods ended March 31, 2016 and 2015.

- Income statement information by operating segment

(in € millions)	Contract catering & services			Concession catering			Corporate	Group total
Six months ended March 31, 2016 Unaudited	France	International	**Total**	France	International	**Total**		
Revenue	**1,136.5**	**1,063.3**	**2,199.8**	**287.0**	**433.4**	**720.4**	-	**2,920.2**
Recurring operating profit/(loss) including share of profit of equity-accounted investees	86.9	60.7	**147.7**	(0.0)	(0.9)	**(0.9)**	(5.3)	**141.4**
Recurring operating profit/(loss) as a % of revenue	*7.6%*	*5.7%*	***6.7%***	*(0.0)%*	*(0.2)%*	***(0.1)%***	*(0.2)%*	***4.8%***
Other income and expenses, net	(5.2)	(10.0)	**(15.1)**	(2.8)	(8.7)	**(11.5)**	(8.6)	**(35.2)**
Operating profit/(loss)	81.8	50.8	**132.5**	(2.8)	(9.6)	**(12.3)**	(13.9)	**106.2**
Net financial expense								**(31.1)**
Income tax								**(30.9)**
Loss for the period from discontinued operations								**(3.4)**
Profit for the period attributable to non-controlling interests								**0.3**
Profit for the period attributable to owners of the parent								**40.5**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(18.3)	(16.8)	**(35.1)**	(15.4)	(22.4)	**(37.8)**	(1.0)	**(73.9)**
Other expenses with no cash impact	(0.3)	(1.3)	**(1.6)**	0.4	(0.2)	**0.2**	0.5	**(1.0)**
EBITDA	105.6	78.8	**184.4**	15.0	21.8	**36.7**	(4.9)	**216.3**
EBITDA as a % of revenue	*9.3%*	*7.4%*	***8.4%***	*5.2%*	*5.0%*	*5.1%*	***(0.2)%***	*7.4%*

(in € millions)	Contract catering & services			Concession catering				
Six months ended March 31, 2015 Unaudited	France	International	**Total**	France	International	**Total**	**Corporate**	**Group total**
Revenue	**1,124.1**	**979.4**	**2,103.5**	**313.0**	**406.1**	**719.2**	**-**	**2,822.7**
Recurring operating profit/(loss) including share of profit of equity-accounted investees	86.4	57.1	**143.4**	(1.3)	(10.6)	**(11.8)**	(4.9)	**126.7**
Recurring operating profit/(loss) as a % of revenue	*7.7%*	*5.8%*	***6.8%***	*(0.4)%*	*(2.6)%*	***(1.6)%***	*(0.2)%*	***4.5%***
Other income and expenses, net	0.1	(4.9)	**(4.8)**	0.0	(0.2)	**(0.2)**	(3.1)	**(8.1)**
Operating profit/(loss)	86.4	52.2	**138.6**	(1.2)	(10.8)	**(12.0)**	(8.0)	**118.6**
Net financial expense								**(50.8)**
Income tax								**(30.1)**
Profit for the period attributable to non-controlling interests								**(2.5)**
Profit for the period attributable to owners of the parent								**40.2**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(17.5)	(14.6)	**(32.1)**	(19.1)	(22.6)	**(41.7)**	(1.0)	**(74.9)**
Other expenses with no cash impact	(1.7)	(2.5)	**(4.1)**	0.5	0.7	**1.1**	0.2	**(2.8)**
EBITDA	105.5	74.2	**179.7**	17.4	11.4	**28.7**	(4.0)	**204.3**
EBITDA as a % of revenue	*9.4%*	*7.6%*	***8.5%***	*5.5%*	*2.8%*	*4.0%*	***(0.1)%***	*7.2%*

- Revenue by business line and market

(in € millions)	Six months ended March 31, 2016 Unaudited	% of total revenue	Six months ended March 31, 2015 Unaudited	% of total revenue	Year-on-year change	% change
Contract catering & services						
Business & industry	997.5	34.2%	947.1	33.6%	50.4	5.3%
Education	624.5	21.4%	624.7	22.1%	(0.2)	(0.0)%
Healthcare	577.8	19.8%	531.7	18.8%	46.1	8.7%
Sub-total: Contract catering & services	**2,199.8**	**75.3%**	**2,103.5**	**74.5%**	**96.3**	**4.6%**
Concession catering						
Airports	310.3	10.6%	291.2	10.3%	19.1	6.6%
Motorways	251.9	8.6%	248.4	8.8%	3.5	1.4%
City sites & leisure	158.2	5.4%	179.6	6.4%	(21.4)	(11.9)%
Sub-total: Concession catering	**720.4**	**24.7%**	**719.2**	**25.5%**	**1.2**	**0.2%**
Total	**2,920.2**	**100.0%**	**2,822.7**	**100.0%**	**97.5**	**3.5%**

- Revenue by geographic region

(in € millions)	Six months ended March 31, 2016 Unaudited	% of total revenue	Six months ended March 31, 2015 Unaudited	% of total revenue	Year-on-year change	% change
France	1,423.4	48.7%	1,437.2	50.9%	(13.8)	(1.0)%
Europe excluding France	1,053.2	36.1%	1,039.5	36.8%	13.7	1.3%
Other countries	443.6	15.2%	346.0	12.3%	97.6	28.2%
Total	**2,920.2**	**100.0%**	**2,822.7**	**100.0%**	**97.5**	**3.5%**

13.2 Segment Non-Current Assets

(in € millions)	Contract catering & services			Concession catering			Corporate	Group total
Six months ended March 31, 2016 Unaudited	France	International	**Total**	France	International	**Total**		
Revenue	1,136.5	1,063.3	**2,199.8**	287.0	433.4	**720.4**	-	**2,920.2**
Non-current assets	1,195.7	897.5	**2,093.2**	559.8	553.0	**1,112.9**	33.8	**3,239.9**

(in € millions)	Contract catering & services			Concession catering			Corporate	Group total
Six months ended March 31, 2015 Unaudited	France	International	**Total**	France	International	**Total**		
Revenue	1,124.1	979.4	**2,103.5**	313.0	406.1	**719.2**	-	**2,822.7**
Non-current assets	1,189.3	834.2	**2,023.5**	575.4	572.2	**1,147.6**	22.4	**3,193.5**

14. Business Combinations

In August 2015, the Group acquired Starr Restaurant Catering Group (which operates in the business & industry market) and then in October and November 2015 respectively it acquired Cura Hospitality (specialized in the senior living and healthcare markets) and ABL Management (focused on the education and corrections sectors). All three of these companies have been fully consolidated (since October 1, 2015 for Starr and Cura, and since December 1, 2015 for ABL). The goodwill recognized on their first-time consolidation – before assigning final fair values to their identifiable assets and liabilities under the purchase price allocation process – amounted to an aggregate €70.5 million. A total of €6.1 million was allocated on a provisional basis to Starr Restaurant Catering Group's identifiable intangible assets (customer relationships). The purchase price allocation processes for Cura and ABL are currently in process and will be completed by the end of FY 2015-2016.

The acquisitions were all carried out by Elior North America, which is Elior Group's contract catering subsidiary in the United States and is 77.3%-owned by the Group via Elior Restauration et Services.

The combined annual revenue of the acquired companies represents approximately USD 150 million.

In October 2014, the Group acquired full control of Lexington, a UK-based contract caterer. Lexington generates annual revenue of around £30 million and operates primarily in the business & industry market in the City of London.

Lexington has been fully consolidated since October 1, 2014. Goodwill recognized on the acquisition totaled €13.2 million, following the assignment of €11.1 million of the purchase price to the company's identifiable assets and liabilities (brand and customer relationships).

15. Other Income and Expenses, Net

This item represented a net expense of €35.2 million for the six months ended March 31, 2016 and primarily included (i) €5.4 million in amortization of intangible assets recognized as part of the purchase price allocation processes for the acquisitions of Elior North America and Starr Restaurant Catering Group in the United States and Lexington in the United Kingdom, (ii) an aggregate €28.0 million recorded by the Group's French and international operations for reorganization costs (€19.5 million) and contract exit costs (€8.5 million), mainly in relation to the rollout of the Tsubaki 2020 transformation plan, and (iii) €2.0 million in acquisition costs for purchases of equity interests.

For the six months ended March 31, 2015, "Other income and expenses, net" represented a net expense of €8.1 million, primarily including (i) €4.1 million in amortization of intangible assets (brand and customer relationships) recognized on the first-time consolidation of THS (since renamed Elior North America) in the United States and Lexington in the United Kingdom as part of the purchase price allocation processes, and (ii) the recognition of a €3.0 million provision for restructuring costs.

16. Income Tax

Income tax expense, excluding the CVAE tax on value added generated by the business, is recognized based on Management's estimate of the weighted average annual income tax rate expected for the full fiscal year. The estimated rate for the year ending September 30, 2016 and used for the six months ended March 31, 2016 was 27.1%. The estimated rate applied for the six months ended March 31, 2015 was 28.5%.

The CVAE tax is accrued based on 50% of the expected annual CVAE charge. The estimated CVAE charge for the six months ended March 31, 2016 amounted to €14.5 million (€15.3 million for the corresponding prior-year period).

17. Dividends

At the March 11, 2016 Annual General Meeting, the Company's shareholders approved an aggregate dividend of €55.1 million for the 2014-2015 fiscal year (corresponding to €0.32 per share), which was paid on April 13, 2016. This amount was recorded under "Other current liabilities" in the balance sheet at March 31, 2016.

The dividend for FY 2013-2014 – which totaled €32.9 million (€0.20 per share) and was approved by the Company's shareholders at the March 10, 2015 Annual General Meeting – was paid on April 10, 2015. This amount was recorded under "Other current liabilities" in the balance sheet at March 31, 2015.

18. Goodwill

The table below shows an analysis of net goodwill by cash generating unit (CGU).

(in € millions)	At March 31, 2016 Unaudited	At September 30, 2015 Audited	At March 31, 2015 Unaudited	At September 30, 2014 Audited
Elior Entreprises	574.7	574.7	574.7	574.7
Other – France (Enseignement, Santé and Services)	498.7	498.7	499.5	499.5
Sub-total – France	**1,073.4**	**1,073.4**	**1,074.2**	**1,074.2**
International	**677.4**	**613.7**	**610.8**	**596.3**
Contract catering & services	**1,750.8**	**1,687.1**	**1,685.0**	**1,670.5**
France	**422.9**	**423.0**	**423.2**	**423.2**
International	**271.9**	**265.9**	**266.3**	**266.5**
Concession catering	**694.8**	**688.9**	**689.5**	**689.7**
Group total	**2,445.6**	**2,376.0**	**2,374.5**	**2,360.2**

No goodwill impairment losses were recognized in either of the interim periods under review.

The increase in goodwill at March 31, 2016 compared with September 30, 2015 chiefly corresponds to the goodwill recognized on Elior North America's acquisitions of Starr Restaurant Catering Group, Cura and ABL. On the first-time consolidation of Starr Restaurant Catering Group, provisional fair values were assigned to the company's identifiable intangible assets, notably customer relationships. An independent valuation process is currently under way for the purpose of assigning the fair values of the net identifiable assets of Cura and ABL.

The increase in goodwill at March 31, 2015 compared with September 30, 2014 was mainly due to the €24.3 million in goodwill provisionally recognized in relation to the October 1, 2014 acquisition of Lexington. Of this amount, €11.1 million was subsequently allocated to the company's identifiable intangible assets (brand and customer relationships) in the financial statements at September 30, 2015.

19. Intangible Assets

(in € millions)	At September 30, 2015 Audited	Additions	Disposals	Other movements (2)	At March 31, 2016 Unaudited
Concession rights	176.9	8.7	(0.7)	1.0	185.9
Assets operated under concession arrangements (1)	37.0	0.0	0.0	(0.0)	37.0
Trademarks	38.9	0.1	(0.0)	3.9	42.8
Software	107.5	3.3	(0.2)	2.1	112.7
Prepayments for intangible assets	17.5	13.7	(0.0)	(7.0)	24.2
Other	133.5	1.0	(0.2)	1.8	136.1
Gross value	**511.2**	**26.8**	**(1.1)**	**1.9**	**538.8**
Concession rights	(49.2)	(8.0)	0.6	0.9	(55.6)
Assets operated under concession arrangements (1)	(36.9)	0.0	0.0	(0.0)	(36.9)
Trademarks	(12.2)	(0.7)	0.0	(0.4)	(13.3)
Software	(82.6)	(4.9)	0.2	0.5	(86.8)
Other	(36.3)	(5.9)	0.2	0.6	(41.4)
Total amortization	**(217.2)**	**(19.5)**	**1.0**	**1.6**	**(234.1)**
Carrying amount	**294.0**	**7.3**	**(0.1)**	**3.5**	**304.7**

(1) *These assets reflect the restatement of the three-way finance leases entered into concerning central kitchen facilities in the Group's education market.*

(2) *"Other movements" primarily relate to (i) the first-time consolidation of Starr Restaurant Catering Group, Cura Hospitality and ABL Management (€6 million recognized for customer relationships), (ii) exchange rate effects in the United States and the United Kingdom, and (iii) the impact of reclassifying assets held by Areas USA concerning Florida's Turnpike from "Property, plant and equipment" to "Intangible assets" in accordance with IFRIC 12.*

(in € millions)	At September 30, 2014 Audited	Additions	Disposals	Other movements (2)	At March 31, 2015 Unaudited
Concession rights	163.6	5.6	0.0	12.8	182.0
Assets operated under concession arrangements (1)	36.3	0.0	0.0	0.0	36.3
Trademarks	34.3	0.1	(0.0)	4.7	39.2
Software	97.1	3.2	(0.6)	6.6	106.2
Prepayments for intangible assets	13.8	4.2	(0.1)	(3.5)	14.4
Other	107.9	6.9	(0.0)	23.4	138.2
Gross value	**453.0**	**20.1**	**(0.7)**	**44.0**	**516.4**
Concession rights	(42.0)	(3.9)	0.0	(1.8)	(47.6)
Assets operated under concession arrangements (1)	(36.3)	(0.0)	0.0	0.0	(36.3)
Trademarks	(11.0)	(0.6)	0.0	(0.3)	(11.9)
Software	(76.0)	(4.6)	0.5	(0.5)	(80.6)
Other	(27.5)	(4.5)	0.0	(2.5)	(34.6)
Total amortization	**(192.8)**	**(13.6)**	**0.5**	**(5.1)**	**(211.0)**
Carrying amount	**260.2**	**6.5**	**(0.2)**	**38.9**	**305.4**

(1) These assets reflect the restatement of the three-way finance leases entered into concerning central kitchen facilities in the Group's education market.

(2) "Other movements" primarily correspond to (i) currency translation differences due to fluctuations in the US$-€ exchange rate and (ii) the acquisition of Lexington.

20. Property, Plant and Equipment

(in € millions)	At September 30, 2015 Audited	Additions	Disposals	Other movements (1)	At March 31, 2016 Unaudited
Land	3.8	0.0	(0.0)	0.0	3.8
Buildings	163.6	0.9	(23.0)	4.4	145.9
Technical installations	785.5	29.6	(39.3)	(4.7)	771.1
Other items of property, plant and equipment	519.6	17.6	(55.3)	(13.9)	468.1
Assets under construction	22.1	11.4	(0.5)	(14.0)	19.0
Prepayments to suppliers of property, plant and equipment	1.4	1.4	(0.0)	(0.5)	2.2
Gross value	**1,496.0**	**61.0**	**(118.1)**	**(28.8)**	**1,410.2**
Buildings	(97.0)	(4.5)	21.6	(0.7)	(80.6)
Technical installations	(541.2)	(37.9)	37.3	5.5	(536.3)
Other items of property, plant and equipment	(347.3)	(26.5)	54.9	15.2	(303.7)
Total depreciation	**(985.6)**	**(68.8)**	**113.8**	**20.0**	**(920.6)**
Carrying amount	**510.5**	**(7.9)**	**(4.2)**	**(8.8)**	**489.6**

(1) "Other movements" primarily reflect the impacts of (i) the first-time consolidation of Starr Restaurant Catering Group, Cura and ABL, and (ii) reclassifying assets held by Areas USA concerning Florida's Turnpike from "Property, plant and equipment" to "Intangible assets" in accordance with IFRIC 12.

(in € millions)	At September 30, 2014 Audited	Additions	Disposals	Other movements	At March 31, 2015 Unaudited
Land	3.7	0.0	0.0	0.1	3.8
Buildings	161.7	1.9	(1.2)	3.5	165.9
Technical installations	770.9	35.2	(18.1)	8.3	796.2
Other items of property, plant and equipment	493.5	21.7	(16.2)	15.8	514.9
Assets under construction	14.7	13.4	(1.9)	(4.0)	22.2
Prepayments to suppliers of property, plant and equipment	2.3	0.6	(0.3)	(1.6)	1.0
Gross value	**1,446.8**	**72.8**	**(37.7)**	**22.1**	**1,503.9**
Buildings	(93.7)	(5.2)	1.1	(0.2)	(98.0)
Technical installations	(530.9)	(36.5)	18.2	(3.4)	(552.6)
Other items of property, plant and equipment	(323.8)	(26.6)	17.1	(6.3)	(339.7)
Total depreciation	**(948.5)**	**(68.3)**	**36.4**	**(9.9)**	**(990.3)**
Carrying amount	**498.4**	**4.4**	**(1.3)**	**12.1**	**513.6**

21. Debt and Net Financial Expense

21.1 Debt

The Group's debt can be analyzed as follows (repayment/redemption value corresponds to market value):

(in € millions)	Original currency	At March 31, 2016 Unaudited Amortized cost (1)	At March 31, 2016 Unaudited Repayment/ redemption value	At September 30, 2015 Audited Amortized cost (2)	At September 30, 2015 Audited Repayment/ redemption value
Bank overdrafts	€	26.8	26.8	2.3	2.3
Other short-term debt (including short-term portion of obligations under finance leases)	€ / $	75.9	75.9	121.3	121.3
Sub-total – short-term debt		**102.7**	**102.7**	**123.5**	**123.5**
Syndicated loans	€ / $	1,202.3	1,218.5	1,113.4	1,128.9
Other medium- and long-term borrowings (3)	€	175.2	177.5	224.9	227.5
Factoring and securitized trade receivables	€	247.5	248.7	178.2	179.6
Other long-term debt (including obligations under finance leases)	€	14.0	14.0	13.9	13.9
Sub-total – long-term debt		**1,639.0**	**1,658.7**	**1,530.4**	**1,550.0**
Total debt		**1,741.7**	**1,761.4**	**1,654.0**	**1,673.5**

(1) The amortized cost of bank borrowings was calculated taking into account a net €19.7 million in bank fees recorded at March 31, 2016. This amount includes the bank fees paid in connection with the syndicated loan repricing carried out in January 2016 and the new €50 million credit facility set up for the purpose of redeeming in advance of term a portion of the Senior Secured Notes issued by Elior Finance & Co. (see Note 7 and below). It also includes the cost of the accelerated amortization of the previously capitalized debt issuance costs relating to the portion of the Senior Secured Notes that was redeemed in February 2016.

(2) The amortized cost of bank borrowings was calculated taking into account the €19.5 million in bank fees recorded at September 30, 2015 for the Group's debt refinancing operations (Amend & Extend process) and refinancing the Elior North America acquisition debt. The amount recognized includes the bank fees paid for the debt refinancing operations carried out in December 2014 as well as accelerated amortization of debt issuance costs following the refinancing of the Elior North America acquisition debt in May 2015.

(3) This item includes the debt owed to Elior Finance & Co following that company's issuance of Senior Secured Notes (with a fixed-rate 6.5% coupon and maturing in May 2020), the proceeds of which were on-lent to Elior based on the same terms and conditions as those applicable for the Senior Secured Notes. This debt amounted to €177.5 million at March 31, 2016.

(in € millions)	Original currency	At March 31, 2015 Unaudited Amortized cost	At September 30, 2014 Audited Amortized cost
Bank overdrafts	€	18.8	17.8
Other short-term debt (including short-term portion of obligations under finance leases)	€ / $	93.6	72.1
Sub-total – short-term debt		**112.5**	**90.0**
Syndicated loans (including Elior North America loan)	€ / $	1,065.5	1,059.4
Other medium- and long-term borrowings	€	224.6	224.3
Factoring and securitized trade receivables	€	230.7	173.8
Other long-term debt (including obligations under finance leases)	€	95.6	41.0
Sub-total – long-term debt		**1,616.4**	**1,498.5**
Total debt		**1,728.8**	**1,588.5**

The Group's debt at March 31, 2016 included:

Syndicated bank loans at a variable rate based on the Euribor plus a margin, which broke down as follows at March 31, 2016:

- For Elior Group SA:
  - A senior bank loan totaling €200.0 million at March 31, 2016, of which €168 million is repayable in January 2021 and €32 million in December 2022. Interest is based on the Euribor plus a standard margin of 1.65% for the portion repayable in 2021 and 2.75% for the portion repayable in 2022.
  - US-dollar denominated bond debt issued as part of a private placement carried out in May 2015 (6th amendment to the SFA) in connection with the refinancing of the original Elior North America acquisition debt. These bonds – which represented an aggregate $100 million at March 31, 2016 – are redeemable in May 2022. Interest on the bonds is based on the 6-month USD Libor plus a standard margin of 2.15%.
  - A loan amounting to €177.5 million (taking into account the €50 million repaid on February 9, 2016), which has a fixed interest rate of 6.5% and matures 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 SCA:
  - A senior bank loan totaling €750.0 million at March 31, 2016, of which €632 million is repayable in January 2021 and €118 million in December 2022. Interest is based on the Euribor plus a standard margin of

1.65% for the portion repayable in 2021 and 2.75% for the portion repayable in 2022. In addition, Elior Participations has a €300 million revolving credit facility (which can also be used by Elior Group) that expires in January 2021 and carries a variable interest rate based on the Euribor plus a standard margin of 1.25%. If this revolving credit facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. At March 31, 2016, Elior Participations had drawn down €20.0 million of this facility.

- A US-dollar denominated senior bank loan totaling $100 million at March 31, 2016, which was set up under the SFA and is repayable in May 2020. Of this total $50 million was drawn down in May 2015 (6th amendment to the SFA) and a further $50 million in June 2015 (7th amendment) in connection with the refinancing of the original Elior North America acquisition debt. Interest is based on the USD Libor plus a standard margin of 1.70%. In addition, Elior Participations has a $250 million revolving credit facility (which can also be used by Elior Group) that expires in May 2020 and carries a variable interest rate based on the Libor plus a standard margin of 1.30%. If this revolving credit facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. At March 31, 2016, Elior Participations had drawn down $26.0 million of this facility.

<u>Liabilities relating to the Group's receivables securitization program</u>. At March 31, 2016, outstanding securitized receivables – net of the related €90.5 million overcollateralization reserve – stood at €247.9 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 now includes the receivables of Elior Group's Spanish and Italian subsidiaries. The program's cost, based on net amounts securitized, was approximately 1.5% in first-half FY 2015-2016.

The Group's debt at March 31, 2015 included:

- For Elior Group SA:
  - A senior bank loan totaling €200.0 million at March 31, 2015, of which €168 million repayable in December 2019 and €32 million in December 2022. Interest is based on the Euribor plus a standard margin of 1.9% for the portion repayable in 2019 and 2.75% for the portion repayable in 2022. In addition, Elior Group had a €300 million revolving credit facility (which could also be used by Elior Participations) expiring in December 2019 and carrying a variable interest rate based on the Euribor plus a standard margin of 1.50%. If this revolving credit facility was not used, a commitment fee was payable, calculated as a portion of the margin applied. At March 31, 2015 none of this facility had been drawn down by Elior Group.
  - A €227.5 million loan with 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 SCA:
  - A senior bank loan totaling €750 million at March 31, 2015, of which €632 million repayable in December 2019 and €118 million in December 2022. Interest is based on the Euribor plus a standard margin of 1.9% for the portion repayable in 2019 and 2.75% for the portion repayable in 2022.
- For Elior North America:
  - Syndicated bank loans made up of (i) a "Term Loan" of which $144 million had been drawn down at March 31, 2015, and (ii) a $40 million "Delayed Draw Term Loan" which was confirmed until April 2015 and had not been drawn

down at March 31, 2015. 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, calculated as a limited portion of the margin applied. At March 31, 2015, Elior North America also had a $25 million revolving credit facility with a variable interest rate based on the Libor plus a standard margin of between 3.75% and 4.25% depending on the company's leverage ratio, and expiring in April 2018. None of this facility had been drawn down by Elior North America at March 31, 2015.

Liabilities relating to the Group's receivables securitization program. At March 31, 2015, outstanding securitized receivables – net of the related €98.2 million overcollateralization reserve – stood at €231.7 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 now includes the receivables of Elior's Spanish and Italian subsidiaries. The program's cost, based on net amounts securitized, was approximately 2% in first-half FY 2014-2015.

The Group's debt can be analyzed as follows by maturity:

(in € millions)	Original currency	At March 31, 2016 Unaudited		At September 30, 2015 Audited	
		Current	Non-current	Current	Non-current
Bank borrowings					
Medium-term borrowings – Elior Group SA	€		250.0		200.0
Medium-term borrowings – Elior Participations SCA and Elior North America	€ / $		860.7		839.5
Other medium- and long-term bank borrowings	€		0.8		0.9
Sub-total – bank borrowings		**-**	**1,111.5**	**-**	**1,040.4**
Other debt					
Elior bond debt (USD private placement)	$		107.9		89.5
Loan from Elior Finance & Co SCA – 6.5% Senior Secured Notes maturing in May 2020	€		177.5		227.5
Finance leases	€	4.0	12.9	4.2	12.6
Other (1)	€ / $	65.5	248.9	106.5	180.0
Bank overdrafts (2)	€	26.8		2.3	
Current accounts (2)	€	-		0.3	
Accrued interest on borrowings (2)	€	6.4		10.3	
Sub-total – other debt		**102.7**	**547.2**	**123.5**	**509.6**
Total debt		**102.7**	**1,658.7**	**123.5**	**1,550.0**

21.2 Net Financial Expense

The Group's net financial expense came to €31.1 million for the six months ended March 31, 2016, versus €50.8 million for the six months ended March 31, 2015, breaking down as follows:

(in € millions)	Six months ended March 31, 2016 Unaudited	Six months ended March 31, 2015 Unaudited
Interest expense on debt	(27.4)	(40.1)
Interest income on short-term investments	1.6	1.2
Other financial income and expenses (1)	(4.4)	(11.0)
Interest cost on post-employment benefit obligations	(0.9)	(0.9)
Net financial expense	**(31.1)**	**(50.8)**

(1) Including:		
- Fair value adjustments on interest rate hedging instruments	*(0.3)*	*(0.1)*
- Disposal gains/(losses) and movements in provisions for impairment of shares in non-consolidated companies	*(0.2)*	*(0.0)*
- Amortization of debt issuance costs (2)	*(2.3)*	*(10.9)*
- Early redemption penalties for the Elior Finance & Co. 6.5% May 2020 Senior Secured Notes	*(3.1)*	*-*
- Net foreign exchange gain/(loss)	*1.6*	*(0.0)*

(2) Including €8.6 million in accelerated amortization of debt issuance costs reclassified from "Other income and expenses, net" at December 31, 2014.

The year-on-year decrease in this item was mainly due to (i) the cancelation of interest rate hedges (€ swaps), (ii) the refinancing of Elior North America's dollar-denominated syndicated debt, and (iii) the lower interest margins obtained as a result of the amendments to the Senior Facilities Agreement against a backdrop of ongoing low interest rates, although this effect was partially offset by the early redemption penalties on the Elior Finance & Co. 6.5% May 2020 Senior Secured Notes.

22. Short- and Long-Term Provisions

Short- and long-term provisions can be analyzed as follows:

(in € millions)	At March 31, 2016 Unaudited	At September 30, 2015 Audited
Commercial risks	2.5	3.3
Tax risks and employee-related disputes	27.4	28.7
Reorganization costs	1.9	3.6
Employee benefits	11.1	11.1
Other	9.3	12.5
Short-term provisions	**52.2**	**59.2**
Employee benefits	105.3	105.3
Non-renewal of concession contracts	9.6	9.4
Other	11.8	13.0
Long-term provisions	**126.7**	**127.6**
Total	**178.9**	**186.8**

(in € millions)	At March 31, 2015 Unaudited	At September 30, 2014 Audited
Commercial risks	2.8	2.6
Tax risks and employee-related disputes	28.4	29.0
Reorganization costs	6.8	18.1
Employee benefits	10.1	9.5
Other	20.5	25.4
Short-term provisions	**68.5**	**84.8**
Employee benefits	106.3	106.2
Non-renewal of concession contracts	8.6	7.9
Other	6.1	2.6
Long-term provisions	**121.1**	**116.6**
Total	**189.6**	**201.4**

23. Related Party Transactions

N/A.

24. Loss for the Period from Discontinued Operations

At March 31, 2016, the assets classified as held for sale in the consolidated balance sheet primarily corresponded to non-strategic business operations run by Areas Northern Europe. These operations were reclassified in the balance sheet at March 31, 2016.

Profit or loss from discontinued operations, after the elimination of intra-group transactions, is presented on a separate line of the income statement. It includes the post-tax profit or loss of discontinued operations for the period until the date of their disposal as well as the post-tax gain or loss recognized on the disposal. For the six months ended March 31, 2016 discontinued operations generated €24.2 million in revenue and reported a net loss of €3.4 million (€24.6 million in revenue and a €2.3 million net loss for the six months ended March 31, 2015).

25. Events After the Reporting Date

Full early redemption of the Elior Finance & Co. 6.5% May 2020 Senior Secured Notes

On May 4, 2016, Elior Group SA redeemed in advance of term the remainder of the outstanding Elior Finance & Co. 6.5% May 2020 Senior Secured Notes. This redemption represented a nominal amount of €177.5 million and the corresponding cash outflow for Elior Group SA was €186.2 million, including €8.7 million in early redemption penalties. The full redemption of the Elior Finance & Co. 6.5% May 2020 Senior Secured Notes (including the €50 million partial redemption carried out on February 9, 2016) was financed by way of a €234.0 million draw-down made by Elior Group SA under new syndicated bank loans put in place on January 29, 2016 and May 2, 2016 and maturing in January 2023 and May 2023 respectively. Interest on these new loans is based on the Euribor plus a standard margin of 2.5%.

Areas becomes the umbrella brand for the Group's concession catering operations

On April 11, 2016, the Group announced that all of its concession catering operations worldwide would be operated under a single brand – Areas.

Areas is now made up of the following Business Units:

- Areas Northern Europe
- Areas Italy
- Areas Iberia
- Areas USA
- Areas LATAM

Acquisition of companies in the railway station concession catering sector in France and in the contract catering business in the USA

On May 19, 2016 Elior Group and Autogrill announced that they had entered into exclusive negotiations for Autogrill to transfer to Elior Group the entire capital of Autogrill Restauration Service – the company that owns Autogrill's concession catering operations at railway stations in France, which generate some €50 million in annual revenue. Autogrill has granted Elior Group exclusivity in these negotiations until July 31, 2016.

Autogrill and Elior Group will launch the required information and consultation processes with their respective employee representative bodies and all of the stakeholders impacted by this transaction (which is still subject to the approval of Autogrill S.p.A's Board of Directors).

In addition, Elior North America has signed a definitive agreement to acquire the entire capital of Preferred Meals, a contract caterer based in Berkeley, Illinois, which operates in niche markets, primarily in the education and seniors sectors. Preferred Meals serves over 130 million meals annually in 30 states across the USA and generated revenue of c. $225 million in FY 2014-2015.

The due diligences for these acquisitions are currently being completed and the deals should be closed in the coming weeks. Consequently, the Group expects to consolidate the acquired companies during the final quarter of the fiscal year ended September 30, 2016.