Press release

2014 Annual Results – Solid operational performance, acceleration of the international growth and proposal of a €0.35 dividend per share

- **Operating performance in line with expectations**
    - Revenues: €1,331.0m (+8.6 %)
    - EBITDA: €429.0m (32.2 % of revenues)
    - Operating cash flow: €272.8m (+30.7%)
- **Commercial initiatives**
    - Successful launch of pest control offer in France (3D)
    - Reinforcement of French salesforce for large accounts
    - Commercial dynamism in Southern Europe
- **Strong M&A activity**
    - 7 acquisitions completed in Brazil and France
    - Continued strong pipeline

In €m	2014	2013	Change
Revenues	**1,331.0**	**1 225.4**	**+8.6%**
EBITDA	**429.0**	**400.7**	**+7.0%**
EBIT*	**210.1**	**212.6**	**-1.2%**
Net result	**(21.8)**	**(44.1)**	**n/a**
Operating cash flow	**272.8**	**208.7**	**+30.7%**
Adjusted net financial debt**	**2,019.1**	**1,991.7**	

Percentage change calculations are based on actual figures
*Please see comment on the 2013 base effect
** Proforma for the capital increase from the IPO, Adjusted net financial debt would amounts to €1,194m.

Puteaux, March 11 2015 – Elis, the leading multi-services group in Europe and in Brazil, specializing in the rental and maintenance of professional clothing, textile articles, hygiene and well-being appliances, today announces its results for the year ending December 31st, 2014. Audit procedures have been performed. Audit reports will be issued after completion of specific verifications.

Commenting on the results, **Xavier Martiré, CEO of Elis**, said:

"We are pleased to announce our 2014 annual results with revenues and EBITDA in line with expectations. In a European macroeconomic context which remains difficult, this solid operating performance demonstrate the relevance of our multiservice model and the importance of our strong leadership positions in the geographies where we operate.

2014 was marked by the acquisition of Atmosfera, the market leader in Brazil, a country which offers solid long term growth prospects for our business. A number of commercial initiatives have been undertaken to sustain growth in France, such as the launch of our pest control offer (3D) and the strengthening of our salesforce for large accounts.

We are confident in our growth opportunities and confirm our target to deliver +6.5% revenue growth in 2015.

Finally, we were really pleased after initiating an IPO process to see a successful listing of Elis on 11 February 2015. This will allow us to accelerate the deployment of our 4 strategic pillars: 1) To consolidate our positions in all our geographies, 2) To continue the development of our Brazilian platform 3) To pursue the improvement of our operational excellence and 4) The launch of new products and services.

As we stated during the IPO process, we will recommend a dividend payment of €0.35 per share at the General Assembly in June."

Revenues

In €m	2014	2013	Change
Hospitality	290.5	282.5	+2.8%
Industry	187.6	187.7	-0.0%
Trade & Services	338.8	340.5	-0.5%
Healthcare	152.5	144.7	+5.4%
France (1)	**954.0**	**941.9**	**+1.3%**
Northern Europe	148.7	147.2	+1.0%
Southern Europe	125.5	112.8	+11.2%
Europe	**274.3**	**260.1**	**+5.5%**
Brazil	**85.3**	**0.0**	**n/a**
Manufacturing Entities	**17.4**	**23.4**	**-25.9%**
Total	**1,331.0**	**1,225.4**	**+8.6%**

(1) After other items including rebates
Percentage change calculations are based on actual figures

In 2014, Group revenues increased by 8.6% to €1,331.0m. The increase of €105.6m was driven by growth in France, Germany and Southern Europe along with the integration of our Brazilian acquisitions.

France

Revenues for the Hospitality segment increased 2.8% due to good commercial achievements in hotels; traditional catering was soft.

Revenues for the Healthcare segment increased by 5.4%, driven by strong activity from both short-stay and long-stay clients.

A tough macro environment weighed on the Industry segment (-0,0%) and the Trade & Services segment (-0.5%).

The reinforcement of our salesforce teams - notably for large accounts - has helped win several new significant contracts which started to impact revenues towards the end of 2014. This underscores our outlook for 2015.

Europe

Northern Europe (+1.0%) was driven by new signings in our Hospitality segment in Germany and by an increased revenues in Switzerland. This was offset by Belgium where the loss of 3 contacts was a drag on 2014 revenues.

On the back of a slight improvement in the macro environment, Southern Europe (+11.2%) started to deliver on the initiatives taken during the crisis. Growth was driven by market share gains and increased outsourcing from clients and by some acquisitions. Spain was particularly strong with revenues up nearly 20% in 2014.

Brazil

In 2014, we successfully integrated Atmosfera and then further consolidated the market with 3 additional acquisitions.

Manufacturing Entities

The decline in the segment mainly resulted from a tough comparable in 2013, as Molinel contributed to one quarter in 2013 before being disposed.

EBITDA[1]

In €m	2014	2013	Change
France	**344.9**	**339.0**	**+1.7%**
As a % of revenues	*36.1%*	*35.9%*	*+20bps*
Europe	**65.9**	**60.5**	**+8.8%**
As a % of revenues	*24.0%*	*23.2%*	*+80bps*
Brazil	**17.4**	**-0.8**	**n/a**
As a % of revenues	*20.4%*	*n/a*	*n/a*
Manufacturing entities	**2.3**	**3.4**	**-33.1%**
As a % of revenues	*8.8%*	*10.7%*	*-190bps*
Holdings	**-1.5**	**-1.4**	**+2.0%**
Total	**429.0**	**400.7**	**+7.0%**
As a % of revenues	*32.2%*	*32.7%*	*-50bps*

Percentage change calculations are based on actual figures

EBITDA was up in all geographies both in absolute terms and as a percentage of revenues and amounted to €429.0m or 32.2% of revenues. Group EBITDA margin was slightly down due to the mix effect resulting from the Brazilian acquisitions.

France EBITDA margin was up 20bps following productivity gains (workshops, water, chemical products, energy and logistics).

Europe EBITDA margin is up 80bps, helped by increased network density and transfer of know-how.

EBITDA to Net result

In €m	2014	2013	Change
EBITDA	**429.0**	**400.7**	**+7.0%**
As a % of revenues	*32.2%*	*32.7%*	*-50bps*
Depreciation & amortization	(218.9)	(188.2)	
EBIT*	**210.1**	**212.6**	**-1.2%**
As a % of revenues	*15.8%*	*17.3%*	*-150bps*
Banking charges	(1.1)	(0.9)	
Operating result before other operating income and expenses	**209.0**	**211.7**	**-1.3%**
As a % of revenues	15.7%	17.3%	-160bps
PPA depreciation	(41.1)	(39.6)	
Goodwill impairment	0.0	(4.0)	
Other operating income and expenses	(23.1)	(49.2)	
Operating result	**144.8**	**118.9**	**+21.8%**
As a % of revenues	10.9%	9.7%	+120bps
Financial result	(153.6)	(164.2)	
Pre-tax result	**(8.8)**	**(45.3)**	**n/a**
Tax	(13.0)	1.2	
Equity affiliates	0.0	0.1	
Net result	**(21.8)**	**(44.1)**	**n/a**

Percentage change calculations are based on actual figures

***EBIT[2]**

In 2014, EBIT slightly decreased due to a base effect: 2013 depreciation & amortization benefited from a €9.7m non-recurring positive effect following the change in linen amortization period. Without this effect, EBIT was up €7.2m.

Operating result[3]

PPA depreciation was virtually flat in 2014. These intangible assets mainly consist of customer relationship portfolios where amortization will significantly decrease after 2018.
Other operating income and expenses mainly relate to the impact of the upgrade of our IT systems which started in 2012.

Net result

In 2014, Net Result was -€21.8m compared to -€44.1m in 2013.
Excluding both the PPA depreciation and Other operating income and expenses, net result was €42.4m.

Other financial items

Investments

Group net investments encompass industrial investments and linen investments which were offset by disposals including the sale & lease of real estate.
Group gross investments amounted to €236.4m, or 17.8% of consolidated revenues. This was impacted by exceptional linen purchases in order to prepare for the implementation of a number of contracts won at the end on 2014.

Operating cash flow(4)

Operating cash-flow was €272.8m in 2014 compared to €208.7m in the previous year. This solid improvement has been driven by good operating performance and by the sale & lease of real estate.

Company free cash-flow(5)

Company free cash-flow was €134.4m in 2014, compared to €65.8m in the previous year. This increase is in line with the increase in Operating cash-flow, as interests and tax paid in 2014 were broadly stable compared to 2013.

Adjusted net financial debt(6)

Group adjusted net financial debt as of 31st December 2014 was €2,019.1m. Proforma for the gross capital increase from the IPO in February (€825m), adjusted net financial debt would amounts to €1,194m.
Following the IPO, Moody's and Standard & Poor's both upgraded their credit rating on Elis to Ba2 and BB respectively.

Dividend

At the next Annual General Meeting of Shareholders in June 2015, the Supervisory Board will recommend the payment of €0.35 per share for the 2014 financial year.

Investor and Analyst conference call

Speakers:
Xavier Martiré, CEO
Louis Guyot, CFO

Date: Wednesday, March 11
6:30 pm Paris time – 5:30 pm London time – 12:30 pm New York time

Media invited on a listen-only basis.

Webcast link (live and replay):
http://event.onlineseminarsolutions.com/r.htm?e=963505&s=1&k=62EEAF076CF7E6DF2F13CEBD9BF64AB7

Numbers to dial:
France: +33 1 70 77 09 36
United Kingdom: +44 203 367 9462
United States of America: +1 855 402 7764

Numbers for replay:
France: +33 1 72 00 15 00
United Kingdom: +44 203 367 9460
United States of America: +1 877 64 230 18
Code for replay: 292852#

Audio and webcast replays will both be available for 90 days following the event.

Financial definitions

(1) EBITDA is defined as EBIT before depreciation and amortization net of the portion of grants transferred to income.

(2) EBIT is defined as net income (loss) before net financial expense, income tax, share in income of equity-accounted companies, amortization of customer relationships, goodwill impairment, other income and expense and miscellaneous financial items (bank fees and recurring dividends recognized in operating income).

(3) Operating result is defined as net income (loss) before net financial expense, income tax, share in income of equity-accounted companies.

(4) Operating cash flow is defined as EBITDA minus non cash-items and after (i) business-related changes in working capital, (ii) linen purchases and (iii) manufacturing capital expenditures, net of proceeds.

(5) *Company free cash flow* is defined as Operating cash flow minus interests payments and minus tax paid.

(6) The concept of adjusted net debt used by the Group consists of the sum of non-current financial liabilities, current financial liabilities and cash and cash equivalents adjusted by capitalized debt arrangement costs, the impact of applying the effective interest rate method, the loan from employee profit-sharing fund and the bonds subscribed by Eurazeo/ECIP Elis including accrued interest.

Forward looking statements

This release may contain some forward-looking statements. These statements are not undertakings as to the future performance of the Company. Although the Company considers that such statements are based on reasonable expectations and assumptions on the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual performance to differ from those indicated or implied in such statements.
These risks and uncertainties include without limitation the risk factors that are described in the Document de Base registered in France with the French Autorité des Marchés Financiers.
Investors and holders of shares of the Company may obtain copy of such annual report by contacting the Autorité des Marchés Financiers on its website www.amf-france.org or directly on the Company website www.corporate-elis.com
The Company does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.

About Elis

Elis is a leading multi-services group in Europe and Brazil, specialized in the rental and maintenance of professional clothing and textile articles, as well as hygiene appliance and well-being services. With more than 19,000 employees spread across 12 countries, Elis consolidated turnover in 2014 was €1.331 billion and consolidated EBITDA reached €429 million. Benefiting from more than a century of experience, Elis today services more than 240 000 businesses of all sizes in the hotel, catering, healthcare, industry, retail and services sectors, thanks to its network of 258 production and distribution centers and 13 clean rooms, which guarantees it an unrivalled proximity to its clients.

Next information

Q1 2015 revenues: May 6, 2015 (after market)

Contact

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Appendices

Consolidated income statement for the period

In thousands of euros	2014	2013
Revenue	1,330,980	1,225,421
Cost of linen, equipment and other consumables	(222,214)	(195,840)
Processing costs	(469,951)	(413,297)
Distribution costs	(212,921)	(195,529)
Gross margin	425,894	420,756
Selling, general and administrative expenses	(216,880)	(209,067)
Operating income before other income and expense and amortization of customer relationships	209,014	211,689
Amortization of customer relationships	(41,107)	(39,644)
Goodwill impairment	0	(4,000)
Other income and expense	(23,130)	(49,167)
Operating income	144,777	118,879
Net financial expense	(153,551)	(164,198)
Income (loss) before tax	(8,774)	(45,320)
Income tax benefit (expense)	(13,050)	1,171
Share of net income of equity-accounted companies	0	68
Net income (loss)	(21,824)	(44,081)
Attributable to:		
owners of the parent	(22,667)	(44,334)
non-controlling interests	843	253
Earnings (loss) per share (EPS):		
basic, attributable to owners of the parent	€(0.46)	€(3.64)
diluted, attributable to owners of the parent	€(0.46)	€(3.64)

Consolidated balance sheet

Assets

In thousands of euros	2014	2013
Goodwill	1,539,534	1,454,948
Intangible assets	402,645	428,257
Property, plant and equipment	705,683	631,140
Equity-accounted companies	0	0
Available-for-sale financial assets	168	137
Other non-current assets	6,890	7,971
Deferred tax assets	12,376	8,672
TOTAL NON-CURRENT ASSETS	2,667,295	2,531,127
Inventories	58,641	44,424
Trade and other receivables	327,863	297,092
Current tax assets	2,842	4,170
Other assets	13,461	3,450
Cash and cash equivalents	59,255	49,454
TOTAL CURRENT ASSETS	462,062	398,591
Assets held for sale	0	88,879
TOTAL ASSETS	3,129,357	3,018,597

Equity and liabilities

In thousands of euros	2014	2013
Share capital	497,610	461,177
Additional paid-in capital	175,853	169,286
Other reserves	7,224	7,224
Retained earnings (accumulated deficit)	-303,592	-287,758
Other components of equity	-10,111	-1,654
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	366,985	348,276
NON-CONTROLLING INTERESTS	-125	-847
TOTAL EQUITY	366,860	347,429
Non-current provisions	28,997	15,729
Employee benefit liabilities	48,323	46,104
Non-current borrowings	1,947,291	1,908,735
Deferred tax liabilities	197,022	202,710
Other non-current liabilities	34,552	21,293
TOTAL NON-CURRENT LIABILITIES	2,256,186	2,194,571
Current provisions	4,078	6,154
Current tax liabilities	892	699
Trade and other payables	139,630	118,334
Other liabilities	237,028	224,756
Bank overdrafts and current borrowings	124,684	118,013
TOTAL CURRENT LIABILITIES	506,312	467,956
Liabilities directly associated with assets held for sale	0	8,641
TOTAL EQUITY AND LIABILITIES	3,129,357	3,018,597

Consolidated cash flow statement

In thousands of euros	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
CONSOLIDATED NET INCOME (LOSS)	-21,824	-44,081
Depreciation, amortization and provisions	251,518	256,364
Portion of grants transferred to income	-125	-119
Share-based payments	0	0
Discounting adjustment on provisions and retirement benefits	1,266	1,262
Net gains and losses on disposal of assets	-3,737	1,777
Share of net income of equity-accounted companies	0	-68
Dividends received (from non-consolidated entities)	-13	-12
CASH FLOWS AFTER FINANCE COSTS AND TAX	227,085	215,123
Net finance costs	151,268	162,703
Income tax expense	13,050	-1,171
CASH FLOWS BEFORE FINANCE COSTS AND TAX	391,403	376,655
Income tax paid	-21,414	-23,069
Change in inventories	-11,989	-6,528
Change in trade receivables	-7,249	-2,194
Change in trade and other payables (excluding borrowings)	15,646	24,035
Other changes	-4,995	-191
Employee benefits	-437	-942
NET CASH FROM OPERATING ACTIVITIES	360,965	367,766
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	-4,853	-12,259
Proceeds from sale of intangible assets	0	160
Acquisition of property, plant and equipment	-231,558	-202,638
Proceeds from sale of property, plant and equipment	92,541	8,371
Acquisition of subsidiaries, net of cash acquired	-97,262	-39,112
Proceeds from disposal of subsidiaries, net of cash transferred	1,000	14,708
Changes in loans and advances	121	-22
Dividends from equity-accounted companies	13	12
Investment grants	0	0
NET CASH USED IN INVESTING ACTIVITIES	-239,998	-230,780
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital increase	43,000	0
Dividends paid	0	0
- to owners of the parent		
- to non-controlling interests	-9	-20
Change in borrowings related to operations [1]	-37,237	-22,378
- Proceeds from new borrowings	1,270,786	2,099,206
- Repayment of borrowings	-1,308,023	-2,121,584
Net interest paid	-117,206	-119,967
NET CASH USED IN FINANCING ACTIVITIES	-111,452	-142,365
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,515	-5,379
Cash and cash equivalents at beginning of period	48,598	54,678
Effect of changes in foreign exchange rates on cash and cash equivalents	410	-702
CASH AND CASH EQUIVALENTS AT END OF PERIOD	58,523	48,598

[1] Net change in credit lines related to financing of operations