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Elior SA

Interim Financial Report

October 1, 2014 - December 31, 2014

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1.1 ANALYSIS OF THE GROUP'S RESULTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2014 AND DECEMBER 31, 2013

(in € millions)	Three months ended December 31,	
	2014	2013
Revenue	**1,419.8**	**1,348.7**
Purchase of raw materials and consumables	(439.9)	(412.1)
Personnel costs	(649.1)	(623.7)
Other operating expenses	(210.8)	(195.1)
Taxes other than on income (*)	(14.0)	(13.5)
Share of profit of associates	0.2	0.3
EBITDA	**106.2**	**104.6**
Depreciation, amortization and provisions for recurring operating items	(38.9)	(35.1)
Recurring operating profit including share of profit of associates	**67.3**	**69.5**
Other income and expenses, net	(10.3)	(3.6)
Operating profit including share of profit of associates	**57.0**	**65.9**
Net financial expense	(23.3)	(40.8)
Profit before income tax	**33.7**	**25.2**
Income tax	(14.1)	(19.8)
Profit for the period	**19.6**	**5.3**
Attributable to non-controlling interests	(0.1)	(0.7)
Attributable to owners of the parent	**19.7**	**6.0**
Earnings per share (in €)	0.12	0.06

(*) The figure for the three months ended December 31, 2013 has been restated compared with the initially reported figure due to the Group's retrospective application of IFRIC 21 (see Note 5 to the condensed interim consolidated financial statements and section 1.1.6 below).

1.1.1 Changes in Scope of Consolidation

The only change in the Group's scope of consolidation in the first quarter of 2014-2015 (i.e. the three months ended December 31, 2014) was the acquisition of the UK-based contract caterer, Lexington. Lexington generates annual revenue of around £30 million and operates primarily in the Business & Industry market in the City of London. For the three months ended December 31, 2014, Lexington contributed €12.4 million to consolidated revenue and €0.8 million to consolidated EBITDA.

During the first quarter of 2013-2014, the main changes in the Group's scope of consolidation corresponded to the divestment in December 2013 of non-strategic concession catering operations in Morocco and Argentina, which generated annual revenue of around €20 million. For the three months ended December 31, 2013, these businesses contributed €3.1 million to consolidated revenue and €0.4 million to consolidated EBITDA.

1.1.2 Revenue

The following table shows a breakdown of consolidated revenue by geographic region as well as a breakdown of revenue growth between organic growth, changes in scope of consolidation and foreign currency effect for each region and for the Group as a whole.

(in € millions)	Three months ended Dec. 31, 2014	Three months ended Dec. 31, 2013	Organic growth	Calendar effect	Changes in scope of consolidation	Currency effect	Total growth
France	723.6	720.0	0.5%	0.0%	0.0%	0.0%	0.5%
Other European countries	529.7	481.1	6.5%	0.0%	2.6%	1.0%	10.1%
Rest of the world	166.5	147.6	6.8%	0.0%	-2.1%	8.0%	12.8%
Consolidated total	1,419.8	1,348.7	3.3%	0.0%	0.7%	1.2%	5.3%

Consolidated revenue totaled €1,419.8 million in the first quarter of 2014-2015. The 5.3% increase on the first quarter of 2013-2014 reflects robust organic growth of 3.3% over the period. The October 2014 acquisition of Lexington in the United Kingdom added 0.7% to revenue growth, net of the effect of the disposal of non-strategic concession catering operations in Argentina and Morocco. Changes in exchange rates had a 1.2% net positive impact, mainly due to the strengthening of the U.S. dollar and sterling against the euro.

The following table shows a revenue breakdown between the Group's six main markets and the growth rates by market for the first three months of 2014-2015 and 2013-2014:

(in € millions)	Three months ended Dec. 31, 2014	Three months ended Dec. 31, 2013	Organic growth	Calendar effect	Changes in scope of consolidation	Currency effect	Total growth
Business & Industry	473.7	436.4	3.7%	0.7%	2.9%	1.3%	8.6%
Education	305.0	302.1	1.0%	-1.0%	0.0%	1.0%	0.9%
Healthcare	263.9	250.5	3.6%	0.0%	0.0%	1.8%	5.4%
Contract Catering & Support Services	1,042.6	989.0	2.8%	0.0%	1.3%	1.3%	5.4%
Motorways	130.6	121.8	6.1%	-	0.0%	1.1%	7.2%
Airports	151.0	141.6	6.7%	-	-1.7%	1.7%	6.7%
City Sites & Leisure	95.5	96.3	0.0%	-	-0.7%	-0.1%	-0.8%
Concession Catering & Travel Retail	377.2	359.8	4.7%	-	-0.9%	1.0%	4.9%
Consolidated total	1,419.8	1,348.7	3.3%	0.0%	0.7%	1.2%	5.3%

1.1.2.1 Contract Catering & Support Services

Contract Catering & Support Services revenue was up €53.6 million, or 5.4%, on the first-quarter 2013-2014 figure, coming in at €1,042.6 million and representing 73% of total consolidated revenue.

Organic growth was 2.8% over the period, driven by a particularly strong performance in international markets.

The acquisition of Lexington positively impacted revenue by €12.4 million, and overall growth attributable to changes in the scope of consolidation represented 1.3% of Contract Catering & Support Services revenue for the period.

Lastly, changes in exchange rates had a positive 1.3% effect.

In France, organic growth was 0.4%, reflecting the following factors:

- In the Business & Industry market, the increase in average revenue per meal was offset by lower attendance, particularly during the end-of-year vacation period. The calendar effect for this market was minor and corresponded to one additional day (December 26, 2014) compared with the same period of 2013-2014. The client retention rate remained high at over 94% and business development during the period was solid, with several major new contracts signed, including with AREVA, Eiffage and La Banque Postale.

- In the Education market, revenue was adversely impacted by the negative calendar effect during the period (one day less than in the first quarter of 2013-2014). Adjusted for this impact, revenue was up year on year for this market, notably thanks to the contribution of the secondary school catering contract entered into with the Conseil Général des Hauts-de-Seine as well as increased attendance and a higher average customer spend.

- In the Healthcare market, revenue was up on the first-quarter of 2013-2014, led by both the performance of existing sites and the opening of new sites.

In international markets, revenue rose 11.8% year on year to €487.3 million, driven by sustained organic growth in all regions (5.9% in total), particularly in the United States, the United Kingdom and Spain. The acquisition of Lexington in the United Kingdom and positive currency effects generated additional revenue growth of 2.9% and 3.0% respectively.

- Organic growth was high in the Business & Industry market, fueled by the strong upswing in business in Spain and the ramp-up of contracts won in 2013-2014 such as the Telecom Italia, Banca d'Italia and Itinere contracts in Italy, and contracts with corrections facilities in the United States. The acquisition of Lexington also made a positive contribution to this market's revenue figure for the period.

- In the Education market, the slowdown in business in Italy was more than offset by growth in other countries, particularly Spain and the United Kingdom.

- The Healthcare market reported strong growth for the period, driven by robust performances in the United States, the United Kingdom and Spain.

1.1.2.2 Concession Catering & Travel Retail

Concession Catering & Travel Retail revenue was up €17.4 million, or 4.9%, on first quarter 2013-2014, amounting to €377.2 million and representing 27% of total consolidated revenue.

Organic growth came to 4.7% in the first three months of 2014-2015. Changes in scope of consolidation – corresponding to the sale of the Group's concession catering subsidiaries in Argentina and Morocco – trimmed 0.9% off revenue, while changes in exchange rates, notably for the U.S. dollar, had a positive 1.0% impact.

Revenue generated in **France, Germany, Belgium and Italy** rose 5.5% year on year to €230.5 million, with the increase entirely due to organic growth as there were no changes in scope of consolidation during the period.

- The Motorways market enjoyed strong growth in Germany and Italy, propelled by the opening of new motorway services areas, whereas revenue in France remained stable.
- Revenue growth in the Airports market was fueled by a sharp upturn in Italy due to the opening of new points of sale at Rome airport and the start-up of new contracts at Alghero, Genoa, Lamezia, Pisa and Turin airports.
- The City Sites & Leisure market also reported a revenue increase thanks to the Paris Motor Show in October 2014, as well as good attendance rates at leisure resorts in France and Germany and a resilient performance from operations in railway stations.

In Spain, Portugal and the Americas, growth of 3.8% over the period pushed revenue up to €146.7 million.

- The Motorways market felt the positive effects of the ramp-up of the new service areas in the United States as well as the stabilization of revenue in Spain and Portugal.
- Revenue in the Airports market was driven by the opening of new points of sale in the United States (notably in Los Angeles and Chicago), as well as growth delivered by Spanish airports, particularly Barcelona and Madrid-Barajas where all of the new concepts have now been launched and air traffic volumes rose significantly during the period.

1.1.3 Purchase of Raw Materials and Consumables

This item increased by €27.8 million, or 6.7%, to €439.9 million for the three months ended December 31, 2014 from €412.1 million in the corresponding prior-year period. 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)	Three months ended December 31,			
	2014		2013	
Purchase of raw materials and consumables				
Contract Catering & Support Services	(330.4)	*31.7%*	(308.5)	*31.2%*
Concession Catering & Travel Retail	(112.5)	*29.8%*	(107.2)	*29.8%*
Headquarters, holding companies and purchasing entities	3.0	–	3.6	–
Total	**(439.9)**	***31.0%***	**(412.1)**	***30.6%***

1.1.3.1 Contract Catering & Support Services

Purchases of raw materials and consumables for the Contract Catering & Support Services business line rose by €21.9 million, or 7.1 %, to €330.4 million for the three months ended December 31, 2014 from €308.5 million for the first quarter of 2013-2014. The acquisition of Lexington in October 2014 accounted for €4.1 million of the year-on-year increase.

As a percentage of revenue, this item edged up to 31.7% from 31.2%, mainly due to international subsidiaries as the ratio remained stable for Contract Catering & Support Services operations in France. In the USA, THS's purchases of raw materials and consumables were 0.8 of a point higher as a percentage of revenue than in the first three months of 2013-2014 as a result of an increase in food prices that could only be partly passed on to clients, and in Spain, Serunión's ratio rose by 0.9 of a point, reflecting a change in its client and contract mix. Conversely, in Italy the ratio was once again positively affected by the start-up of the on-board train catering contract in the first quarter of 2013-2014 which, due to the nature of the services provided, involves a different product mix and a much lower raw materials cost ratio than the Group's other contract catering operations.

1.1.3.2 Concession Catering & Travel Retail

Purchases of raw materials and consumables for the Concession Catering & Travel Retail business line increased by €5.3 million, or 4.9 %, to €112.5 million from €107.2 million, primarily due to the opening of new sites and new points of sale in the Airports market in Italy. As a percentage of revenue, this item remained stable at 29.8%.

1.1.4 **Personnel Costs**

Consolidated personnel costs rose by €25.4 million, or 4.1%, year on year to €649.1 million from €623.7 million, but decreased as a percentage of revenue to 45.7% from 46.2%.

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)	Three months ended December 31,			
	2014		2013	
Personnel costs				
Contract Catering & Support Services	(503.6)	*48.3%*	(482.3)	*48.8%*
Concession Catering & Travel Retail	(133.0)	*35.3%*	(129.8)	*36.1%*
Headquarters, holding companies and purchasing entities (1)	(12.4)	=	(11.7)	=
Total	**(649.1)**	***45.7%***	**(623.7)**	***46.2%***

(1) Represents personnel costs associated with headquarters, holding companies and purchasing entities (including the IT department) invoiced to operating entities for management and shared services. As the corresponding invoices do not break down the costs invoiced by nature, they cannot be allocated to specific operating segments. They are therefore recorded as a credit under "Other operating expenses" within Headquarters, holding companies and purchasing entities.

1.1.4.1 Contract Catering & Support Services

Personnel costs for the Contract Catering & Support Services business line rose by €21.3 million, or 4.4 %, to €503.6 million from €482.3 million. The higher amount for first-quarter 2014-2015 was mainly attributable to the effect of the acquisition of Lexington during the period (which accounted for €4.1 million of the total year-on-year increase), as well as a rise in personnel costs (in line with revenue growth) for this business line's operations in the United Kingdom and the United States.

As a percentage of revenue, Contract Catering & Support Services personnel costs decreased to 48.3% from 48.8%. All of the business line's international subsidiaries saw a reduction in their personnel costs to revenue ratio, particularly in (i) the United Kingdom, chiefly due to the termination of the Tesco contract, and (ii) Italy, which once again felt the benefits of the start-up during first-quarter 2013-2014 of on-board train catering services, which are largely subcontracted.

1.1.4.2 Concession Catering & Travel Retail

Personnel costs for the Concession Catering & Travel Retail business line rose by €3.2 million, or 2.5%, to €133.0 million from €129.8 million. This year-on-year increase primarily stemmed from higher personnel costs in the Group's Italian Concession Catering & Travel Retail operations due to the opening of new sites and new points of sale in the Airports market.

As a percentage of revenue, personnel costs retreated to 35.3% from 36.1%, mainly reflecting a lower ratio of personnel costs to revenue for operations in France, Germany and Belgium thanks to productivity gains and cost-efficiency measures.

1.1.5 Other Operating Expenses

Other operating expenses increased by €15.7 million, or 8.0%, to €210.8 million in the three months ended December 31, 2014 from €195.1 million in the corresponding prior-year period.

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)	Three months ended December 31,			
	2014		2013	
Other operating expenses				
Contract Catering & Support Services	(111.5)	*10.7%*	(105.1)	*10.6%*
Concession Catering & Travel Retail	(107.0)	*28.4%*	(96.4)	*26.8%*
Headquarters, holding companies and purchasing entities [1]	7.8	—	6.4	—
Total	**(210.8)**	***14.8%***	**(195.1)**	***14.5%***

(1) Represents the portion of revenue invoiced to operating entities by headquarters, holding companies and purchasing entities (including the IT department) for management and shared services. As the corresponding invoices do not break down the costs invoiced by nature, they cannot be allocated to specific operating segments. They are therefore recorded as a credit under "Other operating expenses" for Headquarters, holding companies and purchasing entities and mainly comprise personnel costs.

1.1.5.1 Contract Catering & Support Services

Other operating expenses reported for the Contract Catering & Support Services business line rose by €6.4 million, or 6.1%, to €111.5 million from €105.1 million. The year-on-year increase reflects the acquisition of Lexington (which accounted for €1.0 million of the overall rise) as well as increased use of subcontracting in Italy as a result of the start-up in November 2013 of the Group's services under on-board train catering contracts.

As a percentage of revenue, the business line's other operating expenses inched up to 10.7% from 10.6%.

1.1.5.2 Concession Catering & Travel Retail

Other operating expenses for the Concession Catering & Travel Retail business line increased by €10.6 million, or 11.0%, to €107.0 million from €96.4 million. The increase was mainly attributable to (i) operations in Italy, where the Group took over new sites and opened new points of sale at existing sites, and (ii) the City Sites market in the French Concession Catering business, due to the impacts of an adjustment to royalties payable for previous years in connection with the Louvre Museum contract and the fact that the Paris Motor Show (which takes place every two years) was held during the first quarter of 2014-2015. This item also rose as a percentage of revenue, representing 28.4% in the three months ended December 31, 2014 versus 26.8% in the same period of 2013-2014.

1.1.6 Taxes other than on Income

The figure that was initially reported under this item for the three months ended December 31, 2013 has been restated to take into account the Group's retrospective application of IFRIC 21 since October 1, 2014 (see Note 5 to the condensed interim consolidated financial statements). This restatement had a €3.0 million impact at December 31, 2014 but does not affect year-on-year changes in this item between the three-month periods ended December 31, 2013 and December 31, 2014.

Taxes other than on income increased by €0.5 million, or 3.7% in the first quarter of 2014-2015, amounting to €14.0 million versus €13.5 million for the same period of 2013-2014. As a percentage of revenue they remained stable year on year. 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)	Three months ended December 31,			
	2014		2013	
Taxes other than on income				
Contract Catering & Support Services	(10.7)	*1.0%*	(10.3)	*1.0%*
Concession Catering & Travel Retail	(02.5)	*0.7%*	(2.6)	*0.7%*
Headquarters, holding companies and purchasing entities	(0.8)	–	(0.5)	–
Total	**(14.0)**	***1.0%***	**(13.5)**	***1.0%***

1.1.6.1 Contract Catering & Support Services

Taxes other than on income for the Contract Catering & Support Services business line rose by €0.4 million, or 3.9%, to €10.7 million from €10.3 million.

1.1.6.2 Concession Catering & Travel Retail

For the Concession Catering & Travel Retail business line, taxes other than on income narrowed to €2.5 million from €2.6 million. As a percentage of revenue, however, they remained stable at 0.7%.

1.1.7 EBITDA

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

(in € millions)	Three months ended Dec. 31, 2014	Three months ended Dec. 31, 2013	Change in EBITDA	EBITDA margin Three months ended Dec. 31, 2014	EBITDA margin Three months ended Dec. 31, 2013
Contract Catering & Support Services					
France	49.1	48.2	1.0	8.8%	8.7%
Other countries	37.2	34.6	2.6	7.6%	7.9%
Total Contract Catering & Support Services	**86.3**	**82.8**	**3.6**	**8.3%**	**8.4%**
Concession Catering & Travel Retail					
France, Germany, Belgium, Italy	15.0	16.6	(1.6)	6.5%	7.6%
Spain, Portugal and the Americas	7.3	7.4	(0.1)	5.0%	5.3%
Total Concession Catering & Travel Retail	**22.3**	**24.0**	**(1.7)**	**5.9%**	**6.7%**
Headquarters, holding companies and purchasing entities	**(2.5)**	**(2.2)**	(0.3)		
Consolidated total	**106.2**	**104.6**	**1.6**	**7.5%**	**7.8%**

Consolidated EBITDA climbed by €1.6 million, or 1.5%, to €106.2 million from €104.6 million. As a percentage of revenue, it came in at 7.5% versus 7.8%. Changes in exchange rates had a positive €1.3 million impact on the Group's operating results for the three months ended December 31, 2014.

1.1.7.1 Contract Catering & Support Services

EBITDA for the Contract Catering & Support Services business line advanced by €3.5 million, or 4.2%, to €86.3 million from €82.8 million. The acquisition of Lexington in October 2014 contributed €0.8 million of the year-on-year rise.

In France, EBITDA rose by €1.0 million to €49.1 million and represented 8.8% of revenue, up 0.1 point on the EBITDA margin for first-quarter 2013-2014. The strong performance delivered in the Business & Industry market offset the slight contraction in the Education market caused by (i) the negative calendar effect during the period (with one day less than in first-quarter 2013-2014), and (ii) the costs incurred on the start-up of the secondary schools catering contract with the Conseil Général des Hauts-de-Seine.

In international markets, Contract Catering & Support Services EBITDA was €2.6 million higher than in the comparable prior-year period, coming in at €37.2 million. As a percentage of revenue it was slightly lower than in the first quarter of 2013-2014, representing 7.6% versus 7.9%. International EBITDA for this business line was boosted during the period by wider margins reported in the United States and revenue growth in the United States, Spain and the United Kingdom.

Overall, the business line's EBITDA margin was stable, representing 8.3% of revenue for the three months ended December 31, 2014 versus 8.4% the previous year.

1.1.7.2 Concession Catering & Travel Retail

EBITDA for the Concession Catering & Travel Retail business line contracted by €0.7 million, or 7.1%, to €22.3 million from €24.0 million.

In France, Germany, Belgium and Italy, the EBITDA figure was €15.0 million (versus €16.6 million for the prior-year period), and represented 6.5% of revenue. Lower year-on-year performance reported in France for the Motorways and Airports markets – particularly for Nice airport (whose contract was transferred as from January 1, 2015) – was partly offset by higher business levels in Italy and the City Sites & Leisure market.

In Spain, Portugal and the Americas, EBITDA came in at €7.3 million, more or less unchanged from the prior-year period despite revenue growth in the first quarter of 2014-2015. This reflected the fact that although there was a stronger contribution from Spain and Portugal (driven by an upturn in business in the region) this positive impact was offset by lower margins in the United States due to the gradual ramp-up of the service areas on the Maryland turnpike.

As a percentage of revenue, EBITDA for Concession Catering & Travel Retail narrowed to 5.9% from 6.7%. However, EBITDA margin for this business is significantly affected by seasonal fluctuations, as business volumes are much lower in the first two quarters of the year than in the last two quarters.

1.1.8 **Depreciation, Amortization and Provisions for Recurring Operating Items**

Consolidated depreciation, amortization and provisions for recurring operating items rose by €3.8 million, or 10.8 %, to €38.9 million from €35.1 million.

The following table sets out depreciation, amortization and provisions for recurring operating items by business line and as a percentage of the revenue of each business line.

(in € millions and % of revenue)	Three months ended December 31,			
	2014		2013	
Depreciation, amortization and provisions for recurring operating items				
Contract Catering & Support Services	(19.0)	*1.8%*	(16.0)	*1.6%*
Concession Catering & Travel Retail	(19.7)	*5.2%*	(18.7)	*5.2%*
Headquarters, holding companies and purchasing entities	(0.2)		(0.4)	
Total	**(38.9)**	***2.7%***	**(35.1)**	***2.6%***

1.1.8.1 Contract Catering & Support Services

Depreciation, amortization and provisions for recurring operating items reported by the Contract Catering & Support Services business line rose by €3.0 million, or 18.8%, to €19.0 million from €16.0 million. The year-on-year increase mainly stemmed from (i) an addition to provisions for doubtful debts related to the Facilities Management business in Italy, and (ii) higher depreciation and amortization expenses in Italy and in the Business & Industry and Education markets in France.

1.1.8.2 Concession Catering & Travel Retail

Depreciation, amortization and provisions for recurring operating items reported by the Concession Catering & Travel Retail business line increased by €1.0 million, or 5.3%, to €19.7 million from €18.7 million. The year-on-year rise was primarily attributable to (i) capital expenditure incurred in 2013-2014 for new contracts in the United States, and (ii) additional depreciation expenses recorded as a result of the renovated sites on motorways in France.

1.1.9 Other Income and Expenses, Net

This item represented a net expense of €10.3 million for the three months ended December 31, 2014, chiefly reflecting (i) €1.5 million in amortization of intangible assets (customer relationships) recognized on the first-time consolidation of THS in the United States as part of the purchase price allocation process, and (ii) the expensing of €8.6 million worth of debt issuance costs that were previously capitalized and unamortized, corresponding to the amounts repaid under the Senior Facilities Agreement (SFA) following the refinancing of the Group's senior debt carried out in December 2014.

For the three months ended December 31, 2013, "Other income and expenses, net" represented a net expense of €3.6 million, and primarily included (i) the amortization charge for the period on the intangible assets (customer relationships) recognized as part of the THS purchase price allocation process, and (ii) the loss recognized on the divestment of the Group's concession catering operations in Argentina.

1.1.10 Net Financial Expense

Net financial expense decreased by €17.5 million, or 42.9%, in the first three months of 2014-2015 to €23.3 million from €40.8 million in the same period of 2013-2014. The reduction was mainly due to the repayment of a portion of the Group's debt in June 2014 following the IPO and in December 2014 in connection with the senior debt refinancing.

1.1.11 Income Tax

The Group's income tax expense decreased by €5.7 million, or 28.8%, to €14.1 million from €19.8 million, representing an effective tax rate of 39.1% (or 40% including the impact of the French CVAE tax). The year-on-year reduction primarily reflects the recognition at December 31, 2013 of a €7.0 million provision for a tax audit carried out on one of the Group's subsidiaries.

1.1.12 Attributable Profit for the Period and Earnings per Share

As a result of the above-described factors – particularly the higher EBITDA figure and higher non-recurring expenses – profit for the period attributable to owners of the parent came to €19.7 million for the three months ended December 31, 2014 versus €6.0 million for the comparable prior-year period.

Earnings per share – calculated based on the weighted average number of Elior shares outstanding during the period – amounted to €0.12, representing double the first-quarter 2013-2014 figure of €0.06.

1.2 CONSOLIDATED CASH FLOWS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2014 AND DECEMBER 31, 2013

The following table provides a summary of the Group's cash flows for the three-month periods ended December 31, 2014 and December 31, 2013.

(in € millions)	Three months ended December 31,	
	2014	2013
Net cash used in operating activities	(44.1)	(13.5)
Net cash used in investing activities	(73.7)	(58.6)
Net cash from financing activities	88.1	62.0
Effect of exchange rate and other changes	(21.8)	5.5
Net decrease in cash and cash equivalents	**(51.5)**	**(4.6)**

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 three-month periods ended December 31, 2014 and December 31, 2013.

(in € millions)	Three months ended December 31,	
	2014	2013
EBITDA	106.2	104.6
Change in working capital	(90.4)	(64.6)
Interest paid	(22.0)	(39.3)
Tax paid	(6.3)	(3.7)
Other (including dividends received from associates)	(31.6)	(10.5)
Net cash used in operating activities	**(44.1)**	**(13.5)**

Operating activities generated a net cash outflow of €44.1 million in the three months ended December 31, 2014 versus a net cash outflow of €13.5 million in the first quarter of 2013-2014.

1.2.1.1 Change in working capital

Change in working capital resulted in a higher cash outflow in the three months ended December 31, 2014 (€90.4 million) than in the same period of 2013-2014 (€64.6 million). This increase primarily reflects the seasonality of the Group's working capital, but is also attributable to (i) an unfavorable basis of comparison with first-quarter 2013-2014 as during that period non-recurring non-recourse sales of receivables in an amount of €17.0 million were carried out in Spain following a decision by the Spanish government to reduce its payment terms, and (ii) longer client payment terms in certain subsidiaries (in the USA, United Kingdom and Italy).

1.2.1.2 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 €6.3 million in the three months ended December 31, 2014 versus €3.7 million in the equivalent prior-year period. The increase mainly stems from the payment of withholding tax on dividends received following the sale of Arco Prime in 2013-2014, which will be recovered in the coming months.

1.2.1.3 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 of subsidiaries carried out in prior periods. For the three-month periods ended December 31, 2014 and 2013, other cash flows from operating activities represented net cash outflows of €31.6 million and €10.5 million respectively. The figure for the three months ended December 31, 2014 primarily includes (i) €19.3 million in costs related to Elior's IPO in June 2014, (ii) approximately €6.8 million in restructuring costs, which were principally incurred by Áreas and Serunión in Spain and were provisioned at September 30, 2014, and (iii) expenses related to recent acquisitions (Gemeaz and Lexington).

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 three-month periods ended December 31, 2014 and December 31, 2013.

(in € millions)	Three months ended December 31,	
	2014	2013
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(55.5)	(56.0)
Purchases of and proceeds from sale of non-current financial assets	(0.1)	(1.8)
Acquisition/sale of shares in consolidated companies	(18.1)	(0.8)
Net cash used in investing activities	**(73.7)**	**(58.6)**

1.2.2.1 Capital expenditure

Total consolidated cash used for purchases of property, plant and equipment and intangible assets (net of proceeds from sales) was stable year on year, amounting to €55.5 million and €56.0 million for the three-month periods ended December 31, 2014 and 2013 respectively.

The figure for Contract Catering & Support Services came to €29.1 million for the three months ended December 31, 2014 and €20.8 million for the three months ended December 31, 2013, representing 2.8% and 2.1% of the business line's revenue respectively. The year-on-year increase reflects the capital outlay incurred for new contracts, particularly in the Business & Industry and Education markets in France, as well as in Spain and the United States.

For Concession Catering & Travel Retail, net cash used for capital expenditure totaled €24.6 million for the three months ended December 31, 2014 and €33.6 million for the corresponding prior-year period, representing 6.5% and 9.3% of the business line's revenue respectively. These figures reflect a significant reduction in the pace of capital outlay during first-quarter 2014-2015 following the completion in 2013-2014 of capital expenditure programs for U.S. motorways, although this effect was partially offset by capital spending for five new airport sites in Italy.

Net cash used for capital expenditure by Headquarters, holding companies and purchasing entities came to €1.7 million in the first quarter of 2014-2015 and in the first three months of 2013-2014, and primarily corresponded to purchases of software and hardware.

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

This item corresponded to a net cash outflow of €0.1 million in the three months ended December 31, 2014.

The consolidated net cash outflow of €1.8 million recorded under this item for the three months ended December 31, 2013 mainly reflected an increase in loans and deposits.

1.2.2.3 Acquisition/sale of shares in consolidated companies

For the three months ended December 31, 2014, acquisitions and sales of shares in consolidated companies represented a net cash outflow of €18.1 million, mostly corresponding to the consideration paid for the Lexington shares acquired in October 2014.

For the three months ended December 31, 2013 this item represented a net cash outflow of €0.8 million and concerned (i) the payment of additional purchase price consideration by THS to certain former shareholders of THS subsidiaries, partially offset by (ii) proceeds received during the period from the sale of the Group's subsidiaries in Argentina and Morocco.

1.2.3 Cash Flows from Financing Activities

The following table sets out the components of consolidated net cash from financing activities for the three-month periods ended December 31, 2014 and December 31, 2013.

(in € millions)	Three months ended December 31,	
	2014	2013
Movements in share capital of the parent and in shareholder loans	–	–
Dividends paid to non-controlling interests in consolidated companies	(0.6)	(0.3)
Proceeds from borrowings	1,048.3	74.7
Repayments of borrowings	(959.7)	(12.4)
Net cash from financing activities	**88.1**	**62.0**

Net cash from financing activities totaled €88.1 million and €62.0 million in the three-month periods ended December 31, 2014 and 2013 respectively.

1.2.3.1 Movements in share capital of the parent and in shareholder loans

There were no movements in the parent company's share capital during the three-month periods ended December 31, 2014 and 2013.

1.2.3.2 Dividends paid to non-controlling interests in consolidated companies

This item represented net cash outflows of €0.6 million and €0.3 million for the thee-month periods ended December 31, 2014 and 2013 respectively, and corresponded to dividends paid to non-controlling shareholders of MyChef in Italy.

1.2.3.3 Proceeds from borrowings

Consolidated cash inflows from proceeds from borrowings totaled €1,048.3 million and €74.7 million in the three-month periods ended December 31, 2014 and 2013 respectively.

In the first quarter of 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, (ii) €63.0 million from new securitized receivables, and (iii) a €22.7 million bank loan drawn down by Áreas to fund the capital outlay for its U.S. concession operations.

In the three months ended December 31, 2013, this item primarily corresponded to (i) €50.9 million from new securitized receivables, due to the inclusion of Serunión in the securitization program, and (ii) a €20.5 million bank loan drawn down by Áreas.

1.2.3.4 Repayments of borrowings

Repayments of borrowings led to net cash outflows of €959.7 million and €12.4 million in the three-month periods ended December 31, 2014 and 2013 respectively.

In the first quarter of 2014-2015 this item primarily related to (i) early repayment in an amount of €956.3 million made by Elior SA and Elior Participations SCA for their two syndicated bank loans (as referred to above), (ii) the repayment of €1.2 million in finance lease liabilities, and (iii) €2.2 million in repayments of various other bank borrowings.

In the three months ended December 31, 2013, these repayments mainly concerned finance lease liabilities and various bank borrowings of subsidiaries.

1.2.3.5 Effect of exchange rate and other changes

In the three months ended December 31, 2014, fluctuations in exchange rates and other changes had a negative €21.8 million cash impact, reflecting unfavorable currency effects on consolidated cash and cash equivalents as well as bank fees paid in connection with the Group's debt refinancing in December 2014.

In the first quarter of 2013-2014, fluctuations in exchange rates and other changes had a positive €5.5 million cash impact, primarily reflecting (i) cash amounts received by Áreas USA for the Florida Turnpike short-term financial receivable recorded in accordance with IFRIC 12, and (ii) favorable currency effects on consolidated cash and cash equivalents.

1.3 CONSOLIDATED BALANCE SHEET

(in € millions)	At December 31, 2014	2013
Non-current assets	3,437	3,345
Current assets excluding cash	1,149	1,077
Cash and cash equivalents	154	168
Total assets	**4,740**	**4,590**

(in € millions)	At December 31, 2014	2013
Equity	1,302	597
Non-controlling interests	46	67
Non-current liabilities	1,938	2,514
Current liabilities	1,454	1,412
Total equity and liabilities	**4,740**	**4,590**
Net working capital requirement	(92)	(99)
Gross debt	1,664	2,400
Net debt as defined in the SFA	1,527	2,249
SFA leverage ratio (net debt as defined in the SFA/EBITDA) (*)	3.4	5.1

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

At December 31, 2014, the Group's gross debt totaled €1,664 million compared with €2,400 million one year earlier, and mainly included (i) euro-denominated borrowings amounting to €950 million under the SFA and €227 million in debt carried by Elior SA and Elior Participations SCA in relation to the Senior Secured Notes issued by Elior Finance & Co. SCA, and (ii) U.S. dollar-denominated borrowings comprising $145 million (€120 million) worth of debt under a senior loan set up by THS in the United States. The remainder of the Group’s gross debt at December 31, 2014 was made up of €239 million in liabilities related to trade receivables securitized by French, Italian and Spanish subsidiaries, as well as €13 million in finance lease liabilities and €114 million in bank loans taken out by Áreas.

At December 31, 2014 and for the three months then ended, the average interest rate – including the lending margin but excluding the effect of interest rate hedges – on Elior’s debt related to the SFA and Senior Secured Notes (which represent the majority of the Group's total debt) was 3.7%.

Cash and cash equivalents recognized in the balance sheet amounted to €154 million at December 31, 2014. At the same date, cash and cash equivalents presented in the cash flow statement, i.e. net of bank overdrafts and short-term accrued interest, totaled €137 million.

At December 31, 2014, consolidated net debt (as defined in the SFA) stood at €1,527 million. This amount represented 3.4 times consolidated EBITDA, versus 5.1 times at December 31, 2013 and 3.1 times at September 30, 2014. The Group’s leverage ratios are 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

N/A.

Elior SA

Condensed Interim Consolidated Financial Statements

For the Three-Month Periods Ended December 31, 2014 and 2013

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.

1. Consolidated Income Statement and Statement of Comprehensive Income

a. Consolidated Income Statement

(in € millions)	Note	Three months ended December 31, 2014 Unaudited	Three months ended December 31, 2013 Unaudited
Revenue	**9.a**	**1,419.8**	**1,348.7**
Purchase of raw materials and consumables		(439.9)	(412.1)
Personnel costs		(649.1)	(623.7)
Other operating expenses		(210.8)	(195.1)
Taxes other than on income (*)		(14.0)	(13.5)
Depreciation, amortization and provisions for recurring operating items		(38.9)	(35.1)
Recurring operating profit		**67.0**	**69.2**
Share of profit of associates		0.2	0.3
Recurring operating profit including share of profit of associates	**9.a**	**67.3**	**69.5**
Other income and expenses, net	11	(10.3)	(3.6)
Operating profit including share of profit of associates		**57.0**	**65.9**
Financial expenses	17	(24.0)	(41.6)
Financial income	17	0.7	0.9
Profit before income tax		**33.7**	**25.2**
Income tax	12	(14.1)	(19.8)
Profit for the period		**19.6**	**5.3**
Attributable to non-controlling interests		**(0.1)**	**(0.7)**
Attributable to owners of the parent		**19.7**	**6.0**
Basic earnings per share (in €)		0.12	0.06
Diluted earnings per share (in €)		0.12	0.05

(*) The figure for the three months ended December 31, 2013 has been restated compared with the initially reported figure due to the Group's retrospective application of IFRIC 21 (see Note 5 to these consolidated financial statements).

b. Consolidated Statement of Comprehensive Income

(in € millions)	Three months ended December 31, 2014 Unaudited	Three months ended December 31, 2013 Unaudited
Profit for the period	**19.6**	**5.3**
Items that will not be reclassified subsequently to profit or loss		
Post-employment benefit obligations		0.1
Items that may be reclassified subsequently to profit or loss		
Financial instruments	4.4	3.3
Currency translation differences	(2.6)	(0.2)
Income tax	(1.5)	(1.1)
Total other comprehensive income for the period	**0.3**	**2.1**
Total comprehensive income for the period	**19.9**	**7.4**
Attributable to:		
- Owners of the parent	19.0	8.9
- Non-controlling interests	0.9	(1.5)

2. Consolidated Balance Sheet

a. Assets

(in € millions)	Note	At December 31, 2014 Unaudited	At September 30, 2014 Audited	At December 31, 2013 Unaudited
Goodwill	14	2,385.4	2,360.2	2,362.6
Intangible assets	15	272.5	260.2	224.7
Property, plant and equipment	16	499.9	498.4	485.9
Non-current financial assets		32.0	31.8	43.5
Investments in associates		2.1	1.9	6.8
Fair value of derivative financial instruments (*)		0.0	0.0	1.0
Deferred tax assets		245.3	249.2	219.9
Non-current assets		**3,437.2**	**3,401.7**	**3,344.6**
Inventories		96.6	94.5	96.6
Trade and other receivables		972.6	907.8	908.2
Current income tax assets		21.5	15.8	19.6
Other current assets		51.1	49.0	47.3
Short-term financial receivables (*)		6.7	5.9	5.2
Cash and cash equivalents (*)		154.0	220.2	168.2
Current assets		**1,302.7**	**1,293.2**	**1,245.0**
Total assets		**4,739.9**	**4,694.9**	**4,589.6**

(*) Included in the calculation of net debt

b. Equity and Liabilities

(in € millions)	At December 31, 2014 Unaudited	At September 30, 2014 Audited	At December 31, 2013 Unaudited
Share capital	1.6	1.6	1.1
Reserves and retained earnings	1,299.4	1,281.4	595.4
Non-controlling interests	46.4	45.4	67.3
Total equity	**1,347.4**	**1,328.4**	**663.8**
Long-term debt (*)	1,564.9	1,498.5	2,290.7
Fair value of derivative financial instruments (*)	21.8	27.3	22.5
Non-current liabilities relating to share acquisitions	182.1	178.2	39.2
Deferred tax liabilities	49.3	50.6	51.1
Provisions for pension and other post-employment benefit obligations	103.3	106.2	95.3
Long-term provisions	17.0	10.5	15.4
Non-current liabilities	**1,938.3**	**1,871.2**	**2,514.2**
Trade and other payables	641.1	687.0	615.9
Due to suppliers of non-current assets	15.0	24.6	14.4
Accrued taxes and payroll costs	547.8	551.3	513.6
Current income tax liabilities	43.6	26.7	11.2
Short-term debt (*)	99.3	90.0	109.3
Current liabilities relating to share acquisitions	9.9	8.1	25.7
Short-term provisions	77.4	84.8	102.9
Other current liabilities	20.0	22.9	18.5
Current liabilities	**1,454.1**	**1,495.3**	**1,411.6**
Total liabilities	**3,392.4**	**3,366.5**	**3,925.7**
Total equity and liabilities	**4,739.9**	**4,694.9**	**4,589.6**
(*) Included in the calculation of net debt	1,525.2	1,389.6	2,248.1
Net debt excluding fair value of derivative financial instruments and debt issuance costs	1,527.1	1,380.4	2,248.7

3. Consolidated Cash Flow Statement

(in € millions)	Three months ended December 31, 2014 Unaudited	Three months ended December 31, 2013 Unaudited
Cash flows from operating activities		
Recurring operating profit including share of profit of associates	67.3	69.5
Amortization and depreciation	37.5	33.9
Provisions	1.4	1.2
EBITDA	**106.2**	**104.6**
Change in working capital	(90.4)	(64.6)
Interest paid	(22.0)	(39.3)
Tax paid	(6.3)	(3.7)
Other cash movements	(31.6)	(10.5)
Net cash used in operating activities	**(44.1)**	**(13.5)**
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(57.6)	(58.4)
Proceeds from sale of property, plant and equipment and intangible assets	2.1	2.4
Purchases of non-current financial assets	(0.1)	(2.4)
Proceeds from sale of non-current financial assets	0.0	0.6
Acquisition/sale of shares in consolidated companies, net of cash acquired/divested	(18.1)	(0.8)
Net cash used in investing activities	**(73.7)**	**(58.6)**
Cash flows from financing activities		
Movements in share capital of the parent and in shareholder loans	0.0	0.0
Dividends paid to non-controlling interests	(0.6)	(0.3)
Proceeds from borrowings	1,048.3	74.7
Repayments of borrowings	(959.7)	(12.4)
Net cash from financing activities	**88.1**	**62.0**
Effect of exchange rate and other changes	(21.8)	5.5
Net decrease in cash and cash equivalents	**(51.5)**	**(4.6)**
Cash and cash equivalents at beginning of period	**188.8**	**130.1**
Cash and cash equivalents at end of period	**137.3**	**125.5**

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, 2013 (*)	**108,820,358**	**1.1**	**571.8**	**8.7**	**6.3**	**587.8**	**68.7**	**656.6**
Profit for the period				6.0		6.0	(0.7)	5.3
Post-employment benefit obligations			0.1			0.1		0.1
Changes in fair value of financial instruments			2.2			2.2		2.2
Currency translation differences					0.6	0.6	(0.8)	(0.2)
Comprehensive income for the period			**2.3**	**6.0**	**0.6**	**8.9**	**(1.5)**	**7.4**
Appropriation of prior-period profit			8.7	(8.7)				
Dividends paid			(0.3)			(0.3)		(0.3)
Other movements			0.1			0.1	0.0	0.1
Balance at December 31, 2013	**108,820,358**	**1.1**	**582.5**	**6.0**	**6.9**	**596.6**	**67.3**	**663.8**
Balance at September 30, 2014 (*)	**164,370,556**	**1.6**	**1,236.0**	**47.8**	**(2.4)**	**1,283.0**	**45.4**	**1,328.4**
Profit for the period				19.7		19.7	(0.1)	19.6
Changes in fair value of financial instruments			2.9			2.9		2.9
Currency translation differences					(3.6)	(3.6)	1.0	(2.6)
Comprehensive income for the period			**2.9**	**19.7**	**(3.6)**	**19.0**	**0.9**	**19.9**
Appropriation of prior-period profit			47.8	(47.8)		0.0		0.0
Capital increase	650		0.0			0.0		0.0
Dividends paid			(0.6)			(0.6)	0.0	(0.6)
Other movements			(0.5)			(0.5)	0.2	(0.3)
Balance at December 31, 2014	**164,371,206**	**1.6**	**1,285.6**	**19.7**	**(6.0)**	**1,301.0**	**46.4**	**1,347.4**

(*) Including the impact of the application of IFRIC 21 (see Note 5 to these consolidated financial statements), representing a positive amount of €8.3 million before tax (€5.8 million after tax).

Notes to the Condensed Interim Consolidated Financial Statements

1. General information

Elior S.A. (formerly Holding Bercy Investissement SCA) 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 December 31, 2014, Elior was 41.26%-held by investment funds managed by Charterhouse and Chequers, 20.08%-held by Bagatelle Investissement et Management – "BIM" (which is wholly owned by Robert Zolade) and 38.66%-held by private and public investors following Elior's admission to trading on Euronext Paris on June 11, 2014.

The Elior Group is a major player in Europe's contracted food and support services industry. It operates its businesses of Contract Catering & Support Services and Concession Catering & Travel Retail through companies based in 13 countries – mainly in the Eurozone, the United Kingdom, Latin America and the USA.

2. Basis of Preparation

The condensed interim consolidated financial statements for the three-month period ended December 31, 2014 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, 2014, 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, 2014 except for the changes in accounting method resulting from the first-time adoption of new standards and interpretations in the first quarter of 2014-2015 (see Note 5).

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 financial statements.

The condensed interim consolidated financial statements were approved for issue by Elior's Board of Directors on March 9, 2015.

3. Significant Events

a. Acquisition and disposal of shares in consolidated companies

In October 2014 the Group acquired the entire capital of Lexington, a UK-based contract caterer. Lexington generates annual revenue of over £30 million in the Business & Industry market and has a major presence in the City of London. The acquisition was financed through an equity investment in Elior UK. Lexington has been fully consolidated in the Group's financial statements since October 1, 2014.

During the first quarter of 2013-2014, the main changes in the Group's scope of consolidation corresponded to the divestment in December 2013 of non-strategic concession catering operations in Morocco and Argentina, which generated annual revenue of around €20 million. For the three months ended December 31, 2013, these businesses contributed €3.1 million to consolidated revenue and €0.4 million to consolidated EBITDA.

b. 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 Facility Agreement pursuant to an amendment signed on December 3, 2014. This refinancing – which involved a total amount of €950 million – enabled the Group to (i) significantly lower the cost of its senior debt thanks to a reduction in the applicable interest margins, (ii) extend the maturity of part of this debt to 2019 and 2022, and (iii) obtain less strict financial and non-financial covenants. The €14 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.

4. Accounting Policies

The accounting policies adopted are the same as those used for the previous financial period except for (i) the accounting treatments described below and (ii) the change in accounting method arising from the Group's application of IFRIC 21 as described in Note 5 below.

For interim periods, taxes on income (other than the CVAE tax levied in France on value added generated by the business) 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 a quarter 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 three-month periods ended December 31, 2013 and 2014 represents one quarter of the expense calculated for the full years ended September 30, 2014 and 2015, respectively.

5. New Standards, Amendments and Interpretations

New Standards, Amendments and Interpretations Adopted by the European Union and Applied by the Group as from October 1, 2014

- IFRIC 21, "Levies", which was adopted by the European Union on June 17, 2014 and is effective for annual periods beginning on or after January 1, 2014. IFRIC 21 – which is an interpretation of IAS 37 – states that a liability to pay a levy (i.e. tax other than on income) should be recognized on the basis of when the "obligating event" occurs (with "obligating event" defined as the activity that triggers the payment of the levy) and removes the option of deferring recognition. This interpretation primarily affects Elior's interim financial statements because the obligating events in the countries for which the impact of IFRIC 21 has been deemed material mainly occur on January 1. Consequently, in the financial statements at December 31, 2014 the Group has restated through the income statement provisions for taxes other than on income representing an aggregate amount of €2.9 million pre-tax and €2.0 million post-tax. In accordance with IFRIC 21, the change in accounting method has been applied retrospectively and therefore the first-quarter 2013-2014 income statement has been restated for the same pre-tax and post-tax amounts. The impact on opening equity, as restated at September 30, 2013 and 2014, was a positive €8.3 million before tax and €5.8 million after tax.

  The application of IFRIC 21 is expected to negatively impact the Group's financial statements for first-half and third-quarter 2014-2015 by cumulative amounts of around €6 million pre-tax (€4 million post-tax) and €3 million pre-tax (€2 million post-tax) respectively. Restatements of almost exactly the same amounts will be recorded for the comparable prior-year periods. The total impact of IFRIC 21 for full-year 2014-2015 will be virtually nil.

The following new and revised standards are applicable by the Group as from October 1, 2014 but did not impact the condensed interim consolidated financial statements at December 31, 2014:

- IFRS 10, "Consolidated Financial Statements".
- IFRS 11, "Joint Arrangements".
- IFRS 12, "Disclosure of Interests in Other Entities" and amendments to IFRS 10, IFRS 11 and IFRS 12 "Transition Guidance", which were adopted by the European Union in December 2012.
- Revised version of IAS 27, "Separate Financial Statements".

- Revised version of IAS 28, "Investments in Associates and Joint Ventures".

The other standards, amendments and interpretations that have been issued but are not yet effective are not expected to have a material impact on the consolidated financial statements and are listed below:

- Amendments to IAS 12, "Deferred Tax: Recovery of Underlying Assets".
- Amendments to IAS 36, "Recoverable Amount Disclosures for Non-Financial Assets".
- Amendments to IAS 32 and IFRS 7, "Offsetting Financial Assets and Financial Liabilities".

6. 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, 2014, with the exception of changes in estimates that are required in determining the provision for income taxes.

7. Exchange Rates

For the three-month periods ended December 31, 2014 and 2013, the balance sheets, income statements, and cash flow statements of certain subsidiaries whose functional currency differs from the presentation currency used in Elior's accounts have been translated (i) at the exchange rate prevailing at December 31, 2014 and 2013 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. Currency translation differences have been recorded in equity.

The main exchange rates used in the consolidated financial statements for the three-month periods ended December 31, 2014 and 2013 are based on Paris stock exchange rates and were as follows:

	December 31, 2014		December 31, 2013	
	Period-end rate	Average rate	Period-end rate	Average rate
- €/US $:	1.2099	1.2488	1.3746	1.3616
- €/£:	0.7764	0.7890	0.8303	0.8408

8. 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 & Travel Retail 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 & Support 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 quarterly revenue due to offsetting effects between the Group's two business lines. Each quarter accounts for approximately 25% 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 in the Concession Catering & Travel Retail 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 bank 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 & Travel Retail business line, cash generated from changes in working capital 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 & Support Services business line, the amount of trade receivables increases during the first half of each fiscal year as revenue invoiced to clients is at its peak during this period, and decreases during the second half when this segment's business volumes trough.

9. Segment Reporting

At December 31, 2014, the Group was structured into two main business lines: Contract Catering & Support Services, and Concession Catering & Travel Retail, which were the Group's operating segments for reporting purposes up until December 31, 2013. The results and long-term assets of these business lines are now broken down into operating segments that correspond to geographic regions and the segments used by management in making key operating decisions. These operating segments are as follows

- For Contract Catering & Support Services: "France" and "International".
- For Concession Catering & Travel Retail: "France, Germany, Italy and Belgium" and "Spain, Portugal and the Americas".

Segment information also includes an operating segment called ''Headquarters, holding companies and purchasing entities''.

The data that was reported in aggregated form at December 31, 2013 has been broken down based on the new operating segments in these financial statements.

a. Income statement information

The tables below present detailed income statement information by operating segment as well as a breakdown of consolidated revenue by client market and geographic region for the three-month periods ended December 31, 2014 and 2013.

- Income statement information by operating segment

Three months ended December 31, 2014 Unaudited (in € millions)	Contract Catering & Support Services			Concession Catering & Travel Retail			Headquarters, holding companies and purchasing entities	Group total
	France	International	Total	France, Germany, Italy and Belgium	Spain, Portugal and the Americas	Total		
Revenue	**555.3**	**487.3**	**1,042.6**	**230.5**	**146.7**	**377.2**	**0.0**	**1,419.8**
Recurring operating profit/(loss) including share of profit of associates	39.1	28.2	**67.3**	4.1	(1.5)	**2.7**	(2.7)	**67.3**
Recurring operating profit/(loss) as a % of revenue	*7.0%*	*5.8%*	***6.5%***	*1.8%*	*(1.0)%*	***0.7%***	**(0.2)%**	***4.7%***
Other income and expenses, net	0.1	(2.0)	**(1.9)**	0.0	0.0	**0.0**	(8.4)	**(10.3)**
Operating profit/(loss)	39.3	26.1	**65.4**	4.1	(1.5)	**2.7**	(11.1)	**57.0**
Net financial expense								**(23.3)**
Income tax								**(14.1)**
Loss for the period attributable to non-controlling interests								**(0.1)**
Profit for the period attributable to owners of the parent								**19.7**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(8.7)	(7.3)	**(16.0)**	(11.5)	(9.5)	**(21.0)**	(0.5)	**(37.5)**
Other expenses with no cash impact	(1.3)	(1.7)	**(3.0)**	0.6	0.701	**1.3**	0.2	**(1.4)**
EBITDA	49.1	37.2	**86.4**	15.0	7.3	**22.3**	(2.5)	**106.2**

Three months ended December 31, 2013 Unaudited (in € millions)	Contract Catering & Support Services			Concession Catering & Travel Retail			Headquarters, holding companies and purchasing entities	Group total
	France	International	Total	France, Germany, Italy and Belgium	Spain, Portugal and the Americas	Total		
Revenue	**553.1**	**435.8**	**989.0**	**218.5**	**141.3**	**359.8**	**0.0**	**1,348.7**
Recurring operating profit/(loss) including share of profit of associates	39.4	27.4	**66.8**	6.2	(0.9)	**5.3**	(2.5)	**69.5**
Recurring operating profit/(loss) as a % of revenue	*7.1%*	*6.3%*	***6.8%***	*2.8%*	*(0.7)%*	***1.5%***	**(0.2)%**	***5.2%***
Other income and expenses, net	(0.1)	(1.3)	**(1.4)**	(0.4)	(1.8)	**(2.2)**	0.0	**(3.6)**
Operating profit/(loss)	39.3	26.1	**65.4**	5.8	(2.7)	**3.1**	(2.5)	**65.9**
Net financial expense								**(40.8)**
Income tax								**(19.8)**
Loss for the period attributable to non-controlling interests								**(0.7)**
Profit for the period attributable to owners of the parent								**6.0**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(8.2)	(6.7)	**(14.9)**	(10.3)	(8.2)	**(18.6)**	(0.5)	**(33.9)**
Other expenses with no cash impact	(0.6)	(0.5)	**(1.1)**	(0.1)	(0.1)	**(0.2)**	0.1	**(1.2)**
EBITDA	48.2	34.6	**82.8**	16.6	7.4	**24.0**	(2.2)	**104.6**

- Revenue by business line and client market

(in € millions)	Three months ended December 31, 2014 Unaudited	% of total revenue	Three months ended December 31, 2013 Unaudited	% of total revenue	Year-on-year change	% change
Contract Catering & Support Services						
Business & Industry	473.7	33.4%	436.4	32.4%	37.3	+8.6%
Education	305.0	21.5%	302.1	22.4%	2.9	+0.9%
Healthcare	263.9	18.6%	250.5	18.6%	13.5	+5.4%
Sub-total: Contract Catering & Support Services	**1,042.6**	**73.4%**	**989.0**	**73.3%**	**53.6**	**+5.4%**
Concession Catering & Travel Retail						
Airports	151.1	10.6%	141.6	10.5%	9.4	+6.7%
Motorways	130.6	9.2%	121.8	9.0%	8.8	+7.2%
City Sites & Leisure	95.5	6.7%	96.3	7.1%	(0.8)	-0.8%
Sub-total: Concession Catering & Travel Retail	**377.2**	**26.6%**	**359.8**	**26.7%**	**17.4**	**+4.8%**
Total	**1,419.8**	**100.0%**	**1,348.7**	**100.0%**	**71.1**	**+5.3%**

- Revenue by geographic region

(in € millions)	Three months ended December 31, 2014 Unaudited	% of total revenue	Three months ended December 31, 2013 Unaudited	% of total revenue	Year-on-year change	% change
France	723.6	51.0%	720.0	53.4%	3.6	+0.5%
Europe excluding France	529.7	37.3%	481.1	35.7%	48.6	+10.1%
Other countries	166.5	11.7%	147.6	10.9%	18.9	+12.8%
Total	**1,419.8**	**100.0%**	**1,348.7**	**100.0%**	**71.1**	**+5.3%**

The definition of client markets and the basis of measurement of segment profit or loss are unchanged from the annual financial statements for the year ended September 30, 2014.

b. Segment non-current assets

(in € millions)	Contract Catering & Support Services			Concession Catering & Travel Retail			Headquarters, holding companies and purchasing entities	Group total
Three months ended December 31, 2014 Unaudited	France	International	**Total**	France, Germany, Italy and Belgium	Spain, Portugal and the Americas	**Total**		
Revenue	555.3	487.3	**1,042.6**	230.5	146.7	**377.2**	0.0	**1,419.8**
Non-current assets	1,187.7	816.6	**2,004.3**	707.3	425.0	**1,132.3**	21.2	**3,157.8**

(in € millions)	Contract Catering & Support Services			Concession Catering & Travel Retail			Headquarters, holding companies and purchasing entities	Group total
Three months ended December 31, 2013 Unaudited	France	International	**Total**	France, Germany, Italy and Belgium	Spain, Portugal and the Americas	**Total**		
Revenue	553.1	435.8	**989.0**	218.5	141.3	**359.8**	0.0	**1,348.7**
Non-current assets	1,184.5	782.8	**1,967.4**	694.0	391.7	**1,085.8**	20.2	**3,073.3**

10. Business Combinations

In October 2014 the Group acquired full control of Lexington, a UK-based contract caterer. Lexington generates around £30 million in annual revenue and has a major presence in the Business & Industry market in the City of London.

The acquisition was carried out by Elior UK and was equity financed by the Group.

As Lexington has been fully consolidated since October 1, 2014, provisional goodwill arising on the acquisition was recognized in the financial statements at December 31, 2014 in an amount of €24.9 million. The final goodwill amount will be assigned during 2014-2015 when the initial accounting for the identifiable assets and liabilities of the business combination is completed.

For the three months ended December 31, 2014, Lexington contributed €12.4 million to consolidated revenue and €0.8 million to consolidated EBITDA.

11. Other Income and Expenses, Net

This item represented a net expense of €10.3 million for the three months ended December 31, 2014, chiefly reflecting (i) €1.5 million in amortization of intangible assets (customer relationships) recognized on the first-time consolidation of THS in the United States as part of the purchase price allocation process, and (ii) the expensing of €8.6 million worth of debt issuance costs that were previously capitalized and unamortized, corresponding to the amounts repaid under the SFA following the refinancing of the Group's senior debt carried out in December 2014.

For the three months ended December 31, 2013, "Other income and expenses, net" represented a net expense of €3.6 million, and primarily included (i) the amortization charge for the period on the intangible assets (customer relationships) recognized as part of the THS purchase price allocation process, and (ii) the loss recognized on the divestment of the Group's concession catering operations in Argentina.

12. 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 average annual tax rate used for the year ending September 30, 2015 is 30%, unchanged from the estimated rate applied for the three months ended December 31, 2013.

The CVAE tax is accrued based on one quarter of the expected annual CVAE charge. The estimated CVAE charge for the three months ended December 31, 2014 amounted to €7.6 million (€6.9 million for the corresponding prior-year period).

13. Dividends

No dividend for either the year ended September 30, 2014 or September 30, 2013 was paid by Elior (formerly HBI) during the three months ended December 31, 2014 or December 31, 2013 respectively.

14. Goodwill

(in € millions)	At Dec. 31, 2014	At Sept. 30, 2014	At Dec. 31, 2013	At Sept. 30, 2013
Elior Entreprises	574.7	574.7	574.7	574.7
Other – France (Enseignement, Santé and Services)	499.5	499.5	499.5	499.5
Sub-total – France	**1,074.2**	**1,074.2**	**1,074.2**	**1,074.2**
International	**621.3**	**596.3**	**603.4**	**650.7**
Contract Catering & Support Services	**1,695.4**	**1,670.5**	**1,677.6**	**1,724.8**
France	423.2	423.2	423.2	423.2
Belgium, Germany and Italy	86.8	86.8	83.7	83.7
Sub-total – France, Belgium, Germany and Italy	**510.0**	**510.0**	**506.9**	**506.9**
Spain, Portugal and the Americas	**180.0**	**179.7**	**178.2**	**179.9**
Concession Catering & Travel Retail	**690.0**	**689.7**	**685.1**	**686.8**
Group total	**2,385.4**	**2,360.2**	**2,362.6**	**2,411.6**

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

The increase in goodwill at December 31, 2014 compared with September 30, 2014 primarily corresponds to the €24.9 million in provisional goodwill recognized at October 1, 2014 on the first-time consolidation of Lexington. The final goodwill amount will be recorded when the initial accounting for the business combination is completed (by the end of the first half of 2014-2015) and fair value adjustments have been made to identifiable intangible assets (notably customer relationships) based on valuations performed by an independent valuer.

The decrease in goodwill at December 31, 2013 compared with September 30, 2013 corresponded to changes in the value of the goodwill recognized on the acquisition of THS in the United States. These changes arose from the purchase price allocation process, during which €78.7 million (€47.2 million net of the recognized deferred tax) provisionally recorded as goodwill was reallocated to identifiable intangible assets (customer relationships) based on valuations performed by an independent valuer. These intangible assets are being amortized through the income statement over a period of 15 years.

15. Intangible Assets

(in € millions)	At Sept. 30, 2014	Additions	Disposals	Other movements (2)	At Dec. 31, 2014
Concession rights	163.6	1.9	0.0	2.9	168.4
Assets operated under concession arrangements (1)	36.3	0.0	0.0	0.0	36.3
Trademarks	34.3	0.1	(0.0)	0.1	34.5
Software	97.1	1.8	(0.1)	4.2	103.0
Prepayments for intangible assets	13.8	1.9	(0.0)	(3.3)	12.3
Other	107.9	6.7	(0.0)	3.6	118.3
Gross value	**453.0**	**12.5**	**(0.1)**	**7.5**	**472.9**
Concession rights	(42.0)	(2.0)	0.0	(0.3)	(44.3)
Assets operated under concession arrangements (1)	(36.9)	(0.0)	0.0	0.0	(36.9)
Trademarks	(11.0)	(0.3)	0.0	(0.0)	(11.3)
Software	(76.0)	(2.3)	0.1	(0.1)	(78.3)
Other	(26.9)	(1.6)	0.0	(1.0)	(29.6)
Total amortization	**(192.8)**	**(6.2)**	**0.1**	**(1.4)**	**(200.4)**
Carrying amount	**260.2**	**6.2**	**(0.0)**	**6.1**	**272.5**

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

(2) "Other movements" primarily correspond to currency translation differences.

(in € millions)	At Sept. 30, 2013	Additions	Disposals	Other movements (2)	At Dec. 31, 2013
Concession rights	102.0	7.0	(0.8)	(0.9)	107.2
Assets operated under concession arrangements (1)	36.3	0.0	0.0	0.0	36.3
Trademarks	33.8	0.1	(0.0)	(0.1)	33.8
Software	90.8	1.0	(0.2)	0.4	92.0
Prepayments for intangible assets	28.6	4.0	0.0	(4.5)	28.1
Other	17.4	0.0	(0.1)	79.8	97.2
Gross value	**308.8**	**12.0**	**(1.2)**	**74.8**	**394.4**
Concession rights	(37.3)	(1.1)	0.3	2.6	(35.5)
Assets operated under concession arrangements (1)	(36.2)	(0.2)	0.0	(0.0)	(36.4)
Trademarks	(9.8)	(0.3)	0.0	0.0	(10.0)
Software	(69.3)	(2.1)	0.2	(0.0)	(71.2)
Other	(12.7)	(1.5)	0.1	(2.4)	(16.6)
Total amortization	**(165.3)**	**(5.2)**	**0.6**	**0.2**	**(169.7)**
Carrying amount	**143.4**	**6.8**	**(0.6)**	**75.1**	**224.7**

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

(2) "Other movements" primarily reflect the final purchase price allocation for the THS acquisition in the USA as well as fair value adjustments to identifiable intangible assets (customer relationships).

16. Property, Plant and Equipment

(in € millions)	At Sept. 30, 2014	Additions	Disposals	Other movements	At Dec. 31, 2014
Land	3.7	0.0	0.0	0.0	3.7
Buildings	161.7	0.8	(0.3)	1.5	163.6
Technical installations	770.9	16.1	(9.4)	0.4	777.9
Other items of property, plant and equipment	493.5	9.3	(4.7)	3.2	501.2
Assets under construction	14.7	9.0	(0.1)	(2.6)	21.0
Prepayments to suppliers of property, plant and equipment	2.3	0.4	(0.4)	(1.0)	1.3
Gross value	**1,446.8**	**35.5**	**(15.0)**	**1.4**	**1,468.8**
Buildings	(93.7)	(2.7)	0.2	(0.2)	(96.3)
Technical installations	(530.9)	(17.7)	9.1	0.7	(538.8)
Other items of property, plant and equipment	(323.8)	(12.9)	4.5	(1.5)	(333.7)
Total depreciation	**(948.5)**	**(33.2)**	**13.8**	**(1.0)**	**(968.9)**
Carrying amount	**498.4**	**2.3**	**(1.2)**	**0.4**	**499.9**

(in € millions)	At Sept. 30, 2013	Additions	Disposals	Other movements	At Dec. 31, 2013
Land	3.2	0.0	0.0	(0.0)	3.1
Buildings	151.0	2.7	(0.1)	(0.2)	153.4
Technical installations	765.1	15.4	(31.1)	(5.8)	743.6
Other items of property, plant and equipment	456.2	6.7	(3.7)	(0.8)	458.5
Assets under construction	22.6	5.8	(0.3)	(3.2)	24.8
Prepayments to suppliers of property, plant and equipment	2.5	0.4	0.0	(0.9)	2.0
Gross value	**1,400.6**	**31.0**	**(35.2)**	**(10.8)**	**1,385.5**
Buildings	(85.1)	(2.4)	0.1	0.0	(87.3)
Technical installations	(528.4)	(17.2)	31.0	5.8	(508.8)
Other items of property, plant and equipment	(297.6)	(11.3)	3.9	1.7	(303.5)
Total depreciation	**(911.1)**	**(30.9)**	**34.9**	**7.5**	**(899.6)**
Carrying amount	**489.5**	**0.1**	**(0.3)**	**(3.4)**	**485.9**

17. Borrowings, Loans and Net Financial Expense

The Group's debt can be analyzed as follows:

(in € millions)	Original currency	**At Dec. 31, 2014** Amortized cost (1)	**At Sept. 30, 2014** Amortized cost (1)
Bank overdrafts	**€**	13.3	17.8
Other short-term debt (including short-term portion of obligations under finance leases)	**€ / $**	86.0	72.1
Sub-total – short-term debt		**99.3**	**90.0**
Syndicated loans (including THS loan)	**€ / $**	1,051.9	1,059.4
Other medium- and long-term borrowings	**€**	224.5	224.3
Factoring and securitized trade receivables	**€**	237.0	173.8
Other long-term debt (including obligations under finance leases)	**€**	51.6	41.0
Sub-total – long-term debt		**1,564.9**	**1,498.5**
Total debt		**1,664.3**	**1,588.5**

Following the fifth amendment to the SFA that came into effect on December 17, 2014, at December 31, 2014 the Group's debt under the SFA comprised:

- For Elior SA (formerly HBI): a senior bank loan totaling €200 million at December 31, 2014, of which €168 million is repayable in December 2019 and €32 million in December 2022. Interest is based on the Euribor plus standard margins of 1.9% and 2.75% for the €168 million and €32 million portions respectively. Elior SA also has a €300 million revolving credit facility (which can also be used by Elior Participations) that expires in December 2019 and carries a variable interest rate based on the Euribor plus a standard margin of 1.50%. If this revolving credit facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. At December 31, 2014 none of this facility had been drawn down by Elior SA.
- For Elior Participations SCA (formerly Elior SCA): a senior bank loan totaling €750 million at December 31, 2014, of which €632 million is repayable in December 2019 and €118 million in December 2022. Interest is based on the Euribor plus standard margins of 1.9% and 2.75% for the €632 million and €118 million portions respectively.

(in € millions)	Original currency	**At Dec. 31, 2013** Amortized cost (1)	**At Sept. 30, 2013** Amortized cost (1)
Bank overdrafts	**€ / $**	35.7	30.6
Other short-term debt (including short-term portion of obligations under finance leases)	**€**	73.7	105.5
Sub-total – short-term debt		**109.3**	**136.1**
Syndicated loans (including THS loan)	**€ / $**	1,667.5	1,666.7
Other medium- and long-term borrowings	**€**	344.5	344.2
Factoring and securitized trade receivables	**€**	228.5	180.3
Other long-term debt (including obligations under finance leases)	**€**	50.2	49.6
Sub-total – long-term debt		**2,290.7**	**2,240.8**
Total debt		**2,400.0**	**2,376.9**

(1) The amortized cost of bank borrowings is calculated taking into account the bank fees payable on the Group's debt refinancing operations (Amend & Extend process for the SFA and the Elior Finance & Co notes issue), which represented a net amount of €23.6 million at December 31, 2014 and €22.0 million at December 31, 2013.

The Group's net financial expense came to €23.3 million for the three months ended December 31, 2014, versus €40.8 million for the three months ended December 31, 2013, breaking down as follows:

(in € millions)	Three months ended Dec. 31, 2014	Three months ended Dec. 31, 2013
Interest expense on debt	(22.5)	(39.5)
Interest income on short-term investments	0.4	0.2
Other financial income and expenses (1)	(0.9)	(0.9)
Interest cost on post-employment benefit obligations (2)	(0.4)	(0.6)
Net financial expense	**(23.3)**	**(40.8)**
(1) Including:		
- Fair value adjustments on interest rate hedging instruments	*(0.0)*	*(0.5)*
- Disposal gains/(losses) and movements in provisions for impairment of shares in non-consolidated companies	*0.0*	*0.0*
- Amortization of debt issuance costs	*(1.1)*	*(1.0)*
- Net foreign exchange gain	*0.2*	*0.7*

(2) This item relates to the discounting of pension and other post-employment benefit obligations.

The year-on-year decrease in net financial expense was primarily due to (i) the reduction in overall consolidated borrowings following the repayment of a portion of the Group's debt following Elior's IPO, and (ii) the lower interest margins obtained as a result of the amendments to the Senior Facility Agreement.

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

(in € millions)	At Dec. 31, 2014		At Sept. 30, 2014	
	Current	Non-current	Current	Non-current
Bank borrowings				
Medium-term borrowings – Elior SA (formerly HBI SCA)		200.0		200.1
Medium-term borrowings – Elior Participations SA and THS		870.7		872.2
Other medium- and long-term bank borrowings		38.3		28.2
Sub-total – bank borrowings	**0.0**	**1,109.0**	**0.0**	**1,100.5**
Other debt				
Elior Finance & Co SCA – May 2020 6.5% Senior Secured Notes		227.5		227.5
Finance leases	4.0	12.8	4.0	12.3
Other (1)	78.6	239.3	54.5	176.3
Bank overdrafts (2)	13.3		17.8	
Current accounts (2)	0.3		0.0	
Accrued interest on borrowings (2)	3.1		13.6	
Sub-total – other debt	**99.3**	**479.6**	**90.0**	**416.1**
Total debt	**99.3**	**1,588.6**	**90.0**	**1,516.6**

(1) Including liabilities under the receivables securitization program.
(2) Amounts deducted from cash and cash equivalents in the cash flow statement.

(in € millions)	At Dec. 31, 2013		At Sept. 30, 2013	
	Current	Non-current	Current	Non-current
Bank borrowings				
Medium-term borrowings – Elior SA (formerly HBI SCA)		405.1		405.1
Medium-term borrowings – Elior Participations SA and THS		1,277.1		1,278.9
Other medium- and long-term bank borrowings		36.4		37.0
Sub-total – bank borrowings	**0.0**	**1,718.6**	**0.0**	**1,721.0**
Other debt				
Elior Finance & Co SCA – May 2020 6.5% Senior Secured Notes		350.0		350.0
Finance leases	4.7	12.8	4.6	11.6
Other (1)	62.0	231.3	51.5	181.3
Bank overdrafts (2)	35.7		30.6	
Current accounts (2)	1.1		1.1	
Accrued interest on borrowings (2)	5.9		48.3	
Sub-total – other debt	**109.3**	**594.1**	**136.1**	**542.9**
Total debt	**109.3**	**2,312.7**	**136.1**	**2,263.9**

(1) Including liabilities under the receivables securitization program.

(2) Amounts deducted from cash and cash equivalents in the cash flow statement.

The medium- and long-term bank borrowing contracts entered into by Elior SA and Elior Participations SA include financial covenants that could trigger compulsory early repayment in the event of non-compliance. The covenants are based on Elior's consolidated financial ratios and compliance checks are carried out at each half-yearly and annual closing. None of the covenants had been breached at either December 31, 2014 or 2013.

18. Short- and Long-Term Provisions

(in € millions)	At Dec. 31, 2014	At Sept. 30, 2014
Commercial risks	2.6	2.6
Tax risks and employee-related disputes	28.7	29.0
Reorganization costs	11.7	18.1
Employee benefits	10.1	9.5
Other	24.2	25.4
Short-term provisions	**77.4**	**84.8**
Employee benefits	105.4	106.2
Non-renewal of concession contracts	8.6	7.9
Other	6.3	2.6
Long-term provisions	**120.3**	**116.6**
Total	**197.7**	**201.4**

(in € millions)	At Dec. 31, 2013	At Sept. 30, 2013
Commercial risks	8.5	8.6
Tax risks and employee-related disputes	47.6	41.1
Reorganization costs	18.2	21.1
Employee benefits	8.7	8.7
Other	19.8	21.8
Short-term provisions	**102.9**	**101.3**
Employee benefits	97.2	97.6
Non-renewal of concession contracts	8.9	8.4
Other	4.7	5.1
Long-term provisions	**110.7**	**111.1**
Total	**213.6**	**212.4**

19. Related Party Transactions

On November 7, 2014, SOFIBIM – which is controlled by Robert Zolade and is a corporate director of Elior represented by Gilles Cojan – entered into a consulting and services agreement with Elior to provide the Company with advisory and support services concerning external growth and/or partnerships in return for an annual fee of €160,000. SOFIBIM invoiced Elior €40,000 under this agreement for the three months ended December 31, 2014.

No other expenses or financial benefits were recorded during the first quarter of 2014-2015 in relation to Elior's executive officers.

20. Events after the Reporting Date

None