Half-Year Report 2015

This document is an English translation of the French text of the "Rapport Financier Semestriel 2015" and is provided only for the convenience of English speaking readers. The Statutory Auditor's report includes information specifically required by French law in such reports, whether qualified or not. In case of discrepancies between the original French text and the English translation, the French version shall prevail.

1. CERTIFICATION OF THE PERSON RESPONSIBLE

Responsibility for this document lies Xavier Martiré, President of the Management Board.

“I certify that, to my knowledge, the condensed half-year consolidated financial statements for the half-year period have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and all the companies included in the consolidation scope, and that the half-year management report is a true reflection of significant events occurred during the first six months of the financial year, their impact on the financial statements, the main transactions between related parties as well as a description of the main risks and uncertainties for the six months remaining in the financial year. »

Puteaux, July 29, 2015

President of the Management Board,

Xavier Martiré

2. GROUP PRESENTATION

2.1 Company profile and key figures

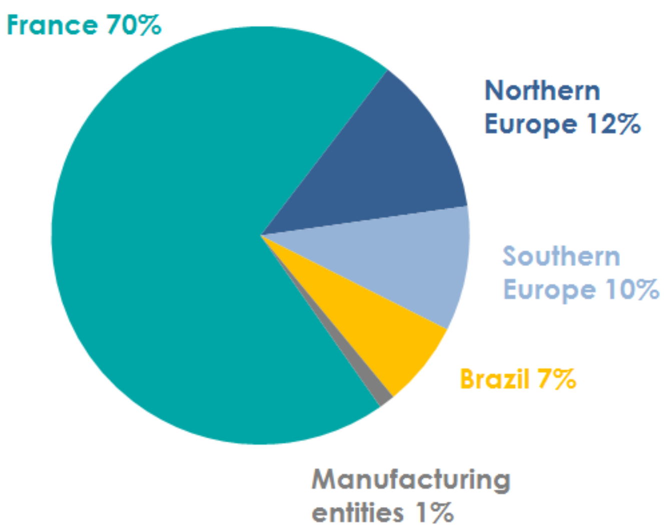
Elis is a leading multi-services group in Europe and Brazil, specialized in the rental and maintenance of professional clothing and textile articles, as well as hygiene appliance and well-being services. With more than 19,000 employees spread across 12 countries, Elis' consolidated turnover in 2014 was €1.331 billion with consolidated EBITDA of €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 280 production and distribution centers and 13 clean rooms, which guarantees it an unrivalled proximity to its clients.

H1 2015 key figures

In €m	H1 2015	H1 2014*	Change
Revenues	682.4	644.3	+5.9%
EBITDA	204.6	204.8	-0.1%
EBIT	87.7	99.7	-12.0%
Net result	(80.6)	(20.2)	
Adjusted net debt at end of period	1,404.5	1,996.0	

Percentage change calculations are based on actual figures
*H1 2014 figures are restated from the first application of the IFRIC 21 interpretation

H1 2015 revenue breakdown by geography

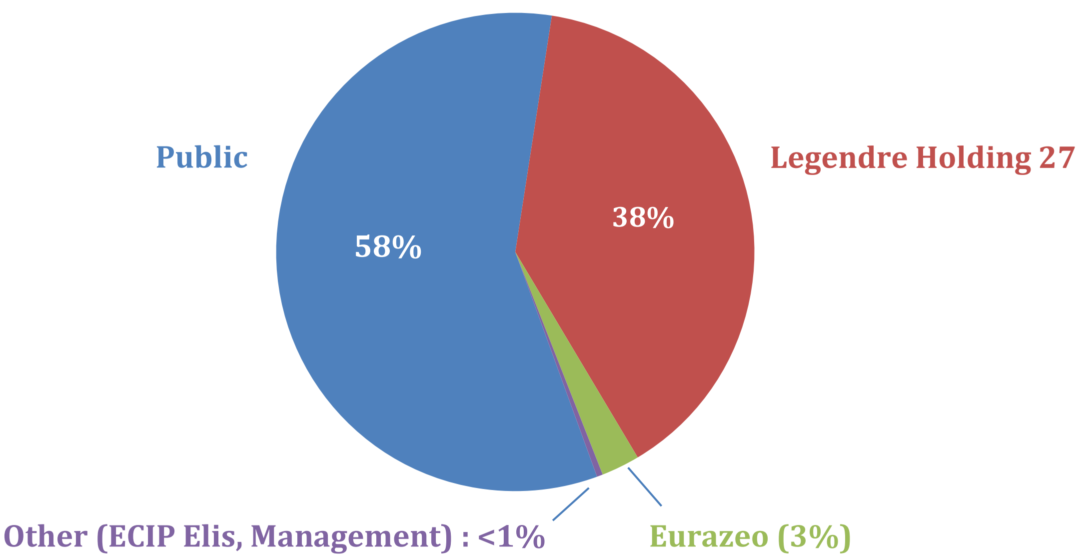


Revenue evolution

In m€	2015			2014			Var.		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Hospitality	62.2	83.3	145.5	59.1	77.3	136.5	+5.2%	+7.7%	+6.6%
Industry	46.7	47.2	94.0	45.8	47.5	93.3	+2.0%	-0.6%	+0.7%
Trade & Services	83.1	85.5	168.6	83.7	86.5	170.2	-0.7%	-1.2%	-1.0%
Healthcare	39.4	39.9	79.3	38.0	38.2	76.1	+3.7%	+4.6%	+4.2%
France[1]	**228.2**	**250.5**	**478.6**	**222.5**	**245.5**	**468.0**	**+2.5%**	**+2.0%**	**+2.3%**
Northern Europe	38.2	46.1	84.2	35.0	37.5	72.5	+8.9%	+22.8%	+16.1%
Southern Europe	28.9	37.1	66.0	26.7	32.6	59.3	+7.9%	+13.9%	+11.2%
Europe	**67.0**	**83.2**	**150.2**	**61.8**	**70.1**	**131.9**	**+8.5%**	**+18.7%**	**+13.9%**
Brazil	**22.3**	**22.8**	**45.1**	**13.8**	**22.4**	**36.2**	**+61.6%**	**+1.8%**	**+24.6%**
Manufacturing entities	**4.5**	**3.9**	**8.5**	**4.3**	**3.9**	**8.2**	**+5.5%**	**+0.7%**	**+3.2%**
Total	**322.0**	**360.4**	**682.4**	**302.4**	**341.9**	**644.3**	**+6.5%**	**+5.4%**	**+5.9%**

[1] : After other items including rebates
Percentage change calculations are based on actual figures

Elis's share capital at the end of the offering and the exercise of the over-allotment option



2.2 Risks factors and transactions with related parties

2.2.1 Risk factors

The main risk factors that the Group could face during the second half of 2015 are similar to those described in the section I-A-4 “Risks and uncertainties” pages 45 to 67 of the 2014 Annual Financial report.

Risks related to the Group’s indebtedness

On April 28, 2015 the Group launched a bond issue for an amount of € 800.0 million (and a maturity date of 2022) for a seven year period, and entered into the 7th May, 2015 a new Senior credit facility with a pool of international banks and reviewed in this respect the allocation of its credit lines. The main terms and conditions of bonds issue and the new senior credit are set out in note 9 to the Group’s half-year consolidated financial statements on page 42 of the present report.

Risks related to equities

As of June 30, 2015, the exposure of the Group to equity risk mainly involves the 60 084 Elis treasury shares held for the requirements of the liquidity contract implemented on April 13, 2015. These shares were valued at €1.091 thousands of euros based on the June 30, 2015 closing price (€17.62). As an illustration of the risk, a 10%drop in the Elis share price compared with the June 30, 2015 closing price would therefore have an impact of approximately €109 thousands of euros on Elis’s financial statements.

Accordingly, the Group did not consider it necessary to introduce an equity risk management policy.

2.2.2 Transactions with related parties

The main transaction with other related parties are set out in notes 6.2 in the Group’s half-year consolidated financial statements on page 37 of the present report.

3. MANAGEMENT REPORT OF THE FIRST HALF OF 2015

3.1 Key highlights

3.1.1 Initial Public Offering

On 11 February 2015, Elis listed on Compartment A of Euronext's regulated market in Paris. Elis was listed through the admission to trading of the 114,006,167 shares making up its equity, including 57,692,306 shares issued under a Global Offering, of which 3,846,153 existing shares and 53,846,153 new shares, before any exercise of the Over-Allotment Option.

On 11 March 2015, Elis announced the exercise of the over-allotment option in connection with its initial public offering on the regulated market of Euronext Paris. Deutsche Bank AG, London Branch, acting in the name and on behalf of the underwriters, exercised the over-allotment option on 8,022,323 additional existing shares sold by Legendre Holding 27 ("LH 27"), an entity controlled by Eurazeo, at the offering price of €13.00 per share corresponding to a total amount of approximately €104 million.

As a result, the total number of Elis shares offered in the Initial Public Offering increased to 65,714,629 shares, representing 57.6% of the Company's share capital, thereby increasing the total offering size to approximately €854 million. After the exercise of the over-allotment option, Elis's public float amounts to approximately 57.6% of its share capital.

Since 13 April 2015, Elis SA has entered into a liquidity contract with Kepler Cheuvreux, that complies with the code of ethics issued by AMAFI on March 8, 2011 and approved by Autorité des Marchés Financiers on March 21 of the same year. €3,000,000 in cash have been credited to the liquidity account to fund these market-making transactions.

On 19 June 2015, Elis integrated the SBF 120 companies.

3.1.2 Acquisitions

On 26 January 2015, Elis has announced, in the update "document de base" the completion of the acquisition of the company Kress in Germany, which is described on Note 3 to the Group's half year consolidated financial statement on page 31 of the present report.

On 8 April 2015, Elis announced the closing of 5 acquisitions in France, Spain, Germany and Switzerland described in note 3 to the Group's half year consolidated financial statements on page 31 of the present report. The five acquired companies have combined revenues of c. €30 million on a full-year basis. They have been consolidated in Elis' financial statements from the second quarter onwards.

3.1.3 Refinancing

On 22 April 2015, Elis has announced the success of the offering of €800 million of 2022 Notes through its wholly owned subsidiary Novalis S.A.S. The transaction was launched on April 17, 2015 and Elis priced the 2022 Notes at 3.000 %. An application has been made to list the 2022 Notes on the Irish Stock Exchange (Global Exchange Market). The settlement of the 2022 Notes occurred on April 28, 2015.

3.1.4 Change in the Governance

The Ordinary Annual General Meeting of Elis SA was convened on 24 June 2015. During this meeting, Mr. Philippe Delleur was appointed as new independent member of the Supervisory Board. The Annual General Meeting also renewed the terms of two members of the Supervisory Board: Mr. Thierry Morin and Mrs. Virginie Morgon for four years.

3.2 Group Results

- **Revenue growth of c. 6%**
  - Revenue: €682.4m (+5.9%)
  - EBITDA: €204.6m (30.0% of revenues)
  - Pricing pressure in France
  - IPO success and debt fully refinanced
- **Dynamic M&A strategy**
  - 6 acquisitions completed in H1 in France and Europe
  - 2 further acquisitions completed during July in Switzerland and Brazil
  - Agreement reached on the provisional sale of the Puteaux site for €54m
- **FY15 outlook updated**
  - FY15 revenue growth target increased to +7.0%
  - FY2015 EBITDA expected to be between €445m and €450m (+€15m/€20m vs 2014)

In m€	H1 2015	H1 2014*	Change
Revenues	**682.4**	**644.3**	**+5.9%**
EBITDA	**204.6**	**204.8**	**-0.1%**
EBIT	**87.7**	**99.7**	**-12.0%**
Net result	**(80.6)****	**(20.2)**	
Adjusted net financial debt (end of period)	**1,404.5**	**1,996.0**	

Percentage change calculations are based on actual figures
*H1 2014 figures are restated from the first application of the IFRIC 21 interpretation
**: of which €123m are non-recurring costs related to the IPO and subsequent refinancing

Puteaux, July 29 2015 – Elis, the leading multi-services group in Europe and Brazil, specializing in the rental and maintenance of professional clothing, textile articles, hygiene and well-being appliances, today announces its 2015 half year financial results.

Commenting on the 2015 first half results, **Xavier Martiré, CEO of Elis**, said:

"Elis' revenues grew +5.9% in H1 2015 to €682m on the back of +2.4% organic growth. This good performance was achieved despite a sluggish macro environment in Europe and Brazil. Revenue growth was driven by a sharp rebound in Southern Europe and recently completed acquisitions. However, pricing pressure in the French market had a dilutive impact on our first half margins.

Looking to the full year, we remain confident in our growth prospects and raise our FY15 revenue guidance to +7%. We expect EBITDA to increase by €15m to €20m and land between €445m and €450m.

Finally, the first half was marked by the IPO of Elis and the successful full refinancing of its debt. Elis now has a new financial status with an interest charge that is now a third of that paid previously and hence has larger access to financial resources. As such, the Group is able to accelerate the deployment of its 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."*

Revenues

Revenue growth

In m€	2015			2014			Change		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Hospitality	62.2	83.3	145.5	59.1	77.3	136.5	+5.2%	+7.7%	+6.6%
Industry	46.7	47.2	94.0	45.8	47.5	93.3	+2.0%	-0.6%	+0.7%
Trade & Services	83.1	85.5	168.6	83.7	86.5	170.2	-0.7%	-1.2%	-1.0%
Healthcare	39.4	39.9	79.3	38.0	38.2	76.1	+3.7%	+4.6%	+4.2%
France[a]	**228.2**	**250.5**	**478.6**	**222.5**	**245.5**	**468.0**	**+2.5%**	**+2.0%**	**+2.3%**
Northern Europe	38.2	46.1	84.2	35.0	37.5	72.5	+8.9%	+22.8%	+16.1%
Southern Europe	28.9	37.1	66.0	26.7	32.6	59.3	+7.9%	+13.9%	+11.2%
Europe	**67.0**	**83.2**	**150.2**	**61.8**	**70.1**	**131.9**	**+8.5%**	**+18.7%**	**+13.9%**
Brazil	**22.3**	**22.8**	**45.1**	**13.8**	**22.4**	**36.2**	**+61.6%**	**+1.8%**	**+24.6%**
Manufacturing Entities	**4.5**	**3.9**	**8.5**	**4.3**	**3.9**	**8.2**	**+5.5%**	**+0.7%**	**+3.2%**
Total	**322.0**	**360.4**	**682.4**	**302.4**	**341.9**	**644.3**	**+6.5%**	**+5.4%**	**+5.9%**

a : After other items including rebates
Percentage change calculations are based on actual figures

Organic revenue growth

In m€	Q1 organic growth[1]	Q2 organic growth[1]	H1 organic growth[1]
Hospitality	+5.2%	+7.7%	+6.6%
Industry	+2.0%	-0.6%	+0.7%
Trade & Services	-0.7%	-1.2%	-1.0%
Healthcare	+3.7%	+4.6%	+4.2%
France[a]	**+2.5%**	**+2.0%**	**+2.3%**
Northern Europe	-0.8%	-0.9%	-0.9%
Southern Europe	+7.9%	+7.1%	+7.5%
Europe	**+3.0%**	**+2.8%**	**+2.9%**
Brazil	**+2.0%**	**+5.0%**	**+3.8%**
Manufacturing Entities	**+1.7%**	**-4.3%**	**-1.2%**
Total	**+2.6%**	**+2.1%**	**+2.4%**

a : After other items including rebates
Percentage change calculations are based on actual figures

Revenues for the six months ending 30th June 2015 increased 5.9% to €682.4m million.

This €38.1m increase was driven by organic growth in France, Southern Europe and Brazil along with the impact of recent acquisitions.

France

During the first half, revenue growth in France was driven entirely by organic growth of +2.3%. The ramp-up of large contracts was partially offset by pricing pressure.

- Revenues for the Hospitality segment increased 6.6% despite the negative impact from the terrorist attacks in Paris during January. The roll-out of large contracts was in line with our expectations.
- Revenues for the Healthcare segment grew by 4.2%, helped by market share gains for both short-stay and long-stay clients, with a sequential improvement in Q2.

- Revenues for the Industry segment rose by 0.7% helped by new contracts during the first quarter. However, the second quarter suffered from lower client activity.
- The persistently difficult macro environment (particularly for car retailer networks) led to a slight decline in Trade & Services revenues (-1.0%).

Europe

Revenue growth in Northern Europe (+16.1%) was driven by acquisitions in Germany and Switzerland. However, hospitality in Switzerland suffered from the rise of the Swiss franc which had an adverse impact on tourist traffic.

Revenues in Southern Europe (+11.2%) continued to rebound helped by an improving macro environment and impressive commercial momentum in all segments including Hospitality and Industry. The Spanish acquisitions also contributed to strong growth in Q2.

Brazil

Revenues in Brazil (+24.6%) benefited from the impact of acquisitions. Despite the persistently difficult macro environment in the country, commercial momentum was good underscoring our view that the market has strong potential. Organic revenue growth sequentially increased to +5.0% in Q2.

EBITDA[2]

In m€	H1 2015	H1 2014	Change
France*	**162.7**	**164.9**	**-1.4%**
As a % of revenues	*33.9%*	*35.1%*	*-120bps*
Europe*	**33.6**	**31.7**	**+5.8%**
As a % of revenues	*22.3%*	*24.0%*	*-170 bps*
Brazil	**8.6**	**7.0**	**+22.1%**
As a % of revenues	*19.1%*	*19.5%*	*-40bps*
Manufacturing entities	**1.4**	**1.6**	**-9.1%**
As a % of revenues	*10.1%*	*12.7%*	*-260 bps*
Holdings	**(1.6)**	**(0.5)**	**n/a**
Total	**204.6**	**204.8**	**-0.1%**
As a % of revenues	*30.0%*	*31.8%*	*-180bps*

Percentage change calculations are based on actual figures
*H1 2014 figures are restated from the first application of the IFRIC 21 interpretation

H1 EBITDA was flat compared to the same period last year. However, EBITDA margin decreased 180bps yoy largely due to:

- Phasing from a base effect in H1 2014 due to some non-recurring items,
- Pricing pressure in France due to an increasingly competitive environment in a sagging market,
- An unfavorable mix effect in Europe, with stronger growth from lower margin geographies.

Full-year EBITDA margin decline in France should not exceed 1 percentage point compared to 2014.
European EBITDA margin should remain flat in 2015.
As far as Brazil is concerned, operational indicators allow us to be confident for the full-year outlook and we expect EBITDA margin to increase.

EBITDA to net result

In m€	H1 2015	H1 2014*	Change
EBITDA	**204.6**	**204.8**	**-0.1%**
As a % of revenues	*30.0%*	*31.8%*	*-180bps*
Depreciation & amortization	(116.9)	(105.1)	
EBIT	**87.7**	**99.7**	**-12.0%**
As a % of revenues	*12.9%*	*15.5%*	*-260bps*
Banking charges	(0.8)	(0.5)	
Operating result before other operating income and expenses	**86.9**	**99.2**	**-12.4%**
As a % of revenues	*12.7%*	*15.4%*	*-270bps*
PPA depreciation	(21.8)	(20.5)	
Goodwill impairment	(0.0)	(0.0)	
Other operating income and expenses	(26.0)	(16.1)	
Operating result	**39.2**	**62.6**	**-37.4%**
As a % of revenues	*5.7%*	*9.7%*	*-400bps*
Financial result	(144.6)	(79.2)	
Pre-tax result	**(105.4)**	**(16.5)**	**n/a**
Tax	24.8	(3.7)	
Equity affiliates	0.0	0.0	
Net result	**(80.6)**	**(20.2)**	**n/a**

Percentage change calculations are based on actual figures
*H1 2014 figures are restated from the first application of the IFRIC 21 interpretation

EBIT[3]

Purchase of linen linked with the implementation of large contracts leads to higher depreciation, impacting EBIT greater than EBITDA. We anticipate EBIT margin for 2015 should fall c. 1 percentage point compared to 2014.

Operating result[4]

PPA depreciation was virtually flat in 2014. These intangible assets were accounted for in 2007 and their amortization period will end in 2018.

Other operating income and expenses were impacted by c. €21m, corresponding to non-recurring costs related to the IPO.

Financial result

Elis completely refinanced its debt in 2015 in 2 stages: (i) as part of the IPO in February, then (ii) on April 22 with the issuance of €800 million of 2022 Notes priced at 3.0%.

This new financial structure is totally unsecured, without any major maturity before 2020. This leads to a full year interest charge which should be a third of that paid in the prior year.

In the first half, the breakup fees and expenses of old debt and the issuance of the new notes impacted the Financial result by €102m.

Net result

Net result amounted to -€80.6m. It was impacted by c. €123m non-recurring expenses related to the IPO and various debt refinancing charges.

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 in 2014).

Capex for the first six months of 2015 amounted to €141.5m. The group undertook some exceptional linen purchases in the context of the implementation of large contracts signed at the end of 2014.

Operating cash-flow[5]

Operating cash-flow was €36.8m in H1 2015 compared to €176.2m in the same period last year. This significant decrease is due to (i) the negative base effect from the sale & lease operation in 2014 (c. €93m), (ii) higher investments over the period and (iii) the unfavorable evolution of working capital requirement in 2015.

Company free cash-flow[6]

Company free cash-flow amounted to -€117.5m in H1 2105. This was impacted by the evolution of Operating cash flow and refinancing costs of €97.8m.

Adjusted net financial debt[7]

Group adjusted net financial debt as of 30th June 2015 was €1,404.5m

Cash payment for the 2014 financial year

The Annual General Meeting convened on 24 June 2015 approved the cash payment of €0.35 per share for the 2014 financial year. This payment was implemented on 2 July 2015.

Financial definitions

1. *Organic growth* in the Group's revenue is calculated excluding (i) the impacts of changes in the scope of consolidation of "major acquisitions" and "major disposals" in each of the periods under comparison, as well as (ii) the impact of exchange rate fluctuations.
2. *EBITDA* is defined as *EBIT* before depreciation and amortization net of the portion of grants transferred to income.
3. *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).
4. *Operating result* is defined as net income (loss) before net financial expense, income tax, share in income of equity-accounted companies.
5. *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.
6. *Company free cash-flow* is defined as Operating cash flow minus interests payments, minus tax paid and minus debt issuance expenses.
7. 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, and the loan from employee profit-sharing fund.

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.

3.3 Post-closing events

No significant events have occurred since the half-year financial statements were closed.

4. CORPORATE GOVERNANCE

The ordinary shareholders' meeting was held on June 24, 2015, achieving a quorum of 75,97%, representing 265 shareholders and 86 584 861 shares with voting rights. This shareholders' meeting approved all resolutions included on the agenda.

During this meeting, the shareholders notably approved the supervisory board's recommendation to renew the terms of office of Thierry Morin and Virginie Morgon for a four year period and to appoint Philippe Delleur as a new member of the Supervisory Board for a four year period.

4.1 Composition of the Supervisory Board

As of June 30, 2015, Elis's Supervisory Board had nine members, three of whom were female and five independent, i.e, 56% of the members of the Supervisory Board:

Full name or corporate name	Position	Independant	Expiration of term of office
Thierry Morin	President of the Supervisory Board	■	Shareholders' meeting held in 2019 to approve the financial statements for the year ending December 31, 2018
Marc Frappier	Vice-President of the Supervisory Board		Shareholders' meeting held in 2016 to approve the financial statements for the year ending December 31, 2015
Michel Datchary	Member of the Supervisory Board	■	Shareholders' meeting held in 2016 to approve the financial statements for the year ending December 31, 2015
Virginie Morgon	Member of the Supervisory Board		Shareholders' meeting held in 2019 to approve the financial statements for the year ending December 31, 2018
Philippe Delleur	Member of the Supervisory Board	■	Shareholders' meeting held in 2019 to approve the financial statements for the year ending December 31, 2018
Florence Noblot	Member of the Supervisory Board	■	Shareholders' meeting held in 2017 to approve the financial statements for the year ending December 31, 2016
Agnès Pannier-Runacher	Member of the Supervisory Board	■	Shareholders' meeting held in 2018 to approve the financial statements for the year ending December 31, 2019
Philippe Audouin	Member of the Supervisory Board		Shareholders' meeting held in 2017 to approve the financial statements for the year ending December 31, 2016
Eric Schaefer	Member of the Supervisory Board		Shareholders' meeting held in 2018 to approve the financial statements for the year ending December 31, 2017

At the end of the shareholders' meeting held on June 24, 2015, the Supervisory Board was held and renewed Thierry Morin as President of the Supervisory Board and member of the audit committee for the duration of his mandate as member of the Supervisory Board.

4.2 Composition of the committees of the Supervisory Board

As of June 30, 2015, the committees of the Supervisory Board are comprised as follow:

- The audit committe is comprised of three members (two of which are deemed independent) appointed for the same duration as their mandates as member of the Supervisory Board:

  - Agnès-Pannier-Runacher, President of the audit committee
  - Thierry Morin, Member of the audit committee
  - Philippe Audouin, member of the audit committee

- The nomination and remuneration committee is comprised of the following three members (two of which are deemed independent), appointed for the same duration as their mandate as member of the Supervisory Board:
    - Michel Datchary, President of the nomination and remuneration committee,
    - Florence Noblot, member of the nomination and remuneration committee,
    - Marc Frappier, member of the nomination and remuneration committee.

4.3 Composition the Management Board

As of June 30, 2015, the Management Board is comprised as follows:

Name	Position	Expiration of term of office
Xavier Martiré	President of the Management Board	5 September 2018
Louis Guyot	Member of the Management Board	5 September 2018
Matthieu Lecharny	Member of the Management Board	5 September 2018

4.4 Compensation of the members of the Management Board

The Management Board held on 7 April 2015, upon authorization of the Supervisory Board dated April 3, 2015, at the suggestion of the nomination and remuneration committee, decided to award 104 108 performance free shares to Xavier Martiré with respect to his functions as President of the Management Board, and 13 253 perform free shares to each other members of the Management Board, Louis Guyot and Matthieu Lecharny with respect to their respective duties as Chief Financial Officer and Executive Vice President Marketing and Business Develpment.

The shares granted will only vest after a minimum period of two years following the allocation date, and subject to the compliance, at the vesting date, with cumulative performance and presence conditions, based on three criteria relating to the consolidated revenue, consolidated EBIT, and the share price performance of the Company's share relative to the SBF 120 index.

No share will be vested if none of the three criteria are met. 20% of shares will be vested by the Beneficiary for one criteria reached, 50% for two criteria reached, and 100% if the three criteria are met.

Each member of the Management Board is also bound to retain a portion of the shares until the termination of its functions.

5. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5.1 Statutory Auditors' review report on the half-year financial information

For the period from January 1st, 2015 to June 30th, 2015

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

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33, rue Voltaire
92800 Puteaux

To the Shareholders

In compliance with the assignment entrusted to us by your General Meeting 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 half-year consolidated financial statements of ELIS, for the period from January 1st, 2015 to June 30th, 2015,

- the verification of the information presented in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

1. 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 half-year 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.

2. Specific verification

We have also verified the information presented in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, on July 29th, 2015

The Statutory Auditors

French original signed by

PRICEWATERHOUSECOOPERS AUDIT

Bruno TESNIERE

MAZARS

Isabelle MASSA

5.2 Condensed half year consolidated financial statements and accompanying notes

5.2.1 Consolidated interim income statement

(In thousands of euros)	Notes	H1-2015	H1-2014
(unaudited)			
Revenue	4.1	682 396	644 278
Cost of linen, equipment and other consumables		(114 700)	(107 514)
Processing costs		(255 210)	(226 899)
Distribution costs		(110 830)	(103 861)
Gross margin		201 656	206 004
Selling, general and administrative expenses		(114 752)	(106 803)
Operating income before other income and expense and amortization of customer relationships	4.2	86 904	99 201
Amortization of customer relationships	5.1	(21 769)	(20 482)
Goodwill impairment		0	0
Other income and expense	5.2	(25 970)	(16 078)
Operating income		39 165	62 641
Net financial expense	9.1	(144 556)	(79 181)
Income (loss) before tax		(105 391)	(16 540)
Income tax benefit (expense)	11	24 751	(3 655)
Share of net income of equity-accounted companies		0	0
Net income (loss)		(80 640)	(20 194)
Attributable to:			
- owners of the parent		(80 638)	(20 378)
- non-controlling interests		(2)	184
Earnings (loss) per share (EPS):			
- basic, attributable to owners of the parent	12.2	€(0,82)	€(0,41)
- diluted, attributable to owners of the parent	12.2	€(0,82)	€(0,41)

5.2.2 Consolidated interim statement of comprehensive income

(In thousands of euros)	Notes	H1-2015	H1-2014
(unaudited)			
Net income (loss)		**(80 640)**	**(20 194)**
Gains (losses) on change in fair value of hedging instruments		961	-8 691
Hedging reserve reclassified to income		5 887	1 307
Total change in hedging reserve		6 848	-7 384
Translation reserve		3 945	12 821
Related tax		-2 358	2 542
Other comprehensive income (loss) which may be subsequently reclassified to income		8 435	7 979
Actuarial gains and losses recognized in equity		(0)	0
Related tax		0	0
Other comprehensive income (loss) which may not be subsequently reclassified to income		0	0
Other comprehensive income		8 436	7 979
TOTAL COMPREHENSIVE INCOME (LOSS)		**(72 204)**	**(12 215)**
Attributable to:			
- owners of the parent		**(72 106)**	**(12 388)**
- non-controlling interests		**(98)**	**173**

5.2.3 Consolidated interim statement of financial position – assets

(In thousands of euros)	Notes	June 30, 2015 net	Dec. 31, 2014 net
(unaudited)			
Goodwill	7.1	**1 564 422**	**1 536 098**
Intangible assets		**393 866**	**404 383**
Property, plant and equipment		**766 865**	**707 086**
Equity-accounted companies		**0**	**0**
Available-for-sale financial assets		**126**	**168**
Other non-current assets		**5 745**	**6 890**
Deferred tax assets		**13 461**	**12 450**
TOTAL NON-CURRENT ASSETS		**2 744 485**	**2 667 074**
Inventories		**57 911**	**58 641**
Trade and other receivables		**351 117**	**327 863**
Current tax assets		**7 272**	**2 842**
Other assets		**12 381**	**13 461**
Cash and cash equivalents	9.3	**102 769**	**59 255**
TOTAL CURRENT ASSETS		**531 451**	**462 062**
Assets held for sale		**0**	**0**
TOTAL ASSETS		3 275 935	3 129 136

5.2.4 Consolidated interim statement of financial position – equity and liabilities

(In thousands of euros)	Notes	June 30, 2015	Dec. 31, 2014
(unaudited)			
Share capital	12.1	1 140 062	497 610
Additional paid-in capital	12.1	320 789	175 853
Other reserves		724	7 224
Retained earnings (accumulated deficit)		(384 334)	(302 299)
Other components of equity		(2 236)	(10 111)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		1 075 004	368 277
NON-CONTROLLING INTERESTS		(224)	(125)
TOTAL EQUITY		1 074 780	368 152
Non-current provisions	8.1	26 937	28 997
Employee benefit liabilities		50 977	48 337
Non-current borrowings	9.2	1 264 656	1 947 291
Deferred tax liabilities		171 491	197 777
Other non-current liabilities		20 339	34 373
TOTAL NON-CURRENT LIABILITIES		1 534 400	2 256 775
Current provisions	8.1	4 172	4 078
Current tax liabilities		735	892
Trade and other payables		135 424	139 718
Other liabilities		279 912	234 836
Bank overdrafts and current borrowings	9.2	246 512	124 684
TOTAL CURRENT LIABILITIES		666 755	504 208
Liabilities directly associated with assets held for sale		0	0
TOTAL EQUITY AND LIABILITIES		3 275 935	3 129 136

5.2.5 Consolidated statement of cash flows

(In thousands of euros)	Note	H1-2015	H1-2014
(unaudited)			
CASH FLOWS FROM OPERATING ACTIVITIES			
CONSOLIDATED NET INCOME (LOSS)		(80 640)	(20 194)
Depreciation, amortization and provisions		**137 613**	**123 817**
Portion of grants transferred to income		**(59)**	**(66)**
Share-based payments		**345**	**0**
Discounting adjustment on provisions and retirement benefits	9.1	**466**	**629**
Net gains and losses on disposal of assets		**274**	**(3 966)**
Share of net income of equity-accounted companies		**0**	**0**
Other		**(1 141)**	**0**
Dividends received (from non-consolidated entities)		**(12)**	**(13)**
CASH FLOWS AFTER FINANCE COSTS AND TAX		56 846	100 207
Net finance costs	9.1	**75 206**	**77 881**
Income tax expense	11	**(24 751)**	**3 655**
CASH FLOWS BEFORE FINANCE COSTS AND TAX		107 301	181 742
Income tax paid		**(11 563)**	**(3 097)**
Change in inventories		**1 090**	**(7 211)**
Change in trade receivables		**(15 616)**	**(19 575)**
Change in trade and other payables (excluding borrowings)		**(17 923)**	**19 660**
Other changes		**6 088**	**3 501**
Employee benefits		**289**	**(231)**
NET CASH FROM OPERATING ACTIVITIES		69 666	174 789
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets		**(3 143)**	**(1 844)**
Proceeds from sale of intangible assets		**0**	**0**
Acquisition of property, plant and equipment		**(138 334)**	**(113 585)**
Proceeds from sale of property, plant and equipment		**386**	**92 329**
Acquisition of subsidiaries, net of cash acquired	3.1	**(52 377)**	**(90 527)**
Proceeds from disposal of subsidiaries, net of cash transferred		**1 000**	**1 000**
Changes in loans and advances		**300**	**116**
Dividends from equity-accounted companies		**12**	**13**
Investment grants		**11**	**0**
NET CASH USED IN INVESTING ACTIVITIES		(192 145)	(112 498)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital increase		**689 418**	**43 000**
Treasury shares		**(1 002)**	**0**
Dividends paid			
- to owners of the parent		**0**	**0**
- to non-controlling interests		**0**	**0**
Change in borrowings (1)		**(472 059)**	**(34 637)**
- Proceeds from new borrowings		***2 088 639***	***682 787***
- Repayment of borrowings		***(2 560 698)***	***(717 424)***
Net interest paid		**(52 466)**	**(58 378)**
Other flows related to financing activities		**1 231**	**0**
NET CASH USED IN FINANCING ACTIVITIES		165 122	(50 015)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		42 643	12 276
Cash and cash equivalents at beginning of period		**58 523**	**48 598**
Effect of changes in foreign exchange rates on cash and cash equivalents		**309**	**743**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	9.3	101 475	61 617

(1) Net change in credit lines

5.2.6 Consolidated interim statement of changes in equity for the 6 months ended June 30, 2015

(In thousands of euros)	Share capital	Additional paid-in capital	Other reserves	Retained earnings (accumulated deficit)	Hedging reserves	Translation reserve	Share-based payment reserve	Treasury share reserve	Actuarial gains and losses	Deferred taxes	Owners of the parent	Non-controlling interests	Total equity
(unaudited)													
Balance as at December 31, 2014	497 610	175 853	7 224	(302 299)	(13 238)	568	0	0	(3 273)	5 832	368 277	(125)	368 152
Increase in share capital	658 805	181 801									840 606		840 606
Decrease in share capital	(16 354)	(3 463)		(1 410)							(21 227)		(21 227)
Amonts paid to shareholders (*)		(33 402)	(6 500)	21							(39 881)		(39 881)
Changes in consolidation scope											0	0	(0)
Other movements				(8)			345	(1 002)			(665)	0	(665)
Net income (loss) for the period				(80 638)							(80 638)	(2)	(80 640)
Other comprehensive income					6 848	4 042			(0)	(2 358)	8 532	(97)	8 436
Total comprehensive income				(80 638)	6 848	4 042	0	0	(0)	(2 358)	(72 106)	(98)	(72 204)
Balance as at June 30, 2015	1 140 062	320 789	724	(384 334)	(6 390)	4 610	345	(1 002)	(3 273)	3 475	1 075 004	(224)	1 074 780
					(2 236)								

(*) amount paid on July 2015, 2, recognized in other current liabilities.

5.2.7 Consolidated interim statement of changes in equity for the 6 months ended June 30, 2014

(In thousands of euros)	Share capital	Additional paid-in capital	Other reserves	Retained earnings	Hedging reserves (1)	Translation reserve	Share payment reserve	Treasury share reserve	Actuarial gains and losses	Deferred taxes	Owners of parent company	Non-controlling interests	Total equity
(unaudited)													
Balance as at December 31, 2013	461 177	169 286	7 224	(286 481)	(10 596)	(3 148)	6 834	0	1 399	3 857	349 553	(847)	348 706
Increase in share capital	36 433	6 567									43 000		43 000
Decrease in share capital													
Amonts paid to shareholders													
Changes in consolidation scope													
Other changes				7		6		0		(13)	0		0
Net income (loss) for the period				(20 378)							(20 378)	184	(20 194)
Other comprehensive income					(7 384)	12 831			(0)	2 543	7 990	-11	7 980
Total comprehensive income				(20 378)	(7 384)	12 831	0	0	(0)	2 543	(12 388)	173	(12 215)
Balance as at June 30, 2014	497 610	175 853	7 224	(306 852)	(17 980)	9 689	6 834	0	1 399	6 387	380 165	(674)	379 491

6 330

5.2.8 Notes to the condensed interim consolidated financial statements

The Elis Group is a leader in textile rental and laundering and hygiene services in Continental Europe and Brazil. Elis is a French legal entity listed on Paris Euronext, whose head office is at 33, rue Voltaire, 92800 Puteaux, France.

The condensed consolidated interim financial statements have been approved for issue by the Management Board on July 29, 2015 and were reviewed by the Audit Committee on July 23, 2015 and by the Supervisory Board on July 29, 2015. They have also been reviewed by the Statutory Auditors.

Note 1 – Accounting policies

1.1 Basis of preparation

The Elis Group's condensed half-year consolidated financial statements include the financial statements of Elis and its subsidiaries.

Elis Group (or Group) refers to the company Elis (or the Company), parent company of Elis Group, and the companies it controls and consolidates.

The condensed consolidated interim financial statements have been prepared on a going concern basis and under the historical cost convention, except in the case of derivative financial instruments and available-for-sale financial assets which have been measured at fair value. The financial statements are presented in thousands of euros (unless otherwise stated)

1.2 Accounting standards applied

The condensed consolidated interim financial statements of Elis for the 6 months ended June 30, 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, notably IAS 34 "Interim Financial Reporting". As they are condensed financial statements, they do not include all of the information required by IFRS for a complete set of financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2014.

The condensed consolidated interim financial statements have been prepared in accordance with the international standards issued by the IASB, which include IFRS and International Accounting Standards (IAS), interpretations issued by the former International Financial Committee (IFRIC), now referred to as the IFRS Interpretations Committee and by the former Standing Interpretations Committee (SIC), endorsed by the European Union and applicable at the reporting date. The Group has not opted for the early adoption of any other standard, amendments or interpretations that have been issued are not yet mandatory.

The financial statements comprise:

- consolidated income statement and consolidated statement of comprehensive income;
- consolidated statement of financial position;
- consolidated statement of cash flows;
- consolidated statement of changes in equity;
- notes.

The amounts are shown, with comparative figures from the consolidated financial statements as at December 31, 2014 and, with the condensed consolidated interim financial statements as at June 30, 2014.

1.3 Critical accounting estimates and judgments

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses and related disclosures. Amounts reported in future financial statements may differ from current estimates due to changes in assumptions or if conditions vary from those anticipated.

In preparing these condensed consolidated interim financial statements, the judgments and significant estimates made by management in applying the Group's accounting policies were the same as those made for the consolidated financial statements for the year ended December 31, 2014, with the exception of:

- estimates made to determine the income tax expense for interim periods;
- provisions for the French business tax (*cotisation sur la valeur ajoutée* – CVAE) and profit-sharing expenses, which are set aside on the basis of 50% of the estimated expense for full-year;
- retirement benefit liabilities are not remeasured using actuarial methods for the purposes of the condensed consolidated interim financial statements. The retirement benefit expense for the period corresponds to 50% of the estimated expense for full-year 2015, based on data and assumptions used as at December 31, 2014.

1.4 Seasonality of operations

Revenue, recurring operating income and all operating indicators are subjects to low seasonal fluctuations, with the exception of tourism and summer vacation periods which impact activity at certain centers. The extent of the seasonal impact varies in the countries in which the Group operates. Consequently, the interim results for the 6 months ended June 30, 2015 are not necessarily representative of those that may be expected for full-year 2015.

1.5 Changes in accounting policies and restatement of prior-year financial information

The accounting policies adopted are the same as those used to prepare the consolidated financial statements for the year ended December 31, 2014 except for the IFRIC Interpretation 21 "Levies" mandatory effective for annual periods beginning on or after January 1, 2015.

IFRIC Interpretation 21 clarifies that the trigger event of the liability is the activity that triggers the payment of the levy in accordance with the relevant legislation. In addition, IFRIC Interpretation 21 prohibits the recognition of a liability for tax levies before the obligating event for the payment of the levy is met.

The impact of applying this interpretation on June 30, 2015 for the first time, was a restatement on shareholders' equity as at January 1st, 2015 relating to the French corporate social solidarity contribution (*contribution sociale de solidarité des sociétés, C3S*) and on operating income and net income presented for the previous period ended June 30, 2014, relating to the French C3S and property tax.

The following tables show the impacts of the retrospective application of IFRIC Interpretation 21 on the consolidated financial statements as at June 30, 2014 and December 31, 2014, approved for issue respectively in July 2014 and March 2015.

Moreover, IFRS3 requires previously published comparative periods to be retrospectively restated in the event of business combinations (recognition of the definitive fair value of the assets acquired and liabilities and contingent liabilities assumed if fair value had been estimated on a provisional basis at the end of the previous reporting period).

In connection with adjustments recorded following the acquisition of a controlling interest in Lacqua in second-half 2014, the amount of allocated goodwill differs from that presented in the 2014 consolidated financial statements published in the *rapport financier annuel* by an amount of 3 436 thousand euros.

(In thousands of euros)	H1-2014 published	IFRIC 21	H1-2014 restated
(unaudited)			
Revenue	644 278	0	644 278
Cost of linen, equipment and other consumables	(107 239)	(275)	(107 514)
Processing costs	(223 579)	(3 320)	(226 899)
Distribution costs	(103 861)	0	(103 861)
Gross margin	209 599	(3 595)	206 004
Selling, general and administrative expenses	(106 068)	(736)	(106 803)
Operating income before other income and expense and amortization of customer relationships	103 531	(4 330)	99 201
Amortization of customer relationships	(20 482)	0	(20 482)
Goodwill impairment	0	0	0
Other income and expense	(16 078)	0	(16 078)
Operating income	66 971	(4 330)	62 641
Net financial expense	(79 181)	0	(79 181)
Income (loss) before tax	(12 210)	(4 330)	(16 540)
Income tax benefit (expense)	(5 299)	1 644	(3 655)
Share of net income of equity-accounted companies	0	0	0
Net income (loss)	(17 508)	(2 686)	(20 194)
Attributable to:			
- owners of the parent	(17 692)	(2 686)	(20 378)
- non-controlling interests	184	0	184
Earnings (loss) per share (EPS):			
- basic, attributable to owners of the parent	€(0,36)	€(0,05)	€(0,41)
- diluted, attributable to owners of the parent	€(0,36)	0,00	€(0,41)

(In thousands of euros)	Dec. 31, 2014 published	IFRIC 21	IFRS 3	Dec. 31, 2014 restated
(unaudited)				
Goodwill	1 539 534	0	(3 436)	1 536 098
Intangible assets	402 645	0	1 738	404 383
Property, plant and equipment	705 683	0	1 403	707 086
Equity-accounted companies	0	0	0	0
Available-for-sale financial assets	168	0	0	168
Other non-current assets	6 890	0	0	6 890
Deferred tax assets	12 376	0	74	12 450
TOTAL NON-CURRENT ASSETS	**2 667 295**	**0**	**(221)**	**2 667 074**
Inventories	58 641	0	0	58 641
Trade and other receivables	327 863	0	0	327 863
Current tax assets	2 842	0	0	2 842
Other assets	13 461	0	0	13 461
Cash and cash equivalents	59 255	0	0	59 255
TOTAL CURRENT ASSETS	**462 062**	**0**	**0**	**462 062**
Assets held for sale	**0**	**0**	**0**	**0**
TOTAL ASSETS	3 129 357	0	(221)	3 129 136

(In thousands of euros)	Dec. 31, 2014 published	IFRIC 21	IFRS 3	Dec. 31, 2014 restated
(unaudited)				
Share capital	497 610		0	497 610
Additional paid-in capital	175 853		0	175 853
Other reserves	7 224		0	7 224
Retained earnings (accumulated deficit)	(303 592)		(144)	(302 299)
Other components of equity	(10 111)		0	(10 111)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	366 985		(144)	368 277
NON-CONTROLLING INTERESTS	(125)		0	(125)
TOTAL EQUITY	**366 860**		**(144)**	**368 152**
Non-current provisions	28 997		0	28 997
Employee benefit liabilities	48 323		14	48 337
Non-current borrowings	1 947 291		0	1 947 291
Deferred tax liabilities	197 022		0	197 777
Other non-current liabilities	34 552		(179)	34 373
TOTAL NON-CURRENT LIABILITIES	**2 256 186**		**(165)**	**2 256 775**
Current provisions	4 078		0	4 078
Current tax liabilities	892		0	892
Trade and other payables	139 630		88	139 718
Other liabilities	237 028		(0)	234 836
Bank overdrafts and current borrowings	124 684		(0)	124 684
TOTAL CURRENT LIABILITIES	**506 312**		**88**	**504 208**
Liabilities directly associated with assets held for sale	**0**		**0**	**0**
TOTAL EQUITY AND LIABILITIES	3 129 357		(222)	3 129 136

(In thousands of euros)	H1-2014 published	IFRIC 21	H1-2014 restated
(unaudited)			
CASH FLOWS FROM OPERATING ACTIVITIES			
CONSOLIDATED NET INCOME (LOSS)	(17 508)	(2 686)	(20 194)
Depreciation, amortization and provisions	**123 817**		**123 817**
Portion of grants transferred to income	**(66)**		**(66)**
Share-based payments	**0**		**0**
Discounting adjustment on provisions and retirement benefits	**629**		**629**
Net gains and losses on disposal of assets	**(3 966)**		**(3 966)**
Share of net income of equity-accounted companies	**0**		**0**
Other	**0**		**0**
Dividends received (from non-consolidated entities)	**(13)**		**(13)**
CASH FLOWS AFTER FINANCE COSTS AND TAX	102 893	(2 686)	100 207
Net finance costs	**77 881**		**77 881**
Income tax expense	**5 299**	**(1 644)**	**3 655**
CASH FLOWS BEFORE FINANCE COSTS AND TAX	186 072	(4 330)	181 742
Income tax paid	**(3 097)**		**(3 097)**
Change in inventories	**(7 211)**		**(7 211)**
Change in trade receivables	**(19 575)**		**(19 575)**
Change in trade and other payables (excluding borrowings)	**15 330**	**4 330**	**19 660**
Other changes	**3 501**		**3 501**
Employee benefits	**(231)**		**(231)**
NET CASH FROM OPERATING ACTIVITIES	174 789	0	174 789
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets	**(1 844)**		**(1 844)**
Proceeds from sale of intangible assets	**0**		**0**
Acquisition of property, plant and equipment	**(113 585)**		**(113 585)**
Proceeds from sale of property, plant and equipment	**92 329**		**92 329**
Acquisition of subsidiaries, net of cash acquired	**(90 527)**		**(90 527)**
Proceeds from disposal of subsidiaries, net of cash transferred	**1 000**		**1 000**
Changes in loans and advances	**116**		**116**
Dividends from equity-accounted companies	**13**		**13**
Investment grants	**0**		**0**
NET CASH USED IN INVESTING ACTIVITIES	(112 498)	0	(112 498)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital increase	**43 000**		**43 000**
Treasury shares	**0**		**0**
Dividends paid			
- to owners of the parent	**0**		**0**
- to non-controlling interests	**0**		**0**
Change in borrowings (1)	**(34 637)**		**(34 637)**
- Proceeds from new borrowings	***682 787***		***682 787***
- Repayment of borrowings	***(717 424)***		***(717 424)***
Net interest paid	**(58 378)**		**(58 378)**
Other flows related to financing activities	**0**		**0**
NET CASH USED IN FINANCING ACTIVITIES	(50 015)	0	(50 015)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12 276	0	12 276
Cash and cash equivalents at beginning of period	**48 598**	**0**	**48 598**
Effect of changes in foreign exchange rates on cash and cash equivalents	**743**	**0**	**743**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	61 617	0	61 617

(1) Net change in credit lines

Note 2 – Significant events of the period

Elis completed on February 11, 2015 the success of its Initial Public Offering on the regulated market of Euronext Paris. As part of this transaction, Elis has raised 700 million euros by way of a share capital increase by issuing of new shares.

Incurred costs have been analysed as:

- costs attributable to issuing new shares of €15.2 million including €11.9 million paid to financial intermediaries, and accounted for directly as a deduction from equity of €10.0 net of related income tax profit.
- costs of initial public offering (IPO) accounted for as "Other operating income and expense" with exceptional compensation of €15.7 in the event that the company carries out an initial public offering, for a total amount of €21.2 million, as described in note 5.2 Other operating income and expense to the Group's half year financial statements on page 36 of the present report.

The net proceeds of the Global Offering has been used as follows:

- €92 million to redeem the PIK Proceeds Loan, i.e. (i) 40% of the nominal amount of the Private PIK Notes (plus capitalized interest), (ii) accrued but unpaid interest on the amount redeemed, and (iii) the amount of penalties payable in respect of that redemption, applying the interest rate applicable to the PIK Proceeds Notes;
- €166 million to redeem 40% of the principal and accrued interest due on the Senior Subordinated Notes on the repayment date and penalties payable in respect of that redemption ; and
- €364 million to repay part of the Senior Credit Facilities Agreement, the remaining amount being repaid with the credit facilities granted under the New Senior Credit Facilities Agreement.

The Elis Group also finalized on April 28, 2015 its debt refinancing with the offering of €800 million of 2022 Notes through its wholly owned subsidiary Novalis. The 2022 Notes, listed on the Irish Stock Exchange (Global Exchange Market) have been priced at 3.000 %. The net proceeds of this offer has been used as follows:

- €262 million to redeem the remaining 60% of the principal and accrued interest due on the Senior Subordinated Notes on the repayment date and penalties payable in respect of that redemption ; and
- €477 million to redeem the nominal amount of the Senior Secured Notes, plus, (i) accrued but unpaid interest on the amount redeemed, and (ii) the amount of penalties payable in respect of that redemption, applying the interest rate applicable to the Senior Secured Notes.

Expenses related to the early termination of these two debts (total or partial) were recorded in the net financial expenses for an amount of €93.8 million as described in note 9.1 Net financial expense, described to the Group's half year financial statements on page 41 of the present report.

The Group has also amended its swap agreements to continue to hedge the Senior Credit Facilities. The notional amount of the swap was reduced to 450 million (735 million as at December 31, 2014) and paid fixed rate decreased from 1.419% to 1.143% for a period of 5 years. An amount of 8.4 million was paid in respect of the partial termination on May 11, 2015.

Note 3 – Scope of consolidation

3.1 Acquisitions carried out in first-half 2015

The Group made the following investments during the period:

In Germany :

The Group acquired :

- on January 7, 2015 Kress Textilpflege which operates a plant in Munich area, generates revenue in 2013 of about €6 million serving hospitality-catering customers.
- on March 31, 2015 Zischka Textilpflege operating 2 laundries in the Frankfurt region and generating annual revenue of about €12 million. This new acquisition now extends the Elis network to a total of 9 laundries spread across all Germany, and in particular across the Stuttgart-Essen axis.

In Spain :

The Group acquired on March 31, 2015 Lavalia Group, the fourth-largest player in the industry, with one laundry in Alicante and one in the Balearic Islands, all mainly serving hotels and generating annual revenue of more than €10 million. This acquisition provides Elis with a production center in the Costa Blanca region, a key tourist area. The other site gives Elis a substantial market share in the Balearic Islands.

In France :

The Group acquired in early April, 2015 Hytopp Service, a business specialized in hygiene and well-being, serving Trade & Services clients in the Paris region (annual revenue of about €1.6 million), as well as Blanchisserie Professionnelle d'Aquitaine, a company operating a laundry mainly aimed at Hospitality & Catering clients in the Gironde region (annual revenue of €3.3 million in 2014). These 2 acquisitions will help further optimize the Group's regional operations.

In Switzerland :

The Group acquired on April 1st, 2015 Wäscheria Textil Service Group operating 3 laundries in the Canton of Graubünden (Grisons) and the Canton of St. Gallen, all mainly serving hotels. With this acquisition, the Group increases its coverage in the country, notably in the Canton of Graubünden, which is the second most important area for tourism in Switzerland. Wäscheria Textil Service Group generated an annual revenue of about CHF14 million in 2014.

Summary of these acquisitions

The identifiable assets and liabilities at the acquisition date were as follows:

(In thousands of euros)	Fair value at the acquisition date	of which Brazil	of which Germany	of which Spain	of which Switzerland	of which France
Statement of financial position						
Intangible assets	9 038	0	4 702	553	3 783	0
Property, plant and equipment	27 790	0	9 279	9 811	4 741	3 959
Available-for-sale financial assets	3	0	0	0	0	3
Other non-current assets	30	0	0	0	10	20
Deferred tax assets	0	0	0	0	0	0
Inventories	421	0	45	245	9	122
Trade and other receivables	4 423	0	1 878	978	1 031	535
Current tax assets	8	0	3	5	0	0
Other assets	67	0	5	0	0	62
Other financial assets	0	0	0	0	0	0
Cash and cash equivalents	1 920	0	255	530	1 147	(12)
Non-current provisions	0	0	0	0	0	0
Employee benefit liabilities - non-current portion	0	0	0	0	0	0
Non-current borrowings	(6 853)	0	0	(2 481)	(2 376)	(1 996)
Deferred tax liabilities	(2 156)	0	(1 394)	0	(643)	(119)
Other non-current liabilities	0	0	0	0	0	0
Current provisions	0	0	0	0	0	0
Employee benefit liabilities - current portion	0	0	0	0	0	0
Current tax payables	(190)	0	(190)	0	0	0
Trade and other payables	(3 842)	0	(750)	(2 169)	(692)	(231)
Other liabilities	(2 538)	0	(1 294)	(384)	(222)	(639)
Bank overdrafts and current borrowings	(5 028)	0	(2 240)	(1 182)	(582)	(1 025)
Total identifiable net assets at fair value	23 092	0	10 301	5 906	6 206	680
Non-controlling interests at fair value	(125)	0	0	0	0	(125)
Goodwill	25 523	0	14 030	2 723	4 753	4 016
Purchase price	48 491	0	24 331	8 629	10 959	4 571

Cash flows from acquisitions

(In thousands of euros)	June 30, 2015	of which Brazil	of which Brazil	of which Brazil	of which Brazil	of which Brazil
Net cash acquired	1 458	0	(207)	530	1 147	(12)
Amount paid	(53 835)	(3 583)	(24 331)	(8 847)	(12 479)	(4 595)
Net cash flow	(52 377)	(3 583)	(24 538)	(8 317)	(11 332)	(4 607)

As at June 30, 2015, due to these recent acquisitions, the initial accounting for the business combinations had not been completed and the amounts recognized in the financial statements for business combinations were therefore determined provisionally.

Since the acquisition date, the acquired subsidiaries have contributed 10.1 million in revenue and €0.6 million in operating income. If the combinations had taken place at the beginning of the year, additional revenue would have been €9.3 million and additional operating income (before amortization of customer relationships) would have been €1.6 million.

Residual goodwill

Residual goodwill reflects unidentifiable items, such as the Group's human capital and the synergies expected to be derived from the acquisitions.

3.2 Changes in the scope of consolidation

Changes in the scope of consolidation occurred during the 2015 half-year period were as follows:

Name of company	Registered office	Country	Principal Activity	% interest 2015	% interest 2014
Sud-Ouest Hygiène Services	Puteaux	France	Textile & hygiene services	Merger	100
Blanchisserie Professionnelle d Aquitaine	Mios	France	Textile & hygiene services	96	-
Aquitaine Services Developpement	Mios	France	Other activity	100	-
Quasarelis	Puteaux	France	Other activity	Merger	-
Kress Textilpflege GmbH	München-Trudering	Germany	Textile & hygiene services	100	-
Zischka Textilpflege GmbH	Ochtendung	Germany	Textile & hygiene services	100	-
SC Lavanderia	Sete Lagoas	Brazil	Textile & hygiene services	Merger	100
Lavanderia Hotelera Del Mediterraneo	La Nucia (Alicante)	Spain	Textile & hygiene services	100	-
Lavalia Balears Servicios y Renting Textil	La Nucia (Alicante)	Spain	Textile & hygiene services	100	-
Lavalia Sur Servicios y Renting Textil	La Nucia (Alicante)	Spain	Dormant	100	-
Lavalia c. e. e.	La Nucia (Alicante)	Spain	Dormant	100	-
Wäscheria Textil Service Bad Ragaz	Bad Ragaz	Switzerland	Textile & hygiene services	84	-
Wäscheria Textil Service	Ilanz	Switzerland	Textile & hygiene services	84	-
GR Beteiligungen und Finanz	Chur	Switzerland	Other activity	84	-

3.3 Post closing events related to changes in the scope of consolidation

On July 10, 2015, Elis announced that the Group continues its M&A strategy in its markets with the closing of two transactions in Switzerland and in Brazil.

In Switzerland, the Group has acquired Prohotel, a laundry near Zürich airport serving mainly hospitality clients. The company employs 70 persons and its annual revenue is about CHF8 million. With this acquisition, Elis strengthens its coverage in the Zürich canton, the most important market in Switzerland for hospitality. Following this acquisition, Elis enjoys an unrivalled network of 15 laundries in the country, serving both legacy clients in the hospitality and healthcare segments, but also industrial clients with its workwear offer.

In Brazil, the Group has acquired the Teclav laundry in Fortaleza (Ceara State) on the North East coast of the country. This laundry offers linen rental and maintenance solutions to the main hospitals of the region. The company generated an annual revenue of about BRL32 million and has about 400 employees. With this acquisition, Elis expands its operations in Brazil and enters a new region of the country, which is very promising.

Note 4 – Operating segments

The definition of segments and the rules for assessing the performance of each segment as at June 30, 2015 are the same as those used to prepare the annual financial statements.

4.1 Revenue

(In millions of euros H1-2015	France	Europe	Brazil	Manufacturing entities	Eliminations & holding companies	Total
External customers	478,6	150,2	45,1	8,5	0,0	682,4
Inter-segment	0,9	0,2	(0,0)	5,5	(6,6)	0,0
Segment revenue	479,5	150,4	45,1	14,0	(6,6)	682,4

(In millions of euros H1-2014	France	Europe	Brazil	Manufacturing entities	Eliminations & holding companies	Total
France	468,0	131,9	36,2	8,2	0,0	644,3
Foreign countries	1,2	0,2	(0,0)	4,1	(5,5)	0,0
Segment revenue	469,2	132,1	36,2	12,3	(5,5)	644,3

4.2 Earnings

(In millions of euros H1-2015	France	Europe	Brazil	Manufacturing entities	Eliminations & holding companies	Total
Operating income before other income and expense and amortization of customer relationships	83,8	4,1	(0,1)	0,7	(1,7)	86,9
Miscellaneous financial items (*)	*0,3*	*0,2*	*0,2*	*0,0*	*0,0*	*0,8*
EBIT	84,2	4,3	0,2	0,8	(1,6)	87,7
Depreciation and amortization including portion of grants transferred to income	*78,5*	*29,3*	*8,4*	*0,7*	*0,0*	*116,9*
EBITDA	162,7	33,6	8,6	1,4	(1,6)	204,6
	33,9%	*22,3%*	*19,1%*	*10,1%*		*30,0%*

(In millions of euros)	France	Europe	Brazil	Manufacturing entities	Eliminations & holding companies	Total
Operating income before other income and expense and amortization of customer relationships	91,6	6,3	0,9	0,9	(0,5)	99,2
Miscellaneous financial items (*)	*0,3*	*0,1*	*0,1*	*0,0*	*0,0*	*0,5*
EBIT	91,9	6,4	1,0	0,9	(0,5)	99,7
Depreciation and amortization including portion of grants transferred to income	*73,0*	*25,4*	*6,1*	*0,6*	*0,0*	*105,1*
EBITDA	164,9	31,7	7,0	1,6	(0,5)	204,8
	35,1%	*24,0%*	*19,5%*	*12,7%*		*31,8%*

Non-IFRS indicators

- 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 operating income and expenses and miscellaneous financial items (bank fees and recurring dividends recognized in operating income).
- EBITDA is defined as EBIT before depreciation and amortization, net of the portion of grants transferred to income.

4.3 Information on countries and customer segments

(In millions of euros)	H1-2015	H1-2014
Hospitality	*145,5*	*136,5*
Industry	*94,0*	*93,3*
Trade & Services	*168,6*	*170,2*
Healthcare	*79,3*	*76,1*
Other	*- 8,7*	*- 8,1*
France	**478,6**	**468,0**
Germany	*25,7*	*20,9*
Belgium & Luxembourg	*15,0*	*15,0*
Czech Republic	*0,9*	*0,7*
Switzerland	*42,6*	*35,9*
Northern Europe	*84,2*	*72,5*
Spain & Andorra	*33,7*	*28,0*
Italy	*13,4*	*13,0*
Portugal	*18,8*	*18,3*
Southern Europe	*66,0*	*59,3*
Europe	**150,2**	**131,9**
Brazil	**45,1**	**36,2**
Manufacturing entities	**8,5**	**8,2**
Revenue	**682,4**	**644,3**

Note 5 – Other Operating data

5.1 Depreciation, amortization, provisions and other costs by nature

(In thousands of euros)	H1-2015	H1-2014
Depreciation and amortization		
- included in "Operating income before other income and expense and amortization of customer relationships"		
Property, plant and equipment and intangible assets	(32 041)	(30 158)
Linen and mats	(76 590)	(66 726)
Other leased items	(8 339)	(8 243)
Portion of grants transferred to income	59	66
- amortization of customer relationships	(21 769)	(20 482)
Total depreciation and amortization including portion of grants transferred to income	(138 681)	(125 542)
Additions to or reversal of provisions		
- included in "Operating income before other income and expense and amortization of customer relationships"	859	1 467
- included in "Other income and expense"	268	324
Total additions to or reversal of provisions	1 126	1 791
Operating lease expense	(16 883)	(13 144)

5.2 Other operating income and expense

(In thousands of euros)	H1-2015	H1-2014
Transaction costs	(1 367)	(3 554)
Put option over non controlling interests - liability adjustment	1 141	0
Restructuring costs	(1 291)	(127)
Uncapitalizable costs for change in IT systems	(1 198)	(9 709)
Net gains on site disposals	0	3 739
Expenses relating to site disposal (employee profit-sharing, professional fees)	(353)	(5 010)
Environmental rehabilitation costs	0	(200)
Expense associated with free shares granted to directors and key managers	(979)	0
IPO expenses & related non recurring compensation	(21 210)	0
Other	(713)	(1 217)
Other income and expense	(25 970)	(16 078)

Note 6 – Personnel expenses and employee benefits

6.1 Share-based payments

The Management Board decided on April 7 2015 to proceed with the free allocation of 519 974 performance shares to 152 officers and employees of the Group. It is stated that the acquisition of these shares will be final only after a vesting period of 2 years and subject to satisfaction of the presence and cumulative performance conditions, the performance conditions having been defined by reference to three criteria relating to consolidated revenue, consolidated EBIT and the performance of the Company's share price relative to the SBF 120 index. The beneficiaries will acquire 20% of shares so awarded if one of the objectives is achieved, 50% if two objectives are achieved and 100% if the three objectives are achieved. No share will be acquired if none of the three objectives is achieved.

In accordance with IFRS 2, Elis has estimated the fair value of these plans based on the fair value of the equity instruments granted, which is based on the share price when the plan is decided balanced by a reasonable assumption of decided criteria completion. The cost, accounting for with an offsetting entry to equity, is divided during the vesting period following the Management Board decision and is mentioned in note 5.2 Other operating income and expense.

6.2 Executive compensation (Related parties)

As at June 30, 2015, executives comprise the 7 members of the Executive Board, along with the President of the Management Board. Compensation paid to executives not holding corporate office are as follows:

(In thousands of euros)	H1-2015	H1-2014
Short-term employee benefits	5 095	1 722
Post-employment benefits	29	
Termination benefits	74	189
Share-based payments	180	

Note 7 – Intangible assets and property, plant and equipement

7.1 Goodwill

(In thousands of euros)	June 30, 2015	Dec. 31, 2014
Gross value	1 589 083	1 507 661
Accumulated impairment	(52 985)	(52 713)
Carrying amount at beginning of period	1 536 098	1 454 948
Acquisitions	25 523	78 452
Disposals	0	0
Translation adjustments	3 260	2 983
Reclassification as assets held for sale	0	0
Other changes	(0)	(13)
Changes in gross carrying amount	28 783	81 421
Impairment	0	0
Translation adjustments	(458)	(272)
Reclassification as assets held for sale	0	0
Changes in impairment	(458)	(272)
Carrying amount at end of period	1 564 422	1 536 098
Gross value	1 617 865	1 589 083
Accumulated impairment	(53 443)	(52 985)

7.2 Impairment tests as of June 30, 2015

In accordance with IAS 36, the Group identifies indications of impairment using both internal and external sources of information.

External sources of information primarily consist of reviewing the weighted average cost of capital (WACC).

Internal sources of information are based on the main indicators used in financial reporting. A significant drop in revenue/profitability or failure to meet the forecasts are indicators of impairment.

Given the economic environment, the Group regularly reviews the performance of each cash-generating unit (CGU) before deciding whether to perform impairment tests.

After reviewing both internal and external sources of information, management has concluded for absence of impairment as at June 30, 2015.

Note 8 – Provisions and contingent liabilities

8.1 Provisions

(in thousands of euros)	Compliance	Litigation	Other	Total
As at December 31, 2014	17 074	10 825	5 176	33 075
Increases/additions for the year		953	55	1 007
Changes in consolidation scope				
Decreases/reversals of provisions used	-454	-1 505	-167	-2 126
Reclassification/translation adjustments	-36	-515	-297	-848
As at June 30, 2015	16 585	9 759	4 766	31 109
Current portion		3 674	498	4 172
Non-current portion	16 585	6 085	4 267	26 937
France	*11 906*	*2 991*	*539*	*15 436*
Europe	*2 671*	*474*	*176*	*3 321*
Brazil	*2 008*	*6 189*	*4 044*	*12 241*
Manufacturing Entities		*105*	*7*	*112*

8.2 Contingent liabilities

Elis Group has contingent liabilities relating to legal or arbitration proceedings arising in the normal course of its business, in Brazil in particular:

<u>Proceeding related to alleged bribery</u>

Following a public action initiated against several industrial laundry service providers including Atmosfera and relating to alleged bribery in the frame of contracts in the State of Rio de Janeiro, Atmosfera, which has been formally notified, has filed its preliminary response in December 2014. Either the civil action will begin as soon as all the parties to the case have been notified, which is expected to occur in the coming months, or Brazilian Authorities could decide to pursue the action against the parties already notified (of which Atmosfera), which would accelerate the procedure. As at June 30, 2015, Atmosfera is still awaiting additional information, and accordingly is unable to date to estimate the contingent incurred liability and the indemnification asset to be received under the vendor warranty. The Atmosfera group's former owners, who were notified of the proceedings through interim measures on November 26, 2014 with respect to the December 20, 2013 guarantee agreement relating to the acquisition of the Atmosfera group, have disputed Atmosfera's compensation request.

<u>Proceedings before the Brazilian prosecutor</u>

During a hearing held on April 20, 2015, the state prosecutor and Atmosfera did not reach an agreement on a settlement aiming at implementing a variety of measures for Atmosfera to adopt. The state prosecutor is analyzing Atmosfera defense and could initiate a public action and attempt to force Atmosfera to pay punitive damages. A provision for this topic was recognized.

Proceedings before Brazil's Ministry of Work and Employment

Recently, Brazil's Ministry of Work and Employment attempted to challenge the Supreme Court's preliminary injunction, through an executive order aimed at permitting publication of the blacklist. Simultaneously, Atmosfera has made an interim application to the Labor Court for the provisional suspension of its addition to the blacklist pending a decision on the substance of its case. On April 7, 2015, Atmosfera won this interim proceeding and obtained the suspension of its addition to the blacklist. This interim decision could be challenged in two ways, both of which are considered exceptional: either (i) the public ministry can ask for a writ of injunction (within 120 days) or (ii) the interim judge revokes its own decision in light of new evidence. In case of writ of injunction, the decision would be rendered by the Labor Court of Appeal. The decision could be rendered within a few days, by a single judge and in a preliminary basis, and, within two or three months, by a panel of judges. Concerning the decision on the substance of the case to be rendered by the Labor Court, the next hearing is scheduled for October 22, 2015. A decision should be rendered in the weeks following the hearing, unless the judge accepts the production of evidence, including witnesses, in which case, it could take several months for a decision to be rendered.

Note 9 – Financing and financial instruments

9.1 Net financial expense

(In thousands of euros)	H1-2015	H1-2014
Interest expense on borrowings and employee profit-sharing fund	(69 657)	(76 801)
Gross finance costs	(69 657)	(76 801)
Gains (losses) on traded derivatives	(5 887)	(1 310)
Other financial income	338	230
Net finance costs	(75 206)	(77 881)
Foreign exchange gains	344	111
Foreign exchange losses	(427)	(87)
Interest expense on provisions and retirement benefits	(466)	(629)
Other	(68 801)	(695)
Total other financial income and expenses	(69 350)	(1 300)
Net financial expense	(144 556)	(79 181)

The main changes were maily due to :

- the refinancing that has followed the IPO. Cost finance costs include accelerated amortization of debt issuance costs of €24.9 million.
- Losses on traded derivatives in respect of the partial termination on May 11, 2015 of the rate hedging swap agreements. The nominal amount was reduced from €650 million to €450 million (including 8.4 million was paid in respect of the partial termination).
- costs related to the early redemption of the principal amount and interests due under the Senior Secured Notes and Senior Subordinated Notes due 2018 and of approximately 40% of the Legendre Holding 27's loan (PIK Proceeds Loan). They are included for an amount of 68.9 million in the line "Other" in the table above.

9.2 Consolidated debt

As at June 30, 2015, consolidated debt comprised the main following:

(in thousand of euros)	June 30, 2015	Fixed	Floating		Maturities
			hedged	unhedged	
Notes 3%	804 267	804 267			2022
New Senior Credit Facilities Agreement EURIBOR +2.125%	682 485		450 000	232 485	2020
Unamortized loan costs	(30 444)	(9 839)	(13 586)	(7 019)	
Loan from employee profit-sharing fund	34 471	34 471			
Finance leases	9 832	9 832			
Other	9 264	9 264			
Overdrafts	1 294			1 294	
Borrowings	1 511 168	847 994	436 414	226 759	

- Senior Notes 2022

On April 28, 2015, Novalis issued bonds with a principal amount of €800 million and paying interest at an annual rate of 3%, maturing in 2022 (the "High Yield Bonds"). Interest is payable every six months. The Group used the proceeds from the High Yield Bonds to redeem the debt it took out in June 2013. The High Yield Bonds are listed for trading on the Global Exchange Market of the Irish Stock Exchange (organized multilateral trading facility within the meaning of European Parliament and Council Directive 2004/39/EC of April 21, 2004 as amended).

- New Senior Credit Facilities Agreement

Elis, Novalis and M.A.J. entered into a New Senior Credit Facilities Agreement on September 2, 2014, amended on December 8, 2014 and May 7, 2015 with a pool of international banks, including BNP Paribas, Crédit Agricole CIB, Deutsche Bank, Goldman Sachs, HSBC, Morgan Stanley and Société Générale.

The New Senior Credit Facilities Agreement includes two credit facilities with a total principal amount of €850 million, breaking down as follows:

- medium-term facility (Senior Term Loan Facility) with a principal amount of €450 million and a maturity of five years from the settlement date of shares offered in connection with the initial public offering; and
- revolving credit facility of a principal amount of €400 million and a maturity of five years from the settlement date of shares offered in connection with the initial public offering.

As at June 30, 2015, the Group had an undrawn credit line of €170 million.

9.3 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

(In thousands of euros)	June 30, 2015	Dec. 31, 2014
Demand deposits	41 570	24 760
Term deposits and marketable securities	61 199	34 495
Cash and cash equivalents	102 769	59 255
Cash classified as assets held for sale	0	0
Bank overdrafts	(1 294)	(732)
Cash and cash equivalents, net	101 475	58 523

In Brazil, where exchange control restrictions may exist, cash and cash equivalents amounted to €26.8 million (to finance several projects in July) as at June 30, 2015, compared to €4.3 million as at December 31, 2014.

In France, cash allocated to the Elis liquidity contract amounted to €2.0 thousand as at June 30, 2015.

9.4 Net debt

(In thousands of euros)	June 30, 2015	Dec. 31, 2014
Legendre Holding 27 (PIK Loan)	0	192 854
Other bond debt	800 000	830 000
Bond debt	800 000	1 022 854
Structured facilities	680 000	1 012 903
Finance lease liabilities	9 832	5 752
Other loans and overdrafts	10 556	9 348
Loan from employee profit-sharing fund	34 295	31 692
Loans	734 682	1 059 694
Accrued interest	6 930	27 517
Unamortized loan costs	(30 444)	(38 090)
Borrowings	1 511 168	2 071 975
Of which maturing in less than one year	246 512	124 684
Of which maturing in more than one year	1 264 656	1 947 291
Cash and cash equivalents (assets)	102 769	59 255
Net debt	1 408 399	2 012 720
Loans and borrowings by currency		
EUR	1 502 768	2 066 890
GBP		
CHF	7 119	3 055
CZK		
BRL	1 281	2 030
Other		

9.5 Financial assets and liabilities

(In thousands of euros)	June 30, 2015		Breakdown by category of financial instrument				
	Carrying amount	Fair value	Fair value through income	Fair value through equity	Loans and receivables	Debt at amortized cost	Derivative financial instruments
Available-for-sale financial assets (non-current)	126	126		126			
Other non-current assets	5 745	5 745			5 745		0
Trade and other receivables	351 117	351 117			351 117		
Other current assets	12 381	12 381			9 534		2 847
Cash and cash equivalents	102 769	102 769	102 769				
Financial assets	472 139	472 139	102 769	126	366 396	0	2 847
Loans and borrowings	1 264 656	1 260 851				1 264 656	
Other non-current liabilities	20 339	20 339			4 309		16 030
Trade and other payables	135 424	135 424			135 424		
Other liabilities	279 912	279 912			279 912		0
Bank overdrafts and portions of loans due in less than one year	246 512	252 042				246 512	
Financial liabilities	1 946 843	1 948 568	0	0	419 645	1 511 168	16 030

Note 10 – Off – balance sheet commitments

(In thousands of euros)	June 30, 2015	Dec. 31, 2014
Commitments given		
Assignment and pledge of receivables as collateral (*)		542 529
Pledges, mortgages and sureties		208
Pledges, endorsements and guarantees given	8 954	9 014
Liability guarantees	2 150	2 150
Other commitments given		
Operating leases		
-Future minimum lease payments under not-cancellable operating leases (within one year)	3 406	2 543
-Future minimum lease payments under not-cancellable operating leases (between 1 and 5 years)	11 228	13 957
-Future minimum lease payments under not-cancellable operating leases (after five years)	169 138	164 271
Commitments received		
Pledges, mortages and sureties		
Pledges, endorsements and guarantees received	12 401	12 745
Liability guarantees	69 818	55 133
Other commitments received		

(*) the decrease in commitments given is due to the new refinancing.

Note 11 – Income taxes

The Group recognizes income tax expense for interim periods based on its best estimate of the weighted average annual tax rate expected to apply to total annual earnings. This rate is computed on a country-by-country basis.

Note 12 – Stockholders equity and earnings per share

12.1 Changes in share capital

Number of shares as at December 31, 2014	49 761 041
Number of shares as at June 30, 2015	114 006 167
Number of authorized shares	**114 006 167**
Number of shares issued and fully paid up	**114 006 167**
Number of shares issued and not fully paid up	**-**
Par value of shares	**10,00**
Treasury shares	**60 084**
Shares reserved for issue under options and sales agreements	**-**

On February 10, 2015, prior to the Initial Public Offering, the following operations on the Company's share capital occurred:

- share capital increase for an amount of 19,398 thousands of euros resulting from the exercise of warrants by Quasarelis SAS and Eurazeo (respectively, 14,700 thousands of euros and 4,698 thousands of euros). As of 30 June 2015, there is no more exercable warrants.

- share capital increase for an amount of 16,319 thousands of euros by the issue in exchange of 1 631 863 new shares in remuneration of the contribution in kind granted in favor to Elis in the framework of the merger of the company Quasarelis SAS pursuant to the merger agreement dated 22 December 2014. The merger premium amounts to 4 864 thousands of euros. The share capital increase was followed by a share capital decrease by cancellation of 1 635 406 Elis treasury shares as a consequence of the merger. The difference between Elis shares book value in Quasarelis SAS's financial statements and their nominal value, i.e. the sum of 3 463 thousands of euros was charged on the merger premium which was decreased accordingly.

- share capital increase in cash for an amount of 84 627 thousands of euros by the issuance of 8 462 715 new shares of €10 per value, issued at the price of €13 per share, *i.e* an issue premium of €3 per share, representing an aggregate amount of issue premium of 25 388 thousands of euros. The share capital increase was fully subscribed by the company Legendre Holding 27, which paid the amount of the subscription price by offsetting of the debt held against the Company under the shareholder loan, that was fully incorporated to the share capital.

On February 12, 2015, during the Initial Public Offering, the share capital was increased of an amount of 538 462 thousands of euros by the issue of 53 846 153 new shares of €10 nominal value, each issued at a subscription price of €13, i.e. with an issue premium of €3 per share, representing an aggregate amount of issue premium of 161 538 thousands of euros (before accounting for directly as a deduction from equity of € 9,990 thousand net of related income tax profit).

12.2 Earnings per share

As, at the shareholders' meeting of October 8, 2014, shareholders approved the decrease in the number of ordinary shares (one new share for twenty old shares) as a result of a reverse share split, earnings per share for the prior period have been adjusted retrospectively. The weighted average number of ordinary shares outstanding during the period is disclosed below:

(in thousands of euros)	H1-2015	H1-2014
Net income or loss attributable to owners of the parent	-80 638	-20 378
Weighted average number of shares	98 930 108	49 137 048

Note 13 – Related party disclosures

The main transactions undertaken during the period were with the company Legendre Holding 27:

(In thousands of euros)	Income	Expense	Receivables with related parties	Payables with related parties
Entity with significant influence over the Group				
Legendre Holding 27 (interests)		**(2 482)**		
Legendre Holding 27 (PIK proceed note)		**(8 678)**		

Moreover, as agreed between Elis, Eurazeo and the banks responsible for placing Elis shares within the framework of the the initial public offering, Elis and Eurazeo has respectively covered an amount of € 11.9 million and € 2.6 million.

Note 14 – Subsequent events

No events have occurred since the condensed consolidated interim financial statements were prepared as at June 30, 2015 that are likely to have a material impact on the financial position of the Elis Group except for the events specified on page 33 in note 3 to the condensed consolidated interim financial statements.

In addition, on 15 July 2015, M.A.J. has signed a provisional sales agreement for a real estate located in Puteaux, with a property developer group (selected following a call for tender) for €54 million. This real estate asset is currently the Group's headquarters and an industrial assets/laundry. This transaction is still subject to conditions precedent and, in particular, to the obtaining of building permits. It should be noted, however, that the sale will take place after the move to the new office located at Saint-Cloud (92), France, scheduled at the end of 2016.

6. INFORMATIONS ON SHARE CAPITAL

6.1 Share capital structure

At June 30, 2015, the share capital amounts to €1 140 061 670, divided into 114 006 167 shares with a par value of €10 each.
Each share comes with voting rights, excerpt for the Company's 60 084 treasury shares held as of June 30, 2015.

6.2 Share capital and shareholding structure

The most recent breakdown of the Company's capital is available on the Company website, at http://www.corporate-elis.com.
On the basis of legal declarations establishing an interest of more than 5% of share capital or voting rights, as well as statements of person related to the Group, the shareholding structure is as follows as of June 30, 2015 :

	June 30, 2015		December 31, 2014	
Shareholders	**Number of shares**	**Voting rights**	**Number of shares**	**Voting rights**
Legendre Holding 27 SAS	43 853 538	38.5%	45 928 873	92.30%
Eurazeo SA(*)	3 467 774	3%	2 986 725	6%
Sub total	**47 321 312**	**41.5%**	**48 915 598**	**98.3%**
ECIP Elis SARL(*)	592 849	0.5%	592 849	1.19%
Quasarelis SAS	0	0%	165 432	0.33%
Executives and Emplyees	375 377	0.3%	87162	0.18%
Public	**65 716 629**	**57.6%**	-	-
Total	**114 006 167**	**100%**	**49 761 041**	-

(*) covered shareholders

6.3 Shareholding thresholds crossed

Since January 1st, 2015, the following threshold crossing declaration were made with the French Stock Market Authority (AMF):

- By letter dated Mars 19, 2015, Goldman Sachs disclosed that on March 13, 2015, it has risen above the threshold of 5% of Elis's share capital and voting rights, following the acquisition of 5 701 757 Elis's shares on the Market, and held at this date, 5 701 757 Elis shares representing the same voting rights, i.e. 5 % of the Company's share capital and voting rights;
- By letter dated Mars 19, 2015, Amundi Group disclosed that on March 18, 2015, it had risen above the threshold of 5% of Elis's share capital and voting rights, and held at that date, through its vehicles 5 704 615 Elis shares representing 5 % of the Company's share capital and voting rights;

- By letter dated April 1st, 2015, Amundi Group disclosed that on March 31, 2015, it had fallen below the threshold of 5% of Elis's share capital and voting rights, and held at that date, through its vehicles 5 648 316 Elis shares representing 4.95 % of the Company's share capital and voting rights;
- By letter dated April 7, 2015, Amundi Group disclosed that on April 3, 2015, it had risen above the threshold of 5% of Elis's share capital and voting rights, and held at that date, through its vehicles 5 702 911 Elis shares representing 5.002 % of the Company's share capital and voting rights;
- By letter dated April 10, 2015, Amundi Group disclosed that on April 9, 2015, it had fallen below the threshold of 5% of Elis's share capital and voting rights, and held at that date, through its vehicles 5 660 117 Elis shares representing 4.96 % of the Company's share capital and voting rights;
- By letter dated April 14, 2015, Goldman Sachs Group Inc disclosed that on April 8, 2015, it had fallen below the threshold of 5% of Elis's share capital and voting rights, VIA the company Goldamn Sachs International that it controls, and that it holds no more shares**.**

To the Company's knowlege, as of June 30 2015, no other shareholder other than those listed above held 5% or more of the Company's share capital and voting rights.

6.4 Elis share buyback operations

On June 24, 2015 the ordinary shareholder's meeting renewed, for a period of 18 months the authorization granted by the Combined Shareholders' meeting on October 8, 2014 to trade in the Company's own shares. The description of the share buyback program is available on the Company's website: http://www.corporate-elis.com.

The only use made of the share buyback program during the first half year 2015 was in the framework of the liquidity agreement operated by Kepler Cheuvreux. The half-yearly report relative to the liquidity contract is available on the Group website : http://www.corporate-elis.com

6.5 Authorized share capital but not issued

To enable the Company to call if necessary on the financial markets in the framework of its introduction on the Stock Market, and to aid the Group's development, the shareholders' meetings on October 8, 2014 and February 10, 2015 delegated some of its powers to the Management Board which it also authorized to grant free shares to employees and executives of the Group.

The authorizations and delegations given to the Management Board that may result in the issuance of securities giving access to capital are as follows:

Opérations	Maximum amount In euros	Date of authorization	Expiration	Duration	Use
Allocation of free shares, either already existing or to be issued, to the employees and/or corporate officers of the Group	10 % of the total share of the company at the time of the allocation	8 October 2014	8 December 2017	38 months	April 2015
Increase the share capital by issuing shares and/or any other securities giving access to the capital of the Company, immediately or in the future, with preferential subscription rights of shareholders	500 million	8 October 2014	8 December 2016	26 months	
Increase the share capital by incorporation of reserves, retained earnings or premiums, or others	130 million	8 October 2014	8 December 2016	26 months	
Increase the share capital by issuing shares and/or any other securities giving access to the capital of the Company, immediately or in the future, with cancellation of the preferential subscription rights of shareholders and public offer with an exchange component	50 million	8 October 2014	8 December 2016	26 months	
Authorization to determine freely the issue price of an issue of shares and/or other securities giving immediate access to the share capital, without preferential subscription rights, to set the issue price at up 10% of the share capital	10% of the existing share capital at the time of the transaction by period of 12 months	8 October 2014	8 December 2016	26 months	
Increase of the share capital by issuing shares and/or any other securities giving access to the capital of the Company, immediately or in the future, with cancellation of the preferential subscription rights of shareholders within the framework of an offer as mentioned in the paragraph II of Article L.411-2 II of the French Monetary and Financial Code	5% of the existing share capital at the time of the transaction by period of 12 months	8 October 2014	8 December 2016	26 months	
Increase of share capital by issuing shares and/or other securities giving access, to the capital in consideration for asset contribution granted to the Company	10% of the existing share capital at the time of the issue	8 October 2014	8 December 2016	26 months	
Increase of the number of shares or securities to be issued in the event of a capital increase with or without preferential rights of subscription	15% of the initial issue	8 October 2014	8 December 2016	26 months	
Increase of share capital without preferential rights of subscription and public offer in the framework of the Company Initial Public Offering	600 million	8 October 2014	8 July 2015	9 months	February 2015
Increase of share capital by issuing of shares and/or any other securities giving access to the Company's share capital, reserved to employees, members of a company savings plan	20 millions	10 February 2015	10 April 2017	26 months	

Pursuant to the above authorizations, during the first half-year 2015, the share capital has been increased by an amount of € 538 461 530 in the framework of the Company's initial Public Offering, and 519 974 free performance shares has been granted by the Management Board.

6.6 Instruments giving access to the capital

At June 30 June 2015, there is no potential dilutive instrument.

6.7 Shareholders' agreement

By letters dated March 25, 2015 and March 27, 2015, pursuant to Article L-233-11 of the French commercial Code, Eurazeo and Ecip Elis notified to the Company for filing with the French Stock Market Authority, the entering into of a shareholders' agreement (the "Shareholders' Agreement") in respect of their interest in the Company's share capital in order to determine the conditions of their investment in the Company. The Shareholders' Agreement provides a divestment provision according to which, in the event of sale of all or part of its shares, each party undertakes to sell its shares, at the same time and under the same legal and financial conditions,

In case of partial assignment, the number of shares sold by the parties will be determined in proportion to their respective interests in Elis's share capital

Notwithstanding the foregoing, the Shareholders'Agreement provides that Ecip Elis's shareholders may assign or contribute the interest held by Ecip Elis in the Company' share capital, in favor of their respective shareholders, even if Eurazeo continues to keep its interest in Elis.

The shareholders' agreement is in force since the 23rd of March 2015 and will remain in force as long as the companies Eurazeo and Ecip Elis will hold interests in the Company, being specified that each party have the right to terminate the shareholders agreement subject to a three months written notice before the effective date of the termination.

The Shareholders' Agreement was submitted to the French Stock Market Authority on March 27, 2015, and published by the latter on March 30, 2015 (215C0370 of March 30, 2015 on the AMF website).

The Parties has disclosed that the Shareholders' Agreement does not constitute a joint control as defined in the Article L.233-10 of the French Commercial Code.

To the Company's knowledge, there is no other agreement likely to have a material effect, in case of public offer on the share capital of the Company.

Elis
Société Anonyme (French Public Limited Company) with a Management Board and a Supervisory Board with a share capital of € 1,140,061,670
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