May 30, 2017

Elior Group SA

Interim Financial Report

October 1, 2016 - March 31, 2017

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Elior Group SA
Société anonyme
Share capital: €1,727,417.85
Registered in Nanterre under no. 408 168 003
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1.1 ANALYSIS OF THE GROUP'S BUSINESS AND CONSOLIDATED RESULTS

(in € millions)	Six months ended March 31,	
	2017	2016
Revenue	**3,213.0**	**2,920.4**
Purchase of raw materials and consumables	(996.9)	(915.8)
Personnel costs	(1,417.3)	(1,326.0)
Share-based compensation expense	(5.7)	(0.7)
Other operating expenses	(500.0)	(426.3)
Taxes other than on income	(44.2)	(36.9)
Share of profit of equity-accounted investees	0.5	1.0
reported EBITDA	**249.5**	**215.7**
Depreciation, amortization and provisions for recurring operating items	(89.2)	(74.1)
Net amortization of intangible assets recognized on consolidation	(11.1)	(5.4)
Recurring operating profit including share of profit of equity-accounted investees	**149.2**	**136.1**
Other income and expenses, net (*)	(12.2)	(29.9)
Operating profit including share of profit of equity-accounted investees	**137.0**	**106.3**
Net financial expense	(25.2)	(31.0)
Profit before income tax	**111.7**	**75.3**
Income tax	(48.8)	(31.0)
Loss for the period from discontinued operations	(0.9)	(3.5)
Profit for the period	**62.1**	**40.8**
Attributable to non-controlling interests	3.8	0.3
Attributable to owners of the parent	**58.3**	**40.5**
Earnings per share (in €)	0.34	0.24
Adjusted attributable profit for the period	77.5	63.8
Adjusted earnings per share (in €)	0.45	0.37

(*) After pro forma reclassifications for the six months ended March 31, 2017 carried out in accordance with the AMF recommendation issued in November 2016 providing guidance on the classification of profit or loss items as recurring or non-recurring.

1.1.1 CHANGES IN SCOPE OF CONSOLIDATION

Six months ended March 31, 2017

In October 2016 and January 2017 respectively, Elior North America (formerly TrustHouse Services) – an Elior Group contract catering subsidiary operating in the United States – acquired Abigail Kirsch and Corporate Chefs.

- Abigail Kirsch is a New York-based company specialized in banqueting and events catering.
- Corporate Chefs is based in Haverhill, Massachusetts, and specializes in freshly prepared, highest quality food for the corporate and education markets. Founded in 1987, Corporate Chefs has operations in states in the north-east of the USA.

The aggregate annual revenue generated by Abigail Kirsch and Corporate Chefs is approximately USD 55 million.

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In Europe:

- Elior Ristorazione – an Elior Group contract catering subsidiary based in Italy – acquired Hospes, a company that primarily operates in the corporate catering market in the north of Italy.
- Serunion – an Elior Group contract catering subsidiary based in Spain and Portugal – acquired Hostesa, which mainly operates in the education and elder care home catering markets in Catalonia and the Valencia region of Spain.

These two companies – which have been consolidated since October 1, 2016 – represent combined annual revenue of approximately €30 million.

For the six months ended March 31, 2017, the four newly-acquired companies described above contributed a total €30.4 million to consolidated revenue and €2.7 million to consolidated EBITDA.

On November 21, 2016, Elior Group announced that it had signed an agreement to acquire the entire capital of MegaBite Food Services and a 51% majority stake in CRCL. Both of these companies are based in India – MegaBite Food Services in Bangalore and CRCL in Chennai – and together they generate annual revenue of approximately €27 million. The acquisitions were completed in February 2017 and both companies will be consolidated in the Group’s financial statements as from the second half of the year ending September 30, 2017.

Six months ended March 31, 2016

In October and November 2015 respectively, Elior North America (formerly Trusthouse Services) – 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.

1.1.2 PARTNERSHIP BETWEEN ELIOR GROUP AND ALAIN DUCASSE

On March 30, 2017, pursuant to the strategic partnership agreement signed in FY 2015-2016 with master chef Alain Ducasse, Elior Group transferred to Groupe Ducasse the control of its museum catering operations run by Areas France and Northern Europe. This transaction entailed transferring to Ducasse Développement 60% of the shares in Areas Développement Musées (the new holding company for the Group's museum catering operations). It generated a €2.4 million net capital gain which was included in "Loss for the period from discontinued operations" in the income statement for the six months ended March 31, 2017.

The remaining 40% of the assets and liabilities of Areas Développement Musées and its subsidiaries held by Elior Group is still presented in assets/liabilities classified as held for sale in the consolidated financial statements.

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

As a result of (i) Elior Group'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 presented differently since 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 – which was used for the first time in the Group's consolidated financial statements for the first half of FY 2015-2016 – is applicable to the comments below.

1.1.4 REVENUE

Consolidated revenue rose by €292.6 million, or 10%, from €2,920.4 million for the first half of FY 2015-2016 to €3,213.0 million for the six months ended March 31 2017. For information purposes, Abigail Kirsch, Corporate Chefs, Hospes and Hostesa were all consolidated for the first time in the first half of FY 2016-2017.

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 changes in exchange rates (currency effect) for each business line individually and for the Group as a whole.

(in € millions)	6 months 2016-2017	6 months 2015-2016	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	1,149.1	1,131.4	1.6%	0.0%	0.0%	1.6%
International	1,284.0	1,063.3	2.4%	20.0%	(1.6)%	20.8%
Contract catering & services	2,433.1	2,194.7	2.0%	9.7%	(0.8)%	10.9%
France	306.1	287.0	(2.1)%	8.8%	0.0%	6.7%
International	473.8	438.7	8.5%	0.0%	(0.4)%	8.0%
Concession Catering	780.0	725.7	4.3%	3.5%	(0.3)%	7.5%
GROUP TOTAL	3,213.0	2,920.4	2.6%	8.1%	(0.7)%	10.0%

The 10.0% year-on-year increase in consolidated revenue reflects (i) organic growth of 2.6% (taking into account the 1.6% adverse effect of voluntary contract exits), (ii) a positive 8.1% impact from acquisition-led growth, and (iii) a negative 0.7% currency effect. The portion of revenue generated by international operations rose once again, totaling 55% in the first half of FY 2016-2017 versus 51% 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 2016-2017 and FY 2015-2016:

(in € millions)	6 months 2016-2017	6 months 2015-2016	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
Business & industry	1,030.7	997.5	1.6%	3.4%	(1.7)%	3.3%
Education	806.0	619.4	3.9%	26.3%	(0.1)%	30.1%
Healthcare	596.4	577.8	0.6%	2.6%	0.0%	3.2%
Contract catering & services	2,433.1	2,194.7	2.0%	9.7%	(0.8)%	10.9%
Motorways	242.2	251.9	(4.1)%	0.0%	0.3%	(3.8)%
Airports	341.7	315.6	8.7%	0.0%	(0.5)%	8.3%
City sites & leisure	196.0	158.2	8.9%	15.9%	(0.8)%	23.9%
Concession catering	780.0	725.7	4.3%	3.5%	(0.3)%	7.5%
GROUP TOTAL	3,213.0	2,920.4	2.6%	8.1%	(0.7)%	10.0%

1.1.4.1 Contract Catering & Services

Contract catering & services revenue was up €238 million, or 10.9%, on the figure for first-half FY 2015-2016, amounting to €2,433 million and accounting for 76% of total consolidated revenue.

Organic growth for the period came to 2.0%. Excluding the effect of voluntary exits from low- and non-profit making contracts in Europe, organic growth was 3.6% following a sharp acceleration in the second quarter due to a favorable calendar effect and strong business momentum in the United States.

Recent acquisitions contributed €212 million (or 9.7%) of the overall revenue figure for contract catering & services in the first six months of FY 2016-2017.

The currency effect during the period was a negative 0.8%.

Revenue generated **in France** totaled €1,149 million. Organic growth was 1.6% (or 2.8% excluding voluntary contract exits).

- In the business & industry market, revenue was boosted by the strong business development seen in FY 2015-2016 as well as the fact that in 2017 Easter fell in the second half of the Group's fiscal year, which more than offset the negative basis of comparison with FY 2015-2016 caused by 2016 being a leap year.

- In the education market, the impact of the start-up of new contracts more than offset the unfavorable calendar effect.

- Revenue decreased in the healthcare market, mainly as a result of certain contracts not being renewed.

Revenue for the **international** segment advanced 20.8% to €1,284 million. Organic growth for this segment was 2.4% (or 4.4% excluding the impact of voluntary exits from low- or non-profit-making contracts in Europe). Recent acquisitions generated additional growth of 20.0% whereas the currency effect was a negative 1.6% during the period.

- In Spain, the business & industry and education markets reported good performances, driven mainly by sustained business development, which more than offset a revenue contraction in the healthcare market.

- In the United States, organic growth was spurred by the start-up of new contracts in all markets.

- In Italy, revenue was hampered by voluntary contract exits, especially in the education and healthcare markets. Excluding this adverse impact, the Group's Italian contract catering & services business reported organic revenue growth for the period.

- In the United Kingdom, revenue was weighed down by an adverse calendar effect and delays in the start-up of certain new contracts, particularly in the business & industry market.

1.1.4.2 Concession Catering

Concession catering revenue rose €54 million in the first half of FY 2016-2017, coming in at €780 million and representing 24% of total consolidated revenue.

Organic growth for the period amounted to 4.3% (or 5,7% excluding the impact of voluntary contract exists). Changes in the scope of consolidation resulting from the Group's May 2016 acquisition of a portfolio of contracts in the French railway stations market fueled a 3.5% revenue increase. Changes in exchange rates – notably for the Mexican peso – had a 0.3% negative effect.

Revenue generated in **France** totaled €306 million, up 6.7% on the same period of FY 2015-2016. Organic growth was a negative 2.1%.

- Performance in the motorways market continued to be adversely affected by the voluntary termination of a number of contracts and the effects of renovating sites whose concession agreements have been renewed.

- Revenue in the airports market decreased year on year due to the loss of the catering contract for terminals E and F at Paris-Charles-de-Gaulle airport in February 2016 and a slump in air traffic at the South Terminal of Orly airport as a result of airlines being assigned differently at the airport's terminals.

- The city sites & leisure market reported a revenue increase, powered by the start-up of new contracts in the railway stations segment and the fact that certain trade fairs which are only held once every two years took place during the first half of FY 2016-2017.

In the **international** segment, revenue climbed 8.0% to €474 million in the first six months of FY 2016-2017. Organic growth was 8.5% but the currency effect was a negative 0.4%.

- The motorways market felt the positive effects of higher traffic volumes in Portugal and the opening of new services plazas in Germany, which more than offset the impact of the closure of several service plazas in Italy.

- Revenue in the airports market was lifted by increasing traffic volumes – especially in Mexico, Spain and Portugal – as well as by the opening of new points of sale at Bilbao airport in Spain and LAX in the United States.

1.1.5 PURCHASE OF RAW MATERIALS AND CONSUMABLES

This item increased by €81.1 million, or 8.9%, from €915.8 million for the six months ended March 31 2016 to €996.9 million for the first half of FY 2016-2017.

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,			
	2017		2016	
Purchase of raw materials and consumables				
Contract catering & services	(780.3)	*32.1%*	(709.6)	*32.3%*
Concession catering	(227.5)	*29.2%*	(217.2)	*29.9%*
Corporate	10.9	-	11.1	-
Total	**(996.9)**	***31.0%***	**(915.8)**	***31.4%***

1.1.5.1 Contract Catering & Services

Purchases of raw materials and consumables for the contract catering & services business line rose by €70.7 million, or 10.0%, from €709.6 million to €780.3 million. The year-on-year increase was primarily attributable to the impact of acquisitions carried out by (i) Elior North America during FY 2015-2016 and the first half of FY 2016-2017 (ABL, Preferred Meals, Corporate Chefs and Abigail Kirsch), (ii) Elior UK (Waterfall), (iii) Elior Italy (Hospes), and (iv) Elior Iberia (Hostesa).

As a percentage of revenue, this item edged down from 32.3% to 32.1%. The ratio for subsidiaries in France decreased (particularly in the business & industry market as a result of more cost-efficient purchases thanks to the Tsubaki plan which had a positive impact on the full six months of first-half FY 2016-2017 compared with just the second quarter in the previous fiscal year) but this positive impact was offset by the fact that international operations –which generally have a higher ratio – now make up a greater proportion of the contract catering & services business line.

1.1.5.2 Concession Catering

Purchases of raw materials and consumables for the concession catering business line increased by €10.3 million, or 4.7%, from €217.2 million to €227.5 million, primarily due to the impact of the acquisition of Areas Restauration Services by Areas Northern Europe in the second half of FY 2015-2016.

As a percentage of revenue, this item decreased from 29.9% to 29.2%. As the ratio in France was more or less unchanged from the first-half FY 2015-2016 figure, the year-on-year decrease mainly stemmed from international operations (particularly in Italy, Spain and Portugal), reflecting more cost-efficient purchases thanks to action plans put in place and tighter cost control, notably at the Group's main airport sites in Spain.

1.1.6 PERSONNEL COSTS

Consolidated personnel costs increased by €91.3 million, or 6.9% year on year, from €1,326.0 million to €1,417.3 million. However, as a percentage of revenue, they decreased from 45.4% to 44.1%.

The following table sets out personnel costs (excluding share-based compensation expense) by business line and as a percentage of the revenue of each business line.

(in € millions and %of revenue)	Six months ended March 31,			
	2017		2016	
Personnel costs				
Contract catering & services	(1,126.8)	*46.3%*	(1,046.9)	*47.7%*
Concession catering	(260.8)	*33.4%*	(253.5)	*34.9%*
Corporate (1)	(29.7)	_	(25.5)	_
Total	**(1,417.3)**	***44.1%***	**(1,326.0)**	***45.4%***

(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 €79.9 million, or 7.6%, from €1,046.9 million to €1,126.8 million. The year-on-year increase was primarily attributable to the impact of acquisitions carried out by Elior North America (ABL, Preferred Meals, Corporate Chefs and Abigail Kirsch), Elior UK (Waterfall), Elior Italy (Hospes) and Elior Iberia (Hostesa).

As a percentage of revenue, contract catering & services personnel costs decreased from 47.7% to 46.3%. As the ratio was more or less unchanged for France, this decrease mainly related to international operations and was due to the impact of lower ratios for Elior North America's newly-acquired companies, notably Preferred Meals.

1.1.6.2 Concession Catering

Personnel costs for the concession catering business line increased by €7.3 million, or 2.9%, from €253.5 million to €260.8 million. This rise chiefly stemmed from the impact of the acquisition of Areas Restauration Services by Areas Northern Europe in the second half of FY 2015-2016. It also reflects the increase in personnel costs for international concession operations, especially in the United States, Spain and Portugal (in line with revenue growth).

As a percentage of revenue, personnel costs for the concession catering business line contracted from 34.9% to 33.4%. This decrease was mainly attributable to operations in France (in the leisure and airports sectors), thanks to better cost-efficiency at sites as a result of higher revenue figures for certain airports and tighter cost control.

1.1.6.3 Share-Based Compensation Expense

Share-based compensation expense – which relates to long-term compensation plans put in place in the Group's French and international subsidiaries – amounted to €5.7 million in the first half of FY 2016-2017 versus €0.7 million in the same period of FY 2015-2016.

1.1.7 OTHER OPERATING EXPENSES

Other operating expenses increased by €73.7 million, or 17.3%, from €426.3 million to €500.0 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,			
	2017		2016	
Other operating expenses				
Contract catering & services	(277.7)	*11.4%*	(226.0)	*10.3%*
Concession catering	(239.7)	*30.7%*	(210.9)	*29.1%*
Corporate (1)	17.4	–	10.5	–
Total	**(500.0)**	***15.6%***	**(426.3)**	***14.6%***

(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 increased by €51.7 million from €226.0 million to €277.7 million. The year-on-year increase was primarily attributable to the impact of acquisitions carried out by Elior North America (ABL, Preferred Meals, Corporate Chefs and Abigail Kirsch), Elior UK (Waterfall) and Elior Italy (Hospes).

As a percentage of revenue, other operating expenses widened from 10.3% to 11.4%, mainly reflecting the fact that the business line's newly-acquired companies have higher ratios e.g. Preferred Meals in the USA, whose ratio includes significant transport costs.

1.1.7.2 Concession Catering

Other operating expenses for the concession catering business line rose by €28.8 million, or 13.6%, from €210.9 million to €239.7 million. The increase was mainly attributable to operations in (i) the United States (due to high business volumes), (ii) Spain and Portugal, and (iii) France (as a result of the acquisition of Areas Restauration Services).

As a percentage of revenue, other operating expenses for the concession catering business line widened from 29.1% to 30.7%, with increases reported in both France and international operations (for the reasons described above)

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1.1.8 TAXES OTHER THAN ON INCOME

This item increased by €7.3 million, or 19.8%, from €36.9 million to €44.2 million

The following table sets out taxes other than on income by business line and as a percentage of the revenue of each business line.

(in € millions and %of revenue)	Six months ended March 31, 2017		2016	
Taxes other than on income				
Contract catering & services	(33.4)	*1.4%*	(27.8)	*1.3%*
Concession catering	(9.4)	*1.2%*	(8.3)	*1.1%*
Corporate	(1.4)	–	(0.8)	–
Total	**(44.2)**	***1.4%***	**(36.9)**	***1.3%***

1.1.8.1 Contract Catering & Services

Taxes other than on income for the contract catering & services business line increased by €5.7 million, or 20.4%, from €27.8 million to €33.4 million. Operations in the United States accounted for the majority of the year-on-year increase, with 60% stemming from the acquisitions of Preferred Meals, Corporate Chefs, Abigail Kirsch and ABL. As a percentage of revenue, taxes other than on income inched up from 1.3% to 1.4%.

1.1.8.2 Concession Catering

Taxes other than on income for the concession catering business line rose by €1.0 million, or 12.6%, from €8.3 million to €9.4 million, with the majority of the increase attributable to operations in France (impact of the acquisition of Areas Restauration Services and the new railway station contracts) and the United States. The figure for this item as a percentage of revenue was slightly higher year on year, up from 1.1% to 1.2%, with France accounting for the full amount of the rise (for the same reasons as above).

1.1.9 EBITDA

Reported EBITDA as presented in the consolidated financial statements totaled €249.5 million in the six months ended March 31, 2017. The EBITDA figure used by the Group as its key operating performance indicator (and discussed in the section below) corresponds to consolidated EBITDA adjusted to exclude share-based compensation expense. This adjusted EBITDA figure amounted to €255.2 million in the first half of FY 2016-2017 after deducting €5.7 million in share-based compensation expense.

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

(in € millions)	Six months ended March 31,		Change in EBITDA	EBITDA margin	
	2017	2016		H1 2016-2017	H1 2015-2016
Contract catering & services					
France	113.0	105.5	*7.5*	*9.8%*	*9.3%*
International	101.8	78.8	*22.9*	*7.9%*	*7.4%*
Total contract catering & services	**214.7**	**184.3**	**30.4**	**8.8%**	**8.4%**
Concession catering					
France	17.4	14.9	*2.5*	*5.7%*	*5.2%*
International	25.8	21.9	*3.9*	*5.4%*	*5.0%*
Total concession catering	**43.3**	**36.8**	**6.4**	**5.5%**	**5.1%**
Corporate	**(2.8)**	**(4.9)**	***2.0***		
GROUP TOTAL	**255.2**	**216.3**	**38.8**	**7.9%**	**7.4%**

Consolidated adjusted EBITDA rose by €39 million year on year to €255 million and represented 7.9% of revenue, up 50 basis points on the first half of FY 2015-2016.

1.1.9.1 Contract Catering & Services

Adjusted EBITDA for the contract catering & services business line increased to €215 million from €184 million and represented 8.8% of revenue, up by 40 basis points.

- **In France**, adjusted EBITDA totaled €113 million and represented 9.8% of revenue, 50 basis points higher than in first-half FY 2015-2016. The year-on-year increase was achieved thanks to the rollout of the Tsubaki transformation plan (notably the voluntary contract exists) and the favorable effect of the new conditions related to the CICE tax credit, but these positive impacts were partly offset by slightly higher structural costs in the contract catering business following the introduction of its new organizational structure.
- In the **international** segment, adjusted EBITDA for the contract catering & services business line advanced by €23 million to €102 million. As a percentage of revenue, it widened to 7.9% from 7.4%, reflecting enhanced profitability across all geographic regions. In the United States and the United Kingdom, profitability was boosted by the favorable impact of the acquisitions of Preferred Meals and Waterfall, both of which have a strong presence in the education market.

1.1.9.2 Concession Catering

Concession catering adjusted EBITDA amounted to €43 million (versus €37 million in the same period of FY 2015-2016) and represented 5.5% of revenue, up 40 basis points year on year.

- **In France**, the adjusted EBITDA figure rose to

€17 million from €15 million, with higher profitability in the airports and city sites & leisure markets more than offsetting the one-off impact of lower business volumes in the motorways market where EBITDA is negatively affected during the year by works on new or renewed contracts.

- In the **international** segment, adjusted EBITDA rose by €4 million to €26 million and adjusted EBITDA margin was up 40 basis points on first-half FY 2015-2016 to 5.4%, led by higher revenue in all geographic regions.

1.1.10 DEPRECIATION, AMORTIZATION AND PROVISIONS FOR RECURRING OPERATING ITEMS

Consolidated depreciation, amortization and provisions for recurring operating items increased by €15.1 million from €74.1 million to €89.2 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,			
	2017		2016	
Depreciation, amortization and provisions for recurring operating items				
Contract catering & services	(46.5)	*1.9%*	(35.9)	*1.6%*
Concession catering	(39.2)	*5.0%*	(37.7)	*5.2%*
Corporate	(3.5)	-	(0.5)	-
Total	**(89.2)**	***2.8%***	**(74.1)**	***2.5%***

1.1.10.1 Contract Catering & Services

Depreciation, amortization and provisions for recurring operating items reported by the contract catering & services business line rose by €10.6 million, or 29.5%, from €35.9 million to €46.5 million. International operations accounted for 70% of the increase (mainly due to the impact of acquisitions), with France’s contribution resulting from finance leases taken out on certain assets that were previously directly owned.

1.1.10.2 Concession Catering

For the concession catering business line, this item increased by €1.5 million, or 4.1%, from €37.7 million to €39.2 million, with the majority of the rise attributable to operations in the United States and France (in the railway stations market due to the impact of the acquisition of Areas Restauration Services and new contracts).

1.1.11 NON-RECURRING INCOME AND EXPENSES, NET

Following the issuance of the AMF recommendation concerning 2016 financial statements (DOC-2016-09 dated November 3, 2016), amortization of intangible assets recognized on consolidation – notably for contract catering customer relationships – has been reclassified to recurring operating profit whereas it was previously recognized as a non-recurring expense. The figures for the six months ended March 31, 2016 have been restated accordingly and the analysis below is based on this restated data.

For the first half of FY 2016-2017, non-recurring income and expenses represented a net expense of €12.2 million and primarily included (i) €9.2 million recorded by the Group's French and international operations for reorganization costs and the costs of withdrawing from sites and exiting contracts, mainly in relation to the rollout of the Tsubaki 2020 transformation plan, (ii) €1.8 million in share acquisition costs, and (iii) €2.6 million in costs incurred in connection with the Group's 25th anniversary celebrations and for sponsoring Paris's bid for the 2024 Olympic Games.

For the six months ended March 31, 2016, this item represented a net expense of €29.9 million, primarily including (i) 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 (ii) €2.0 million in share acquisition costs.

1.1.12 NET FINANCIAL EXPENSE

Net financial expense contracted by €5.8 million, or 18.6%, from €31.0 million to €25.2 million, mainly due to (i) the refinancing and repricing of the Group's euro- and dollar-denominated debt carried out in January 2016, which led to a further 25 basis-point decrease in interest margins, and (ii) the full refinancing of the Elior Finance & Co 6.5% 2020 Senior Secured Notes that took place in the second half of FY 2015-2016 (in a context of ongoing low interest rates).

1.1.13 INCOME TAX

The Group’s income tax expense rose by €17.8 million, or 57.5%, from €31.0 million to €48.8 million, representing an effective tax rate of 35.1% (or 44% including the impact of the French CVAE tax). The year-on-year increase in income tax expense was primarily due to the €6.7 million non-recurring impact in first-half FY 2016-2017 of factoring into the calculation of the annual effective tax rate the reduction in French corporate income tax to 28.72% effective from 2020. Following the announcement of this lower future tax rate, the deferred taxes recognized in the Group’s balance sheet (primarily deferred tax assets) that are expected to be recovered/settled after 2020 were remeasured through profit based on the new rate rather than the existing standard rate of 34.43%. In addition to this impact, the year-on-year increase reflects the combined effect of (i) the higher level of pre-tax profit for the first half of FY 2016-2017 compared with the corresponding prior-year period, and (ii) 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 2016-2017 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 first-half FY 2016-2017, discontinued operations generated €23.4 million in revenue and the loss for the period from discontinued operations recognized in the income statement amounted to €0.9 million, including the €2.4 million capital gain generated on the transfer to Groupe Ducasse of 60% of Elior Group's museum catering operations on March 31, 2017.

For the six months ended March 31, 2016, discontinued operations generated revenue of €24.0 million and the loss for the period from discontinued operations amounted to €3.5 million.

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 and non-recurring operational reorganization costs – the Group ended the first half of FY 2016-2017 with €58.3 million in profit attributable to owners of the parent, up on the €40.5 million figure for FY 2015-2016, despite the €6.7 million non-recurring income tax charge recorded during the period.

Earnings per share – calculated based on the weighted average number of Elior Group shares outstanding during the period – amounted to €0.34 compared with €0.24 in the first-half FY 2015-2016, representing a year on year increase of 42%.

1.1.16 ADJUSTED ATTRIBUTABLE PROFIT FOR THE PERIOD

Adjusted attributable profit for the period corresponds to profit for the period attributable to owners of the parent adjusted for (i) "Non-recurring income and expenses, net" and net of the related tax effect calculated at the Group's standard tax rate of 34%, and (ii) amortization of intangible assets recognized on consolidation in relation to acquisitions (notably customer relationships). In first-half FY 2016-2017 it totaled €77.5 million, representing €0.45 in adjusted earnings per share.

(in € millions)	Six months ended March 31,	
	2017	2016
Profit for the period attributable to owners of the parent	**58.3**	**40.5**
Adjustments		
Non-recurring income and expenses, net (1)	12.2	29.9
Net amortization of intangible assets recognized on consolidation	11.1	5.4
Tax effect on (1) calculated at the standard rate of 34%	(4.2)	(12.0)
Adjusted attributable profit for the period	**77.5**	**63.8**
Adjusted earnings per share (in €)	**0.45**	**0.37**

1.2 CONSOLIDATED CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016

The following table provides a summary of the Group's cash flows for the six-month periods ended March 31, 2016 and 2017.

(in € millions)	Six months ended March 31,	
	2017	2016
Net cash from (used in) operating activities	43.5	(26.4)
Net cash used in investing activities	(178.3)	(162.1)
Net cash from financing activities	136.5	74.6
Effect of exchange rate and other changes	1.1	(4.1)
Net increase / (decrease) in cash and cash equivalents	**2.8**	**(117.9)**

1.2.1 CASH FLOWS FROM OPERATING ACTIVITIES

The following table sets out the components of consolidated net cash from/(used in) operating activities for the six-month periods ended March 31, 2016 and 2017.

(in € millions)	Six months ended March 31,	
	2017	2016
reported EBITDA	249.5	215.7
Change in working capital	(154.4)	(116.0)
Interest and other financial expenses paid	(25.9)	(48.4)
Tax paid	(8.9)	(33.9)
Other (including dividends recieved from associates)	(16.8)	(43.8)
Net cash from (used in) operating activities	**43.5**	**(26.4)**

Operating activities generated a net cash inflow of €43.5 million in the six months ended March 31, 2017 versus a net cash outflow of €26.4 million in the first half of FY 2015-2016.

Change in working capital

Change in working capital represented a higher net cash outflow in the six months ended March 31, 2017 (€154.4 million) than in the same period of FY 2015-2016 (€116.0 million). The year-on-year increase reflects the seasonal nature of the Group's working capital requirement, although there was a significant seasonal peak in first-half FY 2016-2017 caused by (i) longer payment periods in the contract catering business in France arising from changes in the payment processes of government agencies, (ii) the development of Elior North America whose recent acquisitions affected the structure of the Group's working capital, albeit to a lesser extent than the above-mentioned extended payment periods, and (iii) the higher weighting of contract catering operations within consolidated revenue.

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.

As the figure for "Interest and other financial expenses paid" did not include the above-described non-recurring expenses in the first six months of FY 2016-2017, it was lower than in first-half FY 2015-2016, 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 the Elior Finance & Co 6.5% 2020 Senior Secured Notes.

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 €8.9 million in the six months ended March 31, 2017 (versus €33.9 million in the same period of FY 2015-2016). The year-on-year decrease was mainly due to the non-recurring payment in first-half FY 2015-2016 of a €20 million prior-period tax liability following the settlement of a tax dispute.

Other cash flows from operating activities

Other cash flows from operating activities primarily relate to (i) non-recurring income and expenses recorded under "Non-recurring 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, 2016 and 2017, other cash flows from operating activities represented net cash outflows of €43.8 million and €16.8 million respectively. The first-half FY 2016-2017 figure chiefly consists of (i) an aggregate €10.2 million in restructuring costs and costs related to voluntary contract exits, primarily incurred by Elior in France, Serunion in Spain, Elior UK, and Elior Ristorazione in Italy, and (ii) €2.3 million in transaction costs arising on recent acquisitions.

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, 2016 and 2017.

(in € millions)	Six months ended March 31,	
	2017	2016
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(134.5)	(85.6)
Purchases of and proceeds from sale of non-current financial assets	(18.7)	(17.6)
Acquisition/sale of shares in consolidated companies	(25.1)	(58.9)
Net cash used in investing activities	**(178.3)**	**(162.1)**

Net cash used in investing activities totaled €162.1 million in the six months ended March 31, 2016 and €178.3 million in the six months ended March 31, 2017.

Capital expenditure

Total consolidated cash used for purchases of property plant and equipment and intangible assets (capital expenditure), net of proceeds from sales, increased year on year from €85.6 million to €134.5 million.

The figure for contract catering & services came to €41.9 million for the six months ended March 31, 2016 and €73.4 million for the first half of FY 2016-2017, representing 1.9% and 3.0% of this business line's revenue respectively. The year-on-year increase reflects higher capital outlay in France (particularly for computer hardware and software), Italy and the United States.

For concession catering, net cash used for capital expenditure totaled €31.3 million for the six months ended March 31, 2016 and €46.1 million for the first half of FY 2016-2017, representing 4.4% and 5.9% of the business line's revenue respectively. These rises reflect a higher level of expenses incurred under capital expenditure programs in the motorways and railway stations markets in France as well as in the airports market in Latin America due to the start-up of a new contract at Bogota airport in Colombia.

Net cash used for capital expenditure by the Corporate segment came to €12.3 million and €15.0 million in the six-month periods ended March 31, 2016 and 2017 respectively and primarily corresponded to purchases of computer software and hardware and investments in technological developments under the Group's IT strategic plan launched in 2014.

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

This item corresponded to a net cash outflow of €18.7 million in the six months ended March 31, 2017, and mainly related to (i) the implementation of the strategic partnership with Ducasse Développement which resulted in Elior Group purchasing convertible bonds and shares during the period, and (ii) the acquisition of non-controlling interests in innovative start-ups whose activities are related to or complementary to the Group's businesses.

For the first six months of FY 2015-2016, "Purchases of and proceeds from sale of non-current financial assets" represented a net cash outflow €17.6 million.

Acquisition/sale of shares in consolidated companies

For the six months ended March 31, 2017, acquisitions and sales of shares in consolidated companies represented a net cash outflow of €25.1 million and chiefly concerned the acquisitions of Corporate Chefs and Abigail Kirsch in the United States, Hostesa in Spain and Hospes in Italy.

For the six months ended March 31, 2016, this item represented a net cash outflow of €58.9 million and primarily concerned the acquisitions of Cura and ABL in the United States.

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 en

(in € millions)	Six months ended March 31,	
	2017	2016
Dividends paid to owners of the parent	0.0	0.0
Movements in share capital of the parent	0.6	0.5
Purchases of treasury shares	0.6	0.0
Dividends paid to non-controlling interests	(1.8)	(0.8)
Proceeds from borrowings	149.2	172.6
Repayments of borrowings	(12.1)	(97.6)
Net cash from financing activities	**136.5**	**74.6**

ded March 31, 2016 and 2017.

Net cash from financing activities totaled €136.5 million and €74.6 million for the six-month periods ended March 31, 2017 and 2016 respectively.

Movements in share capital of the parent

There were no significant movements in the parent company's share capital during the six months ended March 31, 2017 or 2016, apart from movements related to the exercise of stock options under the 2011 and 2012 stock option plans.

Dividends paid to non-controlling interests

This item represented net cash outflows of €0.8 million and €1.8 million for the six-month periods ended March 31, 2016 and 2017 respectively.

Proceeds from borrowings

Consolidated cash inflows from proceeds from borrowings totaled €172.6 million and €149.2 million in the six-month periods ended March 31, 2016 and 2017 respectively.

For the six months ended March 31, 2017 these proceeds mainly corresponded to (i) €54.0 million from new securitized receivables, (ii) €80.0 million in drawdowns under the euro-denominated revolving credit facility, and (iii) €9.5 million from finance lease transactions.

In the first-half of FY 2015-2016, this item primarily 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.

Repayments of borrowings

Repayments of borrowings led to net cash outflows of €97.6 million and €12.1 million in the six-month periods ended March 31, 2016 and 2017 respectively.

In the first half of FY 2016-2017, this item primarily related to repayments of finance lease liabilities (€6.9 million).

In the six months ended March 31, 2016, these repayments mainly concerned (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).

Effect of exchange rate and other changes

In the six months ended March 31, 2017, fluctuations in exchange rates and other changes mainly concerned discontinued operations but this impact was offset by the currency effect on consolidated cash.

In the first half of FY 2015-2016, fluctuations in exchange rates and other changes also mainly concerned discontinued operations and had a negative €4.1 million cash impact.

1.2.4 FREE CASH FLOW

(in € millions)	Six months ended March 31, 2017	2016
adjusted EBITDA	255.2	216.3
Non cash expenses on share-based compensation plans	(5.7)	(0.7)
reported EBITDA	**249.5**	**215.7**
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(134.5)	(85.6)
Change in working capital	(154.4)	(116.0)
Other non-recurring cash items	(16.8)	(43.8)
Tax paid	(8.9)	(33.9)
Free Cash-Flow	**(65.1)**	**(63.5)**

Free cash flow is almost stable year-on-year at €65.0 million. This reflects the fact that the higher adjusted EBITDA figure and the lower amounts of net non-recurring expense and tax paid almost fully offset (i) the higher cash outflow resulting from the change in working capital, chiefly due to net business development, external growth and changes in payment procedures in the public sector in France, and (ii) the increase in operating capital expenditure due to the purchase of information systems and the renewal of numerous contracts in the motorways market in France.

1.3 CONSOLIDATED BALANCE SHEET

(in € millions)	At March 31, 2017	2016
Non-current assets	3,877.0	3,506.0
Current assets excluding cash and cash equivalents	1,358.0	1,205.0
Cash and cash equivalents	162.7	113.1
Total assets	**5,397.7**	**4,824.1**

(in € millions)	At March 31, 2017	2016
Equity	1,514.2	1,435.4
Non-controlling interests	49.9	39.2
Non-current liabilities	2,251.1	1,836.6
Current liabilities	1,582.5	1,512.9
Total equity and liabilities	**5,397.7**	**4,824.1**
Net working capital requirement	(119.4)	(139.9)
Gross debt	2,019.3	1,741.7
Net debt as defined in the SFA	1,862.2	1,638.5
SFA leverage ratio (net debt as defined in the SFA / EBITDA) (*)	3.38	3.32

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

At March 31, 2017, the Group's gross debt amounted to €2,019 million (up €277 million on the March 31, 2016 figure of €1,742 million) and mainly comprised (i) euro-denominated bank borrowings amounting to €1,277 million under the Senior Facilities Agreement (SFA) (including €110 million in drawdowns under euro-denominated revolving credit facilities) and (ii) a total of USD 449 million (€422 million) in dollar denominated bond debt and bank debt carried by Elior Group and Elior Participations. The remainder of the Group's gross debt at March 31, 2017 was made up of €276 million in liabilities related to trade receivables securitized by French, Italian, Spanish and UK subsidiaries as and €39 million in finance lease liabilities.

At March 31, 2017 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, bond debt and securitized trade receivables (which represent the majority of its total debt) was 2.0%.

Cash and cash equivalents recognized in the balance sheet amounted to €163 million at March 31, 2017. 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 €159.0 million.

At March 31, 2017, consolidated net debt (as defined in the SFA) stood at €1,862 million. This amount represented 3.38 times consolidated pro forma EBITDA (calculated on a twelve-month rolling basis), versus 3.32 times at March 31, 2016 and 3.22 times at September 30, 2016. The Group's leverage ratio is affected by the seasonal fluctuations inherent in its operations which mean that its working capital position is traditionally much better in the second half of the fiscal year than in the first.

1.4 EVENTS AFTER THE REPORTING DATE

On April 4, 2017, Elior Group announced that, through its US subsidiary Elior North America, it had acquired Lancer Hospitality, a foodservice and catering provider based in Minnesota. Lancer Hospitality provides professional food management services in a variety of settings from cultural attractions to business centers, schools and healthcare facilities. The company generated revenue of approximately USD 70 million in FY 2016.

Also on April 4, 2017, Elior Group signed an agreement with its banks to extend by one year the maturities of substantially all of its euro- and dollar-denominated syndicated bank loans described in Note 21.1 to the consolidated financial statements. The new maturities of these facilities are now staggered between May 2021 and May 2023.

1.5 MAIN DISCLOSURE THRESHOLDS CROSSED DURING THE SIX MONTHS ENDED MARCH 31, 2017

In the six months ended March 31, 2017, the Company received the following notifications concerning the crossing of disclosure thresholds (as specified in the applicable laws and/or the Company's Bylaws):

- Sycomore Asset Management disclosed that on October 11, 2016 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2% of the Company's total shares and voting rights.

- Crédit Agricole Corporate and Investment Bank disclosed that on October 12, 2016 it had directly raised its interest to above the threshold of 5% of the Company's capital and voting rights and that at that date it held 5.01% of the Company's total shares and voting rights.

- Crédit Agricole S.A. disclosed that on October 12, 2016 it had indirectly raised its interest to above the threshold of 5% of the Company's capital and voting rights and that at that date it held 5.01% of the Company's total shares and voting rights.

- Crédit Agricole Corporate and Investment Bank disclosed that on October 13, 2016 it had directly lowered its interest to below the threshold of 5% of the Company's capital and voting rights and that at that date it held 4.77% of the Company's total shares and voting rights.

- Crédit Agricole S.A. disclosed that on October 13, 2016 it had indirectly lowered its interest to below the threshold of 5% of the Company's capital and voting rights and that at that date it held 4.77% of the Company's total shares and voting rights.

- On November 2, 2016, FIL Limited of Pembroke Hall disclosed that it had raised its interest to above the thresholds of 1% and 2% of the Company's capital and voting rights and that at that date it held 2.42% of the Company's total shares and voting rights.

- On December 21, 2016, Emesa Corporacion Empresarial, S.L. disclosed that it had raised its interest to above the thresholds of 6% and 7% of the Company's capital and voting rights and that at that date it held 7.58% of the Company's total shares and voting rights.

- On December 21, 2016, Citigroup Global Markets Limited disclosed that, as a result of derivative instruments, it had raised its interest to above the thresholds of 1% and 2% of the Company's capital and voting rights and that at that date it held 2.15% of the Company's total shares and voting rights.

- On December 23 2016, Citigroup Global Markets Limited disclosed that, as a result of derivative instruments, it held 2.56% of the Company's total shares and voting rights.

- On January 10, 2017, Citigroup Global Markets Limited disclosed that, as a result of derivative instruments, it had lowered its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.99% of the Company's total shares and voting rights.

- On January 11, 2017, Citigroup Global Markets Limited disclosed that, as a result of derivative instruments, it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.02% of the Company's total shares and voting rights.

- On January 12, 2017, BNP Paribas Investment Partners SA disclosed that it had raised its interest to above the threshold of 2% of the Company's capital and that at that date it held 2.01% of the Company's total shares and 1.95% of the voting rights.

- On January 16, 2017, Citigroup Global Markets Limited disclosed that, as a result of derivative instruments, it had lowered its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.98% of the Company's total shares and voting rights.

- On January 23, 2017, Citigroup Global Markets Limited disclosed that, as a result of derivatives, it had raised its interest to the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.00% of the Company's total shares and voting rights.

- On January 31, 2017, Sycomore Asset Management disclosed that it had lowered its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.97% of the Company's total shares and voting rights.

- On February 7, 2017, BNP Paribas Investment Partners SA disclosed that it had lowered its interest to below the threshold of 2% of the Company's capital and that at that date it held 1.98% of the Company's shares and 1.92% of the voting rights.

- On March 17, 2017, Marshall Wace LLP disclosed that it had raised its interest to the threshold of 2% of the Company's capital and that at that date it held 2.00% of the Company's total shares and voting rights.

- On March 17, 2017, Sycomore Asset Management disclosed that it had raised its interest to the threshold of 2% of the Company's capital and that at that date it held 2.00% of the Company's total shares and voting rights.

- By way of a letter dated April 11, 2017, BIM disclosed that it had entered into a physically-settled forward contract with Crédit Agricole Corporate and Investment Bank ("CACIB") under which Elior Group shares are the underlying assets. At the term of the contract, CACIB will deliver to BIM, by June 30, 2017, the number of Elior Group shares (up to a maximum of 4,500,000) that CACIB has acquired independently for hedging purposes at that date. Consequently, BIM could effectively hold 47,902,965 Elior Group shares at that date, representing 27.73% of the Company's capital and voting rights, and, as a result of the shares underlying (i) a forward sale contract that can be either physically or cash settled and (ii) a swap contract entered into on the same date, it could potentially hold 51,394,585 Elior Group shares representing 29.75% of the Company's capital and voting rights.

May 30, 2017

Elior Group SA

Condensed Interim Consolidated Financial Statements

For the Six-Month Periods Ended March 31, 2017 and 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 SA
Société anonyme
Share capital: €1,727,417.85
Registered in Nanterre under no. 408 168 003
Registered office: 9-11 Allée de l'Arche - 92032 Paris La Défense, France

IFRS Consolidated Financial Statements for the Six-Month Periods Ended March 31, 2017 and 2016

1. Consolidated Income Statement and Statement of Comprehensive Income

1.1 Consolidated Income Statement

(in € millions)	Note	Six months ended March 31, 2017 Unaudited	Six months ended March 31, 2016 Unaudited
Revenue	**13.1**	**3,213.0**	**2,920.4**
Purchase of raw materials and consumables		(996.9)	(915.8)
Personnel costs		(1,417.3)	(1,326.0)
Shares-based compensation expense (*)		(5.7)	(0.7)
Other operating expenses		(500.0)	(426.3)
Deferred tax liabilities		(44.2)	(36.9)
Depreciation, amortization and provisions for recurring operating items (*)		(89.2)	(74.1)
Net amortization of intangible assets recognized on consolidation (*)		(11.1)	(5.4)
Recurring operating profit		**148.7**	**135.1**
Share of profit of equity-accounted investees		0.5	1.0
Recurring operating profit (loss) including share of profit of equity-accounted investees	**13.1**	**149.2**	**136.1**
Non-recurring income and expenses, net (*)	15	(12.2)	(29.9)
Operating profit including share of profit of equity-accounted investees		**137.0**	**106.3**
Financial expenses	21	(28.1)	(34.2)
Financial income	21	2.8	3.2
Profit before income tax		**111.7**	**75.3**
Income tax	16	(48.8)	(31.0)
Loss for the period from discontinued operations	24	(0.9)	(3.5)
Profit for the period		**62.1**	**40.8**
Attributable to non-controlling interests		**3.8**	**0.3**
Attributable to owners of the parent		**58.3**	**40.5**
Basic earnings per share (in €)		0.34	0.24
Diluted earnings per share (in €)		0.34	0.23

(*) After pro forma reclassifications for the six months ended March 31, 2017 carried out in accordance with the AMF recommendation issued in November 2016 providing guidance on the classification of profit or loss items as recurring or non-recurring.

1.2 Consolidated Statement of Comprehensive Income

(in € millions)	Six months ended March 31, 2017 Unaudited	Six months ended March 31, 2016 Unaudited
Profit for the period	**62.1**	**40.8**
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss		
Financial instruments	10.7	(7.3)
Currency translation differences	5.1	(0.7)
Income tax	(3.7)	2.5
Total items that may be reclassified subsequently to profit or loss	**12.1**	**(5.5)**
Comprehensive income for the period	**74.1**	**35.3**
Attributable to:		
- Owners of the parent	70.1	35.0
- Non-controlling interests	4.0	0.3

2. Consolidated Balance Sheet

2.1 Assets

(in € millions)	Note	At March 31, 2017 Unaudited	At September 30, 2016 Audited	At March 31, 2016 Unaudited
Goodwill	18	2,542.8	2,542.0	2,445.6
Intangible assets	19	448.6	378.8	304.7
Property, plant and equipment	20	601.8	574.8	488.8
Non-current financial assets		78.1	65.1	47.8
Equity-accounted investees		5.1	5.6	4.0
Fair value of derivative financial instruments (*)		2.5	-	-
Deferred tax assets		198.1	216.0	215.0
Total non-current assets		**3,877.0**	**3,782.3**	**3,505.9**
Inventories		122.4	116.7	99.9
Trade and other receivables		1,083.3	933.1	985.6
Current income tax assets		31.0	24.7	17.8
Other current assets		100.3	72.1	71.7
Short-term financial receivables (*)		10.9	9.8	9.7
Cash and cash equivalents (*)		162.7	160.6	113.2
Assets classified as held for sale		9.9	18.3	20.3
Total current assets		**1,520.7**	**1,335.2**	**1,318.3**
Total assets		**5,397.7**	**5,117.5**	**4,824.2**

(*) Included in the calculation of net debt

2.2 Equity and Liabilities

(in € millions)	Note	At March 31, 2017 Unaudited	At September 30, 2016 Audited	At March 31, 2016 Unaudited
Share capital		1.7	1.7	1.7
Reserves and retained earnings		1,512.5	1,514.5	1,433.7
Non-controlling interests		49.9	41.2	39.2
Total equity	4	**1,564.1**	**1,557.4**	**1,474.6**
Long-term debt (*)	21	2,001.9	1,846.0	1,639.0
Fair value of derivative financial instruments (*)		8.5	15.8	9.7
Non-current liabilities relating to share acquisitions		18.5	19.1	19.4
Deferred tax liabilities		76.8	74.3	46.1
Provisions for pension and other post-employment benefit obligations	22	116.1	113.0	101.0
Other long-term provisions	22	23.8	26.5	21.4
Other non-current liabilities		5.5	4.7	0.0
Total non-current liabilities		**2,251.1**	**2,099.4**	**1,836.7**
Trade and other payables		722.9	729.7	677.5
Due to suppliers of non-current assets		29.4	41.7	18.8
Accrued taxes and payroll costs		584.0	556.6	539.6
Current income tax liabilities		36.5	8.9	21.4
Short-term debt (*)	21	17.4	11.5	102.7
Current liabilities relating to share acquisitions		21.5	21.8	13.4
Short-term provisions	22	51.6	50.1	52.2
Other current liabilities		111.2	25.1	74.1
Liabilities classified as held for sale		8.1	15.4	13.3
Total current liabilities		**1,582.5**	**1,460.7**	**1,512.9**
Total liabilities		**3,833.6**	**3,560.1**	**3,349.6**
Total equity and liabilities		**5,397.7**	**5,117.5**	**4,824.2**
(*) Included in the calculation of net debt		1,851.6	1,702.8	1,628.8
Net debt excluding fair value of derivative financial instruments and debt issuance costs		1,862.2	1,705.8	1,638.9

3. Consolidated Cash Flow Statement

(in € millions)	Note	Six months ended March 31, 2017 Unaudited	Six months ended March 31, 2016 Unaudited
Cash flows from operating activities			
Recurring operating profit including share of profit of equity-accounted investees		149.2	136.1
Amortization and depreciation		98.1	79.3
Provisions		2.2	0.2
Reported EBITDA		**249.5**	**215.7**
Change in working capital		(154.4)	(116.0)
Interest and other financial expenses paid		(25.9)	(48.4)
Tax paid		(8.9)	(33.9)
Other cash movements		(16.8)	(43.8)
Net cash from (used in) operating activities		**43.5**	**(26.4)**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		(138.2)	(91.9)
Proceeds from sale of property, plant and equipment and intangible assets		3.7	6.4
Purchases of non-current financial assets		(18.7)	(17.6)
Proceeds from sale of non-current financial assets		0.0	0.0
Acquisition/sale of shares in consolidated companies, net of cash acquired/divested		(25.1)	(58.9)
Net cash used in investing activities		**(178.3)**	**(162.1)**
Cash flows from financing activities			
Dividends paid to owners of the parent		0.0	0.0
Movements in share capital of the parent		0.6	0.5
Purchases of treasury shares		0.6	0.0
Dividends paid to non-controlling interests		(1.8)	(0.8)
Proceeds from borrowings		149.2	172.6
Repayments of borrowings		(12.1)	(97.6)
Net cash from financing activities		**136.5**	**74.6**
Effect of exchange rate and other changes (1)		1.1	(4.1)
Net increase/(decrease) in cash and cash equivalents		**2.8**	**(117.9)**
Cash and cash equivalents at beginning of period		**156.2**	**197.6**
Cash and cash equivalents at end of period		**159.0**	**79.7**

(1) Including net cash outflows of €3 million and €2.1 million for the periods ended March 31, 2017 and 2016 respectively 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, 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
Changes in fair value of financial instruments			(4.8)			(4.8)		(4.8)
Currency translation differences					(0.7)	(0.7)	0.0	(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	0.0	0.5			0.5	0.0	0.5
Dividends paid			(55.7)			(55.7)	(0.4)	(56.1)
Other movements (1a)			0.0			0.0	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**
Balance at September 30, 2016	**172,634,475**	**1.7**	**1,400.5**	**135.3**	**(21.3)**	**1,516.2**	**41.2**	**1,557.4**
Profit for the period				58.3		58.3	3.8	62.1
Changes in fair value of financial instruments			7.0			7.0		7.0
Currency translation differences					4.8	4.8	0.2	5.1
Comprehensive income for the period			**7.0**	**58.3**	**4.8**	**70.1**	**4.0**	**74.1**
Appropriation of prior-period profit			135.3	(135.3)		0.0		0.0
Capital increase	107,310	0.0	0.6			0.6	0.0	0.6
Dividends paid			(73.4)			(73.4)	(0.9)	(74.3)
Share-based payments (IFRS 2)			0.9			0.9		0.9
Autres variations (1b)			(0.3)			(0.3)	5.6	5.3
Balance at March 31, 2017	**172,741,785**	**1.7**	**1,470.7**	**58.3**	**(16.5)**	**1,514.2**	**49.9**	**1,564.1**

(1) The amount recorded under “Other movements” within “Non-controlling interests” for the six months ended March 31, 2016 primarily corresponds 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.

(1.b) For the six months ended March 31, 2017, the amount recorded under “Other movements” within “Non-controlling interests” primarily corresponds to goodwill recognized on the acquisition of Waterfall in the United Kingdom and the amount recorded under "Other movements" within "Equity attributable to owners of the parent" mainly concerns the remeasurement of the liability related to a put option written over the non-controlling interests in Areas Italy.

Notes to the IFRS Consolidated Financial Statements for the Six-Month Periods ended March 31, 2017 and 2016

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 9-11 Allée de l'Arche, Paris La Défense, France. At March 31, 2017, the Company was held by the following parties: 6.54% by Caisse de Depôt et Placement du Québec (CDPQ), 25.13% by BIM SAS (which is controlled by Robert Zolade)[1], 7.58% by Corporacion Empresarial Emesa and 60.75% by private and public investors following the Company's admission to trading on Euronext Paris on June 11, 2014.

The Elior group – comprising Elior Group SA and its subsidiaries (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 16 countries – mainly in the eurozone, the United Kingdom, Latin America, the USA and India.

[1] (By way of a letter dated April 11, 2017, BIM disclosed that it had entered into a physically-settled forward contract with Crédit Agricole Corporate and Investment Bank ("CACIB") under which Elior Group shares are the underlying assets. At the term of the contract, CACIB will deliver to BIM, by June 30, 2017, the number of Elior Group shares (up to a maximum of 4,500,000) that CACIB has acquired independently for hedging purposes at that date. Consequently, BIM could effectively hold 47,902,965 Elior Group shares at that date, representing 27.73% of the Company's capital and voting rights, and, as a result of the shares underlying (i) a forward sale contract that can be either physically or cash settled and (ii) a swap contract entered into on the same date, it could potentially hold 51,394,585 Elior Group shares representing 29.75% of the Company's capital and voting rights).

6. Basis of Preparation

The condensed interim consolidated financial statements for the six-month period ended March 31, 2017 (first-half FY 2016-2017) 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, 2016, 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, 2016.

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 for the six months ended March 31, 2017.

Following the issuance of the AMF recommendation concerning 2016 financial statements (DOC-2016-09 dated November 3, 2016), since the annual financial statements for the year ended September 30, 2016, amortization of intangible assets recognized on consolidation – notably for contract catering customer relationships – has been reclassified to recurring operating profit whereas it was previously recognized as a non-recurring expense. In addition, expenses related to stock option and free share plans set up by Elior Group and its subsidiaries are now presented in a separate line of the consolidated income statement ("Share-based compensation expense"). The relevant data presented for the six months ended March 31, 2016 has been restated to reflect these changes.

The income tax expense for the six months ended March 31, 2017 has been recognized based on the estimated average annual income tax rate for the full fiscal year and includes the impact of the remeasurement through profit of the long-term deferred taxes of the Group's French companies in order to take into account the new corporate income tax rate of 28.72% which will apply in France as from the year ending September 30, 2021 (see Note 16 below).

The condensed interim consolidated financial statements were approved for issue by Elior Group's Board of Directors on May 29, 2017.

7. Significant Events

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

In October 2016 and January 2017 respectively, Elior North America (formerly TrustHouse Services) – an Elior Group contract catering subsidiary operating in the United States – acquired Abigail Kirsch and Corporate Chefs.

- Abigail Kirsch is a New York-based company specialized in banqueting and events catering.
- Corporate Chefs is based in Haverhill, Massachusetts, and specializes in freshly

prepared, highest quality food for the corporate and education markets. Founded in 1987, Corporate Chefs has operations in states in the north-east of the USA.

The aggregate annual revenue generated by Abigail Kirsch and Corporate Chefs is approximately USD 55 million.

In Europe:

- Elior Ristorazione – an Elior Group contract catering subsidiary based in Italy – acquired Hospes, a company that primarily operates in the corporate catering market in the north of Italy.
- Serunion – an Elior Group contract catering subsidiary based in Spain and Portugal – acquired Hostesa, which mainly operates in the education and elder care home catering markets in Catalonia and the Valencia region of Spain.

These two companies – which have been consolidated since October 1, 2016 – represent combined annual revenue of approximately €30 million.

For the six months ended March 31, 2017, the four newly-acquired companies described above contributed a total €30.4 million to consolidated revenue and €2.7 million to consolidated EBITDA.

On November 21, 2016, Elior Group announced that it had signed an agreement to acquire the entire capital of MegaBite Food Services and a 51% majority stake in CRCL. Both of these companies are based in India – MegaBite Food Services in Bangalore and CRCL in Chennai – and together they generate annual revenue of approximately €27 million. The acquisitions were completed in February 2017 and both companies will be consolidated in the Group’s financial statements as from the second half of the year ending September 30, 2017.

Six months ended March 31, 2016

In October and November 2015 respectively, Elior North America (formerly Trusthouse Services) – 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.

- **Other Significant Events**

Six months ended March 31, 2017

On March 30, 2017, pursuant to the strategic partnership agreement signed in FY 2015-2016 with master chef Alain Ducasse, Elior Group transferred to Groupe Ducasse the control of its museum catering operations run by Areas France and Northern Europe. This transaction entailed transferring to Ducasse Développement 60% of the shares in Areas Développement Musées (the new holding company for the Group's museum catering operations). It generated a €2.4 million net capital gain which was included in "Loss for the period from discontinued operations" in the income statement for the six months ended March 31, 2017.

The remaining 40% of the assets and liabilities of Areas Développement Musées and its subsidiaries held by Elior Group is still presented in assets/liabilities classified as held for sale in the consolidated financial statements.

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, which took effect on October 5, 2015, 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 SCA 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 Group 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 outstanding Senior Secured Notes, representing a nominal amount of €177.5 million, were fully redeemed on May 4, 2016. This redemption resulted in the release of all of the collateral underlying the Senior Facilities Agreement and means that the Company is no longer required to publish condensed interim consolidated financial statements for its quarterly closings at December 31 and June 30.

8. Accounting Policies

The accounting policies adopted are the same as those used for the fiscal year ended September 30, 2016.

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 is expected to apply to 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, 2016 and 2017 represents half of the expense calculated for the full years ended September 30, 2016 and 2017, 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 which are not yet effective are as follows:

- IFRS 9, "Financial Instruments", effective for annual periods beginning on or after January 1, 2018. (adopted by the EU in November 2016).
- IFRS 15, "Revenue from Contracts with Customers", effective for annual periods beginning on or after January 1, 2018 (not yet adopted by the EU).
- IFRS 16, "Leases", 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 2016-2017. It is currently in the process of analyzing the potential impacts of the above-mentioned new standards. As these analyses currently stand:

- Application of IFRS 15 is not expected to significantly impact the Group's consolidated financial statements.
- Based on the initial phase of the analysis related to financial instruments – which did not include trade receivables – the application of IFRS 9 is not expected to have a significant impact on the consolidated financial statements. The analysis phase concerning the impact of IFRS 9 on trade

receivables has not yet been completed.

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 the amount of income and expenses 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, 2016, 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, 2017 and 2016, 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, 2017 and 2016 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, 2017 and 2016 were based on Paris stock exchange rates and were as follows:

	Six months ended March 31, 2017		Six months ended March 31, 2016	
	Period-end rate	Average rate	Period-end rate	Average rate
- € /US $:	1.0649	1.0717	1.1378	1.0996
- € /£:	0.8483	0.8641	0.7921	0.7464
- € /MXN:	19.96	21.51	19.67	19.13
- € /CLP:	702.97	707.86	762.92	768.97

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 & 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 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 45% and 55% respectively.

In addition, changes in the number of working days and the dates on which public holidays or school vacations fall (especially the fact that Holy Week in Southern Europe and Easter were in March in 2017 compared with April in 2016) 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 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 clients 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, 2017 and 2016, the Group was structured into two 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 the Group’s geographic regions and the main segments used by management in making key operating decisions. For both contract catering & services (operated under the Elior brand) and concession catering (now operated under the Areas brand), these operating segments correspond to “France” and “International”.

These operating segments are those 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, 2017 and 2016.

- Income statement information by operating segment

(in €millions)	Contract catering & services			Concession catering			Corporate	Group total
Six months ended March 31, 2017 Unaudited	France	International	**Total**	France	International	**Total**		
Revenue	**1,149.1**	**1,284.0**	**2,433.1**	**306.1**	**473.9**	**780.0**	_	**3,213.0**
Recurring operating profit (loss) including share of profit of equity-accounted investees	90.4	65.8	**156.3**	(1.5)	2.6	**1.1**	(8.1)	**149.2**
Recurring operating profit/(loss) as a % of revenue	*7.9%*	*5.1%*	***6.4%***	*-0.5%*	*0.5%*	***0.1%***	*(0.3)%*	***4.6%***
Non-recurring income and expenses, net	(7.4)	(2.8)	**(10.2)**	(0.7)	(0.1)	**(0.9)**	(1.2)	**(12.2)**
Operating profit/(loss)	83.0	63.1	**146.1**	(2.3)	2.4	**0.2**	(9.3)	**136.9**
Net financial expense								**(25.2)**
Income tax								**(48.8)**
Loss for the period from discontinued operations								**(0.9)**
Profit for the period attributable to non-controlling interests								**3.8**
Profit for the period attributable to owners of the parent								**58.2**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(21.6)	(31.2)	**(52.8)**	(18.6)	(23.5)	**(42.2)**	(3.1)	**(98.1)**
Other expenses with no cash impact	(0.9)	(0.8)	**(1.8)**	(0.2)	0.2	**(0.1)**	(0.4)	**(2.2)**
Reported EBITDA	113.0	97.9	**210.9**	17.4	25.9	**43.3**	(4.7)	**249.5**

(in €millions)	Contract catering & services			Concession catering				
Six months ended March 31, 2016 Unaudited	France	International	**Total**	France	International	**Total**	**Corporate**	**Group total**
Revenue	**1,131.4**	**1,063.3**	**2,194.7**	**287.0**	**438.7**	**725.7**	_	**2,920.4**
Recurring operating profit (loss) including share of profit of equity-accounted investees	87.0	55.3	**142.3**	(0.0)	(0.9)	**(0.9)**	(5.3)	**136.1**
Recurring operating profit/(loss) as a % of revenue	*7.7%*	*5.2%*	***6.5%***	*0.0%*	*-0.2%*	***(0.1)%***	*(0.2)%*	***4.7%***
Non-recurring income and expenses, net	(5.2)	(4.6)	**(9.7)**	(2.8)	(8.7)	**(11.5)**	(8.7)	**(29.9)**
Operating profit/(loss)	81.8	50.8	**132.6**	(2.8)	(9.6)	**(12.4)**	(14.0)	**106.2**
Net financial expense								**(31.0)**
Income tax								**(31.0)**
Loss for the period from discontinued operations								**(3.5)**
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)	(22.2)	**(40.5)**	(15.4)	(22.4)	**(37.8)**	(1.0)	**(79.3)**
Other expenses with no cash impact	(0.3)	(0.6)	**(0.9)**	0.4	(0.2)	**0.2**	0.5	**(0.3)**
Reported EBITDA	105.6	78.1	**183.7**	15.0	21.7	**36.7**	(4.7)	**215.7**

- Revenue by business line and market

(in € millions)	Six months ended March 31, 2017 Unaudited	% of total revenue	Six months ended March 31, 2016 Unaudited	% of total revenue	Year-on-year change	% change
Contract catering & services						
Business & industry	1,030.7	32.1%	997.5	34.2%	33.2	3.3%
Education	806.0	25.1%	619.4	21.2%	186.6	30.1%
Healthcare	596.4	18.6%	577.8	19.8%	18.6	3.2%
Sub-total: Contract catering & services	**2,433.1**	**75.7%**	**2,194.7**	**75.2%**	**238.4**	**10.9%**
Concession catering						
Airports	341.7	10.6%	315.6	10.8%	26.1	8.3%
Motorways	242.2	7.5%	251.9	8.6%	(9.7)	-3.8%
City sites & leisure	196.0	6.1%	158.2	5.4%	37.8	23.9%
Sub-total: Concession catering	**780.0**	**24.3%**	**725.7**	**24.8%**	**54.3**	**7.5%**
Total	**3,213.0**	**100.0%**	**2,920.4**	**100.0%**	**292.6**	**10.0%**

– Revenue by geographic region

(in € millions)	Six months ended March 31, 2017 Unaudited	% of total revenue	Six months ended March 31, 2016 Unaudited	% of total revenue	Year-on-year change	% change
France	1,455.2	45.3%	1,418.4	48.6%	36.8	2.6%
Europe excluding France	1,112.2	34.6%	1,058.4	36.2%	53.8	5.1%
Other countries	645.6	20.1%	443.6	15.2%	202.0	45.5%
Total	**3,213.0**	**100.0%**	**2,920.4**	**100.0%**	**292.6**	**10.0%**

13.2 Segment Non-Current Assets

(in € millions) Six months ended March 31, 2017 Unaudited	Contract catering & services France	Contract catering & services International	Contract catering & services Total	Concession catering France	Concession catering International	Concession catering Total	Corporate	Group total
Revenue	1,149.1	1,284.0	**2,433.1**	306.1	473.9	**780.0**	_	**3,213.0**
Non-current assets	1,241.4	1,134.7	**2,376.1**	604.0	559.4	**1,163.5**	53.6	**3,593.2**

(in € millions) Six months ended March 31, 2016 Unaudited	Contract catering & services France	Contract catering & services International	Contract catering & services Total	Concession catering France	Concession catering International	Concession catering Total	Corporate	Group total
Revenue	1,131.4	1,063.3	**2,194.7**	287.7	438.0	**725.7**	_	**2,920.4**
Non-current assets	1,194.3	897.5	**2,091.8**	559.8	553.7	**1,113.6**	33.8	**3,239.2**

14. Business Combinations

In the six months ended March 31, 2017

The Group acquired the following contract catering companies during the period: Abigail Kirsch and Corporate Chefs in the United States and Hospes (Italy) and Hostesa (Spain).

All four of these companies – which generate combined annual revenue of approximately €80 million – have been fully consolidated (since October 1, 2016 for Abigail Kirsch, Hospes and Hostesa and since February 1, 2017 for Corporate Chefs). 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 €35.1 million.

Also during first-half FY 2016-2017 total of €44.8 million was allocated on a provisional basis to the identifiable amortizable assets of Waterfall (trademarks and customer relations) and Areas Restauration Services (concession rights in railway stations) following the acquisition of these companies in the second half of FY 2015-2016.

In the six months ended March 31, 2016

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 Restaurant Catering Group 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 relations).

The purchase price allocation processes for Cura and ABL were still in progress at March 31, 2016 and were completed at September 30 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 76.3%-owned by the Group via Elior Restauration et Services. The combined annual revenue of the acquired companies represents approximately USD 150 million.

15. Non-recurring income and expenses, net

This item represented a net expense of €12.2 million for the six months ended March 31, 2017 and primarily included (i) €9.2 million recorded by the Group's French and international operations for reorganization costs and the costs of withdrawing from sites and exiting contracts, mainly in relation to the rollout of the Tsubaki 2020 plan, (ii) €1.8 million in share acquisition costs, and (iii) €2.6 million in costs incurred in connection with the Group's 25th anniversary celebrations and for sponsoring Paris's bid for the 2024 Olympic Games.

For the six months ended March 31, 2016, "Non-recurring income and expenses, net" represented a net expense of €29.9 million, primarily including (i) 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 (ii) €2.0 million in share acquisition 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 average annual income tax rate for the full fiscal year. The estimated rate for the year ending September 30, 2017 and used for the six months ended March 31, 2017 was 35%. The estimated rate applied for the six months ended March 31, 2016 was 27%.

This increase in the estimated annual income tax rate (excluding the CVAE tax) is due to the fact that the income tax charge for the six months ended March 31, 2017 took into account the remeasurement through profit of the long-term deferred taxes of the Group's French companies in order to factor in the new corporate income tax rate of 28.72% which will apply in France as from the year ending September 30, 2021. The non-recurring income tax charge recorded in this respect at March 31, 2017 was €6.7 million.

The CVAE tax is accrued based on 50% of the expected annual CVAE charge. The CVAE charge for the six months ended March 31, 2017 amounted to €14.1 million (€14.5 million for the corresponding prior-year period).

17. Dividends

At the March 10, 2017 Annual General Meeting, the Company's shareholders approved an aggregate dividend of €72.5 million for FY 2015-2016 (corresponding to €0.42 per share), which was paid on April 12 2017. This amount was recorded under "Other current liabilities" in the balance sheet at March 31, 2017.

The dividend for FY 2014-2015 – which totaled €55.1 million (€0.32 per share) and was approved by the Company's shareholders at the March 11, 2016 Annual General Meeting – was paid on April 13, 2016. This amount was recorded under "Other current liabilities" in the balance sheet at March 31, 2016.

18. Goodwill

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

(in € millions)	At March 31, 2017 Unaudited	At September 30, 2016 Audited	At March 31, 2016 Unaudited
Elior Entreprises	578.3	574.7	574.7
Other – France (Enseignement, Santé and Services	498.7	498.7	498.7
Sub-total – France	**1,077.0**	**1,073.4**	**1,073.4**
International	**770.8**	**742.6**	**677.4**
Contract catering & services	**1,847.8**	**1,816.0**	**1,750.8**
France	422.9	453.6	422.9
Northern Europe and Italy	86.4	86.7	86.7
Sub-total - France, Northern Europe and Italy	**509.3**	**540.3**	**509.6**
Spain, Portugal and the Americas	**185.7**	**185.7**	**185.2**
Concession catering (Areas)	**695.0**	**726.0**	**694.8**
Group total	**2,542.8**	**2,542.0**	**2,445.6**

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

The increase in goodwill at March 31, 2017 compared with September 30, 2016 mainly reflects the combined impact of (i) the goodwill recognized on the acquisitions of the following contract catering companies: Hospes (in Italy) by Elior Ristorazione, Hostesa (in Spain) by Serunion, and Abigail Kirsch and Corporate Chefs by Elior North America, and (ii) the allocation of provisional fair values to the identifiable intangible assets (notably trademarks, customer relationships and concession rights of Waterfall (a UK-based contract caterer) and Areas Restauration Services (a France-based concession caterer), which were both consolidated for the first time in FY 2015-2016.

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.

19. Intangible Assets

(in €millions)	At September 30, 2016 Audited	Additions	Disposals	Other movements (2)	At March 31, 2017 Unaudited
Concession rights	193.2	6.7	(0.6)	38.4	237.8
Assets operated under concession arrangements (1)	37.0	0.0	0.0	(0.0)	37.0
Trademarks	42.5	0.2	(0.1)	8.9	51.5
Software	118.7	4.0	(0.3)	4.7	127.1
Intangible assets in progress	23.1	17.8	(0.1)	0.3	41.0
Other	210.1	0.2	(0.0)	15.7	226.0
Gross value	**624.6**	**28.8**	**(1.2)**	**68.1**	**720.4**
Concession rights	(60.3)	(7.7)	0.3	(0.9)	(68.6)
Assets operated under concession arrangements (1)	(36.9)	0.0	0.0	(0.0)	(37.0)
Trademarks	(15.8)	(2.6)	0.0	(2.0)	(20.4)
Software	(84.6)	(6.1)	0.3	(0.2)	(90.5)
Other	(48.1)	(7.9)	0.0	0.7	(55.2)
Total amortization	**(245.8)**	**(24.3)**	**0.6**	**(2.4)**	**(271.8)**
Carrying amount	**378.8**	**4.6**	**(0.5)**	**65.7**	**448.6**

(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 consolidations of Waterfall and Areas Restauration Services which were acquired in the second half of FY 2015-2016 (€44.8 million recognized for trademarks, customer relationships and concession rights) and (ii) the effect of changes in exchange rates in the United States and the United Kingdom.

(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
Intangible assets in progress	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**	**538.7**
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**	**(234.0)**
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 correspond to (i) currency translation differences due to the change in the US$-€ and £-€ exchange rates.

20. Property, Plant and Equipment

(in € millions)	At September 30, 2017 Audited	Additions	Disposals	Other movements (1)	At March 31, 2017 Unaudited
Land	5.5	0.0	0.0	0.2	5.7
Buildings	168.4	4.1	(11.9)	3.8	164.4
Technical installations	806.3	38.4	(17.8)	(9.4)	817.5
Other items of property, plant and equipment	532.5	37.2	(27.0)	40.7	583.4
Assets under construction	27.9	15.5	(0.9)	(14.5)	28.0
Prepayments to suppliers of property, plant and equipment	6.0	0.7	(0.1)	(3.9)	2.8
Gross value	**1,546.5**	**96.0**	**(57.7)**	**17.0**	**1,601.9**
Buildings	(91.6)	(10.3)	12.4	1.8	(87.8)
Technical installations	(557.6)	(40.5)	18.5	9.9	(569.7)
Other items of property, plant and equipment	(322.5)	(25.8)	26.3	(20.5)	(342.5)
Total depreciation	**(971.7)**	**(76.6)**	**57.2**	**(8.9)**	**(1,000.1)**
Carrying amount	**574.8**	**19.4**	**(0.5)**	**8.2**	**601.8**

(1) "Other movements" primarily relate to the first-time consolidation of Abigail Kirsch, Hospes, Hostesa and Corporate Chefs.

(in € millions)	At September 30, 2015 Audited	Additions	Disposals	Other movements	Six months ended 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)	(5.8)	770.1
Other items of property, plant and equipment	519.6	17.6	(55.3)	(11.8)	470.2
Assets under construction	22.1	11.4	(0.5)	(14.0)	19.0
Prepayments to suppliers of property, plant and equipment	1.4	1.3	(0.0)	(0.6)	2.1
Gross value	**1,496.0**	**60.9**	**(118.1)**	**(27.8)**	**1,411.2**
Buildings	(97.0)	(4.5)	21.6	(0.7)	(80.6)
Technical installations	(541.2)	(37.8)	37.3	5.6	(536.1)
Other items of property, plant and equipment	(347.3)	(26.1)	54.1	13.7	(305.6)
Total depreciation	**(985.6)**	**(68.4)**	**113.0**	**18.6**	**(922.4)**
Carrying amount	**510.5**	**(7.5)**	**(5.0)**	**(9.2)**	**488.8**

21. Debt and Financial Income and Expenses

21.1 Debt

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

		At March 31, 2017 Unaudited		At September 30, 2016 Audited	
(in € millions)	Original currency	Amortized cost (1)	Repayment/ redemption value	Amortized cost (2)	Repayment/ redemption value
Bank overdrafts	€	0.9	0.9	2.6	2.6
Other short-term debt (including short-term portion of obligations under finance leases)	€ / $	16.5	16.5	8.9	8.9
Sub-total – short-term debt		**17.4**	**17.4**	**11.5**	**11.5**
Syndicated loans	€ / $	1,605.1	1,620.3	1,506.7	1,524.3
Other medium- and long-term borrowings	€	93.9	93.9	89.0	89.0
Factoring and securitized trade receivables	€	275.8	277.2	220.2	221.4
Other long-term debt (including obligations under finance leases)	€	27.0	27.0	30.1	30.1
Sub-total – long-term debt		**2,001.9**	**2,018.5**	**1,846.0**	**1,864.7**
Total debt		**2,019.3**	**2,035.9**	**1,857.4**	**1,876.2**

(1) At March 31, 2017, the amortized cost of bank borrowings was calculated taking into account a net €16.6 million in unamortized bank fees.

(2) At September 30, 2016, the amortized cost of bank borrowings was calculated taking into account a net €18.7 million in unamortized bank fees.

(in € millions)	Original currency	At March 31, 2016 Unaudited Amortised cost (2)	At March 31, 2016 Unaudited Repayment/ redemption value	At September 30, 2015 Audited Amortised cost (1)	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	€ / $	1,114.5	1,130.7	1,113.4	1,128.9
Other medium- and long-term borrowings (3) (4)	€	263.1	265.4	224.9	227.5
Factoring and securitized trade receivables	€	247.5	248.6	178.2	179.6

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

(2) The amortized cost of bank borrowings at September 30, 2016 was calculated taking into account a net €18.8 million in bank fees related to the Group's debt refinancing operations (Amend & Extend process) and refinancing the Elior North America acquisition debt.

(3) At September 30, 2015 this item included €227.5 million in 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 Group based on the same terms and conditions as those applicable for the Senior Secured Notes. This debt was repaid in advance of term during FY 2015-2016.

(4) At September 30, 2016 this item corresponded to the Group's $100 million USD private placement.

The Group's debt at March 31, 2017 included:

Syndicated bank loans at a variable rate based on the Euribor plus a margin, which broke down as follows at March 31, 2017:

- For Elior Group SA:
  - A senior bank loan totaling €200.0 million at March 31, 2017, 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, 2017 – 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 senior bank loan totaling €234.0 million at March 31, 2017, of which €50 million is repayable in January 2023 and €184 million in May 2023. Interest on this loan is based on the Euribor plus a standard margin of 2.50%.
- For Elior Participations SCA:
  - A euro-denominated senior bank loan totaling €750.0 million at March 31, 2017, 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, 2017, Elior Participations had drawn down €110.0 million of this facility.
  - A US-dollar denominated senior bank loan totaling $344 million at September 30, 2016, which was set up under the SFA and of which $100 million is repayable in May 2020 and $244 million in June 2021. Of this total amount, $50 million was drawn down in May 2015 (6th amendment to the SFA), $50 million in June 2015 (7th amendment) in connection with the refinancing of the original Elior North America acquisition debt, and $244 million in June 2016 (8th amendment). 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, 2017, Elior Participations had drawn down $5.0 million of this facility.

Liabilities relating to the Groups receivables securitization program. At March 31, 2017, outstanding securitized receivables – net of the related €77.5 million overcollateralization reserve – stood at €275.3 million. This securitization program was set up at the end of 2006 for a period of five years and was subsequently extended until June 2018. The ceiling on the program (net of the equivalent of an overcollateralization reserve) is €300 million and it now includes the receivables of Elior Group's Spanish, Italian and UK subsidiaries. The program's cost, based on net amounts securitized, was approximately 1.5% in the first half of FY 2016-2017.

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 repayable in January 2021 and €32 million in December 2022.

Interest on this loan 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 had a fixed interest rate of 6.5% and a maturity date of 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 mirrored 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 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.

Liabilities relating to the Group's receivables securitization program. 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 at March 31, 2016 it also included 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 can be analyzed as follows by maturity:

(in € millions)	Original currency	At March 31, 2017 Unaudited		At September 30, 2016 Audited	
		Short-term	Long-term	Short-term	Long-term
Bank borrowings					
Medium-term borrowings – Elior Group SA	€	–	434.9	–	434.0
Medium-term borrowings – Elior Participations and Elior North America	€ / $	–	1,187.7	–	1,090.3
Other medium- and long-term bank borrowings	€	–	0.6	–	0.6
Sub-total – bank borrowings		–	**1,623.2**	–	**1,525.0**
Other debt					
Elior Group bond debt (USD private placement)	$	–	93.9	–	89.0
Finance leases	€	13.7	25.2	7.0	29.1
Other (1)	€	(0.0)	276.2		221.7
Bank overdrafts (2)	€	0.9	–	2.6	–
Current accounts (2)	€	0.8	–	0.2	–
Accrued interest on borrowings (2)	€ / $	2.0	–	1.7	–
Sub-total – other debt		**17.4**	**395.3**	**11.5**	**339.8**
Total debt		**17.4**	**2,018.5**	**11.5**	**1,864.7**

(1) Including liabilities under the receivables securitization program described in Note 21.1.
(2) Amounts deducted from cash and cash equivalents in the cash flow statement.

21.2 Financial Income and Expenses

The Group recorded a net financial expense of €25.2 million for the six months ended March 31, 2017, versus €31.1 million for the six months ended March 31, 2016, breaking down as follows:

(in € millions)	Six months ended March 31, 2017 Unaudited	Six months ended March 31, 2016 Unaudited
Interest expense on debt	(25.0)	(27.2)
Interest income on short-term investments	2.1	1.6
Other financial income and expenses (1)	(1.9)	(4.4)
Interest cost on post-employment benefit obligations	(0.5)	(0.9)
Net financial expense	**(25.2)**	**(31.1)**
(1) Including:		
- Fair value adjustments on interest rate hedging instruments	*0.0*	*(0.3)*
- Disposal gains/(losses) and movements in provisions for impairment of shares in non-consolidated companies	*(0.3)*	*(0.2)*
- Amortization of debt issuance costs	*(2.3)*	*(2.4)*
- Early redemption penalties on the Elior Finance & Co SCA 6.5% May 2020 Senior Secured Notes	*0.0*	*(3.1)*
- Net foreign exchange gain/(loss)	*0.7*	*1.6*

The year-on-year decrease in this item mainly reflects (i) a reduction in interest paid, notably as a result of the January 2016 bank loan refinancing and the early redemption of all of the outstanding Elior Finance & Co 6.5% May 2020 Senior Secured Notes, and (ii) the one-off payment in FY 2015-2016 of early redemption penalties related to the Elior Finance & Co 6.5% May 2020 Senior Secured Notes.

22. Provisions

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

(in € millions)	Six months ended March 31, 2017	At Sept. 30, 2016
Commercial risks	2.5	2.8
Tax risks and employee-related disputes	25.8	26.5
Reorganization costs	1.5	1.2
Employee benefits	11.3	11.2
Other	10.4	8.4
Short-term provisions	**51.6**	**50.1**
Employee benefits	116.1	113.0
Non-renewal of concession contracts	9.4	8.8
Other	14.4	17.8
Long-term provisions	**139.9**	**139.5**
Total	**191.5**	**189.6**

(in € millions)	Six months ended March 31, 2016	At Sept. 30, 2015
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	101.0	101.8
Non-renewal of concession contracts	9.6	9.4
Other	11.8	13.0
Long-term provisions	**122.4**	**124.1**
Total	**174.6**	**183.3**

23. Related Party Transactions

None

24. Loss for the Period from Discontinued Operations

At March 31, 2017, assets classified as held for sale in the consolidated balance sheet primarily corresponded to non-strategic operations run by Areas Northern Europe.

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 first-half FY 2016-2017, discontinued operations generated €23.4 million in revenue and the loss for the period from discontinued operations recognized in the income statement amounted to €0.9 million, including the €2.4 million capital gain generated on the transfer to Groupe Ducasse of 60% of Elior Group's museum catering operations on March 31, 2017. The remaining 40% of the assets and liabilities of the museum catering operations held by Elior Group is still presented in assets/liabilities classified as held for sale in the consolidated financial statements.

For the six months ended March 31, 2016, discontinued operations generated revenue of €24.0 million and the loss for the period from discontinued operations amounted to €3.5 million.

25. Events After the Reporting Date

On April 4, 2017, Elior Group announced that, through its US subsidiary Elior North America, it had acquired Lancer Hospitality, a foodservice and catering provider based in Minnesota. Lancer Hospitality provides professional food management services in a variety of settings from cultural attractions to business centers, schools and healthcare facilities. The company generated revenue of approximately USD 70 million in FY 2016.

Also on April 4, 2017, Elior Group signed an agreement with its banks to extend by one year the maturities of substantially all of its euro- and dollar-denominated syndicated bank loans described in Note 21.1 above. The new maturities of these facilities are now staggered between May 2021 and May 2023.

RESPONSABILITY FOR THE HALF YEAR FINANCIAL REPORT

I hereby affirm that to the best of my knowledge the condensed financial statements presented for the 2016-2017 half-year have been prepared in accordance with the applicable accounting standards and provide a fair view of the assets, financial position, and profits of Elior Group, and of that of all of the companies included within the consolidation scope. The half year activity review included in the attached report presents a true view of the significant events which took place during the first six months of the full year period and of their impact on the half year financial statements, the principle transactions between related parties, and describes the main risks and uncertainties for the remaining six months of the year.

May 31th, 2017

Philippe Salle

Chief Executive Officer

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63 rue Villiers
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Elior Group SA

Statutory Auditors' review report on the interim financial information

For the six months ended March 31, 2017
Elior Group SA
9-11, Allée de l'Arche - 92032 Paris la Défense
This report contains 34 pages

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This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Elior Group SA

Registered office : 9-11, Allée de l'Arche - 92032 Paris la Défense
Share capital : €.1 727 418

Statutory Auditors' review report on the interim financial information

For the six months ended March 31, 2017

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on :

- the review of the accompanying condensed interim consolidated financial statements of Elior Group, for the six months ended March 31, 2017;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

The Statutory Auditors

Paris La Défense et Neuilly-sur-Seine, le 30 mai 2017

French original signed by

KPMG Audit IS	PricewaterhouseCoopers Audit	
François Caubrière *Partner*	Anne-Laure Julienne *Partner*	Eric Bertier *Partner*